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

**FORM 8-K**

**CURRENT REPORT**

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

**Date of Report (Date of earliest event reported) July 26, 2011**

**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**

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

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

## Section 2 – Financial Information

### Item 2.02. Results of Operations and Financial Condition

On July 26, 2011, Occidental Petroleum Corporation released information regarding its results of operations for the three and six months ended June 30, 2011. The exhibits to this Form 8-K and the information set forth in this Item 2.02 are being furnished pursuant to Item 2.02, Results of Operations and Financial Condition. The full text of the press release is attached to this report as Exhibit 99.1. The full text of the speeches given by Jim Lienert and Stephen I. Chazen are attached to this report as Exhibit 99.2. Investor Relations Supplemental Schedules are attached to this report as Exhibit 99.3. Earnings Conference Call Slides are attached to this report as Exhibit 99.4. Forward-Looking Statements Disclosure for Earnings Release Presentation Materials is attached to this report as Exhibit 99.5. The information in this Item 2.02 and Exhibits 99.1 through 99.5, inclusive, shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, except as shall be expressly set forth by specific reference in such filing.

## Section 8 – Other Events

### Item 8.01. Other Events

On July 26, 2011, Occidental Petroleum Corporation announced core income of \$1.8 billion (\$2.23 per diluted share) for the second quarter of 2011, compared with \$1.1 billion (\$1.32 per diluted share) for the second quarter of 2010. Net income was \$1.8 billion (\$2.23 per diluted share) for the second quarter of 2011, compared with \$1.1 billion (\$1.31 per diluted share) for the second quarter of 2010.

#### QUARTERLY RESULTS

##### Oil and Gas

Oil and gas segment earnings were \$2.6 billion for the second quarter of 2011, compared with \$1.9 billion for the same period in 2010. The increase in the second quarter of 2011 earnings was due mainly to higher crude oil prices.

For the second quarter of 2011, daily oil and gas production volumes averaged 715,000 barrels of oil equivalent (BOE), compared with 701,000 BOE in the second quarter of 2010. As a result of higher year-over-year average oil prices and other factors affecting production sharing and similar contracts, production was reduced in the Middle East/North Africa and Colombia by 11,000 BOE per day, with another 1,000 BOE per day reduction at THUMS in Long Beach.

The second quarter 2011 production volume increase was a result of 42,000 BOE per day higher domestic volumes, partially offset by reduced volumes in the Middle East / North Africa. The domestic increase was mainly from the new acquisitions in South Texas and the North Dakota Williston Basin. The Middle East/North Africa was lower primarily due to the lack of production in Libya and price impacts on production sharing contracts, partially offset by production from Iraq coming on line in 2011 and higher volumes from the Mukhaizna field in Oman.

Daily sales volumes remained flat at 705,000 BOE per day in the second quarter of 2011, compared with 705,000 BOE per day in the second quarter of 2010. The 2011 sales volumes were lower than the production volumes due to the timing of liftings in Iraq, Qatar and Oman.

Second quarter realized prices improved for all products on a year-over-year basis. The price for worldwide crude oil was \$103.12 per barrel for the second quarter of 2011, compared with \$74.39 per barrel for the second quarter of 2010. The second quarter of 2011 realized oil price represents 101 percent of the average WTI price for the quarter. Worldwide NGL prices were \$57.67 per barrel in the second quarter of 2011, compared with \$44.08 per barrel in the second quarter of 2010. Domestic gas prices increased from \$4.19 per MCF in the second quarter of 2010 to \$4.27 per MCF for the second quarter of 2011.

#### Chemicals

Chemical segment earnings for the second quarter of 2011 were \$253 million, compared with \$108 million for the same period in 2010. The second quarter of 2011 results reflect continued strong export sales demand and higher margins resulting from improved supply and demand balances across most products.

#### Midstream, Marketing and Other

Midstream segment earnings were \$187 million for the second quarter of 2011, compared with \$13 million for the second quarter of 2010. Higher earnings for the second quarter of 2011 were primarily due to higher margins in the marketing business and improved earnings in our pipeline businesses.

#### SIX-MONTH RESULTS

Year-to-date 2011 core results were over \$3.4 billion (\$4.19 per diluted share), compared with \$2.2 billion (\$2.67 per diluted share) for the same period in 2010. Net income for the first six months of 2011 was \$3.4 billion (\$4.13 per diluted share), compared with \$2.1 billion (\$2.61 per diluted share) for the same period in 2010.

#### Oil and Gas

Oil and gas segment earnings were \$5.1 billion for the six months of 2011, compared with \$3.7 billion for the same period of 2010. The \$1.4 billion increase in the 2011 results reflected higher crude oil and NGL prices and higher sales volumes, partially offset by higher operating costs and DD&A rates.

Daily oil and gas production volumes for the six months were 723,000 BOE per day for 2011, compared with 701,000 BOE per day for the 2010 period. Higher year-over-year average oil prices and other factors affecting our production sharing and similar contracts lowered our Middle East/North Africa, Long Beach and Colombia production by 14,000 BOE per day.

Domestic volumes increased primarily due to new operations in South Texas and the Williston Basin, partially offset by lower gas volumes in California. The Middle East/North Africa's production declined due to impacts of price and other factors on production sharing contracts, lower production in Libya and planned maintenance in Dolphin. Partially offsetting these declines were increases from the new production in Iraq and higher production in the Mukhaizna field in Oman.

Daily sales volumes were 717,000 BOE in the first six months of 2011, compared with 695,000 BOE for 2010.

Oxy's realized prices improved for crude oil and NGLs but declined for natural gas on a year-over-year basis. Worldwide crude oil prices were \$97.38 per barrel for the six months of 2011, compared with \$74.24 per barrel for the six months of 2010. Worldwide NGL prices were \$55.38 per barrel for the six months of 2011, compared with \$45.73 per barrel in the six months of 2010. Domestic gas prices declined from \$4.90 per MCF in the six months of 2010 to \$4.24 per MCF in the six months of 2011.

#### Chemicals

Chemical segment earnings were \$472 million for the six months of 2011, compared with \$138 million for the same period in 2010. The 2011 six-month results reflect strong export sales demand and higher margins resulting from improved supply and demand balances across most products.

#### Midstream, Marketing and Other

Midstream segment earnings were \$301 million for the six months of 2011, compared with \$107 million for the same period in 2010. The 2011 results reflect higher margins in the marketing and trading business and improved results in the pipeline business.

#### Forward-Looking Statements

Portions of this report contain forward-looking statements and involve risks and uncertainties that could materially affect expected results of operations, liquidity, cash flows and business prospects. Factors that could cause results to differ materially include, but are not limited to: global commodity pricing fluctuations; supply and demand considerations for Occidental's products; general domestic political and regulatory approval conditions; international political conditions; not successfully completing, or any material delay of, any development of new fields, expansion projects, capital expenditures, efficiency-improvement projects, acquisitions or dispositions; potential failure to achieve expected production from existing and future oil and gas development projects; exploration risks such as drilling unsuccessful wells; any general economic recession or slowdown domestically or internationally; higher-than-expected costs; potential liability for remedial actions under existing or future environmental regulations and litigation; potential liability resulting from pending or future litigation; potential disruption or interruption of Occidental's production or manufacturing or damage to facilities due to accidents, chemical releases, labor unrest, weather, natural disasters, political events or insurgent activity; failure of risk management; changes in law or regulations; or changes in tax rates. Words such as "estimate", "project", "predict", "will", "would", "should", "could", "may", "might", "anticipate", "plan", "intend", "believe", "expect" or similar expressions that convey the uncertainty of future events or outcomes generally indicate forward-looking statements. You should not place undue reliance on these forward-looking statements, which speak only as of the date of this report. Unless legally required, Occidental does not undertake any obligation to update any forward-looking statements, as a result of new information, future events or otherwise. Material risks that may affect Occidental's results of operations and financial position appear in Part 1, Item 1A "Risk Factors" of the 2010 Form 10-K.

**SUMMARY OF SEGMENT NET SALES AND EARNINGS**

(\$ millions, except per-share amounts)	Second Quarter		Six Months	
	2011	2010	2011	2010
<b>SEGMENT NET SALES</b>				
Oil and Gas	\$ 4,591	\$ 3,518	\$ 8,958	\$ 7,009
Chemical	1,325	1,013	2,490	1,969
Midstream, Marketing and Other	441	236	853	605
Eliminations	(184)	(164)	(402)	(364)
<b>Net Sales</b>	<b>\$ 6,173</b>	<b>\$ 4,603</b>	<b>\$ 11,899</b>	<b>\$ 9,219</b>
<b>SEGMENT EARNINGS</b>				
Oil and Gas (a), (b)	\$ 2,624	\$ 1,867	\$ 5,092	\$ 3,728
Chemical	253	108	472	138
Midstream, Marketing and Other	187	13	301	107
	<b>3,064</b>	<b>1,988</b>	<b>5,865</b>	<b>3,973</b>
<b>Unallocated Corporate Items</b>				
Interest expense, net (c)	(22)	(20)	(236)	(55)
Income taxes (d)	(1,111)	(809)	(2,165)	(1,555)
Other	(112)	(82)	(240)	(189)
<b>Income from Continuing Operations (a)</b>	<b>1,819</b>	<b>1,077</b>	<b>3,224</b>	<b>2,174</b>
Discontinued operations, net (e)	(2)	(14)	142	(47)
<b>NET INCOME (a)</b>	<b>\$ 1,817</b>	<b>\$ 1,063</b>	<b>\$ 3,366</b>	<b>\$ 2,127</b>
<b>BASIC EARNINGS PER COMMON SHARE</b>				
Income from continuing operations	\$ 2.23	\$ 1.32	\$ 3.96	\$ 2.67
Discontinued operations, net	-	(0.01)	0.18	(0.06)
	<b>\$ 2.23</b>	<b>\$ 1.31</b>	<b>\$ 4.14</b>	<b>\$ 2.61</b>
<b>DILUTED EARNINGS PER COMMON SHARE</b>				
Income from continuing operations	\$ 2.23	\$ 1.32	\$ 3.96	\$ 2.67
Discontinued operations, net	-	(0.01)	0.17	(0.06)
	<b>\$ 2.23</b>	<b>\$ 1.31</b>	<b>\$ 4.13</b>	<b>\$ 2.61</b>
<b>AVERAGE COMMON SHARES OUTSTANDING</b>				
BASIC	812.5	812.6	812.5	812.3
DILUTED	<b>813.3</b>	<b>813.8</b>	<b>813.3</b>	<b>813.7</b>

(a) **Earnings and Income** - Represent amounts attributable to Common Stock, after deducting non-controlling interest amounts of \$12 million for the second quarter of 2010 and \$36 million for the six months of 2010.

(b) **Oil and Gas** - The first six months of 2011 include pre-tax charges of \$35 million related to exploration write-offs in Libya and \$29 million related to Colombia net worth tax. Also, included in the first six months of 2011 results is a pre-tax gain for sale of an interest in a Colombia pipeline of \$22 million.

(c) **Unallocated Corporate Items - Interest Expense, net** - The first six months of 2011 include a pre-tax charge of \$163 million related to the premium on debt extinguishment.

(d) **Unallocated Corporate Items - Taxes** - The first six months of 2011 include a net \$21 million charge for out-of-period state income taxes.

(e) **Discontinued Operations, net** - The first six months of 2011 include a \$144 million after-tax gain from the sale of the Argentina operations.

**SUMMARY OF CAPITAL EXPENDITURES AND DD&A EXPENSE**

(\$ millions)	Second Quarter		Six Months	
	2011	2010	2011	2010
<b>CAPITAL EXPENDITURES</b>	<b>\$ 1,633</b>	<b>\$ 792</b>	<b>\$ 2,958</b>	<b>\$ 1,560</b>
<b>DEPRECIATION, DEPLETION AND AMORTIZATION OF ASSETS</b>	<b>\$ 839</b>	<b>\$ 798</b>	<b>\$ 1,729</b>	<b>\$ 1,561</b>

## SUMMARY OF OPERATING STATISTICS - PRODUCTION

	Second Quarter		Six Months	
	2011	2010	2011	2010
<b>NET OIL, GAS AND LIQUIDS PRODUCTION PER DAY</b>				
<b>United States</b>				
Crude Oil (MBBL)				
California	78	75	77	76
Permian	132	135	132	136
Midcontinent and other	16	7	15	7
Total	226	217	224	219
NGL (MBBL)				
California	15	17	15	17
Permian	40	28	38	27
Midcontinent and other	16	7	12	6
Total	71	52	65	50
Natural Gas (MMCF)				
California	252	293	247	294
Permian	143	196	154	197
Midcontinent and other	366	192	347	187
Total	761	681	748	678
<b>Latin America</b>				
Crude Oil (MBBL)				
Colombia	30	32	31	33
Natural Gas (MMCF)				
Bolivia	16	15	16	13
<b>Middle East / North Africa</b>				
Crude Oil (MBBL)				
Bahrain	3	3	3	3
Dolphin	10	11	10	12
Iraq	5	-	7	-
Libya	-	14	8	14
Oman	68	60	67	58
Qatar	68	78	72	76
Yemen	23	31	28	33
Total	177	197	195	196
NGL (MBBL)				
Dolphin	11	12	10	12
Libya	-	1	-	1
Total	11	13	10	13
Natural Gas (MMCF)				
Bahrain	172	161	172	163
Dolphin	203	235	199	232
Oman	49	48	50	50
Total	424	444	421	445
<b>Barrels of Oil Equivalent (MBOE)</b>	<b>715</b>	<b>701</b>	<b>723</b>	<b>701</b>

**SUMMARY OF OPERATING STATISTICS - SALES**

	Second Quarter		Six Months	
	2011	2010	2011	2010
<b>NET OIL, GAS AND LIQUIDS SALES PER DAY</b>				
<b>United States</b>				
Crude Oil (MBBL)	226	217	224	219
NGL (MBBL)	71	52	65	50
Natural Gas (MMCF)	761	681	748	678
<b>Latin America</b>				
Crude Oil (MBBL)				
Colombia	30	27	31	30
Natural Gas (MMCF)				
Bolivia	16	15	16	13
<b>Middle East / North Africa</b>				
Crude Oil (MBBL)				
Bahrain	3	3	3	3
Dolphin	10	11	10	11
Libya	-	22	8	13
Oman	66	58	69	57
Qatar	65	78	71	76
Yemen	23	32	28	33
Total	167	204	189	193
NGL (MBBL)				
Dolphin	11	12	10	12
Libya	-	3	-	1
Total	11	15	10	13
Natural Gas (MMCF)	424	444	421	445
<b>Barrels of Oil Equivalent (MBOE)</b>	<b>705</b>	<b>705</b>	<b>717</b>	<b>695</b>



**SIGNIFICANT TRANSACTIONS AND EVENTS AFFECTING EARNINGS**

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

(\$ millions, except per-share amounts)	2011		2010	
	\$	1,817	\$	1,063
<b>TOTAL REPORTED EARNINGS</b>	<b>\$</b>	<b>1,817</b>	<b>\$</b>	<b>1,063</b>
				<b>Diluted EPS</b>
				<b>\$ 1.31</b>
<b>Oil and Gas</b>				
Segment Earnings	\$	2,624	\$	1,867
Add:				
No significant items affecting earnings		-		-
Segment Core Results		2,624		1,867
<b>Chemicals</b>				
Segment Earnings		253		108
Add:				
No significant items affecting earnings		-		-
Segment Core Results		253		108
<b>Midstream, Marketing and Other</b>				
Segment Earnings		187		13
Add:				
No significant items affecting earnings		-		-
Segment Core Results		187		13
<b>Total Segment Core Results</b>		<b>3,064</b>		<b>1,988</b>
<b>Corporate</b>				
Corporate Results --				
Non Segment *		(1,247)		(925)
Add:				
Discontinued operations, net **		2		14
Corporate Core Results - Non Segment		(1,245)		(911)
<b>TOTAL CORE RESULTS</b>	<b>\$</b>	<b>1,819</b>	<b>\$</b>	<b>1,077</b>
				<b>\$ 1.32</b>

\* Interest expense, income taxes, G&A expense and other.

\*\* Amounts shown after tax.

**SIGNIFICANT TRANSACTIONS AND EVENTS AFFECTING EARNINGS (continued)**

(\$ millions, except per-share amounts)	Six Months			
	2011	Diluted EPS	2010	Diluted EPS
<b>TOTAL REPORTED EARNINGS</b>	<b>\$ 3,366</b>	<b>\$ 4.13</b>	<b>\$ 2,127</b>	<b>\$ 2.61</b>
<b>Oil and Gas</b>				
Segment Earnings	\$ 5,092		\$ 3,728	
Add:				
Libya exploration write-off	35		-	
Gain on sale of Colombia pipeline interest	(22)		-	
Foreign tax	29		-	
Segment Core Results	<u>5,134</u>		<u>3,728</u>	
<b>Chemicals</b>				
Segment Earnings	472		138	
Add:				
No significant items affecting earnings	-		-	
Segment Core Results	<u>472</u>		<u>138</u>	
<b>Midstream, Marketing and Other</b>				
Segment Earnings	301		107	
Add:				
No significant items affecting earnings	-		-	
Segment Core Results	<u>301</u>		<u>107</u>	
<b>Total Segment Core Results</b>	<u>5,907</u>		<u>3,973</u>	
<b>Corporate</b>				
Corporate Results --				
Non Segment *	(2,499)		(1,846)	
Add:				
Premium on debt extinguishments	163		-	
State income tax charge	33		-	
Tax effect of pre-tax adjustments	(50)		-	
Discontinued operations, net **	(142)		47	
Corporate Core Results - Non Segment	<u>(2,495)</u>		<u>(1,799)</u>	
<b>TOTAL CORE RESULTS</b>	<u>\$ 3,412</u>	<u>\$ 4.19</u>	<u>\$ 2,174</u>	<u>\$ 2.67</u>

\* Interest expense, income taxes, G&amp;A expense and other

\*\* Amounts shown after tax.

## Section 9 - Financial Statements and Exhibits

### Item 9.01. Financial Statements and Exhibits

(d) Exhibits

99.1 Press release dated July 26, 2011.

99.2 Full text of speeches given by Jim Lienert and Stephen I. Chazen.

99.3 Investor Relations Supplemental Schedules.

99.4 Earnings Conference Call Slides.

99.5 Forward-Looking Statements Disclosure for Earnings Release Presentation Materials.

SIGNATURE

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

OCCIDENTAL PETROLEUM CORPORATION  
(Registrant)

DATE: July 26, 2011

/s/ ROY PINECI

Roy Pineci, Vice President, Controller  
and Principal Accounting Officer

## **EXHIBIT INDEX**

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For Immediate Release: July 26, 2011

Occidental Petroleum Announces Second Quarter and Six Months of 2011 Income

- Q2 2011 core and net income of \$1.8 billion (\$2.23 per diluted share)
- Q2 2011 daily oil and gas production averaged 715,000 BOE
- Q2 2011 daily domestic oil and gas production averaged 424,000 BOE

LOS ANGELES, July 26, 2011 -- [Occidental Petroleum Corporation](#) (NYSE:OXY) announced core income of \$1.8 billion (\$2.23 per diluted share) for the second quarter of 2011, compared with \$1.1 billion (\$1.32 per diluted share) for the second quarter of 2010. Net income was \$1.8 billion (\$2.23 per diluted share) for the second quarter of 2011, compared with \$1.1 billion (\$1.31 per diluted share) for the second quarter of 2010.

In announcing the results, Stephen I. Chazen, President and Chief Executive Officer, said, "The second quarter 2011 net income of \$1.8 billion was an increase of 17 percent over the first quarter results. Improved earnings in all of our business segments resulted in a six month, year-to-date cash flow from operations of \$5.6 billion and an annualized return on equity of 20 percent. Our second quarter domestic oil and gas production grew 11 percent from the second quarter of the prior year to 424,000 BOE per day."

**QUARTERLY RESULTS**

**Oil and Gas**

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For the second quarter of 2011, daily oil and gas production volumes averaged 715,000 barrels of oil equivalent (BOE), compared with 701,000 BOE in the second quarter of 2010. As a result of higher year-over-year average oil prices and other factors affecting production sharing and similar contracts, production was reduced in the Middle East/North Africa and Colombia by 11,000 BOE per day, with another 1,000 BOE per day reduction at THUMS in Long Beach.

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### **SIX-MONTH RESULTS**

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### **Oil and Gas**

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### **Chemicals**

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Midstream segment earnings were \$301 million for the six months of 2011, compared with \$107 million for the same period in 2010. The 2011 results reflect higher margins in the marketing and trading business and improved results in the pipeline business.

### **About Oxy**

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

### **Forward-Looking Statements**

Portions of this press release contain forward-looking statements and involve risks and uncertainties that could materially affect expected results of operations, liquidity, cash flows and business prospects. Factors that could cause results to differ



materially include, but are not limited to: global commodity pricing fluctuations; supply and demand considerations for Occidental's products; general domestic political and regulatory approval conditions; international political conditions; not successfully completing, or any material delay of, any development of new fields, expansion projects, capital expenditures, efficiency-improvement projects, acquisitions or dispositions; potential failure to achieve expected production from existing and future oil and gas development projects; exploration risks such as drilling unsuccessful wells; any general economic recession or slowdown domestically or internationally; higher-than-expected costs; potential liability for remedial actions under existing or future environmental regulations and litigation; potential liability resulting from pending or future litigation; potential disruption or interruption of Occidental's production or manufacturing or damage to facilities due to accidents, chemical releases, labor unrest, weather, natural disasters, political events or insurgent activity; failure of risk management; changes in law or regulations; or changes in tax rates. Words such as "estimate", "project", "predict", "will", "would", "should", "could", "may", "might", "anticipate", "plan", "intend", "believe", "expect" or similar expressions that convey the uncertainty of future events or outcomes generally indicate forward-looking statements. You should not place undue reliance on these forward-looking statements, which speak only as of the date of this report. Unless legally required, Occidental does not undertake any obligation to update any forward-looking statements, as a result of new information, future events or otherwise. Material risks that may affect Occidental's results of operations and financial position appear in Part 1, Item 1A "Risk Factors" of the 2010 Form 10-K.

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For further analysis of Occidental's quarterly performance,  
please visit the web site: [www.oxy.com](http://www.oxy.com)

## SUMMARY OF SEGMENT NET SALES AND EARNINGS

(\$ millions, except per-share amounts)	Second Quarter		Six Months	
	2011	2010	2011	2010
<b>SEGMENT NET SALES</b>				
Oil and Gas	\$ 4,591	\$ 3,518	\$ 8,958	\$ 7,009
Chemical	1,325	1,013	2,490	1,969
Midstream, Marketing and Other	441	236	853	605
Eliminations	(184)	(164)	(402)	(364)
<b>Net Sales</b>	<b>\$ 6,173</b>	<b>\$ 4,603</b>	<b>\$ 11,899</b>	<b>\$ 9,219</b>
<b>SEGMENT EARNINGS</b>				
Oil and Gas (a), (b)	\$ 2,624	\$ 1,867	\$ 5,092	\$ 3,728
Chemical	253	108	472	138
Midstream, Marketing and Other	187	13	301	107
	<b>3,064</b>	<b>1,988</b>	<b>5,865</b>	<b>3,973</b>
<b>Unallocated Corporate Items</b>				
Interest expense, net (c)	(22)	(20)	(236)	(55)
Income taxes (d)	(1,111)	(809)	(2,165)	(1,555)
Other	(112)	(82)	(240)	(189)
<b>Income from Continuing Operations (a)</b>	<b>1,819</b>	<b>1,077</b>	<b>3,224</b>	<b>2,174</b>
Discontinued operations, net (e)	(2)	(14)	142	(47)
<b>NET INCOME (a)</b>	<b>\$ 1,817</b>	<b>\$ 1,063</b>	<b>\$ 3,366</b>	<b>\$ 2,127</b>
<b>BASIC EARNINGS PER COMMON SHARE</b>				
Income from continuing operations	\$ 2.23	\$ 1.32	\$ 3.96	\$ 2.67
Discontinued operations, net	-	(0.01)	0.18	(0.06)
	<b>\$ 2.23</b>	<b>\$ 1.31</b>	<b>\$ 4.14</b>	<b>\$ 2.61</b>
<b>DILUTED EARNINGS PER COMMON SHARE</b>				
Income from continuing operations	\$ 2.23	\$ 1.32	\$ 3.96	\$ 2.67
Discontinued operations, net	-	(0.01)	0.17	(0.06)
	<b>\$ 2.23</b>	<b>\$ 1.31</b>	<b>\$ 4.13</b>	<b>\$ 2.61</b>
<b>AVERAGE COMMON SHARES OUTSTANDING</b>				
BASIC	812.5	812.6	812.5	812.3
DILUTED	<b>813.3</b>	<b>813.8</b>	<b>813.3</b>	<b>813.7</b>

(a) **Earnings and Income** - Represent amounts attributable to Common Stock, after deducting non-controlling interest amounts of \$12 million for the second quarter of 2010 and \$36 million for the six months of 2010.

(b) **Oil and Gas** - The first six months of 2011 include pre-tax charges of \$35 million related to exploration write-offs in Libya and \$29 million related to Colombia net worth tax. Also, included in the first six months of 2011 results is a pre-tax gain for sale of an interest in a Colombia pipeline of \$22 million.

(c) **Unallocated Corporate Items - Interest Expense, net** - The first six months of 2011 include a pre-tax charge of \$163 million related to the premium on debt extinguishment.

(d) **Unallocated Corporate Items - Taxes** - The first six months of 2011 include a net \$21 million charge for out-of-period state income taxes.

(e) **Discontinued Operations, net** - The first six months of 2011 include a \$144 million after-tax gain from the sale of the Argentina operations.

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**SUMMARY OF CAPITAL EXPENDITURES AND DD&A EXPENSE**

(\$ millions)	Second Quarter		Six Months	
	2011	2010	2011	2010
<b>CAPITAL EXPENDITURES</b>	<b>\$ 1,633</b>	<b>\$ 792</b>	<b>\$ 2,958</b>	<b>\$ 1,560</b>
<b>DEPRECIATION, DEPLETION AND AMORTIZATION OF ASSETS</b>	<b>\$ 839</b>	<b>\$ 798</b>	<b>\$ 1,729</b>	<b>\$ 1,561</b>

**SUMMARY OF OPERATING STATISTICS - PRODUCTION**

	Second Quarter		Six Months	
	2011	2010	2011	2010
<b>NET OIL, GAS AND LIQUIDS PRODUCTION PER DAY</b>				
<b>United States</b>				
Crude Oil (MBBL)				
California	78	75	77	76
Permian	132	135	132	136
Midcontinent and other	16	7	15	7
Total	226	217	224	219
NGL (MBBL)				
California	15	17	15	17
Permian	40	28	38	27
Midcontinent and other	16	7	12	6
Total	71	52	65	50
Natural Gas (MMCF)				
California	252	293	247	294
Permian	143	196	154	197
Midcontinent and other	366	192	347	187
Total	761	681	748	678
<b>Latin America</b>				
Crude Oil (MBBL)				
Colombia	30	32	31	33
Natural Gas (MMCF)				
Bolivia	16	15	16	13
<b>Middle East / North Africa</b>				
Crude Oil (MBBL)				
Bahrain	3	3	3	3
Dolphin	10	11	10	12
Iraq	5	-	7	-
Libya	-	14	8	14
Oman	68	60	67	58
Qatar	68	78	72	76
Yemen	23	31	28	33
Total	177	197	195	196
NGL (MBBL)				
Dolphin	11	12	10	12
Libya	-	1	-	1
Total	11	13	10	13
Natural Gas (MMCF)				
Bahrain	172	161	172	163
Dolphin	203	235	199	232
Oman	49	48	50	50
Total	424	444	421	445
<b>Barrels of Oil Equivalent (MBOE)</b>	<b>715</b>	<b>701</b>	<b>723</b>	<b>701</b>

## SUMMARY OF OPERATING STATISTICS - SALES

	Second Quarter		Six Months	
	2011	2010	2011	2010
<b>NET OIL, GAS AND LIQUIDS SALES PER DAY</b>				
<b>United States</b>				
Crude Oil (MBBL)	226	217	224	219
NGL (MBBL)	71	52	65	50
Natural Gas (MMCF)	761	681	748	678
<b>Latin America</b>				
Crude Oil (MBBL)				
Colombia	30	27	31	30
Natural Gas (MMCF)				
Bolivia	16	15	16	13
<b>Middle East / North Africa</b>				
Crude Oil (MBBL)				
Bahrain	3	3	3	3
Dolphin	10	11	10	11
Libya	-	22	8	13
Oman	66	58	69	57
Qatar	65	78	71	76
Yemen	23	32	28	33
Total	167	204	189	193
NGL (MBBL)				
Dolphin	11	12	10	12
Libya	-	3	-	1
Total	11	15	10	13
Natural Gas (MMCF)	424	444	421	445
<b>Barrels of Oil Equivalent (MBOE)</b>	<b>705</b>	<b>705</b>	<b>717</b>	<b>695</b>

**SIGNIFICANT TRANSACTIONS AND EVENTS AFFECTING EARNINGS**

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

(\$ millions, except per-share amounts)	2011		2010	
	\$	1,817	\$	1,063
<b>TOTAL REPORTED EARNINGS</b>	<b>\$</b>	<b>1,817</b>	<b>\$</b>	<b>1,063</b>
				<b>Diluted EPS</b>
				<b>\$ 1.31</b>
<b>Oil and Gas</b>				
Segment Earnings	\$	2,624	\$	1,867
Add:				
No significant items affecting earnings		-		-
Segment Core Results		2,624		1,867
<b>Chemicals</b>				
Segment Earnings		253		108
Add:				
No significant items affecting earnings		-		-
Segment Core Results		253		108
<b>Midstream, Marketing and Other</b>				
Segment Earnings		187		13
Add:				
No significant items affecting earnings		-		-
Segment Core Results		187		13
<b>Total Segment Core Results</b>		<b>3,064</b>		<b>1,988</b>
<b>Corporate</b>				
Corporate Results --				
Non Segment *		(1,247)		(925)
Add:				
Discontinued operations, net **		2		14
Corporate Core Results - Non Segment		(1,245)		(911)
<b>TOTAL CORE RESULTS</b>	<b>\$</b>	<b>1,819</b>	<b>\$</b>	<b>1,077</b>
				<b>\$ 1.32</b>

\* Interest expense, income taxes, G&A expense and other.

\*\* Amounts shown after tax.

**SIGNIFICANT TRANSACTIONS AND EVENTS AFFECTING EARNINGS (continued)**

(\$ millions, except per-share amounts)	Six Months			
	2011	Diluted EPS	2010	Diluted EPS
<b>TOTAL REPORTED EARNINGS</b>	<b>\$ 3,366</b>	<b>\$ 4.13</b>	<b>\$ 2,127</b>	<b>\$ 2.61</b>
<b>Oil and Gas</b>				
Segment Earnings	\$ 5,092		\$ 3,728	
Add:				
Libya exploration write-off	35		-	
Gain on sale of Colombia pipeline interest	(22)		-	
Foreign tax	29		-	
Segment Core Results	<u>5,134</u>		<u>3,728</u>	
<b>Chemicals</b>				
Segment Earnings	472		138	
Add:				
No significant items affecting earnings	-		-	
Segment Core Results	<u>472</u>		<u>138</u>	
<b>Midstream, Marketing and Other</b>				
Segment Earnings	301		107	
Add:				
No significant items affecting earnings	-		-	
Segment Core Results	<u>301</u>		<u>107</u>	
<b>Total Segment Core Results</b>	<u>5,907</u>		<u>3,973</u>	
<b>Corporate</b>				
Corporate Results --				
Non Segment *	(2,499)		(1,846)	
Add:				
Premium on debt extinguishments	163		-	
State income tax charge	33		-	
Tax effect of pre-tax adjustments	(50)		-	
Discontinued operations, net **	(142)		47	
Corporate Core Results - Non Segment	<u>(2,495)</u>		<u>(1,799)</u>	
<b>TOTAL CORE RESULTS</b>	<u>\$ 3,412</u>	<u>\$ 4.19</u>	<u>\$ 2,174</u>	<u>\$ 2.67</u>

\* Interest expense, income taxes, G&amp;A expense and other

\*\* Amounts shown after tax.

# Occidental Petroleum Corporation

**JIM LIENERT**

**Executive Vice President and Chief Financial Officer**

**– Conference Call –**

**Second Quarter 2011 Earnings Announcement**

*July 26, 2011*

Los Angeles, California

Thank you Chris.

I will now discuss the second quarter results for the Company and Steve Chazen will follow with guidance for the second half of the year.

Core income was \$1.8 billion or \$2.23 per diluted share in the second quarter this year, compared to \$1.1 billion or \$1.32 per diluted share in the second quarter of last year. Net income was \$1.8 billion or \$2.23 per diluted share in the second quarter this year, compared to \$1.1 billion or \$1.31 per diluted share in the second quarter of last year.

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

Oil and gas segment earnings for the second quarter of 2011 were \$2.6 billion, compared with \$1.9 billion in the same period of 2010. The improvement in 2011 was driven mainly by higher commodity prices. The second quarter 2011 realized prices increased on a year-over-year basis by 39 percent for crude oil, 31 percent for NGLs and 2 percent for domestic natural gas prices. Sales volumes for the second quarters of 2011 and 2010



were flat at 705,000 BOE per day. Production volumes were 715,000 BOE per day in the second quarter of 2011, compared to 701,000 in the second quarter of 2010.

The production guidance assumptions we gave you in last quarter's conference call were at a \$95 WTI average price assumption. The actual average second quarter oil price of \$102.56 reduced our production volumes by about 5,000 BOE per day.

- Domestic production volumes were 424,000 BOE per day, compared to our guidance of 425,000 BOE per day. The higher crude oil prices reduced Long Beach volumes by about 1,000 BOE per day.
- Latin America volumes were 33,000 BOE per day.
- In the Middle East region:
  - We recorded no production in Libya, consistent with our guidance.
  - In Iraq, we produced 5,000 BOE per day. The decline from first quarter volumes was due to the timing of development spending.
  - Yemen daily production was 23,000 BOE, compared to 33,000 BOE in the first quarter. Civil unrest and operational issues reduced our daily production by 3,000 BOE and higher prices and lower development spending rates reduced daily volumes by 7,000 BOE.
  - The remainder of the Middle East had production of 230,000 BOE per day, compared with 235,000 BOE per day in the first quarter. Qatar's production was lower by 7,000 BOE

per day mainly due to planned maintenance and mechanical issues.

- Our second quarter sales volume guidance, which assumed a \$95 WTI oil price, was 725,000 BOE per day, which translates to about 720,000 BOE per day at the higher actual prices for the quarter. Our actual volumes were 705,000 BOE per day. The lower volumes resulted mainly from the lower production in Yemen and Qatar and the timing of liftings in Oman and Qatar.
- Second quarter 2011 realized prices improved for all our products over the first quarter of the year. Our worldwide crude oil price was \$103.12 per barrel, an increase of 12 percent, worldwide NGLs were \$57.67 per barrel, an improvement of 10 percent, and domestic natural gas prices were \$4.27 per MCF, an increase of 1 percent. The second quarter of 2011 realized oil price represents 101 percent of the average WTI price for the quarter.
- Oil and gas cash production costs were \$11.88 a barrel for the first six months of 2011, compared with last year's twelve-month costs of \$10.19 a barrel. The cost increase reflects more workover and maintenance activity and higher support costs.
- Taxes – other than on income, which are directly related to product prices, were \$2.36 per barrel for the first half of 2011, compared to \$1.83 per barrel for all of 2010.
- Total exploration expense was \$62 million in the quarter.

Chemical segment earnings for the second quarter of 2011 were \$253 million, compared to \$219 million in the first quarter of 2011. The second

quarter results, one of the highest ever reported for the Chemical segment, reflect higher margins and volumes across most product lines.

Midstream segment earnings for the second quarter of 2011 were \$187 million, compared to \$114 million in the first quarter of 2011 and \$13 million in the second quarter of 2010. The increase from first quarter earnings was mainly due to higher marketing income and improved margins in the gas processing business.

The worldwide effective tax rate was 38 percent for the second quarter of 2011. Our higher proportionate domestic income brought us closer to the U.S. statutory rates. Our second quarter U.S. and foreign tax rates are included in the “Investor Relations Supplemental Schedule.”

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

Core income was over \$3.4 billion or \$4.19 per diluted share, compared with \$2.2 billion or \$2.67 per diluted share in 2010. Net income was \$3.4 billion or \$4.13 per diluted share for the first six months of 2011, compared with \$2.1 billion or \$2.61 per diluted share in 2010.

**Cash flow from operations** for the first six months of 2011 was \$5.6 billion. We used \$3.0 billion of the company’s total cash flow to fund capital expenditures and \$1.2 billion on net acquisitions and divestitures. We used \$685 million to pay dividends and \$1.0 billion to retire debt. These and other net cash flows resulted in a \$2.0 billion cash balance at June 30. Free cash flow from continuing operations after capital spending and dividends but before acquisition and debt activity was about \$1.8 billion.

**Capital spending** was \$3.0 billion for the first six months of which \$1.6 billion was spent in the second quarter. Year to-date capital

expenditures by segment were 85 percent in oil and gas, 13 percent in midstream and the remainder in chemicals.

Our net **acquisition expenditures** in the first six months were \$1.2 billion, which are net of proceeds from the sale of our Argentina operations. The acquisitions included the South Texas purchase, a payment in connection with the signing of the Shah Field Development Project and properties in California and the Permian.

The weighted-average basic shares outstanding for the first six months of 2011 were 812.5 million and the weighted-average diluted shares outstanding were 813.3 million.

Our debt to capitalization ratio declined to 11 percent, compared with 14 percent at the end of last year. Oxy's annualized return on equity for the first half of 2011 was 20 percent.

Copies of the press release announcing our second quarter earnings and the Investor Relations Supplemental Schedules are available on our website at [www.oxy.com](http://www.oxy.com) or through the SEC's EDGAR system.

I will now turn the call over to Steve Chazen to discuss the guidance for the third quarter.

# Occidental Petroleum Corporation

STEPHEN CHAZEN

President and Chief Executive Officer

– Conference Call –

Second Quarter 2011 Earnings Guidance

*July 26, 2011*

Los Angeles, California

Thank you Jim.

As we look ahead to the **back half of the year**:

- At average oil prices of about \$95 WTI, we expect the back half of the year oil and gas production to be as follows:
  - Domestic volumes are expected to increase by about 3,000 – 4,000 BOE per day each month compared to the previous month. This should result in average third quarter production of about 430,000 to 432,000 BOE per day.
  - Latin America volumes should remain comparable to the second quarter.
  - The Middle East region production is expected as follows:
    - Consistent with the second quarter, we expect no production for Libya.

- In Iraq, we still are unable to reliably predict spending levels, which have a related impact in cost recovery barrels.
  - In Oman, production is expected to grow from our current gross production of 210,000 BOE per day to a year-end exit rate of 230,000 BOE per day, which should result in about a net 2,000 BOED per quarter growth.
  - In Qatar, we expect to gradually regain the production rate lost due to planned maintenance and mechanical issues resulting in about 3,000 BOE per day growth rate each quarter in the second half of the year, compared to the second quarter average.
  - In Dolphin and Bahrain, production is expected to be similar to the second quarter levels.
  - In Yemen, forecasting of production volumes remains difficult although currently Oxy operated production has been partially restored. We expect the range to be between 23,000 and 27,000 BOED.
- We expect a lifting in Iraq in the third quarter of about 600,000 barrels of oil. Including this lifting, we expect sales volumes to be about 725,000 BOE per day at \$95 WTI.
  - A \$5.00 increase in WTI would reduce our production sharing contracts daily volumes by about 3,500 BOE per day.
  - Our total year capital expenditures remains at \$6.8 billion, same as the guidance we gave last quarter.

With regard to **prices** -

- At current market prices, a \$1.00 per barrel change in oil prices impacts quarterly earnings before income taxes by about \$37 million. The average second quarter WTI oil price was \$102.56 per barrel.
- A \$1.00 per barrel change in NGL prices impacts quarterly earnings before income taxes by \$7 million.
- A swing of 50 cents per million BTUs in domestic gas prices has a \$34 million impact on quarterly earnings before income taxes. The current NYMEX gas price is around \$4.40 per MCF.

Additionally -

- We expect exploration expense to be about \$80 million for seismic and drilling for our exploration programs in the third quarter.
- The chemical segment third quarter earnings are expected to moderate to about \$225 million, mostly due to seasonal factors. The third quarter Chemical segment results are expected to reflect continued strong export demand and overall good supply and demand balances across most products offset by some seasonal factors and turnarounds. Historically, the fourth quarter is typically the weakest quarter and generally earnings are about half of the third quarter.
- We expect our combined worldwide tax rate in the third quarter of 2011 to remain at about 38 percent.
- **Activity**
  - In California, we expect our current drilling program should result in more predictable production growth going forward. The status of permitting is generally unchanged from the

prior quarter. We have obtained enough permits to allow us to prosecute the program at the present pace until year end. However, there remains some uncertainty around future permits, particularly related to injection wells.

- Our overall rig count in the United States has gone from 38 at the end of 2010 to our current rate of 59 and is expected to grow to 74 at the end of the year. This represents a 25 percent growth in total rig count from current levels. The growth will be in Permian, the Williston Basin and South Texas. This program leads to continued production growth next year.

Now we're ready to take your questions.



**Occidental Petroleum Corporation**  
**Free Cash Flow**  
**Reconciliation to Generally Accepted Accounting Principles (GAAP)**  
**(\$ Millions)**

Six Months  
2011

Consolidated Statement of Cash Flows	
Cash flow from operating activities	5,564
Cash flow from investing activities	(4,291)
Cash flow from financing activities	(1,857)
Change in cash	<u>(584)</u>

**Free Cash Flow**

Cash flow from operating activities	5,564
Capital spending	(2,958)
Cash dividends paid	(685)
Distribution to noncontrolling interest	(121)
Free cash flow from continuing operations	<u>1,800</u>



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

	<u>2Q 2011</u>	<u>2Q 2010</u>
Core Results	\$1,819	\$1,077
EPS - Diluted	\$2.23	\$1.32
Reported Net Income	\$1,817	\$1,063
EPS - Diluted	\$2.23	\$1.31
Total Worldwide Sales Volumes (mboe/day)	705	705
Total Worldwide Production Volumes (mboe/day)	715	701
Total Worldwide Crude Oil Realizations (\$/BBL)	\$103.12	\$74.39
Total Worldwide NGL Realizations (\$/BBL)	\$57.67	\$44.08
Domestic Natural Gas Realizations (\$/MCF)	\$4.27	\$4.19
Wtd. Average Basic Shares O/S (mm)	812.5	812.6
Wtd. Average Diluted Shares O/S (mm)	813.3	813.8
	<u>YTD 2011</u>	<u>YTD 2010</u>
Core Results	\$3,412	\$2,174
EPS - Diluted	\$4.19	\$2.67
Reported Net Income	\$3,366	\$2,127
EPS - Diluted	\$4.13	\$2.61
Total Worldwide Sales Volumes (mboe/day)	717	695
Total Worldwide Production Volumes (mboe/day)	723	701
Total Worldwide Crude Oil Realizations (\$/BBL)	\$97.38	\$74.24
Total Worldwide NGL Realizations (\$/BBL)	\$55.38	\$45.73
Domestic Natural Gas Realizations (\$/MCF)	\$4.24	\$4.90
Wtd. Average Basic Shares O/S (mm)	812.5	812.3
Wtd. Average Diluted Shares O/S (mm)	813.3	813.7
Shares Outstanding (mm)	812.8	812.2
Cash Flow from Operations	\$ 5,600	\$ 4,300



**OCCIDENTAL PETROLEUM**  
**2011 Second Quarter**  
**Net Income (Loss)**  
**(\$ millions)**

	<b>Reported Income</b>	<b>Significant Items Affecting Income</b>	<b>Core Results</b>
Oil & Gas	\$ 2,624		\$ 2,624
Chemical	253		253
Midstream, marketing and other	187		187
Corporate			
Interest expense, net	(22)		(22)
Other	(112)		(112)
Taxes	(1,111)		(1,111)
<b>Income from continuing operations</b>	<b>1,819</b>	<b>-</b>	<b>1,819</b>
Discontinued operations, net of tax	(2)	2	-
<b>Net Income</b>	<b>\$ 1,817</b>	<b>\$ 2</b>	<b>\$ 1,819</b>
<b>Basic Earnings Per Common Share</b>			
Income from continuing operations	\$ 2.23		
Discontinued operations, net	-		
<b>Net Income</b>	<b>\$ 2.23</b>		<b>\$ 2.23</b>
<b>Diluted Earnings Per Common Share</b>			
Income from continuing operations	\$ 2.23		
Discontinued operations, net	-		
<b>Net Income</b>	<b>\$ 2.23</b>		<b>\$ 2.23</b>



**OCCIDENTAL PETROLEUM**  
**2010 Second Quarter**  
**Net Income (Loss)**  
**(\$ millions)**

	<u>Reported Income</u>	<u>Significant Items Affecting Income</u>	<u>Core Results</u>
Oil & Gas	\$ 1,867		\$ 1,867
Chemical	108		108
Midstream, marketing and other	13		13
Corporate			
Interest expense, net	(20)		(20)
Other	(82)		(82)
Taxes	(809)		(809)
<b>Income from continuing operations</b>	<u>1,077</u>	<u>-</u>	<u>1,077</u>
Discontinued operations, net of tax	(14)	14	-
<b>Net Income</b>	<u>\$ 1,063</u>	<u>\$ 14</u>	<u>\$ 1,077</u>
<b>Basic Earnings Per Common Share</b>			
Income from continuing operations	\$ 1.32		
Discontinued operations, net	(0.01)		
<b>Net Income</b>	<u>\$ 1.31</u>		<u>\$ 1.32</u>
<b>Diluted Earnings Per Common Share</b>			
Income from continuing operations	\$ 1.32		
Discontinued operations, net	(0.01)		
<b>Net Income</b>	<u>\$ 1.31</u>		<u>\$ 1.32</u>



**OCCIDENTAL PETROLEUM**  
**2011 Six Months**  
**Net Income (Loss)**  
**(\$ millions)**

	<b>Reported Income</b>	<b>Significant Items Affecting Income</b>	<b>Core Results</b>
Oil & Gas	\$ 5,092	\$ 35 (22) 29	\$ 5,134
		Libya exploration write-off Gain on sale of Colombia pipeline interest Foreign tax	
Chemical	472		472
Midstream, marketing and other	301		301
Corporate			
Interest expense, net	(236)	163	(73)
Other	(240)		(240)
Taxes	(2,165)	(50) 33	(2,182)
		Tax effect of adjustments State income tax charge	
<b>Income from continuing operations</b>	<b>3,224</b>	<b>188</b>	<b>3,412</b>
Discontinued operations, net of tax	142	(142)	-
<b>Net Income</b>	<b>\$ 3,366</b>	<b>\$ 46</b>	<b>\$ 3,412</b>
		Discontinued operations, net	
<b>Basic Earnings Per Common Share</b>			
Income from continuing operations	\$ 3.96		
Discontinued operations, net	0.18		
<b>Net Income</b>	<b>\$ 4.14</b>		<b>\$ 4.19</b>
<b>Diluted Earnings Per Common Share</b>			
Income from continuing operations	\$ 3.96		
Discontinued operations, net	0.17		
<b>Net Income</b>	<b>\$ 4.13</b>		<b>\$ 4.19</b>



**OCCIDENTAL PETROLEUM**  
**2010 Six Months**  
**Net Income (Loss)**  
**(\$ millions)**

	<u>Reported Income</u>	<u>Significant Items Affecting Income</u>	<u>Core Results</u>
Oil & Gas	\$ 3,728		\$ 3,728
Chemical	138		138
Midstream, marketing and other	107		107
Corporate			
Interest expense, net	(55)		(55)
Other	(189)		(189)
Taxes	(1,555)		(1,555)
<b>Income from continuing operations</b>	<u>2,174</u>	<u>-</u>	<u>2,174</u>
Discontinued operations, net of tax	(47)	47	-
<b>Net Income</b>	<u>\$ 2,127</u>	<u>\$ 47</u>	<u>\$ 2,174</u>
<b>Basic Earnings Per Common Share</b>			
Income from continuing operations	\$ 2.67		
Discontinued operations, net	(0.06)		
<b>Net Income</b>	<u>\$ 2.61</u>		<u>\$ 2.67</u>
<b>Diluted Earnings Per Common Share</b>			
Income from continuing operations	\$ 2.67		
Discontinued operations, net	(0.06)		
<b>Net Income</b>	<u>\$ 2.61</u>		<u>\$ 2.67</u>



**OCCIDENTAL PETROLEUM**  
Worldwide Effective Tax Rate

	QUARTERLY			YEAR-TO-DATE	
	2011 QTR 2	2011 QTR 1	2010 QTR 2	2011 6 Months	2010 6 Months
<b>REPORTED INCOME</b>					
Oil & Gas	2,624	2,468	1,867	5,092	3,728
Chemicals	253	219	108	472	138
Midstream, marketing and other	187	114	13	301	107
Corporate & other	(134)	(342)	(102)	(476)	(244)
Pre-tax income	2,930	2,459	1,886	5,389	3,729
Income tax expense					
Federal and state	557	369	329	927	636
Foreign	554	685	480	1,238	919
Total	1,111	1,054	809	2,165	1,555
Income from continuing operations	1,819	1,405	1,077	3,224	2,174
<b>Worldwide effective tax rate</b>	<b>38%</b>	<b>43%</b>	<b>43%</b>	<b>40%</b>	<b>42%</b>
<b>CORE RESULTS</b>					
Oil & Gas	2,624	2,510	1,867	5,134	3,728
Chemicals	253	219	108	472	138
Midstream, marketing and other	187	114	13	301	107
Corporate & other	(134)	(179)	(102)	(313)	(244)
Pre-tax income	2,930	2,664	1,886	5,594	3,729
Income tax expense					
Federal and state	557	399	329	957	636
Foreign	554	672	480	1,225	919
Total	1,111	1,071	809	2,182	1,555
Core results	1,819	1,593	1,077	3,412	2,174
<b>Worldwide effective tax rate</b>	<b>38%</b>	<b>40%</b>	<b>43%</b>	<b>39%</b>	<b>42%</b>



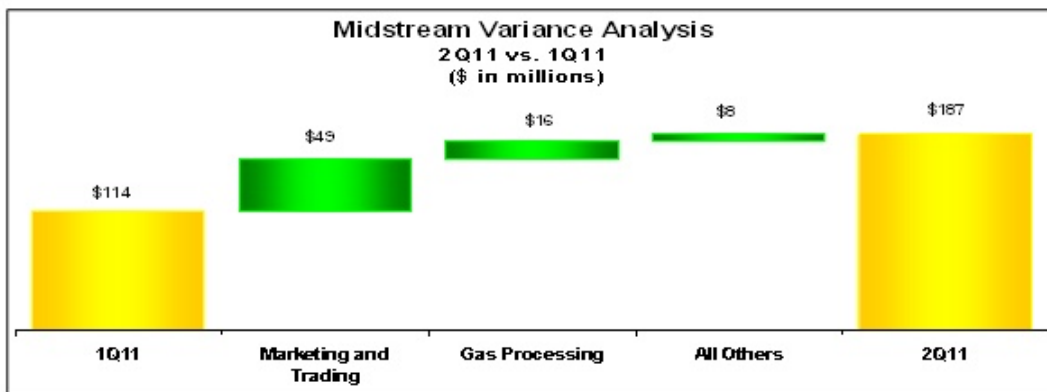
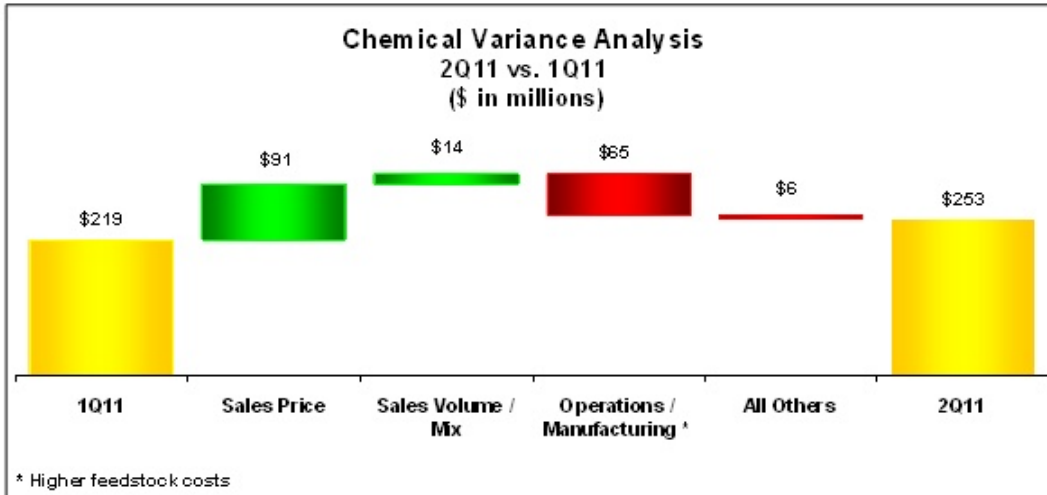
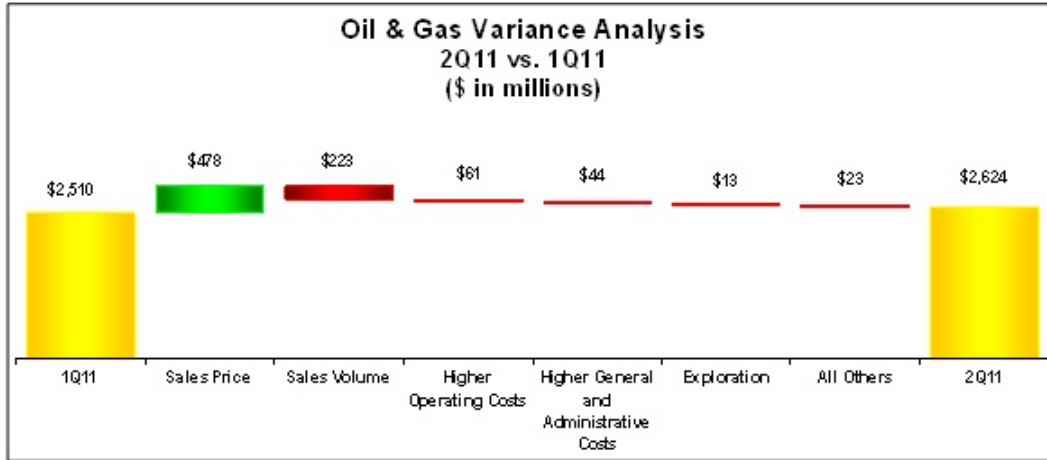
**OCCIDENTAL PETROLEUM**  
**2011 Second Quarter Net Income (Loss)**  
**Reported Income Comparison**

	Second Quarter 2011	First Quarter 2011	B / (W)
Oil & Gas	\$ 2,624	\$ 2,468	\$ 156
Chemical	253	219	34
Midstream, marketing and other	187	114	73
Corporate			
Interest expense, net	(22)	(214)	192
Other	(112)	(128)	16
Taxes	(1,111)	(1,054)	(57)
Income from continuing operations	1,819	1,405	414
Discontinued operations, net	(2)	144	(146)
Net Income	<u>\$ 1,817</u>	<u>\$ 1,549</u>	<u>\$ 268</u>
<b>Earnings Per Common Share</b>			
Basic	\$ 2.23	\$ 1.90	\$ 0.33
Diluted	\$ 2.23	\$ 1.90	\$ 0.33
<b>Worldwide Effective Tax Rate</b>	<u>38%</u>	<u>43%</u>	<u>5%</u>

**OCCIDENTAL PETROLEUM**  
**2011 Second Quarter Net Income (Loss)**  
**Core Results Comparison**

	Second Quarter 2011	First Quarter 2011	B / (W)
Oil & Gas	\$ 2,624	\$ 2,510	\$ 114
Chemical	253	219	34
Midstream, marketing and other	187	114	73
Corporate			
Interest expense, net	(22)	(51)	29
Other	(112)	(128)	16
Taxes	(1,111)	(1,071)	(40)
Core Results	<u>\$ 1,819</u>	<u>\$ 1,593</u>	<u>\$ 226</u>
<b>Core Results Per Common Share</b>			
Basic	\$ 2.23	\$ 1.96	\$ 0.27
Diluted	\$ 2.23	\$ 1.96	\$ 0.27
<b>Worldwide Effective Tax Rate</b>	<u>38%</u>	<u>40%</u>	<u>2%</u>





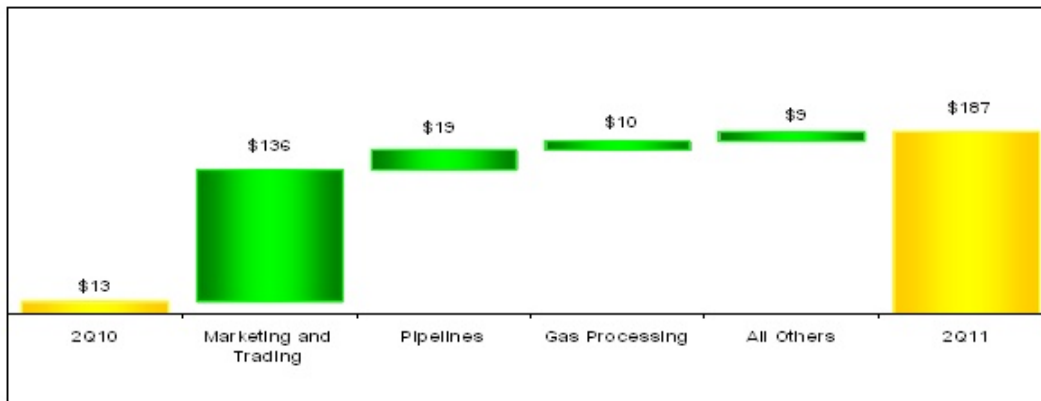
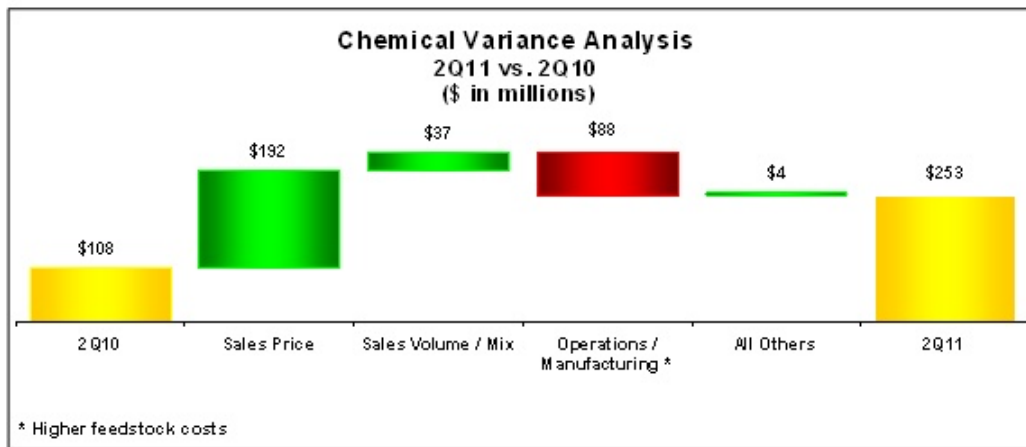
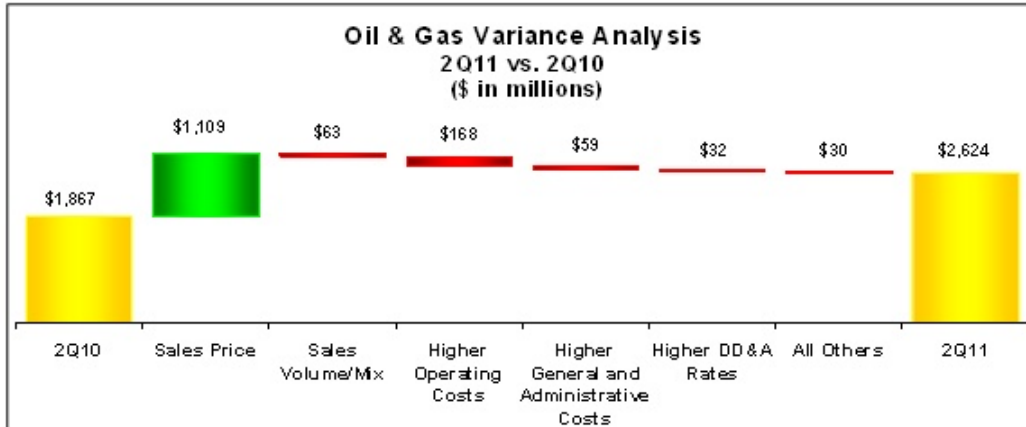


**OCCIDENTAL PETROLEUM**  
**2011 Second Quarter Net Income (Loss)**  
**Reported Income Comparison**

	Second Quarter 2011	Second Quarter 2010	B / (W)
Oil & Gas	\$ 2,624	\$ 1,867	\$ 757
Chemical	253	108	145
Midstream, marketing and other	187	13	174
Corporate			
Interest expense, net	(22)	(20)	(2)
Other	(112)	(82)	(30)
Taxes	(1,111)	(809)	(302)
Income from continuing operations	1,819	1,077	742
Discontinued operations, net	(2)	(14)	12
Net Income	<u>\$ 1,817</u>	<u>\$ 1,063</u>	<u>\$ 754</u>
<b>Earnings Per Common Share</b>			
Basic	\$ 2.23	\$ 1.31	\$ 0.92
Diluted	\$ 2.23	\$ 1.31	\$ 0.92
<b>Worldwide Effective Tax Rate</b>	<u>38%</u>	<u>43%</u>	<u>5%</u>

**OCCIDENTAL PETROLEUM**  
**2011 Second Quarter Net Income (Loss)**  
**Core Results Comparison**

	Second Quarter 2011	Second Quarter 2010	B / (W)
Oil & Gas	\$ 2,624	\$ 1,867	\$ 757
Chemical	253	108	145
Midstream, marketing and other	187	13	174
Corporate			
Interest expense, net	(22)	(20)	(2)
Other	(112)	(82)	(30)
Taxes	(1,111)	(809)	(302)
Core Results	<u>\$ 1,819</u>	<u>\$ 1,077</u>	<u>\$ 742</u>
<b>Core Results Per Common Share</b>			
Basic	\$ 2.23	\$ 1.32	\$ 0.91
Diluted	\$ 2.23	\$ 1.32	\$ 0.91
<b>Worldwide Effective Tax Rate</b>	<u>38%</u>	<u>43%</u>	<u>5%</u>





**OCCIDENTAL PETROLEUM  
SUMMARY OF OPERATING STATISTICS**

	Second Quarter		Six Months	
	2011	2010	2011	2010
<b>NET PRODUCTION PER DAY:</b>				
<b>United States</b>				
<b>Crude Oil (MBBL)</b>				
California	78	75	77	76
Permian	132	135	132	136
Midcontinent and other	16	7	15	7
<b>Total</b>	<b>226</b>	<b>217</b>	<b>224</b>	<b>219</b>
<b>NGL (MBBL)</b>				
California	15	17	15	17
Permian	40	28	38	27
Midcontinent and other	16	7	12	6
<b>Total</b>	<b>71</b>	<b>52</b>	<b>65</b>	<b>50</b>
<b>Natural Gas (MMCF)</b>				
California	252	293	247	294
Permian	143	196	154	197
Midcontinent and other	366	192	347	187
<b>Total</b>	<b>761</b>	<b>681</b>	<b>748</b>	<b>678</b>
<b>Latin America</b>				
<b>Crude Oil (MBBL)</b>				
Colombia	30	32	31	33
<b>Natural Gas (MMCF)</b>				
Bolivia	16	15	16	13
<b>Middle East / North Africa</b>				
<b>Crude Oil (MBBL)</b>				
Bahrain	3	3	3	3
Dolphin	10	11	10	12
Iraq	5	-	7	-
Libya	-	14	8	14
Oman	68	60	67	58
Qatar	68	78	72	76
Yemen	23	31	28	33
<b>Total</b>	<b>177</b>	<b>197</b>	<b>195</b>	<b>196</b>
<b>NGL (MBBL)</b>				
Dolphin	11	12	10	12
Libya	-	1	-	1
<b>Total</b>	<b>11</b>	<b>13</b>	<b>10</b>	<b>13</b>
<b>Natural Gas (MMCF)</b>				
Bahrain	172	161	172	163
Dolphin	203	235	199	232
Oman	49	48	50	50
<b>Total</b>	<b>424</b>	<b>444</b>	<b>421</b>	<b>445</b>
<b>Barrels of Oil Equivalent (MBOE)</b>	<b>715</b>	<b>701</b>	<b>723</b>	<b>701</b>



**OCCIDENTAL PETROLEUM  
SUMMARY OF OPERATING STATISTICS**

	<u>Second Quarter</u>		<u>Six Months</u>	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
<b>NET SALES VOLUMES PER DAY:</b>				
<b>United States</b>				
Crude Oil (MBBL)	226	217	224	219
NGL (MBBL)	71	52	65	50
Natural Gas (MMCF)	761	681	748	678
<b>Latin America</b>				
Crude Oil (MBBL)	30	27	31	30
Natural Gas (MMCF)	16	15	16	13
<b>Middle East / North Africa</b>				
Crude Oil (MBBL)				
		Bahrain	3	3
	10	Dolphin	11	11
	-	Libya	8	13
	66	Oman	69	57
	65	Qatar	71	76
	23	Yemen	28	33
	<b>167</b>	<b>Total</b>	<b>189</b>	<b>193</b>
<b>NGL (MBBL)</b>				
	11	Dolphin	10	12
	-	Libya	-	1
	<b>11</b>	<b>Total</b>	<b>10</b>	<b>13</b>
<b>Natural Gas (MMCF)</b>				
	424		421	445
	<b>705</b>		<b>717</b>	<b>695</b>
<b>Barrels of Oil Equivalent (MBOE)</b>				





**OCCIDENTAL PETROLEUM  
SUMMARY OF OPERATING STATISTICS**

	<b>Second Quarter</b>		<b>Six Months</b>	
	<b>2011</b>	<b>2010</b>	<b>2011</b>	<b>2010</b>
<b>Capital Expenditures (\$MM)</b>				
Oil & Gas				
California	\$ 413	\$ 180	\$ 721	\$ 329
Permian	237	81	453	154
Midcontinent and other	234	49	414	86
Latin America	45	37	87	67
Middle East / North Africa	303	252	655	515
Exploration	111	34	176	84
Chemicals	37	49	59	79
Midstream, marketing and other	243	105	370	229
Corporate	10	5	23	17
<b>TOTAL</b>	<b>\$ 1,633</b>	<b>\$ 792</b>	<b>\$ 2,958</b>	<b>\$ 1,560</b>
<b>Depreciation, Depletion &amp; Amortization of Assets (\$MM)</b>				
Oil & Gas				
Domestic	\$ 410	\$ 349	\$ 817	\$ 700
Latin America	21	27	49	58
Middle East / North Africa	274	300	596	559
Chemicals	85	81	167	161
Midstream, marketing and other	44	36	89	73
Corporate	5	5	11	10
<b>TOTAL</b>	<b>\$ 839</b>	<b>\$ 798</b>	<b>\$ 1,729</b>	<b>\$ 1,561</b>



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

	<b>30-Jun-11</b>	<b>31-Dec-10</b>
<b>CAPITALIZATION</b>		
Long-Term Debt (including short-term borrowings)	\$ 4,249	\$ 5,111
EQUITY	\$ 35,160	\$ 32,484
Total Debt To Total Capitalization	<b>11%</b>	<b>14%</b>





**OCCIDENTAL PETROLEUM  
OCCIDENTAL OPERATED DOMESTIC RIG COUNTS**

	Year-end <u>2010</u>	<u>Currently</u>	2011 <u>Exit Rate</u>
California	20	29	29
Permian	13	15	25
Midcontinent and other	5	15	20
	<u>38</u>	<u>59</u>	<u>74</u>

# Occidental Petroleum Corporation

## Second Quarter 2011 Earnings Conference Call

July 26, 2011



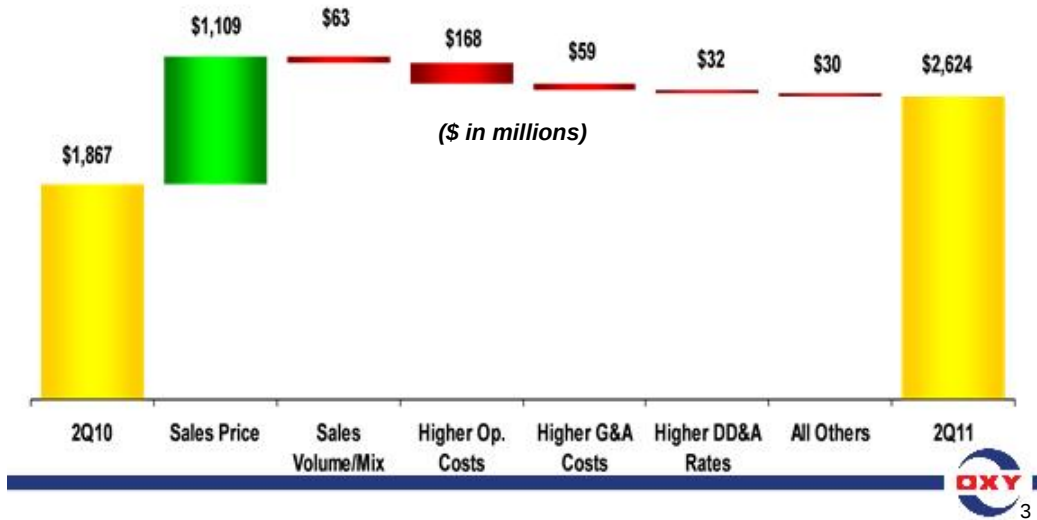
## Second Quarter 2011 Earnings - Highlights

- **Core Results - \$1.8 Billion vs. \$1.1 Billion in 2Q10**
  - **Core EPS \$2.23 (diluted) vs. \$1.32 in 2Q10.**
  
- **Net Income - \$1.8 Billion vs. \$1.1 Billion in 2Q10**
  - **EPS \$2.23 (diluted) vs. \$1.31 in 2Q10.**



## Second Quarter 2011 Earnings - Oil & Gas Segment Variance Analysis - 2Q11 vs. 2Q10

- **Core Results for 2Q11 of \$2.6 Billion vs. \$1.9 Billion in 2Q10**
  - The improvement in 2011 was driven mainly by higher commodity prices. Sales volumes for 2Q11 and 2Q10 were flat at 705 mboe p/d. Production volumes were 715 mboe p/d in 2Q11, compared to 701 mboe p/d in 2Q10.



## Second Quarter 2011 Earnings - Oil & Gas Segment

	<u>2Q11</u>	<u>2Q10</u>
Reported Segment Earnings (\$mm)	\$2,624	\$1,867
WTI Oil Price (\$/bbl)	\$102.56	\$78.03
NYMEX Gas Price (\$/mcf)	\$4.23	\$4.18

### *Oxy's Realized Prices*

<i>Worldwide Oil (\$/bbl)</i> + 39% year-over-year	<i>\$103.12</i>	<i>\$74.39</i>
<i>Worldwide NGLs (\$/bbl)</i> + 31% year-over-year	<i>\$57.67</i>	<i>\$44.08</i>
<i>US Natural Gas (\$/mcf)</i> + 2% year-over-year	<i>\$4.27</i>	<i>\$4.19</i>



## Second Quarter 2011 Earnings - Oil & Gas Production

- *Production guidance assumptions we gave in the 1Q11 conference call assumed a \$95 WTI average oil price.*
- *Actual average 2Q11 oil price of \$102.56 reduced our production volumes by about 5 mboe p/d.*
  - *Domestic production volumes were 424 mboe p/d, compared to our guidance of 425 mboe p/d. The higher crude oil prices reduced Long Beach volumes by about 1 mboe p/d.*
  - *Latin America volumes were 33 mboe p/d.*
  - *In the Middle East region:*
    - *We recorded no production in Libya, consistent with our guidance.*
    - *In Iraq, we produced 5 mboe p/d. The decline from 1Q11 volumes was due to the timing of development spending.*
    - *Yemen production was 23 mboe b/d, compared to 33 mboe p/d in 1Q11. Civil unrest and operational issues reduced our production by 3 mboe p/d. Higher prices and lower development spending rates cut volumes by 7 mboe p/d.*
    - *The remainder of the Middle East had production of 230 mboe p/d, vs. 235 mboe p/d in 1Q11. Qatar's production was lower by 7 mboe p/d mainly due to planned maintenance and mechanical issues.*



## Second Quarter 2011 Earnings - Oil & Gas Sales

- Our 2Q11 sales volume guidance, which assumed a \$95 WTI oil price, was 725 mboe p/d, which translates to about 720 mboe p/d at the higher actual prices for the quarter.
- Our actual volumes were 705 mboe p/d.
- The lower volumes resulted mainly from the lower production in Yemen and Qatar and the timing of liftings in Oman and Qatar.
  
- 2Q11 realized prices improved for all our products vs. 1Q11.
- Our worldwide crude oil price was \$103.12 p/b, an increase of 12%, worldwide NGLs were \$57.67 p/b, an improvement of 10%, and domestic natural gas prices were \$4.27 p/mcf, an increase of 1%.
- The 2Q11 realized oil price represents 101% of the average WTI price for the quarter.



## Second Quarter 2011 Earnings - Oil & Gas Segment - Cash Production Costs and Taxes

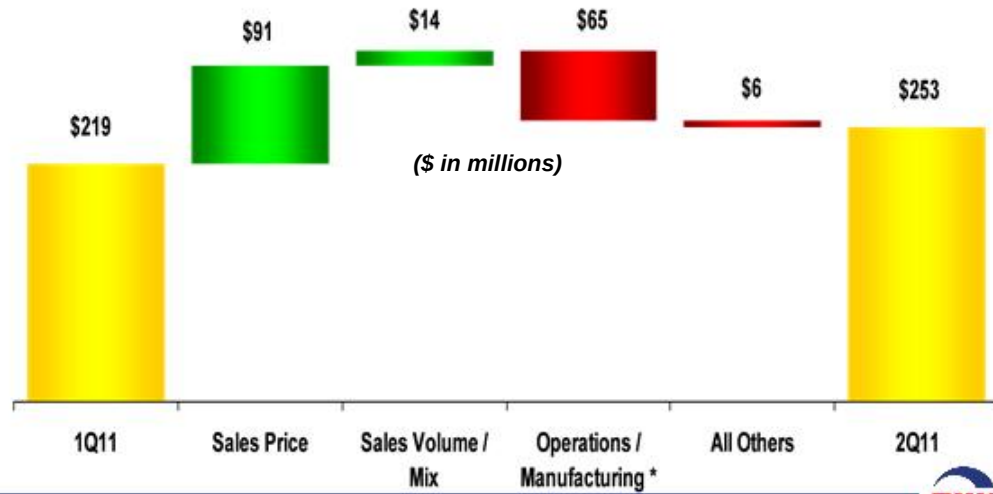
- Oil and gas cash production costs were **\$11.88** a barrel for the first six months of 2011, compared with last year's twelve-month costs of **\$10.19** a barrel.
  - The cost increase reflects more workover and maintenance activity and higher support costs.
- Taxes - other than on income, which are directly related to product prices, were **\$2.36** per barrel for the first half of 2011, compared to **\$1.83** per barrel for all of 2010.
- Total exploration expense was **\$62 mm** in 2Q11.





## Second Quarter 2011 Earnings - Chemical Segment Variance Analysis - 2Q11 vs. 1Q11

- **Core Results for 2Q11 were \$253 mm vs. \$219 mm in 1Q11.**
  - The second quarter results, one of the highest ever reported for the Chemical segment, reflect higher margins and volumes across most product lines.



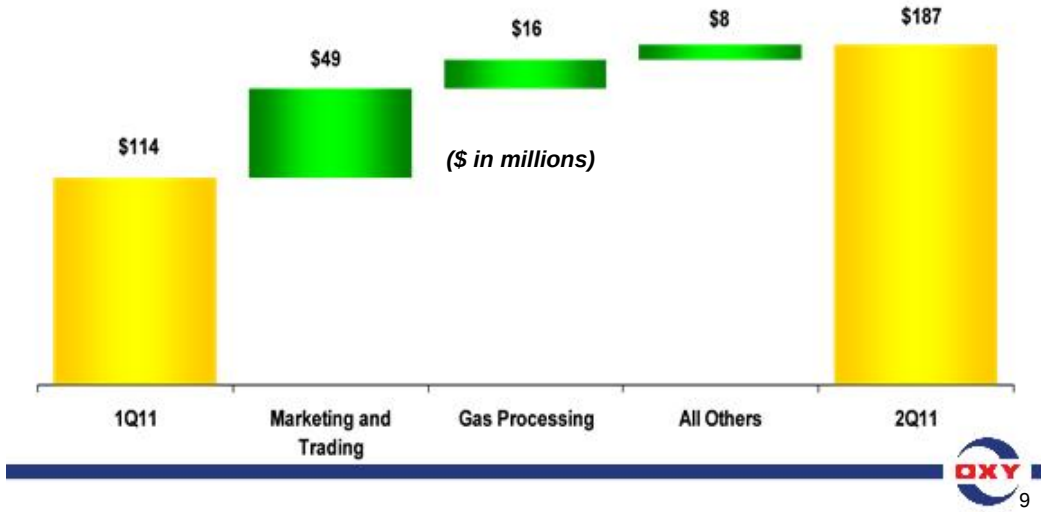
\*Higher feedstock costs



# Second Quarter 2011 Earnings - Midstream Segment Variance Analysis - 2Q11 vs. 1Q11

- **Core Results for 2Q11 were \$187 mm vs. \$114 mm in 1Q11, and \$13 mm in 2Q10.**

- The increase from 1Q11 earnings was mainly due to higher marketing income and improved margins in the gas processing business.



## Second Quarter 2011 Earnings - Taxes

- ***The worldwide effective tax rate was 38% for 2Q11.***
  - Our higher proportionate domestic income brought us closer to the US statutory rates.
- ***Our 2Q11 US and foreign tax rates are included in the “Investor Relations Supplemental Schedules.”***



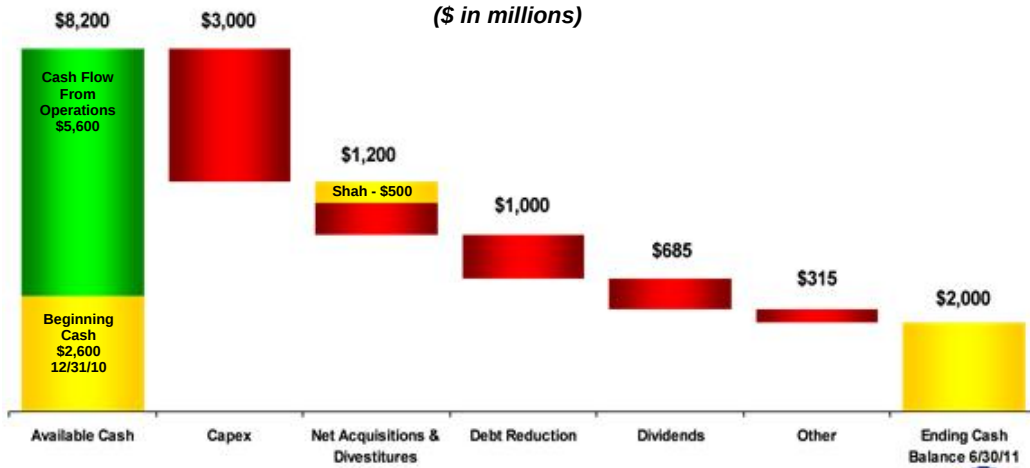
## Second Quarter 2011 Earnings - Six Months Results & Capital Spending

	<u>YTD2011</u>	<u>YTD2010</u>
• <i>Core Income (\$mm)</i>	<b>\$3,412</b>	<b>\$2,174</b>
• <i>Core EPS (diluted)</i>	<b>\$4.19</b>	<b>\$2.67</b>
• Net Income (\$mm)	<b>\$3,366</b>	<b>\$2,127</b>
• EPS (diluted)	<b>\$4.13</b>	<b>\$2.61</b>
• Cash flow from operations for 1H11 was \$5.6 billion.		
• Capital spending was \$3.0 billion for 1H11 of which \$1.6 billion was spent in 2Q11. <ul style="list-style-type: none"><li>– Year to-date capital expenditures by segment were 85% in Oil and Gas, 13% in Midstream and the remainder in Chemicals.</li></ul>		



## Second Quarter 2011 Earnings - 2011 YTD Cash Flow

- Free cash flow from continuing operations after capex and dividends but before acquisition and debt activity was about \$1.8 billion.



Note: See attached GAAP reconciliation.



## Second Quarter 2011 Earnings - Net Acquisition Expenditures

- *Our net acquisition expenditures in 1H11 were \$1.2 billion, which are net of proceeds from the sale of our Argentina operations.*
- **The acquisitions included the South Texas purchase, a payment in connection with the signing of the Shah Field Development Project and properties in California and the Permian.**



## Second Quarter 2011 Earnings - Shares Outstanding, Debt and ROE

Shares Outstanding (mm)	<u>YTD11</u>	<u>6/30/11</u>
Weighted Average Basic	812.5	
Weighted Average Diluted	813.3	
Basic Shares Outstanding		812.5
Diluted Shares Outstanding		813.3
	<u>6/30/11</u>	<u>12/31/10</u>
Debt/Capital	11%	14%

- *Our annualized ROE for 1H11 was 20%.*



## Second Quarter 2011 Earnings - Oil and Gas Production & Sales - 2H11 Outlook

- *At average oil prices of about \$95 WTI, we expect the back half of the year oil and gas production to be as follows:*
  - Domestic volumes are expected to increase by about 3 - 4 mboe/d each month compared to the previous month;
  - This should result in average 3Q11 production of about 430 to 432 mboe p/d;
  - Latin America volumes should remain comparable to 2Q11;
  - The Middle East region production is expected as follows:
    - Consistent with 2Q11, we expect no production for Libya.
    - In Iraq, we still are unable to reliably predict spending levels, which have a related impact in cost recovery barrels.
    - In Oman, production is expected to grow from our current gross production of 210 mboe p/d to a year-end exit rate of 230 mboe p/d, which should result in about a net 2 mboe p/d per quarter growth.





## Second Quarter 2011 Earnings - Oil and Gas Production & Sales - 2H11 Outlook

- The Middle East region production is expected as follows (cont'd):
  - In Qatar, we expect to gradually regain the production rate lost due to planned maintenance and mechanical issues resulting in about 3 mboe p/d growth rate each quarter in 2H11, compared to the 2Q11 average.
  - In Dolphin and Bahrain, production is expected to be similar to 2Q11 levels.
  - In Yemen, forecasting of production volumes remains difficult although currently Oxy operated production has been partially restored. We expect the range to be between 23 mboe p/d and 27 mboe p/d.
- We expect a lifting in Iraq in 3Q11 of about 600,000 barrels of oil. Including this lifting, we expect sales volumes to be about 725 mboe p/d at \$95 WTI.
- A \$5.00 increase in WTI would reduce our PSC volumes by about 3,500 boe/d.
- Our total year capital expenditures remains at \$6.8 billion, same as the guidance we gave last quarter.



## Second Quarter 2011 Earnings - 2H11 Outlook

- **Commodity Price Sensitivity - Earnings**
  - At current market prices, a \$1.00 per barrel change in oil prices impacts oil and gas quarterly earnings before income taxes by about \$37 mm;
  - The average 2Q11 WTI oil price was \$102.56 per barrel;
  - A \$1.00 per barrel change in NGL prices impacts quarterly earnings before income taxes by \$7 mm.
  - A swing of \$0.50 per mm BTU in domestic gas prices has a \$34 mm impact on quarterly pretax income;
  - The current NYMEX gas price is around \$4.40 p/mcf.
- **We expect 3Q11 exploration expense to be about \$80 mm for seismic and drilling for our exploration programs.**



- *The Chemical segment 3Q11 earnings are expected to moderate to about \$225 mm, mostly due to seasonal factors.*
  - 3Q11 Chemical segment results are expected to reflect continued strong export demand and overall good supply and demand balances across most products offset by some seasonal factors and turnarounds.
  - Historically, the fourth quarter is typically the weakest quarter and generally earnings are about half of the third quarter.
- We expect our combined worldwide tax rate in 3Q11 to remain at about 38 percent.

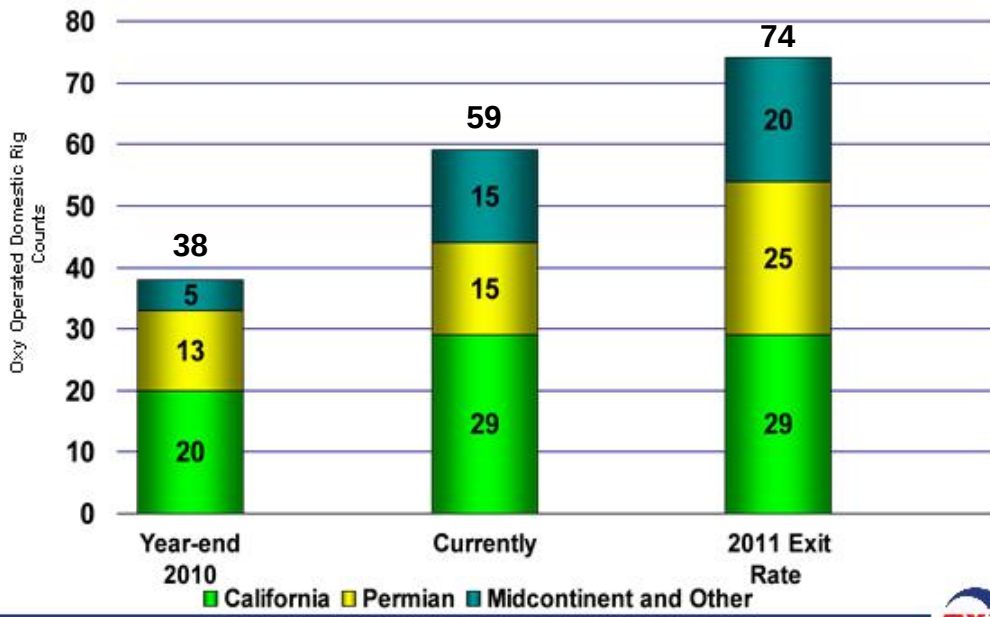


## Second Quarter 2011 Earnings - Activity

- ***In California, we expect our current drilling program should result in more predictable production growth going forward.***
  - The status of permitting is generally unchanged from the prior quarter.
  - We have obtained enough permits to allow us to prosecute the program at the present pace until year end.
  - However, there remains some uncertainty around future permits, particularly related to injection wells.
- ***Our overall rig count in the US has gone from 38 at the end of 2010 to our current rate of 59 and is expected to grow to 74 at the end of the year.***
  - This represents a 25% growth in total rig count from current levels.
  - The growth will be in Permian, the Williston Basin and South Texas.
  - This program leads to continued production growth next year.



## Second Quarter 2011 Earnings - US Operated Rig Count





### Forward-Looking Statements

Portions of this report contain forward-looking statements and involve risks and uncertainties that could materially affect expected results of operations, liquidity, cash flows and business prospects. Factors that could cause results to differ materially include, but are not limited to: global commodity pricing fluctuations; supply and demand considerations for Occidental's products; general domestic political and regulatory approval conditions; international political conditions; not successfully completing, or any material delay of, any development of new fields, expansion projects, capital expenditures, efficiency-improvement projects, acquisitions or dispositions; potential failure to achieve expected production from existing and future oil and gas development projects; exploration risks such as drilling unsuccessful wells; any general economic recession or slowdown domestically or internationally; higher-than-expected costs; potential liability for remedial actions under existing or future environmental regulations and litigation; potential liability resulting from pending or future litigation; potential disruption or interruption of Occidental's production or manufacturing or damage to facilities due to accidents, chemical releases, labor unrest, weather, natural disasters, political events or insurgent activity; failure of risk management; changes in law or regulations; or changes in tax rates. Words such as "estimate", "project", "predict", "will", "would", "should", "could", "may", "might", "anticipate", "plan", "intend", "believe", "expect" or similar expressions that convey the uncertainty of future events or outcomes generally indicate forward-looking statements. You should not place undue reliance on these forward-looking statements, which speak only as of the date of this report. Unless legally required, Occidental does not undertake any obligation to update any forward-looking statements, as a result of new information, future events or otherwise. Material risks that may affect Occidental's results of operations and financial position appear in Part 1, Item 1A "Risk Factors" of the 2010 Form 10-K.