
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) October 12, 2006

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 1 – Registrant’s Business and Operations

Item 1.01. Entry into a Material Definitive Agreement

On October 12, 2006, the Board of Directors of Occidental Petroleum Corporation made several changes to Occidental’s deferral programs. Effective January 1, 2007, there will be no further contributions to the 2005 Deferred Stock Program (the “2005 Stock Program”), except for those currently pending for outstanding stock awards. Outstanding restricted share unit awards and performance-based stock awards that provide for deferral upon vesting were amended to reflect the revised 2005 Stock Program. In addition, the Board of Directors approved the adoption of amendments to the grandfathered Deferred Compensation Plan to, among other things split it into Deferred Compensation Plans 1 and 2, amendments to the Occidental 2005 Deferred Compensation Plan (the “2005 DC Plan”) and the merger of Deferred Compensation Plan 2 with the 2005 DC Plan to form the Modified Deferred Compensation Plan effective as of January 1, 2007. The full texts of Amendment No. 3 to the 2005 Stock Program, the amendments to the stock awards, Deferred Compensation Plans 1 and 2, Amendment No. 2 to the 2005 DC Plan and the Modified Deferred Compensation Plan are filed as Exhibits to this Current Report on Form 8-K.

Item 1.02. Termination of a Material Definitive Agreement

On October 12, 2006, the Board of Directors of Occidental approved termination of the grandfathered Deferred Stock Program. Shares equivalent to the deferred share unit balance in the program, net of shares withheld for taxes, will be distributed to participants, including senior executives, in November 2006. The full text of the termination amendment is filed as an Exhibit to this Current Report on Form 8-K.

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: October 17, 2006

/s/ Jim A. Leonard

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

EXHIBIT INDEX

- 10.1 Amendment No. 2 to the Occidental Petroleum Corporation 2005 Deferred Stock Program.
- 10.2 Global Restricted Stock Unit Amendment to the 2002 Terms and Conditions
- 10.3 Global Restricted Stock Unit Amendment to the 2003 Terms and Conditions
- 10.4 Global Restricted Stock Unit Amendment to the 2004 Terms and Conditions
- 10.5 Global Restricted Stock Unit Amendment to the 2005 Terms and Conditions
- 10.6 Global Restricted Stock Unit Amendment to the July 2004 Terms and Conditions
- 10.7 Global Restricted Stock Unit Amendment to the July 2005 Terms and Conditions
- 10.8 Global Performance-Based Stock Amendment
- 10.9 Occidental Petroleum Corporation Deferred Compensation Plan 1.
- 10.10 Occidental Petroleum Corporation Deferred Compensation Plan 2.
- 10.11 Amendment No. 3 to the Occidental Petroleum Corporation 2005 Deferred Compensation Plan.
- 10.12 Occidental Petroleum Corporation Modified Deferred Compensation Plan.
- 10.13 Amendment No. 2 to the Occidental Petroleum Corporation Deferred Stock Program

**AMENDMENT NUMBER 2
TO THE
OCCIDENTAL PETROLEUM CORPORATION
2005 DEFERRED STOCK PROGRAM**

WHEREAS, Occidental Petroleum Corporation (the "Corporation") maintains the Occidental Petroleum Corporation 2005 Deferred Stock Program (the "Program"), the purpose of which is to provide a tax-deferred opportunity for key management and highly compensated employees of the Corporation and its affiliates to accumulate additional retirement income through deferrals of equity-based compensation;

WHEREAS, the Program is subject to Section 409A of the Internal Revenue Code ("Section 409A"), which imposes rules regarding the taxation of nonqualified deferred compensation plans, effective for amounts deferred after December 31, 2004;

WHEREAS, it is desirable to permit participants in the Program to make certain distribution elections with respect to amounts deferred under the Program in accordance with the special transition relief afforded by the preamble to the proposed regulations issued under Section 409A;

WHEREAS, the Plan was previously amended to permit participants to elect to change their distribution elections in accordance with Section 409A (the "Regular Election Change Rules"), effective November 1, 2006;

WHEREAS, because participants may make election changes in 2006 under the special Section 409A transition rules, it is desirable to delay the effective date of the Regular Election Change Rules until January 1, 2007; and

WHEREAS, it is desirable to amend the Program to cease further voluntary deferral elections after 2006.

NOW, THEREFORE, effective as set forth below, the Program is amended as follows:

ARTICLE III

DEFERRAL OF STOCK AWARDS

1. Effective December 31, 2006, Article III is amended by adding a new Section 3.3 to the end thereof to read as follows:

"3.3 Cessation of Deferrals.

(a) Elective Deferral Awards. Notwithstanding anything contained herein to the contrary, no new elections to defer Shares may be made under Section 3.1 after December 31, 2006.

(b) Outstanding Awards. Notwithstanding anything contained herein to the contrary, share units under a Mandatory Deferral Award that was granted before December 31, 2006 but become vested after December 31, 2006 shall be credited under Section 4.1(a) of this Program unless the Participant elected, pursuant to transition rules under Section 409A of the Code, to receive distribution of Shares under such Mandatory Deferral Award in 2008 or, if later, upon vesting. Additionally, share units subject to a Deferral Election under an Elective Deferral Award that was granted before December 31, 2006 but become vested on or after December 31, 2006 shall be credited under Section 4.1(a) of this Program unless the Participant elected, pursuant to transition rules under Section 409A of the Code, to receive distribution of Shares under such Elective Deferral Award in 2008 or, if later, upon vesting. Any share units under a Mandatory Deferral Award or Elective Deferral Award that become vested on or after December 31, 2006 and are payable in 2008 pursuant to an election as described herein, and any Dividend Equivalents subject thereto, shall be credited to a special subaccount of the Participant's Deferred Share Account and distributed as described in Section 4.4(a) during the first seventy-five (75) days of 2008. Any share units under a Mandatory Deferral Award or an Elective Deferral Award that become vested after December 31, 2006 and are payable upon vesting pursuant to an election as described herein shall not be deferred under this Program."

ARTICLE IV

DEFERRED SHARE ACCOUNTS

2. Effective October 12, 2006, Section 4.4(c)(iii) and the last sentence of Section 5.2(c), which were originally added to this Program with an effective date of November 1, 2006, shall instead become effective on January 1, 2007.

3. Effective October 12, 2006, a new Section 4.4(g) is added as follows:

"(g) Special Transition Election. Notwithstanding anything herein to the contrary, pursuant to the transition rules under Section 409A of the Code and the regulations and guidance thereunder, each Participant may make a new distribution election (a 'Special Transition Election') with respect to Deferred Shares credited to his general Deferred Share Account. Under this Special Transition Election, a Participant may make any of the following elections:

(i) A Participant may elect to receive, in July 2007, a lump sum distribution of the Deferred Shares credited to his account as of December 31, 2006 plus additional Deferred Shares subsequently credited to that balance as Dividend Equivalents (if any) (his "Pre-2007 Deferred Shares") in the form described in Section 4.4(a) of this Program, and to receive a distribution upon Retirement of any Deferred Shares credited to his general Deferred Share Account after December 31, 2006 (other than Dividend Equivalents credited to his December 31, 2006 balance and Deferred Shares credited pursuant to Section 3.3(b)) (his "Future Deferred Shares") in accordance with his original Retirement distribution election under this Program.

**GLOBAL AMENDMENT
TO
RESTRICTED SHARE UNIT AWARD AGREEMENTS
(December 9, 2002 Awards)**

WHEREAS, Occidental Petroleum Corporation (the "Corporation") granted certain Restricted Share Unit Awards (the "Awards") to the individuals listed on Appendix A attached hereto (each a "Grantee") on December 9, 2002;

WHEREAS, each Grantee's Awards are subject to an Occidental Petroleum Corporation 2001 Incentive Compensation Plan Restricted Share Unit Agreement (the "Agreement");

WHEREAS, Section 409A of the Internal Revenue Code ("Section 409A") provides rules regarding the deferral of taxation of non-qualified deferred compensation plans, effective for amounts that were not earned and vested as of December 31, 2004;

WHEREAS, proposed regulations issued by the Internal Revenue Service allow plan sponsors to amend deferred compensation arrangements to permit participants to change the time and/or form of distribution if such change is made before December 31, 2006, does not provide for distribution in 2006, and does not defer amounts that would otherwise be paid in 2006 (the "Transition Rule");

WHEREAS, the Awards that were not vested as of December 31, 2004 are subject to Section 409A; and

WHEREAS, the Corporation has decided to permit the Grantees to make certain distribution elections in accordance with the Transition Rule.

NOW THEREFORE, effective October 12, 2006, each Agreement is amended to add the following provision:

"15. Special Transition Election.

Notwithstanding anything herein to the contrary, pursuant to the transition rules under Section 409A of the Code and the regulations and guidance thereunder, the Grantee may make a new distribution election with respect to his Restricted Share Units that remain unvested on December 31, 2006. As part of such special election, the Grantee may elect to receive a distribution (A) upon termination of employment in accordance with the general terms and conditions of the Occidental Petroleum Corporation 2005 Deferred Stock Program (the "2005 Deferral Program") pursuant to any elections in effect on January 1, 2007, or as subsequently changed in accordance with the terms of the 2005 Deferral Program or (B) in 2008 or, if later, upon vesting. Any election under this Section 15 must be made by November 3, 2006 or such later date as permitted by the Company, but in no event later than December 31, 2006. Any Restricted Share Units that

are subject to a 2008 distribution election under this Section 15 shall, upon vesting, be credited to a special subaccount of the Grantee's Deferred Share Account under the 2005 Deferral Program as described in Section 3.3(b) of the 2005 Deferral Program and distributed in 2008 as described therein. Any Restricted Share Units that a Grantee elects to be paid out at vesting shall not be credited under the 2005 Deferral Program.”

IN WITNESS WHEREOF, the Corporation has caused its duly authorized officer to execute this Global Amendment to Restricted Share Unit Award Agreements this _____ day of _____, 2006.

OCCIDENTAL PETROLEUM CORPORATION

By: _____
[name]
[title]

**GLOBAL AMENDMENT
TO
RESTRICTED SHARE UNIT AWARD TERMS AND CONDITIONS
(December 8, 2003 Awards)**

WHEREAS, Occidental Petroleum Corporation (the "Corporation") granted certain Restricted Share Unit Awards (the "Awards") to the individuals listed on Appendix A attached hereto (each a "Grantee") on December 8, 2003;

WHEREAS, the Awards are subject to the Occidental Petroleum Corporation 2001 Incentive Compensation Plan Restricted Share Unit Award Terms and Conditions (the "Terms and Conditions");

WHEREAS, Section 409A of the Internal Revenue Code ("Section 409A") provides rules regarding the deferral of taxation of non-qualified deferred compensation plans, effective for amounts that were not earned and vested as of December 31, 2004;

WHEREAS, proposed regulations issued by the Internal Revenue Service allow plan sponsors to amend deferred compensation arrangements to permit participants to change the time and/or form of distribution if such change is made before December 31, 2006, does not provide for distribution in 2006, and does not defer amounts that would otherwise be paid in 2006 (the "Transition Rule");

WHEREAS, the Awards that were not vested as of December 31, 2004 are subject to Section 409A; and

WHEREAS, the Corporation has decided to permit the Grantees to make certain distribution elections in accordance with the Transition Rule.

NOW THEREFORE, effective October 12, 2006, the Terms and Conditions are amended to add the following provision:

"19. Special Transition Election.

Notwithstanding anything herein to the contrary, pursuant to the transition rules under Section 409A of the Code and the regulations and guidance thereunder, the Grantee may make a new distribution election with respect to his Restricted Share Units that remain unvested on December 31, 2006. As part of such special election, the Grantee may elect to receive a distribution (A) upon termination of employment in accordance with the general terms and conditions of the Occidental Petroleum Corporation 2005 Deferred Stock Program (the "2005 Deferral Program") pursuant to any elections in effect on January 1, 2007, or as subsequently changed in accordance with the terms of the 2005 Deferral Program or (B) in 2008 or, if later, upon vesting. Any election under this Section 19 must be made by November 3, 2006 or such later date as permitted by the

Company, but in no event later than December 31, 2006. Any Restricted Share Units that are subject to a 2008 distribution election under this Section 19 shall, upon vesting, be credited to a special subaccount of the Grantee's Deferred Share Account under the 2005 Deferral Program as described in Section 3.3(b) of the 2005 Deferral Program and distributed in 2008 as described therein. Any Restricted Share Units that a Grantee elects to be paid out at vesting shall not be credited under the 2005 Deferral Program."

IN WITNESS WHEREOF, the Corporation has caused its duly authorized officer to execute this Global Amendment to Restricted Share Unit Award Terms and Conditions this _____ day of _____, 2006.

OCCIDENTAL PETROLEUM CORPORATION

By: _____
[name]
[title]

**GLOBAL AMENDMENT
TO
RESTRICTED SHARE UNIT AWARD TERMS AND CONDITIONS
(December 6, 2004 Awards)**

WHEREAS, Occidental Petroleum Corporation (the "Corporation") granted certain Restricted Share Unit Awards (the "Awards") to the individuals listed on Appendix A attached hereto (each a "Grantee") on December 6, 2004;

WHEREAS, the Awards are subject to the Occidental Petroleum Corporation 2001 Incentive Compensation Plan Restricted Share Unit Award Terms and Conditions (the "Terms and Conditions");

WHEREAS, Section 409A of the Internal Revenue Code ("Section 409A") provides rules regarding the deferral of taxation of non-qualified deferred compensation plans, effective for amounts that were not earned and vested as of December 31, 2004;

WHEREAS, proposed regulations issued by the Internal Revenue Service allow plan sponsors to amend deferred compensation arrangements to permit participants to change the time and/or form of distribution if such change is made before December 31, 2006, does not provide for distribution in 2006, and does not defer amounts that would otherwise be paid in 2006 (the "Transition Rule");

WHEREAS, the Awards that were not vested as of December 31, 2004 are subject to Section 409A; and

WHEREAS, the Corporation has decided to permit the Grantees to make certain distribution elections in accordance with the Transition Rule.

NOW THEREFORE, effective October 12, 2006, the Terms and Conditions are amended to add the following provision:

"19. Special Transition Election.

Notwithstanding anything herein to the contrary, pursuant to the transition rules under Section 409A of the Code and the regulations and guidance thereunder, the Grantee may make a new distribution election with respect to his Restricted Share Units that remain unvested on December 31, 2006. As part of such special election, the Grantee may elect to receive a distribution (A) upon termination of employment in accordance with the general terms and conditions of the Deferral Program pursuant to any elections in effect on January 1, 2007, or as subsequently changed in accordance with the terms of the Deferral Program or (B) in 2008 or, if later, upon vesting. Any election under this Section 19 must be made by November 3, 2006 or such later date as permitted by the Company, but in no event later than December 31, 2006. Any Restricted Share Units that

are subject to a 2008 distribution election under this Section 19 shall, upon vesting, be credited to a special subaccount of the Grantee's Deferred Share Account under the Deferral Program as described in Section 3.3(b) of the Deferral Program and distributed in 2008 as described therein. Any Restricted Share Units that a Grantee elects to be paid out at vesting shall not be credited under the Deferral Program.”

IN WITNESS WHEREOF, the Corporation has caused its duly authorized officer to execute this Global Amendment to Restricted Share Unit Award Terms and Conditions this _____ day of _____, 2006.

OCCIDENTAL PETROLEUM CORPORATION

By: _____
[name]
[title]

**GLOBAL AMENDMENT
TO
RESTRICTED SHARE UNIT AWARD TERMS AND CONDITIONS
(December 5, 2005 Awards)**

WHEREAS, Occidental Petroleum Corporation (the "Corporation") granted certain Restricted Share Unit Awards (the "Awards") to the individuals listed on Appendix A attached hereto (each a "Grantee") on December 5, 2005;

WHEREAS, the Awards are subject to the Occidental Petroleum Corporation 2005 Long-Term Incentive Plan Restricted Share Unit Award Terms and Conditions (the "Terms and Conditions");

WHEREAS, Section 409A of the Internal Revenue Code ("Section 409A") provides rules regarding the deferral of taxation of non-qualified deferred compensation plans, effective for amounts that were not earned and vested as of December 31, 2004;

WHEREAS, proposed regulations issued by the Internal Revenue Service allow plan sponsors to amend deferred compensation arrangements to permit participants to change the time and/or form of distribution if such change is made before December 31, 2006, does not provide for distribution in 2006, and does not defer amounts that would otherwise be paid in 2006 (the "Transition Rule");

WHEREAS, the Awards are subject to Section 409A; and

WHEREAS, the Corporation has decided to permit the Grantees to make certain distribution elections in accordance with the Transition Rule.

NOW THEREFORE, effective October 12, 2006, the Terms and Conditions are amended to add the following provision:

"19. Special Transition Election.

Notwithstanding anything herein to the contrary, pursuant to the transition rules under Section 409A of the Code and the regulations and guidance thereunder, the Grantee may make a new distribution election with respect to his Restricted Share Units that remain unvested on December 31, 2006. As part of such special election, the Grantee may elect to receive a distribution (A) upon termination of employment in accordance with the general terms and conditions of the Deferral Program pursuant to any elections in effect on January 1, 2007, or as subsequently changed in accordance with the terms of the Deferral Program or (B) in 2008 or, if later, upon vesting. Any election under this Section 19 must be made by November 3, 2006 or such later date as permitted by the Company, but in no event later than December 31, 2006. Any Restricted Share Units that are subject to a 2008 distribution election under this Section 19 shall, upon vesting, be

credited to a special subaccount of the Grantee's Deferred Share Account under the Deferral Program as described in Section 3.3(b) of the Deferral Program and distributed in 2008 as described therein. Any Restricted Share Units that a Grantee elects to be paid out at vesting shall not be credited under the Deferral Program.”

IN WITNESS WHEREOF, the Corporation has caused its duly authorized officer to execute this Global Amendment to Restricted Share Unit Award Terms and Conditions this _____ day of _____, 2006.

OCCIDENTAL PETROLEUM CORPORATION

By: _____
[name]
[title]

**GLOBAL AMENDMENT
TO
RESTRICTED SHARE UNIT AWARD TERMS AND CONDITIONS
(July 14, 2004 Awards)**

WHEREAS, Occidental Petroleum Corporation (the "Corporation") granted certain Restricted Share Unit Awards (the "Awards") to the individuals listed on Appendix A attached hereto (each a "Grantee") on July 14, 2004;

WHEREAS, the Awards are subject to the Occidental Petroleum Corporation 2001 Incentive Compensation Plan Restricted Share Unit Award Terms and Conditions (the "Terms and Conditions");

WHEREAS, Section 409A of the Internal Revenue Code ("Section 409A") provides rules regarding the deferral of taxation of non-qualified deferred compensation plans, effective for amounts that were not earned and vested as of December 31, 2004;

WHEREAS, proposed regulations issued by the Internal Revenue Service allow plan sponsors to amend deferred compensation arrangements to permit participants to change the time and/or form of distribution if such change is made before December 31, 2006, does not provide for distribution in 2006, and does not defer amounts that would otherwise be paid in 2006 (the "Transition Rule");

WHEREAS, the Awards are subject to Section 409A; and

WHEREAS, the Corporation has decided to permit the Grantees to make certain distribution elections in accordance with the Transition Rule.

NOW THEREFORE, effective October 12, 2006, the Terms and Conditions are amended to add the following provision:

"19. Special Transition Election.

Notwithstanding anything herein to the contrary, pursuant to the transition rules under Section 409A of the Code and the regulations and guidance thereunder, the Grantee may make a new distribution election with respect to his Restricted Share Units that remain unvested on December 31, 2006. As part of such special election, the Grantee may elect to receive a distribution (A) upon termination of employment in accordance with the general terms and conditions of the Occidental Petroleum Corporation 2005 Deferred Stock Program (the "2005 Deferral Program") pursuant to any elections in effect on January 1, 2007, or as subsequently changed in accordance with the terms of the 2005 Deferral Program or (B) in 2008 or, if later, upon vesting. Any election under this Section 19 must be made by November 3, 2006 or such later date as permitted by the Company, but in no event later than December 31, 2006. Any Restricted Share Units that

are subject to a 2008 distribution election under this Section 19 shall, upon vesting, be credited to a special subaccount of the Grantee's Deferred Share Account under the 2005 Deferral Program as described in Section 3.3(b) of the 2005 Deferral Program and distributed in 2008 as described therein. Any Restricted Share Units that a Grantee elects to be paid out at vesting shall not be credited under the 2005 Deferral Program.”

IN WITNESS WHEREOF, the Corporation has caused its duly authorized officer to execute this Global Amendment to Restricted Share Unit Award Terms and Conditions this _____ day of _____, 2006.

OCCIDENTAL PETROLEUM CORPORATION

By: _____
[name]
[title]

**GLOBAL AMENDMENT
TO
RESTRICTED SHARE UNIT AWARD TERMS AND CONDITIONS
(July 13, 2005 Awards)**

WHEREAS, Occidental Petroleum Corporation (the "Corporation") granted certain Restricted Share Unit Awards (the "Awards") to the individuals listed on Appendix A attached hereto (each a "Grantee") on July 13, 2005;

WHEREAS, the Awards are subject to the Occidental Petroleum Corporation 2005 Long-Term Incentive Plan Restricted Share Unit Award Terms and Conditions (the "Terms and Conditions");

WHEREAS, Section 409A of the Internal Revenue Code ("Section 409A") provides rules regarding the deferral of taxation of non-qualified deferred compensation plans, effective for amounts that were not earned and vested as of December 31, 2004;

WHEREAS, proposed regulations issued by the Internal Revenue Service allow plan sponsors to amend deferred compensation arrangements to permit participants to change the time and/or form of distribution if such change is made before December 31, 2006, does not provide for distribution in 2006, and does not defer amounts that would otherwise be paid in 2006 (the "Transition Rule");

WHEREAS, the Awards are subject to Section 409A; and

WHEREAS, the Corporation has decided to permit the Grantees to make certain distribution elections in accordance with the Transition Rule.

NOW THEREFORE, effective October 12, 2006, the Terms and Conditions are amended to add the following provision:

"20. Special Transition Election.

Notwithstanding anything herein to the contrary, pursuant to the transition rules under Section 409A of the Code and the regulations and guidance thereunder, the Grantee may make a new distribution election with respect to his Restricted Share Units that remain unvested on December 31, 2006. As part of such special election, the Grantee may elect to receive a distribution (A) upon termination of employment in accordance with the general terms and conditions of the Deferral Program pursuant to any elections in effect on January 1, 2007, or as subsequently changed in accordance with the terms of the Deferral Program or (B) in 2008 or, if later, upon vesting. Any election under this Section 20 must be made by November 3, 2006 or such later date as permitted by the Company, but in no event later than December 31, 2006. Any Restricted Share Units that are subject to a 2008 distribution election under this Section 20 shall, upon vesting, be credited to a special subaccount of the Grantee's Deferred Share Account under the

Deferral Program as described in Section 3.3(b) of the Deferral Program and distributed in 2008 as described therein. Any Restricted Share Units that a Grantee elects to be paid out at vesting shall not be credited under the Deferral Program.”

IN WITNESS WHEREOF, the Corporation has caused its duly authorized officer to execute this Global Amendment to Restricted Share Unit Award Terms and Conditions this _____ day of _____, 2006.

OCCIDENTAL PETROLEUM CORPORATION

By: _____
[name]
[title]

**GLOBAL AMENDMENT
TO
PERFORMANCE-BASED STOCK AWARD TERMS AND CONDITIONS
(January 1, 2003 Awards)**

WHEREAS, Occidental Petroleum Corporation (the "Corporation") granted certain Performance-Based Stock Awards (the "Awards") to the individuals listed on Appendix A attached hereto (each a "Grantee") effective January 1, 2003;

WHEREAS, the Awards are subject to the Occidental Petroleum Corporation 2001 Incentive Compensation Plan Performance-Based Stock Award Terms and Conditions (the "Terms and Conditions");

WHEREAS, the Grantees elected that the shares of the Corporation's common stock (if any) that would otherwise be delivered upon certification of achievement of performance goals be credited as stock units for deferred distribution under the Occidental Petroleum Corporation 2005 Deferred Stock Program and the cash portion (if any) of such awards be deferred under the Occidental Petroleum Corporation 2005 Deferred Compensation Plan;

WHEREAS, the performance period for the Awards has not been completed;

WHEREAS, the Grantees' deferral elections are subject to Section 409A of the Internal Revenue Code ("Section 409A"), which imposes new rules regarding the deferrals of compensation under non-qualified deferred compensation arrangements, effective for amounts that were not earned and vested as of December 31, 2004;

WHEREAS, proposed regulations issued by the U.S. Treasury and Internal Revenue Service under Section 409A allow plan sponsors to amend deferred compensation arrangements that are subject to Section 409A to permit participants to change the time and/or form of distribution if such change (i) is made before December 31, 2006; (ii) does not defer amounts that would otherwise be paid in calendar year 2006; and (iii) does not accelerate payment of deferred amounts to calendar year 2006 (the "Transition Rule"); and

WHEREAS, the Corporation has decided to permit the Grantees to make certain distribution elections in accordance with the Transition Rule.

NOW THEREFORE, effective October 12, 2006, the Terms and Conditions are amended to add the following provision:

"20. Special Transition Election.

Notwithstanding anything herein to the contrary, pursuant to the transition rules under Section 409A of the Code and the regulations and guidance thereunder, the Grantee may make a new election with respect to the timing of the payment of his Performance-Based Stock Awards that become payable if the applicable performance goals are certified as achieved. Under this special election, the Grantee may elect that either

(A) his original election to defer the delivery of shares of Common Stock and cash (if any) upon certification of the applicable performance goals under the general terms of the Occidental Petroleum Corporation 2005 Deferred Stock Program (the "2005 DSP") and the Occidental Petroleum Corporation 2005 Deferred Compensation Plan (the "2005 DCP") (as applicable) will continue to apply and distribution will be made upon his termination of employment pursuant to any elections in effect on January 1, 2007 (or as subsequently changed in accordance with the terms of the 2005 DSP and the 2005 DCP (as applicable)) or (B) the delivery of shares of Common Stock and cash (if any) will be deferred under the 2005 DSP and the 2005 DCP (as applicable) but distribution will be accelerated to the first quarter of 2008, but no later than March 15, 2008. Any election under this Section must be made by November 3, 2006, or such later date as permitted by the Company, but in no event later than December 31, 2006."

IN WITNESS WHEREOF, the Corporation has caused its duly authorized officer to execute this Global Amendment to Performance-Based Stock Award Terms and Conditions this _____ day of _____, 2006.

OCCIDENTAL PETROLEUM CORPORATION

By: _____
[name]
[title]

OCCIDENTAL PETROLEUM CORPORATION

DEFERRED COMPENSATION PLAN 1

(Effective October 12, 2006)

**OCCIDENTAL PETROLEUM CORPORATION
DEFERRED COMPENSATION PLAN 1**

(Effective October 12, 2006)

**ARTICLE I
PURPOSE**

Effective October 12, 2006, the Occidental Petroleum Corporation Deferred Compensation Plan (the "Prior Plan") is divided into two plans, the Occidental Petroleum Corporation Deferred Compensation Plan 1 and the Occidental Petroleum Corporation Deferred Compensation Plan 2. This document sets forth the terms of the Occidental Petroleum Corporation Deferred Compensation Plan 1 (the "Plan") effective October 12, 2006.

This Plan is a continuation of the Prior Plan to the extent that it provides benefits for the individuals listed on Appendix A attached hereto and their Alternate Payees.

The Prior Plan was originally effective January 1, 1999 and constituted the amendment, restatement and merger of the Occidental Petroleum Corporation 1988 Deferred Compensation Plan (the "1988 DCP") and the Occidental Petroleum Corporation Senior Executive Deferred Compensation Plan (the "SEDCP").

The purpose of the Plan is to provide a tax-deferred opportunity for key management and highly compensated employees of Occidental Petroleum Corporation and its Affiliates (as defined below) to accumulate additional retirement income through deferrals of compensation. No further deferrals were allowed under this Plan after December 31, 2004. Accordingly, this Plan is not subject to the provisions of Section 409A of the Internal Revenue Code.

**ARTICLE II
DEFINITIONS**

Whenever the following words and phrases are used in this Plan with the first letter capitalized, they shall have the meanings specified below:

Affiliate. "Affiliate" means: (i) any corporation that is a member of a controlled group of corporations (within the meaning of Code Section 1563(a), determined without regard to Code Sections 1563(a)(4) and (e)(3)(C), and with the phrase "more than 50%" substituted for the phrase "at least 80%" each place it appears in Code Section 1563(a) of which Occidental Petroleum Corporation is a component member, or (ii) any entity (whether or not incorporated) that is under common control with Occidental Petroleum Corporation (as defined in Code Section 414(c) and the Treasury Regulations thereunder, and with the phrase "more than 50%" substituted for the phrase "at least 80%" each place it appears in the Treasury Regulations under Code Section 414(c)).

Alternate Payee. "Alternate Payee" means a former spouse of a Participant who is recognized by a Divorce Order as having a right to receive all, or a portion of, the benefits payable under this Plan with respect to such Participant.

Amortization Method. "Amortization Method" means an annual installment method of paying a Participant's benefits under which the Company will pay the Participant an initial payment in an amount equal to (i) plus (ii) divided by (iii), where (i) is the value of the Participant's Deferral Accounts as of the end of the month preceding such payment, (ii) is the amount of interest that would accrue during the entire payout period on the unpaid balance credited to the Participant's Deferral Accounts immediately following such initial payment if the Declared Rate then in effect remained unchanged and (iii) is the number of years over which annual installments are to be paid. For each Plan Year after the initial benefit payment is made, the annual benefit payment will be determined under the same equation where (i) is the value of the Participant's Deferral Accounts as of the end of the month preceding the benefit payment, (ii) is the amount of interest that would accrue during the remaining payout period on the unpaid balance credited to the Participant's Deferral Accounts immediately following such annual payment if the Declared Rate then in effect remained unchanged and (iii) is the number of annual payments remaining.

Base Salary. "Base Salary" means the base salary earned by a Participant during pay periods beginning in a Plan Year, excluding Bonus, all severance allowances, forms of incentive compensation, Savings Plan, Retirement Plan or other Company qualified plan contributions or benefits, retainers, insurance premiums or benefits, reimbursements, and all other payments, prior to reduction for any deferrals under this Plan or any other plan of the Company or reductions under the Company's Savings Plan allowed under Section 401(k) of the Code.

Beneficiary. "Beneficiary" means the person or persons designated as such in accordance with Article VI.

Beneficiary Benefit. "Beneficiary Benefit" means the payment to a Participant's Beneficiary of the value of the Participant's Deferral Accounts pursuant to Section 5.2 on account of the Participant's death.

Board. "Board" means the Board of Directors of Occidental Petroleum Corporation.

Bonus. "Bonus" means the bonus earned by a Participant under a regular annual incentive compensation plan (excluding without limitation a special individual or group bonus, a project bonus, and any other special bonus) during a Plan Year prior to reduction for any deferral under this Plan or any other plan of the Company.

Code. "Code" means the Internal Revenue Code of 1986, as amended.

Committee. "Committee" means the administrative committee appointed to administer the Plan pursuant to Article III.

Company. "Company" means Occidental Petroleum Corporation, or any successor thereto, and any Affiliates.

Company Management. "Company Management" means the Chairman of the Board, President or any Executive Vice President of Occidental Petroleum Corporation.

Compensation. "Compensation" means Base Salary and/or Bonus.

DCP Deferral Account. "DCP Deferral Account" means the account maintained on the books of account of the Company for each Participant pursuant to Article IV to account for amounts deferred under the 1988 DCP prior to January 1, 1999 and amounts deferred under this Plan after that date.

DCP Deferral Amount. "DCP Deferral Amount" means an amount of a Participant's Base Salary and/or Bonus that is deferred under the Plan, including both amounts deferred under the 1988 DCP prior to January 1, 1999, and amounts deferred under this Plan after that date.

Declared Rate. "Declared Rate" with respect to any Plan Year means the rate at which interest will be credited on Deferral Accounts for such Plan Year. The Declared Rate for each Plan Year commencing in 1999 and ending on or before December 31, 2008, will be equal to the greater of: (i) (A) plus (B) where (A) is the Moody's Long-Term Corporate Bond Index Monthly Average Corporates as published by Moody's Investor Services, Inc. (or successor thereto) for the month of July in the year prior to the Plan Year in question, and (B) is 3% ("Moody's Plus Three"), or (ii) the highest yield on any unsecured debt or preferred stock of the Company that was outstanding on the last day of July in the year prior to the Plan Year in question. Such Declared Rate will be announced on or before January 1 of the applicable Plan Year. The Declared Rate for each Plan Year commencing on or after January 1, 2009, will be the monthly yield on 5-year Treasury Constant Maturities plus 2%. Notwithstanding the foregoing, the Declared Rate for DCP Deferral Amounts that were earned and deferred prior to 1994 under the 1988 DCP (including bonuses which were earned for 1993), together with accumulated interest thereon, will in no event be less than 8% for any Plan Year. Accordingly, the Declared Rate for any Plan Year may be different for DCP Deferral Amounts that were earned and deferred under the 1988 DCP prior to January 1, 1994 than for DCP Deferral Amounts earned and deferred after such date.

Deferral Account(s). "Deferral Account(s)" means a Participant's DCP Deferral Account and/or SEDCP Deferral Account (if any) and/or Savings Plan Restoration Account (if any) maintained on the books of account of the Company for each Participant pursuant to Article IV.

Deferral Election Form. "Deferral Election Form" means a paper or electronic election form provided by the Committee on which an Eligible Employee may elect to defer Base Salary and/or Bonus and may elect to receive an Early Payment Benefit in accordance with Article IV.

Disability. "Disability" means a condition that qualifies as a disability under the Company's Retirement Plan and is approved by the Committee.

Disability Benefit. "Disability Benefit" means the payment to a Participant of the value of the Participant's Deferral Accounts pursuant to Section 5.1 on account of the Participant's termination of employment due to a Disability.

Distribution Election Form. "Distribution Election Form" means a paper or electronic election form provided by the Committee on which a Participant may elect the form of payment of his Retirement Benefits and/or the form of payment of Beneficiary Benefits to his Beneficiary in accordance with Article V.

Divorce Order. "Divorce Order" means any judgment, decree, or order (including judicial approval of a property settlement agreement) that relates to the settlement of marital property rights between a Participant and his or her former spouse pursuant to state domestic relations law (including, without limitation and if applicable, community property law).

Early Payment Benefit. "Early Payment Benefit" means the payment to a Participant of part or all of the Participant's DCP Deferral Account on an Early Payment Date prior to Retirement pursuant to Section 5.4.

Early Payment Date. "Early Payment Date" means any year prior to Retirement that a Participant elects pursuant to Section 4.1(b) to have an Early Payment Benefit paid or commenced to be paid.

Early Payment Date Subaccount. "Early Payment Date Subaccount" means any subaccount of a Participant's DCP Deferral Account established to separately account for deferred Compensation (and interest credited thereto) that is subject to an Early Payment Benefit election.

Eligible Employee. "Eligible Employee" means each key management or other highly compensated employee of the Company who is selected by Company Management to participate in the Plan.

Emergency Benefit. "Emergency Benefit" means the payment to a Participant of part or all of his Deferral Accounts in the event that the Participant has an unforeseeable financial emergency pursuant to Section 5.5.

Fractional Method. "Fractional Method" means an installment method of paying a Participant's Retirement Benefit under which the Company will determine the amount of each annual installment by dividing the value of the Participant's Deferral Accounts as of the end of the month preceding the payment date by the number of annual installments remaining to be paid.

1988 DCP. "1988 DCP" means the Occidental Petroleum Corporation 1988 Deferred Compensation Plan.

Participant. "Participant" means each of the individuals listed on Appendix A who (1) as of October 11, 2006, was a participant under the terms of the Prior Plan and (2) has not received a complete distribution of the benefits accrued under the Plan. Under no circumstances shall "Participant" mean any Alternate Payee.

Plan Year. "Plan Year" means the calendar year beginning on January 1 and ending on December 31.

Prior Plan. "Prior Plan" means the Occidental Petroleum Corporation Deferred Compensation Plan as amended and restated effective as of January 1, 2003, under which deferrals ceased as of December 31, 2004.

Qualified Divorce Order. "Qualified Divorce Order" means a Divorce Order that (a) creates or recognizes the existence of an Alternate Payee's right to, or assigns to an Alternate Payee the right to, receive all or a portion of the benefits payable to a Participant under this Plan; (b) clearly specifies (i) the name and the last known mailing address of the Participant and the name and mailing address of the Alternate Payee covered by the order, (ii) the amount or percentage of the Participant's benefits to be paid by this Plan to the Alternate Payee, or the manner in which such amount or percentage is to be determined, (iii) the number of payments or period to which such order applies, and (iv) that it applies to this Plan; and (c) does not (i) require this Plan to provide any type or form of benefit, or any option, not otherwise provided under the Plan, (ii) require this Plan to provide increased benefits, or (iii) require the payment of benefits to an Alternate Payee that are required to be paid to another Alternate Payee under another Divorce Order previously determined to be a Qualified Divorce Order.

Retirement. "Retirement" means: (i) the termination of a Participant's employment with the Company for reasons other than Disability or death after the Participant attains age 65, (ii) the termination of a Participant's employment with the Company for reasons other than Disability or death after the Participant attains age 55 and completes five (5) Years of Service or (iii) effective January 1, 2001, the Participant's attainment of age 55 following the Participant's termination of employment with the Company for reasons other than Disability or death prior to attainment of age 55 if the Participant qualifies for retiree medical coverage under the Occidental Petroleum Corporation Medical Plan on the date of the Participant's termination of employment.

Retirement Benefit. "Retirement Benefit" means the payment to a Participant of the value of the Participant's Deferral Accounts pursuant to Section 5.1 following Retirement.

Retirement Plan. "Retirement Plan" means the Occidental Petroleum Corporation Retirement Plan, as amended from time to time.

Savings Plan. "Savings Plan" means the Occidental Petroleum Corporation Savings Plan, as amended from time to time.

Savings Plan Restoration Account. "Savings Plan Restoration Account" means the account maintained on the books of account of the Company to reflect Savings Plan Restoration Contributions made by the Company pursuant to Section 4.6.

Savings Plan Restoration Contribution. "Savings Plan Restoration Contribution" means the amount credited to a Participant's Savings Plan Restoration Account pursuant to Section 4.6.

SEDCP. "SEDCP" means the Occidental Petroleum Corporation Senior Executive Deferred Compensation Plan under which certain Company executives deferred compensation.

SEDCP Deferral Account. “SEDCP Deferral Account” means the account maintained on the books of account of the Company for certain Participants pursuant to Article IV to account for amounts deferred under the SEDCP.

Termination Benefit. “Termination Benefit” means the payment to a Participant of the value of the Participant’s Deferral Accounts pursuant to Section 5.1 on account of the Participant’s termination of employment other than due to Retirement, Disability or death.

Termination Event. “Termination Event” means any of the following:

(a) Approval by the stockholders of Occidental Petroleum Corporation (or, if no stockholder approval is required, by the Board) of the dissolution or liquidation of Occidental Petroleum Corporation, other than in the context of a transaction that does not constitute a Termination Event under clause (b) below;

(b) Consummation of a merger, consolidation, or other reorganization, with or into, or the sale of all or substantially all of Occidental Petroleum Corporation’s business and/or assets as an entirety to, one or more entities that are not subsidiaries or other affiliates of Occidental Petroleum Corporation (a “Business Combination”), unless (i) as a result of the Business Combination, more than 50% of the outstanding voting power of the surviving or resulting entity or a parent thereof (the “Successor Entity”) immediately after the Business Combination is, or will be, owned, directly or indirectly, by holders of Occidental Petroleum Corporation’s voting securities immediately before the Business Combination; (ii) no “person” (as such term is used in Sections 13(d) and 14(d) of the Securities Exchange Act of 1934, as amended from time to time (the “Exchange Act”)), excluding the Successor Entity or any employee benefit plan of Occidental Petroleum Corporation and any trustee or other fiduciary holding securities under an Occidental Petroleum Corporation employee benefit plan or any person described in and satisfying the conditions of Rule 13d-1(b)(i) of the Exchange Act (an “Excluded Person”), beneficially owns, directly or indirectly, more than 20% of the outstanding shares or the combined voting power of the outstanding voting securities of the Successor Entity, after giving effect to the Business Combination, except to the extent that such ownership existed prior to the Business Combination; and (iii) at least 50% of the members of the board of directors of the entity resulting from the Business Combination were members of the Board at the time of the execution of the initial agreement or of the action of the Board approving the Business Combination;

(c) Any “person” (as such term is used in Sections 13(d) and 14(d) of the Exchange Act, but excluding any Excluded Person) is or becomes the beneficial owner (as defined in Rule 13d-3 under the Exchange Act), directly or indirectly, of securities of Occidental Petroleum Corporation representing 20% or more of the combined voting power of Occidental Petroleum Corporation’s then outstanding voting securities, other than as a result of (i) an acquisition directly from Occidental Petroleum Corporation; (ii) an acquisition by Occidental Petroleum Corporation; or (iii) an acquisition by any employee benefit plan (or related trust) sponsored or maintained by Occidental Petroleum Corporation or a Successor Entity; or

(d) During any period not longer than two consecutive years, individuals who at the beginning of such period constituted the Board cease to constitute at least a majority thereof, unless the election, or the nomination for election by Occidental Petroleum Corporation's stockholders, of each new Board member was approved by a vote of at least two-thirds (2/3) of the Board members then still in office who were Board members at the beginning of such period (including for these purposes, new members whose election or nomination was so approved), but excluding, for this purpose, any such individual whose initial assumption of office occurs as a result of an actual or threatened election contest with respect to the election or removal of directors or other actual or threatened solicitation of proxies or consents by or on behalf of a person other than the Board.

(e) Notwithstanding the foregoing, a Termination Event shall not occur if, prior to the Termination Event, the Executive Compensation and Human Resources Committee of the Board deems such an event to not be a Termination Event for the purposes of this Plan.

Years of Service. "Years of Service" means the number of full years credited to a Participant under the Retirement Plan for vesting purposes.

ARTICLE III ADMINISTRATION OF THE PLAN

A Committee shall be appointed by the Board to administer the Plan and establish, adopt, or revise such rules and regulations as the Committee may deem necessary or advisable for the administration of the Plan and to interpret the provisions of the Plan, and, except as otherwise indicated herein, any such interpretations shall be conclusive and binding. All decisions of the Committee shall be by vote of at least two of the Committee members and shall be final. The Committee may appoint any agent and delegate to such agent such powers and duties in connection with the administration of the Plan as the Committee may from time to time prescribe.

Members of the Committee shall be eligible to participate in the Plan while serving as members of the Committee, but a member of the Committee shall not vote or act upon any matter which relates solely to such member's interest in the Plan as a Participant.

ARTICLE IV PARTICIPATION

4.1 Election to Participate.

(a) Deferral Elections. An Eligible Employee may elect to participate in the Plan and elect to defer annual Base Salary and/or Bonus under the Plan by filing a completed and fully executed Deferral Election Form prior to the beginning of the Plan Year during which such Base Salary and Bonus are to be earned or at such other time as the Committee may permit. Deferral Election Forms must be filed in accordance with the instructions set forth in the Deferral Election Forms.

Various deferral options will be made available to Eligible Employees under the Plan, subject to such limitations and conditions as the Committee may impose from time to time, in its complete and sole discretion. A Deferral Election Form filed for the Plan Year beginning January 1, 2003, or for any subsequent Plan Year shall be effective for Base Salary and/or Bonus to be earned during that Plan Year and shall remain in effect for that Plan Year and subsequent Plan Years, notwithstanding any change in the Participant's Base Salary or Bonus, until changed or terminated in accordance with the terms of this Section 4.1; provided, however, that such election shall terminate if the Participant ceases to be an Eligible Employee. Subject to the minimum deferral requirements and maximum deferral limitations set forth below, a Participant may increase, decrease or terminate his deferral election effective for Compensation to be earned during any Plan Year by filing a new Deferral Election Form with the Committee prior to January 1 of such Plan Year.

Each Deferral Election Form will designate the DCP Deferral Amounts as a fixed dollar amount or fixed percentage (in increments of 1%) of Base Salary and/or (i) a fixed dollar amount or a fixed percentage of Bonus, or (ii) 100% of any Bonus exceeding a specified dollar amount, as elected by the Participant. Deferrals of Base Salary will normally be deducted ratably during the Plan Year. In its sole discretion, the Committee may also permit amounts that an Eligible Employee has previously elected to defer under other plans or agreements with the Company to be transferred to this Plan and credited to his Deferral Accounts that are maintained hereunder.

(A) Minimum Deferral. For each Plan Year, the minimum amount of Base Salary that a Participant may elect to defer is \$5,000, if expressed as a dollar amount, or 5% of Base Salary, if expressed as a percentage, and the minimum amount of Bonus that a Participant may elect to defer is any of the following: (I) \$5,000, (II) 5% of Bonus, or (III) 100% of that portion of any Bonus that exceeds a dollar amount specified by the Participant on his Deferral Election Form.

(B) Maximum Deferral. For each Plan Year, the maximum amount of Base Salary that a Participant may elect to defer is 75% of Base Salary, and the maximum amount of Bonus that a Participant may elect to defer is 100% of Bonus.

(b) Early Payment Benefit Election. On the Deferral Election Form filed pursuant to Section 4.1(a), an Eligible Employee may irrevocably elect to receive the Compensation deferred pursuant to that election in a lump sum payment or in annual installments over two (2) to five (5) years commencing prior to Retirement on an Early Payment Date. If a Participant fails to designate the form of distribution for an Early Payment Benefit, the distribution shall be in the form of a lump sum. The Early Payment Date elected must be a year that begins at least two (2) years after the end of the first Plan Year to which the election applies. An Early Payment Benefit election filed for the Plan Year beginning January 1, 2003, or for any subsequent Plan Year, shall be effective for Compensation earned and deferred during that Plan Year and each subsequent Plan Year until terminated in accordance with the terms of this Section 4.1; provided, however, that deferrals of Compensation earned during any Plan Year that ends less than two (2) years prior to the Early Payment Date will not be subject to the Early Payment Benefit election and shall be paid upon the Participant's termination of employment as set forth in Section 5.1 or 5.2, as the case may be. A Participant may terminate an election for an Early Payment Benefit

with respect to Compensation deferred in any future Plan Year by filing a new Deferral Election Form with the Committee prior to January 1 of such Plan Year. A Participant may not, however, change the form of benefit or time of commencement of Early Payment Benefit with respect to Compensation deferred pursuant to a Deferral Election Form after that Deferral Election is filed pursuant to Section 4.1(a).

A Participant may not at any time have more than two Early Payment Dates scheduled. However, after an Early Payment Date has occurred and all payments with respect to the corresponding Early Payment Date election have been completed, a Participant may elect a new Early Payment Date for future deferrals of Compensation.

4.2 DCP Deferral Accounts. The Committee shall establish and maintain a separate DCP Deferral Account for each Participant. The amount credited to a Participant's Deferral Account under the 1988 DCP as of December 31, 1998 remained credited to his DCP Deferral Account under this Plan as of January 1, 1999. A DCP Deferral Amount shall be credited by the Company to the Participant's DCP Deferral Account as of the date that the Participant's Base Salary or Bonus would otherwise have been paid. Such DCP Deferral Account shall be debited by the amount of any payments made by the Company to the Participant or the Participant's Beneficiary therefrom as of the date of payment. The Committee shall establish an Early Payment Date Subaccount within a Participant's DCP Deferral Account for each Early Payment Date elected by that Participant. Any such Early Payment Date Subaccount shall be debited by the amount of any Early Payment Benefit paid by the Company to the Participant on or beginning on such Early Payment Date pursuant to Section 5.4 as of the date of payment.

4.3 SEDCP Deferral Accounts. The Committee shall maintain a separate SEDCP Deferral Account for each Participant who was a participant in the SEDCP on December 31, 1998. The balance of such Participant's accounts under the SEDCP as of December 31, 1998 remained credited to each such Participant's SEDCP Deferral Account under this Plan as of January 1, 1999. SEDCP Deferral Accounts shall be debited by the amount of any payments made by the Company to the Participant or the Participant's Beneficiary therefrom as of the date of payment.

4.4 Interest. Each Deferral Account of a Participant shall be deemed to bear interest on the monthly balance of such Deferral Account at the Declared Rate for each Plan Year, compounded monthly. Except as provided in Section 5.2(a) with respect to SEDCP Deferral Accounts for Participants who die prior to becoming eligible for Retirement, interest will be credited to each Deferral Account on a monthly basis on the last day of each month as long as any amount remains credited to such Deferral Account. Effective January 1, 2003, amounts of deferred Compensation that are credited to a Deferral Account and amounts of Savings Plan Restoration Contributions that are credited to a Savings Plan Restoration Account prior to the end of a calendar month shall accrue interest from the date of crediting, computed on the basis of a 30-day month based on days elapsed from date of crediting to the end of the month. Notwithstanding the foregoing, effective January 1, 2009, each Deferral Account of a Participant shall be deemed to bear interest on the monthly balance of such Deferral Account at the annualized Declared Rate for the month. Such interest shall be credited to the Participant's Deferral Account balance as of the last day of the month and shall be determined by multiplying

the Deferral Account balance as of the end of the preceding month times the annualized Declared Rate for the current month.

4.5 Valuation of Deferral Accounts. The value of a Deferral Account as of any date shall equal the amounts previously credited to such Deferral Account less any payments debited to such Deferral Account plus the interest deemed to be earned on such Deferral Account in accordance with Section 4.4 through the end of the preceding month. When payments are made from a DCP Deferral Account for any reason other than an Early Payment Benefit elected after January 1, 1994, such payments shall be deemed to be made on a proportionate or pro-rata basis from DCP Deferral Amounts (including accumulated interest thereon) that were earned and deferred under the 1988 DCP prior to January 1, 1994 and DCP Deferral Amounts (including accumulated interest thereon) that were earned and deferred after that date.

4.6 Savings Plan Restoration Contribution. For each Plan Year, the Company shall credit to the Savings Plan Restoration Account of any Participant, an amount equal to the amount by which the contribution that would otherwise have been made by the Company on behalf of the Participant to the Savings Plan for such Plan Year is reduced by reason of the reduction in the Participant's Base Salary for such Plan Year because of deferrals under this Plan. The Savings Plan Restoration Contribution shall be credited to the Savings Plan Restoration Account of each Participant for each Plan Year at the same time as the Company contribution for such Plan Year is made to the Savings Plan. A Participant's interest in any credit to his Savings Plan Restoration Account and earnings thereon shall vest at the same rate and at the same time as would have been the case had such contribution been made to the Savings Plan. Notwithstanding anything contained herein to the contrary, if, upon a Participant's termination of employment, the Participant has not or does not become 100% vested in his Savings Plan Restoration Account, the unvested portion of his Savings Plan Restoration Account shall be forfeited prior to the determination of the amount of any benefits under Sections 5.1, 5.6 or 5.7. Effective as of January 1, 2005, that portion of a Participant's Savings Plan Restoration Account that was not vested as of December 31, 2004, shall be transferred to and credited to such Participant's Savings Plan Restoration Account under the Occidental Petroleum Corporation 2005 Deferred Compensation Plan (the "2005 DCP") and shall be governed by the terms of the 2005 DCP, including any Distribution Election Form filed under the 2005 DCP on or before December 31, 2005.

4.7 Statement of Deferral Accounts. The Committee shall submit to each Participant, within 120 days after the close of each Plan Year, a statement in such form as the Committee deems desirable, setting forth the Participant's Deferral Account(s).

4.8 Cessation of Compensation Deferrals. Notwithstanding any other Plan provision to the contrary, no amount of Compensation earned for services performed in Plan Years beginning after December 31, 2004 shall be deferred under this Plan, and no Savings Plan Restoration Contributions shall be credited under this Plan with respect to Plan Years beginning after December 31, 2004. Accordingly, any election to defer Compensation under this Plan shall terminate as to future earnings as of December 31, 2004 and shall no longer have any force or effect as to future earnings. Bonuses that were earned in 2004 and subject to deferral elections under the terms of this Plan shall not be credited under this Plan, but shall be (1) credited under the Occidental Petroleum Corporation 2005 Deferred Compensation Plan in accordance with its

terms and shall be subject to the terms and conditions of such plan, including, without limitation, its distribution provisions or (2) if elected by the Participant, paid in cash to the Participant in 2005. No new deferral elections shall be made under Article IV of this Plan with respect to Compensation earned after December 31, 2004. Interest shall continue to be credited to each Participant's Deferral Accounts as provided in Section 4.4.

ARTICLE V BENEFITS

5.1 Termination of Employment for a Reason Other Than Death.

(a) Form and Time of Benefit. Except as otherwise provided in this Section 5.1, upon a Participant's termination of employment for a reason other than death (including Retirement and Disability), the Company shall pay to the Participant in a single lump sum within the first 90 days of the calendar year following the Participant's termination of employment an amount equal to the value of the Participant's Deferral Accounts as of the end of the month preceding payment (after reduction for any forfeitures as set forth in Section 4.6). Any Retirement or Termination Benefits paid in annual installments pursuant to Section 5.1(b) or 5.1(c) shall be paid within the first 90 days of each calendar year, beginning with the year following the Participant's Retirement or other termination of employment and shall be determined based on the value of the Participant's Deferral Accounts as of the last day of the month preceding payment.

(b) Retirement. A Participant may elect in his Distribution Election Form to have the Retirement Benefit, which may consist solely of the participant's Savings Plan Restoration Account, paid to him in a lump sum, annual payments for any other number of years between two (2) and 20 years or, if available as an option on the Distribution Election Form provided to the Participant, in a combination of an initial lump sum payment followed by annual installments over the next one (1) to 20 years. The amount of each annual installment will be determined under either the Amortization Method or the Fractional Method. Unless the Participant otherwise elects, the amount of any such annual payments shall be calculated under the Amortization Method in the case of a Participant retiring before 2004 and under the Fractional Method in the case of a Participant retiring in 2004 and subsequent years. Any election of an alternative form of distribution or the alternate method of calculating installment amounts under this Section 5.1(b) must be made on a Distribution Election Form and must be received by the Committee no later than the December 31 preceding the date of the Participant's Retirement and shall become effective on the date that is 12 months after the Distribution Election Form is received by the Committee.

A Participant may change his election as to the form of payment and/or method of calculating annual installment amounts, provided that his change election is made on a Distribution Election Form and such election is received by the Committee no later than the December 31 preceding the date of the Participant's Retirement, unless otherwise permitted by the Committee. Such change in election shall become effective on the date that is 12 months after the Distribution Election Form is received by the Committee. Subject to the foregoing limitations, 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) that is

made later than the December 31 preceding the Participant's Retirement will be considered void and shall have no force or effect, except as otherwise determined by the Committee.

(c) Termination Prior to Retirement. If a Participant's employment with the Company terminates for any reason other than Retirement, Disability or death, then Participant shall receive a Termination Benefit in a lump sum as provided in Section 5.1(a); provided, however, at the sole discretion of the Committee, no lump sum shall be payable and instead, the Company shall pay to the Participant an annual amount for a period not to exceed three (3) years, determined using the Fractional Method.

(d) Disability. If a Participant's employment with the Company terminates prior to Retirement due to a Disability, then the Participant shall receive a Disability Benefit in a lump sum within the first 90 days of the calendar year following the calendar year in which the Participant attains age 55 in an amount equal to the value of the Participant's Deferral Accounts as of the end of the month preceding payment.

(e) Effect of Pre-Retirement Termination of Employment on Spousal Survivor Benefits. Spousal survivor benefits (if any) under Section 5.3 of the Plan shall not be payable to the spouse of a Participant who terminates employment prior to Retirement and receives a Termination Benefit or a Disability Benefit under this Section 5.1.

5.2 Beneficiary Benefits.

(a) If a Participant dies while employed by the Company prior to becoming eligible for Retirement, the Company shall pay to the Participant's Beneficiary in a single lump sum an amount equal to the value of the Participant's DCP Deferral Account and Savings Plan Restoration Account, if any. If such Participant also has an SEDCP Deferral Account, the Company will also pay to the Participant's Beneficiary annual payments over the greater of (i) 10 years or (ii) until the Participant would have attained age 65 equal to 25% of the amount deferred under the SEDCP (excluding any interest on such deferrals), which payments shall be in full satisfaction of the benefits payable with respect to the Participant's SEDCP Deferral Account. Notwithstanding the foregoing, the Participant's Beneficiary shall instead be paid the amount credited to the Participant's SEDCP Deferral Account as of the end of the month in which his death occurred plus interest at a rate of 8% per annum, compounded annually, from the end of such month and credited annually on each anniversary of the end of such month payable in equal installments (using the Amortization method) over the period described in the succeeding sentence, if the Committee determines that the present value of such benefit is greater than the present value of the benefit described in the preceding sentence. In comparing the present value of these two alternative benefits, the Committee shall use in each case a discount factor of 8%.

(b) If a Participant dies while employed by the Company after becoming eligible for Retirement, the Company will pay to the Participant's Beneficiary in a single lump sum a Beneficiary Benefit that is an amount equal to the value of the Participant's Deferral Accounts.

(c) If a Participant dies after the commencement of payment of his Retirement Benefit, then the remaining installments of the Retirement Benefit shall be payable to his

Beneficiary in the same amounts and at the same times as such installment would have been paid to the Participant if he were living.

(d) Notwithstanding the foregoing provisions of this Section 5.2, a Participant may elect at any time that if he dies prior to the commencement of his Retirement Benefits, then the payment to his Beneficiary shall be made in any form and calculated in any other manner described in Section 5.1(b). Such an election shall be on a Distribution Election Form.

(e) The payment or payments to a Beneficiary of a deceased Participant under this Section 5.2 shall be made or commence during the first 90 days of the calendar year following the year in which the Participant's death occurred, and the amount of such payment shall be equal to, or determined based on, the value of the Participant's Deferral Accounts as of the end of the month preceding payment.

(f) In the event that the Beneficiary of a deceased Participant dies prior to the completion of payments under this Plan to that Beneficiary, all remaining payments to that Beneficiary shall be paid in a lump sum to that Beneficiary's estate.

5.3 Spousal Survivor Benefits with Respect to SEDCP Deferral Accounts. If a Participant who has an SEDCP Deferral Account dies after becoming eligible for Retirement or after commencement of payment of his Retirement Benefit and a spouse to whom he had been married to for at least one (1) year prior to his death survives beyond completion of payment of the Participant's SEDCP Deferral Account balance, the Company shall pay such spouse a lump sum payment in an amount equal to 10% of the Participant's SEDCP Deferral Account balance valued as of the earlier of the date of the Participant's Retirement or death. Such lump sum spousal survivor benefit shall be paid as soon as administratively practicable following the later of the completion of payment of the Participant's SEDCP Deferral Account balance or the Participant's death. No benefit shall be payable under this Section 5.3 if the Participant's spouse does not survive beyond completion of payment of the Participant's SEDCP Deferral Account balance. Notwithstanding the foregoing, no spousal survivor benefit shall be payable to the spouse of any Participant who received benefits pursuant to Section 5.1(c) (Termination Benefit), Section 5.1(d) (Disability Benefit) or Section 5.6 (Immediate Payment on Termination Event).

5.4 Early Payment. Payment of the amounts credited to any Early Payment Date Subaccount of a Participant shall be paid or commence to be paid within the first 90 days of the year elected as the Early Payment Date in accordance with the Participant's election under Section 4.1(b), with any subsequent annual payments paid in the first 90 days of each applicable year. The amount of each annual installment will be determined under either the Amortization Method or the Fractional Method. The amount of any such annual payments shall be calculated under the Amortization Method for Early Payment Dates elected prior to 2003 and unless the Participant otherwise irrevocably elects at the time of making the Early Payment Benefit Election, under the Fractional Method for Early Payment Dates elected in 2003 and later.

Notwithstanding the foregoing, if the Participant terminates employment with the Company for any reason prior to commencement or completion of all Early Payment Benefits, all such elections made by the Participant to receive Early Payment Benefits shall terminate and any amounts remaining credited to the Participant's Early Payment Date Subaccount(s) shall be

paid, together with the other amounts credited to the Participant's Deferral Account, as set forth in Section 5.1 or 5.2, as the case may be.

5.5 Emergency Benefit. In the event that the Committee, upon written petition of the Participant, determines in its sole discretion that the Participant has suffered an unforeseeable financial emergency, the Company shall pay to the Participant, as soon as practicable following such determination, an amount up to the balance of the Participant's Deferral Accounts that is necessary to meet the emergency ("Emergency Benefit"). Such payment shall come first from the amounts not credited to any Early Payment Date Subaccount and, if the Participant has elected two (2) Early Payment Dates, next from the Early Payment Date Subaccount for the later Early Payment Date. No amount may be paid to the Participant under this Section 5.5 from any unvested portion of the Participant's Savings Plan Restoration Account. For purposes of this Plan, an unforeseeable financial emergency is a severe financial hardship to the Participant arising from a sudden and unexpected illness or accident of the Participant or a dependent of the Participant, loss of the Participant's property due to a casualty, or other similar extraordinary and unforeseeable circumstances arising as a result of events beyond the control of the Participant. Cash needs arising from foreseeable events such as the purchase of a home or education expenses for children shall normally not be considered to be the result of an unforeseeable financial emergency.

Whenever a Participant receives a distribution under this Section 5.5, the Participant will be deemed to have revoked all current deferral elections under the Plan effective as of the date of the distribution. The Participant will not be permitted to participate in the next enrollment period under the Plan and will be precluded from electing to make new deferrals under the Plan for a minimum period of one (1) year (or such lesser period as the Committee may permit) following receipt of the distribution.

5.6 Immediate Payment on Termination Event. Upon petition of a Participant within 60 days after any Termination Event or such other period as the Committee may permit, the Committee, in its sole discretion, may direct the Company to pay the balance of the Participant's Deferral Accounts, reduced by any unvested portion of the Participant's Savings Plan Restoration Account, to him immediately in a lump sum as a Termination Benefit pursuant to Section 5.1, irrespective of whether the Participant terminates or continues employment with the Company. Spousal survivor benefits (if any) under Section 5.3 of the Plan shall not be payable to the spouse of a Participant who receives benefits under this Section 5.6.

5.7 Small Benefit. Notwithstanding anything contained herein to the contrary, in the event that the value of a Participant's Deferral Accounts as of the end of the Plan Year in which the Participant's Retirement or other termination of employment occurs is less than \$20,000 (after reduction for any forfeiture pursuant to Section 4.6), such amount (with interest to the end of the month preceding the payment date) shall be paid in a cash lump sum without regard to any contrary elections, unless the Committee determines otherwise.

5.8 Lump Sum Payment With Penalty. Notwithstanding any other provisions of the Plan, in lieu of payments in accordance with the form previously elected by the Participant, a Participant (or his Beneficiary, in the event of the Participant's death) may elect at any time to receive an immediate lump sum payment of all or part of the vested balance of the Participant's

Deferral Accounts, reduced by a penalty, which shall be forfeited to the Company, equal to 10% of the amount withdrawn from the Participant's Deferral Accounts. Such payment shall come first from the amounts not credited to any Early Payment Date Subaccount and, if the Participant has elected two (2) Early Payment Dates, next from the Early Payment Date Subaccount for the later Early Payment Date. No amount may be paid to a Participant under this Section 5.8 from any unvested portion of the Participant's Savings Plan Restoration Account.

Whenever a Participant receives a lump sum payment under this Section 5.8, the Participant will be deemed to have revoked all current deferral elections under the Plan effective as of the date of the lump sum payment. The Participant will not be permitted to participate in the next enrollment period under the Plan and will be precluded from electing to make new deferrals under the Plan for a minimum period of one (1) year (or such lesser period as the Committee may permit) following receipt of the lump sum payment.

5.9 Tax Withholding and Reporting.

(a) To the extent required by the law in effect at the time payments are made, the Company shall withhold from payments made hereunder the taxes required to be withheld by Federal, state and local law.

(b) The Company shall have the right at its option to (i) require a Participant to pay or provide for payment of the amount of any taxes that the Company may be required to withhold with respect to interest or other amounts that the Company credits to a Participant's Deferral Accounts or (ii) deduct from any amount of salary, bonus or other payment otherwise payable in cash to the Participant the amount of any taxes that the Company may be required to withhold with respect to interest or other amounts that the Company credits to a Participant's Deferral Accounts.

(c) The tax withholding and reporting rules described in this subsection shall apply to payments made under the Plan pursuant to a Qualified Divorce Order, shall be subject to any applicable superceding guidance promulgated by the Internal Revenue Service, and shall apply in addition to (not in substitution of) the preceding two subsections. Amounts paid to an Alternate Payee shall be subject to federal income tax withholding and, together with amounts so withheld, shall be reportable to the Alternate Payee. In addition, amounts paid to an Alternate Payee shall be subject to taxation under the Federal Insurance Contributions Act ("FICA") and the Federal Unemployment Tax Act ("FUTA") to the same extent as if such amounts had been paid to the Participant. To the extent that amounts paid to an Alternate Payee are subject to taxation under FICA and/or FUTA, such payments shall be treated as the wages of the Participant, and shall be so reportable, but any amounts required under FICA to be withheld from such payments shall be withheld from the payments to the Alternate Payee.

5.10 Termination of Employment. For the purpose of this Article V, a Participant will be deemed to have terminated employment if the Participant ceases to be an employee of any of the following:

- (a) the Company;
- (b) an Affiliate; or

(c) any other entity, whether or not incorporated, in which the Company has an ownership interest, and the Committee has designated that the Participant's commencement of employment with such entity upon Participant's ceasing to be an employee of an entity described in (a) or (b) above will not be deemed to be a termination of employment for purposes of this Plan, provided that such designation shall be made in writing by the Committee and shall be communicated to the Participant prior to his commencement of employment with the entity so designated.

For the purposes of the preceding provisions, a Participant who ceases to be an employee of an entity described in (a), (b) or (c) above shall not be deemed to have terminated employment if such cessation of employment is followed immediately by his commencement of employment with another entity described in (a), (b) or (c) above.

5.11 Re-Employment. If a Participant's employment with the Company is terminated and such Participant is re-employed by the Company prior to the payment of his benefits in a cash lump sum payment or while he is receiving benefits in the form of annual installment payments, the payment of the lump sum amount or the future installments, as the case may be, shall be suspended until he again terminates employment with the Company. Such Participant may elect to again participate in this Plan and to defer additional Base Salary and/or Bonus as provided in Section 4.1. Such rehired Participant may file a Distribution Election Form as provided in Section 5.1(b) and/or Section 5.2(d) to be applicable to all amounts deferred under this Plan (both before and after his original termination of employment); provided, however, that such Distribution Election Form shall not be effective as to the form of payment of Retirement Benefits until 12 months after it is received by the Committee. Upon the Participant's subsequent termination of employment with the Company, the total amounts then credited to his Deferral Accounts shall be distributed in accordance with Article V of this Plan and the most recently filed Distribution Election Form (if any) that has become effective. If the Participant's original termination of employment was on account of Retirement and he had elected a form of installment payout, then the amounts credited to his Deferral Accounts at the time of his subsequent Retirement shall be distributed over the number of years that were remaining in the payout period at the time of his re-employment unless he filed a new Distribution Election Form at least 12 months prior to his subsequent Retirement.

5.12 Qualified Divorce Orders. Subject to the policies and procedures established by the Committee under Section 9.3(b) hereof and the provisions of this Plan, benefits may be paid from the balance of a Participant's Deferral Account(s) in accordance with a Qualified Divorce Order without regard to whether the Participant has terminated employment in accordance with Section 5.10 hereof. In addition, and notwithstanding any provision in the Plan to the contrary, the Committee shall follow any distribution requirement contained in a Qualified Divorce Order that provides for an earlier lump sum distribution than would otherwise be permitted under this Plan.

ARTICLE VI BENEFICIARY DESIGNATION

Each Participant shall have the right, at any time, to designate any person or persons as the Beneficiary to whom payments under this Plan shall be made in the event of the

Participant's death prior to complete distribution to the Participant of the benefits due under the Plan. Each Beneficiary designation shall become effective only when filed in writing with the Committee during the Participant's lifetime on a paper form prescribed by the Committee. The filing of a new Beneficiary designation form will cancel any inconsistent Beneficiary designation previously filed.

If a Participant fails to designate a Beneficiary as provided above, or if all designated Beneficiaries predecease the Participant, any benefits remaining unpaid shall be paid in accordance with the Participant's Beneficiary designation under the Company's Retirement Plan, and if there is no such valid Beneficiary designation, to the Participant's then surviving spouse, or if none, to the Participant's estate, unless directed otherwise by the court that has jurisdiction over the assets belonging to the Participant's probate estate.

ARTICLE VII CLAIMS PROCEDURE

7.1 Application for Benefits. All applications for benefits under the Plan shall be submitted to: Occidental Petroleum Corporation, Attention: Deferred Compensation Plan Committee, 10889 Wilshire Blvd., Los Angeles, CA 90024. Applications for benefits must be in writing on the forms prescribed by the Committee and must be signed by the Participant, or in the case of a Beneficiary Benefit, by the Beneficiary or legal representative of the deceased Participant.

7.2 Claims Procedure for Benefits other than Disability Benefits.

(a) Within a reasonable period of time, but not later than 90 days after receipt of a claim for benefits (other than Disability benefits), the Committee or its delegate shall notify the claimant of any adverse benefit determination on the claim, unless special circumstances require an extension of time for processing the claim. In no event may the extension period exceed 90 days from the end of the initial 90-day period. If an extension is necessary, the Committee or its delegate shall provide the claimant with a written notice to this effect prior to the expiration of the initial 90-day period. The notice shall describe the special circumstances requiring the extension and the date by which the Committee or its delegate expects to render a determination on the claim.

(b) In the case of an adverse benefit determination, the Committee or its delegate shall provide to the claimant written or electronic notification setting forth in a manner calculated to be understood by the claimant (i) the specific reason or reasons for the adverse benefit determination, (ii) reference to the specific Plan provisions on which the adverse benefit determination is based, (iii) a description of any additional material or information necessary for the claimant to perfect the claim and an explanation of why the material or information is necessary, and (iv) a description of the Plan's claim review procedures and the time limits applicable to such procedures, including a statement of the claimant's right to bring a civil action under Section 502(a) of ERISA following an adverse final benefit determination on review and in accordance with Section 7.4.

(c) Within 60 days after receipt by the claimant of notification of the adverse benefit determination, the claimant or his duly authorized representative, upon written application to the Committee, may request that the Committee fully and fairly review the adverse benefit determination. On review of an adverse benefit determination, upon request and free of charge, the claimant shall have reasonable access to, and copies of, all documents, records and other information relevant to the claimant's claim for benefits. The claimant shall have the opportunity to submit written comments, documents, records, and other information relating to the claim for benefits. The Committee's (or delegate's) review shall take into account all comments, documents, records, and other information submitted regardless of whether the information was previously considered in the initial adverse benefit determination.

(d) Within a reasonable period of time, but not later than 60 days after receipt of such request for review, the Committee or its delegate shall notify the claimant of any final benefit determination on the claim, unless special circumstances require an extension of time for processing the claim. In no event may the extension period exceed 60 days from the end of the initial 60-day period. If an extension is necessary, the Committee or its delegate shall provide the claimant with a written notice to this effect prior to the expiration of the initial 60-day period. The notice shall describe the special circumstances requiring the extension and the date by which the Committee or its delegate expects to render a final determination on the request for review. In the case of an adverse final benefit determination, the Committee or its delegate shall provide to the claimant written or electronic notification setting forth in a manner calculated to be understood by the claimant (i) the specific reason or reasons for the adverse final benefit determination, (ii) reference to the specific Plan provisions on which the adverse final benefit determination is based, (iii) a statement that the claimant is entitled to receive, upon request and free of charge, reasonable access to, and copies of, all documents, records and other information relevant to the claimant's claim for benefits, and (iv) a statement of the claimant's right to bring a civil action under Section 502(a) of ERISA following an adverse final benefit determination on review and in accordance with Section 7.4.

7.3 Claims Procedure for Disability Benefits.

(a) Within a reasonable period of time, but not later than 45 days after receipt of a claim for Disability benefits, the Committee or its delegate shall notify the claimant of any adverse benefit determination on the claim, unless circumstances beyond the Plan's control require an extension of time for processing the claim. In no event may the extension period exceed 30 days from the end of the initial 45-day period. If an extension is necessary, the Committee or its delegate shall provide the claimant with a written notice to this effect prior to the expiration of the initial 45-day period. The notice shall describe the circumstances requiring the extension and the date by which the Committee or its delegate expects to render a determination on the claim. If, prior to the end of the first 30-day extension period, the Committee or its delegate determines that, due to circumstances beyond the control of the Plan, a decision cannot be rendered within that extension period, the period for making the determination may be extended for an additional 30 days, so long as the Committee or its delegate notifies the claimant, prior to the expiration of the first 30-day extension period, of the circumstances requiring the extension and the date as of which the Committee or its delegate expects to render a decision. This notice of extension shall specifically describe the standards on which entitlement to a benefit is based, the unresolved issues that prevent a decision on the

claim, and the additional information needed to resolve those issues, and that the claimant has at least 45 days within which to provide the specified information.

(b) In the case of an adverse benefit determination, the Committee or its delegate shall provide to the claimant written or electronic notification setting forth in a manner calculated to be understood by the claimant (i) the specific reason or reasons for the adverse benefit determination, (ii) reference to the specific Plan provisions on which the adverse benefit determination is based, (iii) a description of any additional material or information necessary for the claimant to perfect the claim and an explanation of why the material or information is necessary, (iv) a description of the Plan's claim review procedures and the time limits applicable to such procedures, including a statement of the claimant's right to bring a civil action under Section 502(a) of ERISA following an adverse final benefit determination on review and in accordance with Section 7.4, (v) if an internal rule, guideline, protocol or similar criterion ("internal standard") was relied upon in making the determination, a copy of the internal standard or a statement that the internal standard was relied upon and that a copy of the internal standard shall be provided to the claimant free of charge upon request, and (vi) if the determination is based on a medical necessity or experimental treatment or similar exclusion or limit, an explanation of the scientific or clinical judgment for the determination or a statement that such explanation shall be provided free of charge upon request.

(c) Within 180 days after receipt by the claimant of notification of the adverse benefit determination, the claimant or his duly authorized representative, upon written application to the Committee, may request that the Committee fully and fairly review the adverse benefit determination. On review of an adverse benefit determination, upon request and free of charge, the claimant shall have reasonable access to, and copies of, all documents, records and other information relevant to the claimant's claim for benefits. The claimant shall have the opportunity to submit written comments, documents, records, and other information relating to the claim for benefits. The Committee's (or delegate's) review (i) shall take into account all comments, documents, records, and other information submitted regardless of whether the information was previously considered in the initial adverse benefit determination, (ii) shall not afford deference to the initial adverse benefit determination, (iii) shall be conducted by an appropriate named fiduciary of the Plan who is neither an individual who made the initial adverse benefit determination nor a subordinate of such individual, (iv) shall identify medical and vocational experts whose advice was obtained on behalf of the Plan in connection with the initial adverse benefit determination, and (v) if the adverse benefit determination was based in whole or in part on a medical judgment, shall consult an appropriate health care professional who has appropriate training and experience in the relevant field of medicine and who or whose subordinate was not consulted in the initial adverse benefit determination.

(d) Within a reasonable period of time, but not later than 45 days after receipt of such request for review, the Committee or its delegate shall notify the claimant of any final benefit determination on the claim, unless special circumstances require an extension of time for processing the claim. In no event may the extension period exceed 45 days from the end of the initial 45-day period. If an extension is necessary, the Committee or its delegate shall provide the claimant with a written notice to this effect prior to the expiration of the initial 45-day period. The notice shall describe the special circumstances requiring the extension and the date by which the Committee or its delegate expects to render a final determination on the request for review.

In the case of an adverse final benefit determination, the Committee or its delegate shall provide to the claimant written or electronic notification setting forth in a manner calculated to be understood by the claimant (i) the specific reason or reasons for the adverse final benefit determination, (ii) reference to the specific Plan provisions on which the adverse final benefit determination is based, (iii) a statement that the claimant is entitled to receive, upon request and free of charge, reasonable access to, and copies of, all documents, records and other information relevant to the claimant's claim for benefits, (iv) a statement of the claimant's right to bring a civil action under Section 502(a) of ERISA following an adverse final benefit determination on review and in accordance with Section 7.4, (v) if an internal standard was relied upon in making the determination, a copy of the internal standard or a statement that the internal standard was relied upon and that a copy of the internal standard shall be provided to the claimant free of charge upon request, and (vi) if the determination is based on a medical necessity or experimental treatment or similar exclusion or limit, an explanation of the scientific or clinical judgment for the determination or a statement that such explanation shall be provided free of charge upon request.

7.4 Limitation on Actions. No legal action may be commenced prior to the completion of the benefit claims procedure described herein. In addition, no legal action may be commenced after the later of (a) 180 days after receiving the written response of the Committee to an appeal, or (b) 365 days after an applicant's original application for benefits.

ARTICLE VIII AMENDMENT AND TERMINATION OF PLAN

8.1 Amendment. The Board may amend the Plan in whole or in part at any time for any reason, including but not limited to, tax, accounting or other changes, which may result in termination of the Plan for future deferrals. The Committee, in its discretion, may amend the Plan if the Committee determines that such amendment does not significantly increase or decrease Plan benefits or costs. Notwithstanding the foregoing, no amendment shall: (a) reduce the amounts that have been credited to the Deferral Account(s) of any Participant prior to the date such amendment is adopted; (b) eliminate the spousal survivor benefit under Section 5.3; or (c) change the definition of the Declared Rate set forth in Article II for the Plan Years beginning on January 1 of 2006, 2007, or 2008 to a rate or to a formula that, as of the last day of the month preceding the date such amendment is adopted, produces a rate that is less than the lesser of: (i) Moodys Plus Three (as defined in Article II and calculated as of the last day of the month preceding the date such amendment is adopted), or (ii) the highest yield on any unsecured debt or preferred stock of the Company that was outstanding on the last day of the month immediately preceding the date such amendment is adopted. Any amendment that would either (i) reduce the Declared Rate for the Plan Years beginning on January 1 of 2006, 2007, or 2008 to a rate or to a formula that, as of the last day of the month preceding the date such amendment is adopted, produces a rate that is less than Moodys Plus Three (as defined in Article II and calculated as of the last day of the month preceding the date such amendment is adopted), or (ii) change the terms of the amendment provisions of this Section 8.1 or the terms of the termination provisions of Section 8.2, shall not be effective prior to the date that is two years after the date such amendment is adopted, unless the amendment is required by a change in the tax or other applicable laws or accounting rules. Notwithstanding the foregoing, following a Termination Event, no amendment shall: (a) reduce the amounts that have been credited to the Deferral

Account(s) of any Participant prior to the date such amendment is adopted; (b) eliminate the spousal survivor benefit under Section 5.3; (c) change the definition of the Declared Rate set forth in Article II for the Plan Years beginning on January 1 of 2006, 2007, or 2008 to a rate or to a formula that, as of the last day of the month preceding the date of the Termination Event, produces a rate that is less than Moodys Plus Three (as defined in Article II and calculated as of the last day of the month preceding the date of the Termination Event); or (d) change the terms of the amendment provisions of this Section 8.1 or the terms of the termination provisions of Section 8.2.

8.2 Termination.

(a) Company's Right to Terminate. The Board may terminate the Plan at any time, if in the Board's judgment, the continuance of the Plan would not be in the Company's best interest due to tax, accounting or other effects thereof, or potential payouts thereunder, provided that any termination of the Plan shall not be effective prior to the date that is two years after the date the Board adopts a resolution to terminate the Plan, unless the termination of the Plan is required by a change in the tax or other applicable laws or accounting rules. Notwithstanding the foregoing, following a Termination Event, the Plan may not be terminated prior to the date that is three years after the date the Termination Event occurs. In the event the Board adopts a resolution terminating the Plan, the Board or the Committee shall determine the date as of which all deferral elections shall cease to apply so that no further Base Salary or Bonus shall be deferred under the Plan.

(b) Payments Upon Termination. Upon any termination of the Plan under this Section 8.2, the Board or Committee shall determine the date or dates of Plan distributions to the Participants, which date or dates shall not be later than the date or dates on which the Participants or their Beneficiaries would otherwise receive benefits hereunder.

ARTICLE IX MISCELLANEOUS

9.1 Unsecured General Creditor. The rights of a Participant, Beneficiary, or their heirs, successors, and assigns, as relates to any Company promises hereunder, shall not be secured by any specific assets of the Company, nor shall any assets of the Company be designated as attributable or allocated to the satisfaction of such promises.

9.2 Trust Fund. The Company shall be responsible for the payment of all benefits provided under the Plan. At its discretion, the Company may establish one or more trusts, with such trustees as the Board or Committee may approve, for the purpose of providing for the payment of such benefits. Such trust or trusts may be irrevocable, but the assets thereof shall be subject to the claims of the Company's creditors. To the extent any benefits provided under the Plan are actually paid from any such trust, the Company shall have no further obligation with respect thereto, but to the extent not so paid, such benefits shall remain the obligation of, and shall be paid by, the Company.

9.3 Nonassignability.

(a) 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 amounts, 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.

(b) Notwithstanding subsection (a), the right to benefits payable with respect to a Participant pursuant to a Qualified Divorce Order may be created, assigned, or recognized. The Committee shall establish appropriate policies and procedures to determine whether a Divorce Order presented to the Committee constitutes a Qualified Divorce Order under this Plan, and to administer distributions pursuant to the terms of Qualified Divorce Orders. In the event that a Qualified Divorce Order exists with respect to benefits payable under the Plan, such benefits otherwise payable to the Participant specified in the Qualified Divorce Order shall be payable to the Alternate Payee specified in such Qualified Divorce Order.

9.4 Release from Liability to Participant. A Participant's right to receive benefits under the Plan shall be reduced to the extent that any portion of a Participant's Deferral Account(s) has been paid or set aside for payment to an Alternate Payee pursuant to a Qualified Divorce Order or to the extent that the Company or the Plan is otherwise subject to a binding judgment, decree, or order for the attachment, garnishment or execution of any portion of the Participant's Deferral Account(s) or of any distributions therefrom. The Participant shall be deemed to have released the Company and the Plan from any claim with respect to such amounts in any case in which (a) the Company, the Plan, or any Plan representative has been served with legal process or otherwise joined in a proceeding relating to such amounts, and (b) the Participant fails to obtain an order of the court in the proceeding relieving the Company and the Plan from the obligation to comply with the judgment, decree or order.

9.5 Employment Not Guaranteed. Nothing contained in this Plan nor any action taken hereunder shall be construed as a contract of employment or as giving any Participant any right to be retained in employment with the Company. Accordingly, subject to the terms of any written employment agreement to the contrary, the Company shall have the right to terminate or change the terms of employment of a Participant at any time and for any reason whatsoever, with or without cause.

9.6 Gender, Singular & Plural. All pronouns and any variations thereof shall be deemed to refer to the masculine or feminine as the identity of the person or persons may require. As the context may require, the singular may be read as the plural and the plural as the singular.

9.7 Captions. The captions of the articles, sections, and paragraphs of the Plan are for convenience only and shall not control or affect the meaning or construction of any of its provisions.

9.8 Validity. In the event any provision of this Plan is held invalid, void, or unenforceable, the same shall not affect, in any respect whatsoever, the validity of any other provision of this Plan.

9.9 Notice. Any notice or filing required or permitted to be given to the Committee under the Plan shall be sufficient if in writing and hand delivered, or sent by registered or certified mail, to the principal office of the Company. Such notice shall be deemed given as to the date of delivery or, if delivery is made by mail, as of the date shown on the postmark on the receipt for registration or certification.

9.10 Applicable Law. The Plan shall be governed by and construed in accordance with the laws of the State of California to the extent such laws are not preempted by the Employee Retirement Income Security Act of 1974, as amended.

IN WITNESS WHEREOF, Occidental Petroleum Corporation has executed this document this 12th day of October, 2006.

OCCIDENTAL PETROLEUM CORPORATION

By /s/ RICHARD W. HALLOCK
Richard W. Hallock
Executive Vice-President, Human Resources

**OCCIDENTAL PETROLEUM CORPORATION
DEFERRED COMPENSATION PLAN 2**

(Effective October 12, 2006)

**OCCIDENTAL PETROLEUM CORPORATION
DEFERRED COMPENSATION PLAN 2**

(Effective October 12, 2006)

**ARTICLE I
PURPOSE**

Effective October 12, 2006, the Occidental Petroleum Corporation Deferred Compensation Plan (the "Prior Plan") is divided into two plans, the Occidental Petroleum Corporation Deferred Compensation Plan 1 and the Occidental Petroleum Corporation Deferred Compensation Plan 2. This document sets forth the terms of the Occidental Petroleum Corporation Deferred Compensation Plan 2 (the "Plan") effective October 12, 2006. This Plan is a continuation of the Prior Plan to the extent that it provides benefits for the individuals who participated in the Prior Plan but are not covered by the DCP1, and their Alternate Payees.

The Prior Plan was originally effective January 1, 1999 and constituted the amendment, restatement and merger of the Occidental Petroleum Corporation 1988 Deferred Compensation Plan (the "1988 DCP") and the Occidental Petroleum Corporation Senior Executive Deferred Compensation Plan (the "SEDCP").

The purpose of the Plan is to provide a tax-deferred opportunity for key management and highly compensated employees of Occidental Petroleum Corporation and its Affiliates (as defined below) to accumulate additional retirement income through deferrals of compensation. No further deferrals were allowed under this Plan after December 31, 2004. Accordingly, this Plan has not been subject to the provisions of Section 409A of the Internal Revenue Code ("Section 409A"). However, this Plan is hereby made subject to Section 409A and amended and restated to comply with Section 409A effective October 12, 2006 in anticipation of the merger of this Plan with the Occidental Petroleum Corporation 2005 Deferred Compensation Plan to form the Occidental Petroleum Corporation Modified Deferred Compensation Plan on December 31, 2006.

This Plan is intended to satisfy the requirements of Section 409A, and any regulations promulgated thereunder, so that the taxation to Participants or Beneficiaries of any compensation deferred under this Plan is deferred.

**ARTICLE II
DEFINITIONS**

Whenever the following words and phrases are used in this Plan with the first letter capitalized, they shall have the meanings specified below:

Affiliate. "Affiliate" means: (i) any corporation that is a member of a controlled group of corporations (within the meaning of Code Section 1563(a), determined without regard to Code Sections 1563(a)(4) and (e)(3)(C), and with the phrase "more than 50%" substituted for the phrase "at least 80%" each place it appears in Code Section 1563(a)) of which Occidental Petroleum Corporation is a component member, or (ii) any entity (whether or not incorporated) that is under common control with Occidental Petroleum Corporation (as defined in Code

Section 414(c) and the Treasury Regulations thereunder, and with the phrase “more than 50%” substituted for the phrase “at least 80%” each place it appears in the Treasury Regulations under Code Section 414(c).

Alternate Payee. “Alternate Payee” means a former spouse of a Participant who is recognized by a Divorce Order as having a right to receive all, or a portion of, the benefits payable under this Plan with respect to such Participant.

Amortization Method. “Amortization Method” means an annual installment method of paying a Participant’s benefits under which the Company will pay the Participant an initial payment in an amount equal to (i) plus (ii) divided by (iii), where (i) is the value of the Participant’s Deferral Accounts as of the end of the month preceding such payment, (ii) is the amount of interest that would accrue during the entire payout period on the unpaid balance credited to the Participant’s Deferral Accounts immediately following such initial payment if the Declared Rate then in effect remained unchanged and (iii) is the number of years over which annual installments are to be paid. For each Plan Year after the initial benefit payment is made, the annual benefit payment will be determined under the same equation where (i) is the value of the Participant’s Deferral Accounts as of the end of the month preceding the benefit payment, (ii) is the amount of interest that would accrue during the remaining payout period on the unpaid balance credited to the Participant’s Deferral Accounts immediately following such annual payment if the Declared Rate then in effect remained unchanged and (iii) is the number of annual payments remaining.

Base Salary. “Base Salary” means the base salary earned by a Participant during pay periods beginning in a Plan Year, excluding Bonus, all severance allowances, forms of incentive compensation, Savings Plan, Retirement Plan or other Company qualified plan contributions or benefits, retainers, insurance premiums or benefits, reimbursements, and all other payments, prior to reduction for any deferrals under this Plan or any other plan of the Company or reductions under the Company’s Savings Plan allowed under Section 401(k) of the Code.

Beneficiary. “Beneficiary” means the person or persons designated as such in accordance with Article VI.

Beneficiary Benefit. “Beneficiary Benefit” means the payment to a Participant’s Beneficiary of the value of the Participant’s Deferral Accounts pursuant to Section 5.2 on account of the Participant’s death.

Board. “Board” means the Board of Directors of Occidental Petroleum Corporation.

Bonus. “Bonus” means the bonus earned by a Participant under a regular annual incentive compensation plan (excluding without limitation a special individual or group bonus, a project bonus, and any other special bonus) during a Plan Year prior to reduction for any deferral under this Plan or any other plan of the Company.

Code. “Code” means the Internal Revenue Code of 1986, as amended.

Committee. "Committee" means the administrative committee appointed to administer the Plan pursuant to Article III.

Company. "Company" means Occidental Petroleum Corporation, or any successor thereto, and any Affiliates.

Company Management. "Company Management" means the Chairman of the Board, President or any Executive Vice President of Occidental Petroleum Corporation.

Compensation. "Compensation" means Base Salary and/or Bonus.

DCP Deferral Account. "DCP Deferral Account" means the account maintained on the books of account of the Company for each Participant pursuant to Article IV to account for amounts deferred under the 1988 DCP prior to January 1, 1999 and amounts deferred under this Plan after that date.

DCP Deferral Amount. "DCP Deferral Amount" means an amount of a Participant's Base Salary and/or Bonus that is deferred under the Plan, including both amounts deferred under the 1988 DCP prior to January 1, 1999, and amounts deferred under this Plan after that date.

Declared Rate. "Declared Rate" with respect to any Plan Year means the rate at which interest will be credited on Deferral Accounts for such Plan Year. The Declared Rate for each Plan Year commencing in 1999 and ending on or before December 31, 2008, will be equal to the greater of: (i) (A) plus (B) where (A) is the Moody's Long-Term Corporate Bond Index Monthly Average Corporates as published by Moody's Investor Services, Inc. (or successor thereto) for the month of July in the year prior to the Plan Year in question, and (B) is 3% ("Moody's Plus Three"), or (ii) the highest yield on any unsecured debt or preferred stock of the Company that was outstanding on the last day of July in the year prior to the Plan Year in question. Such Declared Rate will be announced on or before January 1 of the applicable Plan Year. The Declared Rate for each Plan Year commencing on or after January 1, 2009, will be the monthly yield on 5-Year Treasury Constant Maturities plus 2%. Notwithstanding the foregoing, the Declared Rate for DCP Deferral Amounts that were earned and deferred prior to 1994 under the 1988 DCP (including bonuses which were earned for 1993), together with accumulated interest thereon, will in no event be less than 8% for any Plan Year. Accordingly, the Declared Rate for any Plan Year may be different for DCP Deferral Amounts that were earned and deferred under the 1988 DCP prior to January 1, 1994 than for DCP Deferral Amounts earned and deferred after such date.

Deferral Account(s). "Deferral Account(s)" means a Participant's DCP Deferral Account and/or SEDCP Deferral Account (if any) and/or Savings Plan Restoration Account (if any) maintained on the books of account of the Company for each Participant pursuant to Article IV.

Deferral Election Form. "Deferral Election Form" means a paper or electronic election form provided by the Committee on which an Eligible Employee may elect to defer Base Salary and/or Bonus and may elect to receive an Early Payment Benefit in accordance with Article IV.

Disability. “Disability” means a condition that qualifies as a disability under a Company disability plan and is approved by the Committee.

Disability Benefit. “Disability Benefit” means the payment to a Participant of the value of the Participant’s Deferral Accounts pursuant to Section 5.1 if the Participant ceases to perform services for the Company due to a Disability.

Distribution Election Form. “Distribution Election Form” means a paper or electronic election form provided by the Committee on which a Participant may elect the form of payment of his Retirement Benefits and/or the form of payment of Beneficiary Benefits to his Beneficiary in accordance with Article V.

Divorce Order. “Divorce Order” means any judgment, decree, or order (including judicial approval of a property settlement agreement) that relates to the settlement of marital property rights between a Participant and his or her former spouse pursuant to state domestic relations law (including, without limitation and if applicable, community property law).

Early Payment Benefit. “Early Payment Benefit” means the payment to a Participant of part or all of the Participant’s DCP Deferral Account on an Early Payment Date prior to Retirement pursuant to Section 5.4.

Early Payment Date. “Early Payment Date” means any year prior to Retirement that a Participant elects pursuant to Section 4.1(b) to have an Early Payment Benefit paid or commenced to be paid.

Early Payment Date Subaccount. “Early Payment Date Subaccount” means any subaccount of a Participant’s DCP Deferral Account established to separately account for deferred Compensation (and interest credited thereto) that is subject to an Early Payment Benefit election.

Eligible Employee. “Eligible Employee” means each key management or other highly compensated employee of the Company who is selected by Company Management to participate in the Plan.

Emergency Benefit. “Emergency Benefit” means the payment to a Participant of part or all of his Deferral Accounts in the event that the Participant has an Unforeseeable Emergency pursuant to Section 5.5.

Fractional Method. “Fractional Method” means an installment method of paying a Participant’s Retirement Benefit under which the Company will determine the amount of each annual installment by dividing the value of the Participant’s Deferral Accounts as of the end of the month preceding the payment date by the number of annual installments remaining to be paid.

1988 DCP. “1988 DCP” means the Occidental Petroleum Corporation 1988 Deferred Compensation Plan.

Participant. "Participant" means each of the individuals listed on Appendix A who (i) as of October 11, 2006, was a participant in the Prior Plan and (2) has not received a complete distribution of the benefits accrued under the Plan. Under no circumstances shall "Participant" mean any Alternate Payee.

Plan Year. "Plan Year" means the calendar year beginning on January 1 and ending on December 31.

Prior Plan. "Prior Plan" means the Occidental Petroleum Corporation Deferred Compensation Plan, as amended and restated effective as of January 1, 2003, under which deferrals ceased as of December 31, 2004.

Qualified Divorce Order. "Qualified Divorce Order" means a Divorce Order that (a) creates or recognizes the existence of an Alternate Payee's right to, or assigns to an Alternate Payee the right to, receive all or a portion of the benefits payable to a Participant under this Plan; (b) clearly specifies (i) the name and the last known mailing address of the Participant and the name and mailing address of the Alternate Payee covered by the order, (ii) the amount or percentage of the Participant's benefits to be paid by this Plan to the Alternate Payee, or the manner in which such amount or percentage is to be determined, (iii) the number of payments or period to which such order applies, and (iv) that it applies to this Plan; and (c) does not (i) require this Plan to provide any type or form of benefit, or any option, not otherwise provided under the Plan, (ii) require this Plan to provide increased benefits, or (iii) require the payment of benefits to an Alternate Payee that are required to be paid to another Alternate Payee under another Divorce Order previously determined to be a Qualified Divorce Order.

Retirement. "Retirement" means: (i) the termination of a Participant's employment with the Company for reasons other than Disability or death after the Participant attains age 65, (ii) the termination of a Participant's employment with the Company for reasons other than Disability or death after the Participant attains age 55 and completes five (5) Years of Service or (iii) effective January 1, 2001, the Participant's attainment of age 55 following the Participant's termination of employment with the Company for reasons other than Disability or death prior to attainment of age 55 if the Participant qualifies for retiree medical coverage under the Occidental Petroleum Corporation Medical Plan on the date of the Participant's termination of employment. Notwithstanding the foregoing, with respect to Participants who executed a consulting agreement with the Company prior to October 3, 2004, "Retirement" means the termination date of the Participant's consulting agreement.

Retirement Benefit. "Retirement Benefit" means the payment to a Participant of the value of the Participant's Deferral Accounts pursuant to Section 5.1 following Retirement.

Retirement Plan. "Retirement Plan" means the Occidental Petroleum Corporation Retirement Plan, as amended from time to time.

Savings Plan. "Savings Plan" means the Occidental Petroleum Corporation Savings Plan, as amended from time to time.

Savings Plan Restoration Account. “Savings Plan Restoration Account” means the account maintained on the books of account of the Company to reflect Savings Plan Restoration Contributions made by the Company pursuant to Section 4.6.

Savings Plan Restoration Contribution. “Savings Plan Restoration Contribution” means the amount credited to a Participant’s Savings Plan Restoration Account pursuant to Section 4.6.

SEDCP. “SEDCP” means the Occidental Petroleum Corporation Senior Executive Deferred Compensation Plan under which certain Company executives deferred compensation.

SEDCP Deferral Account. “SEDCP Deferral Account” means the account maintained on the books of account of the Company for certain Participants pursuant to Article IV to account for amounts deferred under the SEDCP.

Specified Employee. “Specified Employee” means an employee of the Company who is a “specified employee” as defined in Section 409A(a)(2)(B) of the Code. For purposes of determining “Specified Employees,” December 31 shall be the “identification date” as defined in Proposed Treasury Regulations Section 1.409A-1(i) (or any successor regulation), and each Participant who satisfies the definition of Specified Employee as of any identification date shall be treated as a Specified Employee for the 12-month period beginning on the April 1 following such identification date.

Termination Benefit. “Termination Benefit” means the payment to a Participant of the value of the Participant’s Deferral Accounts pursuant to Section 5.1 on account of the Participant’s termination of employment other than due to Retirement, Disability or death.

Termination Event. “Termination Event” means any of the following:

(a) Approval by the stockholders of Occidental Petroleum Corporation (or, if no stockholder approval is required, by the Board) of the dissolution or liquidation of Occidental Petroleum Corporation, other than in the context of a transaction that does not constitute a Termination Event under clause (b) below;

(b) Consummation of a merger, consolidation, or other reorganization, with or into, or the sale of all or substantially all of Occidental Petroleum Corporation’s business and/or assets as an entirety to, one or more entities that are not subsidiaries or other affiliates of Occidental Petroleum Corporation (a “Business Combination”), unless (i) as a result of the Business Combination, more than 50% of the outstanding voting power of the surviving or resulting entity or a parent thereof (the “Successor Entity”) immediately after the Business Combination is, or will be, owned, directly or indirectly, by holders of Occidental Petroleum Corporation’s voting securities immediately before the Business Combination; (ii) no “person” (as such term is used in Sections 13(d) and 14(d) of the Securities Exchange Act of 1934, as amended from time to time (the “Exchange Act”)), excluding the Successor Entity or any employee benefit plan of Occidental Petroleum Corporation and any trustee or other fiduciary holding securities under an Occidental Petroleum Corporation employee benefit plan or any person described in and satisfying the conditions of Rule 13d-1(b)(i) of the Exchange Act (an “Excluded

Person”), beneficially owns, directly or indirectly, more than 20% of the outstanding shares or the combined voting power of the outstanding voting securities of the Successor Entity, after giving effect to the Business Combination, except to the extent that such ownership existed prior to the Business Combination; and (iii) at least 50% of the members of the board of directors of the entity resulting from the Business Combination were members of the Board at the time of the execution of the initial agreement or of the action of the Board approving the Business Combination;

(c) Any “person” (as such term is used in Sections 13(d) and 14(d) of the Exchange Act, but excluding any Excluded Person) is or becomes the beneficial owner (as defined in Rule 13d-3 under the Exchange Act), directly or indirectly, of securities of Occidental Petroleum Corporation representing 20% or more of the combined voting power of Occidental Petroleum Corporation’s then outstanding voting securities, other than as a result of (i) an acquisition directly from Occidental Petroleum Corporation; (ii) an acquisition by Occidental Petroleum Corporation; or (iii) an acquisition by any employee benefit plan (or related trust) sponsored or maintained by Occidental Petroleum Corporation or a Successor Entity; or

(d) During any period not longer than two consecutive years, individuals who at the beginning of such period constituted the Board cease to constitute at least a majority thereof, unless the election, or the nomination for election by Occidental Petroleum Corporation’s stockholders, of each new Board member was approved by a vote of at least two-thirds (2/3) of the Board members then still in office who were Board members at the beginning of such period (including for these purposes, new members whose election or nomination was so approved), but excluding, for this purpose, any such individual whose initial assumption of office occurs as a result of an actual or threatened election contest with respect to the election or removal of directors or other actual or threatened solicitation of proxies or consents by or on behalf of a person other than the Board.

(e) Notwithstanding the foregoing, to the extent that any event or occurrence described in subsections (a) through (d) does not constitute “a change in the ownership or effective control” as defined under Section 409A of the Code, or any regulations promulgated thereunder, such event or occurrence shall not constitute a Termination Event for purposes of Section 5.6 of this Plan, but shall constitute a Termination Event for purposes of Sections 8.1 and 8.2 of this Plan.

Unforeseeable Emergency. “Unforeseeable Emergency” means a severe financial hardship to the Participant resulting from an illness or accident of the Participant, the Participant’s spouse, or a dependent (as defined in Section 152(a) of the Code) of the Participant, loss of the Participant’s property due to casualty, or other similar extraordinary and unforeseeable circumstances arising as a result of events beyond the control of the Participant.

Years of Service. “Years of Service” means the number of full years credited to a Participant under the Retirement Plan for vesting purposes.

**ARTICLE III
ADMINISTRATION OF THE PLAN**

A Committee shall be appointed by the Board to administer the Plan and establish, adopt, or revise such rules and regulations as the Committee may deem necessary or advisable for the administration of the Plan and to interpret the provisions of the Plan, and, except as otherwise indicated herein, any such interpretations shall be conclusive and binding. All decisions of the Committee shall be by vote of at least two of the Committee members and shall be final. The Committee may appoint any agent and delegate to such agent such powers and duties in connection with the administration of the Plan as the Committee may from time to time prescribe.

Members of the Committee shall be eligible to participate in the Plan while serving as members of the Committee, but a member of the Committee shall not vote or act upon any matter which relates solely to such member's interest in the Plan as a Participant.

**ARTICLE IV
PARTICIPATION**

4.1 Election to Participate.

(a) **Deferral Elections.** An Eligible Employee may elect to participate in the Plan and elect to defer annual Base Salary and/or Bonus under the Plan by filing a completed and fully executed Deferral Election Form prior to the beginning of the Plan Year during which such Base Salary and Bonus are to be earned or at such other time as the Committee may permit. Deferral Election Forms must be filed in accordance with the instructions set forth in the Deferral Election Forms.

Various deferral options will be made available to Eligible Employees under the Plan, subject to such limitations and conditions as the Committee may impose from time to time, in its complete and sole discretion. A Deferral Election Form filed for the Plan Year beginning January 1, 2003, or for any subsequent Plan Year shall be effective for Base Salary and/or Bonus to be earned during that Plan Year and shall remain in effect for that Plan Year and subsequent Plan Years, notwithstanding any change in the Participant's Base Salary or Bonus, until changed or terminated in accordance with the terms of this Section 4.1; provided, however, that such election shall terminate if the Participant ceases to be an Eligible Employee. Subject to the minimum deferral requirements and maximum deferral limitations set forth below, a Participant may increase, decrease or terminate his deferral election effective for Compensation to be earned during any Plan Year by filing a new Deferral Election Form with the Committee prior to January 1 of such Plan Year.

Each Deferral Election Form will designate the DCP Deferral Amounts as a fixed dollar amount or fixed percentage (in increments of 1%) of Base Salary and/or (i) a fixed dollar amount or a fixed percentage of Bonus, or (ii) 100% of any Bonus exceeding a specified dollar amount, as elected by the Participant. Deferrals of Base Salary will normally be deducted ratably during the Plan Year. In its sole discretion, the Committee may also permit amounts that an Eligible Employee has previously elected to defer under other plans or agreements with the

Company to be transferred to this Plan and credited to his Deferral Accounts that are maintained hereunder.

(A) Minimum Deferral. For each Plan Year, the minimum amount of Base Salary that a Participant may elect to defer is \$5,000, if expressed as a dollar amount, or 5% of Base Salary, if expressed as a percentage, and the minimum amount of Bonus that a Participant may elect to defer is any of the following: (I) \$5,000, (II) 5% of Bonus, or (III) 100% of that portion of any Bonus that exceeds a dollar amount specified by the Participant on his Deferral Election Form.

(B) Maximum Deferral. For each Plan Year, the maximum amount of Base Salary that a Participant may elect to defer is 75% of Base Salary, and the maximum amount of Bonus that a Participant may elect to defer is 100% of Bonus.

(b) Early Payment Benefit Election. On the Deferral Election Form filed pursuant to Section 4.1(a), an Eligible Employee may irrevocably elect to receive the Compensation deferred pursuant to that election in a lump sum payment or in annual installments over two (2) to five (5) years commencing prior to Retirement on an Early Payment Date. If a Participant fails to designate the form of distribution for an Early Payment Benefit, the distribution shall be in the form of a lump sum. The Early Payment Date elected must be a year that begins at least two (2) years after the end of the first Plan Year to which the election applies. An Early Payment Benefit election filed for the Plan Year beginning January 1, 2003, or for any subsequent Plan Year, shall be effective for Compensation earned and deferred during that Plan Year and each subsequent Plan Year until terminated in accordance with the terms of this Section 4.1; provided, however, that deferrals of Compensation earned during any Plan Year that ends less than two (2) years prior to the Early Payment Date will not be subject to the Early Payment Benefit election and shall be paid upon the Participant's termination of employment as set forth in Section 5.1 or 5.2, as the case may be. A Participant may terminate an election for an Early Payment Benefit with respect to Compensation deferred in any future Plan Year by filing a new Deferral Election Form with the Committee prior to January 1 of such Plan Year. A Participant may not, however, change the form of benefit or time of commencement of Early Payment Benefit with respect to Compensation deferred pursuant to a Deferral Election Form after that Deferral Election is filed pursuant to Section 4.1(a).

A Participant may not at any time have more than two Early Payment Dates scheduled. However, after an Early Payment Date has occurred and all payments with respect to the corresponding Early Payment Date election have been completed, a Participant may elect a new Early Payment Date for future deferrals of Compensation.

4.2 DCP Deferral Accounts. The Committee shall establish and maintain a separate DCP Deferral Account for each Participant. The amount credited to a Participant's Deferral Account under the 1988 DCP as of December 31, 1998 remained credited to his DCP Deferral Account under this Plan as of January 1, 1999. A DCP Deferral Amount shall be credited by the Company to the Participant's DCP Deferral Account as of the date that the Participant's Base Salary or Bonus would otherwise have been paid. Such DCP Deferral Account shall be debited by the amount of any payments made by the Company to the Participant or the Participant's Beneficiary therefrom as of the date of payment. The Committee shall establish an Early

Payment Date Subaccount within a Participant's DCP Deferral Account for each Early Payment Date elected by that Participant. Any such Early Payment Date Subaccount shall be debited by the amount of any Early Payment Benefit paid by the Company to the Participant on or beginning on such Early Payment Date pursuant to Section 5.4 as of the date of payment.

4.3 SEDCP Deferral Accounts. The Committee shall maintain a separate SEDCP Deferral Account for each Participant who was a participant in the SEDCP on December 31, 1998. The balance of such Participant's accounts under the SEDCP as of December 31, 1998 remained credited to each such Participant's SEDCP Deferral Account under this Plan as of January 1, 1999. SEDCP Deferral Accounts shall be debited by the amount of any payments made by the Company to the Participant or the Participant's Beneficiary therefrom as of the date of payment.

4.4 Interest. Each Deferral Account of a Participant shall be deemed to bear interest on the monthly balance of such Deferral Account at the Declared Rate for each Plan Year, compounded monthly. Except as provided in Section 5.2(a) with respect to SEDCP Deferral Accounts for Participants who die prior to becoming eligible for Retirement, interest will be credited to each Deferral Account on a monthly basis on the last day of each month as long as any amount remains credited to such Deferral Account. Effective January 1, 2003, amounts of deferred Compensation that are credited to a Deferral Account and amounts of Savings Plan Restoration Contributions that are credited to a Savings Plan Restoration Account prior to the end of a calendar month shall accrue interest from the date of crediting, computed on the basis of a 30-day month based on days elapsed from date of crediting to the end of the month. Notwithstanding the foregoing, effective January 1, 2009, each Deferral Account of a Participant shall be deemed to bear interest on the monthly balance of such Deferral Account at the annualized Declared Rate for the month. Such interest shall be credited to the Participant's Deferral Account balance as of the last day of the month and shall be determined by multiplying the Deferral Account balance as of the end of the preceding month times the annualized Declared Rate for the current month.

4.5 Valuation of Deferral Accounts. The value of a Deferral Account as of any date shall equal the amounts previously credited to such Deferral Account less any payments debited to such Deferral Account plus the interest deemed to be earned on such Deferral Account in accordance with Section 4.4 through the end of the preceding month. When payments are made from a DCP Deferral Account for any reason other than an Early Payment Benefit elected after January 1, 1994, such payments shall be deemed to be made on a proportionate or pro-rata basis from DCP Deferral Amounts (including accumulated interest thereon) that were earned and deferred under the 1988 DCP prior to January 1, 1994 and DCP Deferral Amounts (including accumulated interest thereon) that were earned and deferred after that date.

4.6 Savings Plan Restoration Contribution. For each Plan Year, the Company shall credit to the Savings Plan Restoration Account of any Participant, an amount equal to the amount by which the contribution that would otherwise have been made by the Company on behalf of the Participant to the Savings Plan for such Plan Year is reduced by reason of the reduction in the Participant's Base Salary for such Plan Year because of deferrals under this Plan. The Savings Plan Restoration Contribution shall be credited to the Savings Plan Restoration Account of each Participant for each Plan Year at the same time as the Company contribution for such Plan Year

is made to the Savings Plan. A Participant's interest in any credit to his Savings Plan Restoration Account and earnings thereon shall vest at the same rate and at the same time as would have been the case had such contribution been made to the Savings Plan. Notwithstanding anything contained herein to the contrary, if, upon a Participant's termination of employment, the Participant has not or does not become 100% vested in his Savings Plan Restoration Account, the unvested portion of his Savings Plan Restoration Account shall be forfeited prior to the determination of the amount of any benefits under Sections 5.1, 5.6 or 5.7. Effective as of January 1, 2005, that portion of a Participant's Savings Plan Restoration Account that was not vested as of December 31, 2004, shall be transferred to and credited to such Participant's Savings Plan Restoration Account under the Occidental Petroleum Corporation 2005 Deferred Compensation Plan (the "2005 DCP") and shall be governed by the terms of the 2005 DCP, including any Distribution Election Form filed under the 2005 DCP on or before December 31, 2005.

4.7 Statement of Deferral Accounts. The Committee shall submit to each Participant, within 120 days after the close of each Plan Year, a statement in such form as the Committee deems desirable, setting forth the Participant's Deferral Account(s).

4.8 Cessation of Compensation Deferrals. Notwithstanding any other Plan provision to the contrary, no amount of Compensation earned for services performed in Plan Years beginning after December 31, 2004 shall be deferred under this Plan, and no Savings Plan Restoration Contributions shall be credited under this Plan with respect to Plan Years beginning after December 31, 2004. Accordingly, any election to defer Compensation under this Plan shall terminate as to future earnings as of December 31, 2004 and shall no longer have any force or effect as to future earnings. Bonuses that were earned in 2004 and subject to deferral elections under the terms of this Plan shall not be credited under this Plan, but shall be (1) credited under the Occidental Petroleum Corporation 2005 Deferred Compensation Plan in accordance with its terms and shall be subject to the terms and conditions of such plan, including, without limitation, its distribution provisions or (2) if elected by the Participant, paid in cash to the Participant in 2005. No new deferral elections shall be made under Article IV of this Plan with respect to Compensation earned after December 31, 2004. Interest shall continue to be credited to each Participant's Deferral Accounts as provided in Section 4.4.

ARTICLE V BENEFITS

5.1 Termination of Employment for a Reason Other Than Death.

(a) Form and Time of Benefit. Except as otherwise provided in this Section 5.1, upon a Participant's termination of employment for a reason other than death (including Retirement and Disability), the Company shall pay to the Participant in a single lump sum within the first 90 days of the calendar year following the Participant's termination of employment an amount equal to the value of the Participant's Deferral Accounts as of the end of the month preceding payment (after reduction for any forfeitures as set forth in Section 4.6). Any Retirement Benefits paid in annual installments pursuant to Section 5.1(b) shall be paid within the first 90 days of each calendar year, beginning with the year following the Participant's Retirement or other termination of employment and shall be determined based on the value of

the Participant's Deferral Accounts as of the last day of the month preceding payment. Notwithstanding anything herein to the contrary, in the event that a Participant who is a Specified Employee is entitled to a distribution from the Plan upon or by virtue of such Participant's termination of employment for a reason other than death or Disability, the lump sum payment or the first annual installment payment, as the case may be, shall not be paid before the date that is six (6) months after the date of the Participant's termination of employment (or, if earlier, the date of the Participant's death). Any additional installment payments shall be paid within the first 90 days of each subsequent calendar year.

(b) Retirement. A Participant may elect in his Distribution Election Form to have the Retirement Benefit, which may consist solely of the Participant's Savings Plan Restoration Account, paid to him in a lump sum, annual payments for any other number of years between two (2) and 20 years or, if available as an option on the Distribution Election Form provided to the Participant, in a combination of an initial lump sum payment followed by annual installments over the next one (1) to 20 years. The amount of each annual installment will be determined under either the Amortization Method or the Fractional Method. Unless the Participant otherwise elects, the amount of any such annual payments shall be calculated under the Amortization Method in the case of a Participant retiring before 2004 and under the Fractional Method in the case of a Participant retiring in 2004 and subsequent years.

(c) Termination Prior to Retirement. If a Participant's employment with the Company terminates for any reason other than Retirement, Disability or death, the Participant shall receive a Termination Benefit in a lump sum as provided in Section 5.1(a).

(d) Disability. If a Participant ceases to perform services for the Company prior to Retirement due to a Disability, then the Participant shall receive a Disability Benefit in a lump sum within the first 90 days of the calendar year following the calendar year in which the Participant attains age 55 in an amount equal to the value of the Participant's Deferral Accounts as of the end of the month preceding payment.

(e) Effect of Pre-Retirement Termination of Employment on Spousal Survivor Benefits. Spousal survivor benefits (if any) under Section 5.3 of the Plan shall not be payable to the spouse of a Participant who terminates employment prior to Retirement and receives a Termination Benefit or a Disability Benefit under this Section 5.1.

5.2 Beneficiary Benefits.

(a) If a Participant dies while employed by the Company prior to becoming eligible for Retirement, the Company shall pay to the Participant's Beneficiary in a single lump sum an amount equal to the value of the Participant's DCP Deferral Account and Savings Plan Restoration Account, if any. If such Participant also has an SEDCP Deferral Account, the Company will also pay to the Participant's Beneficiary annual payments over the greater of (i) 10 years or (ii) until the Participant would have attained age 65 equal to 25% of the amount deferred under the SEDCP (excluding any interest on such deferrals), which payments shall be in full satisfaction of the benefits payable with respect to the Participant's SEDCP Deferral Account. Notwithstanding the foregoing, the Participant's Beneficiary shall instead be paid the amount credited to the Participant's SEDCP Deferral Account as of the end of the month in

which his death occurred plus interest at a rate of 8% per annum, compounded annually, from the end of such month and credited annually on each anniversary of the end of such month payable in equal installments (using the Amortization method) over the period described in the preceding sentence, if the Committee determines that the present value of such benefit is greater than the present value of the benefit described in the preceding sentence. In comparing the present value of these two alternative benefits, the Committee shall use in each case a discount factor of 8%.

(b) If a Participant dies while employed by the Company after becoming eligible for Retirement, the Company will pay to the Participant's Beneficiary in a single lump sum a Beneficiary Benefit that is an amount equal to the value of the Participant's Deferral Accounts.

(c) If a Participant dies after the commencement of payment of his Retirement Benefit, then the remaining installments of the Retirement Benefit shall be payable to his Beneficiary in the same amounts and at the same times as such installment would have been paid to the Participant if he were living.

(d) The payment or payments to a Beneficiary of a deceased Participant under this Section 5.2 shall be made or commence during the first 90 days of the calendar year following the year in which the Participant's death occurred, and the amount of such payment shall be equal to, or determined based on, the value of the Participant's Deferral Accounts as of the end of the month preceding payment.

(e) In the event that the Beneficiary of a deceased Participant dies prior to the completion of payments under this Plan to that Beneficiary, all remaining payments to that Beneficiary shall be paid in a lump sum to that Beneficiary's estate.

(f) Any election as to the form and manner of payment to a Beneficiary in effect under the terms of the Prior Plan on October 11, 2006, shall remain in effect unless or until changed in accordance with Section 5.12 or future amendments to this Plan.

5.3 Spousal Survivor Benefits with Respect to SEDCP Deferral Accounts. If a Participant who has an SEDCP Deferral Account dies after becoming eligible for Retirement or after commencement of payment of his Retirement Benefit and a spouse to whom he had been married to for at least one (1) year prior to his death survives beyond completion of payment of the Participant's SEDCP Deferral Account balance, the Company shall pay such spouse a lump sum payment in an amount equal to 10% of the Participant's SEDCP Deferral Account balance valued as of the earlier of the date of the Participant's Retirement or death. Such lump sum spousal survivor benefit shall be paid as soon as administratively practicable following the later of the completion of payment of the Participant's SEDCP Deferral Account balance or the Participant's death. No benefit shall be payable under this Section 5.3 if the Participant's spouse does not survive beyond completion of payment of the Participant's SEDCP Deferral Account balance. Notwithstanding the foregoing, no spousal survivor benefit shall be payable to the spouse of any Participant who received benefits pursuant to Section 5.1(c) (Termination Prior to Retirement), Section 5.1(d) (Disability) or Section 5.6 (Effect of Termination Event).

5.4 Early Payment. Payment of the amounts credited to any Early Payment Date Subaccount of a Participant shall be paid or commence to be paid within the first 90 days of the

year elected as the Early Payment Date in accordance with the Participant's election under Section 4.1(b), with any subsequent annual payments paid in the first 90 days of each applicable year. The amount of each annual installment will be determined under either the Amortization Method or the Fractional Method. The amount of any such annual payments shall be calculated under the Amortization Method for Early Payment Dates elected prior to 2003 and unless the Participant otherwise irrevocably elects at the time of making the Early Payment Benefit Election, under the Fractional Method for Early Payment Dates elected in 2003 and later.

Notwithstanding the foregoing, if the Participant terminates employment with the Company for any reason prior to commencement or completion of all Early Payment Benefits, all such elections made by the Participant to receive Early Payment Benefits shall terminate and any amounts remaining credited to the Participant's Early Payment Date Subaccount(s) shall be paid, together with the other amounts credited to the Participant's Deferral Account, as set forth in Section 5.1 or 5.2, as the case may be.

5.5 Emergency Benefit. In the event that the Committee, upon written petition of the Participant, determines in its sole discretion that the Participant has suffered an Unforeseeable Emergency, the Company shall pay to the Participant, as soon as practicable following such determination, an Emergency Benefit that does not exceed the amount reasonably necessary to satisfy such Unforeseeable Emergency plus amounts necessary to pay taxes reasonably anticipated as a result of the distribution, after taking into account the extent to which such hardship is or may be relieved through reimbursement or compensation by insurance or otherwise or by liquidation of the Participant's assets to the extent the liquidation of such assets would not itself cause severe financial hardship and the additional compensation available to the Participant upon the termination of the Participant's current deferral elections under the Plan, as described in the following paragraph of this Section 5.5. No amount may be paid to the Participant under this Section 5.5 from any unvested portion of the Participant's Savings Plan Restoration Account.

Whenever a Participant receives a distribution under this Section 5.5, the Participant will be deemed to have revoked all current deferral elections under the Plan effective as of the date of the distribution. The Participant will not be permitted to participate in the next enrollment period under the Plan and will be precluded from electing to make new deferrals under the Plan for a minimum period of one (1) year (or such lesser period as the Committee may permit) following receipt of the distribution.

5.6 Effect of Termination Event. In the event of a Termination Event that constitutes a "change in the ownership or effective control" of Occidental Petroleum Corporation, within the meaning of Section 409A(a)(2)(A)(v) of the Code, the Company may, in its sole discretion terminate this Plan within the 30 days preceding such Termination Event, provided that all substantially similar arrangements sponsored by the Company are terminated and all Participants in this Plan and all participants in substantially similar arrangements receive all amounts of compensation deferred under the terminated arrangements within 12 months of the date of termination of all the arrangements.

5.7 Small Benefit. Notwithstanding anything contained herein to the contrary, in the event that the value of a Participant's Deferral Accounts as of the end of the Plan Year in which

the Participant's Retirement occurs is less than \$20,000 (after reduction for any forfeiture pursuant to Section 4.6), such amount (with interest to the end of the month preceding the payment date) shall be paid in a cash lump sum without regard to any contrary elections. Such payment shall be made at the time set forth in Section 5.1(a) unless a different distribution date is required to comply with Section 409A of the Code.

5.8 Tax Withholding and Reporting.

(a) To the extent required by the law in effect at the time payments are made, the Company shall withhold from payments made hereunder the taxes required to be withheld by Federal, state and local law.

(b) The Company shall have the right at its option to (i) require a Participant to pay or provide for payment of the amount of any taxes that the Company may be required to withhold with respect to interest or other amounts that the Company credits to a Participant's Deferral Accounts or (ii) deduct from any amount of salary, bonus or other payment otherwise payable in cash to the Participant the amount of any taxes that the Company may be required to withhold with respect to interest or other amounts that the Company credits to a Participant's Deferral Accounts.

(c) The tax withholding and reporting rules described in this subsection shall apply to payments made under the Plan pursuant to a Qualified Divorce Order, shall be subject to any applicable superceding guidance promulgated by the Internal Revenue Service, and shall apply in addition to (not in substitution of) the preceding two subsections. Amounts paid to an Alternate Payee shall be subject to federal income tax withholding and, together with amounts so withheld, shall be reportable to the Alternate Payee. In addition, amounts paid to an Alternate Payee shall be subject to taxation under the Federal Insurance Contributions Act ("FICA") and the Federal Unemployment Tax Act ("FUTA") to the same extent as if such amounts had been paid to the Participant. To the extent that amounts paid to an Alternate Payee are subject to taxation under FICA and/or FUTA, such payments shall be treated as the wages of the Participant, and shall be so reportable, but any amounts required under FICA to be withheld from such payments shall be withheld from the payments to the Alternate Payee.

5.9 Termination of Employment. For the purpose of this Article V, a Participant will be deemed to have terminated employment if the Participant ceases to be an employee of any of the following:

(a) Occidental Petroleum Corporation;

(b) an Affiliate; or

(c) any other entity, whether or not incorporated, in which the Company has an ownership interest, and the Committee has designated that the Participant's commencement of employment with such entity upon Participant's ceasing to be an employee of an entity described in (a) or (b) above will not be deemed to be a termination of employment for purposes of this Plan, provided that such designation shall be made in writing by the Committee and shall be communicated to the Participant prior to his commencement of employment with the entity so designated.

For the purposes of the preceding provisions, a Participant who ceases to be an employee of an entity described in (a), (b) or (c) above shall not be deemed to have terminated employment if such cessation of employment is followed immediately by his commencement of employment with another entity described in (a), (b) or (c) above.

Notwithstanding the foregoing, a termination of employment shall not be deemed to have occurred for any purpose under this Plan unless such termination of employment constitutes "a separation from service" as defined under Section 409A of the Code or any regulations promulgated thereunder.

5.10 Re-Employment. If a Participant's employment with the Company is terminated and such Participant is re-employed by the Company prior to the payment of his benefits in a cash lump sum payment or while he is receiving benefits in the form of annual installment payments, the payment of the lump sum amount or the future installments, as the case may be, shall be suspended until he again terminates employment with the Company. Upon a Participant's subsequent termination of employment, distribution of his benefits under the Plan shall commence or resume in the same form as the benefits were payable at his earlier termination of employment. Notwithstanding the foregoing, this Section 5.10 shall only apply to the extent it does not violate Section 409A of the Code.

5.11 Qualified Divorce Orders. Subject to the policies and procedures established by the Committee under Section 9.3(b) hereof and the provisions of this Plan, benefits may be paid from the balance of a Participant's Deferral Account(s) in accordance with a Qualified Divorce Order.

5.12 Special Transition Rule Election.

(a) Notwithstanding anything herein to the contrary, pursuant to the transition rules under Section 409A of the Code and the regulations and guidance thereunder, each Participant who has not separated from service as of October 12, 2006 may make a new payment election (a "Special Transition Rule Election") with respect to (i) the balance of his Deferral Accounts as of December 31, 2006 together with interest credited thereto prior to distribution (his "December 31 Balance") and/or (ii) any deferred 2006 bonus (i.e., that portion of any bonus earned in 2006 and payable in 2007 that the Participant elected to defer under the Occidental Petroleum Corporation 2005 Deferred Compensation Plan) plus interest credited thereto prior to distribution (his "2006 Deferred Bonus"). As part of such election, the Participant may elect to receive his Retirement Benefit in any form described in Section 5.1 and calculated under either the Amortization Method or the Fractional Method. In addition, the Participant may elect up to two Early Payment Dates with installment payments (if any) calculated under the Amortization Method or the Fractional Method. Notwithstanding the provisions of Section 4.1(b) or Section 5.4 to the contrary, a Participant may elect any Early Payment Date other than 2006 regardless of the year in which the Compensation was deferred, except that (i) the earliest Early Payment Date that a Participant may elect with respect to his 2006 Deferred Bonus is 2008, and (ii) if a Participant elects 2007 as an Early Payment Date with respect to his December 31 Balance, payment will be made in July of 2007. A Participant may elect that all, any portion or no portion of his December 31 Balance and/or all, any portion or no portion of his 2006 Deferred Bonus be paid on an Early Payment Date, but (i) the Participant may not select more than two

Early Payment Dates under this Special Transition Rule Election and (ii) the Participant may not make different elections with respect to the form or manner of calculation of his Retirement Benefit with respect to his December 31 Balance and his 2006 Deferred Bonus.

(b) Notwithstanding anything herein to the contrary, if a Participant has separated from service due to Retirement as of October 12, 2006, he may make a new payment election with respect to his December 31 Balance. As part of such election, the Participant may elect (1) to receive a lump sum distribution of his entire Deferral Account balance in July of 2007 or (2) to change the number of Retirement Benefit installment payments as permitted under Section 5.1, provided that the Participant may not extend the number of installments to more than twenty annual installments (including installment payments that have already been made).

(c) If a Participant elects 2007 as an Early Payment Date for his December 31 Balance, he may not elect to defer any Compensation earned in 2007 under the Occidental Petroleum Corporation Modified Deferred Compensation Plan.

(d) In addition, as part of the special election under this Section 5.12, a Participant may change the form and manner of calculation of the payment of benefits to his Beneficiary in the event that the Participant dies while employed by the Company after becoming eligible for Retirement.

(e) A Participant must elect the same form and manner of calculating his Retirement Benefit under (a) or (b) of this Section 5.12 and the same form and manner of calculating his Beneficiary Benefit under (d) of this Section 5.12 as he elects for such benefits under the Occidental Petroleum Corporation 2005 Deferred Compensation Plan and the Occidental Petroleum Corporation Modified Deferred Compensation Plan.

(f) Any election under this Section 5.12 must be made by November 3, 2006, or such later date as permitted by the Committee, but in no event later than December 31, 2006.

(g) A Participant's election under this Section 5.12 shall supersede any previous election made or deemed to be made under this Plan. If a Participant does not timely make an election under this Section 5.12, the elections he otherwise made or makes or was deemed to make shall apply and may be changed only in accordance with the other terms of this Plan. However, any distribution election that had not become effective by October 12, 2006, shall be null and void.

ARTICLE VI BENEFICIARY DESIGNATION

Each Participant shall have the right, at any time, to designate any person or persons as the Beneficiary to whom payments under this Plan shall be made in the event of the Participant's death prior to complete distribution to the Participant of the benefits due under the Plan. Each Beneficiary designation shall become effective only when filed in writing with the Committee during the Participant's lifetime on a paper form prescribed by the Committee. The filing of a new Beneficiary designation form will cancel any inconsistent Beneficiary designation previously filed.

If a Participant fails to designate a Beneficiary as provided above, or if all designated Beneficiaries predecease the Participant, any benefits remaining unpaid shall be paid in accordance with the Participant's Beneficiary designation under the Company's Retirement Plan, and if there is no such valid Beneficiary designation, to the Participant's then surviving spouse, or if none, to the Participant's estate, unless directed otherwise by the court that has jurisdiction over the assets belonging to the Participant's probate estate.

ARTICLE VII CLAIMS PROCEDURE

7.1 Application for Benefits. All applications for benefits under the Plan shall be submitted to: Occidental Petroleum Corporation, Attention: Deferred Compensation Plan Committee, 10889 Wilshire Blvd., Los Angeles, CA 90024. Applications for benefits must be in writing on the forms prescribed by the Committee and must be signed by the Participant, or in the case of a Beneficiary Benefit, by the Beneficiary or legal representative of the deceased Participant.

7.2 Claims Procedure for Benefits other than Disability Benefits.

(a) Within a reasonable period of time, but not later than 90 days after receipt of a claim for benefits (other than Disability benefits), the Committee or its delegate shall notify the claimant of any adverse benefit determination on the claim, unless special circumstances require an extension of time for processing the claim. In no event may the extension period exceed 90 days from the end of the initial 90-day period. If an extension is necessary, the Committee or its delegate shall provide the claimant with a written notice to this effect prior to the expiration of the initial 90-day period. The notice shall describe the special circumstances requiring the extension and the date by which the Committee or its delegate expects to render a determination on the claim.

(b) In the case of an adverse benefit determination, the Committee or its delegate shall provide to the claimant written or electronic notification setting forth in a manner calculated to be understood by the claimant (i) the specific reason or reasons for the adverse benefit determination, (ii) reference to the specific Plan provisions on which the adverse benefit determination is based, (iii) a description of any additional material or information necessary for the claimant to perfect the claim and an explanation of why the material or information is necessary, and (iv) a description of the Plan's claim review procedures and the time limits applicable to such procedures, including a statement of the claimant's right to bring a civil action under Section 502(a) of ERISA following an adverse final benefit determination on review and in accordance with Section 7.4.

(c) Within 60 days after receipt by the claimant of notification of the adverse benefit determination, the claimant or his duly authorized representative, upon written application to the Committee, may request that the Committee fully and fairly review the adverse benefit determination. On review of an adverse benefit determination, upon request and free of charge, the claimant shall have reasonable access to, and copies of, all documents, records and other information relevant to the claimant's claim for benefits. The claimant shall have the opportunity to submit written comments, documents, records, and other information relating to

the claim for benefits. The Committee's (or delegate's) review shall take into account all comments, documents, records, and other information submitted regardless of whether the information was previously considered in the initial adverse benefit determination.

(d) Within a reasonable period of time, but not later than 60 days after receipt of such request for review, the Committee or its delegate shall notify the claimant of any final benefit determination on the claim, unless special circumstances require an extension of time for processing the claim. In no event may the extension period exceed 60 days from the end of the initial 60-day period. If an extension is necessary, the Committee or its delegate shall provide the claimant with a written notice to this effect prior to the expiration of the initial 60-day period. The notice shall describe the special circumstances requiring the extension and the date by which the Committee or its delegate expects to render a final determination on the request for review. In the case of an adverse final benefit determination, the Committee or its delegate shall provide to the claimant written or electronic notification setting forth in a manner calculated to be understood by the claimant (i) the specific reason or reasons for the adverse final benefit determination; (ii) reference to the specific Plan provisions on which the adverse final benefit determination is based; (iii) a statement that the claimant is entitled to receive, upon request and free of charge, reasonable access to, and copies of, all documents, records and other information relevant to the claimant's claim for benefits; and (iv) a statement of the claimant's right to bring a civil action under Section 502(a) of ERISA following an adverse final benefit determination on review and in accordance with Section 7.4.

7.3 Claims Procedure for Disability Benefits.

(a) Within a reasonable period of time, but not later than 45 days after receipt of a claim for Disability benefits, the Committee or its delegate shall notify the claimant of any adverse benefit determination on the claim, unless circumstances beyond the Plan's control require an extension of time for processing the claim. In no event may the extension period exceed 30 days from the end of the initial 45-day period. If an extension is necessary, the Committee or its delegate shall provide the claimant with a written notice to this effect prior to the expiration of the initial 45-day period. The notice shall describe the circumstances requiring the extension and the date by which the Committee or its delegate expects to render a determination on the claim. If, prior to the end of the first 30-day extension period, the Committee or its delegate determines that, due to circumstances beyond the control of the Plan, a decision cannot be rendered within that extension period, the period for making the determination may be extended for an additional 30 days, so long as the Committee or its delegate notifies the claimant, prior to the expiration of the first 30-day extension period, of the circumstances requiring the extension and the date as of which the Committee or its delegate expects to render a decision. This notice of extension shall specifically describe the standards on which entitlement to a benefit is based, the unresolved issues that prevent a decision on the claim, and the additional information needed to resolve those issues, and that the claimant has at least 45 days within which to provide the specified information.

(b) In the case of an adverse benefit determination, the Committee or its delegate shall provide to the claimant written or electronic notification setting forth in a manner calculated to be understood by the claimant (i) the specific reason or reasons for the adverse benefit determination; (ii) reference to the specific Plan provisions on which the adverse benefit

determination is based; (iii) a description of any additional material or information necessary for the claimant to perfect the claim and an explanation of why the material or information is necessary; (iv) a description of the Plan's claim review procedures and the time limits applicable to such procedures, including a statement of the claimant's right to bring a civil action under Section 502(a) of ERISA following an adverse final benefit determination on review and in accordance with Section 7.4;(v) if an internal rule, guideline, protocol or similar criterion ("internal standard") was relied upon in making the determination, a copy of the internal standard or a statement that the internal standard was relied upon and that a copy of the internal standard shall be provided to the claimant free of charge upon request; and (vi) if the determination is based on a medical necessity or experimental treatment or similar exclusion or limit, an explanation of the scientific or clinical judgment for the determination or a statement that such explanation shall be provided free of charge upon request.

(c) Within 180 days after receipt by the claimant of notification of the adverse benefit determination, the claimant or his duly authorized representative, upon written application to the Committee, may request that the Committee fully and fairly review the adverse benefit determination. On review of an adverse benefit determination, upon request and free of charge, the claimant shall have reasonable access to, and copies of, all documents, records and other information relevant to the claimant's claim for benefits. The claimant shall have the opportunity to submit written comments, documents, records, and other information relating to the claim for benefits. The Committee's (or delegate's) review (i) shall take into account all comments, documents, records, and other information submitted regardless of whether the information was previously considered in the initial adverse benefit determination; (ii) shall not afford deference to the initial adverse benefit determination; (iii) shall be conducted by an appropriate named fiduciary of the Plan who is neither an individual who made the initial adverse benefit determination nor a subordinate of such individual; (iv) shall identify medical and vocational experts whose advice was obtained on behalf of the Plan in connection with the initial adverse benefit determination; and (v) if the adverse benefit determination was based in whole or in part on a medical judgment, shall consult an appropriate health care professional who has appropriate training and experience in the relevant field of medicine and who or whose subordinate was not consulted in the initial adverse benefit determination.

(d) Within a reasonable period of time, but not later than 45 days after receipt of such request for review, the Committee or its delegate shall notify the claimant of any final benefit determination on the claim, unless special circumstances require an extension of time for processing the claim. In no event may the extension period exceed 45 days from the end of the initial 45-day period. If an extension is necessary, the Committee or its delegate shall provide the claimant with a written notice to this effect prior to the expiration of the initial 45-day period. The notice shall describe the special circumstances requiring the extension and the date by which the Committee or its delegate expects to render a final determination on the request for review. In the case of an adverse final benefit determination, the Committee or its delegate shall provide to the claimant written or electronic notification setting forth in a manner calculated to be understood by the claimant (i) the specific reason or reasons for the adverse final benefit determination; (ii) reference to the specific Plan provisions on which the adverse final benefit determination is based; (iii) a statement that the claimant is entitled to receive, upon request and free of charge, reasonable access to, and copies of, all documents, records and other information relevant to the claimant's claim for benefits; (iv) a statement of the claimant's right to bring a

civil action under Section 502(a) of ERISA following an adverse final benefit determination on review and in accordance with Section 7.4; (v) if an internal standard was relied upon in making the determination, a copy of the internal standard or a statement that the internal standard was relied upon and that a copy of the internal standard shall be provided to the claimant free of charge upon request; and (vi) if the determination is based on a medical necessity or experimental treatment or similar exclusion or limit, an explanation of the scientific or clinical judgment for the determination or a statement that such explanation shall be provided free of charge upon request.

7.4 Limitations on Actions. No legal action may be commenced prior to the completion of the benefit claims procedure described herein. In addition, no legal action may be commenced after the later of (a) 180 days after receiving the written response of the Committee to an appeal, or (b) 365 days after an applicant's original application for benefits.

ARTICLE VIII AMENDMENT AND TERMINATION OF PLAN

8.1 Amendment. The Board may amend the Plan in whole or in part at any time for any reason, including but not limited to, tax, accounting or other changes, which may result in termination of the Plan for future deferrals. The Executive Compensation and Human Resources Committee of the Board may amend the Plan to (a) ensure that this Plan complies with the requirements of Section 409A of the Code for deferral of taxation on compensation deferred hereunder until the time of distribution and (b) add provisions for changes to elections as to time and manner of distributions and other changes that comply with the requirements of Section 409A of the Code for the deferral of taxation on deferred compensation until the time of distribution. The Committee appointed pursuant to Article III, in its discretion, may amend the Plan if the Committee determines that such amendment does not significantly increase or decrease Plan benefits or costs. Notwithstanding the foregoing, except for any amendment required to preserve the deferral of taxation of amounts deferred under this Plan, no amendment shall: (a) reduce the amounts that have been credited to the Deferral Account(s) of any Participant prior to the date such amendment is adopted; (b) eliminate the spousal survivor benefit under Section 5.3; or (c) change the definition of Declared Rate set forth in Article II for the Plan Years beginning on January 1 of 2006, 2007, or 2008 to a rate or to a formula that, as of the last day of the month preceding the date such amendment is adopted, produces a rate that is less than the lesser of: (i) Moodys Plus Three (as defined in Article II and calculated as of the last day of the month preceding the date such amendment is adopted), or (ii) the highest yield on any unsecured debt or preferred stock of the Company that was outstanding on the last day of the month immediately preceding the date such amendment is adopted. Any amendment that would either (a) reduce the Declared Rate for the Plan Years beginning on January 1 of 2006, 2007 or 2008 to a rate or to a formula that, as of the last day of the month preceding the date such amendment is adopted, produces a rate that is less than Moodys Plus Three (as defined in Article II and calculated as of the last day of the month preceding the date such amendment is adopted), or (b) change the terms of the amendment provisions of this Section 8.1 or the terms of the termination provisions of Section 8.2, shall not be effective prior to the date that is two years after the date such amendment is adopted, unless the amendment is required by a change in the tax or other applicable laws or accounting rules or the amendment is required in order to preclude any amounts deferred under this Plan from being included in the income of Participants

prior to the date of distribution as specified in the Plan. Notwithstanding the foregoing, following a Termination Event, no amendment shall: (a) reduce the amounts that have been credited to the Deferral Account(s) of any Participant prior to the date such amendment is adopted; (b) eliminate the spousal survivor benefit under Section 5.3; (c) change the definition of the Declared Rate set forth in Article II for the Plan Years beginning on January 1 of 2006, 2007, or 2008 to a rate or to a formula that, as of the last day of the month preceding the date of the Termination Event, produces a rate that is less than Moodys Plus Three (as defined in Article II and calculated as of the last day of the month preceding the date of the Termination Event); or (d) change the terms of the amendment provisions of this Section 8.1 or the terms of the termination provisions of Section 8.2.

8.2 Termination.

(a) Company's Right to Terminate. The Board may terminate the Plan at any time, if in the Board's judgment, the continuance of the Plan would not be in the Company's best interest due to tax, accounting or other effects thereof, or potential payouts thereunder, or other reasons, provided that any termination of the Plan shall not be effective prior to the date that is two years after the date the Board adopts a resolution to terminate the Plan, unless (i) the termination of the Plan is required by a change in the tax or other applicable laws or accounting rules or (ii) the Participants have become subject to tax on the amounts deferred under the Plan. Notwithstanding the foregoing, following a Termination Event, the Plan may not be terminated prior to the date that is three years after the date the Termination Event occurs or, if earlier, the date on which amounts deferred under the Plan have become taxable to Participants. In the event the Board adopts a resolution terminating the Plan, the Board or the Committee shall determine the date as of which all deferral elections shall cease to apply so that no further Base Salary or Bonus shall be deferred under the Plan.

(b) Payments Upon Termination. Distribution to the Participants or their Beneficiaries shall be made on the dates on which the Participants or their Beneficiaries would receive benefits hereunder without regard to the termination of the Plan except that payments will be made upon termination if one of the following requirements is satisfied:

- (1) the Plan is terminated pursuant to Section 5.6 of the Plan,
- (2) the termination of the Plan otherwise satisfies one of the requirements for accelerated payment under Proposed Treasury Regulations Section 1.409A-3(h)(2)(viii) (or a successor regulation) or other guidance issued by the Secretary of the Treasury, or
- (3) the Plan is terminated because the Participants have become subject to tax on the amounts deferred under the Plan because of a failure of the Plan to satisfy the requirements of Section 409A of the Code.

ARTICLE IX MISCELLANEOUS

9.1 Unsecured General Creditor. The rights of a Participant, Beneficiary, or their heirs, successors, and assigns, as relates to any Company promises hereunder, shall not be secured by

any specific assets of the Company, nor shall any assets of the Company be designated as attributable or allocated to the satisfaction of such promises.

9.2 Trust Fund. The Company shall be responsible for the payment of all benefits provided under the Plan. At its discretion, the Company may establish one or more trusts, with such trustees as the Board or Committee may approve, for the purpose of providing for the payment of such benefits. Such trust or trusts may be irrevocable, but the assets thereof shall be subject to the claims of the Company's creditors. To the extent any benefits provided under the Plan are actually paid from any such trust, the Company shall have no further obligation with respect thereto, but to the extent not so paid, such benefits shall remain the obligation of, and shall be paid by, the Company.

9.3 Nonassignability.

(a) 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 amounts, 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.

(b) Notwithstanding subsection (a), the right to benefits payable with respect to a Participant pursuant to a Qualified Divorce Order may be created, assigned, or recognized. The Committee shall establish appropriate policies and procedures to determine whether a Divorce Order presented to the Committee constitutes a Qualified Divorce Order under this Plan, and to administer distributions pursuant to the terms of Qualified Divorce Orders. In the event that a Qualified Divorce Order exists with respect to benefits payable under the Plan, such benefits otherwise payable to the Participant specified in the Qualified Divorce Order shall be payable to the Alternate Payee specified in such Qualified Divorce Order.

9.4 Release from Liability to Participant. A Participant's right to receive benefits under the Plan shall be reduced to the extent that any portion of a Participant's Deferral Account(s) has been paid or set aside for payment to an Alternate Payee pursuant to a Qualified Divorce Order or to the extent that the Company or the Plan is otherwise subject to a binding judgment, decree, or order for the attachment, garnishment or execution of any portion of the Participant's Deferral Account(s) or of any distributions therefrom. The Participant shall be deemed to have released the Company and the Plan from any claim with respect to such amounts in any case in which (a) the Company, the Plan, or any Plan representative has been served with legal process or otherwise joined in a proceeding relating to such amounts, and (b) the Participant fails to obtain an order of the court in the proceeding relieving the Company and the Plan from the obligation to comply with the judgment, decree or order.

9.5 Employment Not Guaranteed. Nothing contained in this Plan nor any action taken hereunder shall be construed as a contract of employment or as giving any Participant any right to be retained in employment with the Company. Accordingly, subject to the terms of any

written employment agreement to the contrary, the Company shall have the right to terminate or change the terms of employment of a Participant at any time and for any reason whatsoever, with or without cause.

9.6 Gender, Singular & Plural. All pronouns and any variations thereof shall be deemed to refer to the masculine or feminine as the identity of the person or persons may require. As the context may require, the singular may be read as the plural and the plural as the singular.

9.7 Captions. The captions of the articles, sections, and paragraphs of the Plan are for convenience only and shall not control or affect the meaning or construction of any of its provisions.

9.8 Validity. In the event any provision of this Plan is held invalid, void, or unenforceable, the same shall not affect, in any respect whatsoever, the validity of any other provision of this Plan.

9.9 Notice. Any notice or filing required or permitted to be given to the Committee under the Plan shall be sufficient if in writing and hand delivered, or sent by registered or certified mail, to the principal office of the Company. Such notice shall be deemed given as of the date of delivery or, if delivery is made by mail, as of the date shown on the postmark on the receipt for registration or certification.

9.10 Applicable Law. The Plan shall be governed by and construed in accordance with Section 409A of the Code and any regulations promulgated thereunder, and the laws of the State of California to the extent such laws are not preempted by the Employee Retirement Income Security Act of 1974, as amended.

IN WITNESS WHEREOF, the Occidental Petroleum Corporation has executed this document this 12th day of October, 2006.

OCCIDENTAL PETROLEUM CORPORATION

By /s/ RICHARD W. HALLOCK
Richard W. Hallock
Executive Vice-President, Human Resources

**AMENDMENT NUMBER 3
OCCIDENTAL PETROLEUM CORPORATION
2005 DEFERRED COMPENSATION PLAN**

WHEREAS, Occidental Petroleum Corporation (the "Corporation") maintains the Occidental Petroleum Corporation 2005 Deferred Compensation Plan (the "Plan") for the purpose of providing a tax-deferred opportunity for key management and highly compensated employees of the Corporation and its affiliates to accumulate additional retirement income through deferrals of cash compensation;

WHEREAS, the Plan is subject to Section 409A of the Internal Revenue Code ("Section 409A"), which imposes rules regarding the taxation of nonqualified deferred compensation plans, effective for amounts deferred after December 31, 2004;

WHEREAS, it is desirable to permit participants in the Plan to make certain distribution elections with respect to amounts deferred under the Plan in accordance with the special transition relief afforded by the preamble to the proposed regulations issued under Section 409A;

WHEREAS, the Plan was previously amended to permit participants to elect to change their distribution elections in accordance with Section 409A (the "Regular Election Change Rules"), effective November 1, 2006;

WHEREAS, because participants may make election changes in 2006 under the special Section 409A transition rules, it is desirable to delay the effective date of the Regular Election Change Rules until January 1, 2007, and to delay the effective date of the general provision allowing early payment elections so that it first applies to salary and bonuses earned in 2008;

WHEREAS, it is desirable to reduce the interest rate credited to participants' accounts to the 5-Year Treasury Constant Maturities rate plus 2% effective January 1, 2009; and

WHEREAS, it is desirable to amend the definition of "Retirement" to reflect the effect of certain consulting agreements.

NOW, THEREFORE, effective October 12, 2006, the Plan is amended as follows:

ARTICLE II
DEFINITIONS

1. The definition of Declared Rate is amended in its entirety to read as follows:

"Declared Rate. 'Declared Rate' with respect to any Plan Year means the rate at which interest will be credited on Deferral Accounts for such Plan Year. The Declared Rate for each Plan Year ending on or before December 31, 2008, shall be equal to the

greater of (i) (A) plus (B) where (A) is the Moody's Long-Term Corporate Bond Index Monthly Average Corporates as published by Moody's Investor Services, Inc. (or successor thereto) for the month of July in the year prior to the Plan Year in question, and (B) is 3% ("Moody's Plus Three"), or (ii) the highest yield on any unsecured debt or preferred stock of the Company that was outstanding on the last day of July in the year prior to the Plan Year in question. Such Declared Rate will be announced on or before January 1 of the applicable Plan Year. The Declared Rate for each Plan Year commencing on or after January 1, 2009, will be the monthly yield on 5-year Treasury Constant Maturities plus 2%."

2. The definition of "Retirement" is amended by adding the following sentence to the end of the definition:

"Notwithstanding the foregoing, with respect to Participants who executed a consulting agreement with the Company prior to October 3, 2004, 'Retirement' means the termination date of the Participant's consulting agreement."

ARTICLE IV PARTICIPATION

3. The first sentence of Section 4.1(b) is amended in its entirety to read as follows:

"With respect to Base Salary and/or Bonus earned after December 31, 2007, on the Deferral Election Form filed pursuant to Section 4.1(a), an Eligible Employee may irrevocably elect to receive the Base Salary and/or Bonus deferred pursuant to that election in a lump sum payment or in annual installments over two (2) to five (5) years commencing prior to Retirement in an Early Payment Year."

ARTICLE V BENEFITS

4. Sections 5.1(b)(ii), (iii), and (iv) and the last sentence of Section 5.2(c), which were originally added with an effective date of November 1, 2006, shall instead be effective on January 1, 2007.

5. Section 5.11 is added to read as follows:

"5.11 Special Transition Rule Election.

(a) Notwithstanding anything herein to the contrary, pursuant to the transition rules under Section 409A of the Code and the

regulations and guidance thereunder, each Participant who has not separated from service as of October 12, 2006 may make a new payment election (a 'Special Transition Rule Election') with respect to (i) the balance of his Deferral Accounts as of December 31, 2006 together with interest credited thereto prior to distribution (his "December 31 Balance") and/or (ii) any deferred 2006 bonus (i.e., that portion of any bonus earned in 2006 and payable in 2007 that the Participant elected to defer under this Plan) plus interest credited thereto prior to distribution (his "2006 Deferred Bonus"). As part of such election, the Participant may elect to receive his Retirement Benefit in any form described in Section 5.1 and calculated under either the Amortization Method or the Fractional Method. In addition, the Participant may elect up to two Early Payment Dates with installment payments (if any) calculated under the Amortization Method or the Fractional Method. Notwithstanding the provisions of Section 4.1(b) or Section 5.4 to the contrary, a Participant may elect any Early Payment Date other than 2006 regardless of the year in which the Compensation was deferred, except that (i) the earliest Early Payment Date that a Participant may elect with respect to his 2006 Deferred Bonus is 2008, and (ii) if a Participant elects 2007 as an Early Payment Date with respect to his December 31 Balance, payment will be made in July of 2007. A Participant may elect that all, any portion or no portion of his December 31 Balance and/or all, any portion or no portion of his 2006 Deferred Bonus be paid on an Early Payment Date, but (i) the Participant may not select more than two Early Payment Dates under this Special Transition Rule Election and may not elect any additional Early Payment Dates under Section 4.1(b) if such election would result in more than two scheduled Early Payment Dates and (ii) the Participant may not make different elections with respect to the form or manner of calculation of his Retirement Benefit with respect to his December 31 Balance and his 2006 Deferred Bonus.

(b) Notwithstanding anything herein to the contrary, if a Participant has separated from service due to Retirement as of October 12, 2006, he may make a new payment election with respect to his December 31 Balance. As part of such election, the Participant may elect (1) to receive a lump sum distribution of his entire Deferral Account balance in July of 2007 or (2) to change the number of Retirement Benefit installment payments as permitted under Section 5.1, provided that the Participant may not extend the number of installments to more than twenty annual installments (including installment payments that have already been made).

(c) If a Participant elects 2007 as an Early Payment Date for his December 31 Balance, he may not elect to defer any Compensation earned in 2007 under the Occidental Petroleum Corporation Modified Deferred Compensation Plan.

(d) In addition, as part of the special election under this Section 5.11, a Participant may change the form and manner of calculation of the payment of benefits to his Beneficiary in the event that the Participant dies while employed by the Company after becoming eligible for Retirement.

(e) A Participant must elect the same form and manner of calculating his Retirement Benefit under (a) or (b) of this Section 5.11 and the same form and manner of calculating his Beneficiary Benefit under (d) of this Section 5.11 as he elects for such benefits under the Occidental Petroleum Corporation Deferred Compensation Plan 2 and the Occidental Petroleum Corporation Modified Deferred Compensation Plan.

(f) Any election under this Section 5.11 must be made by November 3, 2006, or such later date as permitted by the Committee, but in no event later than December 31, 2006.

(g) A Participant's election under this Section 5.11 shall supersede any previous election made or deemed to be made under this Plan. If a Participant does not timely make an election under this Section 5.11, the elections he otherwise made or makes or was deemed to make shall apply and may be changed only in accordance with the other terms of this Plan. However, any distribution election that had not become effective by October 12, 2006, shall be null and void."

IN WITNESS WHEREOF, the Corporation has caused its duly authorized officer to execute this amendment this 12th day of October, 2006.

OCCIDENTAL PETROLEUM CORPORATION

By: /s/ RICHARD W. HALLOCK
Richard W. Hallock
Executive Vice-President, Human Resources

**OCCIDENTAL PETROLEUM CORPORATION
MODIFIED DEFERRED COMPENSATION PLAN**

(Effective December 31, 2006)

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**OCCIDENTAL PETROLEUM CORPORATION
MODIFIED DEFERRED COMPENSATION PLAN**

(Effective December 31, 2006)

**ARTICLE I
PURPOSE**

Effective December 31, 2006, the Occidental Petroleum Corporation Deferred Compensation Plan 2 (the "DCP2") is merged with and into the Occidental Petroleum Corporation 2005 Deferred Compensation Plan (the "2005 DCP"), which is hereby amended and restated as the Occidental Petroleum Corporation Modified Deferred Compensation Plan (the "Plan"). Effective December 31, 2006, for each Participant who has made a Special Transition Rule Election under Section 5.12, the Deferral Account (if any) of such Participant under the DCP2 is merged with the Deferral Account (if any) of such Participant under the 2005 DCP, the Savings Plan Restoration Account (if any) of such Participant under the DCP2 is merged with the Savings Plan Restoration Account (if any) of such Participant under the 2005 DCP, the SEDCP Deferral Account (if any) of such Participant under the DCP2 is transferred to the 2005 DCP, and all such accounts are governed by the terms of this Plan. For Participants who do not make such an election, any Deferral Account, Savings Plan Restoration Account, or SEDCP Deferral Account of such Participant under the DCP2 or 2005 DCP shall be subject to the terms of this Plan but shall be maintained separate from each other.

The purpose of the Plan is to provide a tax-deferred opportunity for key management and highly compensated employees of Occidental Petroleum Corporation and its Affiliates (as defined below) to accumulate additional retirement income through deferrals of compensation.

This Plan is intended to satisfy the requirements of Section 409A of the Internal Revenue Code, and any regulations promulgated thereunder, so that the taxation to Participants or Beneficiaries of any compensation deferred under this Plan is deferred.

**ARTICLE II
DEFINITIONS**

Whenever the following words and phrases are used in this Plan with the first letter capitalized, they shall have the meanings specified below:

Affiliate. "Affiliate" means (i) any corporation that is a member of a controlled group of corporations (within the meaning of Code Section 1563(a), determined without regard to Code Sections 1563(a)(4) and (e)(3)(C), and with the phrase "more than 50%" substituted for the phrase "at least 80%" each place it appears in Code Section 1563(a) of which Occidental Petroleum Corporation is a component member, or (ii) any entity (whether or not incorporated) that is under common control with Occidental Petroleum Corporation (as defined in Code Section 414(c) and the Treasury Regulations thereunder, and with the phrase "more than 50%" substituted for the phrase "at least 80%" each place it appears in the Treasury Regulations under Code Section 414(c)).

Alternate Payee. “Alternate Payee” means a former spouse of a Participant who is recognized by a Divorce Order as having a right to receive all, or a portion of, the benefits payable under this Plan with respect to such Participant.

Amortization Method. “Amortization Method” means an annual installment method of paying a Participant’s benefits under which the Company will pay the Participant an initial payment in an amount equal to (i) plus (ii) divided by (iii), where (i) is the value of the Participant’s Deferral Accounts as of the end of the month preceding such payment, (ii) is the amount of interest that would accrue during the entire payout period on the unpaid balance credited to the Participant’s Deferral Accounts immediately following such initial payment if the Declared Rate then in effect remained unchanged and (iii) is the number of years over which annual installments are to be paid. For each Plan Year after the initial benefit payment is made, the annual benefit payment will be determined under the same equation where (i) is the value of the Participant’s Deferral Accounts as of the end of the month preceding the benefit payment, (ii) is the amount of interest that would accrue during the remaining payout period on the unpaid balance credited to the Participant’s Deferral Accounts immediately following such annual payment if the Declared Rate then in effect remained unchanged and (iii) is the number of annual payments remaining.

Base Salary. “Base Salary” means the base salary earned by a Participant during pay periods beginning in a Plan Year, excluding Bonus, all severance allowances, forms of incentive compensation, Savings Plan, Retirement Plan or other Company qualified plan contributions or benefits, retainers, insurance premiums or benefits, reimbursements, and all other payments, prior to reduction for any deferrals under this Plan or any other plan of the Company or reductions under the Company’s Savings Plan allowed under Section 401(k) of the Code.

Beneficiary. “Beneficiary” means the person or persons designated as such in accordance with Article VI.

Beneficiary Benefit. “Beneficiary Benefit” means the payment to a Participant’s Beneficiary of the value of the Participant’s Deferral Accounts pursuant to Section 5.2 on account of the Participant’s death.

Board. “Board” means the Board of Directors of Occidental Petroleum Corporation.

Bonus. “Bonus” means the bonus earned by a Participant under a regular annual incentive compensation plan (excluding without limitation a special individual or group bonus, a project bonus, and any other special bonus) during a Plan Year prior to reduction for any deferral under this Plan or any other plan of the Company.

Code. “Code” means the Internal Revenue Code of 1986, as amended.

Committee. “Committee” means the administrative committee appointed to administer the Plan pursuant to Article III.

Company. "Company" means Occidental Petroleum Corporation, or any successor thereto, and any Affiliates.

Company Management. "Company Management" means the Chairman of the Board, President or any Executive Vice President of Occidental Petroleum Corporation.

Compensation. "Compensation" means Base Salary, Bonus and/or Performance Award Cash Deferrals.

DCP Deferral Account. "DCP Deferral Account" means the account maintained on the books of account of the Company for each Participant pursuant to Article IV to account for amounts deferred under the 1988 DCP prior to January 1, 1999, and the amounts subsequently deferred under the Prior Plan, the DCP2, the 2005 DCP and this Plan.

DCP Deferral Amount. "DCP Deferral Amount" means an amount of a Participant's Base Salary and/or Bonus that is deferred under the Plan, including amounts deferred under the 1988 DCP, the Prior Plan, the DCP2, the 2005 DCP and this Plan.

DCP2. "DCP2" means the Occidental Petroleum Corporation Deferred Compensation Plan 2, effective as of October 12, 2006.

Declared Rate. "Declared Rate" with respect to any Plan Year means the rate at which interest will be credited on Deferral Accounts for such Plan Year. The Declared Rate for each Plan Year ending on or before December 31, 2008, shall be equal to the greater of (i) (A) plus (B) where (A) is the Moody's Long-Term Corporate Bond Index Monthly Average Corporates as published by Moody's Investor Services, Inc. (or successor thereto) for the month of July in the year prior to the Plan Year in question, and (B) is 3% ("Moody's Plus Three"), or (ii) the highest yield on any unsecured debt or preferred stock of the Company that was outstanding on the last day of July in the year prior to the Plan Year in question. Such Declared Rate will be announced on or before January 1 of the applicable Plan Year. The Declared Rate for each Plan Year commencing on or after January 1, 2009, will be the monthly yield on 5-year Treasury Constant Maturities plus 2%. Notwithstanding the foregoing, the Declared Rate for DCP Deferral Amounts that were earned and deferred prior to 1994 under the 1988 DCP (including bonuses which were earned for 1993), together with accumulated interest thereon, will in no event be less than 8% for any Plan Year. Accordingly, the Declared Rate for any Plan Year may be different for DCP Deferral Amounts that were earned and deferred under the 1988 DCP prior to January 1, 1994 than for DCP Deferral Amounts earned after such date.

Deferral Account(s). "Deferral Account(s)" means a Participant's DCP Deferral Account and/or SEDCP Deferral Account (if any) and/or Savings Plan Restoration Account (if any) maintained on the books of account of the Company for each Participant pursuant to Article IV.

Deferral Election Form. "Deferral Election Form" means a paper or electronic election form provided by the Committee on which an Eligible Employee may elect to defer Base Salary and/or Bonus and may elect to receive an Early Payment Benefit in accordance with Article IV.

Disability. “Disability” means a condition that qualifies as a disability under a Company disability plan and is approved by the Committee.

Disability Benefit. “Disability Benefit” means the payment to a Participant of the value of the Participant’s Deferral Accounts pursuant to Section 5.1 if the Participant ceases to perform services for the Company due to a Disability.

Distribution Election Form. “Distribution Election Form” means a paper or electronic election form provided by the Committee on which a Participant may elect the form of payment of his Retirement Benefits and/or the form of payment of Beneficiary Benefits to his Beneficiary in accordance with Article V.

Divorce Order. “Divorce Order” means any judgment, decree, or order (including judicial approval of a property settlement agreement) that relates to the settlement of marital property rights between a Participant and his former spouse pursuant to state domestic relations law (including, without limitation and if applicable, community property law).

Early Payment Benefit. “Early Payment Benefit” means the payment to a Participant of part or all of the Participant’s DCP Deferral Account in an Early Payment Year beginning prior to the Participant’s Retirement or other termination of employment pursuant to Section 5.4.

Early Payment Year. “Early Payment Year” means any year prior to a Participant’s Retirement or other termination of employment that a Participant elects pursuant to Section 4.1(b) to have an Early Payment Benefit paid or commenced to be paid.

Early Payment Year Subaccount. “Early Payment Year Subaccount” means any subaccount of a Participant’s DCP Deferral Account established to separately account for deferred Base Salary and/or Bonus (and interest credited thereto) that is subject to an Early Payment Benefit election.

Eligible Employee. “Eligible Employee” means each key management employee or other highly compensated employee of the Company who is selected by Company Management to participate in the Plan.

Emergency Benefit. “Emergency Benefit” means the payment to a Participant of part or all of his Deferral Accounts in the event that the Participant has an Unforeseeable Emergency pursuant to Section 5.5.

Fractional Method. “Fractional Method” means an installment method of paying a Participant’s Retirement Benefit under which the Company will determine the amount of each annual installment by dividing the value of the Participant’s Deferral Accounts as of the end of the month preceding the payment date by the number of annual installments remaining to be paid.

1988 DCP. “1988 DCP” means the Occidental Petroleum Corporation 1988 Deferred Compensation Plan.

Participant. "Participant" means (i) each individual who, as of December 30, 2006, was a participant in the 2005 DCP or DCP2 and has not received a complete distribution of the benefits accrued under those plans, (ii) an Eligible Employee who has filed a completed and fully executed Deferral Election Form with the Committee and is participating in the Plan in accordance with the provisions of Article IV, and (iii) any person who has a Deferral Account by reason of his prior status as an Eligible Employee. Under no circumstances shall "Participant" mean any Alternate Payee.

Performance Award Cash Deferral. "Performance Award Cash Deferral" means that portion of a Qualifying Performance Stock Award that is deferred under this Plan as provided in Section 4.1(c) of this Plan.

Plan Year. "Plan Year" means the calendar year beginning on January 1 and ending on December 31.

Prior Plan. "Prior Plan" means the Occidental Petroleum Corporation Deferred Compensation Plan as amended and restated as of January 1, 2003, under which deferrals ceased as of December 31, 2004.

Qualified Divorce Order. "Qualified Divorce Order" means a Divorce Order that (a) creates or recognizes the existence of an Alternate Payee's right to, or assigns to an Alternate Payee the right to, receive all or a portion of the benefits payable to a Participant under this Plan; (b) clearly specifies (i) the name and the last known mailing address of the Participant and the name and mailing address of the Alternate Payee covered by the order, (ii) the amount or percentage of the Participant's benefits to be paid by this Plan to the Alternate Payee, or the manner in which such amount or percentage is to be determined, (iii) the number of payments or period to which such order applies, and (iv) that it applies to this Plan; and (c) does not (i) require this Plan to provide any type or form of benefit, or any option, not otherwise provided under the Plan, (ii) require this Plan to provide increased benefits, or (iii) require the payment of benefits to an Alternate Payee that are required to be paid to another Alternate Payee under another Divorce Order previously determined to be a Qualified Divorce Order.

Qualifying Performance Stock Award. "Qualifying Performance Stock Award" has the meaning given to such term under the 2005 DSP.

Retirement. "Retirement" means (i) the termination of a Participant's employment with the Company for reasons other than Disability or death after the Participant attains age 65, (ii) the termination of a Participant's employment with the Company for reasons other than Disability or death after the Participant attains age 55 and completes five (5) Years of Service or (iii) the Participant's attainment of age 55 following the Participant's termination of employment with the Company for reasons other than Disability or death prior to attainment of age 55 if the Participant qualifies for retiree medical coverage under the Occidental Petroleum Corporation Medical Plan on the date of the Participant's termination of employment. Notwithstanding the foregoing, with respect to Participants who executed a consulting agreement with the Company prior to October 3, 2004, "Retirement" means the termination date of the Participant's consulting agreement.

Retirement Benefit. “Retirement Benefit” means the payment to a Participant of the value of the Participant’s Deferral Accounts pursuant to Section 5.1 following Retirement.

Retirement Plan. “Retirement Plan” means the Occidental Petroleum Corporation Retirement Plan, as amended from time to time.

SEDCP. “SEDCP” means the Occidental Petroleum Corporation Senior Executive Deferred Compensation Plan under which certain Company executives deferred compensation.

SEDCP Deferral Account. “SEDCP Deferral Account” means the account maintained on the books of account of the Company for certain Participants pursuant to Article IV to account for amounts deferred under the SEDCP.

Savings Plan. “Savings Plan” means the Occidental Petroleum Corporation Savings Plan, as amended from time to time.

Savings Plan Restoration Account. “Savings Plan Restoration Account” means the account maintained on the books of account of the Company to reflect Savings Plan Restoration Contributions made by the Company pursuant to Section 4.6.

Savings Plan Restoration Contribution. “Savings Plan Restoration Contribution” means the amount credited to a Participant’s Savings Plan Restoration Account pursuant to Section 4.6.

Specified Employee. “Specified Employee” means an employee of the Company who is a “specified employee” as defined in Section 409A(a)(2)(B) of the Code. For purposes of determining “Specified Employees,” December 31 shall be the “identification date” as defined in Proposed Treasury Regulations Section 1.409A-1(i) (or any successor regulation), and each Participant who satisfies the definition of Specified Employee as of any identification date shall be treated as a Specified Employee for the 12-month period beginning on the April 1 following such identification date.

Termination Benefit. “Termination Benefit” means the payment to a Participant of the value of the Participant’s Deferral Accounts pursuant to Section 5.1 on account of the Participant’s termination of employment other than due to Retirement, Disability or death.

Termination Event. “Termination Event” means any of the following:

- (a) Approval by the stockholders of Occidental Petroleum Corporation (or, if no stockholder approval is required, by the Board) of the dissolution or liquidation of Occidental Petroleum Corporation, other than in the context of a transaction that does not constitute a Termination Event under clause (b) below;
- (b) Consummation of a merger, consolidation, or other reorganization, with or into, or the sale of all or substantially all of Occidental Petroleum Corporation’s business and/or assets as an entirety to, one or more entities that are not subsidiaries or other affiliates of Occidental Petroleum Corporation (a “Business Combination”), unless

(i) as a result of the Business Combination, more than 50% of the outstanding voting power of the surviving or resulting entity or a parent thereof (the “Successor Entity”) immediately after the Business Combination is, or will be, owned, directly or indirectly, by holders of Occidental Petroleum Corporation’s voting securities immediately before the Business Combination; (ii) no “person” (as such term is used in Sections 13(d) and 14(d) of the Securities Exchange Act of 1934, as amended from time to time (the “Exchange Act”), excluding the Successor Entity or any employee benefit plan of Occidental Petroleum Corporation and any trustee or other fiduciary holding securities under an Occidental Petroleum Corporation employee benefit plan or any person described in and satisfying the conditions of Rule 13d-1(b)(i) of the Exchange Act (an “Excluded Person”), beneficially owns, directly or indirectly, more than 20% of the outstanding shares or the combined voting power of the outstanding voting securities of the Successor Entity, after giving effect to the Business Combination, except to the extent that such ownership existed prior to the Business Combination; and (iii) at least 50% of the members of the board of directors of the entity resulting from the Business Combination were members of the Board at the time of the execution of the initial agreement or of the action of the Board approving the Business Combination;

(c) Any “person” (as such term is used in Sections 13(d) and 14(d) of the Exchange Act, but excluding any Excluded Person) is or becomes the beneficial owner (as defined in Rule 13d-3 under the Exchange Act), directly or indirectly, of securities of Occidental Petroleum Corporation representing 20% or more of the combined voting power of Occidental Petroleum Corporation’s then outstanding voting securities, other than as a result of (i) an acquisition directly from Occidental Petroleum Corporation; (ii) an acquisition by Occidental Petroleum Corporation; or (iii) an acquisition by any employee benefit plan (or related trust) sponsored or maintained by Occidental Petroleum Corporation or a Successor Entity; or

(d) During any period not longer than two consecutive years, individuals who at the beginning of such period constituted the Board cease to constitute at least a majority thereof, unless the election, or the nomination for election by Occidental Petroleum Corporation’s stockholders, of each new Board member was approved by a vote of at least two-thirds (2/3) of the Board members then still in office who were Board members at the beginning of such period (including for these purposes, new members whose election or nomination was so approved), but excluding, for this purpose, any such individual whose initial assumption of office occurs as a result of an actual or threatened election contest with respect to the election or removal of directors or other actual or threatened solicitation of proxies or consents by or on behalf of a person other than the Board.

(e) Notwithstanding the foregoing, to the extent that any event or occurrence described in subsections (a) through (d) does not constitute “a change in the ownership or effective control” as defined under Section 409A of the Code, or any regulations promulgated thereunder, such event or occurrence shall not constitute a Termination Event for purposes of Section 5.6 of this Plan, but shall constitute a Termination Event for purposes of Sections 8.1 and 8.2 of this Plan.

2005 DCP. "2005 DCP" means the Occidental Petroleum Corporation 2005 Deferred Compensation Plan, restated as of January 1, 2005 and as subsequently amended.

2005 DSP. "2005 DSP" means the Occidental Petroleum Corporation 2005 Deferred Stock Program, as amended from time to time.

Unforeseeable Emergency. "Unforeseeable Emergency" means a severe financial hardship to the Participant resulting from an illness or accident of the Participant, the Participant's spouse, or a dependent (as defined in Section 152(a) of the Code) of the Participant, loss of the Participant's property due to casualty, or other similar extraordinary and unforeseeable circumstances arising as a result of events beyond the control of the Participant.

Years of Service. "Years of Service" means the number of full years credited to a Participant under the Retirement Plan for vesting purposes.

ARTICLE III ADMINISTRATION OF THE PLAN

A Committee shall be appointed by the Board to administer the Plan and establish, adopt, or revise such rules and regulations as the Committee may deem necessary or advisable for the administration of the Plan and to interpret the provisions of the Plan, and, except as otherwise indicated herein, any such interpretations shall be conclusive and binding. All decisions of the Committee shall be by vote of at least two of the Committee members and shall be final. The Committee may appoint any agent and delegate to such agent such powers and duties in connection with the administration of the Plan as the Committee may from time to time prescribe.

Members of the Committee shall be eligible to participate in the Plan while serving as members of the Committee, but a member of the Committee shall not vote or act upon any matter which relates solely to such member's interest in the Plan as a Participant.

ARTICLE IV PARTICIPATION

4.1 Election to Participate.

(a) Deferral Elections. An Eligible Employee may elect to participate in the Plan and elect to defer annual Base Salary and/or Bonus under the Plan by filing with the Committee a completed and fully executed Deferral Election Form prior to the beginning of the Plan Year during which the Eligible Employee performs the services for which such Base Salary and Bonus are to be earned, or at such other time as the Committee may permit in accordance with the regulations promulgated under Section 409A of the Code. Deferral Election Forms must be filed in accordance with the instructions set forth in the Deferral Election Forms.

An employee who first becomes an Eligible Employee during a Plan Year may make an initial deferral election under this Plan within 30 days after the date the employee becomes an Eligible Employee provided that such Eligible Employee has not previously become eligible to participate in any other account balance plan of the Company as described in

Proposed Treasury Regulations Section 1.409A-1(c)(2) or any successor regulation. Any such election shall apply to Base Salary earned for services performed after the election is filed with the Committee and to that portion of the Bonus earned during such Plan Year equal to the total amount of the Bonus multiplied by the ratio of the number of days remaining in the Plan Year after the election is filed with the Committee over the total number of days during the Plan Year that such Eligible Employee is employed by the Company.

Various deferral options will be made available to Eligible Employees under the Plan, subject to such limitations and conditions as the Committee may impose from time to time, in its complete and sole discretion. A Deferral Election Form filed for a Plan Year shall be effective for Base Salary and/or Bonus to be earned during that Plan Year and shall remain in effect for that Plan Year and subsequent Plan Years, notwithstanding any change in the Participant's Base Salary or Bonus until changed or terminated in accordance with the terms of this Section 4.1; provided, however, that such election shall terminate as of the end of the Plan Year in which the Participant remains an employee but ceases to be an Eligible Employee. Subject to the minimum deferral requirements and maximum deferral limitations set forth below, a Participant may increase, decrease or terminate his deferral election effective for Base Salary and/or Bonus to be earned for services to be performed during any Plan Year by filing a new Deferral Election Form with the Committee prior to January 1 of such Plan Year.

Each Deferral Election Form will designate the DCP Deferral Amounts as a fixed dollar amount or fixed percentage (in increments of 1%) of Base Salary and/or (i) a fixed dollar amount or a fixed percentage of Bonus or (ii) 100% of any Bonus exceeding a specified dollar amount, as elected by the Participant. Deferrals of Base Salary will normally be deducted ratably during the Plan Year. In its sole discretion, the Committee may also permit amounts that an Eligible Employee has previously elected to defer under other plans or agreements with the Company to be transferred to this Plan and credited to his Deferral Accounts that are maintained hereunder.

(A) Minimum Deferral. For each Plan Year, the minimum amount of Base Salary that a Participant may elect to defer is \$5,000, if expressed as a dollar amount, or 5% of Base Salary, if expressed as a percentage, and the minimum amount of Bonus that a Participant may elect to defer is any of the following: (I) \$5,000, (II) 5% of Bonus, or (III) 100% of that portion of any Bonus that exceeds a dollar amount specified by the Participant on his Deferral Election Form.

(B) Maximum Deferral. For each Plan Year, the maximum amount of Base Salary that a Participant may elect to defer is 75% of Base Salary, and the maximum amount of Bonus that a Participant may elect to defer is 100% of Bonus. Notwithstanding the foregoing, effective with respect to amounts earned on or after January 1, 2007, for each Plan Year, the maximum total amount of Compensation that a Participant may elect to defer is \$75,000 (i.e. the amount that would otherwise be paid in a Plan Year if not deferred under this Plan cannot exceed \$75,000).

(C) Deferral Account Balance. Notwithstanding anything herein to the contrary, if as of December 31 of any Plan Year, a Participant's total Deferral Account balance is \$1,000,000 or more, then the Participant may not defer any compensation

earned in the following Plan Year and any election to do so shall be considered void. If as of December 31 of any Plan Year, a Participant's total Deferral Account balance is less than \$1,000,000, then the Participant may defer compensation earned in the following Plan Year in accordance with this Article IV.

(b) Early Payment Benefit Election. With respect to Base Salary and/or Bonus earned after December 31, 2007, on the Deferral Election Form filed pursuant to Section 4.1(a), an Eligible Employee may irrevocably elect to receive the Base Salary and/or Bonus deferred pursuant to that election in a lump sum payment or in annual installments over two (2) to five (5) years commencing prior to termination of employment in an Early Payment Year. If a Participant fails to designate the form of distribution for an Early Payment Benefit, the distribution shall be in the form of a lump sum. The Early Payment Year elected must be a year that begins at least two (2) years after the end of the first Plan Year to which the election applies. An Early Payment Benefit election filed for the Plan Year beginning January 1, 2008, or for any subsequent Plan Year, shall be effective for Base Salary and/or Bonus earned and deferred during that Plan Year and each subsequent Plan Year until terminated in accordance with the terms of this Section 4.1; provided, however that deferrals of Base Salary or Bonus earned during any Plan Year that ends less than two (2) years prior to the Early Payment Year will not be subject to the Early Payment Benefit election and shall be paid upon the Participant's termination of employment as set forth in Section 5.1 or 5.2, as the case may be. A Participant may terminate an election for an Early Payment Benefit with respect to Base Salary and/or Bonus deferred in any future Plan Year by filing a new Deferral Election Form with the Committee prior to January 1 of such Plan Year. A Participant may not, however, change the form of benefit or time of commencement of an Early Payment Benefit with respect to Base Salary and/or Bonus deferred pursuant to a Deferral Election Form after that Deferral Election is filed pursuant to Section 4.1(a).

A Participant may not at any time have Early Payment Benefits scheduled for more than two Early Payment Years. However, after an Early Payment Year has occurred and all payments with respect to the corresponding Early Payment Year election have been completed, a Participant may elect a new Early Payment Year for future deferrals of Base Salary and/or Bonuses.

(c) Deferral of Performance Award Cash Payments. Notwithstanding anything contained herein to the contrary, the cash portion (if any) subject to a deferral election under a Qualifying Performance Stock Award that was granted before December 31, 2006 but becomes vested on or after December 31, 2006 shall be credited to the Eligible Employee's DCP Deferral Account as a Performance Award Cash Deferral unless the Participant elected, pursuant to transition rules under Section 409A of the Code, to receive distribution of the cash portion of the Qualifying Performance Stock Award in 2008. Any cash portion of a Qualifying Performance Stock that becomes vested on or after December 31, 2006 and payable in 2008 pursuant to an election as described herein, shall be credited to a special subaccount of the Participant's DCP Deferral Account and distributed in a lump sum during the first seventy-five (75) days of 2008.

4.2 DCP Deferral Accounts. The Committee shall establish and maintain a separate DCP Deferral Account for each Participant. A DCP Deferral Amount shall be credited by the

Company to the Participant's DCP Deferral Account as of the date that the Participant's Base Salary and/or Bonus would otherwise have been paid. The amount of a Participant's Performance Award Cash Deferral shall be credited to a Participant's DCP Deferral Account as of the date it becomes certified for payment. Such DCP Deferral Account shall be debited by the amount of any payments made by the Company to the Participant or the Participant's Beneficiary therefrom as of the date of payment. The Committee shall establish an Early Payment Year Subaccount within a Participant's DCP Deferral Account for each Early Payment Year elected by that Participant. Any such Early Payment Year Subaccount shall be debited by the amount of any Early Payment Benefit paid by the Company to the Participant in such Early Payment Year pursuant to Section 5.4 as of the date of payment.

4.3 SEDCP Deferral Accounts. The Committee shall maintain a separate SEDCP Deferral Account for each Participant who was a participant in the SEDCP on December 31, 1998. The balance of such Participant's accounts under the SEDCP as of December 31, 1998 remained credited to each such Participant's SEDCP Deferral Account under the Occidental Petroleum Corporation Deferred Compensation Plan, a predecessor to this Plan, as of January 1, 1999. SEDCP Deferral Accounts shall be debited by the amount of any payments made by the Company to the Participant or the Participant's Beneficiary therefrom as of the date of payment.

4.4 Interest. Each Deferral Account of a Participant shall be deemed to bear interest on the monthly balance of such Deferral Account at the Declared Rate for each Plan Year, compounded monthly. Except as provided in Section 5.2(a), with respect to SEDCP Deferral Accounts for Participants who die prior to becoming eligible for Retirement, interest will be credited to each Deferral Account on a monthly basis on the last day of each month as long as any amount remains credited to such Deferral Account. Amounts of deferred Compensation that are credited to a DCP Deferral Account and amounts of Savings Plan Restoration Contributions that are credited to a Savings Plan Restoration Account prior to the end of a calendar month shall accrue interest from the date of crediting, computed on the basis of a 30-day month based on days elapsed from date of crediting to the end of the month. Notwithstanding the foregoing, effective January 1, 2009, each Deferral Account of a Participant shall be deemed to bear interest on the monthly balance of such Deferral Account at the annualized Declared Rate for the month. Such interest shall be credited to the Participant's Deferral Account balance as of the last day of the month and shall be determined by multiplying the Deferral Account balance as of the end of the preceding month times the annualized Declared Rate for the current month.

4.5 Valuation of Deferral Accounts. The value of a Deferral Account as of any date shall equal the amounts previously credited to such Deferral Account less any payments debited to such Deferral Account plus the interest deemed to be earned on such Deferral Account in accordance with Section 4.4 through the end of the preceding month. When payments are made from a DCP Deferral Account for any reason other than an Early Payment Benefit elected after January 1, 1994, such payments shall be deemed to be made on a proportionate or pro-rata basis from DCP Deferral Amounts (including accumulated interest thereon) that were earned and deferred under the 1988 DCP prior to January 1, 1994, and DCP Deferral Amounts (including accumulated interest thereon) that were earned and deferred after that date.

4.6 Savings Plan Restoration Contribution.

(a) General Rule. For each Plan Year, the Company shall credit to the Savings Plan Restoration Account of any Participant, an amount equal to the amount by which the contribution that would otherwise have been made by the Company on behalf of the Participant to the Savings Plan for such Plan Year is reduced by reason of the reduction in the Participant's Base Salary for such Plan Year because of deferrals under this Plan. The Savings Plan Restoration Contribution shall be credited to the Savings Plan Restoration Account of each Participant for each Plan Year at the same time as the Company contribution for such Plan Year is made to the Savings Plan. A Participant's interest in any credit to his Savings Plan Restoration Account and earnings thereon shall vest at the same rate and at the same time as would have been the case had such contribution been made to the Savings Plan. Notwithstanding anything contained herein to the contrary, if, upon a Participant's termination of employment, the Participant has not or does not become 100% vested in his Savings Plan Restoration Account, the unvested portion of his Savings Plan Restoration Account shall be forfeited prior to the determination of the amount of any benefits under Sections 5.1, 5.5, or 5.6.

(b) Transfer of Non-Vested Savings Plan Restoration Account from Prior Plan. Effective as of January 1, 2005, that portion of a Participant's Savings Plan Restoration Account under the Prior Plan that was not vested as of December 31, 2004, was transferred to and credited to such Participant's Savings Plan Restoration Account under the 2005 DCP and is governed by the terms of this Plan, including any Distribution Election Form filed under the 2005 DCP on or before December 31, 2005. If the Participant was not participating in the 2005 DCP in 2005, the Participant could nevertheless make an election in accordance with Section 5.1(b) and 5.2 of the 2005 DCP if such election was made by December 31, 2005. If the Participant did not file a Distribution Election Form on or before December 31, 2005, with respect to such amount, together with interest the Participant was deemed to have made an election to receive distribution in accordance with Section 5.1(a).

4.7 Statement of Deferral Accounts. The Committee shall submit to each Participant, within 120 days after the close of each Plan Year, a statement in such form as the Committee deems desirable, setting forth the Participant's Deferral Account(s).

4.8 2004 Bonuses

(a) Deferral under the 2005 DCP. Any Bonus that was payable in 2005 to an employee of the Company for services performed during 2004 (a "2004 Bonus") and that such individual elected to defer in accordance with the terms of the Prior Plan was deferred under the 2005 DCP instead of the Prior Plan. Any such 2004 Bonus was credited to the individual's DCP Deferral Account as set forth in Section 4.2 and is subject to the terms and conditions of this Plan, including, without limitation, any distribution election made under Article V; provided, however, that if such individual did not file a Distribution Election Form under the 2005 DCP as provided in Section 5.1(b) at the time such 2004 Bonus was credited to his DCP Deferral Account, he could file a Distribution Election Form at any time prior to February 11, 2005, which then became applicable with respect to his 2004 Bonus and any other Compensation deferred and credited to the Participant's DCP Deferral Account under this Plan.

(b) Opportunity to Revoke Deferral Election. Notwithstanding anything contained herein to the contrary, any participant in the Prior Plan who elected to defer his 2004 Bonus could revoke his deferral election as provided in this Section 4.8(b). Such election had to be in writing on a form provided by the Committee and had to be filed with the Committee on or before January 21, 2005. Any participant in the Prior Plan who revoked his 2004 Bonus deferral election as provided herein received his 2004 Bonus in cash at or about the same time that 2004 Bonuses were paid to other employees of the Company.

4.9 Pre-Merger Payment Elections. Any payment elections made or deemed to be made by a Participant under the DCP2 or the 2005 DCP and in effect immediately prior to the merger of the two plans on December 31, 2006 shall remain in effect with respect to the portions of the applicable Deferral Accounts attributable to amounts deferred under each plan and shall continue in effect unless and until changed in accordance with the terms of this Plan. The Committee shall establish and maintain separate subaccounts for each Deferral Account as may be necessary to account for amounts subject to different payout elections.

ARTICLE V BENEFITS

5.1 Termination of Employment for a Reason other than Death.

(a) Form and Time of Benefit. Except as otherwise provided in this Section 5.1, upon a Participant's termination of employment for a reason other than death (including Retirement and Disability), the Company shall pay to the Participant in a single lump sum within the first 90 days of the calendar year following the Participant's termination of employment an amount equal to the value of the Participant's Deferral Accounts as of the end of the month preceding payment (after reduction for any forfeitures as set forth in Section 4.6). Any Retirement Benefit paid in annual installments pursuant to Section 5.1(b) shall be paid within the first 90 days of each calendar year, beginning with the year following the Participant's Retirement and shall be determined based on the value of the Participant's Deferral Accounts as of the last day of the month preceding payment. Notwithstanding anything herein to the contrary, in the event that a Participant who is a Specified Employee is entitled to a distribution from the Plan upon or by virtue of such Participant's termination of employment for a reason other than death or Disability, the lump sum payment or the first annual installment payment, as the case may be, shall not be paid before the date that is six (6) months after the date of the Participant's termination of employment (or, if earlier, the date of the Participant's death). Any additional installment payments shall be paid within the first 90 days of each subsequent calendar year.

(b) Retirement. (i) On a Distribution Election Form filed simultaneously with and in the same manner as the first Deferral Election Form that a Participant is required to file in accordance with the requirements set forth in Section 4.1 hereof, a Participant (A) may elect to have the Retirement Benefit, which may consist solely of the Participant's Savings Plan Restoration Account, paid to him in a lump sum, annual payments for any other number of years between two (2) and 20 years or, if available as an option on the Distribution Election Form provided to the Participant, in a combination of an initial lump sum payment followed by annual installments over the next one (1) to 20 years, and (B) may elect to have the amount of each

annual installment determined under either the Amortization Method or the Fractional Method. If a Participant fails to elect either the Amortization Method or the Fractional Method, such Participant shall be deemed to have elected the Fractional Method.

(ii) Notwithstanding anything herein to the contrary, an election to receive distribution in a series of annual installments or as a combination of a lump sum followed by annual installments shall be treated as a single payment for purposes of Section 409A of the Code.

(iii) Subject to Section 5.1(b)(iv), a Participant may change his election as to the form of Retirement distribution under this Program subject to the following conditions: (A) the election shall not be effective until twelve (12) months after the election is filed with the Committee; (B) the election must defer the lump sum payment or the initial amount of an installment payment for a period of at least five (5) years from the date that the lump sum payment or initial amount of the installment payment, as the case may be, was otherwise payable; and (C) the election must be made at least twelve (12) months prior to the beginning of the calendar year in which the lump sum payment or initial amount of the installment payment, as the case may be, would have been payable if no change as to the form of distribution were ever made.

(iv) A Participant may only make two changes pursuant to Section 5.1(b)(iii). Each such change must satisfy all of the requirements of Section 5.1(b)(iii).

(c) Termination Prior to Retirement. If a Participant's employment with the Company terminates for any reason other than Retirement, Disability or death, then the Participant shall receive a Termination Benefit in a lump sum as provided in Section 5.1(a).

(d) Disability Benefit. If a Participant ceases to perform services for the Company prior to Retirement due to a Disability, then the Participant shall receive a Disability Benefit in a lump sum within the first 90 days of the calendar year following the calendar year in which the Participant attains age 55 in an amount equal to the value of the Participant's Deferral Accounts as of the end of the month preceding payment.

(e) Effect of Pre-Retirement Termination of Employment on Spousal Survivor Benefits. Spousal survivor benefits (if any) under Section 5.3 of the Plan shall not be payable to the spouse of a Participant who terminates employment prior to Retirement and receives a Termination Benefit or a Disability Benefit under this Section 5.1.

5.2 Beneficiary Benefits.

(a) If a Participant dies while employed by the Company, or after termination of employment with the Company but before payment of, or commencement of installment payments of, his benefits under the Plan, then the Company will pay to the Participant's Beneficiary in a single lump sum a Beneficiary Benefit that is an amount equal to the value of the Participant's Deferral Accounts (other than his or her SEDCP Deferral Account (if any)). If such Participant also has an SEDCP Deferral Account, the Company will also pay to the Participant's Beneficiary annual payments over the greater of (i) 10 years or (ii) until the Participant would have attained age 65 equal to 25% of the amount deferred under the SEDCP

(excluding any interest on such deferrals), which payments shall be in full satisfaction of the benefits payable with respect to the Participant's SEDCP Deferral Account. Notwithstanding the foregoing, the Participant's Beneficiary shall instead be paid the amount credited to the Participant's SEDCP Deferral Account as of the end of the month in which his death occurred plus interest at a rate of 8% per annum, compounded annually, from the end of such month and credited annually on each anniversary of the end of such month payable in equal installments (using the Amortization method) over the period described in the preceding sentence, if the Committee determines that the present value of such benefit is greater than the present value of the benefit described in the preceding sentence. In comparing the present value of these two alternative benefits, the Committee shall use in each case a discount factor of 8%.

(b) If a Participant dies after the commencement of payment of his Retirement Benefit, then the remaining installments (if any) of the Retirement Benefit shall be payable to his Beneficiary in the same amounts and at the same times as such installment would have been paid to the Participant if he were living.

(c) Notwithstanding the foregoing provisions of this Section 5.2, a Participant may elect, on a Distribution Election Form filed simultaneously with and in the same manner as the first Deferral Election Form that the Participant is required to file in accordance with the requirements set forth in Section 4.1 hereof, that, if he dies prior to the commencement of his Retirement Benefits, then the payment to his Beneficiary shall be made in any form and calculated in any other manner described in Section 5.1(b). A Participant may change his election as to the form of payment to his Beneficiary subject to the following conditions: (1) the election shall not be effective until twelve (12) months after the election is filed with the Committee and (2) the election must be made at least twelve (12) months prior to the beginning of the calendar year in which the lump sum payment or initial amount of the installment payment, as the case may be, would have been payable if no change as to the form of distribution were ever made. Each such change must satisfy all of the requirements of this Section 5.2(c).

(d) The payment or payments to a Beneficiary of a deceased Participant under this Section 5.2 shall be made or commence during the first 90 days of the calendar year following the year in which the Participant's death occurred, and the amount of such payment shall be equal to, or determined based on, the value of the Participant's Deferral Accounts as of the end of the month preceding payment.

(e) In the event that the Beneficiary of a deceased Participant dies prior to the completion of payments under this Plan to that Beneficiary, all remaining payments to that Beneficiary shall be paid in a lump sum to that Beneficiary's estate.

(f) Any election as to the form and manner of payment to a Beneficiary in effect under the terms of the DCP2 or the 2005 DCP immediately prior to the merger of the two plans on December 31, 2006, shall remain in effect with respect to the portions of the applicable Deferral Accounts attributable to amounts deferred under each plan and shall continue in effect unless or until changed in accordance with the terms of this Plan. The Committee shall establish and maintain separate subaccounts for each Deferral Account as may be necessary to account for amounts subject to different beneficiary payout elections.

5.3 Spousal Survivor Benefits with Respect to SEDCP Deferral Accounts. If a Participant who has an SEDCP Deferral Account dies after becoming eligible for Retirement or after commencement of payment of his Retirement Benefit and a spouse to whom he had been married to for at least one (1) year prior to his death survives beyond completion of payment of the Participant's SEDCP Deferral Account balance, the Company shall pay such spouse a lump sum payment in an amount equal to 10% of the Participant's SEDCP Deferral Account balance valued as of the earlier of the date of the Participant's Retirement or death. Such lump sum spousal survivor benefit shall be paid as soon as administratively practicable following the later of the completion of payment of the Participant's SEDCP Deferral Account balance or the Participant's death. No benefit shall be payable under this Section 5.3 if the Participant's spouse does not survive beyond completion of payment of the Participant's SEDCP Deferral Account balance. Notwithstanding the foregoing, no spousal survivor benefit shall be payable to the spouse of any Participant who received benefits pursuant to Section 5.1(c) (Termination Benefit), Section 5.1(d) (Disability Benefit) or Section 5.6 (Immediate Payment on Termination Event).

5.4 Early Payment. Payment of the amounts credited to any Early Payment Year Subaccount of a Participant shall be paid or commence to be paid within the first 90 days of the year elected as the Early Payment Year in accordance with the Participant's election under Section 4.1(b), with any subsequent annual payments paid in the first 90 days of each applicable year. The amount of each annual installment will be determined under the Fractional Method unless the Participant otherwise irrevocably elects the Amortization Method at the time of making the Early Payment Benefit election.

Notwithstanding the foregoing, if the Participant terminates employment with the Company for any reason prior to commencement or completion of an Early Payment Benefit, the election made by the Participant to receive the Early Payment Benefit shall terminate and the amount credited to the Participant's Early Payment Year Subaccount shall be paid, together with the other amounts credited to the Participant's Deferral Account, as set forth in Section 5.1 or 5.2, as the case may be.

5.5 Emergency Benefit. In the event that the Committee, upon written petition of the Participant, determines in its sole discretion that the Participant has suffered an Unforeseeable Emergency, the Company shall pay to the Participant, as soon as practicable following such determination, an Emergency Benefit that does not exceed the amount reasonably necessary to satisfy such Unforeseeable Emergency plus amounts necessary to pay taxes reasonably anticipated as a result of the distribution, after taking into account the extent to which such hardship is or may be relieved through reimbursement or compensation by insurance or otherwise or by liquidation of the Participant's assets to the extent the liquidation of such assets would not itself cause severe financial hardship and the additional compensation available to the Participant upon the termination of the Participant's current deferral elections under the Plan, as described in the following paragraph of this Section 5.5. No amount may be paid to the Participant under this Section 5.5 from any unvested portion of the Participant's Savings Plan Restoration Account.

Whenever a Participant receives a distribution under this Section 5.5, the Participant will be deemed to have revoked all current deferral elections under the Plan effective as of the date of the distribution. The Participant will not be permitted to participate in the next

enrollment period under the Plan and will be precluded from electing to make new deferrals under the Plan for a minimum period of one (1) year (or such lesser period as the Committee may permit) following receipt of the distribution.

5.6 Effect of Termination Event. In the event of a Termination Event that constitutes a “change in the ownership or effective control” of Occidental Petroleum Corporation, within the meaning of Section 409A(a)(2)(A)(v) of the Code, the Company may, in its sole discretion terminate this Plan within the 30 days preceding such Termination Event, provided that all substantially similar arrangements sponsored by the Company are terminated and all Participants in this Plan and all participants in substantially similar arrangements receive all amounts of compensation deferred under the terminated arrangements within 12 months of the date of termination of all the arrangements.

5.7 Small Benefit. Notwithstanding anything contained herein to the contrary, in the event that the value of a Participant’s Deferral Accounts, as of the end of the Plan Year in which the Participant’s Retirement occurs is less than \$20,000 (after reduction for any forfeiture pursuant to Section 4.6), then such amount (with interest to the end of the month preceding the payment date) shall be paid in a cash lump sum without regard to any contrary elections. Such payment shall be made at the time set forth in Section 5.1(a) unless a different distribution date is required to comply with Section 409A of the Code.

5.8 Tax Withholding and Reporting.

(a) To the extent required by the law in effect at the time payments are made, the Company shall withhold from payments made hereunder the taxes required to be withheld by Federal, state and local law.

(b) The Company shall have the right at its option to (i) require a Participant to pay or provide for payment of the amount of any taxes that the Company may be required to withhold with respect to interest or other amounts that the Company credits to a Participant’s Deferral Accounts or (ii) deduct from any amount of salary, bonus or other payment otherwise payable in cash to the Participant the amount of any taxes that the Company may be required to withhold with respect to interest or other amounts that the Company credits to a Participant’s Deferral Accounts.

(c) The tax withholding and reporting rules described in this subsection shall apply to payments made under the Plan pursuant to a Qualified Divorce Order, shall be subject to any applicable superseding guidance promulgated by the Internal Revenue Service, and shall apply in addition to (not in substitution of) the preceding two subsections. Amounts paid to an Alternate Payee shall be subject to federal income tax withholding and, together with amounts so withheld, shall be reportable to the Alternate Payee. In addition, amounts paid to an Alternate Payee shall be subject to taxation under the Federal Insurance Contributions Act (“FICA”) and the Federal Unemployment Tax Act (“FUTA”) to the same extent as if such amounts had been paid to the Participant. To the extent that amounts paid to an Alternate Payee are subject to taxation under FICA and/or FUTA, such payments shall be treated as the wages of the Participant, and shall be so reportable, but any amounts required under FICA to be withheld from such payments shall be withheld from the payments to the Alternate Payee.

5.9 Termination of Employment. For the purpose of this Article V, a Participant will be deemed to have terminated employment if the Participant ceases to be an employee of any of the following:

- (a) Occidental Petroleum Corporation;
- (b) an Affiliate; or
- (c) any other entity, whether or not incorporated, in which the Company has an ownership interest, and the Committee has designated that the Participant's commencement of employment with such entity upon Participant's ceasing to be an employee of an entity described in (a) or (b) above will not be deemed to be a termination of employment for purposes of this Plan, provided that such designation shall be made in writing by the Committee and shall be communicated to the Participant prior to his commencement of employment with the entity so designated.

For the purposes of the preceding provisions, a Participant who ceases to be an employee of an entity described in (a), (b) or (c) above shall not be deemed to have terminated employment if such cessation of employment is followed immediately by his commencement of employment with another entity described in (a), (b) or (c) above.

Notwithstanding the foregoing, a termination of employment shall not be deemed to have occurred for any purpose under this Plan unless such termination of employment constitutes "a separation from service" as defined under Section 409A of the Code or any regulations promulgated thereunder.

5.10 Re-Employment. If a Participant's employment with the Company is terminated and such Participant is re-employed by the Company prior to the payment of his benefits in a cash lump sum payment or while he is receiving benefits in the form of annual installment payments, the payment of the lump sum amount or the future installments, as the case may be, shall be suspended until he again terminates employment with the Company. Such Participant may elect to again participate in this Plan and to defer additional Base Salary and/or Bonus as provided in Section 4.1. Upon a Participant's subsequent termination of employment, distribution of his benefits under the Plan shall commence or resume in the same form as the benefits were payable at his earlier termination of employment. Notwithstanding the foregoing, this Section 5.10 shall only apply to the extent it does not violate Section 409A of the Code.

5.11 Qualified Divorce Orders. Subject to the policies and procedures established by the Committee under Section 9.3(b) hereof and the provisions of this Plan, benefits may be paid from the balance of a Participant's Deferral Account(s) in accordance with a Qualified Divorce Order.

5.12 Special Transition Rule Election.

(a) Notwithstanding anything herein to the contrary, pursuant to the transition rules under Section 409A of the Code and the regulations and guidance thereunder, each Participant who has not separated from service as of October 12, 2006 may make a new payment election (a "Special Transition Rule Election") with respect to (i) the balance of his Deferral

Accounts as of December 31, 2006 together with interest credited thereto prior to distribution (his "December 31 Balance") and/or (ii) any deferred 2006 bonus (i.e., that portion of any bonus earned in 2006 and payable in 2007 that the Participant elected to defer under this Plan) plus interest credited thereto prior to distribution (his "2006 Deferred Bonus"). As part of such election, the Participant may elect to receive his Retirement Benefit in any form described in Section 5.1 and calculated under either the Amortization Method or the Fractional Method. In addition, the Participant may elect up to two Early Payment Years with installment payments (if any) calculated under the Amortization Method or the Fractional Method. Notwithstanding the provisions of Section 4.1(b) or Section 5.4 to the contrary, a Participant may elect any Early Payment Year other than 2006 regardless of the year in which the Compensation was deferred, except that (i) the earliest Early Payment Year that a Participant may elect with respect to his 2006 Deferred Bonus is 2008, and (ii) if a Participant elects 2007 as an Early Payment Year with respect to his December 31 Balance, payment will be made in July of 2007. A Participant may elect that all, any portion or no portion of his December 31 Balance and/or all, any portion or no portion of his 2006 Deferred Bonus be paid in an Early Payment Year, but (i) the Participant may not select more than two Early Payment Years under this Special Transition Rule Election and may not elect any additional Early Payment Years under Section 4.1(b) if such election would result in more than two scheduled Early Payment Years and (ii) the Participant may not make different elections with respect to the form or manner of calculation of his Retirement Benefit with respect to his December 31 Balance and his 2006 Deferred Bonus.

(b) Notwithstanding anything herein to the contrary, if a Participant has separated from service due to Retirement as of October 12, 2006, he may make a new payment election with respect to his December 31 Balance. As part of such election, the Participant may elect (1) to receive a lump sum distribution of his entire Deferral Account balance in July of 2007 or (2) to change the number of Retirement Benefit installment payments as permitted under Section 5.1, provided that the Participant may not extend the number of installments to more than twenty annual installments (including installment payments that have already been made).

(c) If a Participant elects 2007 as an Early Payment Year for his December 31 Balance, he may not elect to defer any Compensation earned in 2007 under this Plan.

(d) In addition, as part of the special election under this Section 5.12, a Participant may change the form and manner of calculation of the payment of benefits to his Beneficiary in the event that the Participant dies while employed by the Company after becoming eligible for Retirement.

(e) A Participant must elect the same form and manner of calculating his Retirement Benefit under (a) or (b) of this Section 5.12 and the same form and manner of calculating his Beneficiary Benefit under (d) of this Section 5.12 as he elects for such benefits under the 2005 DCP and the DCP2.

(f) Any election under this Section 5.12 must be made by November 3, 2006, or such later date as permitted by the Committee, but in no event later than December 31, 2006.

(g) A Participant's election under this Section 5.12 shall supersede any previous election made or deemed to be made under this Plan, the 2005 DCP, or the DCP2. If a

Participant does not timely make an election under this Section 5.12, the elections he otherwise made or makes or was deemed to make shall apply and may be changed only in accordance with the other terms of this Plan and any Compensation deferred on or after January 1, 2007, shall be subject to the Participant's election under the 2005 DCP (or, the DCP2 if the Participant was a participant in the DCP2 but not the 2005 DCP) or as subsequently amended in accordance with the other terms of this Plan. However, any distribution election that had not become effective by October 12, 2006, shall be null and void.

**ARTICLE VI
BENEFICIARY DESIGNATION**

Each Participant shall have the right, at any time, to designate any person or persons as the Beneficiary to whom payments under this Plan shall be made in the event of the Participant's death prior to complete distribution to the Participant of the benefits due under the Plan. Each Beneficiary designation shall become effective only when filed in writing with the Committee during the Participant's lifetime on a paper form prescribed by the Committee. Any Beneficiary designation made by a Participant under the DCP2 and/or the 2005 DCP shall continue to apply under this Plan until the Participant files a new Beneficiary designation form with the Committee. Notwithstanding the preceding sentence, if a Participant had selected different Beneficiaries under the DCP2 and the 2005 DCP, the following rules shall apply:

(A) If the Participant does not make a new election under Section 5.12, the Beneficiary designation under the DCP2 shall apply to the subaccount for the DCP2 under this Plan and the Beneficiary designation under the 2005 DCP shall apply to the subaccount for the 2005 DCP under this Plan unless or until the Participant files a new Beneficiary designation form with the Committee.

(B) If the Participant does make a new election under Section 5.12, the Participant will be treated as having no Beneficiary designation on file until the Participant files a new Beneficiary designation with the Committee.

The filing of a new Beneficiary designation form will cancel any inconsistent Beneficiary designation previously filed.

If a Participant fails to designate a Beneficiary as provided above, or if all designated Beneficiaries predecease the Participant, any benefits remaining unpaid shall be paid in accordance with the Participant's Beneficiary designation under the Company's Retirement Plan, and if there is no such valid Beneficiary designation, to the Participant's then surviving spouse, or if none, to the Participant's estate, unless directed otherwise by the court that has jurisdiction over the assets belonging to the Participant's probate estate.

**ARTICLE VII
CLAIMS PROCEDURE**

7.1 Applications for Benefits. All applications for benefits under the Plan shall be submitted to Occidental Petroleum Corporation, Attention: Deferred Compensation Plan Committee, 10889 Wilshire Blvd., Los Angeles, CA 90024. Applications for benefits must be in writing on the forms prescribed by the Committee and must be signed by the Participant, or in

the case of a Beneficiary Benefit, by the Beneficiary or legal representative of the deceased Participant.

7.2 Claims Procedure for Benefits other than Disability Benefits.

(a) Within a reasonable period of time, but not later than 90 days after receipt of a claim for benefits (other than Disability benefits), the Committee or its delegate shall notify the claimant of any adverse benefit determination on the claim, unless special circumstances require an extension of time for processing the claim. In no event may the extension period exceed 90 days from the end of the initial 90-day period. If an extension is necessary, the Committee or its delegate shall provide the claimant with a written notice to this effect prior to the expiration of the initial 90-day period. The notice shall describe the special circumstances requiring the extension and the date by which the Committee or its delegate expects to render a determination on the claim.

(b) In the case of an adverse benefit determination, the Committee or its delegate shall provide to the claimant written or electronic notification setting forth in a manner calculated to be understood by the claimant (i) the specific reason or reasons for the adverse benefit determination; (ii) reference to the specific Plan provisions on which the adverse benefit determination is based; (iii) a description of any additional material or information necessary for the claimant to perfect the claim and an explanation of why the material or information is necessary; and (iv) a description of the Plan's claim review procedures and the time limits applicable to such procedures, including a statement of the claimant's right to bring a civil action under Section 502(a) of ERISA following an adverse final benefit determination on review and in accordance with Section 7.4.

(c) Within 60 days after receipt by the claimant of notification of the adverse benefit determination, the claimant or his duly authorized representative, upon written application to the Committee, may request that the Committee fully and fairly review the adverse benefit determination. On review of an adverse benefit determination, upon request and free of charge, the claimant shall have reasonable access to, and copies of, all documents, records and other information relevant to the claimant's claim for benefits. The claimant shall have the opportunity to submit written comments, documents, records, and other information relating to the claim for benefits. The Committee's (or delegate's) review shall take into account all comments, documents, records, and other information submitted regardless of whether the information was previously considered in the initial adverse benefit determination.

(d) Within a reasonable period of time, but not later than 60 days after receipt of such request for review, the Committee or its delegate shall notify the claimant of any final benefit determination on the claim, unless special circumstances require an extension of time for processing the claim. In no event may the extension period exceed 60 days from the end of the initial 60-day period. If an extension is necessary, the Committee or its delegate shall provide the claimant with a written notice to this effect prior to the expiration of the initial 60-day period. The notice shall describe the special circumstances requiring the extension and the date by which the Committee or its delegate expects to render a final determination on the request for review. In the case of an adverse final benefit determination, the Committee or its delegate shall provide to the claimant written or electronic notification setting forth in a manner calculated to be

understood by the claimant (i) the specific reason or reasons for the adverse final benefit determination; (ii) reference to the specific Plan provisions on which the adverse final benefit determination is based; (iii) a statement that the claimant is entitled to receive, upon request and free of charge, reasonable access to, and copies of, all documents, records and other information relevant to the claimant's claim for benefits; and (iv) a statement of the claimant's right to bring a civil action under Section 502(a) of ERISA following an adverse final benefit determination on review and in accordance with Section 7.4.

7.3 Claims Procedure for Disability Benefits.

(a) Within a reasonable period of time, but not later than 45 days after receipt of a claim for Disability benefits, the Committee or its delegate shall notify the claimant of any adverse benefit determination on the claim, unless circumstances beyond the Plan's control require an extension of time for processing the claim. In no event may the extension period exceed 30 days from the end of the initial 45-day period. If an extension is necessary, the Committee or its delegate shall provide the claimant with a written notice to this effect prior to the expiration of the initial 45-day period. The notice shall describe the circumstances requiring the extension and the date by which the Committee or its delegate expects to render a determination on the claim. If, prior to the end of the first 30-day extension period, the Committee or its delegate determines that, due to circumstances beyond the control of the Plan, a decision cannot be rendered within that extension period, the period for making the determination may be extended for an additional 30 days, so long as the Committee or its delegate notifies the claimant, prior to the expiration of the first 30-day extension period, of the circumstances requiring the extension and the date as of which the Committee or its delegate expects to render a decision. This notice of extension shall specifically describe the standards on which entitlement to a benefit is based, the unresolved issues that prevent a decision on the claim, and the additional information needed to resolve those issues, and that the claimant has at least 45 days within which to provide the specified information.

(b) In the case of an adverse benefit determination, the Committee or its delegate shall provide to the claimant written or electronic notification setting forth in a manner calculated to be understood by the claimant (i) the specific reason or reasons for the adverse benefit determination; (ii) reference to the specific Plan provisions on which the adverse benefit determination is based; (iii) a description of any additional material or information necessary for the claimant to perfect the claim and an explanation of why the material or information is necessary; (iv) a description of the Plan's claim review procedures and the time limits applicable to such procedures, including a statement of the claimant's right to bring a civil action under Section 502(a) of ERISA following an adverse final benefit determination on review and in accordance with Section 7.4; (v) if an internal rule, guideline, protocol or similar criterion ("internal standard") was relied upon in making the determination, a copy of the internal standard or a statement that the internal standard was relied upon and that a copy of the internal standard shall be provided to the claimant free of charge upon request; and (vi) if the determination is based on a medical necessity or experimental treatment or similar exclusion or limit, an explanation of the scientific or clinical judgment for the determination or a statement that such explanation shall be provided free of charge upon request.

(c) Within 180 days after receipt by the claimant of notification of the adverse benefit determination, the claimant or his duly authorized representative, upon written application to the Committee, may request that the Committee fully and fairly review the adverse benefit determination. On review of an adverse benefit determination, upon request and free of charge, the claimant shall have reasonable access to, and copies of, all documents, records and other information relevant to the claimant's claim for benefits. The claimant shall have the opportunity to submit written comments, documents, records, and other information relating to the claim for benefits. The Committee's (or delegate's) review (i) shall take into account all comments, documents, records, and other information submitted regardless of whether the information was previously considered in the initial adverse benefit determination; (ii) shall not afford deference to the initial adverse benefit determination; (iii) shall be conducted by an appropriate named fiduciary of the Plan who is neither an individual who made the initial adverse benefit determination nor a subordinate of such individual; (iv) if the adverse benefit determination was based in whole or in part on a medical judgment, shall identify medical and vocational experts whose advice was obtained on behalf of the Plan in connection with the initial adverse benefit determination; and (v) shall consult an appropriate health care professional who has appropriate training and experience in the relevant field of medicine and who or whose subordinate was not consulted in the initial adverse benefit determination.

(d) Within a reasonable period of time, but not later than 45 days after receipt of such request for review, the Committee or its delegate shall notify the claimant of any final benefit determination on the claim, unless special circumstances require an extension of time for processing the claim. In no event may the extension period exceed 45 days from the end of the initial 45-day period. If an extension is necessary, the Committee or its delegate shall provide the claimant with a written notice to this effect prior to the expiration of the initial 45-day period. The notice shall describe the special circumstances requiring the extension and the date by which the Committee or its delegate expects to render a final determination on the request for review. In the case of an adverse final benefit determination, the Committee or its delegate shall provide to the claimant written or electronic notification setting forth in a manner calculated to be understood by the claimant (i) the specific reason or reasons for the adverse final benefit determination; (ii) reference to the specific Plan provisions on which the adverse final benefit determination is based; (iii) a statement that the claimant is entitled to receive, upon request and free of charge, reasonable access to, and copies of, all documents, records and other information relevant to the claimant's claim for benefits; (iv) a statement of the claimant's right to bring a civil action under Section 502(a) of ERISA following an adverse final benefit determination on review and in accordance with Section 7.4; (v) if an internal standard was relied upon in making the determination, a copy of the internal standard or a statement that the internal standard was relied upon and that a copy of the internal standard shall be provided to the claimant free of charge upon request; and (vi) if the determination is based on a medical necessity or experimental treatment or similar exclusion or limit, an explanation of the scientific or clinical judgment for the determination or a statement that such explanation shall be provided free of charge upon request.

7.4 Limitations on Actions. No legal action may be commenced prior to the completion of the benefit claims procedure described herein. In addition, no legal action may be commenced after the later of (a) 180 days after receiving the written response of the Committee to an appeal, or (b) 365 days after an applicant's original application for benefits.

**ARTICLE VIII
AMENDMENT AND TERMINATION OF PLAN**

8.1 **Amendment.** The Board may amend the Plan in whole or in part at any time for any reason, including but not limited to, tax, accounting or other changes, which may result in termination of the Plan for future deferrals. The Executive Compensation and Human Resources Committee of the Board may amend the Plan to (a) ensure that this Plan complies with the requirements of Section 409A of the Code for deferral of taxation on compensation deferred hereunder until the time of distribution and (b) add provisions for changes to deferral elections and elections as to time and manner of distributions and other changes that comply with the requirements of Section 409A of the Code for the deferral of taxation on deferred compensation until the time of distribution. The Committee appointed pursuant to Article III, in its discretion, may amend the Plan if the Committee determines that such amendment does not significantly increase or decrease Plan benefits or costs. Notwithstanding the foregoing, except for any amendment required to preserve the deferral of taxation of amounts deferred under this Plan, no amendment shall (a) reduce the amounts that have been credited to the Deferral Account(s) of any Participant prior to the date such amendment is adopted; (b) eliminate the spousal survivor benefit under Section 5.3; or (c) change the definition of the Declared Rate set forth in Article II for the Plan Years beginning on January 1 of 2006, 2007, or 2008 to a rate or to a formula that, as of the last day of the month preceding the date such amendment is adopted, produces a rate that is less than the lesser of: (i) Moodys Plus Three (as defined in Article II and calculated as of the last day of the month preceding the date such amendment is adopted), or (ii) the highest yield on any unsecured debt or preferred stock of the Company that was outstanding on the last day of the month immediately preceding the date such amendment is adopted. Any amendment that would either (a) reduce the Declared Rate for the Plan Years beginning on January 1 of 2006, 2007, or 2008 to a rate or to a formula that, as of the last day of the month preceding the date such amendment is adopted, produces a rate that is less than Moodys Plus Three (as defined in Article II and calculated as of the last day of the month preceding the date such amendment is adopted) or (b) change the terms of the amendment provisions of this Section 8.1 or the terms of the termination provisions of Section 8.2, shall not be effective prior to the date that is two years after the date such amendment is adopted, unless the amendment is required by a change in the tax or other applicable laws or accounting rules, or the amendment is required in order to preclude any amounts deferred under this Plan from being included in the income of Participants prior to a date of distribution as specified under this Plan. Notwithstanding the foregoing, following a Termination Event, no amendment shall (a) reduce the amounts that have been credited to the Deferral Account(s) of any Participant prior to the date such amendment is adopted; (b) change the definition of the Declared Rate set forth in Article II for the Plan Years beginning on January 1 of 2006, 2007, or 2008 to a rate or to a formula that, as of the last day of the month preceding the date of the Termination Event, produces a rate that is less than Moodys Plus Three (as defined in Article II and calculated as of the last day of the month preceding the date of the Termination Event); (c) eliminate the spousal survivor benefits under Section 5.3; or (d) change the terms of the amendment provisions of this Section 8.1 or the terms of the termination provisions of Section 8.2.

8.2 Termination.

(a) Company's Right to Terminate. The Board may terminate the Plan at any time, if in the Board's judgment, the continuance of the Plan would not be in the Company's best interest due to tax, accounting or other effects thereof, or potential payouts thereunder, or other reasons, provided that any termination of the Plan shall not be effective prior to the date that is two years after the date the Board adopts a resolution to terminate the Plan, unless (i) the termination of the Plan is required by a change in the tax or other applicable laws or accounting rules, or (ii) the Participants have become subject to tax on the amounts deferred under the Plan. Notwithstanding the foregoing, following a Termination Event, the Plan may not be terminated prior to the date that is three years after the date the Termination Event occurs, or, if earlier, the date on which amounts deferred under the Plan have become taxable to Participants. In the event the Board adopts a resolution terminating the Plan, the Board or the Committee shall determine the date as of which all deferral elections shall cease to apply so that no further Base Salary, Bonuses or Performance Award Cash Deferrals shall be deferred under the Plan.

(b) Payments Upon Termination. Distributions to the Participants or their Beneficiaries shall be made on the dates on which the Participants or their Beneficiaries would receive benefits hereunder without regard to the termination of the Plan except that payments will be made upon termination if one of the following requirements is satisfied:

(A) the Plan is terminated pursuant to Section 5.5 of the Plan,

(B) the termination of the Plan otherwise satisfies one of the requirements for accelerated payment under Proposed Treasury Regulations Section 1.409A-3(h)(2)(viii) (or a successor regulation) or other guidance issued by the Secretary of the Treasury, or

(C) the Plan is terminated because the Participants have become subject to tax on the amounts deferred under the Plan because of a failure of the Plan to satisfy the requirements of Section 409A of the Code.

ARTICLE IX MISCELLANEOUS

9.1 Unsecured General Creditor. The rights of a Participant, Beneficiary, or their heirs, successors, and assigns, as relates to any Company promises hereunder, shall not be secured by any specific assets of the Company, nor shall any assets of the Company be designated as attributable or allocated to the satisfaction of such promises.

9.2 Trust Fund. The Company shall be responsible for the payment of all benefits provided under the Plan. At its discretion, the Company may establish one or more trusts, with such trustees as the Board or Committee may approve, for the purpose of providing for the payment of such benefits. Such trust or trusts may be irrevocable, but the assets thereof shall be subject to the claims of the Company's creditors. To the extent any benefits provided under the Plan are actually paid from any such trust, the Company shall have no further obligation with respect thereto, but to the extent not so paid, such benefits shall remain the obligation of, and shall be paid by, the Company.

9.3 Nonassignability.

(a) 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 amounts, 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.

(b) Notwithstanding subsection (a), the right to benefits payable with respect to a Participant pursuant to a Qualified Divorce Order may be created, assigned, or recognized. The Committee shall establish appropriate policies and procedures to determine whether a Divorce Order presented to the Committee constitutes a Qualified Divorce Order under this Plan, and to administer distributions pursuant to the terms of Qualified Divorce Orders. In the event that a Qualified Divorce Order exists with respect to benefits payable under the Plan, such benefits otherwise payable to the Participant specified in the Qualified Divorce Order shall be payable to the Alternate Payee specified in such Qualified Divorce Order.

9.4 Release from Liability to Participant. A Participant's right to receive benefits under the Plan shall be reduced to the extent that any portion of a Participant's Deferral Account(s) has been paid or set aside for payment to an Alternate Payee pursuant to a Qualified Divorce Order or to the extent that the Company or the Plan is otherwise subject to a binding judgment, decree, or order for the attachment, garnishment or execution of any portion of the Participant's Deferral Account(s) or of any distributions therefrom. The Participant shall be deemed to have released the Company and the Plan from any claim with respect to such amounts in any case in which (a) the Company, the Plan, or any Plan representative has been served with legal process or otherwise joined in a proceeding relating to such amounts, and (b) the Participant fails to obtain an order of the court in the proceeding relieving the Company and the Plan from the obligation to comply with the judgment, decree or order.

9.5 Employment Not Guaranteed. Nothing contained in this Plan nor any action taken hereunder shall be construed as a contract of employment or as giving any Participant any right to be retained in employment with the Company. Accordingly, subject to the terms of any written employment agreement to the contrary, the Company shall have the right to terminate or change the terms of employment of a Participant at any time and for any reason whatsoever, with or without cause.

9.6 Gender, Singular & Plural. All pronouns and any variations thereof shall be deemed to refer to the masculine or feminine as the identity of the person or persons may require. As the context may require, the singular may be read as the plural and the plural as the singular.

9.7 Captions. The captions of the articles, sections, and paragraphs of the Plan are for convenience only and shall not control or affect the meaning or construction of any of its provisions.

9.8 Validity. In the event any provision of this Plan is held invalid, void, or unenforceable, the same shall not affect, in any respect whatsoever, the validity of any other provision of this Plan.

9.9 Notice. Any notice or filing required or permitted to be given to the Committee under the Plan shall be sufficient if in writing and hand delivered, or sent by registered or certified mail, to the principal office of the Company. Such notice shall be deemed given as to the date of delivery or, if delivery is made by mail, as of the date shown on the postmark on the receipt for registration or certification.

9.10 Applicable Law. The Plan shall be governed by and construed in accordance with Section 409A of the Code, and any regulations promulgated thereunder, and the laws of the State of California to the extent such laws are not preempted by the Employee Retirement Income Security Act of 1974, as amended.

IN WITNESS WHEREOF, Occidental Petroleum Corporation has executed this document this 12th day of October, 2006.

OCCIDENTAL PETROLEUM CORPORATION

By /s/ RICHARD W. HALLOCK
Richard W. Hallock
Executive Vice-President, Human Resources

