

=====

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) JANUARY 6, 1999

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

=====

## Item 5. Other Events

-----

## Liquidity and Capital Resources

The principal bank credit facilities of Occidental Petroleum Corporation, a Delaware corporation ("Occidental" or the "Registrant"), limit certain of its indebtedness in relation to its tangible net worth and impose a minimum net worth requirement. At December 31, 1998, Occidental projects that, under these covenants, it will be permitted to incur approximately \$1.7 billion of additional indebtedness and will have approximately \$.6 billion in excess of the minimum net worth requirement.

Occidental currently proposes to effect an approximate \$500 million capital securities offering through an affiliate (the "Offering"). The capital securities will not constitute indebtedness, and all or substantially all of the net proceeds of the Offering will have the effect of increasing Occidental's tangible net worth. If the net proceeds of the Offering were approximately \$500 million and were used to repay indebtedness, then Occidental's capacity for indebtedness would be approximately \$3.4 billion and it would have approximately \$1.1 billion in excess of its minimum net worth requirement. All references in this report to "indebtedness", "tangible net worth" and "minimum net worth" are qualified in their entirety by reference to the applicable defined term in the agreement governing Occidental's principal bank credit facilities.

Occidental anticipates that it will have a net cash shortfall for 1998. In addition, Occidental anticipates a decrease in net equity from September 30, 1998 levels, primarily due to the declaration of regular common and preferred dividends for the fourth quarter of \$91 million. If oil and gas prices and chemical margins remain at their current depressed levels, operations will continue to generate a net cash shortfall. A net cash shortfall coupled with the payment of regular common and preferred dividends will result in a further reduction of net equity. In the event of a continued net cash shortfall, Occidental may sell assets, reduce capital spending, restructure debt covenants, obtain additional equity financing or take other actions in order to mitigate the shortfall. Based on the foregoing, Occidental believes that it has the ability to fund operations for the foreseeable future.

## 1993-1995 Tax Audit

As previously reported, in May 1997, the Registrant was informed by the SEC that it would conduct a private, formal investigation with regard to the Registrant's dealings with several foreign consultants. In that connection, the Registrant produced documents to the SEC in 1997. In November 1998, the Registrant also made these documents available to the Internal Revenue Service for their review in connection with its audit covering the 1993-1995 tax years.

## Recent Litigation Development

In December 1998, a purported class action was filed in the Federal District Court in Houston, Texas by persons claiming to have been beneficiaries of the Employee Stock Ownership Plan ("ESOP"). The ESOP was created by Occidental in 1996 for employees of its then MidCon Corp. subsidiary, which was sold to KN Energy, Inc. in 1998. The plaintiffs allege that each of the ESOP Trustee and the ESOP Administrative Committee breached its fiduciary duty to the plaintiffs by failing to properly value the securities held by the ESOP, and allege that Occidental actively participated in such conduct. In brief, the plaintiffs allege that in connection with the sale of MidCon, KN assumed various obligations of MidCon, that by doing so the value of MidCon was increased, and that this increase was not properly accounted for and shared for distribution to the ESOP participants. The plaintiffs claim that, as a result of this alleged breach, the ESOP participants are entitled to an additional aggregate distribution of at least \$200 million. Upon initial examination of the complaint, Occidental believes the action has no merit. Occidental intends to defend the action vigorously.

## 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: January 6, 1999

S. P. Dominick, Jr.

-----  
S. P. Dominick, Jr., Vice President and Controller  
(Chief Accounting and Duly Authorized Officer)

## EXHIBIT INDEX

## EXHIBIT

- - - - -

- 10.1 Occidental Petroleum Corporation Supplemental Retirement Plan, Amended and Restated Effective as of January 1, 1999
- 10.2 Occidental Petroleum Corporation Incentive Stock Option Agreement
- 10.3 Occidental Petroleum Corporation Nonqualified Stock Option Agreement

OCCIDENTAL PETROLEUM CORPORATION

SUPPLEMENTAL RETIREMENT PLAN

Amended and Restated Effective as of January 1, 1999

## OCCIDENTAL PETROLEUM CORPORATION

## SUPPLEMENTAL RETIREMENT PLAN

Amended and Restated Effective as of January 1, 1999

## TABLE OF CONTENTS

ARTICLE	SECTION	PAGE
1	Establishment and Purpose	
	1.1 Establishment and Restatement of Plan	1
	1.2 Purpose of the Plan	1
	1.3 Application of Plan	1
2	Definitions	
	2.1 Definitions	2
	2.2 Gender and Number	4
3	Eligibility and Participation	
	3.1 Participation Prior to 1999	5
	3.2 Participation after 1998	5
4	Benefits	
	4.1 Allocations Relating to Retirement Plan	7
	4.2 Contributions Relating to Retirement Plan	7
	4.3 Allocations Relating to Savings Plan	8
	4.4 Contributions Relating to Savings Plan	8
	4.5 Allocations Relating to 1988 Deferred Compensation Plan	8
	4.6 Contributions Relating to 1988 Deferred Compensation Plan	9
	4.7 Maintenance of Accounts	9
	4.8 Vesting and Forfeiture	11
	4.9 Payment	11
	4.10 Death	13
	4.11 Withholding; Unemployment Taxes	13
5	Administration	
	5.1 Administrative Committee	14
	5.2 Uniform Rules	14
	5.3 Notice of Address	15
	5.4 Records	15
6	Amendment and Termination	
	6.1 Amendment and Termination	16
	6.2 Reorganization of Employer	16
	6.3 Protected Benefits	17

## OCCIDENTAL PETROLEUM CORPORATION

-----  
SUPPLEMENTAL RETIREMENT PLAN  
-----

Amended and Restated Effective as of January 1, 1999

TABLE OF CONTENTS  
-----

ARTICLE -----	SECTION -----	PAGE -----
7	General Provisions -----	
	7.1 Nonassignability	18
	7.2 Employment Rights	18
	7.3 Illegality of Particular Provision	18
	7.4 Applicable Laws	18



OCCIDENTAL PETROLEUM CORPORATION

SUPPLEMENTAL RETIREMENT PLAN

Amended and Restated  
Effective as of January 1, 1999

Article 1. Establishment and Purpose

1.1 Establishment and Restatement of Plan. Occidental Petroleum Corporation (the "Company") hereby amends and restates the Plan effective as of January 1, 1999, which Plan shall be known as the OCCIDENTAL PETROLEUM CORPORATION SUPPLEMENTAL RETIREMENT PLAN (the "Plan"). The restatement reflects the merger of the Plan with the Occidental Petroleum Corporation Senior Executive Supplemental Retirement Plan. The Plan is intended to be exempt from the participation, vesting, funding, and fiduciary requirements of Title 1 of the Employee Retirement Income Security Act of 1974 ("ERISA"), as an unfunded plan maintained primarily for the purpose of providing deferred compensation for a select group of management or highly compensated employees. The portion of the Plan which is an "excess benefit plan" within the meaning of ERISA section 3(36) shall be treated as a separate plan for all purposes of Title I of ERISA.

1.2 Purpose of the Plan. It is the purpose of this Plan to provide eligible employees with benefits that will compensate them for maximums imposed by law upon contributions to qualified plans.

1.3 Application of Plan. The terms of this Plan are applicable to eligible employees employed by the Company on or after January 1, 1999.

## Article 2. Definitions

-----

2.1 Definitions. Whenever used in the Plan, the following terms shall have the respective meanings set forth below, unless a different meaning is required by the context in which the word is used, and when the defined meaning is intended, the term is capitalized:

- (a) "Administrative Committee" means the committee with authority to administer the Plan as provided under section 5.1.
- (b) "Affiliate" means any corporation which is controlled by or under common control with the Company.
- (c) "Beneficiary" means the persons designated under the Retirement Plan by the Participant to receive benefits in the event of his death, provided that, in the case of those Participants who were participants in the Senior Executive Supplemental Retirement Plan on December 31, 1998, "Beneficiary" shall mean the persons designated by the Participant in accordance with Article 8 of that plan as of that date, or the persons designated by the Participant in writing on a form to be filed with the Administrative Committee at any time thereafter.
- (d) "Board of Directors" means the Board of Directors of the Company.
- (e) "Code" means the Internal Revenue Code of 1986.
- (f) "Company" means Occidental Petroleum Corporation, and any successor thereto.
- (g) "Compensation" means the base salary of the employee as stated in the payroll records of the Employer, excluding any amounts paid for bonuses, income realized upon exercise of stock options, and any other special pay which the Employer pays to the employee during the Plan Year, prior to reduction for any deferral of base salary under the Company's Savings Plan, 1988 Deferred Compensation Plan or any other qualified or non-qualified deferred compensation

plan or agreement. In the case of a Participant who became disabled prior to October 1, 1995 and who is receiving benefits under the Long-Term Disability Plan, Compensation shall be his base salary as described above in effect at the time he became disabled, as that term is defined in the Long-Term Disability Plan.

- (h) "Employer" means the Company and any Affiliate which is designated by the Administrative Committee and which approves adoption of this Plan by appropriate corporate action
- (i) "Long-Term Disability Plan" means the OCCIDENTAL PETROLEUM CORPORATION LONG-TERM DISABILITY PLAN, as amended from time to time.
- (j) "Participant" means a person meeting the requirements set forth in Article 3 to participate in the Plan
- (k) "Plan Year" means the calendar year
- (l) "Retirement Plan" means the OCCIDENTAL PETROLEUM CORPORATION RETIREMENT PLAN, and as amended from time to time.
- (m) "Savings Plan" means the OCCIDENTAL PETROLEUM CORPORATION SAVINGS PLAN, as amended from time to time.
- (n) "Senior Executive Supplemental Retirement Plan" means the OCCIDENTAL PETROLEUM CORPORATION SENIOR EXECUTIVE SUPPLEMENTAL RETIREMENT PLAN, as in effect on December 31, 1998.
- (o) "Years of Service" means the number of full years credited to a Participant under the Retirement Plan for vesting purposes.
- (p) "1988 Deferred Compensation Plan" means the OCCIDENTAL PETROLEUM CORPORATION 1988 DEFERRED COMPENSATION PLAN, as amended from time to time.

2.2 Gender and Number. Except when otherwise indicated by the context, any masculine terminology used herein shall also include the feminine, and the use of any term herein in the singular may also include the plural.

Article 3. Eligibility and Participation

-----

3.1 Participation Prior to 1999. Any employee who was a Participant as of December 31, 1998 shall continue to be a Participant effective January 1, 1999. Additionally, any employee who was a participant in the Senior Executive Supplemental Retirement Plan on December 31, 1998 shall become a Participant on January 1, 1999.

3.2 Participation after 1998. The provisions set forth in this section 3.2 shall be effective as of January 1, 1999 and shall apply to employees who are not Participants pursuant to section 3.1.

Any employee who is eligible to participate in the Savings Plan and the Retirement Plan and who, for a given plan year of the Savings Plan, would be ineligible to receive the maximum employer matching contribution under section 5.1 of the Savings Plan due to the limitations imposed by sections 401(a)(17) (which limits the amount of compensation which may be taken into account) or 415 of the Code (assuming the second paragraph of section 4.7 of the Retirement Plan is applicable to the employee) shall be a Participant.

In addition, any employee who would be ineligible to receive the maximum employer matching contribution under section 5.1 of the Savings Plan in a plan year of the Savings Plan, due to the limitations described in the preceding paragraph, on account of deferrals of base salary during the year under any nonqualified pension benefit plan sponsored by the Company or an Affiliate in which the Participant participates shall be a Participant in this Plan for that Plan Year.

Any employee who is a participant in the 1988 Deferred Compensation Plan shall be a Participant.

Any employee who is a participant in and receiving benefits under the Long-Term Disability Plan and who was a highly-compensated employee (as defined in Code section 414(q)) in the year of his commencement of benefits under the Long-Term Disability Plan shall be a Participant for each Plan Year during which he receives benefit payments under the Long-Term Disability Plan, provided that no such employee who becomes disabled under the terms of the Long-Term Disability Plan subsequent to September 30, 1995 shall be a Participant.

Notwithstanding anything contained herein, any employee who is entitled to receive supplemental retirement benefits upon his retirement pursuant to a written contract of employment between himself and the Company or an Affiliate shall be ineligible to be a Participant effective upon January 1 of the year after the effective date of such contractual provision.

## Article 4. Benefits

-----

4.1 Allocations Relating to Retirement Plan. A credit shall be made as of the last day of each month to a contingent account for each Participant. The amount to be allocated shall equal the amount which would be allocated to the account of the Participant for the month under the Retirement Plan, based on the Participant's Compensation, if the Participant were not subject to provisions that withhold allocations until the end of the plan year of the Retirement Plan. For Participants covered under this Plan, allocations under the Retirement Plan are determined at the end of the plan year of the Retirement Plan, to the extent allowable under Code limitations. The amounts contingently credited under this section 4.1 during the year to a Participant who is an active employee at the end of the Plan Year shall be reduced by the amount actually allocated to his account under the Retirement Plan, and any remaining amount shall be credited permanently to his account under this Plan. In the case of a Participant who is not an active employee at the end of the Plan Year, the amounts contingently credited under this section 4.1 during the year shall be credited permanently to his account under this Plan.

4.2 Contributions Relating to Retirement Plan. At the end of each year, the Employer shall contribute to a grantor trust or to similar arrangements (including company-owned life insurance policies) to fund benefits hereunder an amount which shall equal such remaining amounts permanently allocated to Participants hereunder. The Employer shall also contribute and permanently credit to each Participant's account earnings on contingent monthly allocations under section 4.1 for the year as if such contingent allocations shared in earnings at the rate and in the manner described in section 4.7. Notwithstanding the foregoing, any earnings attributable to the Retirement Plan previously credited to the account of a Participant under the Plan during

the current or any preceding plan year shall be reallocated to the account of the Participant under the Retirement Plan in any year when it is permissible to do so under Code limitations.

4.3 Allocations Relating to Savings Plan. A credit shall be made as of the last day of the Plan Year to the account of each Participant who, for that plan year of the Savings Plan, makes the maximum deferral or contribution permitted under Article 4 of the Savings Plan and is not eligible to receive the maximum employer matching contribution under section 5.1 of the Savings Plan due to the limitations imposed by sections 401(a)(17) or 415 of the Code. The amount to be allocated under this Plan shall equal the amount which cannot be allocated to the account of the Participant under the Savings Plan for the plan year of the Savings Plan on account of the limitations imposed under the Code, reduced by any such amount which is credited on behalf of the Participant under any other Company nonqualified pension benefit plan, including the 1988 Deferred Compensation Plan. An additional amount equal to five percent (5%) of the amount allocated to the Participant under the preceding sentence shall be allocated to each Participant in lieu of interest on such amount for the Plan Year.

4.4 Contributions Relating to Savings Plan. The amounts allocated to a Participant under section 4.3 for a Plan Year shall be credited permanently to his account under this Plan. At the end of each year, the Employer shall contribute to a grantor trust or to similar arrangements (including company-owned life insurance policies) to fund benefits hereunder an amount which shall equal such amounts permanently allocated to Participants hereunder.

4.5 Allocations Relating to 1988 Deferred Compensation Plan. A credit shall be made to the account of each Participant who, in that Plan Year, is a participant in the 1988 Deferred Compensation Plan. Such credit shall be made irrespective of whether such Participant elects to defer under the 1988 Deferred Compensation Plan all or any part of any bonus to which



he might be entitled. Notwithstanding the preceding sentence, no credit shall be made to the account of a Participant who is not an employee of an Employer on the date that any such bonus is awarded. The amount to be allocated in a Plan Year under this Plan with respect to a Participant shall equal that Participant's applicable percentage multiplied by the amount of the bonus he is entitled to elect to defer for that plan year of the 1988 Deferred Compensation Plan. For the purpose of this section 4.5, the term "applicable percentage" shall mean twelve percent (12%) in the case of a Participant who shall have attained age 35 prior to the end of the Plan Year in which such credit is made and eight percent (8%) in the case of a Participant who shall not have attained age 35 prior to the end of the Plan Year in which such credit is made. The credit described in this section shall be made to the account of each Participant effective as of the date on which he is awarded the bonus he is entitled to defer under the 1988 Deferred Compensation Plan. Notwithstanding the preceding provisions of this section 4.5, no credit shall be made to the account of any Participant with respect to any bonus that the Participant is entitled to elect to defer under the 1988 Deferred Compensation Plan with respect to services performed in 1997.

4.6 Contributions Relating to 1988 Deferred Compensation Plan. The amounts allocated to a Participant under section 4.5 for a Plan Year shall be credited permanently to his account under this Plan. At the end of each year, the Employer shall contribute to a grantor trust or to similar arrangements (including company-owned life insurance policies) to fund benefits hereunder an amount which shall equal such amounts permanently allocated to Participants hereunder.

4.7 Maintenance of Accounts.

- (a) The Employer shall establish and maintain, in the name of each Participant, an individual account which shall consist of all amounts permanently credited to the Participant. As of the end of each month, the

Administrative Committee shall increase or decrease the balance, if any, of the Participant's individual account as of the last day of the preceding month, by multiplying such amount by a number equal to one plus .167% plus the monthly yield on 5-Year Treasury Constant Maturities for the monthly processing period. The Administrative Committee, in its sole discretion, may credit a higher rate of interest on the account balances of Participants depending on the status of a Participant, including, but not limited to, a Participant's status as an active, retired or terminated employee. As of December 31st of each year the Administrative Committee shall then add to such account balance, any permanent allocation to which the Participant is entitled for such year.

- (b) The individual account of each Participant shall represent a liability, payable when due under this Plan, out of the general assets of the Employer, or from the assets of any trust, custodial account or escrow arrangement which the Employer may establish for the purpose of assuring availability of funds sufficient to pay benefits under this Plan. The money in any such trust or account shall at all times remain the property of the Employer, and neither this Plan nor any Participant shall have any beneficial ownership interest in the assets thereof. No property or assets of the Employer shall be pledged, encumbered, or otherwise subjected to a lien or security interest for payment of benefits hereunder. Accounting for this Plan shall be based on generally accepted accounting principles.

4.8 Vesting and Forfeiture. All benefits under this Plan shall be contingent and forfeitable and no Participant shall have a vested interest in any benefit until one of the events listed below occurs while he is still employed with the Employer:

- (a) he completes five Years of Service; or
- (b) he dies or becomes disabled (as defined in the Retirement Plan).

A person who terminates employment with the Employer for any reason prior to becoming vested hereunder shall not receive a benefit.

4.9 Payment. Every Participant who terminates employment shall, if vested, have his account distributed to him as soon as practicable following his termination of employment under one of the following distribution options elected by the Participant on a form prescribed by the Administrative Committee:

- (a) One lump sum payment; or
- (b) Annual installment payments payable over 5, 10, 15, or 20 years commencing in the calendar year following the calendar year in which he terminates employment. Annual installment payments pursuant to this option (b) shall be available only to Participants whose individual account balances exceed \$2,000 at the time of their termination of employment, notwithstanding any contrary elections by the Participant.

Notwithstanding the previous sentence, in the case of a Participant who was a participant in the Senior Executive Supplemental Retirement Plan on December 31, 1998, distribution will not occur until the latest of (i) his termination of employment, (ii) his attainment of age 55, or (iii) his attainment of such later age as the Participant may have elected prior to January 1, 1987.

The election must be made by the Participant as soon as practicable after his commencement of participation, but in no event later than the end of the twelve month period beginning with such commencement. An election form shall be provided to the Participant in non-technical language and shall contain a general description of the distribution options. If a Participant fails to make an election by the close of the twelve month period beginning when he commenced participation, he will be deemed to have elected to receive his benefits in the form of a lump sum payment pursuant to option (a) above.

The Administrative Committee, in its sole discretion, may permit a Participant to change his election as to the form of payment upon written petition of the Participant. In order to be effective, a Participant's election (or modification or revocation of prior election) of the form of payment must be made not later than 12 months before the Participant's retirement or termination of employment, unless otherwise permitted by the Administrative Committee. Subject to the foregoing limitation, a Participant may make such election (or revoke a prior election and make a new election) at any time. Any election (or modification or revocation of a prior election) which is made later than 12 months prior to the Participant's retirement or termination of employment will be considered void and shall have no force or effect, except as otherwise determined by the Administrative Committee.

If benefits are to be paid in installments pursuant to option (b) above, the Participant's account will continue to be adjusted until any series of installments has been completed. The amount of each annual installment shall equal the amount credited to the account as of January 31 of the year in which the installment is to be paid multiplied by a fraction, the numerator of which is 1 and the denominator of which is the number of installments (including the current one) which remain to be paid. Each installment shall be paid on or before January 31 of the calendar year.

Notwithstanding anything else contained in this section 4.9, no Participant who is eligible for Employer provided long-term disability benefits and who became disabled prior to October 1, 1995 shall be entitled to a distribution of benefits hereunder prior to the time long-term disability payments cease.

4.10 Death. The account of a Participant who dies while employed by an Employer shall be paid in a single sum to the Participant's Beneficiary as soon as administratively possible following the Participant's date of death. If a Participant dies after termination of employment, then his surviving Beneficiary shall be paid the amount in the Participant's account in a single sum as soon as administratively possible following the Participant's date of death.

4.11 Withholding; Unemployment Taxes. To the extent required by the law in effect at the time payments are made, the Company shall withhold from payments made hereunder the minimum taxes required to be withheld by the federal or any state or local government.

## Article 5. Administration

-----

5.1 Administrative Committee. This Plan shall be administered by the committee appointed to administer the Retirement Plan (the "Administrative Committee").

The interpretation and construction by the Administrative Committee of any provisions of this Plan shall be final unless otherwise determined by the Board of Directors. Subject to the Board of Directors, the Administrative Committee is authorized to construe and interpret the Plan, to supply all omissions from, correct deficiencies in and resolve ambiguities in the language of the Plan, to decide all questions of eligibility and determine the amount, manner, and time of payment of benefits, to prescribe, amend, and rescind rules and regulations relating to the Plan, and to make all other determinations necessary for its administration.

Without limiting the generality of the foregoing, the Administrative Committee shall have the authority to calculate amounts allocable to Participants, and to maintain and adjust accounts. The Administrative Committee shall have authority to delegate responsibility for performance of ministerial functions necessary for administration of the Plan to such officers of the Employer, including Participants, as the Administrative Committee shall in its discretion deem appropriate.

5.2 Uniform Rules. In administering the Plan, the Administrative Committee will apply uniform rules to all Participants similarly situated.

5.3 Notice of Address. Any payment to a Participant or Beneficiary, at the last known post office address submitted to the Employer, shall constitute a complete acquittance and discharge of the Employer and any director or officer with respect thereto. Neither the Employer nor any director or officer shall have any duty or obligation to search for or ascertain the whereabouts of any Participant or his Beneficiary.

5.4 Records. The records of the Administrative Committee with respect to the Plan shall be conclusive on all Participants, all Beneficiaries, and all other persons whomsoever.

## Article 6. Amendment and Termination

-----

6.1 Amendment and Termination. The Company expects the Plan to be permanent, but since future conditions affecting the Company cannot be anticipated or foreseen, the Company must necessarily and does hereby reserve the right to amend, modify, or terminate the Plan at any time by action of its Board of Directors, except that no amendment shall reduce the dollar amount credited to a Participant's account and any such termination or amendment shall apply uniformly to all Participants. The Administrative Committee in its discretion may amend the Plan if it finds that such amendment does not significantly increase or decrease benefits or costs.

6.2 Reorganization of Employer. In the event of a merger or consolidation of the Employer, or the transfer of substantially all of the assets of the Employer to another corporation, such continuing, resulting or transferee corporation shall have the right to continue and carry on the Plan and to assume all liabilities of the Employer hereunder without obtaining the consent of any Participant or Beneficiary. If such successor shall assume the liabilities of the Employer hereunder, then the Employer shall be relieved of all such liability, and no Participant or Beneficiary shall have the right to assert any claim against the Employer for benefits under or in connection with this Plan.



6.3 Protected Benefits. If the Plan is terminated or amended so as to prevent further earnings adjustments, or if liabilities accrued hereunder up to the date of an event specified in section 6.2 are not assumed by the successor to the Employer, then the dollar amount in the account of each Participant, or Beneficiary (whether or not vested) shall be paid in cash to such Participant or Beneficiary in a single sum on the last day of the second month following the month in which the amendment or termination occurs.

## Article 7. General Provisions

-----

7.1. Nonassignability. Neither a Participant nor any other person shall have any right to commute, sell, assign, transfer, pledge, anticipate, mortgage or otherwise encumber, hypothecate or convey in advance of actual receipt the amount, if any, payable hereunder, or any part thereof, or interest therein which are, and all rights to which are, expressly declared to be unassignable and non-transferable. No part of the amounts payable shall, prior to actual payment, be subject to seizure or sequestration for the payment of any debts, judgments, alimony or separate maintenance owed by a Participant or any other person, nor be transferable by operation of law in the event of a Participant's or any other person's bankruptcy or insolvency.

7.2 Employment Rights. The establishment of the Plan shall not be construed as conferring any legal rights upon any Participant or any other person for a continuation of employment, nor shall it interfere with the rights of the Employer to discharge any person or treat him without regard to the effect which such treatment might have upon him under this Plan.

7.3 Illegality of Particular Provision. If any particular provision of this Plan shall be found to be illegal or unenforceable, such provision shall not affect any other provision, but the Plan shall be construed in all respects as if such invalid provision were omitted.

7.4 Applicable Laws. The Plan shall be governed by and construed according to the laws of the State of California.

\* \* \*

This amended and restated Plan shall be effective as of January 1, 1999.

OCCIDENTAL PETROLEUM CORPORATION  
INCENTIVE STOCK OPTION AGREEMENT

Name of Optionee: \_\_\_\_\_

Date of Grant: \_\_\_\_\_

Number of Optioned Shares: \_\_\_\_\_

Option Price: \_\_\_\_\_

Vesting Percentage: \_\_\_\_\_ Percent

AGREEMENT (the "Agreement") made as of the Date of Grant by and between OCCIDENTAL PETROLEUM CORPORATION, a Delaware corporation (hereinafter called "Occidental," and, collectively with its Subsidiaries, the "Company"), and Optionee.

1. GRANT OF STOCK OPTION. Subject to and upon the terms, conditions, and restrictions set forth in this Agreement and in the Occidental Petroleum Corporation 1995 Incentive Stock Plan (the "Plan"), Occidental hereby grants to the Optionee as of the Date of Grant a stock option (the "Option") to purchase up to the number of Optioned Shares. The Option may be exercised from time to time in accordance with the terms of this Agreement. The Option is intended to be an "incentive stock option" within the meaning of that term under Section 422 of the Internal Revenue Code of 1986, as amended (the "Code"), or any successor provision thereto; this Agreement shall be construed in a manner that will enable this Option to be so qualified.

2. TERM OF OPTION. The term of the Option shall commence on the Date of Grant and, unless earlier terminated in accordance with Section 6 hereof, shall expire ten (10) years from the Date of Grant.

3. RIGHT TO EXERCISE. Subject to the expiration or earlier termination of the Option, on each anniversary of the Date of Grant the number of Optioned Shares equal to the Vesting Percentage multiplied by the initial number of Optioned Shares specified in this Agreement shall become exercisable on a cumulative basis until the Option is fully exercisable. To the extent the Option is exercisable, it may be exercised in whole or in part.

4. OPTION NONTRANSFERABLE. The Option granted hereby shall be neither transferable nor assignable by the Optionee other than by will or by the laws of descent

and distribution and may be exercised, during the lifetime of the Optionee, only by the Optionee, or in the event of his or her legal incapacity, by his or her guardian or legal representative acting on behalf of the Optionee in a fiduciary capacity under state law and court supervision.

5. NOTICE OF EXERCISE; PAYMENT. To the extent then exercisable, the Option shall be exercised by oral or written notice to Occidental stating the number of Optioned Shares for which the Option is being exercised and the intended manner of payment. Payment equal to the aggregate Option Price of the Optioned Shares shall be: (a) in cash in the form of currency or check or other cash equivalent acceptable to Occidental, (b) by actual or constructive transfer to Occidental of nonforfeitable, nonrestricted shares of Common Stock that have been owned by the Optionee for (i) more than one year prior to the date of exercise and for more than two years from the date on which the option was granted, if they were originally acquired by the Optionee pursuant to the exercise of an incentive stock option, or (ii) more than six months prior to the date of exercise, if they were originally acquired by the Optionee other than pursuant to the exercise of an incentive stock option, or (c) by any combination of the foregoing methods of payment. Nonforfeitable, nonrestricted shares of Common Stock that are transferred by the Optionee in payment of all or any part of the Option Price shall be valued on the basis of their Fair Market Value per Share. The requirement of payment in cash shall be deemed satisfied if the Optionee makes arrangements that are satisfactory to Occidental with a broker that is a member of the National Association of Securities Dealers, Inc. to sell a sufficient number of the shares of Common Stock, which are being purchased pursuant to the exercise, so that the net proceeds of the sale transaction will at least equal the amount of the aggregate Option Price, plus interest at the "applicable Federal rate" within the meaning of that term under Section 1274 of the Code, or any successor provision thereto, for the period from the date of exercise to the date of payment, and pursuant to which the broker undertakes to deliver to Occidental the amount of the aggregate Option Price not later than the date on which the sale transaction will settle in the ordinary course of business. The date of such notice shall be the exercise date. Any oral notice of exercise shall be confirmed in writing to Occidental before the close of business the same day.

6. TERMINATION OF AGREEMENT. The Agreement and the Option granted hereby shall terminate automatically and without further notice on the earliest of the following dates:

(a) The remaining term of the Option after the date the Optionee ceases to be an employee of the Company by reason of the Optionee's (i) death, (ii) permanent disability or (iii) retirement under a retirement plan of the Company at or after the earliest voluntary retirement age provided for in such retirement plan or retirement at an earlier age with the consent of the Board;

(b) Immediately upon the voluntary or involuntary resignation of the Optionee other than in connection with retirement as provided in 6(a)(iii) above; or

(c) Ten years from the Date of Grant.

In the event that the Optionee commits an act that the Committee determines to have been intentionally committed and materially inimical to the interests of the Company, the Agreement shall terminate at the time of that determination notwithstanding any other provision of this Agreement. This Agreement shall not be exercisable for any number of Optioned Shares in excess of the number of Optioned Shares for which this Agreement is then exercisable on the date of termination of employment. For the purposes of this Agreement, the continuous employment of the Optionee with the Company shall not be deemed to have been interrupted, and the Optionee shall not be deemed to have ceased to be an employee of the Company, by reason of the transfer of his or her employment among the Company and its Subsidiaries or an approved leave of absence.

7. ACCELERATION OF OPTION. In the event of a Change of Control, the Option granted hereby shall become immediately exercisable in full. For purposes of this Agreement, "Change of Control" means the occurrence of any of the following events:

(a) any "person," as such term is used in Sections 13(d) and 14(d) of the Securities Exchange Act of 1934, as amended (the "Exchange Act") (other than the Company, any trustee or other fiduciary holding securities under an employee benefit plan of the Company or any company owned, directly or indirectly, by the stockholders of Occidental in substantially the same proportions as their ownership of the Common Stock of Occidental), is or becomes after the effective date of the Plan as provided in Section 16 of the Plan (the "Effective Date") the "beneficial owner" (as defined in Rule 13d-3 under the Exchange Act), directly or indirectly, of securities of Occidental (not including in the securities beneficially owned by such person any securities acquired directly from Occidental or its affiliates) representing 50 percent or more of the combined voting power of Occidental's then-outstanding securities;

(b) during any period of two consecutive years (not including any period prior to the Effective Date), individuals who at the beginning of such period constitute the Board, and any new director (other than a director designated by a person who has entered into an agreement with the Company to effect a transaction described in clause (a), (c), or (d) of this definition) whose election by the Board or nomination for election by Occidental's stockholders was approved by a vote of at least two thirds (2/3) of the directors then still in office who either were directors at the beginning of the period or whose election or nomination for election was previously so approved, cease for any reason to constitute at least a majority of the Board;

(c) the stockholders of Occidental approve a merger or consolidation of Occidental with any other corporation, other than (i) a merger or consolidation that would result in the voting securities of Occidental outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity), in combination with the ownership of any trustee or other fiduciary holding securities under an employee benefit plan of the

Company, at least 50 percent of the combined voting power of the voting securities of Occidental or such surviving entity outstanding immediately after such merger or consolidation or (ii) a merger or consolidation effected to implement a recapitalization of the Company (or similar transaction) in which no person acquires more than 50 percent of the combined voting power of Occidental's then-outstanding securities; or

(d) the stockholders of Occidental approve a plan of complete liquidation of the Company or an agreement for the sale or disposition of all or substantially all of the Company's assets;

provided, however, that prior to the occurrence of any of the events described in clauses (a) through (d) above, the Board may determine that such event shall not constitute a Change of Control for purposes of this Agreement.

8. NO EMPLOYMENT CONTRACT. Nothing contained in this Agreement shall confer upon the Optionee any right with respect to continuance of employment by the Company, nor limit or affect in any manner the right of the Company to terminate the employment or adjust the compensation of the Optionee.

9. TAXES AND WITHHOLDING. If the Company shall be required to withhold any federal, state, local or foreign tax in connection with the exercise of the Option, the Optionee shall pay the tax or make provisions that are satisfactory to the Company for the payment thereof. The Optionee may elect to satisfy all or any part of any such withholding obligation by surrendering to the Company a portion of the shares of Common Stock that are issued or transferred to the Optionee upon the exercise of the Option, and the shares of Common Stock so surrendered by the Optionee shall be credited against any such withholding obligation at the Fair Market Value per Share of such shares on the date of such surrender; provided, however, if the Optionee is subject to Section 16 of the Exchange Act, such election shall be made in accordance with Rule 16b-3 and subject to approval by the Committee if such approval is then required by Rule 16b-3.

10. COMPLIANCE WITH LAW. The Company shall make reasonable efforts to comply with all applicable federal and state securities laws; provided, however, notwithstanding any other provision of this Agreement, the Option shall not be exercisable if the exercise thereof would result in a violation of any such law.

11. ADJUSTMENTS. The Committee shall make such adjustments in the Option Price and the number or kind of shares of stock covered by the Option that the Committee may in good faith determine to be required in order to prevent dilution or expansion of the Optionee's rights under this Agreement that otherwise would result from (a) any stock dividend, stock split, combination of shares, recapitalization or other change in the capital structure of the Company, or (b) any merger, consolidation, spin-off, spin-out, split-off, split-up, reorganization, partial or complete liquidation or other distribution of assets, issuance of warrants or other rights to purchase securities, or any other corporate

transaction or event having an effect similar to any of the foregoing; provided, however, that no adjustment may be made without the prior written consent of the Optionee if the adjustment would constitute a "modification" within the meaning of Section 424(h) of the Code or any successor provision thereto. In the event of any such transaction or event, the Committee may provide in substitution for all or any portion of the Optionee's rights under this Agreement such alternative consideration as the Committee may in good faith determine to be appropriate under the circumstances and may require the surrender of all rights so replaced.

12. MANDATORY NOTICE OF DISQUALIFYING DISPOSITION. Without limiting any other provision hereof, the Optionee hereby agrees that if the Optionee disposes (whether by sale, exchange, gift or otherwise) of any of the Optioned Shares within two (2) years of the Date of Grant or within one (1) year after the transfer of such share or shares to the Optionee, the Optionee shall notify Occidental of such disposition in writing within thirty (30) days from the date of such disposition. Such written notice shall state the principal terms of such disposition, including without limitation the date of such disposition and the type and amount of the consideration received for such share or shares by the Optionee in connection therewith.

13. RELATION TO OTHER BENEFITS. Any economic or other benefit to the Optionee under this Agreement shall not be taken into account in determining any benefits to which the Optionee may be entitled under any profit-sharing, retirement or other benefit or compensation plan maintained by the Company and shall not affect the amount of any life insurance coverage available to any beneficiary under any life insurance plan covering employees of the Company.

14. AMENDMENTS. Any amendment to the Plan shall be deemed to be an amendment to this Agreement to the extent that the amendment is applicable hereto; provided, however, that no amendment shall adversely affect the rights of the Optionee under this Agreement without the Optionee's consent.

15. SEVERABILITY. In the event that one or more of the provisions of this Agreement shall be invalidated for any reason by a court of competent jurisdiction, any provision so invalidated shall be deemed to be separable from the other provisions hereof, and the remaining provisions hereof shall continue to be valid and fully enforceable.

16. RELATION TO PLAN. This Agreement is subject to the terms and conditions of the Plan. In the event of any inconsistent provisions between this Agreement and the Plan, the Plan shall govern. Capitalized terms used herein without definition shall have the meanings assigned to them in the Plan.

17. SUCCESSORS AND ASSIGNS. Without limiting Section 4 hereof, the provisions of this Agreement shall inure to the benefit of, and be binding upon, the successors, administrators, heirs, legal representatives and assigns of the Optionee, and the successors and assigns of the Company.

18. GOVERNING LAW. The interpretation, performance, and enforcement of this Agreement shall be governed by the laws of the State of Delaware.

19. NOTICES. Any notice to the Company provided for herein shall be given to its Secretary at 10889 Wilshire Boulevard, Los Angeles, California 90024, and any notice to the Optionee shall be addressed to said Optionee at his or her address currently on file with the Company. Except as otherwise provided herein, any written notice shall be deemed to be duly given if and when delivered personally or deposited in the United States mail, first class registered mail, postage and fees prepaid, and addressed as aforesaid. Any party may change the address to which notices are to be given hereunder by written notice to the other party as herein specified (provided that for this purpose any mailed notice shall be deemed given on the third business day following deposit on the same in the United States mail).

IN WITNESS WHEREOF, the Company has caused this Agreement to be executed on its behalf by its duly authorized officer and Optionee has also executed this Agreement in duplicate, as of the day and year first above written.

OCCIDENTAL PETROLEUM CORPORATION

By: -----

-----  
Optionee



OCCIDENTAL PETROLEUM CORPORATION  
NONQUALIFIED STOCK OPTION AGREEMENT

Name of Optionee: \_\_\_\_\_

Date of Grant: \_\_\_\_\_

Number of Optioned Shares: \_\_\_\_\_

Option Price: \_\_\_\_\_

Vesting Percentage: \_\_\_\_\_ Percent

AGREEMENT (the "Agreement") made as of the Date of Grant by and between OCCIDENTAL PETROLEUM CORPORATION, a Delaware corporation (hereinafter called "Occidental," and, collectively with its Subsidiaries, the "Company"), and Optionee.

1. GRANT OF STOCK OPTION. Subject to and upon the terms, conditions, and restrictions set forth in this Agreement and in the Occidental Petroleum Corporation 1995 Incentive Stock Plan (the "Plan"), Occidental hereby grants to the Optionee as of the Date of Grant a stock option (the "Option") to purchase up to the number of Optioned Shares. The Option may be exercised from time to time in accordance with the terms of this Agreement. The Option is intended to be a nonqualified stock option and shall not be treated as an "incentive stock option" within the meaning of that term under Section 422 of the Internal Revenue Code of 1986, as amended (the "Code"), or any successor provision thereto.

2. TERM OF OPTION. The term of the Option shall commence on the Date of Grant and, unless earlier terminated in accordance with Section 6 hereof, shall expire ten (10) years from the Date of Grant.

3. RIGHT TO EXERCISE. Subject to the expiration or earlier termination of the Option, on each anniversary of the Date of Grant the number of Optioned Shares equal to the Vesting Percentage multiplied by the initial number of Optioned Shares specified in this Agreement shall become exercisable on a cumulative basis until the Option is fully exercisable. To the extent the Option is exercisable, it may be exercised in whole or in part.

4. OPTION NONTRANSFERABLE. The Option granted hereby shall be neither transferable nor assignable by the Optionee other than by will or by the laws of descent

and distribution and may be exercised, during the lifetime of the Optionee, only by the Optionee, or in the event of his or her legal incapacity, by his or her guardian or legal representative acting on behalf of the Optionee in a fiduciary capacity under state law and court supervision.

5. NOTICE OF EXERCISE; PAYMENT. To the extent then exercisable, the Option shall be exercised by oral or written notice to Occidental stating the number of Optioned Shares for which the Option is being exercised and the intended manner of payment. Payment equal to the aggregate Option Price of the Optioned Shares shall be (a) in cash in the form of currency or check or other cash equivalent acceptable to Occidental, (b) by actual or constructive transfer to Occidental of nonforfeitable, nonrestricted shares of Common Stock that have been owned by the Optionee for (i) more than one year prior to the date of exercise and for more than two years from the date on which the option was granted, if they were originally acquired by the Optionee pursuant to the exercise of an incentive stock option, or (ii) more than six months prior to the date of exercise, if they were originally acquired by the Optionee other than pursuant to the exercise of an incentive stock option, or (c) by any combination of the foregoing methods of payment. Nonforfeitable, nonrestricted shares of Common Stock that are transferred by the Optionee in payment of all or any part of the Option Price shall be valued on the basis of their Fair Market Value per Share. The requirement of payment in cash shall be deemed satisfied if the Optionee makes arrangements that are satisfactory to Occidental with a broker that is a member of the National Association of Securities Dealers, Inc. to sell a sufficient number of the shares of Common Stock, which are being purchased pursuant to the exercise, so that the net proceeds of the sale transaction will at least equal the amount of the aggregate Option Price, and pursuant to which the broker undertakes to deliver to Occidental the amount of the aggregate Option Price not later than the date on which the sale transaction will settle in the ordinary course of business. The date of such notice shall be the exercise date. Any oral notice of exercise shall be confirmed in writing to Occidental before the close of business the same day.

6. TERMINATION OF AGREEMENT. The Agreement and the Option granted hereby shall terminate automatically and without further notice on the earliest of the following dates:

(a) The remaining term of the Option after the date the Optionee ceases to be an employee of the Company by reason of the Optionee's (i) death, (ii) permanent disability or (iii) retirement under a retirement plan of the Company at or after the earliest voluntary retirement age provided for in such retirement plan or retirement at an earlier age with the consent of the Board;

(b) Immediately upon the voluntary or involuntary resignation of the Optionee other than in connection with retirement as provided in 6(a)(iii) above; or

(c) Ten years from the Date of Grant.

In the event that the Optionee commits an act that the Committee determines to have been intentionally committed and materially inimical to the interests of the Company, the Agreement shall terminate at the time of that determination notwithstanding any other provision of this Agreement. This Agreement shall not be exercisable for any number of Optioned Shares in excess of the number of Optioned Shares for which this Agreement is then exercisable on the date of termination of employment. For the purposes of this Agreement, the continuous employment of the Optionee with the Company shall not be deemed to have been interrupted, and the Optionee shall not be deemed to have ceased to be an employee of the Company, by reason of the transfer of his or her employment among the Company and its Subsidiaries or an approved leave of absence.

7. ACCELERATION OF OPTION. In the event of a Change of Control, the Option granted hereby shall become immediately exercisable in full. For purposes of this Agreement, "Change of Control" means the occurrence of any of the following events:

(a) any "person," as such term is used in Sections 13(d) and 14(d) of the Securities Exchange Act of 1934, as amended (the "Exchange Act") (other than the Company, any trustee or other fiduciary holding securities under an employee benefit plan of the Company or any company owned, directly or indirectly, by the stockholders of Occidental in substantially the same proportions as their ownership of the Common Stock of Occidental), is or becomes after the effective date of the Plan as provided in Section 16 of the Plan (the "Effective Date") the "beneficial owner" (as defined in Rule 13d-3 under the Exchange Act), directly or indirectly, of securities of Occidental (not including in the securities beneficially owned by such person any securities acquired directly from Occidental or its affiliates) representing 50 percent or more of the combined voting power of Occidental's then-outstanding securities;

(b) during any period of two consecutive years (not including any period prior to the Effective Date), individuals who at the beginning of such period constitute the Board, and any new director (other than a director designated by a person who has entered into an agreement with the Company to effect a transaction described in clause (a), (c), or (d) of this definition) whose election by the Board or nomination for election by Occidental's stockholders was approved by a vote of at least two thirds (2/3) of the directors then still in office who either were directors at the beginning of the period or whose election or nomination for election was previously so approved, cease for any reason to constitute at least a majority of the Board;

(c) the stockholders of Occidental approve a merger or consolidation of Occidental with any other corporation, other than (i) a merger or consolidation that would result in the voting securities of Occidental outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity), in combination with the ownership of any trustee or other fiduciary holding securities under an employee benefit plan of the Company, at least 50 percent of the combined voting power of the voting securities of Occidental or such surviving entity outstanding immediately after such merger or

consolidation or (ii) a merger or consolidation effected to implement a recapitalization of the Company (or similar transaction) in which no person acquires more than 50 percent of the combined voting power of Occidental's then-outstanding securities; or

(d) the stockholders of Occidental approve a plan of complete liquidation of the Company or an agreement for the sale or disposition of all or substantially all of the Company's assets;

provided, however, that prior to the occurrence of any of the events described in clauses (a) through (d) above, the Board may determine that such event shall not constitute a Change of Control for purposes of this Agreement.

8. NO EMPLOYMENT CONTRACT. Nothing contained in this Agreement shall confer upon the Optionee any right with respect to continuance of employment by the Company, nor limit or affect in any manner the right of the Company to terminate the employment or adjust the compensation of the Optionee.

9. TAXES AND WITHHOLDING. If the Company shall be required to withhold any federal, state, local or foreign tax in connection with the exercise of the Option, the Optionee shall pay the tax or make provisions that are satisfactory to the Company for the payment thereof. The Optionee may elect to satisfy all or any part of any such withholding obligation by surrendering to the Company a portion of the shares of Common Stock that are issued or transferred to the Optionee upon the exercise of the Option, and the shares of Common Stock so surrendered by the Optionee shall be credited against any such withholding obligation at the Fair Market Value per Share of such shares on the date of such surrender; provided, however, if the Optionee is subject to Section 16 of the Exchange Act, such election shall be made in accordance with Rule 16b-3 and subject to approval by the Committee if such approval is then required by Rule 16b-3.

10. COMPLIANCE WITH LAW. The Company shall make reasonable efforts to comply with all applicable federal and state securities laws; provided, however, notwithstanding any other provision of this Agreement, the Option shall not be exercisable if the exercise thereof would result in a violation of any such law.

11. ADJUSTMENTS. The Committee shall make such adjustments in the Option Price and the number or kind of shares of stock covered by the Option that the Committee may in good faith determine to be required in order to prevent dilution or expansion of the Optionee's rights under this Agreement that otherwise would result from (a) any stock dividend, stock split, combination of shares, recapitalization or other change in the capital structure of the Company, or (b) any merger, consolidation, spin-off, spin-out, split-off, split-up, reorganization, partial or complete liquidation or other distribution of assets, issuance of warrants or other rights to purchase securities, or any other corporate transaction or event having an effect similar to any of the foregoing. In the event of any such transaction or event, the Committee may provide in substitution for all or any

portion of the Optionee's rights under this Agreement such alternative consideration as the Committee may in good faith determine to be appropriate under the circumstances and may require the surrender of all rights so replaced.

12. RELATION TO OTHER BENEFITS. Any economic or other benefit to the Optionee under this Agreement shall not be taken into account in determining any benefits to which the Optionee may be entitled under any profit-sharing, retirement or other benefit or compensation plan maintained by the Company and shall not affect the amount of any life insurance coverage available to any beneficiary under any life insurance plan covering employees of the Company.

13. AMENDMENTS. Any amendment to the Plan shall be deemed to be an amendment to this Agreement to the extent that the amendment is applicable hereto; provided, however, that no amendment shall adversely affect the rights of the Optionee under this Agreement without the Optionee's consent.

14. SEVERABILITY. In the event that one or more of the provisions of this Agreement shall be invalidated for any reason by a court of competent jurisdiction, any provision so invalidated shall be deemed to be separable from the other provisions hereof, and the remaining provisions hereof shall continue to be valid and fully enforceable.

15. RELATION TO PLAN. This Agreement is subject to the terms and conditions of the Plan. In the event of any inconsistent provisions between this Agreement and the Plan, the Plan shall govern. Capitalized terms used herein without definition shall have the meanings assigned to them in the Plan.

16. SUCCESSORS AND ASSIGNS. Without limiting Section 4 hereof, the provisions of this Agreement shall inure to the benefit of, and be binding upon, the successors, administrators, heirs, legal representatives and assigns of the Optionee, and the successors and assigns of the Company.

17. GOVERNING LAW. The interpretation, performance, and enforcement of this Agreement shall be governed by the laws of the State of Delaware.

18. NOTICES. Any notice to the Company provided for herein shall be given to its Secretary at 10889 Wilshire Boulevard, Los Angeles, California 90024, and any notice to the Optionee shall be addressed to said Optionee at his or her address currently on file with the Company. Except as otherwise provided herein, any written notice shall be deemed to be duly given if and when delivered personally or deposited in the United States mail, first class registered mail, postage and fees prepaid, and addressed as aforesaid. Any party may change the address to which notices are to be given hereunder by written notice to the other party as herein specified (provided that for this purpose any mailed notice shall be deemed given on the third business day following deposit on the same in the United States mail).

IN WITNESS WHEREOF, the Company has caused this Agreement to be executed on its behalf by its duly authorized officer and Optionee has also executed this Agreement in duplicate, as of the day and year first above written.

OCCIDENTAL PETROLEUM CORPORATION

By: -----

-----  
Optionee