
UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

**Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934**

Date of Report (Date of earliest event reported) July 23, 2009

OCCIDENTAL PETROLEUM CORPORATION

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

1-9210
(Commission
File Number)

95-4035997
(I.R.S. Employer
Identification No.)

10889 Wilshire Boulevard
Los Angeles, California
(Address of principal executive offices)

90024
(ZIP code)

Registrant's telephone number, including area code:
(310) 208-8800

Check the appropriate box below if the Form 8-K is intended to simultaneously satisfy the filing obligation of the Registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Section 2 – Financial Information

Item 2.02. Results of Operations and Financial Condition

On July 23, 2009, Occidental Petroleum Corporation released information regarding its results of operations for the three and six months ended June 30, 2009. The exhibits to this Form 8-K and the information set forth in this Item 2.02 are being furnished pursuant to Item 2.02, Results of Operations and Financial Condition. The full text of the press release is attached to this report as Exhibit 99.1. The full text of the speeches given by Dr. Ray R. Irani and Stephen I. Chazen are attached to this report as Exhibit 99.2. Investor Relations Supplemental Schedules are attached to this report as Exhibit 99.3. Earnings Conference Call Slides are attached to this report as Exhibit 99.4. Forward-Looking Statements Disclosure for Earnings Release Presentation Materials are attached to this report as Exhibit 99.5.

Section 9 – Financial Statements and Exhibits

Item 9.01. Financial Statements and Exhibits

(d) Exhibits

- 99.1 Press release dated July 23, 2009.
- 99.2 Full text of speeches given by Dr. Ray R. Irani and Stephen I. Chazen.
- 99.3 Investor Relations Supplemental Schedules.
- 99.4 Earnings Conference Call Slides.
- 99.5 Forward-Looking Statements Disclosure for Earnings Release Presentation Materials.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

OCCIDENTAL PETROLEUM CORPORATION
(Registrant)

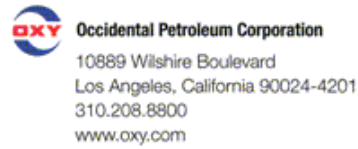
DATE: July 23, 2009

/s/ ROY PINECI

Roy Pineci, Vice President, Controller
and Principal Accounting Officer

EXHIBIT INDEX

- 99.1 Press release dated July 23, 2009.
- 99.2 Full text of speeches given by Dr. Ray R. Irani and Stephen I. Chazen.
- 99.3 Investor Relations Supplemental Schedules.
- 99.4 Earnings Conference Call Slides.
- 99.5 Forward-Looking Statements Disclosure for Earnings Release Presentation Materials.



For Immediate Release: July 23, 2009

Occidental Petroleum Announces Net Income for Second Quarter and First Six Months of 2009

LOS ANGELES, July 23, 2009 - -- Occidental Petroleum Corporation (NYSE: OXY) announced net income of \$682 million (\$0.84 per diluted share) for the second quarter of 2009, compared with \$2.3 billion (\$2.78 per diluted share) for the second quarter of 2008.

In announcing the results, Dr. Ray R. Irani, Chairman and Chief Executive Officer, said, "Occidental achieved year-over-year production growth of 10 percent in the second quarter and nearly nine percent in the six months of 2009. Our discovery in Kern County, California which was announced yesterday should also contribute to our future growth."

QUARTERLY RESULTS

Oil and Gas

Oil and gas segment earnings were \$1.1 billion for the second quarter of 2009, compared with \$3.8 billion for the same period in 2008. The decrease in the second quarter 2009 segment earnings reflected lower crude oil and natural gas prices and higher DD&A rates, partially offset by higher oil and gas sales volumes and lower operating expenses.

For the second quarter of 2009, daily oil and gas sales volumes averaged 649,000 barrels of oil equivalent (BOE), compared with 588,000 BOE sold in the second quarter of 2008. Volumes increased by approximately 3 percent domestically, mainly from California and Midcontinent/Rockies, by about 37 percent in Latin America mostly in Argentina, and by 16 percent in the Middle East/North Africa largely in Oman and Dolphin. California volumes included increases in Long Beach resulting from economic arrangements similar to a production sharing contract and production from new exploration wells in Elk Hills.

Oxy's realized price for worldwide crude oil was \$52.97 per barrel for the second quarter of 2009, compared with \$110.12 per barrel for the second quarter of 2008. Domestic realized gas prices decreased from \$9.99 per MCF in the second quarter of 2008 to \$2.87 per MCF for the second quarter of 2009.

Chemicals

Chemical segment earnings for the second quarter 2009 were \$115 million, compared with \$144 million for the same period in 2008. The second quarter of 2009 results reflect the continued weakness in the U.S. housing, automotive and durable goods sectors resulting in lower volumes for chlorine, caustic soda and polyvinyl chloride. The lower volumes were partially offset by lower feedstock and energy costs.

Midstream, Marketing and Other

Midstream segment earnings were \$63 million for the second quarter of 2009, compared with \$161 million for the second quarter of 2008. The second quarter of 2009 earnings reflect lower margins in the gas processing, marketing, and power generation businesses.

SIX MONTH RESULTS

Net income for the six months of 2009 was \$1.1 billion (\$1.29 per diluted share), compared with \$4.1 billion (\$5.00 per diluted share) for the six months of 2008.

Core results were \$1.1 billion (\$1.34 per diluted share) for the six months of 2009, compared with \$4.1 billion (\$4.97 per diluted share) for the six months of 2008.

Oil and Gas

Oil and gas segment earnings were \$1.6 billion for the six months of 2009, compared with \$6.7 billion for the same period of 2008. The decrease in segment earnings reflected lower crude oil and natural gas prices and higher DD&A rates, partially offset by increased sales volumes and lower operating and administrative costs.

Daily oil and gas sales volumes for the first six months was 651,000 BOE for 2009, compared with 598,000 BOE per day for the same 2008 period. Volumes increased by approximately 4 percent

domestically mainly from California and Midcontinent/Rockies, by about 26 percent in Latin America mostly in Argentina, and by 11 percent in the Middle East/North Africa largely due to Oman and Dolphin. Higher volumes in domestic assets included production from new exploration wells in California.

Oxy's worldwide crude oil realized price was \$46.05 per barrel for the six months of 2009, compared with \$98.16 per barrel for the six months of 2008. Domestic realized gas prices decreased from \$9.09 per MCF in the six months of 2008 to \$3.20 per MCF in the six months of 2009.

Chemicals

Chemical segment earnings for the six months of 2009 were \$284 million, compared with \$323 million for the same period of 2008. The 2009 six month results reflect lower volumes for chlorine, caustic soda and polyvinyl chloride due to the economic slowdown, partially offset by lower feedstock and energy costs.

Midstream, Marketing and Other

Midstream segment earnings were \$77 million for the six months of 2009, compared with \$284 million for the same period in 2008. The earnings decline in 2009 reflects lower margins in the gas processing, power generation, and marketing businesses.

About Oxy

Occidental Petroleum Corporation is an international oil and gas exploration and production company with operations in the United States, Middle East/North Africa and Latin America regions. Oxy is the fourth largest U.S. oil and gas company, based on equity market capitalization. Oxy's wholly owned subsidiary, OxyChem, manufactures and markets chlor-alkali products and vinyls. Occidental is committed to safeguarding the environment, protecting the safety and health of employees and neighboring communities and upholding high standards of social responsibility in all of the company's worldwide operations.

Forward-Looking Statements

Statements in this release that contain words such as "will," "should," "expect," or "estimate," or otherwise relate to the future, are forward-looking and involve risks and uncertainties that could significantly affect expected results.

Factors that could cause actual results to differ materially include, but are not limited to: global commodity price fluctuations and supply/demand considerations for oil, gas and chemicals; exploration risks, such as drilling of unsuccessful wells; not successfully completing (or any material delay in) any expansions, field development, capital projects, acquisitions, or dispositions; higher-than-expected costs; political risk; operational interruptions and changes in tax rates. You should not place undue reliance on these forward-looking statements which speak only as of the date of this release. Unless legally required, Occidental does not undertake any obligation to update any forward-looking statements as a result of new information, future events or otherwise. U.S. investors are urged to consider carefully the disclosures in our Form 10-K, available through the following toll-free telephone number, 1-888-OXYPETE (1-888-699-7383) or on the Internet at <http://www.oxy.com>. You also can obtain a copy from the SEC by calling 1-800-SEC-0330.

-0-

Contacts: Richard S. Kline (media)
richard_kline@oxy.com
310-443-6249

Chris Stavros (investors)
chris_stavros@oxy.com
212-603-8184

For further analysis of Occidental's quarterly performance, please visit the web site:
www.oxy.com

SUMMARY OF SEGMENT NET SALES AND EARNINGS

(Millions, except per-share amounts)	Second Quarter		Six Months	
	2009	2008	2009	2008
SEGMENT NET SALES				
Oil and Gas	\$ 2,726	\$ 5,501	\$ 4,863	\$ 10,019
Chemical	811	1,386	1,603	2,653
Midstream, Marketing and Other	250	418	478	823
Eliminations	(100)	(189)	(184)	(359)
Net sales	<u>\$ 3,687</u>	<u>\$ 7,116</u>	<u>\$ 6,760</u>	<u>\$ 13,136</u>
SEGMENT EARNINGS				
Oil and Gas (a), (b)	\$ 1,083	\$ 3,806	\$ 1,628	\$ 6,694
Chemical	115	144	284	323
Midstream, Marketing and Other	63	161	77	284
	<u>1,261</u>	<u>4,111</u>	<u>1,989</u>	<u>7,301</u>
Unallocated Corporate Items				
Interest expense, net	(23)	(7)	(43)	(7)
Income taxes	(455)	(1,671)	(696)	(2,965)
Other (c)	(99)	(133)	(195)	(210)
Income from Continuing Operations (a)	684	2,300	1,055	4,119
Discontinued operations, net	(2)	(3)	(5)	24
NET INCOME (a)	<u>\$ 682</u>	<u>\$ 2,297</u>	<u>\$ 1,050</u>	<u>\$ 4,143</u>
BASIC EARNINGS PER COMMON SHARE				
Income from continuing operations	\$ 0.84	\$ 2.79	\$ 1.30	\$ 5.00
Discontinued operations, net	—	—	(0.01)	0.03
	<u>\$ 0.84</u>	<u>\$ 2.79</u>	<u>\$ 1.29</u>	<u>\$ 5.03</u>
DILUTED EARNINGS PER COMMON SHARE (d)				
Income from continuing operations	\$ 0.84	\$ 2.78	\$ 1.30	\$ 4.97
Discontinued operations, net	—	—	(0.01)	0.03
	<u>\$ 0.84</u>	<u>\$ 2.78</u>	<u>\$ 1.29</u>	<u>\$ 5.00</u>
AVERAGE BASIC COMMON SHARES OUTSTANDING (d)				
BASIC	811.0	821.3	810.8	822.5
DILUTED	<u>814.0</u>	<u>825.2</u>	<u>813.7</u>	<u>826.6</u>

See footnotes on following page.

- (a) **Net Income** - Net income and income from continuing operations represent amounts attributable to Common Stock, after deducting non-controlling interest of \$12 million and \$37 million for the second quarter and \$21 million and \$66 million for the six months ended June 30, 2009 and 2008, respectively. Oil and gas segment earnings are also presented net of these non-controlling interest amounts.
- (b) **Oil and Gas** - The six months of 2009 includes an \$8 million pre-tax charge for rig contract termination costs.
- (c) **Unallocated Corporate Items - Other** - The second quarter of 2009 includes a pre-tax charge of \$8 million related to severance. The first six months of 2009 includes additional pre-tax charges of \$32 million for severance and \$15 million for railcar leases.
- (d) **Earnings Per Share** - The 2008 earnings per share amounts reflect the adoption on January 1, 2009 of FSP NO. EITF 03-06-1 dealing with participating securities.

SUMMARY OF CAPITAL EXPENDITURES AND DD&A EXPENSE

(\$ millions)	Second Quarter		Six Months	
	2009	2008	2009	2008
CAPITAL EXPENDITURES	\$ 831	\$ 1,038	\$ 1,902	\$ 1,871
DEPRECIATION, DEPLETION AND AMORTIZATION OF ASSETS	\$ 742	\$ 621	\$ 1,528	\$ 1,274

ITEMS AFFECTING COMPARABILITY OF CORE EARNINGS BETWEEN PERIODS

Income/(Expense) (\$ millions)	Second Quarter		Six Months	
	2009	2008	2009	2008
Foreign exchange gains and (losses)*	\$ (6)	\$ (4)	\$ 31	\$ (5)

*Amounts shown after tax.

SUMMARY OF OPERATING STATISTICS

	Second Quarter		Six Months	
	2009	2008	2009	2008
NET OIL, GAS AND LIQUIDS				
SALES PER DAY				
United States				
Crude Oil and Liquids (MBBL)				
California	90	84	93	86
Permian	167	169	168	170
Midcontinent/Rockies	10	5	10	4
Total	267	258	271	260
Natural Gas (MMCF)				
California	232	238	224	241
Permian	197	190	196	184
Midcontinent/Rockies	192	174	201	166
Total	621	602	621	591
Latin America				
Crude Oil (MBBL)				
Argentina	37	22	41	29
Colombia	48	43	47	43
Total	85	65	88	72
Natural Gas (MMCF)				
Argentina	30	14	32	18
Bolivia	19	21	17	21
Total	49	35	49	39
Middle East/North Africa				
Crude Oil and Liquids (MBBL)				
Oman	38	21	36	20
Dolphin	25	19	23	20
Qatar	50	45	49	46
Yemen	23	20	27	23
Libya	8	27	7	23
Total	144	132	142	132
Natural Gas (MMCF)				
Oman	23	25	23	23
Dolphin	242	163	224	182
Total	265	188	247	205
Barrels of Oil Equivalent (MBOE)				
Subtotal consolidated subsidiaries	652	593	654	603
Colombia-minority interest	(6)	(7)	(6)	(7)
Yemen-Occidental net interest	3	2	3	2
Total Worldwide Sales Volumes - MBOE	649	588	651	598

SUMMARY OF OPERATING STATISTICS - PRODUCTION

	Second Quarter		Six Months	
	2009	2008	2009	2008
NET OIL, GAS AND LIQUIDS				
PRODUCTION PER DAY				
United States				
Crude Oil and Liquids (MBBL)	267	258	271	260
Natural Gas (MMCF)	621	602	621	591
Latin America				
Crude Oil (MBBL)				
Argentina	38	24	38	30
Colombia	47	43	47	42
Total	85	67	85	72
Natural Gas (MMCF)	49	35	49	39
Middle East/North Africa				
Crude Oil and Liquids (MBBL)				
Oman	38	21	36	20
Dolphin	25	19	23	20
Qatar	46	48	49	47
Yemen	26	20	27	23
Libya	7	20	8	21
Total	142	128	143	131
Natural Gas (MMCF)	265	188	247	205
Barrels of Oil Equivalent (MBOE)				
Subtotal consolidated subsidiaries	650	590	652	602
Colombia-minority interest	(6)	(6)	(6)	(6)
Yemen-Occidental net interest	3	2	3	2
Total Worldwide Production Volumes - MBOE	647	586	649	598

SIGNIFICANT TRANSACTIONS AND EVENTS AFFECTING EARNINGS

Occidental's results of operations often include the effects of significant transactions and events affecting earnings that vary widely and unpredictably in nature, timing and amount. Therefore, management uses a measure called "core results," which excludes those items. This non-GAAP measure is not meant to disassociate those items from management's performance, but rather is meant to provide useful information to investors interested in comparing Occidental's earnings performance between periods. Reported earnings are considered representative of management's performance over the long term. Core results is not considered to be an alternative to operating income in accordance with generally accepted accounting principles.

SIGNIFICANT TRANSACTIONS AND EVENTS AFFECTING EARNINGS

(\$ millions, except per-share amounts)				Second Quarter
	2009	Diluted EPS	2008	Diluted EPS
TOTAL REPORTED EARNINGS*	\$ 682	\$ 0.84	\$ 2,297	\$ 2.78
Oil and Gas*				
Segment Earnings	\$ 1,083		\$ 3,806	
Add:				
No significant items affecting earnings	—		—	
Segment Core Results	<u>1,083</u>		<u>3,806</u>	
Chemicals				
Segment Earnings	115		144	
Add:				
No significant items affecting earnings	—		—	
Segment Core Results	<u>115</u>		<u>144</u>	
Midstream, marketing and other				
Segment Earnings	63		161	
Add:				
No significant items affecting earnings	—		—	
Segment Core Results	<u>63</u>		<u>161</u>	
Total Segment Core Results	<u>1,261</u>		<u>4,111</u>	
Corporate				
Corporate Results — Non Segment**	(579)		(1,814)	
Add:				
Severance accrual	8		—	
Tax effect of pre-tax adjustments	(3)		—	
Discontinued operations, net***	2		3	
Corporate Core Results — Non Segment	<u>(572)</u>		<u>(1,811)</u>	
TOTAL CORE RESULTS	\$ 689	\$ 0.85	\$ 2,300	\$ 2.78

*Represents amounts attributable to common stock, after deducting non-controlling interest of \$12 million and \$37 million for the second quarter 2009 and 2008, respectively.

**Net interest expense, income taxes, G&A expense and other.

***Amounts shown after tax.

SIGNIFICANT TRANSACTIONS AND EVENTS AFFECTING EARNINGS (continued)

(\$ millions, except per-share amounts)			Six Months	
	2009	Diluted EPS	2008	Diluted EPS
TOTAL REPORTED EARNINGS*	<u>\$ 1,050</u>	<u>\$ 1.29</u>	<u>\$ 4,143</u>	<u>\$ 5.00</u>
Oil and Gas*				
Segment Earnings	\$ 1,628		\$ 6,694	
Add:				
Rig terminations	8		—	
Segment Core Results	<u>1,636</u>		<u>6,694</u>	
Chemicals				
Segment Earnings	284		323	
Add:				
No significant items affecting earnings	—		—	
Segment Core Results	<u>284</u>		<u>323</u>	
Midstream, marketing and other				
Segment Earnings	77		284	
Add:				
No significant items affecting earnings	—		—	
Segment Core Results	<u>77</u>		<u>284</u>	
Total Segment Core Results	<u>1,997</u>		<u>7,301</u>	
Corporate				
Corporate Results — Non Segment**	(939)		(3,158)	
Add:				
Severance accruals	40		—	
Railcar leases	15		—	
Tax effect of pre-tax adjustments	(22)		—	
Discontinued operations, net***	5		(24)	
Corporate Core Results — Non Segment	<u>(901)</u>		<u>(3,182)</u>	
TOTAL CORE RESULTS	<u>\$ 1,096</u>	<u>\$ 1.34</u>	<u>\$ 4,119</u>	<u>\$ 4.97</u>

*Represents amounts attributable to common stock, after deducting non-controlling interest of \$21 million and \$66 million for the six months 2009 and 2008, respectively.

**Net interest expense, income taxes, G&A expense and other.

***Amounts shown after tax.

**Occidental Petroleum Corporation
DR. RAY R. IRANI
Chairman and Chief Executive Officer**

**– Conference Call –
Second Quarter 2009 Earnings Announcement**

July 23, 2009
Los Angeles, California

Thank you, Chris, and good morning ladies and gentlemen. Thank you for joining us today.

After yesterday's market close, we announced a significant discovery of oil and gas reserves in Kern County, California. We believe it to be the largest new oil and gas discovery made in the state in more than 35 years.

This new field discovery, within the outlined area of the six wells we have drilled to date, contains 150 million to 250 million gross barrels equivalent of oil and gas reserves. We believe it is probable that there are additional reserves outside the outlined area. Mr. Steve Chazen will give you more details about this exciting program later on.

It is also possible that there are similar accumulations elsewhere in Oxy's 1.1 million-acre net leasehold and fee mineral holdings in California.

Let me share with you how we got to our current exciting and rewarding position.

Oxy has been a California oil and gas producer for more than 50 years. Our most significant expansion was in 1998, with our acquisition of the Elk Hills field from the U.S. government.

When Elk Hills was acquired by Oxy in 1998 it had approximately 425 million BOE of proved reserves. Since then, it has produced more than 364 million BOE. Yet – as a result of the technology applied by Oxy over the past

11 years –we have actually been able to increase its proved reserves to more than 491 million BOE today. The total production and proved reserves since Oxy acquired the Elk Hills field is approaching one billion BOE.

In the years immediately following the Elk Hills acquisition, we purchased THUMS, our operation in Long Beach Harbor, followed by our acquisition of a number of additional California properties. Those include oil and gas assets from Vintage Petroleum, Plains, Tidelands in Long Beach near THUMS, as well as other properties.

Oxy's current combined California assets include more than 7,500 active wells located in 90 fields spanning 600 miles. They are currently producing approximately 130,000 BOE per day, 71 percent of which is oil, and at year-end 2008 had approximately 708 million BOE of proved reserves. California represents approximately 20 percent of Oxy's worldwide production.

Oxy is currently the third-largest oil producer in California and the largest natural gas producer. We see additional potential in our California holdings by our applying current technologies and the newest thinking to exploration and production. We have invested in California exploration accordingly, and we expect this activity to continue for the next five to ten years.

Oxy's California and U.S. exploration and production program is part of an overall effort to build a pipeline of growth projects in keeping with our long-term strategy for increasing stockholder value. In addition, we continue to grow in our other core regions.

Oxy's presence and production in the Middle East – currently producing approximately 186,000 BOE per day or 29 percent of our total production – continues to expand.

In recent months we have signed new agreements in Bahrain, Abu Dhabi and Oman, where we have an agreement to develop four gas fields in a newly formed contract area. First production at those assets is expected in the near future.

Also in Oman, production at the Mukhaizna oil field, where we have a large-scale steam flood project, is meeting its targets and growing. We are on pace to achieve an exit rate of 80,000 barrels per day at the close of 2009.

I'll now turn the call over to Steve Chazen to give you our second quarter financial results and other details.

###

Occidental Petroleum Corporation

STEPHEN CHAZEN
President and Chief Financial Officer

– Conference Call –
Second Quarter 2009 Earnings Announcement

July 23, 2009
Los Angeles, California

Thank you Ray.

Net income was \$682 million in the second quarter of 2009, compared to \$2.3 billion in the second quarter of 2008.

Here's the segment breakdown for the **second quarter**.

Oil and gas second quarter 2009 segment earnings were \$1.1 billion, compared to \$3.8 billion for the second quarter of 2008.

- The \$2.7 billion decrease in the second quarter of 2009 earnings was due to lower crude oil and natural gas prices and higher DD&A rates; partially offset by higher sales volumes and lower operating expenses. Occidental's average realized crude oil price in the 2009 second quarter was \$52.97 per barrel, a decrease of 52 percent from the \$110.12 per barrel in the comparable period of 2008. Oxy's domestic average realized gas price for the quarter was \$2.87 per mcf, compared with \$9.99 per mcf for the second quarter of 2008.

- Worldwide oil and gas sales volumes for the second quarter of 2009 were 649,000 barrels of oil equivalent per day, an increase of 10 percent, compared with 588,000 BOE per day in the second quarter of last year. The increase includes 20,000 BOE per day from Dolphin, 18,000 BOE per day from Argentina, 17,000 BOE per day from Oman and 12,000 BOE per day from domestic operations; partially offset by 19,000 BOE per day from Libya.
 - o The Argentina increase includes 8,000 BOE per day from new production coming on line and the effect of a 15,000 BOE per day production loss due to a strike in the second quarter of 2008, partially offset by a 5,000 BOE per day loss from a strike in June 2009.
 - o Dolphin's increase reflects higher cost recovery volumes in the second quarter of 2009 resulting from a catch-up of unrecovered volumes from the first quarter of 2009.
 - o Substantially all of the domestic volume increase in the Midcontinent/Rockies and Permian was attributable to 2008 acquisitions. California production increased as a result of new wells. Compared to the first quarter of 2009, Long Beach production decreased by 6,000 BOE per day due to its contract that is similar to a production sharing agreement.
 - o The Middle East/North Africa included higher production in Oman and Dolphin and higher production sharing volumes compared to last year's second quarter. Compared to the first quarter of 2009, production sharing volumes decreased by 14,000 BOE per day.

- Exploration expense was \$54 million in the quarter, in line with our guidance of \$60 million.

Oil and gas cash production costs, excluding production and property taxes, were \$10.32 a barrel for the first six months of 2009, a 15 percent decline from last year's twelve-month costs of \$12.13 a barrel. In the second quarter of 2009, Oil & Gas cash production costs declined to \$10.17 per BOE, compared to the first quarter of 2009 run rate of \$10.48 per BOE. These declines are due to lower workover, maintenance and utilities costs and for the change from prior year, the effect of higher production sharing volumes. The lower costs reflect our continued cost reduction efforts.

Taxes – other than on income were \$1.76 per barrel for the first six months of 2009 compared to \$2.62 per barrel for all of 2008. These costs, which are sensitive to product prices, reflect lower crude oil and gas prices in the first half of 2009. In the second quarter of 2009 these taxes increased to \$1.82 per BOE, compared to the first quarter of 2009 rate of \$1.71 per BOE, due to higher crude oil prices.

Chemical segment earnings for the second quarter of 2009 were \$115 million, compared to our guidance of \$100 million. The higher earnings were attributable primarily to higher than expected chlorine pricing. Chemicals earned \$144 million in last year's second quarter.

Midstream segment earnings for the second quarter of 2009 were \$63 million, compared to \$161 million in the second quarter of 2008. The decline in earnings was due to lower NGL realized prices in the gas processing business, lower earnings in crude oil marketing and reduced margins in the power generation business.

The worldwide effective tax rate was 40 percent for the second quarter of 2009, compared with our guidance of 43 percent. The decrease in rate reflects a higher proportion of expected total year domestic source pre-tax income.

Let me now turn to Occidental's performance during the **first six months**.

Net income was \$1.1 billion for the first six months of 2009, compared with \$4.1 billion for the first six months of 2008.

Capital spending for the second quarter of 2009 was \$831 million and \$1.9 billion for the first six months. We currently anticipate total year 2009 capital spending to be at \$3.6 billion. The \$100 million increase from our last estimate is mostly allocated to foreign Oil & Gas locations.

Cash flow from operations for the six months of 2009 was \$2.2 billion. We used \$2.4 billion of the company's cash flow to fund capital expenditures, acquisitions and signing bonus payments in Libya and Oman and \$520 million to pay dividends. In the second quarter we issued \$750 million of 4.125% senior notes due in 2016, with net proceeds from the offering of \$740 million. The cash balance at June 30 was \$1.8 billion.

The weighted average basic shares outstanding for the six months were 810.8 million and the weighted average diluted shares outstanding were 813.7 million.

As we look ahead in the **current quarter**:

- We expect oil and gas sales volumes to be similar to second quarter levels, at about current oil prices. The third quarter production is expected to reflect decreases from Midcontinent/Rockies due to natural declines and Dolphin due to its production sharing contract, offset by increases in California, Argentina and Oman.

With regard to **prices** - -

- At current market prices, a \$1.00 per barrel change in oil prices impacts oil and gas quarterly earnings before income taxes by about \$39 million. The average second quarter WTI oil price was \$59.62.
- A swing of 50-cents per million BTUs in domestic gas prices has a \$20 million impact on quarterly earnings before income taxes. While current NYMEX gas price is around \$3.70, prices in California are currently about \$3.50, in the Permian about \$3.30, and the Rockies gas is in the \$3.00 range.

Additionally -

- We expect exploration expense to be about \$50 million for seismic and drilling for our exploration programs.
- For the chemical segment, the second half of the year looks exceptionally weak. The weakness in caustic soda is not being offset by chlorine price increases, resulting in declines in margins. The fourth quarter is traditionally the weakest for this business and we currently expect it to be about break even. We expect the third quarter chemical earnings to fall at least 50 percent from the second quarter level.
- We expect our combined worldwide tax rate in the third quarter of 2009 to be in the range of 40 to 42 percent depending on the split between domestic and foreign sourced income. Our second quarter U. S. and foreign tax rates are included in the “Investor Relations Supplemental Schedule.”
- **California Exploration** – Excluding the Kern County discovery discussed in yesterday's press release, over the course of little over a year, we have drilled 34 exploration wells seeking non-traditional hydrocarbon bearing zones in California. Of these wells, 9 are

commercial and 16 are currently being evaluated. We expect to drill an additional 8 exploration wells in 2009. Occidental holds 1.1 million acres of net fee minerals and leasehold in California, which have been acquired in the last few years to exploit these opportunities. Discoveries similar to the Kern County discovery are possible in this net acre position. Additionally, we continue to pursue shale production which is expected to produce oil on this acreage.

- As we announced yesterday, we made a significant conventional (i.e. non-shale-without stimulation) discovery in Kern County, California. We believe there are between 150 million and 250 million gross BOE reserves within the small producing area delineated by the six wells drilled to date. The discovery area's multiple producing zones, whose areal geological extent is still being defined, consists of both conventional oil and conventional gas bearing zones. It is probable that there are additional reserves outside the currently defined area as the field limits have not yet been seen. This is a classic oil and gas field with large pay zones with high permeabilities. It is most similar to a deep water discovery and bears no relationship at all to so called resource plays.
- In the Kern County discovery area, we are currently producing from six wells approximately 74 million cubic feet of gas and 5,000 barrels of liquids per day, which is more than double the daily BOE production we disclosed last quarter. All of this production comes from conventional zones. While there will be oil production from shale zones in this area, the bulk of the future production will come from conventional wells. During 2009, we expect to drill an additional 17 wells. The wells in this area cost about \$3.5 to \$4.0

million to drill and complete and have payout periods of less than six months. The combined finding, development and lifting costs are expected to be significantly less than \$10 per BOE. We will also need to expand our 400 million cubic feet per day gas processing plant in Elk Hills to accommodate the expected production from this Kern County discovery. Our overall working and revenue interest in this discovery is about 80%.

- No additional details will be provided at this time. We expect to update the production information next quarter.
- Copies of the press release announcing our second quarter earnings and the Investor Relations Supplemental Schedules are available on our website at www.oxy.com or through the SEC's EDGAR system.

Now we're ready to take your questions.



**Investor Relations Supplemental Schedules
Summary
(\$ Millions)**

	<u>2Q 2009</u>	<u>2Q 2008</u>
Reported Net Income	\$682	\$2,297
EPS - Diluted	\$0.84	\$2.78
Core Results	\$689	\$2,300
EPS - Diluted	\$0.85	\$2.78
Total Worldwide Sales Volumes (mboe/day)	649	588
Total Worldwide Crude Oil Realizations (\$/BBL)	\$52.97	\$110.12
Domestic Natural Gas Realizations (\$/MCF)	\$2.87	\$9.99
Wtd. Average Basic Shares O/S (mm)	811.0	821.3
Wtd. Average Diluted Shares O/S (mm)	814.0	825.2
Shares Outstanding (mm)	810.8	817.1
	<u>YTD 2009</u>	<u>YTD 2008</u>
Reported Net Income	\$1,050	\$4,143
EPS - Diluted	\$1.29	\$5.00
Core Results	\$1,096	\$4,119
EPS - Diluted	\$1.34	\$4.97
Total Worldwide Sales Volumes (mboe/day)	651	598
Total Worldwide Crude Oil Realizations (\$/BBL)	\$46.05	\$98.16
Domestic Natural Gas Realizations (\$/MCF)	\$3.20	\$9.09
Wtd. Average Basic Shares O/S (mm)	810.8	822.5
Wtd. Average Diluted Shares O/S (mm)	813.7	826.6
Cash Flow from Operations	2,200	5,000



OCCIDENTAL PETROLEUM
2009 Second Quarter
Net Income (Loss)
(\$ millions)

	Reported Income	Significant Items Affecting Income	Core Results
Oil & Gas	\$ 1,083		\$ 1,083
Chemical	115		115
Midstream, marketing and other	63		63
Corporate			
Interest expense, net	(23)		(23)
Other	(99)	8 Severance	(91)
Taxes	(455)	(3) Tax effect of adjustments	(458)
Income from continuing operations	684	5	689
Discontinued operations, net of tax	(2)	2 Discontinued operations, net	—
Net Income	\$ 682	\$ 7	\$ 689
Basic Earnings Per Common Share			
Income from continuing operations	\$ 0.84		
Discontinued operations, net	—		
Net Income	<u>\$ 0.84</u>		<u>\$ 0.85</u>
Diluted Earnings Per Common Share			
Income from continuing operations	\$ 0.84		
Discontinued operations, net	—		
Net Income	<u>\$ 0.84</u>		<u>\$ 0.85</u>



OCCIDENTAL PETROLEUM
2008 Second Quarter
Net Income (Loss)
(\$ millions)

	Reported Income	Significant Items Affecting Income	Core Results
Oil & Gas	\$ 3,806		\$ 3,806
Chemical	144		144
Midstream, marketing and other	161		161
Corporate			
Interest expense, net	(7)		(7)
Other	(133)		(133)
Taxes	(1,671)		(1,671)
Income from continuing operations	2,300	—	2,300
Discontinued operations, net of tax	(3)	3	Discontinued operations, net
Net Income	\$ 2,297	\$ 3	\$ 2,300
Basic Earnings Per Common Share			
Income from continuing operations	\$ 2.79		
Discontinued operations, net	—		
Net Income	\$ 2.79		\$ 2.80
Diluted Earnings Per Common Share			
Income from continuing operations	\$ 2.78		
Discontinued operations, net	—		
Net Income	\$ 2.78		\$ 2.78



OCCIDENTAL PETROLEUM
2009 First Six Months
Net Income (Loss)
(\$ millions)

	Reported Income	Significant Items Affecting Income	Core Results
Oil & Gas	\$ 1,628	\$ 8 Rig terminations	\$ 1,636
Chemical	284		284
Midstream, marketing and other	77		77
Corporate			
Interest expense, net	(43)		(43)
Other	(195)	40 Severance 15 Railcar leases	(140)
Taxes	(696)	(22) Tax effect of adjustments	(718)
Income from continuing operations	1,055	41	1,096
Discontinued operations, net of tax	(5)	5 Discontinued operations, net	—
Net Income	\$ 1,050	\$ 46	\$ 1,096
Basic Earnings Per Common Share			
Income from continuing operations	\$ 1.30		
Discontinued operations, net	(0.01)		
Net Income	\$ 1.29		\$ 1.35
Diluted Earnings Per Common Share			
Income from continuing operations	\$ 1.30		
Discontinued operations, net	(0.01)		
Net Income	\$ 1.29		\$ 1.34



OCCIDENTAL PETROLEUM
2008 First Six Months
Net Income (Loss)
(\$ millions)

	Reported Income	Significant Items Affecting Income	Core Results
Oil & Gas	\$ 6,694		\$ 6,694
Chemical	323		323
Midstream, marketing and other	284		284
Corporate			
Interest expense, net	(7)		(7)
Other	(210)		(210)
Taxes	(2,965)		(2,965)
Income from continuing operations	4,119	—	4,119
Discontinued operations, net of tax	24	(24) Discontinued operations, net	—
Net Income	\$ 4,143	\$ (24)	\$ 4,119
Basic Earnings Per Common Share			
Income from continuing operations	\$ 5.00		
Discontinued operations, net	0.03		
Net Income	<u>\$ 5.03</u>		<u>\$ 5.00</u>
Diluted Earnings Per Common Share			
Income from continuing operations	\$ 4.97		
Discontinued operations, net	0.03		
Net Income	<u>\$ 5.00</u>		<u>\$ 4.97</u>



OCCIDENTAL PETROLEUM
Items Affecting Comparability of Core Results Between Periods

The item(s) below are included in core results and are shown in this table because they affect the comparability between periods.

Pre-tax Income / (Expense)	Second Quarter		Six Months	
	2009	2008	2009	2008
Corporate				
Foreign Exchange Gains & (Losses)	(6)	(4)	31	(5)



OCCIDENTAL PETROLEUM
Worldwide Effective Tax Rate

	QUARTERLY			YEAR-TO-DATE	
	2009 QTR 2	2009 QTR 1	2008 QTR 2	2009 6 Months	2008 6 Months
REPORTED INCOME					
Oil & Gas (a)	1,083	545	3,806	1,628	6,694
Chemicals	115	169	144	284	323
Midstream, marketing and other	63	14	161	77	284
Corporate & other	(122)	(116)	(140)	(238)	(217)
Pre-tax income	1,139	612	3,971	1,751	7,084
Income tax expense					
Federal and state	148	12	801	160	1,407
Foreign (a)	307	229	870	536	1,558
Total	455	241	1,671	696	2,965
Income from continuing operations	684	371	2,300	1,055	4,119
Worldwide effective tax rate	40%	39%	42%	40%	42%
CORE RESULTS					
Oil & Gas (a)	1,083	553	3,806	1,636	6,694
Chemicals	115	169	144	284	323
Midstream, marketing and other	63	14	161	77	284
Corporate & other	(114)	(69)	(140)	(183)	(217)
Pre-tax income	1,147	667	3,971	1,814	7,084
Income tax expense					
Federal and state	151	31	801	182	1,407
Foreign (a)	307	229	870	536	1,558
Total	458	260	1,671	718	2,965
Core results	689	407	2,300	1,096	4,119
Worldwide effective tax rate	40%	39%	42%	40%	42%

(a) Revenues and income tax expense include taxes owed by Occidental but paid by governmental entities on its behalf. Oil and gas pre-tax income includes the following revenue amounts by periods.

2009 QTR 2	2009 QTR 1	2008 QTR 2	2009 6 Months	2008 6 Months
287	202	582	489	1,070

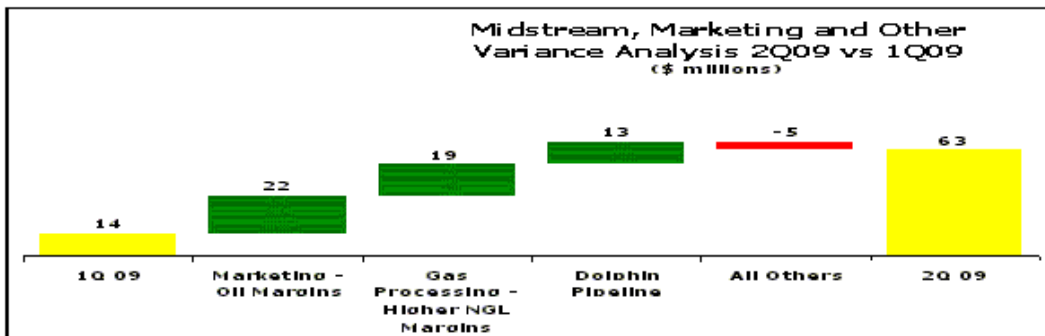
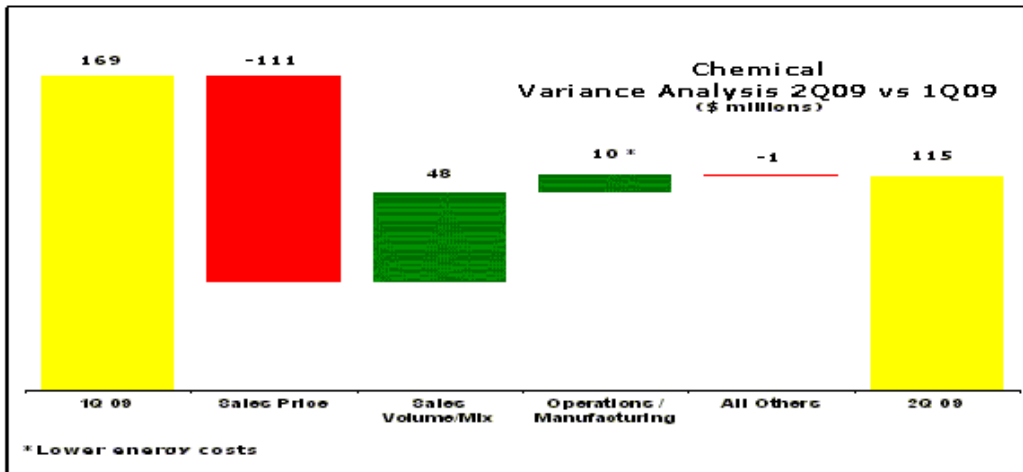
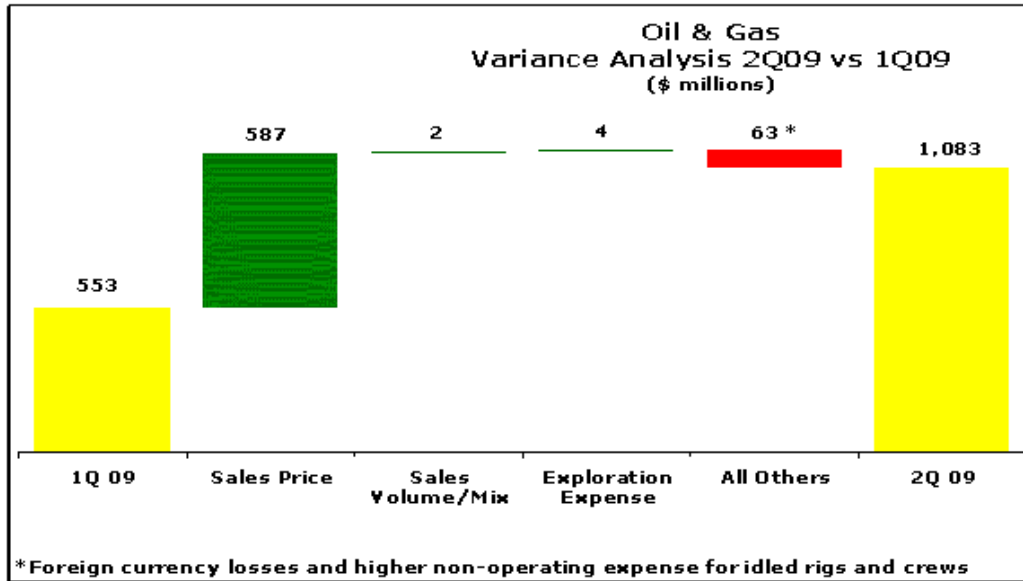


OCCIDENTAL PETROLEUM
2009 Second Quarter Net Income (Loss)
Reported Income Comparison

	Second Quarter 2009	First Quarter 2009	B / (W)
Oil & Gas	\$ 1,083	\$ 545	\$ 538
Chemical	115	169	(54)
Midstream, marketing and other	63	14	49
Corporate			
Interest expense, net	(23)	(20)	(3)
Other	(99)	(96)	(3)
Taxes	(455)	(241)	(214)
Income from continuing operations	684	371	313
Discontinued operations, net	(2)	(3)	1
Net Income	<u>\$ 682</u>	<u>\$ 368</u>	<u>\$ 314</u>
Earnings Per Common Share			
Basic	\$ 0.84	\$ 0.45	\$ 0.39
Diluted	\$ 0.84	\$ 0.45	\$ 0.39
Worldwide Effective Tax Rate	<u>40%</u>	<u>39%</u>	<u>-1%</u>

OCCIDENTAL PETROLEUM
2009 Second Quarter Net Income (Loss)
Core Results Comparison

	Second Quarter 2009	First Quarter 2009	B / (W)
Oil & Gas	\$ 1,083	\$ 553	\$ 530
Chemical	115	169	(54)
Midstream, marketing and other	63	14	49
Corporate			
Interest expense, net	(23)	(20)	(3)
Other	(91)	(49)	(42)
Taxes	(458)	(260)	(198)
Core Results	<u>\$ 689</u>	<u>\$ 407</u>	<u>\$ 282</u>
Core Results Per Common Share			
Basic	\$ 0.85	\$ 0.50	\$ 0.35
Diluted	\$ 0.85	\$ 0.50	\$ 0.35
Worldwide Effective Tax Rate	<u>40%</u>	<u>39%</u>	<u>-1%</u>



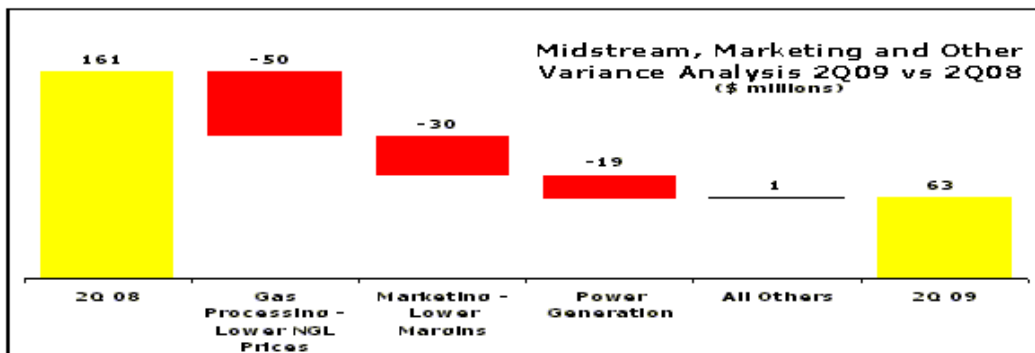
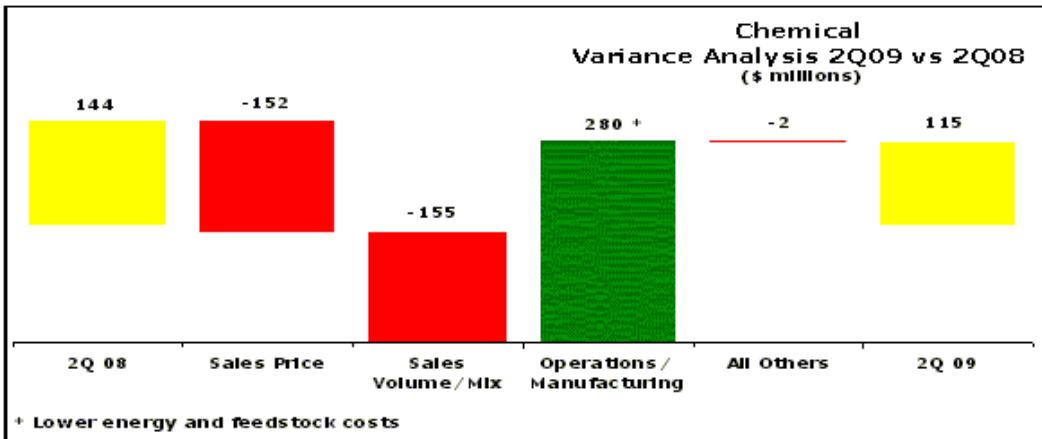
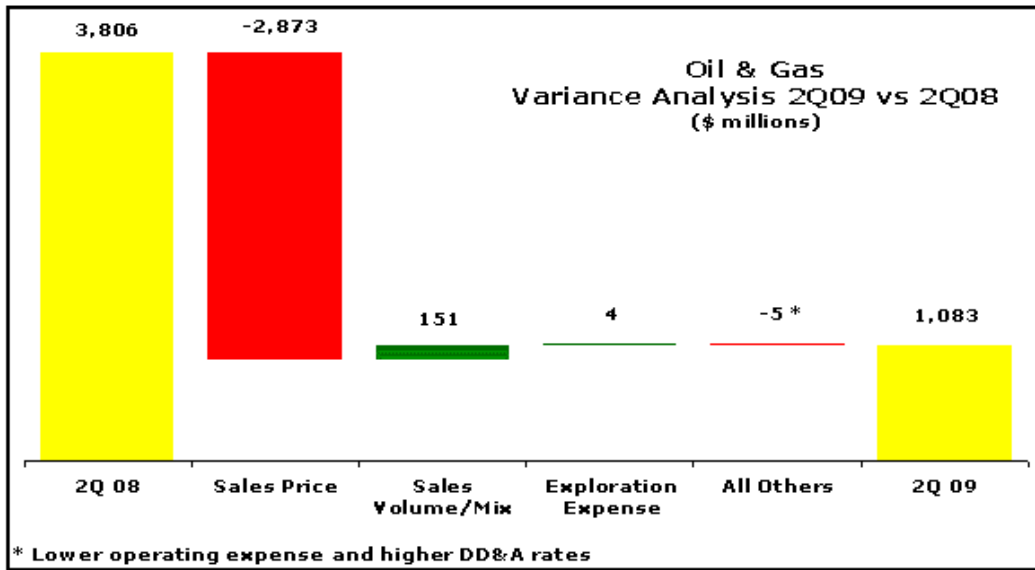


OCCIDENTAL PETROLEUM
2009 Second Quarter Net Income (Loss)
Reported Income Comparison

	Second Quarter 2009	Second Quarter 2008	B / (W)
Oil & Gas	\$ 1,083	\$ 3,806	\$ (2,723)
Chemical	115	144	(29)
Midstream, marketing and other	63	161	(98)
Corporate			
Interest expense, net	(23)	(7)	(16)
Other	(99)	(133)	34
Taxes	(455)	(1,671)	1,216
Income from continuing operations	684	2,300	(1,616)
Discontinued operations, net	(2)	(3)	1
Net Income	\$ 682	\$ 2,297	\$ (1,615)
Earnings Per Common Share			
Basic	\$ 0.84	\$ 2.79	\$ (1.95)
Diluted	\$ 0.84	\$ 2.78	\$ (1.94)
Worldwide Effective Tax Rate	40%	42%	2%

OCCIDENTAL PETROLEUM
2009 Second Quarter Net Income (Loss)
Core Results Comparison

	Second Quarter 2009	Second Quarter 2008	B / (W)
Oil & Gas	\$ 1,083	\$ 3,806	\$ (2,723)
Chemical	115	144	(29)
Midstream, marketing and other	63	161	(98)
Corporate			
Interest expense, net	(23)	(7)	(16)
Other	(91)	(133)	42
Taxes	(458)	(1,671)	1,213
Core Results	\$ 689	\$ 2,300	\$ (1,611)
Core Results Per Common Share			
Basic	\$ 0.85	\$ 2.80	\$ (1.95)
Diluted	\$ 0.85	\$ 2.78	\$ (1.93)
Worldwide Effective Tax Rate	40%	42%	2%





OCCIDENTAL PETROLEUM
SUMMARY OF OPERATING STATISTICS

	Second Quarter		Six Months	
	2009	2008	2009	2008
NET SALES VOLUMES PER DAY:				
United States				
Crude Oil and Liquids (MBBL)				
California	90	84	93	86
Permian	167	169	168	170
Midcontinent/Rockies	10	5	10	4
Total	267	258	271	260
Natural Gas (MMCF)				
California	232	238	224	241
Midcontinent/Rockies	192	174	201	166
Permian	197	190	196	184
Total	621	602	621	591
Latin America				
Crude Oil (MBBL)				
Argentina	37	22	41	29
Colombia	48	43	47	43
Total	85	65	88	72
Natural Gas (MMCF)				
Argentina	30	14	32	18
Bolivia	19	21	17	21
Total	49	35	49	39
Middle East / North Africa				
Crude Oil (MBBL)				
Oman	38	21	36	20
Dolphin	25	19	23	20
Qatar	50	45	49	46
Yemen	23	20	27	23
Libya	8	27	7	23
Total	144	132	142	132
Natural Gas (MMCF)				
Oman	23	25	23	23
Dolphin	242	163	224	182
Total	265	188	247	205
Barrels of Oil Equivalent (MBOE)				
Subtotal consolidated subsidiaries	652	593	654	603
Other interests				
Colombia - minority interest	(6)	(7)	(6)	(7)
Yemen - Occidental net interest	3	2	3	2
Total worldwide sales volumes - MBOE	649	588	651	598



OCCIDENTAL PETROLEUM
SUMMARY OF OPERATING STATISTICS

	<u>Second Quarter</u>		<u>Six Months</u>	
	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>
NET PRODUCTION PER DAY:				
United States				
Crude Oil and Liquids (MBBL)	267	258	271	260
Natural Gas (MMCF)	621	602	621	591
Latin America				
Crude Oil (MBBL)				
	Argentina	38	24	38
	Colombia	47	43	47
	Total	85	67	85
		49	35	49
Natural Gas (MMCF)				
Middle East / North Africa				
Crude Oil (MBBL)				
	Oman	38	21	36
	Dolphin	25	19	23
	Qatar	46	48	49
	Yemen	26	20	27
	Libya	7	20	8
	Total	142	128	143
		265	188	247
Natural Gas (MMCF)				
Barrels of Oil Equivalent (MBOE)				
Subtotal consolidated subsidiaries	650	590	652	602
Other interests				
Colombia - minority interest	(6)	(6)	(6)	(6)
Yemen - Occidental net interest	3	2	3	2
Total worldwide production - MBOE	647	586	649	598



OCCIDENTAL PETROLEUM
SUMMARY OF OPERATING STATISTICS

	<u>Second Quarter</u>		<u>Six Months</u>	
	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>
<u>OIL & GAS:</u>				
PRICES				
United States				
Crude Oil (\$/BBL)	55.55	114.88	46.43	102.47
Natural gas (\$/MCF)	2.87	9.99	3.20	9.09
Latin America				
Crude Oil (\$/BBL)	46.08	87.78	42.71	76.47
Natural Gas (\$/MCF)	2.75	4.50	3.11	4.11
Middle East / North Africa				
Crude Oil (\$/BBL)	53.43	113.64	47.60	103.47
Total Worldwide				
Crude Oil (\$/BBL)	52.97	110.12	46.05	98.16
Natural Gas (\$/MCF)	2.34	7.71	2.61	6.87
	<u>Second Quarter</u>		<u>Six Months</u>	
	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>
Exploration Expense				
Domestic	\$ 35	\$ 25	\$ 62	\$ 32
Latin America	8	11	10	26
Middle East / North Africa	10	36	38	76
Other Eastern Hemisphere	1	(14)	2	(2)
TOTAL REPORTED	\$ 54	\$ 58	\$ 112	\$ 132



OCCIDENTAL PETROLEUM
SUMMARY OF OPERATING STATISTICS

	Second Quarter		Six Months	
	2009	2008	2009	2008
Capital Expenditures (\$MM)				
Oil & Gas				
California	\$ 128	\$ 197	\$ 284	\$ 357
Permian	82	89	271	162
Midcontinent / Rockies	12	85	68	131
Latin America	118	181	308	338
Middle East / North Africa	262	234	534	478
Exploration	29	51	77	90
Chemicals	40	47	71	97
Midstream, marketing and other	143	94	265	155
Corporate	17	60	24	63
TOTAL	<u>\$ 831</u>	<u>\$ 1,038</u>	<u>\$ 1,902</u>	<u>\$ 1,871</u>
Depreciation, Depletion & Amortization of Assets (\$MM)				
Oil & Gas				
Domestic	\$ 304	\$ 248	\$ 615	\$ 503
Latin America	155	83	323	188
Middle East / North Africa	179	187	387	377
Chemicals	73	82	144	164
Midstream, marketing and other	26	16	49	33
Corporate	5	5	10	9
TOTAL	<u>\$ 742</u>	<u>\$ 621</u>	<u>\$ 1,528</u>	<u>\$ 1,274</u>



**OCCIDENTAL PETROLEUM
CORPORATE
(\$ millions)**

	30-Jun-09	31-Dec-08
CAPITALIZATION		
Long-Term Debt (including current maturities)	\$ 3,485	\$ 2,740
Notes Payable	—	7
Others	25	25
Total Debt	\$ 3,510	\$ 2,772
EQUITY		
	\$ 27,887	\$ 27,325
Total Debt To Total Capitalization	11%	9%



Second Quarter 2009 Earnings Conference Call

July 23, 2009

Oxy



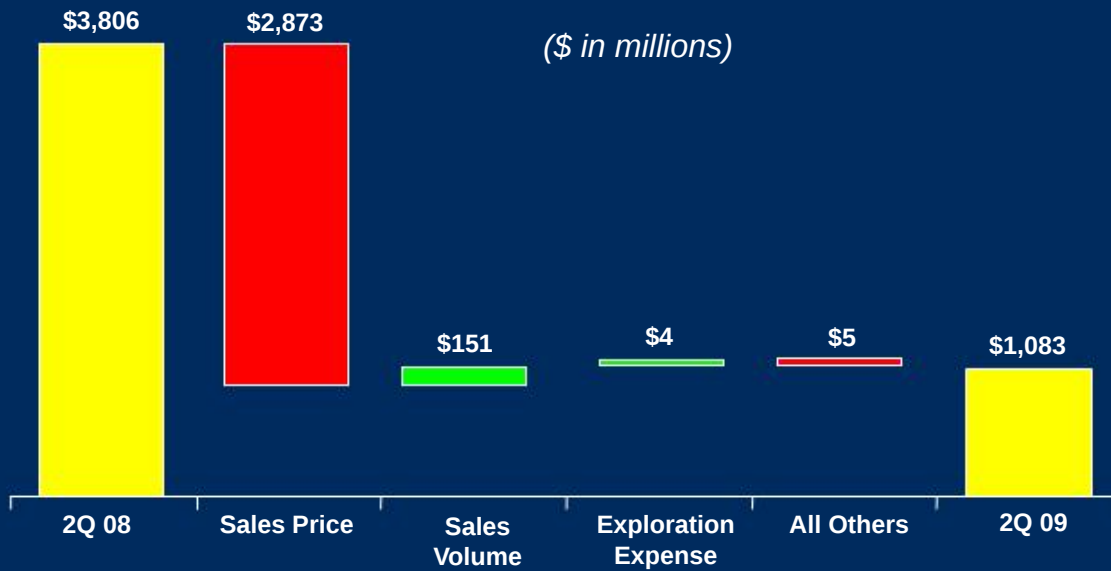


- *Core Results - \$689 Million vs. \$2.3 Billion in 2Q08*
 - *Core EPS \$0.85 (diluted) vs. \$2.78 in 2Q08.*
- Net Income - \$682 Million vs. \$2.3 Billion in 2Q08
 - EPS \$0.84 (diluted) vs. \$2.78 in 2Q08.

Second Quarter 2009 Earnings – Oil & Gas Segment Variance Analysis – 2Q09 vs. 2Q08



- **Core Results for 2Q09 of \$1.1 B vs. \$3.8 B in 2Q08**
 - Decrease due to lower crude oil and natural gas prices and higher DD&A rates, partially offset by higher sales volume and lower operating expenses.



*All Others include: Lower operating expense and higher DD&A rates.

Second Quarter 2009 Earnings – Oil & Gas Segment



	<u>2Q09</u>	<u>2Q08</u>
Reported Segment Earnings (\$ mm)	\$1,083	\$3,806
WTI Oil Price (\$/bbl)	\$59.62	\$123.98
NYMEX Gas Price (\$/mcf)	\$3.83	\$10.43
<i>Oxy's Realized Prices</i>		
<i>Worldwide Oil (\$/bbl)</i>	<i>\$52.97</i>	<i>\$110.12</i>
<i>US Natural Gas (\$/mcf)</i>	<i>\$2.87</i>	<i>\$9.99</i>

Second Quarter 2009 Earnings – Oil & Gas Segment



	<u>2Q09</u>	<u>2Q08</u>
• Oil and Gas Sales Volumes (mboe/d)	649	588
– + 10.4% year-over-year		
• Year-over-year sales volume increase includes:		
– + 20 mboe/d from Dolphin;		
– + 18 mboe/d from Argentina;		
– + 17 mboe/d from Oman, and;		
– + 12 mboe/d from domestic operations, partially offset by;		
– - 19 mboe/d from Libya.		
• Exploration expense was \$54 mm in 2Q09, in line with our guidance of \$60 mm.		

Second Quarter 2009 Earnings – Oil & Gas Segment



- The Argentina increase includes:
 - + 8 mboe/d from new production coming on line;
 - the effect of a 15 mboe/d production loss due to a strike in 2Q08, and;
 - partially offset by a 5 mboe/d loss from a strike in June 2009.
- Dolphin's increase reflects higher cost recovery volumes in 2Q09 resulting from a catch-up of unrecovered volumes from 1Q09.
- Substantially all of the domestic volume increase in the Midcontinent/Rockies and Permian was attributable to 2008 acquisitions;
 - California production increased as a result of new wells;
 - Long Beach production decreased 6 mboe/d from 1Q09 due to its contract that is similar to a production sharing agreement.
- The Middle East/North Africa included higher production in Oman and Dolphin and higher production sharing volumes compared to 2Q08;
 - Compared to 1Q09, production sharing volumes decreased by 14 mboe/d.

Second Quarter 2009 Earnings – Oil & Gas Segment – Cash Production Costs and Taxes

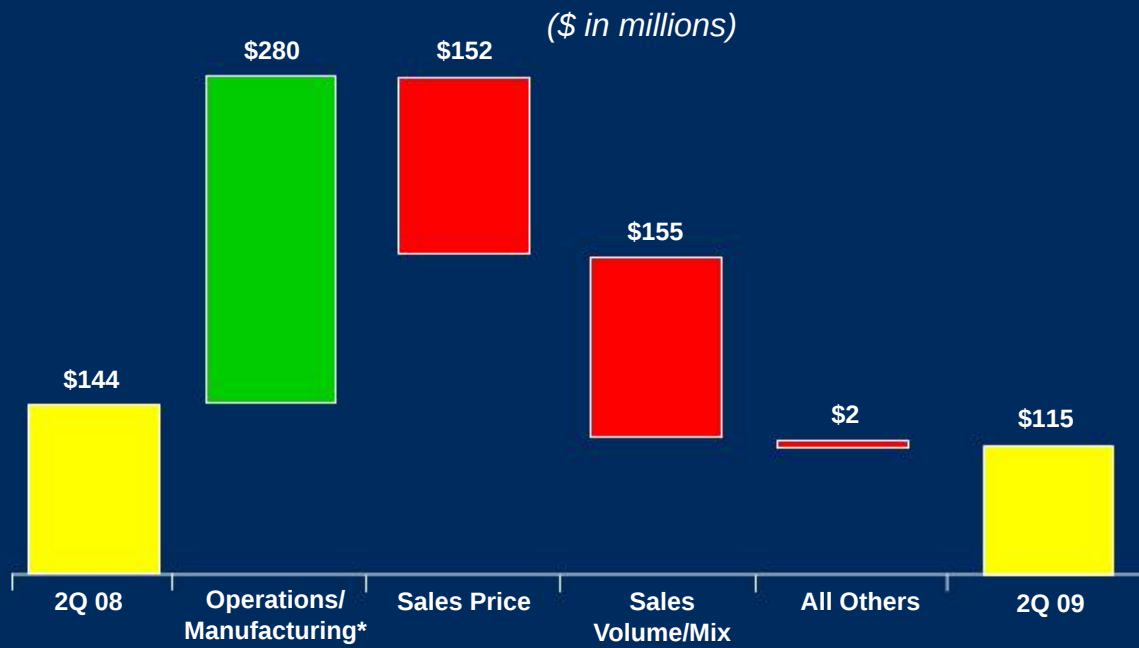


- Oil and gas cash production costs, excluding production and property taxes, were \$10.32 per boe in 1H09.
 - *This represents a 15% decline from 2008 full-year costs of \$12.13 per boe.*
- Oil and gas cash production costs, excluding production and property taxes, were \$10.17 per boe in 2Q09 vs. \$10.48 per boe in 1Q09.
 - These declines are due to lower workover, maintenance and utilities costs and, for the change from the prior year, the effect of higher production sharing volumes.
 - The lower costs reflect our continued cost reduction efforts.
- Taxes – other than on income were \$1.76 per boe for 1H09 vs. \$2.62 per boe for all of 2008.
 - These costs, which are sensitive to product prices, reflect lower crude oil and natural gas prices during 1H09.
 - In 2Q09, these taxes increased to \$1.82 per boe, compared to the 1Q09 rate of \$1.71 per boe, due to higher crude oil prices.

Second Quarter 2009 Earnings – Chemical Segment Variance Analysis – 2Q09 vs. 2Q08



- **Core Results for 2Q09 of \$115 mm vs. \$144 mm in 2Q08**
 - Better than our guidance of \$100 mm due to higher than expected chlorine pricing.

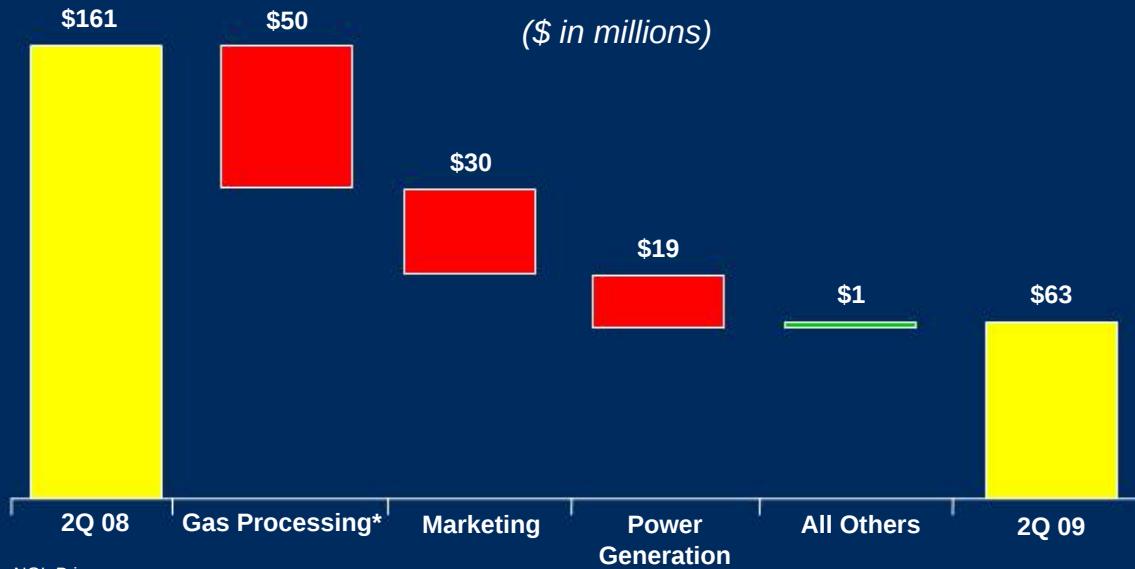


*Lower energy and feedstock costs.

Second Quarter 2009 Earnings – Midstream Segment Variance Analysis – 2Q09 vs. 2Q08



- **Core Results for 2Q09 of \$63 mm vs. \$161 mm in 2Q08**
 - Decline due to lower NGL realized prices in the gas processing business, lower earnings in crude oil marketing and reduced margins in the power generation business.



Second Quarter 2009 Earnings – Effective Tax Rate



- Worldwide effective tax rate was 40% in 2Q09 vs. our guidance of 43%;
 - Decrease in rate reflects a higher proportion of expected total year domestic source pre-tax income.

Second Quarter 2009 Earnings – Six Months Results

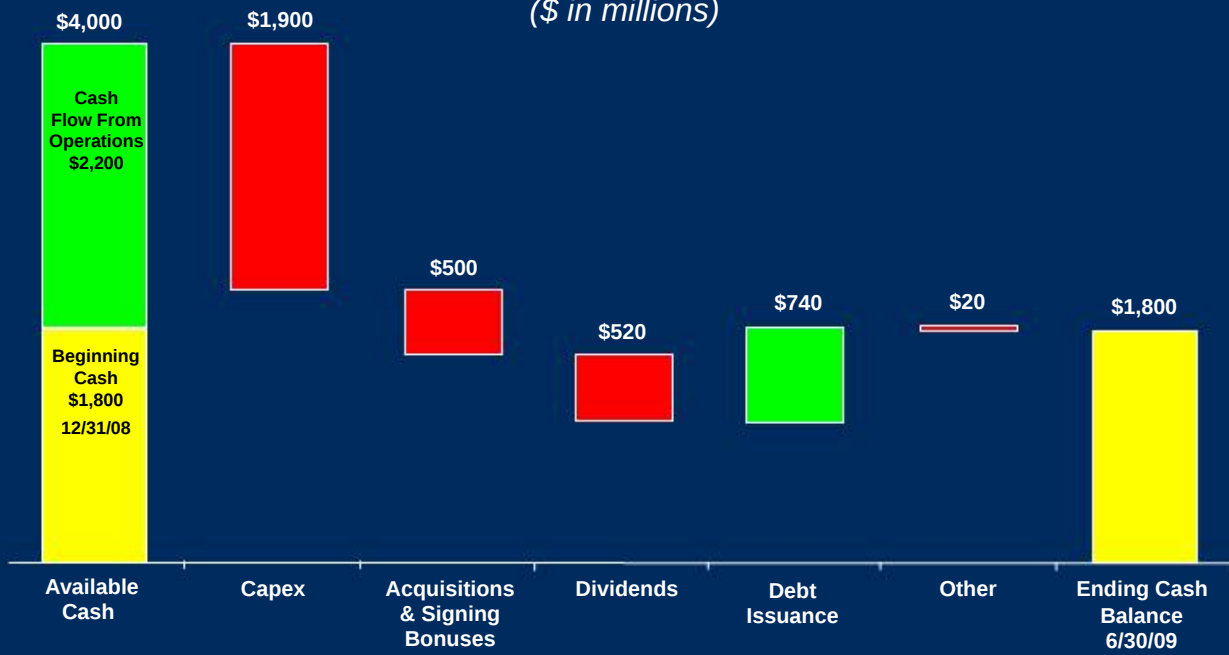


	<u>YTD2009</u>	<u>YTD2008</u>
• Net Income (\$ mm)	\$1,050	\$4,143
• EPS (diluted)	\$1.29	\$5.00
• Oil and Gas Sales Volumes (mboe/d) – +9% year-over-year	651	598
• Capital spending was \$831 million in 2Q09 and \$1.9 billion during 1H09. – We currently anticipate full year 2009 spending to be \$3.6 billion; – The \$100 million increase from our last estimate is mostly allocated to foreign Oil & Gas locations.		

Second Quarter 2009 Earnings – Cash Flow 2009 YTD



(\$ in millions)



Second Quarter 2009 Earnings – Shares Outstanding



Shares Outstanding (mm)	<u>YTD09</u>	<u>6/30/09</u>
Weighted Average Basic	810.8	
Weighted Average Diluted	813.7	
Basic Shares Outstanding		811.1
Diluted Shares Outstanding		813.9

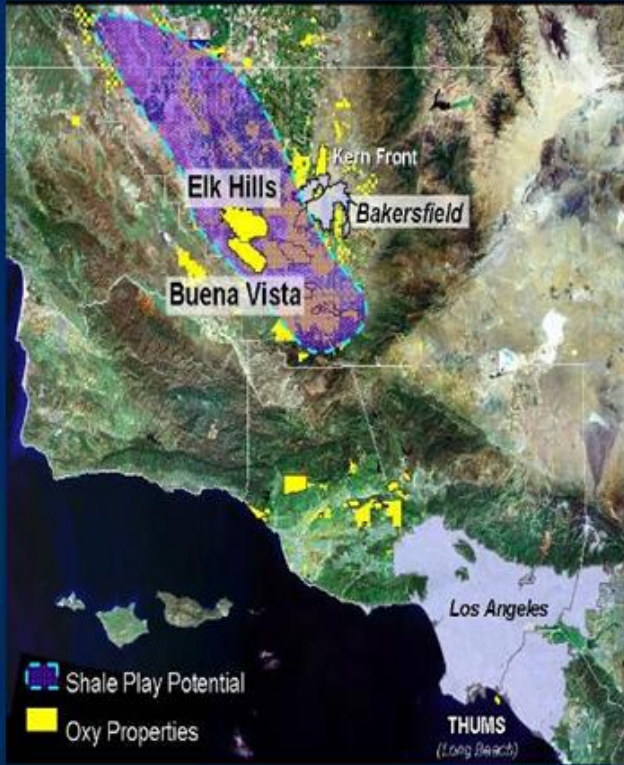


- We expect 3Q09 oil and gas sales volumes to be similar to 2Q09, at about current oil prices.
 - This volume range reflects decreases from Midcontinent/Rockies due to natural declines and Dolphin due to its production sharing contract, offset by increases in California, Argentina and Oman.
- Commodity Price Sensitivity – Earnings
 - At current market prices, a \$1.00 per barrel change in oil prices impacts oil and gas quarterly earnings before income taxes by about \$39 mm;
 - A swing of \$0.50 per mmbTU in domestic gas prices has a \$20 mm impact on quarterly earnings before income taxes;
 - While the current NYMEX gas price is around \$3.70 per mmbTU, prices in California are about \$3.50, in the Permian about \$3.30, and the Rockies gas is in the \$3.00 range.
- We expect 3Q09 exploration expense to be about \$50 mm for seismic and drilling for our exploration programs.



- For the Chemical segment, the second half of 2009 looks exceptionally weak.
 - The weakness in caustic soda is not being offset by chlorine price increases, resulting in declining margins;
 - The fourth quarter is traditionally the weakest for this business and we currently expect it to be about break even;
 - We expect 3Q09 Chemical earnings to fall at least 50% from 2Q09 levels.
- We expect our combined worldwide tax rate for 3Q09 to be in the 40% to 42% range, depending on the split between domestic and foreign sourced income.

Second Quarter 2009 Earnings – California Exploration



- *Excluding the Kern County discovery:*
 - Over the course of little over a year, we have drilled 34 exploration wells seeking non-traditional hydrocarbon bearing zones in California.
 - Of these wells, 9 are commercial and 16 are currently being evaluated;
 - We expect to drill an additional 8 exploration wells in 2009;
 - Oxy holds 1.1 mm acres of net fee minerals and leasehold in CA, which have been acquired in the last few years to exploit these opportunities. Discoveries similar to the Kern County discovery are possible in this net acre position.



KERN COUNTY DISCOVERY AREA

- Oxy believes there are between 150 mm and 250 mm gross barrels of oil equivalent reserves within the outlined area where we have drilled 6 wells to date.
- Oxy's interest in the discovery area is approximately 80%.
- Approximately two-thirds of the discovery is believed to be natural gas.
- The discovery area's producing zones, whose areal geological extent is still being defined, consists of conventional oil and gas bearing formations.
- It is probable that there are additional reserves outside the defined area.

Second Quarter 2009 Earnings – California Exploration – Kern County Discovery

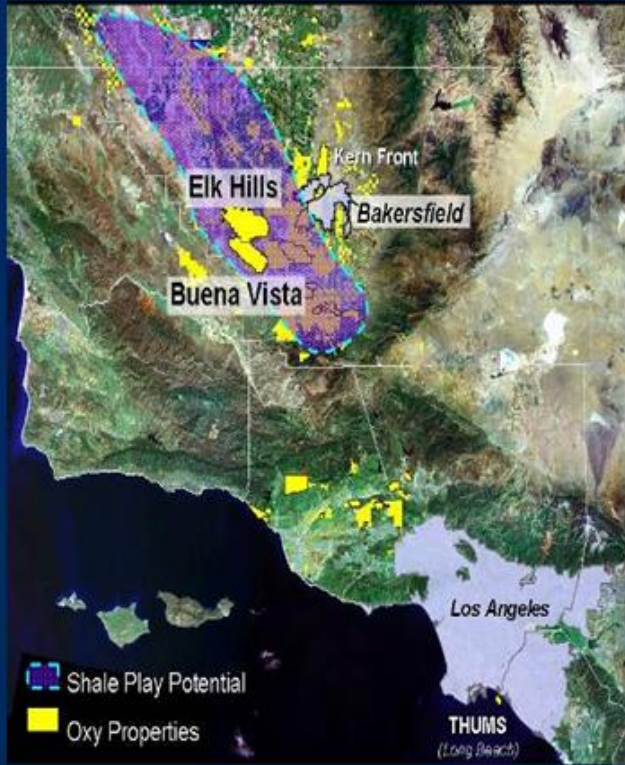


KERN COUNTY DISCOVERY AREA

	<u>2Q09</u>	<u>1Q09</u>
Gross Production*		
– Natural Gas (mmcf/d)	74	28
– Liquids (mb/d)	<u>5</u>	<u>3</u>
– Total mboe/d	<u>17.3</u>	<u>7.7</u>
Number of producing wells	6	4
Conventional Primary Production	ü	ü

*Production as of each of the quarterly earnings disclosure dates.

Second Quarter 2009 Earnings – California Exploration – Kern County Discovery



- *In the Kern County discovery area:*
 - We expect to drill an additional 17 wells during 2009;
 - The wells in this area cost about \$3.5 to \$4.0 million to drill and complete and have payout periods of less than six months;
 - The combined finding, development, and lifting costs are expected to be significantly less than \$10 per boe;
 - We will also need to expand our 400 mmcf/d gas processing plant in Elk Hills to accommodate the expected production from the Kern County discovery;
 - There will be oil production from shale zones in this area.



FORWARD-LOOKING STATEMENTS FOR EARNINGS RELEASE PRESENTATION MATERIALS

Statements in this release that contain words such as "will," "expect" or "estimate," or otherwise relate to the future, are forward-looking and involve risks and uncertainties that could significantly affect expected results. Factors that could cause actual results to differ materially include, but are not limited to: global commodity price fluctuations and supply/demand considerations for oil, gas and chemicals; exploration risks, such as drilling of unsuccessful wells; not successfully completing (or any material delay in) any expansions, field development, capital projects, acquisitions, or dispositions; higher-than-expected costs; political risk; operational interruptions; and changes in tax rates. You should not place undue reliance on these forward-looking statements which speak only as of the date of this release. Unless legally required, Occidental does not undertake any obligation to update any forward-looking statements as a result of new information, future events or otherwise. U.S. investors are urged to consider carefully the disclosures in our Form 10-K, available through the following toll-free telephone number, 1-888-OXYPETE (1-888-699-7383) or on the Internet at <http://www.oxy.com>. You also can obtain a copy from the SEC by calling 1-800-SEC-0330.