
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) January 29, 2008

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 January 29, 2008, Occidental Petroleum Corporation released information regarding its results of operations for the three and twelve months ended December 31, 2007. 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 speech given by Stephen I. Chazen is 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.

Section 8 — Other Events

Item 8.01. Other Events

Reserves Information

On January 29, 2008, Occidental Petroleum Corporation issued a press release announcing preliminary proved reserve additions from all sources resulting in a production replacement rate of 116 percent. The full text of the press release is attached to this report as Exhibit 99.5.

Earnings Information

On January 29, 2008, Occidental Petroleum Corporation announced record net income of \$5.400 billion (\$6.44 per diluted share) for the twelve months of 2007, compared with \$4.191 billion (\$4.87 per diluted share) for the twelve months of 2006.

Net income for the fourth quarter of 2007 was \$1.452 billion (\$1.74 per diluted share), compared with \$930 million (\$1.09 per diluted share) for the fourth quarter of 2006.

QUARTERLY RESULTS

Oil and Gas

Oil and gas segment earnings were \$2.599 billion for the fourth quarter of 2007, compared with \$1.422 billion for the same period in 2006. The \$1.2 billion increase in the fourth quarter 2007 segment earnings reflected \$1.3 billion of increases from record crude oil and higher natural gas prices and volumes from the Dolphin project in the UAE coming on line in 2007, partially offset by increased DD&A rates and higher operating expenses.

The average price for West Texas Intermediate crude oil in the fourth quarter of 2007 was \$90.68 per barrel, compared to \$60.20 per barrel in the fourth quarter of 2006. Oxy's realized price for worldwide crude oil was \$80.30 per barrel for the fourth quarter of 2007, compared with \$52.55 per barrel for the fourth quarter of 2006. The average price for NYMEX gas in the fourth quarter of 2007 was \$7.06 per MCF, compared with \$6.27 per MCF in the fourth quarter of 2006. Domestic realized gas prices increased from \$5.63 per MCF in the fourth quarter of 2006 to \$6.77 per MCF for the fourth quarter of 2007. For the fourth quarter of 2007, daily oil and gas production averaged 590,000 barrels of oil equivalent (BOE), compared with 561,000 BOE per day produced in the fourth quarter of 2006.

Chemicals

Chemical segment earnings for the fourth quarter of 2007 were \$94 million, compared with \$157 million for the same period in 2006. The fourth quarter of 2007 results reflect lower margins for polyvinyl chloride.

TWELVE-MONTHS RESULTS

Net income for the twelve months of 2007 was a record \$5.400 billion (\$6.44 per diluted share), compared with \$4.191 billion (\$4.87 per diluted share) for the twelve months of 2006.

Core results were also a record \$4.405 billion (\$5.25 per diluted share) for the twelve months of 2007, compared with \$4.116 billion (\$4.78 per diluted share) for the twelve months of 2006. See the attached schedule for a reconciliation of net income to core results.

Oil and Gas

Oil and gas segment earnings were \$8.318 billion for the twelve months of 2007, compared with \$6.880 billion for the same period of 2006. Oil and gas core results were \$7.730 billion for the twelve months of 2007 after excluding gains from the sale of Oxy's joint venture in Russia, sales of exploration properties, net of asset impairments, sales of domestic oil and gas interests, and litigation settlements. The increase of \$850 million in the twelve months of 2007 core results from \$6.880 billion in 2006 reflected \$1.3 billion from higher crude oil and natural gas prices, and increased production, including Dolphin coming on line in the third quarter of 2007, partially offset by higher DD&A rates, exploration and operating expenses.

The average price for West Texas Intermediate crude oil in the twelve months of 2007 was \$72.32 per barrel compared to \$66.23 per barrel in the twelve months of 2006. Oxy's realized price for worldwide crude oil was \$64.77 per barrel for the twelve months of 2007, compared with \$57.81 per barrel for the twelve months of 2006. The average price for NYMEX gas in the twelve months of 2007 was \$7.12 per MCF, compared with \$7.82 per MCF in the twelve months of 2006. Domestic realized gas prices increased slightly from \$6.49 per MCF in the twelve months of 2006 to \$6.53 per MCF for the same period of 2007.

Production

For the twelve months of 2007, daily oil and gas production averaged 570,000 BOE, compared with 545,000 BOE per day produced from continuing operations in the twelve months of 2006.

Chemicals

Chemical segment earnings for the twelve months of 2007 were \$601 million, compared with \$906 million for the same period in 2006. The 2007 results reflect lower margins for polyvinyl chloride.

Forward-Looking Statements

Statements in this report 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 results to differ materially include, but are not limited to: exploration risks, such as drilling of unsuccessful wells; global commodity pricing fluctuations and supply/demand considerations for oil, gas and chemicals; higher-than-expected costs; political risk; operational interruptions; changes in tax rates and not successfully completing (or any material delay in) any expansion, capital expenditure, acquisition, or disposition. 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 disclosure 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.

(Millions, except per-share amounts)	Fourth Quarter		Twelve Months	
	2007	2006	2007	2006
SEGMENT NET SALES				
Oil and Gas	\$ 4,321	\$ 2,946	\$ 13,918	\$ 12,190
Chemical	1,134	1,036	4,664	4,815
Other	62	56	202	170
Net sales	\$ 5,517	\$ 4,038	\$ 18,784	\$ 17,175
SEGMENT EARNINGS				
Oil and Gas (a)	\$ 2,599	\$ 1,422	\$ 8,318	\$ 6,880
Chemical	94	157	601	906
	2,693	1,579	8,919	7,786
Unallocated Corporate Items				
Interest expense, net (b)	(13)	(51)	(199)	(131)
Income taxes	(1,057)	(771)	(3,507)	(3,354)
Other (c)	(175)	113	(135)	(99)
Income from Continuing Operations	1,448	870	5,078	4,202
Discontinued operations, net (d)	4	60	322	(11)
NET INCOME	\$ 1,452	\$ 930	\$ 5,400	\$ 4,191
BASIC EARNINGS PER COMMON SHARE				
Income from continuing operations	\$ 1.75	\$ 1.03	\$ 6.08	\$ 4.93
Discontinued operations, net (d)	—	0.07	0.39	(0.01)
	\$ 1.75	\$ 1.10	\$ 6.47	\$ 4.92
DILUTED EARNINGS PER COMMON SHARE				
Income from continuing operations	\$ 1.74	\$ 1.02	\$ 6.05	\$ 4.88
Discontinued operations, net (d)	—	0.07	0.39	(0.01)
	\$ 1.74	\$ 1.09	\$ 6.44	\$ 4.87
AVERAGE COMMON SHARES OUTSTANDING				
BASIC	828.4	846.4	834.9	852.6
DILUTED	833.1	852.6	839.1	860.4

See footnotes on following page.

4

- (a) **Oil and Gas** — The twelve months of 2007 includes pre-tax gains of \$412 million from the sale of Occidental's Russian investment, \$112 million resulting from the resolution of certain legal disputes, \$35 million from the sale of domestic oil and gas interests and \$103 million from the sale of exploration properties, partially offset by a pre-tax loss of \$74 million for the impairment of properties.
- (b) **Interest Expense, net** — Includes pre-tax interest charges for the purchase of various debt issues in the open market of \$167 million for the twelve months of 2007 and \$31 million for the twelve months of 2006, respectively.
- (c) **Unallocated Corporate Items — Other** — The twelve months of 2007 includes a \$326 million pre-tax gain from the sale of Occidental's remaining investment in Lyondell Chemical Company (Lyondell) and a \$47 million pre-tax charge for a plant closure and related environmental remediation reserve. The fourth quarter of 2006 includes pre-tax gains of \$108 million related to litigation settlements and \$90 million from the sale of a portion of Occidental's investment in Lyondell.
- (d) **Discontinued Operations, net** — In June 2007, Occidental completed an exchange of oil and gas interests in Horn Mountain with BP p.l.c. (BP) for oil and gas interests in the Permian Basin and a gas processing plant in Texas. Occidental also sold its oil and gas interests in Pakistan to BP. The twelve months of 2007 includes after-tax income of \$326 million related to these transactions and their operating results and a \$4 million after-tax charge from assets classified to discontinued operations in 2006.

In January 2006, Occidental completed the merger of Vintage into a subsidiary and classified certain assets and liabilities as held for sale. In May 2006, Ecuador terminated Occidental's contract for the operation of Block 15. The twelve months of 2006 includes a \$253 million after-tax loss for Ecuador and the properties held for sale and \$242 million after-tax income for the operations of Horn Mountain and Pakistan.

SUMMARY OF CAPITAL EXPENDITURES AND DD&A EXPENSE

(\$ millions)	Fourth Quarter		Twelve Months	
	2007	2006	2007	2006
CAPITAL EXPENDITURES	\$ 987	\$ 1,010	\$ 3,497	\$ 2,987
DEPRECIATION, DEPLETION AND AMORTIZATION OF ASSETS	\$ 639	\$ 562	\$ 2,379	\$ 2,008

5

SUMMARY OF OPERATING STATISTICS

	Fourth Quarter		Twelve Months	
	2007	2006	2007	2006
NET OIL, GAS AND LIQUIDS PRODUCTION PER DAY				
United States				
Crude Oil and Liquids (MBBL)				
California	88	94	89	86
Permian	170	167	167	167
Hugoton and other	4	3	4	3
Total	262	264	260	256
Natural Gas (MMCF)				
California	250	261	254	256

Hugoton and other	148	142	153	138
Permian	180	190	186	194
Total	578	593	593	588
Latin America				
Crude Oil (MBBL)				
Argentina	31	35	32	33
Colombia	41	44	42	38
Total	72	79	74	71
Natural Gas (MMCF)				
Argentina	19	17	22	17
Bolivia	22	18	18	17
Total	41	35	40	34
Middle East/North Africa				
Crude Oil (MBBL)				
Oman	20	19	20	18
Dolphin	14	—	4	—
Qatar	52	44	48	43
Yemen	22	26	25	29
Libya	22	24	22	23
Total	130	113	119	113
Natural Gas (MMCF)				
Oman	30	25	30	30
Dolphin	133	—	51	—
Total	163	25	81	30
Barrels of Oil Equivalent (MBOE)				
Subtotal consolidated subsidiaries	594	565	573	549
Colombia-minority interest	(6)	(6)	(5)	(5)
Yemen-Occidental net interest	2	2	2	1
Total Worldwide Production — MBOE (a)	590	561	570	545

(a) Occidental sold its interest in Russia in January 2007. In June 2007, Occidental sold its Pakistan operations to BP and exchanged its Gulf of Mexico - Horn Mountain operations with BP. Production from these operations has been excluded from all periods for comparability.

6

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.

The following tables set forth the core results and significant items affecting earnings for each operating segment and corporate:

7

SIGNIFICANT TRANSACTIONS AND EVENTS AFFECTING EARNINGS (continued)

(\$ millions, except per share amounts)	Fourth Quarter			
	2007	Diluted EPS	2006	Diluted EPS
TOTAL REPORTED EARNINGS	\$ 1,452	\$ 1.74	\$ 930	\$ 1.09
Oil and Gas				
Segment Earnings	\$ 2,599		\$ 1,422	
Less:				
No significant items affecting earnings	—		—	
Segment Core Results	2,599		1,422	
Chemicals				
Segment Earnings	94		157	
Less:				
No significant items affecting earnings	—		—	
Segment Core Results	94		157	
Total Segment Core Results	2,693		1,579	
Corporate				
Corporate Results —				
Non Segment*	(1,241)		(649)	
Less:				
Litigation settlements	—		108	
Gain on sale of Lyondell shares	—		90	
Deferred tax write-off due to compensation program changes**	—		(40)	
Severance accrual	(25)		—	
Debt purchase expense	—		(31)	
Tax effect of pre-tax adjustments	9		(41)	
Discontinued operations, net**	4		60	
Corporate Core Results —				

Non Segment	(1,229)	(795)
TOTAL CORE RESULTS	\$ 1,464	\$ 1.76
	\$ 784	\$ 0.92

* Interest expense, income taxes, G&A expense and other, and non-core items.

** Amounts shown after tax.

8

SIGNIFICANT TRANSACTIONS AND EVENTS AFFECTING EARNINGS (continued)

(\$ millions, except per-share amounts)	Twelve Months			
	2007	Diluted EPS	2006	Diluted EPS
TOTAL REPORTED EARNINGS	\$ 5,400	\$ 6.44	\$ 4,191	\$ 4.87
Oil and Gas				
Segment Earnings	\$ 8,318		\$ 6,880	
Less:				
Gain on sale of Russia Investment**	412		—	
Litigation settlements**	112		—	
Gain on sale of oil and gas interests	35		—	
Gain on sale of exploration properties	103		—	
Impairments	(74)		—	
Segment Core Results	<u>7,730</u>		<u>6,880</u>	
Chemicals				
Segment Earnings	601		906	
Less:				
No significant items affecting earnings	—		—	
Segment Core Results	<u>601</u>		<u>906</u>	
Total Segment Core Results	<u>8,331</u>		<u>7,786</u>	
Corporate				
Corporate Results —				
Non Segment*	(3,519)		(3,595)	
Less:				
Gain on sale of Lyondell shares	326		90	
Litigation settlements	—		108	
Debt purchase expense	(167)		(31)	
Plant closure	(47)		—	
Severance accrual	(25)		—	
Deferred tax write-off due to compensation program changes**	—		(40)	
Tax effect of pre-tax adjustments	(2)		(41)	
Discontinued operations, net**	322		(11)	
Corporate Core Results —				
Non Segment	<u>(3,926)</u>		<u>(3,670)</u>	
TOTAL CORE RESULTS	\$ 4,405	\$ 5.25	\$ 4,116	\$ 4.78

* Interest expense, income taxes, G&A expense and other, and non-core items.

** Amounts shown after tax.

9

Section 9 - Financial Statements and Exhibits

Item 9.01. Financial Statements and Exhibits

(d) Exhibits

- 99.1 Press release dated January 29, 2008 (relating to earnings information).
- 99.2 Full text of speech given by Stephen I. Chazen.
- 99.3 Investor Relations Supplemental Schedules.
- 99.4 Earnings Conference Call Slides.
- 99.5 Press release dated January 29, 2008 (relating to reserves information).

10

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 29, 2008

/s/ JIM A. LEONARD


Jim A. Leonard, Vice President and Controller
(Principal Accounting and Duly Authorized Officer)

11

EXHIBIT INDEX

- 99.1 Press release dated January 29, 2008 (relating to earnings information).
- 99.2 Full text of speech given by Stephen I. Chazen.
- 99.3 Investor Relations Supplemental Schedules.
- 99.4 Earnings Conference Call Slides.
- 99.5 Press release dated January 29, 2008 (relating to reserves information).

Oxy News Release


Occidental Petroleum Corporation
 10889 Wilshire Boulevard
 Los Angeles, California 90024-4201
 310.208.8800
 www.oxy.com

For Immediate Release: January 29, 2008

Occidental Petroleum Announces Record Twelve Months Net Income

LOS ANGELES — Occidental Petroleum Corporation (NYSE: OXY) announced record net income of \$5.400 billion (\$6.44 per diluted share) for the twelve months of 2007, compared with \$4.191 billion (\$4.87 per diluted share) for the twelve months of 2006.

Net income for the fourth quarter of 2007 was \$1.452 billion (\$1.74 per diluted share), compared with \$930 million (\$1.09 per diluted share) for the fourth quarter of 2006.

In announcing the results, Dr. Ray R. Irani, Chairman and Chief Executive Officer, said, “Oxy achieved the highest full year net income in our history and another record quarter core results. Driven largely by record oil and gas earnings, this achievement reflects the continued success of our strategy to focus on profitable, long-lived oil and gas assets, a disciplined investment philosophy and maintaining a strong balance sheet. We are pleased with the 25.7% return on equity for the full year of 2007.

“In 2007, Occidental’s consolidated subsidiaries preliminary proved reserve additions from all sources totaled 242 million barrels of oil equivalent (BOE) compared to production of 209 million BOE, for a production replacement rate of 116 percent.

“While high commodity prices clearly have boosted earnings throughout the industry, Oxy has consistently produced top-quartile results in capturing the value from higher prices on an equivalent barrel basis and delivering it to the bottom line.”

QUARTERLY RESULTS

Oil and Gas

Oil and gas segment earnings were \$2.599 billion for the fourth quarter of 2007, compared with \$1.422 billion for the same period in 2006. The \$1.2 billion increase in the fourth quarter 2007 segment earnings reflected \$1.3 billion of increases from record crude oil and higher natural gas prices and volumes from the

Dolphin project in the UAE coming on line in 2007, partially offset by increased DD&A rates and higher operating expenses.

The average price for West Texas Intermediate crude oil in the fourth quarter of 2007 was \$90.68 per barrel, compared to \$60.20 per barrel in the fourth quarter of 2006. Oxy’s realized price for worldwide crude oil was \$80.30 per barrel for the fourth quarter of 2007, compared with \$52.55 per barrel for the fourth quarter of 2006. The average price for NYMEX gas in the fourth quarter of 2007 was \$7.06 per MCF, compared with \$6.27 per MCF in the fourth quarter of 2006. Domestic realized gas prices increased from \$5.63 per MCF in the fourth quarter of 2006 to \$6.77 per MCF for the fourth quarter of 2007. For the fourth quarter of 2007, daily oil and gas production averaged 590,000 barrels of oil equivalent (BOE), compared with 561,000 BOE per day produced in the fourth quarter of 2006.

Chemicals

Chemical segment earnings for the fourth quarter of 2007 were \$94 million, compared with \$157 million for the same period in 2006. The fourth quarter of 2007 results reflect lower margins for polyvinyl chloride.

TWELVE-MONTHS RESULTS

Net income for the twelve months of 2007 was a record \$5.400 billion (\$6.44 per diluted share), compared with \$4.191 billion (\$4.87 per diluted share) for the twelve months of 2006.

Core results were also a record \$4.405 billion (\$5.25 per diluted share) for the twelve months of 2007, compared with \$4.116 billion (\$4.78 per diluted share) for the twelve months of 2006. See the attached schedule for a reconciliation of net income to core results.

Oil and Gas

Oil and gas segment earnings were \$8.318 billion for the twelve months of 2007, compared with \$6.880 billion for the same period of 2006. Oil and gas core results were \$7.730 billion for the twelve months of 2007 after excluding gains from the sale of Oxy’s joint venture in Russia, sales of exploration properties, net of asset impairments, sales of domestic oil and gas interests, and

The average price for West Texas Intermediate crude oil in the twelve months of 2007 was \$72.32 per barrel compared to \$66.23 per barrel in the twelve months of 2006. Oxy's realized price for worldwide crude oil was \$64.77 per barrel for the twelve months of 2007, compared with \$57.81 per barrel for the twelve months of 2006. The average price for NYMEX gas in the twelve months of 2007 was \$7.12 per MCF, compared with \$7.82 per MCF in the twelve months of 2006. Domestic realized gas prices increased slightly from \$6.49 per MCF in the twelve months of 2006 to \$6.53 per MCF for the same period of 2007.

Production

For the twelve months of 2007, daily oil and gas production averaged 570,000 BOE, compared with 545,000 BOE per day produced from continuing operations in the twelve months of 2006.

Chemicals

Chemical segment earnings for the twelve months of 2007 were \$601 million, compared with \$906 million for the same period in 2006. The 2007 results reflect lower margins for polyvinyl chloride.

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.

3

Forward-Looking Statements

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 results to differ materially include, but are not limited to: exploration risks, such as drilling of unsuccessful wells; global commodity pricing fluctuations and supply/demand considerations for oil, gas and chemicals; higher-than-expected costs; political risk; operational interruptions; changes in tax rates and not successfully completing (or any material delay in) any expansion, capital expenditure, acquisition, or disposition. 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 disclosure 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)
310-443-6249

Christopher G. Stavros (investors)
212-603-8184

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

4

SUMMARY OF SEGMENT NET SALES AND EARNINGS

(Millions, except per-share amounts)	Fourth Quarter		Twelve Months	
	2007	2006	2007	2006
SEGMENT NET SALES				
Oil and Gas	\$ 4,321	\$ 2,946	\$ 13,918	\$ 12,190
Chemical	1,134	1,036	4,664	4,815
Other	62	56	202	170
Net sales	\$ 5,517	\$ 4,038	\$ 18,784	\$ 17,175
SEGMENT EARNINGS				
Oil and Gas (a)	\$ 2,599	\$ 1,422	\$ 8,318	\$ 6,880
Chemical	94	157	601	906
	2,693	1,579	8,919	7,786
Unallocated Corporate Items				
Interest expense, net (b)	(13)	(51)	(199)	(131)
Income taxes	(1,057)	(771)	(3,507)	(3,354)
Other (c)	(175)	113	(135)	(99)
Income from Continuing operations	1,448	870	5,078	4,202
Discontinued operations, net (d)	4	60	322	(11)

NET INCOME	\$ 1,452	\$ 930	\$ 5,400	\$ 4,191
BASIC EARNINGS PER COMMON SHARE				
Income from continuing operations	\$ 1.75	\$ 1.03	\$ 6.08	\$ 4.93
Discontinued operations, net (d)	—	0.07	0.39	(0.01)
	\$ 1.75	\$ 1.10	\$ 6.47	\$ 4.92
DILUTED EARNINGS PER COMMON SHARE				
Income from continuing operations	\$ 1.74	\$ 1.02	\$ 6.05	\$ 4.88
Discontinued operations, net (d)	—	0.07	0.39	(0.01)
	\$ 1.74	\$ 1.09	\$ 6.44	\$ 4.87
AVERAGE COMMON SHARES OUTSTANDING				
BASIC	828.4	846.4	834.9	852.6
DILUTED	833.1	852.6	839.1	860.4

See footnotes on following page.

5

- (a) **Oil and Gas** — The twelve months of 2007 includes pre-tax gains of \$412 million from the sale of Occidental's Russian investment, \$112 million resulting from the resolution of certain legal disputes, \$35 million from the sale of domestic oil and gas interests and \$103 million from the sale of exploration properties, partially offset by a pre-tax loss of \$74 million for the impairment of properties.
- (b) **Interest Expense, net** — Includes pre-tax interest charges for the purchase of various debt issues in the open market of \$167 million for the twelve months of 2007 and \$31 million for the twelve months of 2006, respectively.
- (c) **Unallocated Corporate Items — Other** — The twelve months of 2007 includes a \$326 million pre-tax gain from the sale of Occidental's remaining investment in Lyondell Chemical Company (Lyondell) and a \$47 million pre-tax charge for a plant closure and related environmental remediation reserve. The fourth quarter of 2006 includes pre-tax gains of \$108 million related to litigation settlements and \$90 million from the sale of a portion of Occidental's investment in Lyondell.
- (d) **Discontinued Operations, net** — In June 2007, Occidental completed an exchange of oil and gas interests in Horn Mountain with BP p.l.c. (BP) for oil and gas interests in the Permian Basin and a gas processing plant in Texas. Occidental also sold its oil and gas interests in Pakistan to BP. The twelve months of 2007 includes after-tax income of \$326 million related to these transactions and their operating results and a \$4 million after-tax charge from assets classified to discontinued operations in 2006.

In January 2006, Occidental completed the merger of Vintage into a subsidiary and classified certain assets and liabilities as held for sale. In May 2006, Ecuador terminated Occidental's contract for the operation of Block 15. The twelve months of 2006 includes a \$253 million after-tax loss for Ecuador and the properties held for sale and \$242 million after-tax income for the operations of Horn Mountain and Pakistan.

SUMMARY OF CAPITAL EXPENDITURES AND DD&A EXPENSE

(\$ millions)	Fourth Quarter		Twelve Months	
	2007	2006	2007	2006
CAPITAL EXPENDITURES	\$ 987	\$ 1,010	\$ 3,497	\$ 2,987
DEPRECIATION, DEPLETION AND AMORTIZATION OF ASSETS	\$ 639	\$ 562	\$ 2,379	\$ 2,008

6

SUMMARY OF OPERATING STATISTICS

	Fourth Quarter		Twelve Months	
	2007	2006	2007	2006
NET OIL, GAS AND LIQUIDS PRODUCTION PER DAY				
United States				
Crude Oil and Liquids (MBBL)				
California	88	94	89	86
Permian	170	167	167	167
Hugoton and other	4	3	4	3
Total	262	264	260	256
Natural Gas (MMCF)				
California	250	261	254	256
Hugoton and other	148	142	153	138
Permian	180	190	186	194
Total	578	593	593	588
Latin America				
Crude Oil (MBBL)				
Argentina	31	35	32	33
Colombia	41	44	42	38
Total	72	79	74	71
Natural Gas (MMCF)				
Argentina	19	17	22	17
Bolivia	22	18	18	17
Total	41	35	40	34
Middle East/North Africa				
Crude Oil (MBBL)				

Oman	20	19	20	18
Dolphin	14	—	4	—
Qatar	52	44	48	43
Yemen	22	26	25	29
Libya	22	24	22	23
Total	130	113	119	113
Natural Gas (MMCF)				
Oman	30	25	30	30
Dolphin	133	—	51	—
Total	163	25	81	30
Barrels of Oil Equivalent (MBOE)				
Subtotal consolidated subsidiaries	594	565	573	549
Colombia-minority interest	(6)	(6)	(5)	(5)
Yemen-Occidental net interest	2	2	2	1
Total Worldwide Production — MBOE (a)	590	561	570	545

(a) Occidental sold its interest in Russia in January 2007. In June 2007, Occidental sold its Pakistan operations to BP and exchanged its Gulf of Mexico - Horn Mountain operations with BP. Production from these operations has been excluded from all periods for comparability.

7

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.

The following tables set forth the core results and significant items affecting earnings for each operating segment and corporate:

8

SIGNIFICANT TRANSACTIONS AND EVENTS AFFECTING EARNINGS (continued)

(\$ millions, except per-share amounts)	2007		2006	
		Diluted EPS		Fourth Quarter Diluted EPS
TOTAL REPORTED EARNINGS	\$ 1,452	\$ 1.74	\$ 930	\$ 1.09
Oil and Gas				
Segment Earnings	\$ 2,599		\$ 1,422	
Less:				
No significant items affecting earnings	—		—	
Segment Core Results	2,599		1,422	
Chemicals				
Segment Earnings	94		157	
Less:				
No significant items affecting earnings	—		—	
Segment Core Results	94		157	
Total Segment Core Results	2,693		1,579	
Corporate				
Corporate Results —				
Non Segment*	(1,241)		(649)	
Less:				
Litigation settlements	—		108	
Gain on sale of Lyondell shares	—		90	
Deferred tax write-off due to compensation program changes**	—		(40)	
Severance accrual	(25)		—	
Debt purchase expense	—		(31)	
Tax effect of pre-tax adjustments	9		(41)	
Discontinued operations, net**	4		60	
Corporate Core Results —				
Non Segment	(1,229)		(795)	
TOTAL CORE RESULTS	\$ 1,464	\$ 1.76	\$ 784	\$ 0.92

* Interest expense, income taxes, G&A expense and other, and non-core items.

** Amounts shown after tax.

9

SIGNIFICANT TRANSACTIONS AND EVENTS AFFECTING EARNINGS (continued)

	Twelve Months Diluted	
	Diluted	

(\$ millions, except per-share amounts)	2007	EPS	2006	EPS
TOTAL REPORTED EARNINGS	\$ 5,400	\$ 6.44	\$ 4,191	\$ 4.87
Oil and Gas				
Segment Earnings	\$ 8,318		\$ 6,880	
Less:				
Gain on sale of Russia Investment**	412		—	
Litigation settlements**	112		—	
Gain on sale of oil and gas interests	35		—	
Gain on sale of exploration properties	103		—	
Impairments	(74)		—	
Segment Core Results	<u>7,730</u>		<u>6,880</u>	
Chemicals				
Segment Earnings	601		906	
Less:				
No significant items affecting earnings	—		—	
Segment Core Results	<u>601</u>		<u>906</u>	
Total Segment Core Results	<u>8,331</u>		<u>7,786</u>	
Corporate				
Corporate Results —				
Non Segment*	(3,519)		(3,595)	
Less:				
Gain on sale of Lyondell shares	326		90	
Litigation settlements	—		108	
Debt purchase expense	(167)		(31)	
Plant closure	(47)		—	
Severance accrual	(25)		—	
Deferred tax write-off due to compensation program changes**	—		(40)	
Tax effect of pre-tax adjustments	(2)		(41)	
Discontinued operations, net**	<u>322</u>		<u>(11)</u>	
Corporate Core Results —				
Non Segment	<u>(3,926)</u>		<u>(3,670)</u>	
TOTAL CORE RESULTS	\$ 4,405	\$ 5.25	\$ 4,116	\$ 4.78

* Interest expense, income taxes, G&A expense and other, and non-core items.

** Amounts shown after tax.

Occidental Petroleum Corporation

STEPHEN CHAZEN
President and Chief Financial Officer

— Conference Call —
Fourth Quarter 2007 Earnings Announcement

January 29, 2008
Los Angeles, California

Net income for the quarter was \$1.452 billion, or \$1.74 per diluted share, compared to \$930 million, or \$1.09 per diluted share in the fourth quarter of 2006. The 2007 fourth quarter net income includes \$16 million after-tax severance charges and \$4 million after-tax income from discontinued operations. Core results were a record \$1.464 billion, or \$1.76 per diluted share in the fourth quarter of 2007, compared to \$784 million, or \$0.92 per diluted share in the fourth quarter of 2006.

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

Oil and gas fourth quarter 2007 segment earnings were \$2.599 billion, compared to \$1.422 billion for the fourth quarter of 2006. The following accounted for the increase in oil and gas earnings between these quarters:

- Higher worldwide oil and gas price realizations resulted in an increase of \$1.3 billion of earnings over the comparable period in 2006. Occidental's average realized crude oil price in the 2007 fourth quarter was \$27.75 higher than in the comparable period in 2006. Oxy's domestic average realized gas price for the quarter was \$6.77, compared with \$5.63 for the fourth quarter 2006.
- Worldwide oil and gas production from continuing operations for the quarter averaged 590,000 barrels of oil equivalent per day, an

increase of 5.2 percent, compared with 561,000 BOE production in the fourth quarter of last year. The bulk of the production improvement was the result of the Dolphin project start-up which contributed 36,000 BOE per day.

- Our guidance for the fourth quarter production was in the range of 600,000 to 615,000 BOE per day. We were under this range due to the impact of product prices that reduced volumes from our production sharing contracts by 8,000 BOE per day, a well blowout in Libya of 4,000 BOE per day and 5,000 BOE per day lower in Argentina due to strikes in October and November.
- Dolphin contributed \$62 million to after-tax income during the fourth quarter which was slightly ahead of our guidance of \$50 to \$60 million. The sales volumes were 36,000 BOE per day in line with our guidance. The Dolphin 2007 production exit rate was 43,000 BOE per day.
- Exploration expense was \$101 million in the quarter.

Oil and gas production costs for the twelve months of 2007 were \$12.87 a barrel compared to last year's costs of \$11.70 a barrel. The increases were a result of higher field operating and maintenance costs.

Chemical segment earnings for the fourth quarter of 2007 were \$94 million, which was lower than our third quarter guidance of \$100 to \$140 million. The decline in earnings from our guidance was due to lower polyvinyl chloride margins due to higher feedstock costs and weaker industry demand. Chemicals earned \$157 million in last year's fourth quarter. The primary factor that accounted for the quarter-to-quarter difference was lower polyvinyl chloride margins.

2

The worldwide effective tax rate, excluding the impact of asset sales and other significant items, was 42 percent for the fourth quarter of 2007, four percent lower than our guidance of 46 percent due primarily to significantly higher oil & gas prices. The increased oil price resulted in a higher portion of U.S. income which has lower income tax rates than our international operations.

Let me now turn to Occidental's performance through the **twelve months**.

Net income was a record \$5.400 billion, or \$6.44 per diluted share for the twelve months of 2007, compared with \$4.191 billion, or \$4.87 per diluted share for the same period of 2006. Core results were also a record at \$4.405 billion, or \$5.25 per diluted share for the twelve months of 2007, compared with \$4.116 billion, or \$4.78 per diluted share for the same period of 2006.

Worldwide oil and gas production for the twelve months averaged 570,000 barrels of oil equivalent per day, an increase of 4.6 percent, compared with 545,000 BOE production in the twelve months of last year.

Capital spending was \$987 million for the quarter and \$3.497 billion for the twelve months. We currently expect total capital spending for 2008 to be between \$3.8 and \$3.9 billion. We expect increased 2008 capital spending for the Colombia LCI project, Argentina and Vintage California.

Cash flow from operations for the twelve months was approximately \$6.8 billion. We received \$1.6 billion in proceeds from the sale of assets. We used \$3.5 billion of the company's cash flow to fund capital expenditures, \$1.4 billion for acquisitions, \$1.2 billion to repurchase debt and preferred stock and \$765 million to pay dividends. We spent \$1.130 billion to repurchase 20.6 million common shares at an average price of

\$54.75 per share. These net cash inflows increased our \$1.6 billion cash balance at the end of last year by \$400 million to \$2.0 billion at December 31. Debt was \$1.8 billion at the end of December, a reduction of \$1.1 billion from the debt balance of \$2.9 billion at the end of 2006.

The weighted average basic shares outstanding for the twelve months were 834.9 million and the weighted average diluted shares outstanding were 839.1 million. At December 31, there were 827.2 million basic shares outstanding and the diluted share amount was approximately 831.3 million.

Our debt to capitalization ratio was 7 percent, down from 13 percent at yearend 2006. Oxy's 2007 return on equity was 26 percent, with return on capital employed of 24 percent.

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

- We expect oil and gas production to be in the range of 600,000 to 615,000 BOE per day during the first quarter, at last quarter's \$90 oil price.
- Dolphin is expected to become fully operational in February and run at 78 percent of capacity, with production of 53,000 BOE per day during the first quarter. Dolphin after-tax earnings are expected to be between \$90 and \$100 million in the first quarter, based on a \$90 oil price.

We expect the production rate for the 2008 full year to increase to approximately 620,000 to 630,000 BOE per day, at about \$80 oil, from 2007. The increase is due to the full year operations of Dolphin, increased production from Mukhaizna in Oman, increased production in Argentina and Colombia and the impact of acquisitions, slightly offset by the new contract in Libya.

Occidental receives a share of production from production sharing contracts to recover its costs and an additional share for profit. Occidental's share of production from these contracts decreases when oil prices rise and increases when oil prices decline. Overall, Occidental's net economic benefit from these contracts is greater at higher oil prices. A \$5.00 change in oil price affects Occidental's production by approximately 4,000 barrels per day.

With regards to **prices** -

- A \$1.00 per barrel change in oil prices impacts oil and gas quarterly earnings before income taxes by about \$38 million.
- A swing of 50-cents per million BTUs in domestic gas prices has a \$24 million impact on quarterly earnings before income taxes.

Additionally —

- We expect exploration expense to be about \$70 to \$90 million for seismic and drilling for our exploration programs.
- We expect chemical segment earnings to be in the range of \$100 to \$125 million, compared to \$94 million in the fourth quarter. Improved volumes and prices in vinyls and higher caustic soda prices are the primary drivers of the improvement. This is less than the first quarter 2007 earnings of \$137 million, due to weakness in construction which impacts industry demand.
- We expect DD&A expense to be \$2.4 billion for Oil & Gas and \$0.3 billion for the rest of the Company in 2008.
- We expect our combined worldwide tax rate in the first quarter, to be about 43 percent. Our fourth quarter and twelve months U. S.

and foreign tax rates are included in the "Investor Relations Supplemental Schedule".

- The company has embarked on a cost reduction program which will affect operating and G&A costs. In 2007, we took restructuring charges totaling \$25 million, and we expect a similar amount in 2008. We've also made improvements in our procurement functions. Combined savings realized from this program are expected to be \$200 million in 2008 with an annualized run-rate over the longer term of \$300 million. The primary focus of this program is on the more mature areas of the company, as opposed to our areas of growth. Our target is to bring G&A in line with our historical costs per BOE.
- Copies of the press release announcing our third quarter earnings and the Investor Relations Supplemental Schedules are available on our website www.oxy.com or through the SEC's EDGAR system.

Now we're ready to take your questions.

See the investor relations supplemental schedules for the reconciliation of non-GAAP items. Statements in this presentation 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 results to differ materially include, but are not limited to: exploration risks such as drilling of unsuccessful wells; global commodity pricing fluctuations and supply/demand considerations for oil, gas and chemicals; higher-than-expected costs; political risk; operational interruptions; changes in tax rates; and not successfully completing (or any material delay in) any expansion, capital expenditure, acquisition, or disposition. You should not place undue

reliance on these forward-looking statements which speak only as of the date of this presentation. 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 disclosure 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.

Occidental Petroleum Corporation
Cash and Cash Equivalents
(\$ Millions)

Reconciliation to Generally Accepted Accounting Principles (GAAP)

	<u>31-Dec-06</u>	<u>31-Dec-07</u>
Cash and cash equivalents	1,339	1,964
Short-term investments	240	—
	<u>1,579</u>	<u>1,964</u>
Roundings for presentation	1	36
	<u>1,580</u>	<u>2,000</u>

Occidental Petroleum Corporation
Return on Capital Employed (%)
(\$ Millions)

Reconciliation to Generally Accepted Accounting Principles (GAAP)

	<u>2006</u>	<u>2007</u>
GAAP measure - earnings applicable to common shareholders	4,191	5,400
Interest expense	131	199
Tax effect of interest expense	(46)	(70)
Earnings before tax-effected interest expense	<u>4,276</u>	<u>5,529</u>
GAAP stockholders' equity	19,252	22,823
DEBT		
GAAP debt		
Debt, including current maturities	2,790	1,788
Non-GAAP debt		
Capital lease obligation	25	25
Subsidiary preferred stock	75	—
Total debt	<u>2,890</u>	<u>1,813</u>
Total capital employed	22,142	24,636
Return on Capital Employed (%)	21.2	23.6



Investor Relations Supplemental Schedules
Summary
(\$ Millions)

	<u>4Q 2007</u>	<u>4Q 2006</u>
Reported Net Income	\$1,452	\$930
EPS - Diluted	\$1.74	\$1.09
Core Results	\$1,464	\$784
EPS - Diluted	\$1.76	\$0.92
Total Worldwide Production (mboe/day)	590	561
Total Worldwide Crude Oil Realizations (\$/BBL)	\$80.30	\$52.55
Domestic Natural Gas Realizations (\$/MCF)	\$6.77	\$5.63
Wtd. Average Basic Shares O/S (mm)	828.4	846.4
Wtd. Average Diluted Shares O/S (mm)	833.1	852.6
	<u>YTD 2007</u>	<u>YTD 2006</u>
Reported Net Income	\$5,400	\$4,191
EPS - Diluted	\$6.44	\$4.87
Core Results	\$4,405	\$4,116
EPS - Diluted	\$5.25	\$4.78
Total Worldwide Production (mboe/day)	570	545
Total Worldwide Crude Oil Realizations (\$/BBL)	\$64.77	\$57.81
Domestic Natural Gas Realizations (\$/MCF)	\$6.53	\$6.49
Wtd. Average Basic Shares O/S (mm)	834.9	852.6
Wtd. Average Diluted Shares O/S (mm)	839.1	860.4
Shares Outstanding (mm)	825.7	839.9
Cash Flow from Operations	\$6,800	\$6,400

1



OCCIDENTAL PETROLEUM
2007 Fourth Quarter
Net Income (Loss)
(\$ millions)

	<u>Reported</u> <u>Income</u>	<u>Significant Items Affecting Income</u>	<u>Core</u> <u>Results</u>
Oil & Gas	\$2,599		\$2,599
Chemical	94		94
Corporate			
Interest expense, net	(13)		(13)
Other	(175)	25 Severance	(150)

Taxes	(1,057)	(9)	Tax effect of adjustments	(1,066)
Income from continuing operations	1,448	16		1,464
Discontinued operations, net of tax	4	(4)	Discontinued operations, net	—
Net Income	\$1,452	\$12		\$1,464
Basic Earnings Per Common Share				
Income from continuing operations	\$1.75			
Discontinued operations, net	—			
Net Income	\$1.75			\$1.77
Diluted Earnings Per Common Share				
Income from continuing operations	\$1.74			
Discontinued operations, net	—			
Net Income	\$1.74			\$1.76

2

Investor Relations Supplemental Schedules



OCCIDENTAL PETROLEUM
2006 Fourth Quarter
Net Income (Loss)
(\$ millions)

	Reported Income	Significant Items Affecting Incomes		Core Results
Oil & Gas	\$1,422			\$1,422
Chemical	157			157
Corporate				
Interest expense, net	(51)	31	Debt purchases	(20)
Other	113	(90)	Sale of Lyondell shares	(85)
		(108)	Litigation settlements	
Taxes	(771)	40	Deferred tax write-off due to compensation program changes	(690)
		41	Tax effect of adjustments	
Income from continuing operations	870	(86)		784
Discontinued operations, net of tax	60	(60)	Discontinued operations, net	—
Net Income	\$930	\$(146)		\$784
Basic Earnings Per Common Share				
Income from continuing operations	\$1.03			
Discontinued operations, net of tax	0.07			
Net Income	\$1.10			\$0.93
Diluted Earnings Per Common Share				
Income from continuing operations	\$1.02			
Discontinued operations, net of tax	0.07			
Net Income	\$1.09			\$0.92

3

Investor Relations Supplemental Schedules



OCCIDENTAL PETROLEUM
2007 Twelve Months
Net Income (Loss)
(\$ millions)

	Reported Income	Significant Items Affecting Income		Core Results
Oil & Gas	\$8,318	\$(412)	Sale of Russia	\$7,730
		(112)	Litigation settlements	
		(35)	Sale of oil & gas interests	
		74	Exploration impairments	
		(103)	Sale of exploration properties	
Chemical	601			601
Corporate				
Interest expense, net	(199)	167	Debt purchases	(32)
Other	(135)	47	Plant closure	(389)
		(326)	Sale of Lyondell shares	
		25	Severance	
Taxes	(3,507)	2	Tax effect of adjustments	(3,505)
Income from continuing operations	5,078	(673)		4,405
Discontinued operations, net of tax	322	(322)	Discontinued operations	—
Net Income	\$5,400	\$(995)		\$4,405

Basic Earnings Per Common Share

Income from continuing operations	\$6.08		
Discontinued operations, net	0.39		
Net Income	\$6.47		\$5.28

Diluted Earnings Per Common Share

Income from continuing operations	\$6.05		
Discontinued operations, net	0.39		
Net Income	\$6.44		\$5.25

4

Investor Relations Supplemental Schedules



OCCIDENTAL PETROLEUM
2006 Twelve Months
Net Income (Loss)
(\$ millions)

	Reported Income	Significant Items Affecting Income		Core Results
Oil & Gas	\$6,880			\$6,880
Chemical	906			906
Corporate				
Interest expense, net	(131)	31	Debt purchases	(100)
Other	(99)	(90)	Sale of Lyondell shares	(297)
		(108)	Litigation settlements	

Taxes	(3,354)	40	Deferred tax write-off due to compensation program changes	(3,273)
		41	Tax effect of adjustments	
Income from continuing operations	4,202	(86)		4,116
Discontinued operations, net of tax	(11)	11	Discontinued operations, net	—
Net Income	\$4,191	\$(75)		\$4,116
Basic Earnings Per Common Share				
Income from continuing operations	\$4.93			
Discontinued operations, net of tax	(0.01)			
Net Income	\$4.92			\$4.83
Diluted Earnings Per Common Share				
Income from continuing operations	\$4.88			
Discontinued operations, net of tax	(0.01)			
Net Income	\$4.87			\$4.78

5

Investor Relations Supplemental Schedules



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)	Fourth Quarter		Twelve Months	
	2007	2006	2007	2006
Corporate				
Environmental remediation	(36)	(23)	(60)	(47)

6

Investor Relations Supplemental Schedules



OCCIDENTAL PETROLEUM
Worldwide Effective Tax Rate

REPORTED INCOME	QUARTERLY			YEAR TO-DATE	
	2007 QTR 4	2007 QTR 3	2006 QTR 4	2007 12 Months	2006 12 Months
Oil & Gas (a)	2,599	2,029	1,422	8,318	6,880
Chemicals	94	212	157	601	906
Corporate & other	(188)	(63)	62	(334)	(230)
Pre-tax income	2,505	2,178	1,641	8,585	7,556
Income tax expense					
Federal and state	473	363	374	1,558	1,625
Foreign (a)	584	499	397	1,949	1,729
Total	1,057	862	771	3,507	3,354
Income from continuing operations	1,448	1,316	870	5,078	4,202
Worldwide effective tax rate	42 %	40 %	47 %	41 %	44 %

2007

2007

2006

2007

2006

CORE RESULTS	QTR 4	QTR 3	QTR 4	12 Months	12 Months
Oil & Gas (a)	2,599	1,988	1,422	7,730	6,880
Chemicals	94	212	157	601	906
Corporate & other	(163)	(105)	(105)	(421)	(397)
Pre-tax income	2,530	2,095	1,474	7,910	7,389
Income tax expense					
Federal and state	482	386	293	1,556	1,544
Foreign (a)	584	499	397	1,949	1,729
Total	1,066	885	690	3,505	3,273
Core results	1,464	1,210	784	4,405	4,116
Worldwide effective tax rate	42 %	42 %	47 %	44 %	44 %

(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.

	2007 QTR 4	2007 QTR 3	2006 QTR 4	2007 12 Months	2006 12 Months
	406	331	252	1,325	1,123

7

Investor Relations Supplemental Schedules



OCCIDENTAL PETROLEUM
2007 Fourth Quarter Net Income (Loss)
Reported Income Comparison

	Fourth Quarter 2007	Third Quarter 2007	B / (W)
Oil & Gas	\$ 2,599	\$ 2,029	\$ 570
Chemical	94	212	(118)
Corporate			
Interest expense, net	(13)	(11)	(2)
Other	(175)	(52)	(123)
Taxes	(1,057)	(862)	(195)
Income from continuing operations	1,448	1,316	132
Discontinued operations, net	4	8	(4)
Net Income	\$ 1,452	\$ 1,324	\$ 128
Earnings Per Common Share			
Basic	\$ 1.75	\$ 1.59	\$ 0.16
Diluted	\$ 1.74	\$ 1.58	\$ 0.16
Worldwide Effective Tax Rate	42 %	40 %	-2 %

OCCIDENTAL PETROLEUM
2007 Fourth Quarter Net Income (Loss)
Core Results Comparison

Fourth
Quarter

Third
Quarter

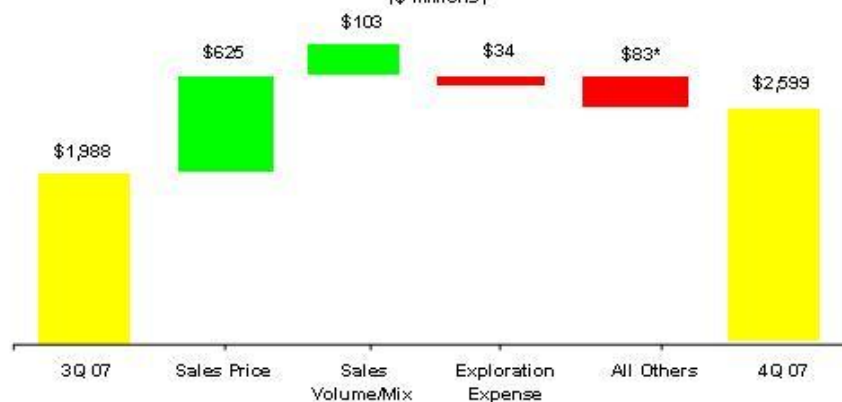
	2007	2007	B / (W)
Oil & Gas	\$ 2,599	\$ 1,988	\$ 611
Chemical	94	212	(118)
Corporate			
Interest expense, net	(13)	(11)	(2)
Other	(150)	(94)	(56)
Taxes	(1,066)	(885)	(181)
Core Results	<u>\$ 1,464</u>	<u>\$ 1,210</u>	<u>\$ 254</u>
Core Results Per Common Share			
Basic	\$ 1.77	\$ 1.45	\$ 0.32
Diluted	\$ 1.76	\$ 1.45	\$ 0.31
Worldwide Effective Tax Rate	<u>42 %</u>	<u>42 %</u>	<u>0 %</u>

8

Investor Relations Supplemental Schedules



OCCIDENTAL PETROLEUM
Oil & Gas
Variance Analysis 4Q07 vs. 3Q07
(\$ Millions)



* DD&A rate increase (35) and higher operating expense

OCCIDENTAL PETROLEUM
Chemical
Variance Analysis 4Q07 vs. 3Q07
(\$ Millions)



* Higher feedstock and energy costs

Investor Relations Supplemental Schedules



OCCIDENTAL PETROLEUM
2007 Fourth Quarter Net Income (Loss)
Reported Income Comparison

	Fourth Quarter 2007	Fourth Quarter 2006	B / (W)
Oil & Gas	\$ 2,599	\$ 1,422	\$ 1,177
Chemical	94	157	(63)
Corporate			
Interest expense, net	(13)	(51)	38
Other	(175)	113	(288)
Taxes	(1,057)	(771)	(286)
Income from continuing operations	1,448	870	578

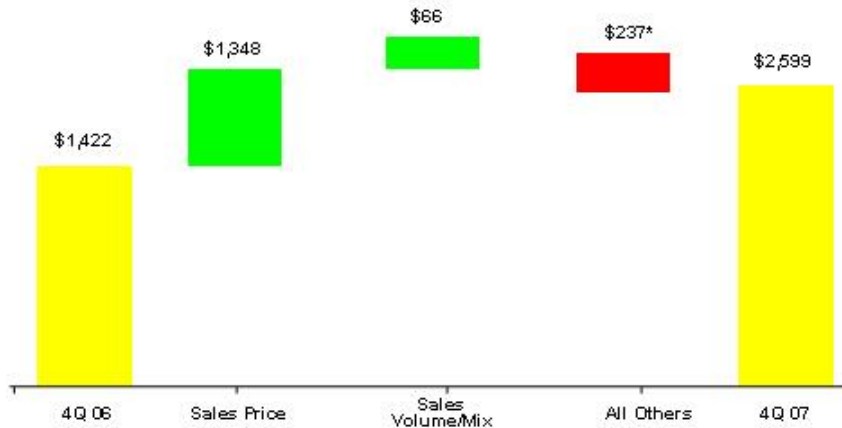
Discontinued operations, net		4	60	(56)
Net Income	\$	1,452	930	522
Earnings Per Common Share				
Basic	\$	1.75	1.10	0.65
Diluted	\$	1.74	1.09	0.65
Worldwide Effective Tax Rate		42 %	47 %	5 %

OCCIDENTAL PETROLEUM
2007 Fourth Quarter Net Income (Loss)
Core Results Comparison

	Fourth Quarter 2007	Fourth Quarter 2006	B / (W)
Oil & Gas	\$ 2,599	\$ 1,422	\$ 1,177
Chemical	94	157	(63)
Corporate			
Interest expense, net	(13)	(20)	7
Other	(150)	(85)	(65)
Taxes	(1,066)	(690)	(376)
Core Results	<u>\$ 1,464</u>	<u>\$ 784</u>	<u>\$ 680</u>
Core Results Per Common Share			
Basic	\$ 1.77	\$ 0.93	\$ 0.84
Diluted	\$ 1.76	\$ 0.92	\$ 0.84
Worldwide Effective Tax Rate	<u>42 %</u>	<u>47 %</u>	<u>5 %</u>



OCCIDENTAL PETROLEUM
Oil & Gas
Variance Analysis 4Q07 vs. 4Q06
(\$ Millions)



* DD&A rate increase (64) and higher operating expenses

OCCIDENTAL PETROLEUM
Chemical
Variance Analysis 4Q07 vs. 4Q06
(\$ Millions)



* Higher energy and feedstock costs

Investor Relations Supplemental Schedules



OCCIDENTAL PETROLEUM
SUMMARY OF OPERATING STATISTICS

	Fourth Quarter		Twelve Months	
	2007	2006	2007	2006

NET PRODUCTION PER DAY:

United States

Crude Oil and Liquids (MBL)

California	88	94	89	86
Permian	170	167	167	167
Hugoton and other	4	3	4	3
Total	262	264	260	256

Natural Gas (MMCF)

California	250	261	254	256
Hugoton and other	148	142	153	138
Permian	180	190	186	194
Total	578	593	593	588

Latin America

Crude Oil (MBL)

	Argentina	31	35	32	33
	Colombia	41	44	42	38
	Total	72	79	74	71
Natural Gas (MMCF)					
	Argentina	19	17	22	17
	Bolivia	22	18	18	17
	Total	41	35	40	34
Middle East / North Africa					
Crude Oil (MBL)					
	Oman	20	19	20	18
	Dolphin	14	—	4	—
	Qatar	52	44	48	43
	Yemen	22	26	25	29
	Libya	22	24	22	23
	Total	130	113	119	113
Natural Gas (MMCF)					
	Oman	30	25	30	30
	Dolphin	133	—	51	—
	Total	163	25	81	30
Barrels of Oil Equivalent (MBOE)					
Subtotal consolidated subsidiaries		594	565	573	549
Other interests					
Colombia - minority interest		(6)	(6)	(5)	(5)
Yemen - Occidental net interest		2	2	2	1
Total worldwide production - MBOE		590	561	570	545

12

Investor Relations Supplemental Schedules



**OCCIDENTAL PETROLEUM
SUMMARY OF OPERATING STATISTICS**

	Fourth Quarter		Twelve Months	
	2007	2006	2007	2006
OIL & GAS:				
PRICES				
United States				
Crude Oil (\$/BBL)	83.17	52.45	65.67	57.84
Natural gas (\$/MCF)	6.77	5.63	6.53	6.49
Latin America				
Crude Oil (\$/BBL)	67.92	46.80	56.66	52.40
Natural Gas (\$/MCF)	3.69	2.26	2.66	2.00
Middle East / North Africa				
Crude Oil (\$/BBL)	83.88	57.21	69.24	61.58
Total Worldwide				
Crude Oil (\$/BBL)	80.30	52.55	64.77	57.81
Natural Gas (\$/MCF)	5.41	5.27	5.68	6.00
	Fourth Quarter		Twelve Months	
	2007	2006	2007	2006
Exploration Expense				
Domestic	\$ 21	\$ 34	\$ 121	\$ 109
Latin America	16	5	52	17
Middle East / North Africa	57	44	219	134
Other Eastern Hemisphere	7	18	30	36
TOTAL REPORTED	\$ 101	\$ 101	\$ 422	\$ 296
Less - non-core impairments	—	—	(58)	—
TOTAL CORE	\$ 101	\$ 101	\$ 364	\$ 296

Investor Relations Supplemental Schedules



**OCCIDENTAL PETROLEUM
SUMMARY OF OPERATING STATISTICS**

Capital Expenditures (\$MM)	Fourth Quarter		Twelve Months	
	2007	2006	2007	2006
Oil & Gas				
California	\$ 151	\$ 169	\$ 596	\$ 545
Permian	161	200	631	614
Other - U.S.	63	59	206	249
Latin America	218	123	577	346
Middle East / North Africa	265	306	1,189	929
Other Eastern Hemisphere	—	19	7	20
Chemicals	110	122	251	251
Corporate	19	12	40	33
TOTAL	\$ 987	\$ 1,010	\$ 3,497	\$ 2,987

Depreciation, Depletion & Amortization of Assets (\$MM)	Fourth Quarter		Twelve Months	
	2007	2006	2007	2006
Oil & Gas				
Domestic	\$ 285	\$ 266	\$ 1,072	\$ 902
Latin America	93	79	355	275
Middle East / North Africa	170	135	597	525
Chemicals	78	71	304	279
Corporate	13	11	51	27
TOTAL	\$ 639	\$ 562	\$ 2,379	\$ 2,008

14

Investor Relations Supplemental Schedules



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

	31-Dec-07	31-Dec-06
CAPITALIZATION		
Long-Term Debt (including current maturities)	\$ 1,776	\$ 2,790
Notes Payable	12	—
Subsidiary Preferred Stock	—	75
Others	25	25
Total Debt	\$ 1,813	\$ 2,890
EQUITY	\$ 22,823	\$ 19,252
Total Debt To Total Capitalization	7 %	13 %

15



See the investor relations supplemental schedules for the reconciliation of non-GAAP items. Statements in this presentation 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 materially affect expected results. Factors that could cause results to differ materially include, but are not limited to: exploration risks, such as drilling of unsuccessful wells; global commodity pricing fluctuations and supply/demand considerations for oil, gas and chemicals; higher-than-expected costs; political risk; operational interruptions; and not successfully completing (or any material delay in) any expansion, capital expenditure, acquisition, or disposition. You should not place undue reliance on these forward-looking statements which speak only as of the date of this filing. Unless legally required, Occidental disclaims 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 disclosure 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.

Oxy

Fourth Quarter 2007
Earnings Conference Call
January 29, 2008



Fourth Quarter 2007 Earnings – Highlights



- Reported Net Income - \$1.452 Billion
 - Reported EPS \$1.74 (diluted)
 - + 60% year-over-year
- Reported Net Income includes:
 - \$16 mm after-tax severance charge
 - \$4 mm after-tax income from discontinued ops.
- Core Results - \$1.464 Billion
 - Core EPS \$1.76 (diluted)
 - + 91% year-over-year

Fourth Quarter 2007 Earnings - Oil & Gas Segment Variance Analysis - 4Q07 vs. 4Q06



- Core results for 4Q07 of \$2.599 Billion
+ 83% year-over-year



*All Others include: DD&A increase (\$64 mm), and higher operating expenses.

Fourth Quarter 2007 Earnings – Oil & Gas Segment



	<u>4Q07</u>	<u>4Q06</u>
Reported Segment Earnings (\$ mm)	\$2,599	\$1,422
WTI Oil Price (\$/bbl)	\$90.68	\$60.20
NYMEX Gas Price (\$/mcf)	\$7.06	\$6.27
Oxy's Realized Prices		
Worldwide Oil (\$/bbl)	\$80.30	\$52.55
US Natural Gas (\$/mcf)	\$6.77	\$5.63

Fourth Quarter 2007 Earnings – Oil & Gas Segment



	<u>4Q07</u>	<u>4Q06</u>
Oil and Gas Production (mboe/day)	590	561
<ul style="list-style-type: none">• + 5.2% year-over-year<ul style="list-style-type: none">• The improvement was largely the result of the Dolphin project start-up• Production lower than earlier guidance due to:<ul style="list-style-type: none">– Price impact from PSCs (- 8 mboe/day);– A well blowout in Libya (- 4 mboe/day);– Strikes during October and November in Argentina (- 5 mboe/day).• Dolphin contribution:<ul style="list-style-type: none">– \$62 mm of after-tax income vs. guidance of \$50 - \$60 mm;– Sales volume of 36 mboe/day, in-line with guidance;– 2007 production exit rate was 43 mboe/day.		

Fourth Quarter 2007 Earnings – Oil & Gas Segment



	<u>4Q07</u>	<u>4Q06</u>
• Exploration Expense (\$ mm)	\$101	\$101
• Oil and Gas production costs were \$12.87 per boe for full-year 2007 vs. \$11.70 per boe for full-year 2006.		
– Increase due to higher field operating and maintenance costs.		

Fourth Quarter 2007 Earnings – Chemical Segment Variance Analysis - 4Q07 vs. 4Q06



- Earnings for 4Q07 of \$94 Million
 - -40% year-over-year;
 - Lower than earlier guidance of \$100 to \$140 million due to:
 - lower PVC margins resulting from higher feedstock costs and weaker industry demand.



*Higher energy and feedstock costs.

Fourth Quarter 2007 Earnings – Taxes



- Worldwide effective tax-rate was 42% in 4Q07 (excl. asset sales and other items);
 - 4% lower than guidance of 46% due primarily to significantly higher oil and gas prices;
 - The increased oil price resulted in a higher portion of US income which has lower income tax rates than our international operations.

Fourth Quarter 2007 Earnings – Full Year 2007 Results



(\$ in millions, except EPS data)

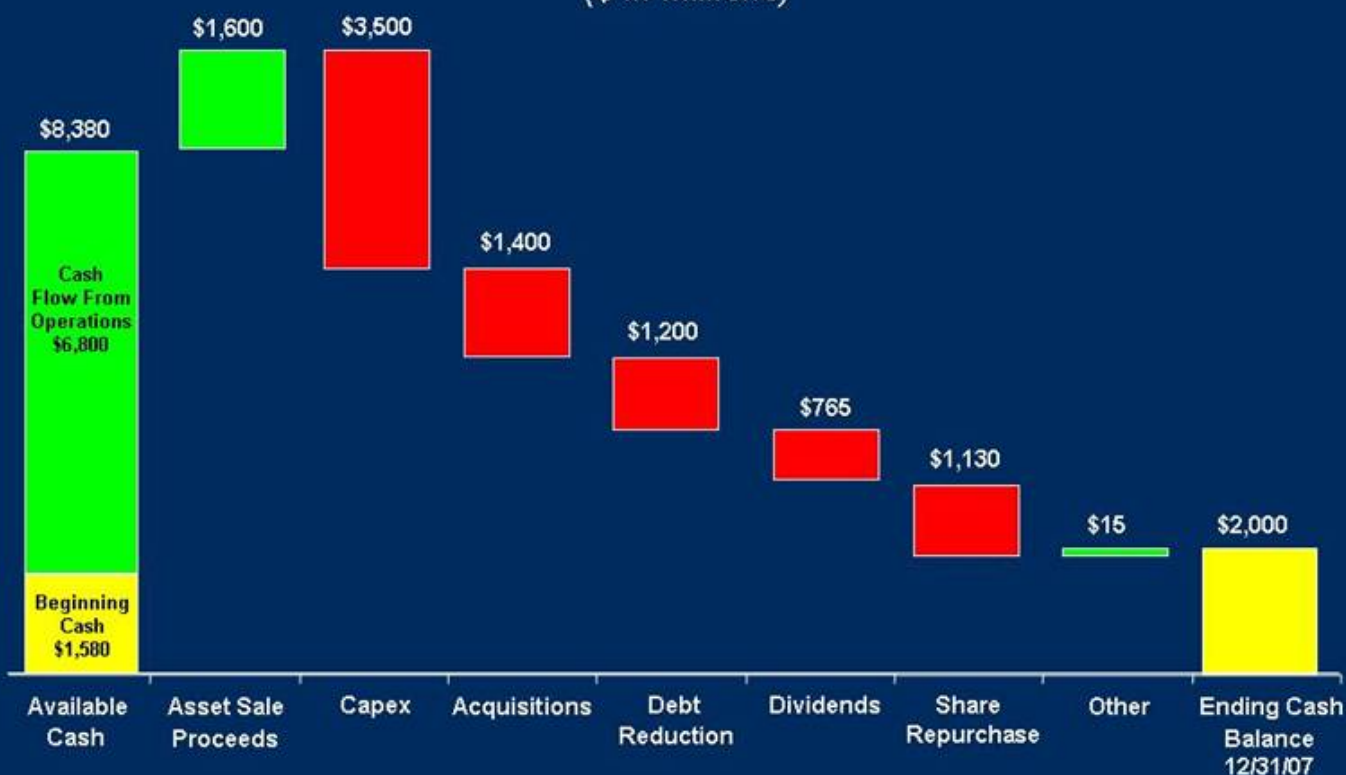
	<u>FY2007</u>	<u>FY2006</u>
• Reported Net Income	\$5,400	\$4,191
• Reported EPS (diluted)	\$6.44	\$4.87
• Core Results	\$4,405	\$4,116
• Core EPS (diluted)	\$5.25	\$4.78
• +10% year-over-year		
• Oil and Gas production (mboe/day)	570	545
• +4.6% year-over-year		
• Capital Spending	\$3,497	\$2,987
• Net Interest Expense	\$32	\$100
• Cash Flow from Operations	\$6,800	\$6,400
• Debt/Capital	7%	13%
• ROE*	26%	24%
• ROCE*	24%	21%

* See attached for GAAP reconciliation

Fourth Quarter 2007 Earnings – Full Year 2007 Cash Flow



(\$ in millions)



Fourth Quarter 2007 Earnings – Share Repurchase



- Spent \$1.13 billion to repurchase 20.6 million shares during 2007 at an average price of \$54.75 a share.
- As of 12/31/07, 6.3 million shares remained under the current 55 million share repurchase authorization.

Shares Outstanding (mm)	<u>YTD2007</u>	<u>12/31/07</u>
Weighted Average Basic	834.9	
Weighted Average Diluted	839.1	
Basic Shares Outstanding		827.2
Diluted Shares Outstanding		831.3

Fourth Quarter 2007 Earnings - 1Q08 Outlook



- We expect oil and gas production to be in the range of 600 to 615 mboe/day in 1Q08, at last quarter's \$90 oil price.
 - Dolphin is expected to be fully operational in February;
 - Dolphin is expected to run at 78% of capacity with production of 53 mboe/day during 1Q08;
 - Dolphin after-tax earnings are expected to be \$90 to \$100 mm in 1Q08, based on a \$90 oil price.
- We expect the oil and gas production rate for the 2008 full year to increase to approximately 620 to 630 mboe/day, at about \$80 oil. The increase vs. 2007 is due to:
 - The full year operations of Dolphin;
 - Increased production from the Mukhaizna project in Oman;
 - Increased production in Argentina and Colombia;
 - The impact of acquisitions; and,
 - Slightly offset by the new contract in Libya.

Fourth Quarter 2007 Earnings - 1Q08 Outlook



- PSC production impact for changes in oil price
 - A \$5.00 change in oil price affects Oxy's production by approximately 4,000 barrels/day.
- Commodity Price Sensitivity — Earnings
 - A \$1.00 per barrel change in oil price impacts oil and gas quarterly earnings before income taxes by about \$38 mm;
 - A change of \$0.50 per million BTUs in domestic gas price has a \$24 mm impact on quarterly earnings before income taxes.
- We expect 1Q08 exploration expense to be about \$70 to \$90 mm for our seismic and drilling programs.

Fourth Quarter 2007 Earnings - 1Q08 Outlook



- We expect 1Q08 Chemical segment earnings to be in the range of \$100 to \$125 mm, compared to \$94 mm in 4Q07.
 - Improved volumes and prices in vinyls and higher caustic soda prices are the primary drivers of the expected sequential increase.
 - Expectations are lower than 1Q07 earnings of \$137 mm due to weakness in construction impacting industry demand.
- We expect DD&A expense to be \$2.4 billion for Oil and Gas and \$0.3 billion for the rest of the Company in 2008.
- We expect our combined worldwide tax rate to be about 43% in 1Q08.
- We currently expect total capital spending for 2008 to be between \$3.8 and \$3.9 billion.
 - We expect increased 2008 capital spending for the Colombia LCI project, Argentina and Vintage California.

Fourth Quarter 2007 Earnings – Cost Reduction Program




- Oxy has embarked on a Cost Reduction Program
- The impact of the Program:
 - It will affect operating and G&A costs;
 - We took a restructuring charge in 2007 totaling \$25 mm;
 - We expect a similar amount to be taken in 2008;
 - Improvements have been made in our procurement functions;
 - Combined savings realized from this program are expected to be \$200 mm in 2008 with a longer-term annualized run-rate of \$300 mm.
- The primary focus of this program is on the more mature areas of the company, as opposed to our areas of growth.
- Our target is to bring G&A in line with our historical costs per BOE.

Fourth Quarter 2007 Earnings



See the investor relations supplemental schedules for the reconciliation of non-GAAP items. Statements in this presentation 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 materially affect expected results. Factors that could cause results to differ materially include, but are not limited to: exploration risks, such as drilling of unsuccessful wells; global commodity pricing fluctuations and supply/demand considerations for oil, gas and chemicals; higher-than-expected costs; operational interruptions; political risk; and not successfully completing (or any material delay in) any expansion, capital expenditure, acquisition, or disposition. You should not place undue reliance on these forward-looking statements which speak only as of the date of this presentation. Unless legally required, Occidental disclaims 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 disclosure 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.

Oxy News Release


Occidental Petroleum Corporation
 10889 Wilshire Boulevard
 Los Angeles, California 90024-4201
 310.208.8800
www.oxy.com

For Immediate Release: January 29, 2008

Occidental Replaces 116 Percent of 2007 Production

LOS ANGELES — Occidental Petroleum Corporation (NYSE: OXY) announced today that in 2007 the company's consolidated subsidiaries had preliminary proved reserve additions from all sources of 242 million barrels of oil equivalent (BOE) compared to production of 209 million BOE, for a production replacement rate of 116 percent. Occidental incurred \$4.45 billion in costs for oil and gas property acquisitions and exploration and development activities. At the end of 2007, Occidental's consolidated reserves-to-production ratio, assuming production remained at the 2007 level, was 13.7 years.

At year-end 2007, Occidental's worldwide proved reserves, on a consolidated basis, totaled 2.87 billion BOE compared to 2.83 billion BOE at the end of 2006.

The 2007 consolidated proved reserve additions totaled 242 million BOE. Improved recovery provided 104 percent of total additions, acquisitions 25 percent, extensions and discoveries 10 percent, which were partially offset by reductions in previous estimates of the total proved reserve additions.

Over 90 percent of the net additions were in the United States, with the most substantial increases in the Permian Basin, Elk Hills field and the Rocky Mountains. In the Permian Basin, the increased reserves were attributable to higher prices and enhanced recovery techniques, such as drilling and water flood wells, additional CO2 flood development programs and bolt-on acquisitions. The Elk Hills operations employ infill drilling and both gas flood and water flood techniques which contributed to their increased reserves.

In 2007, Occidental increased proved developed reserves to 80 percent of total proved reserves from 78 percent at year-end 2006.

The Dolphin project transferred 101 million BOE to the proved developed category during 2007, with no remaining undeveloped reserves at December 31, 2007 for this project. In the United States, the Elk Hills field and the Permian Basin transferred 21 million BOE each into proved developed reserves from undeveloped.

For the three-year period 2005-2007, Occidental's consolidated proved reserve additions totaled 1.125 billion BOE, and total production equaled 580 million BOE, for a reserve replacement rate of 194 percent. Over the past three years, Occidental incurred \$17.63 billion in costs for property acquisitions and exploration and development activities. Disclosures in this press release are for continuing operations as of December 31, 2007; accordingly, Pakistan and Horn Mountain reserves and costs have been excluded.

Occidental sold its 33 million BOE share of a Russian joint venture in January 2007. After this sale, only the minority shareholder's interest in a Colombian affiliate and an equity investment in Yemen remain classified in other interests.

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," "expect" or "estimate," or otherwise relate to the future, are forward-looking and involve risks and uncertainties

2

that could significantly affect expected results. Factors that could cause results to differ materially include, but are not limited to: exploration risks, such as drilling of unsuccessful wells; global commodity pricing fluctuations and supply/demand considerations for oil, gas and chemicals; higher-than-expected costs; political risk; operational interruptions; changes in tax rates and not successfully completing (or any material delay in) any expansion, capital expenditure, acquisition, or disposition. 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 disclosure 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)
310-443-6249

Christopher G. Stavros (investors)
212-603-8184

OIL AND GAS PRELIMINARY RESERVES

The following table sets forth Occidental's net interests in quantities of proved developed and undeveloped reserves of crude oil, condensate and natural gas, and changes in such quantities. Crude oil reserves (in millions of barrels) include condensate. Natural gas volumes (in billion cubic feet) have been converted to barrels of oil equivalent (BOE) based on energy content of 6,000 cubic feet of gas to one barrel of oil.

(million BOE)	Consolidated Subsidiaries			Other Interests		
	Oil	Gas	BOE	Oil	Gas	BOE
PROVED DEVELOPED AND UNDEVELOPED RESERVES						
Balance at December 31, 2004	1,858	2,851	2,334	43	—	43
Revisions of previous estimates	(18)	21	(15)	8	6	9
Improved recovery	107	129	129	—	—	—
Extensions and discoveries	46	427	117	1	—	1
Purchases of proved reserves	112	164	139	—	—	—
Sales of proved reserves	(8)	(3)	(9)	—	—	—
Production	(135)	(215)	(171)	(7)	(6)	(8)
Balance at December 31, 2005	1,962	3,374	2,524	45	—	45
Revisions of previous estimates	21	(31)	16	(7)	8	(6)
Improved recovery	116	127	137	(1)	—	(1)
Extensions and discoveries	24	58	34	—	—	—
Purchases of proved reserves	254	435	326	—	—	—
Sales of proved reserves	(4)	(2)	(4)	—	—	—
Production	(160)	(237)	(200)	(7)	(8)	(8)
Balance at December 31, 2006	2,213	3,724	2,833	30	—	30
Revisions of previous estimates	(80)	(90)	(95)	—	—	—
Improved recovery	183	417	253	1	—	1
Extensions and discoveries	18	35	24	(1)	—	(1)
Purchases of proved reserves	57	18	60	—	—	—
Sales of proved reserves	—	—	—	(33)	—	(33)
Production	(165)	(261)	(209)	1	—	1
Balance at December 31, 2007	2,226	3,843	2,866	(2)	—	(2)
PROVED DEVELOPED RESERVES (a)						
December 31, 2004	1,511	1,728	1,799	37	—	37
December 31, 2005	1,537	1,906	1,855	37	—	37
December 31, 2006	1,771	2,637	2,211	23	—	23
December 31, 2007	1,788	3,069	2,300	(2)	—	(2)

(a) Approximately three percent of the proved developed oil reserves and approximately 14 percent of the proved developed gas reserves at December 31, 2007 are non-producing. Occidental's plans are to begin producing these reserves in 2008.

PRELIMINARY COSTS INCURRED

Occidental's 2007, 2006 and 2005 costs incurred in oil and gas property acquisition, exploration and development activities, whether capitalized or expensed, were as follows:

(in millions)	Consolidated Subsidiaries	Other Interests (b)
FOR THE YEAR ENDED		
DECEMBER 31, 2007		
Property Acquisition Costs		
Proved Properties	\$ 1,016	\$ —
Unproved Properties	119	—
Exploration Costs	331	(4)
Development Costs	2,987	7
Costs Incurred	\$ 4,453	\$ 3
FOR THE YEAR ENDED		
DECEMBER 31, 2006		
Property Acquisition Costs (a)		
Proved Properties	\$ 4,899	\$ —
Unproved Properties	1,142	—
Exploration Costs	313	1
Development Costs	2,518	32
Costs Incurred	\$ 8,872	\$ 33
FOR THE YEAR ENDED		
DECEMBER 31, 2005		
Property Acquisition Costs		
Proved Properties	\$ 1,782	\$ —
Unproved Properties	398	—
Exploration Costs	232	(2)

Development Costs		1,890	15
Costs Incurred		\$ 4,302	\$ 13

(a) Includes acquisition costs and related step-up for deferred income taxes of \$1.34 billion for the purchase of Vintage Petroleum Inc. There was no goodwill recorded for this acquisition.

(b) Includes equity investees' costs in Russia (sold in 2007) and Yemen, partially offset by minority interests in a Colombian affiliate.

5

PRELIMINARY 5-YEAR DATA

CONSOLIDATED SUBSIDIARIES

	Reserve Additions (Million BOE)	Production (Million BOE)	Costs Incurred (\$ Millions)
2003	336	166	1,501
2004	241	166	1,700
2005	370	171	4,302
2006	513	200	8,872*
2007	242	209	4,453
3-Year Average	375	193	5,876
5-Year Average	340	182	4,166

Reserves Replacement

(Million BOE)

	Revisions	Improved Recovery	Extensions Discoveries	Acquisitions	Total
2003	5	96	128	107	336
2004	50	110	41	40	241
2005	(15)	129	117	139	370
2006	16	137	34	326	513
2007	(95)	253	24	60	242
3-Year Average	(31)	173	58	175	375
5-Year Average	(8)	145	69	134	340

Costs Incurred

(\$ Millions)

	Acquisitions	Exploration Costs	Development Costs	Total
2003	368	80	1,053	1,501
2004	166	132	1,402	1,700
2005	2,180	232	1,890	4,302
2006	6,041	313	2,518	8,872*
2007	1,135	331	2,987	4,453
3-Year Average	3,119	292	2,465	5,876
5-Year Average	1,978	218	1,970	4,166

* Includes acquisition costs and related step-up for deferred income taxes of \$1.34 billion for the purchase of Vintage Petroleum Inc. There was no goodwill recorded for this acquisition.

6