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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) May 19, 2010**

**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 7 – Regulation FD**

### Item 7.01. Regulation FD Disclosure

Attached as Exhibit 99.1 is a presentation made on May 19, 2010, in connection with Occidental's 2010 Analyst Meeting.

## **Section 9 - Financial Statements and Exhibits**

### Item 9.01. Financial Statements and Exhibits

(d) Exhibits

99.1 Presentation dated May 19, 2010.

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: May 19, 2010

/s/ ROY PINECI  
Roy Pineci, Vice President, Controller  
and Principal Accounting Officer

## EXHIBIT INDEX

99.1 Presentation dated May 19, 2010.

# Occidental Petroleum Corporation

**Dr. Ray R. Irani**

**Chairman and Chief Executive Officer**

May 19, 2010



**Top quartile total shareholder  
return as compared to peers**



# Key Elements to Achieve Goal

- **Grow production 5-8% compounded over a multi-year period**
- **Maintain return-based focus**
  - **15+% after tax for U.S. assets**
  - **20+% after tax for foreign assets**
- **Increase dividend payout annually**
- **Low level of financial risk**



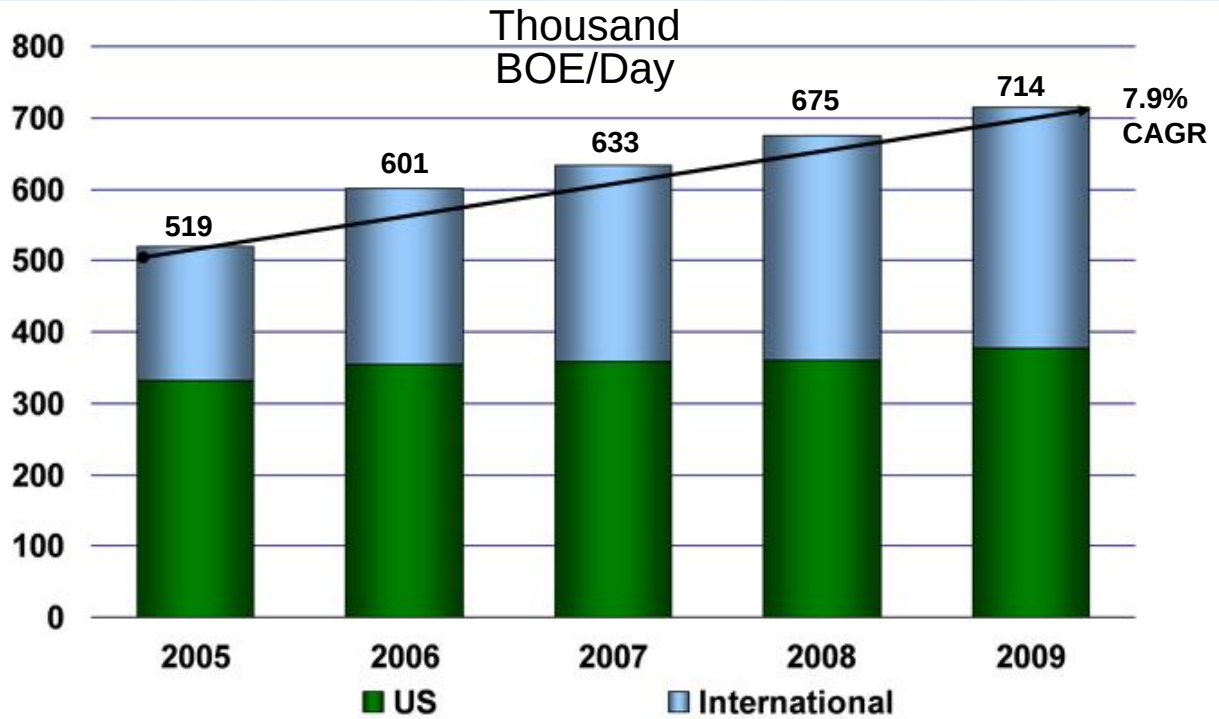
## Additional Elements to Achieve Goal

- Strong Health, Environment and Safety performance
- Bulk of the assets in the United States
- Maintain oil focus with significant natural gas exposure
- Capture new projects in the Middle East
- Make property acquisitions in the U.S. for growth





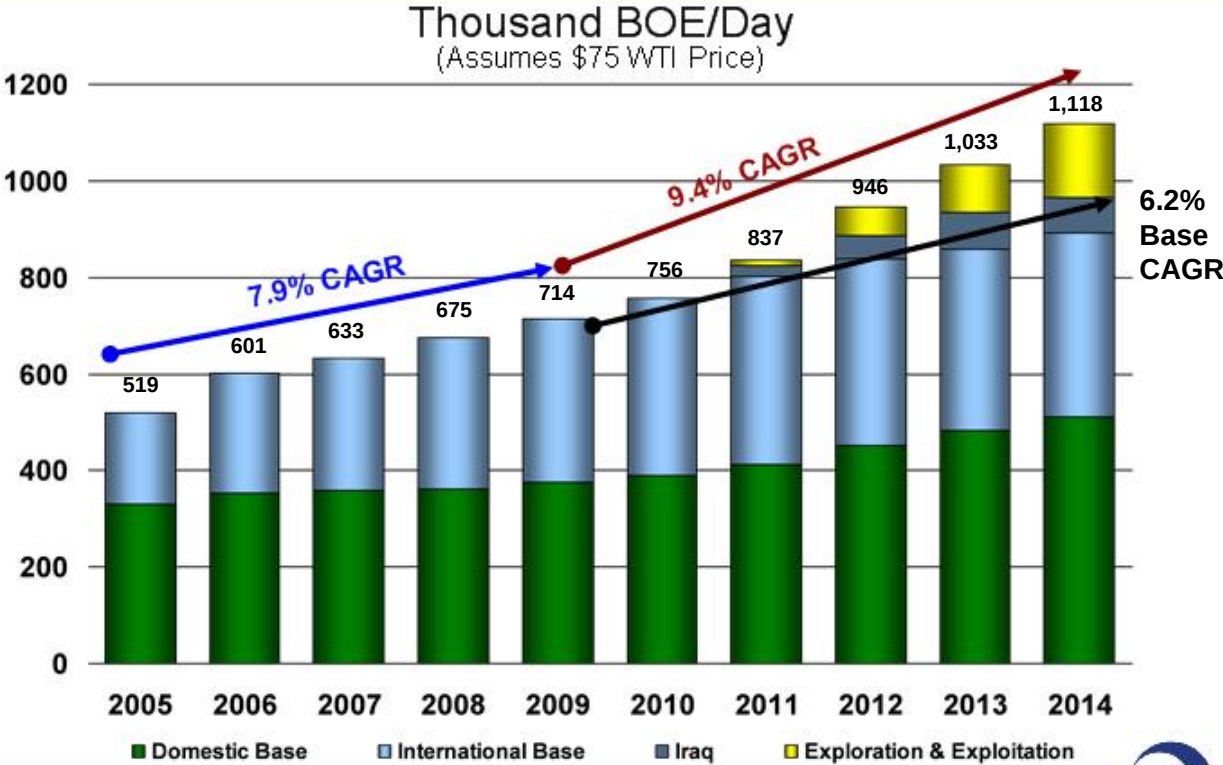
# Actual Worldwide Production



Notes: 1) From continuing operations; 2) This schedule reflects what production volumes would have been for the past 5 years if all production had been represented on a pre-tax basis.



# Worldwide Production Outlook



# Additional Middle East Opportunities

- Abu Dhabi
- Oman
- Iraq



# Today's Focus

- **Sandy Lowe, President, Oxy Oil & Gas - International Production**
  - Latin America
  - Bahrain
  - Oman
  - Iraq
  
- **Bill Albrecht, President, Oxy Oil & Gas - USA**
  - Permian CO<sub>2</sub> Growth
  - Deep Inventory of Drilling Projects



# Today's Focus

- **Anita Powers, EVP Worldwide Exploration**
  - California Conventional Exploration
  
- **Todd Stevens, VP - California Operations**
  - California Unconventional Plays



# Today's Focus

- **Steve Chazen, President & Chief Financial Officer**
  - **Midstream & Chemicals**
  - **Production Forecast**
  - **Capital Forecast**
  - **Acquisition Strategy**
  - **Cash Flow Priorities**
  - **Investment Attributes**
  
- **Questions & Answers**



# International Oil & Gas

**Sandy Lowe**

**President, Oxy Oil & Gas - International Production**

May 19, 2010



# International Producing Areas





# Latin America Net Production

	<u>Mboepd</u>
• 2010 Outlook	79
• 2014 Outlook	95 - 105

\$75 WTI

# Colombia BU Highlights



## Llanos Basin - 3 B boe Remaining Oil In Place (ROIP)

- Cano Limon - 15 infill wells in 2010
- New Fields on trend with Cano Limon
  - Some stratigraphic reserves upside
  - 2 exploration wells this year
- 2010 Gross 80 Mbopd, Net 23 Mbopd
- 2014 expected gross 33 Mbopd, Net 10 Mbopd

## La Cira Infantas - 800 MM boe ROIP

- Gross raised from 4 Mbopd to 26 Mbopd in 4 years
  - 150 new wells per year
  - Increasing water injection facilities
- 2010 Gross 28 Mbopd, Net 9 Mbopd
- 2014 expected Gross 50 Mbopd, Net 18 Mbopd

- **Total Colombia 2014 Net expected to be 28 Mbopd**



# Argentina Asset - Overview



Oxy Argentina Concessions			
Province	Concessions	Proved Reserves (MMboe)	Current Net Production (Mboepd)
Santa Cruz	15	118	39
Chubut	1	3	2
Mendoza	7	9	4
<b>TOTAL</b>	<b>23</b>	<b>130</b>	<b>45</b>



# Argentina - 2010

- **6 B boe ROIP**
- **Oxy Argentina currently operates**
  - 2,200 active wells
  - 85% oil
  - 26 waterflood projects, 13 gas plants
- **2010 plan**
  - Sign 10 year contract extension, adding over 72 MMboe of proven reserves
  - Production growth of 8% over 2009
  - Drill 140 wells and perform 100 workovers
  - Continue to add waterflood facilities
- **2010 Gross production 50 Mboepd, Net 45 Mbopd**



# Argentina - Future Plans

- **Contract extension increases the term to 2025**
  - Opportunity to fully develop and exploit these prolific reservoirs
  - Continue production growth at 9% per year through 2014
  - Perform near field, low risk exploration - 10 wells per year
  - Drill 140 development wells per year
  - Focus on waterflood development
- **2014 Gross production expected to be 74 to 85 Mboepd, Net production expected to be 65 to 75 Mboepd**

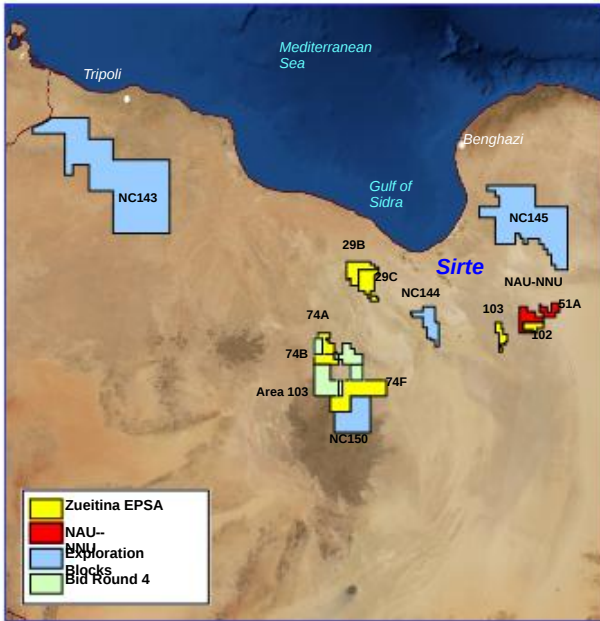
# Middle East/North Africa Net Production

	<u>Mboepd</u>
• 2010 Outlook	286
• 2014 Outlook	358 - 381

\$75 WTI

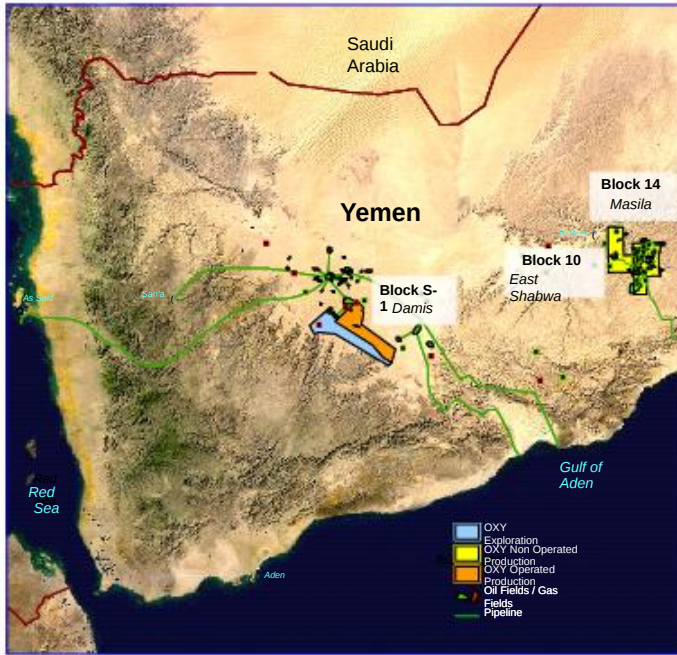


# Libya Re-Development Plan



- 7 B boe ROIP
- Nafoora Augila Field
  - 255 new wells and 32 workovers
  - Install 1 MMBD processing & water injection facilities and 100 MW power
- Blocks 103 and 74/29 Fields
  - 96 new wells
  - Install 500 MBD processing & water injection facilities and 50 MW power
- 22 Exploration wells 2011 to 2013
- 2010 Gross production 98 Mbopd, Net 15 Mbopd
- 2014 expected Gross production 160 to 172 Mbopd, Net 28 to 33 Mbopd

# Yemen



- 2 B bo ROIP
- Block S-1 producing 9 Mbopd gross
- East Shabwa producing 60 Mbopd gross
- Masila producing 71 Mbopd gross
  - Contract expires 12/2011
  - Extension being negotiated
- 2010 program
  - 31 development wells
  - 3 exploration wells
- 2010 Net production 30 Mbopd
- 2014 Expected Gross production 75 to 110 Mbopd, Net 16 to 24 Mbopd



# Qatar - Oil & Gas Fields



- Idd El Shargi North Dome (ISND) - 4 B bo ROIP
- Idd El Shargi South Dome (ISSD) - 800 MM bo ROIP
- Al Rayyan - 300 MM bo ROIP
- 2010 Gross Production 118 Mbopd, Net 76 Mbopd
- **Priorities:**
  - Maintain production from existing fields
  - Additional activity to increase production later in the 2010 - 2014 period

# Qatar - ISND - Enhancing Production



- **ISND - applying modern technology**
  - **Gross Production - 105 Mbopd**
  - **Extensive Horizontal Drilling**
  - **Tight matrix waterflood**
  - **Multi-lateral production**
  - **Early use of multi-lateral source water to injection completions**

# Qatar Projects

- **Phase 1 1994 - 2001**
  - Drilled 77 Wells
  - Added gas lift and water injection facilities
  - Multi-lateral production and injection
- **Phase 2 2002 - 2005**
  - Drilled 50 Wells
  - Added power, gas compression and water injection facilities
- **Phase 3 2007 - 2010**
  - Drilled 70 wells
  - Minor facilities additions
- **2010-2012 Projects for all three assets**
  - Drill 55 additional development wells
  - Install additional facilities
    - § 2 new platforms
    - § Power generator
    - § Additional processing equipment
  - Develop 70 MMBO of gross reserves
- **2014 Gross production expected to be 100 to 110 Mboepd, Net 65 to 70 Mbopd**



1964

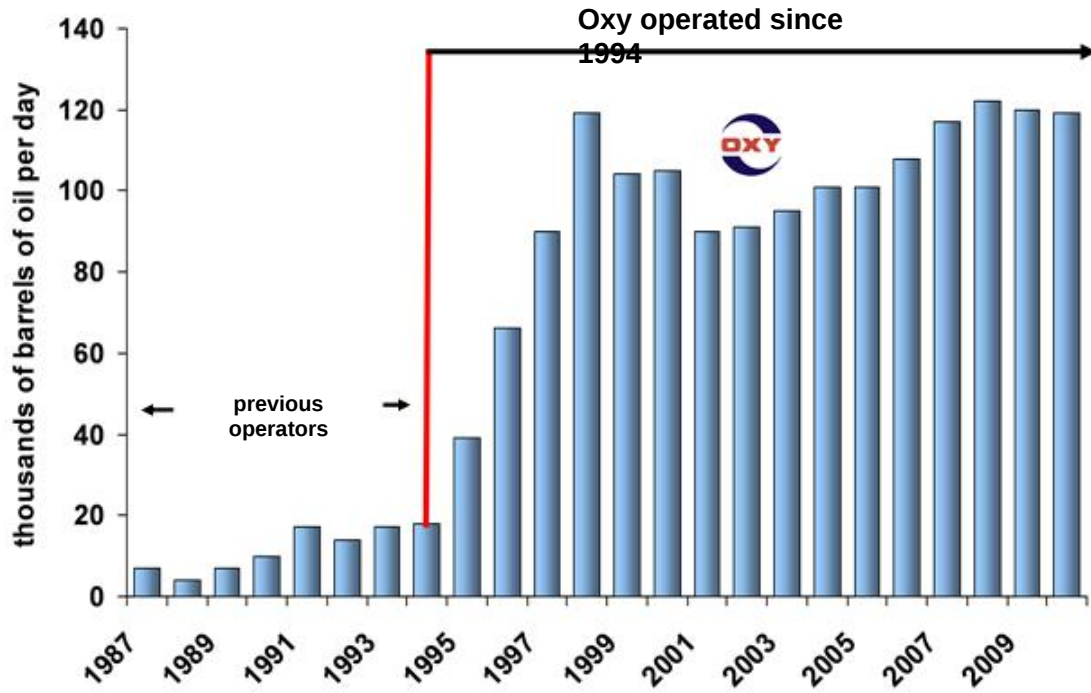


TODAY

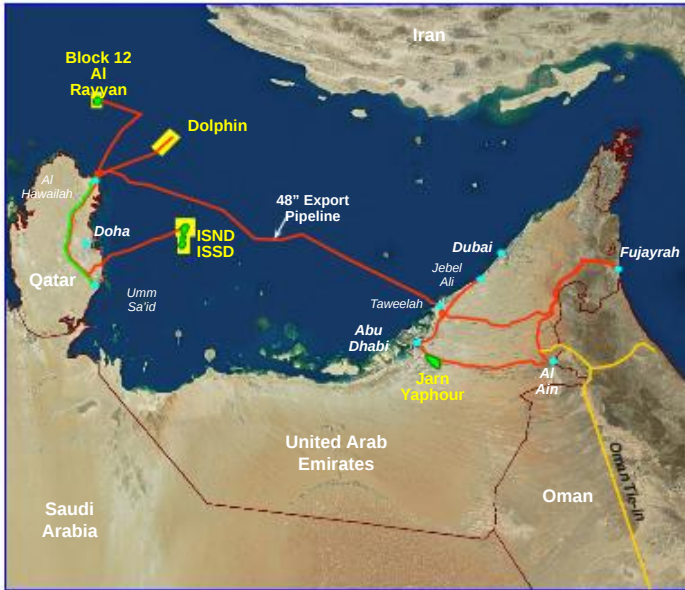


1994

# Oxy Qatar Gross Oil Production



# Dolphin Project



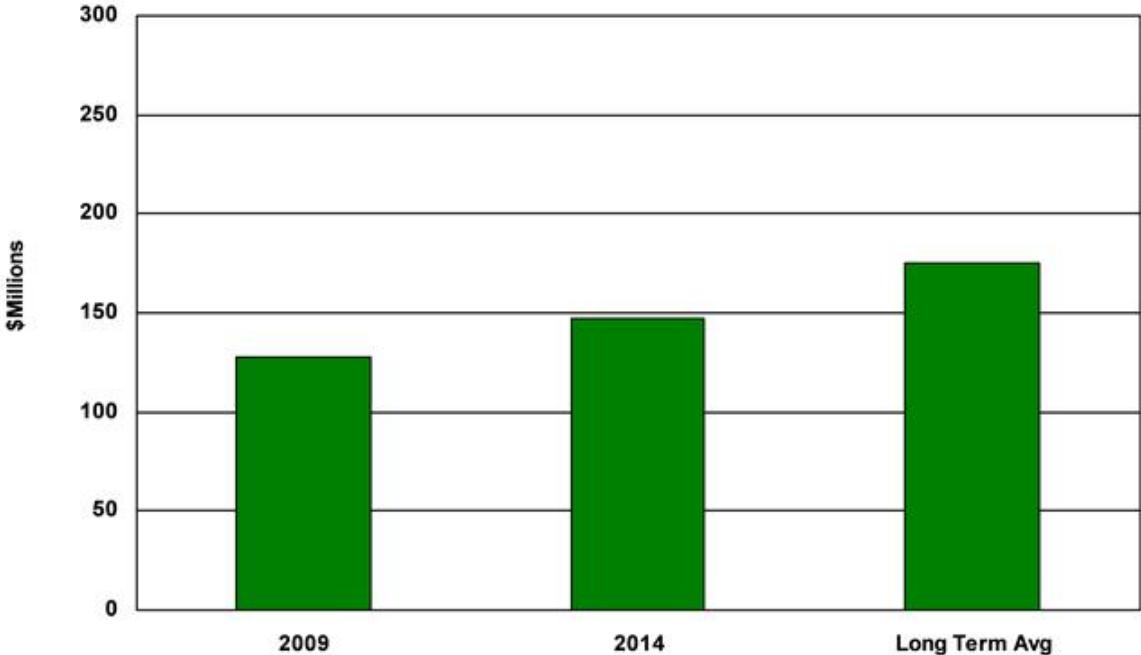
- Delivering 2.0 Bcfd to UAE and 200 MMcfd to Oman markets
- Gross Production over 530 Mboepd
- Consistently above anticipated gas / liquids production
- Additional third party gas volumes being shipped
- On time and budget during period of rapidly increasing costs
- Exceptional returns

# Dolphin Gas Project - Oxy Metrics



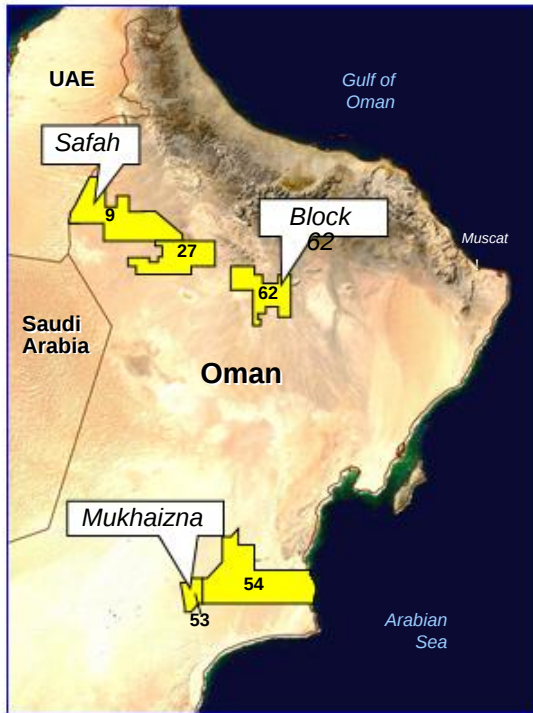
- Oxy share 24.5%
- 2010 Gross production 537 Mboepd, Net production 64 Mboepd
- Fee income for UAE distribution and 3rd party sales increasing
- 2014 expected Gross production 535 Mboepd, Net 39 Mboepd

# Dolphin Fee Income





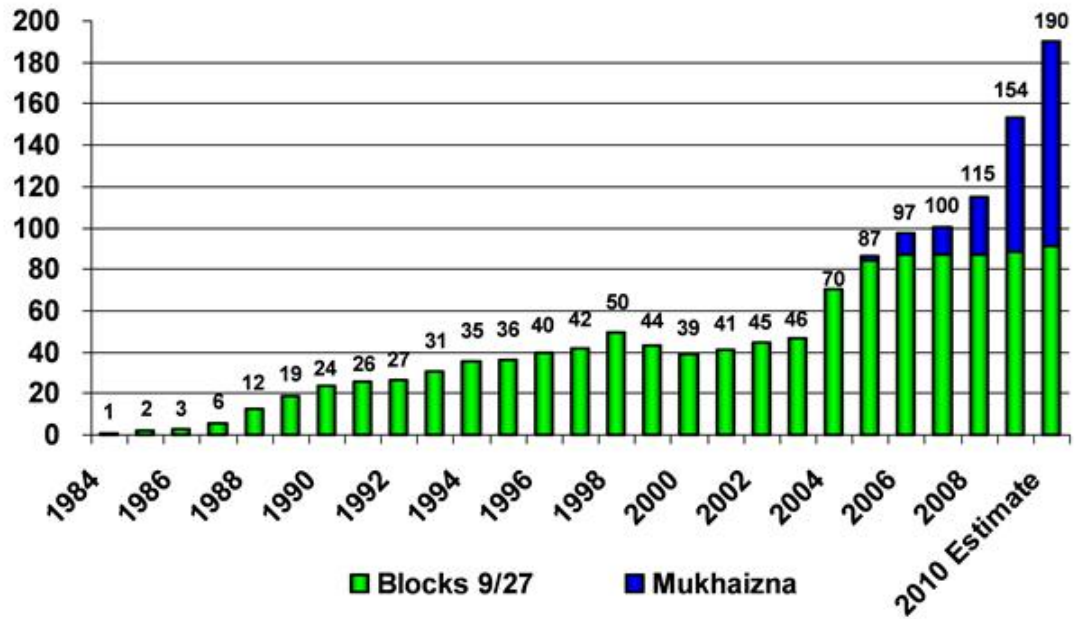
# Oxy Oman History



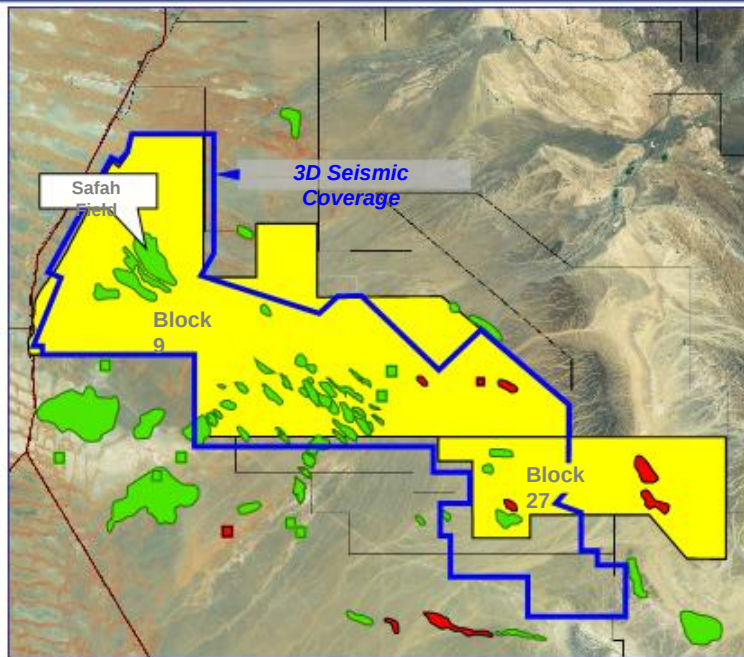
- Oxy commenced operation of the Safah field in 1984
- Over 500 wells drilled and 30 fields discovered in Blocks 9 and 27
- Mukhaizna acquired in 2005
- Block 62 acquired in 2008
- 1,300 total wells drilled in Oman
- 2010 Gross production 190 Mboepd, Net production 70 Mboepd
- 2014 expected Gross production 220 to 240 Mboepd, Net production 70 to 80 Mboepd

# Oman Gross Production Growth 1984 - 2010

Mboepd



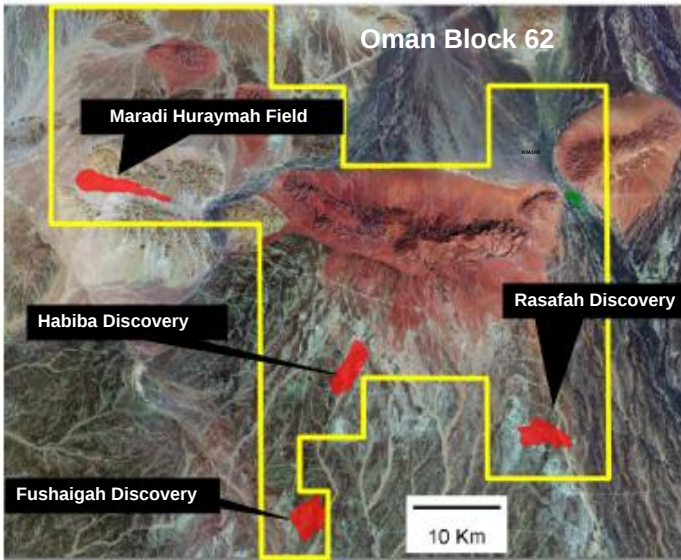
# Oman Blocks 9 & 27



- 2.1 B boe ROIP
- Gross Production currently at record 91 Mboepd
- Exploration
  - Near field, low risk
  - Added ~50Mmboe over last five years
  - Multi-year inventory
  - Expect to discover ~10 Mmboe gross per year

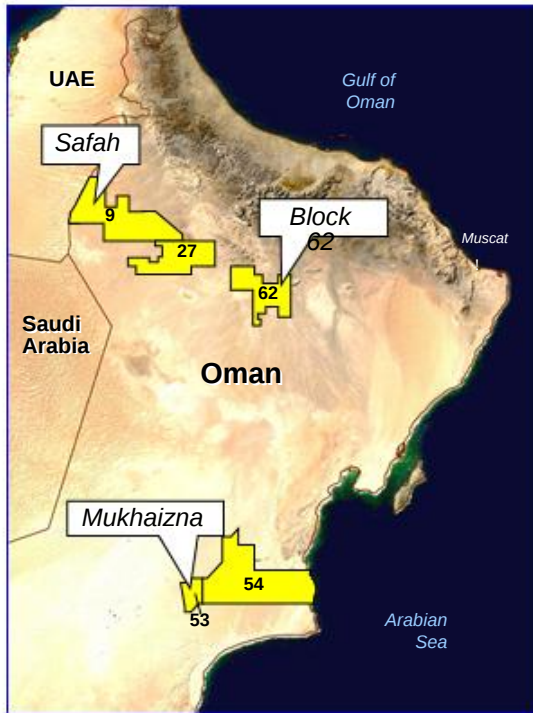
- Oil Discovery or Producing Field
- Gas Discovery or Producing Field
- Example Oxy Discovery

# Oman Block 62



- Oxy is partnered with Oman Oil Company and Mubadala
- Develop Maradi Huraymah Field
- Appraise 3 gas discoveries
  - 5 wells
  - 2 drilled at Habiba
  - Encouraging logs and cores, testing in June
- 2011+ Exploration Program
  - 2 shallow wells
  - 3 to 4 deep wells, 15,000 to 20,000 ft
  - Deep potential of 1 to 2 TCF

# Oman - Mukhaizna



- World Class Steam flood
- 2 B bo ROIP
- Discovered in 1975 in South Central Oman
- Cold production commenced 1992
- Oxy assumed operation September 1, 2005 at 8,500 Bopd
- Steam flood commenced May 2007
- Current Gross Production: 100,000 Bopd
- Target Gross Production: 150,000 Bopd

# Water Treatment Plant - 2010



## MECHANICAL VAPOR COMPRESSORS

- 7 TRAINS - LARGEST EVER BUILT
- CONDITION WATER FOR BOILER FEED
- 43 MBWPD PER TRAIN

# Bahrain Field Development Plan

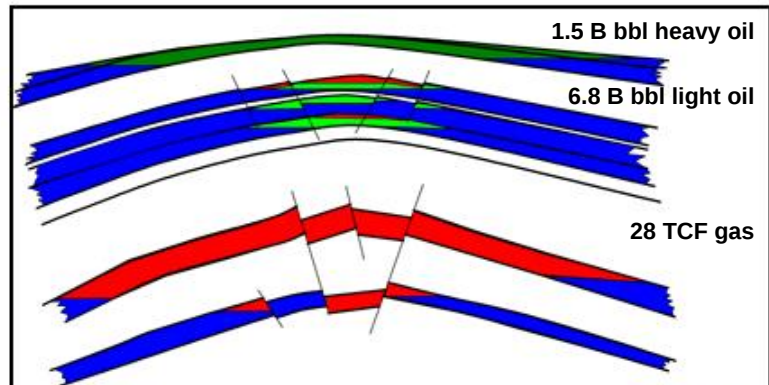
- Increase long term gross oil production from 30,000 to over 100,000 Bopd
- Increase total sales gas rate from 1.1 Bcfd to over 2 Bcfd
- Gross oil production expected to be 70,000 to 75,000 Bopd by 2014
- Gross gas production expected to be 1.6 Bcfd by 2014



# Bahrain Field Development



- 7 B bo ROIP
- 17 TCF remaining gas in place (RGIP)
- JV with OXY, Mubadala & Nogaholding
- 19 Reservoirs
- Development includes several new reservoirs including steam flood of heavy oil



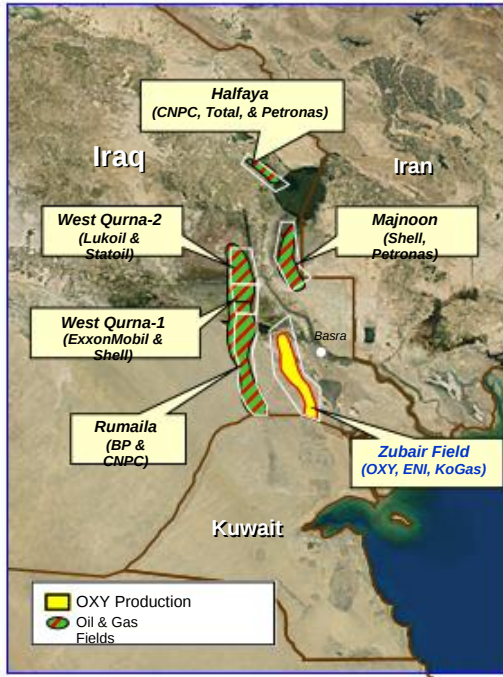


# Bahrain Work Activities

- **Drilling over 2,500 wells**
  - Increase the rig fleet - building up to 6 drilling rigs and 6 workover rigs
- **Implement new recovery processes**
  - Waterfloods
  - Steam injection
- **Increase fluid and gas handling capacity**
  - Expanding and adding new tank batteries and manifolds
  - Add new steam and water injection facilities
  - Expand gas processing capacity



# Iraq - Zubair Field



- Agreement Signed January 2010 allows Oxy to:
  - Produce oil
  - Take payment in kind
  - Book reserves
- Over 20 B bo ROIP
- Gross production of 200 Mbopd by year end, 1.2 MMbopd in 7 years
- Base Rate - 182 Mbopd
- Rehabilitation Plan of activities submitted April 16, 2010 (period 2011 - 2013)

## Iraq - Contract Features

- **Contract allows for quick cost recovery**
- **At current prices, payback occurs in 4 years, sooner if prices rise**
- **Maximum cash outlay at risk is \$800 million**
- **Ultimate recovery net to Oxy is 210 MMBO at current prices**

## Iraq - Current Activities

- Consortium presence of 40 personnel currently in Zubair increasing to 150 by year end
- Consortium working with the Iraqi South Operating Company (SOC) to form the Zubair Field Operating Division (ZFOD)
- Anticipate Zubair 10% gross production increase and Rehabilitation Plan approval by the end of the year
- **2014 Gross production expected to be 840 to 880 Mbopd, Net production expected to be 65 to 75 Mbopd**

# International Net Production

*MBOEPD*

	<u>2010 Outlook</u>	<u>2014 Estimate</u>
Middle East / Africa	286	358-381
Latin America	<u>79</u>	<u>95-105</u>
TOTAL	365	453-486

# International Summary - 5 years

## Grow:

- Oman gross production from 190 to 240 Mboepd
- Bahrain gross oil production from 30 to 75 Mbopd
- Bahrain gross gas production from 1.1 to 1.6 Bcfd
- Argentina gross production from 50 to 85 Mboepd
- Iraq gross production from 182 to 880 Mbopd

## Continue generating substantial free cash flow from:

- Qatar
- Dolphin
- Colombia
- Yemen

# United States Production Operations

**Bill Albrecht**

**President, Oxy Oil & Gas - USA**

May 19, 2010



# Overview

- **Permian**
  - Primary Development
  - CO<sub>2</sub> Growth Opportunities
- **California**
  - Elk Hills Development
  - Other California
- **Mid-Continent**
  - Piceance Overview
  - Hugoton Overview
- **Domestic Summary**

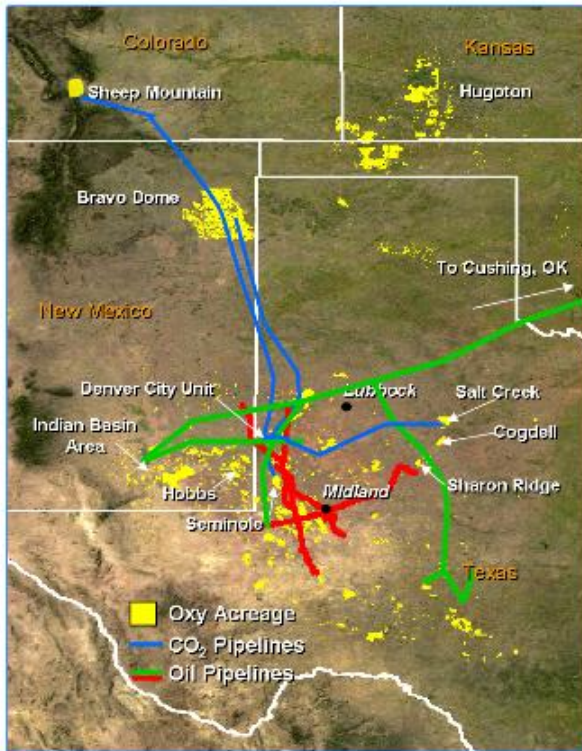




# PERMIAN



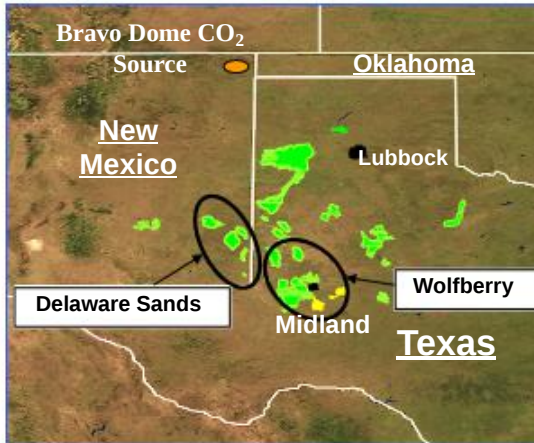
# Permian Overview



- Oxy's largest business unit
- 180,000 BOEPD
- Largest oil producer in Texas
- Largest oil producer in Permian (20% of total)
- Largest operator in Permian (of 1,500+ operators)
- 10,000+ interest owners
- 100,000 square mile area
- Acreage
  - 3,600,000 gross
  - 2,200,000 net
- 1.1 BBOE of net proved reserves (34% of Oxy total)
- 1.7 BCFPD (0.5 TCF/YR) of CO<sub>2</sub>



# Permian Growth Opportunities



- **Primary Development (1,000+ locations)**
  - Plan a 6-7 rig program
  - Dora Roberts Wolfberry
  - Continued southeast New Mexico exploitation
  - Deeper added plays
- **CO<sub>2</sub> Growth**
  - Existing flood expansions (including residual oil zone deepening)
  - New CO<sub>2</sub> projects
  - Infill drilling/pattern flooding
  - New Century plant online 4Q 2010 for additional CO<sub>2</sub> supply



# Permian Primary Development

Shallow (4,000-10,000 feet)

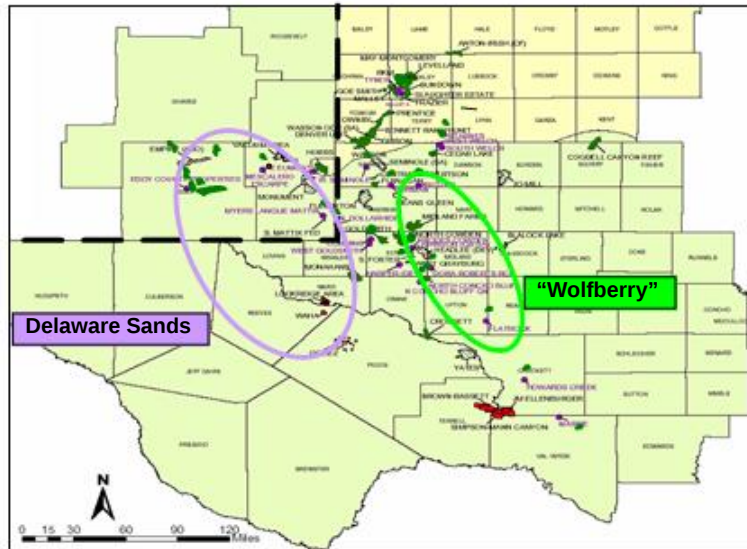
Delaware Sands (Oil)

200+ locations; 20+ mmboe

“Wolfberry” (Oil)

550+ locations; 70+ mmboe

- Non-traditional pays, e.g., “Wolfberry” play at Dora Roberts (250 well program)
- Historically uneconomic pays with horizontal drilling applications, e.g., Delaware and Bone Springs sands



# Potential Added Plays

Deep (10,000-15,000 feet)

**Devonian (Oil)**

375+ locations; 30+ mmboe

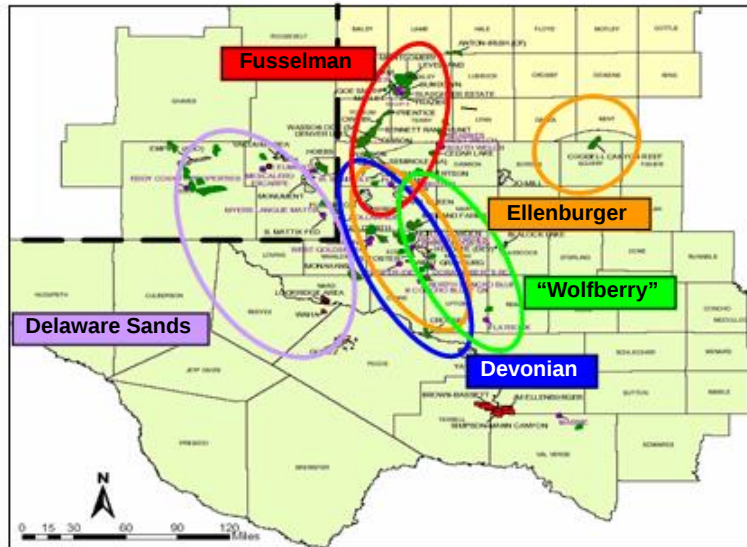
**Fusselman (Oil)**

75+ locations; 15+ mmboe

**Ellenburger (Oil)**

125+ locations; 25+ mmboe

- Horizontal Devonian opportunities
- Ellenburger oil and deeper Ellenburger gas
- Morrow sand opportunities on southeast New Mexico acreage
- These deeper plays are on acreage Oxy already owns



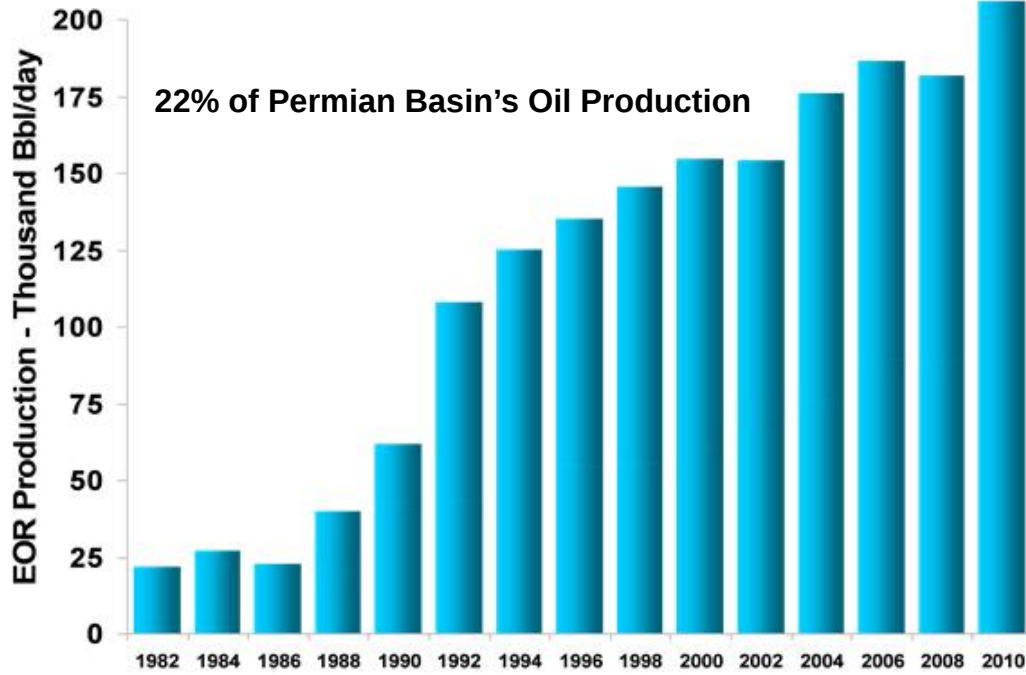
# Permian Added Plays

- **Added plays inventory**
  - ~1,000 locations and 90-100 MMBOE net risked reserves
- **Infill drilling inventory**
  - ~1,100+ locations, greater than a 10-year inventory at existing drilling pace
- **Higher oil prices bringing new opportunities (1,100 additional locations, 25-40 MMBOE) which are economic at current oil prices**



# Permian Basin CO<sub>2</sub> Floods

## EOR Production is Growing

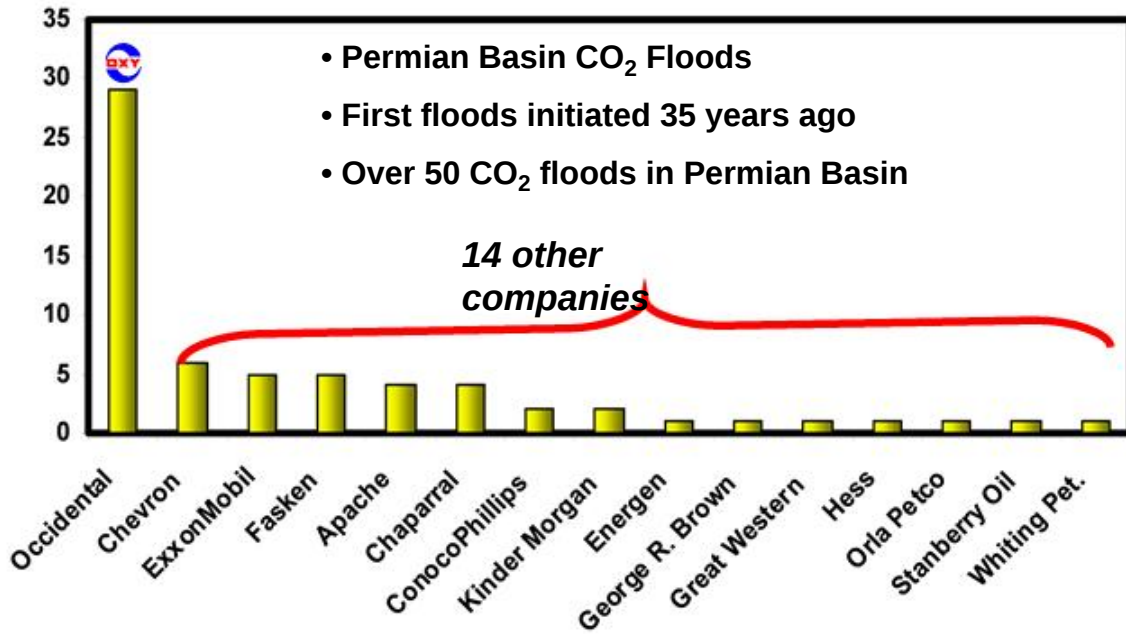


Note: Based on data obtained from the O&GJ 2010 Biannual EOR Survey



# Permian Basin CO<sub>2</sub> Floods

## Number of Active Operated CO<sub>2</sub> Projects



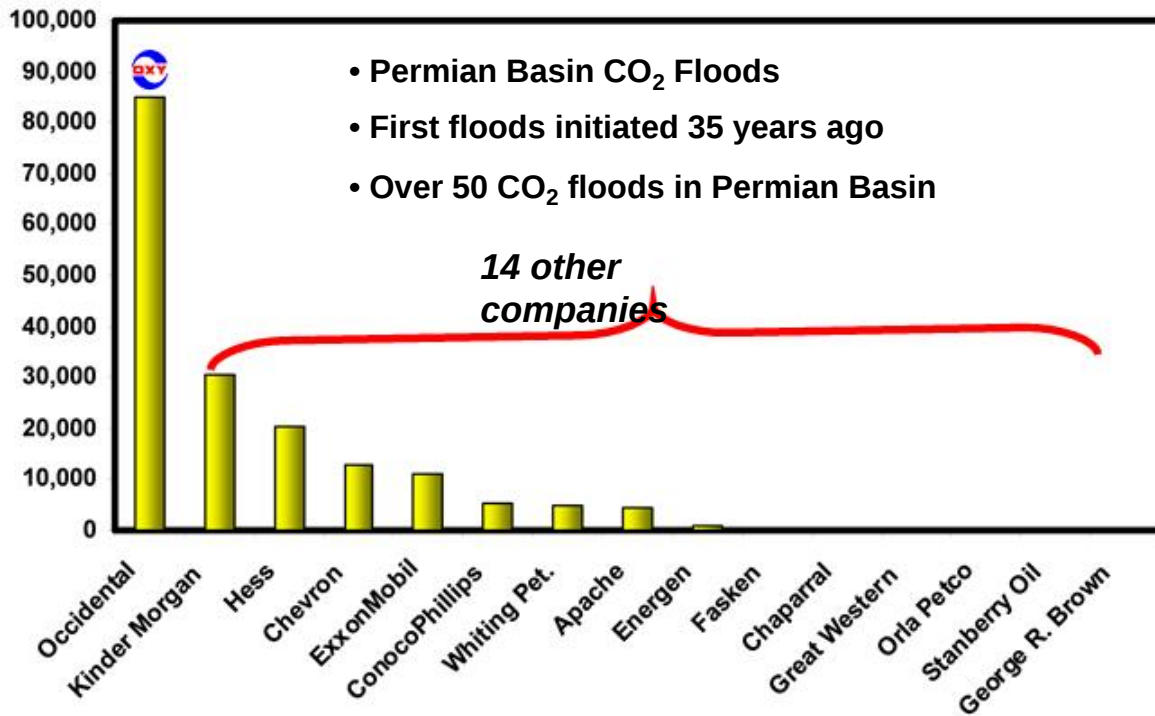
Note: Based on data obtained from the O&GJ 2010 Biannual EOR Survey





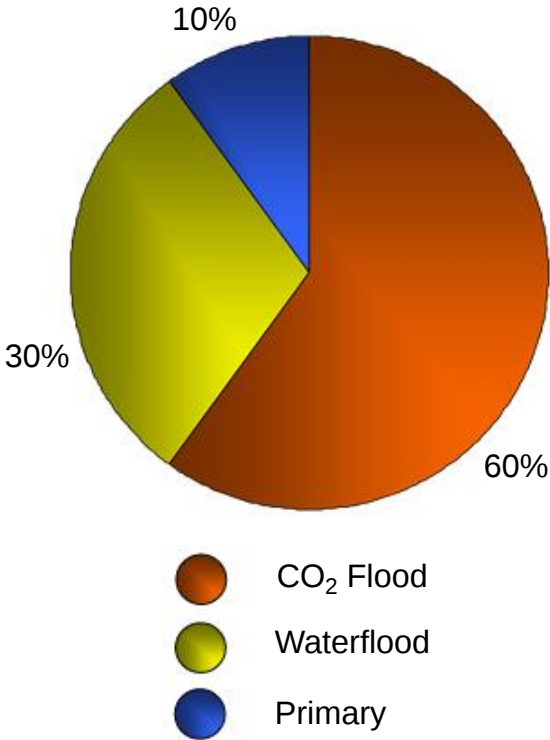
# Permian Basin CO<sub>2</sub> Floods

## Operated CO<sub>2</sub> Projects EOR Production, BOPD



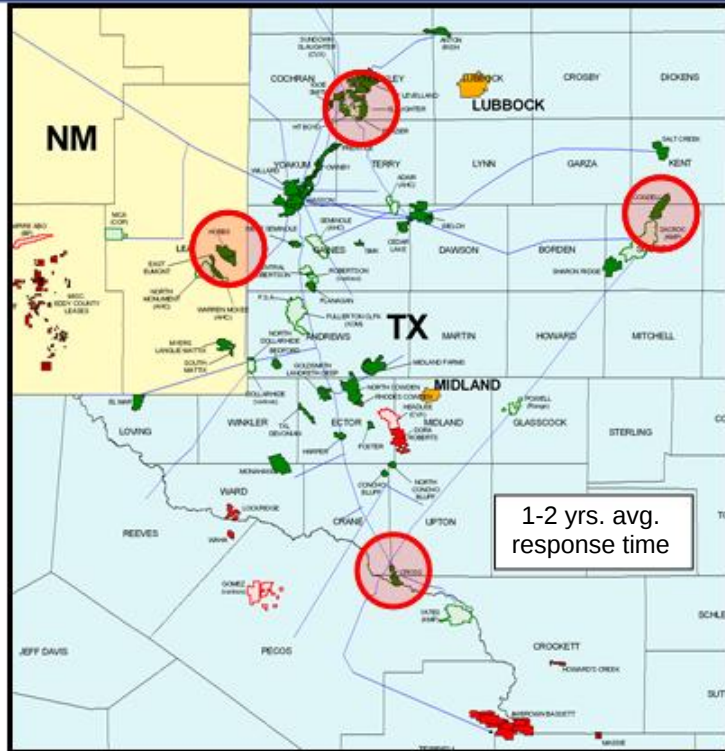
Note: Based on data obtained from the O&GJ 2010 Biannual EOR Survey

# Permian Oil Production

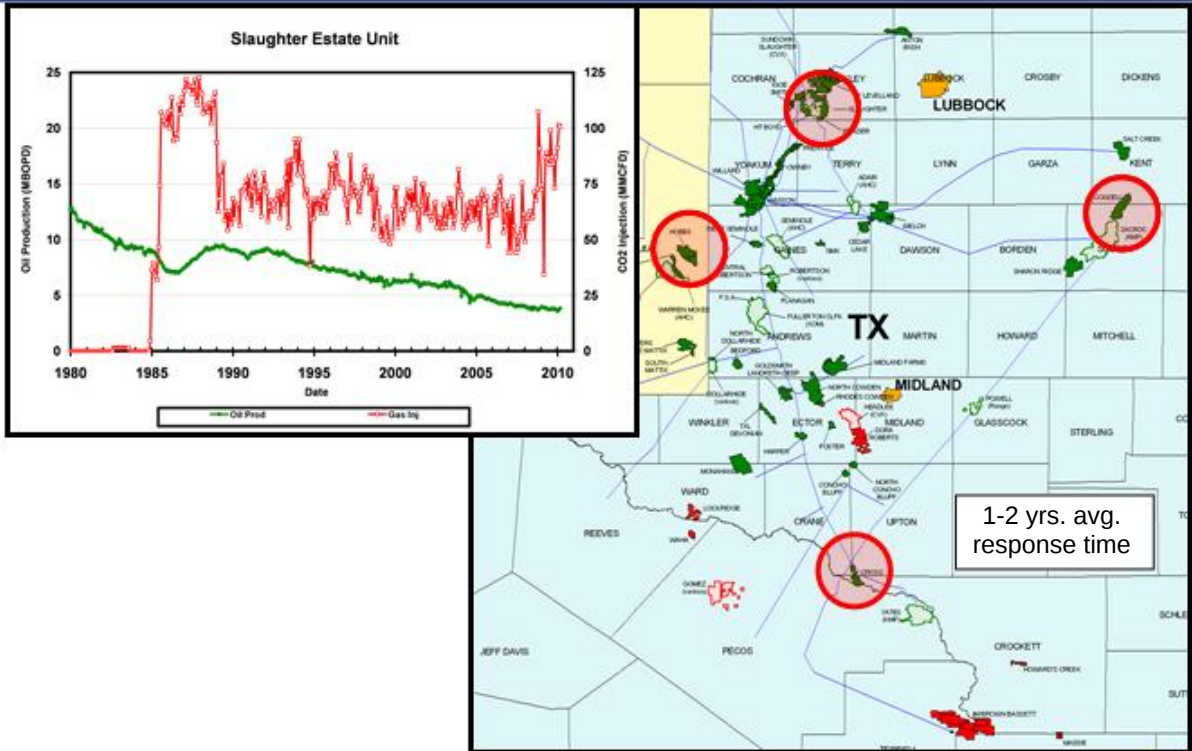


- 28 active CO<sub>2</sub> floods
- Limited CO<sub>2</sub> supply has:
  - Impacted oil production
  - Limited new projects
- Significant growth opportunity remains

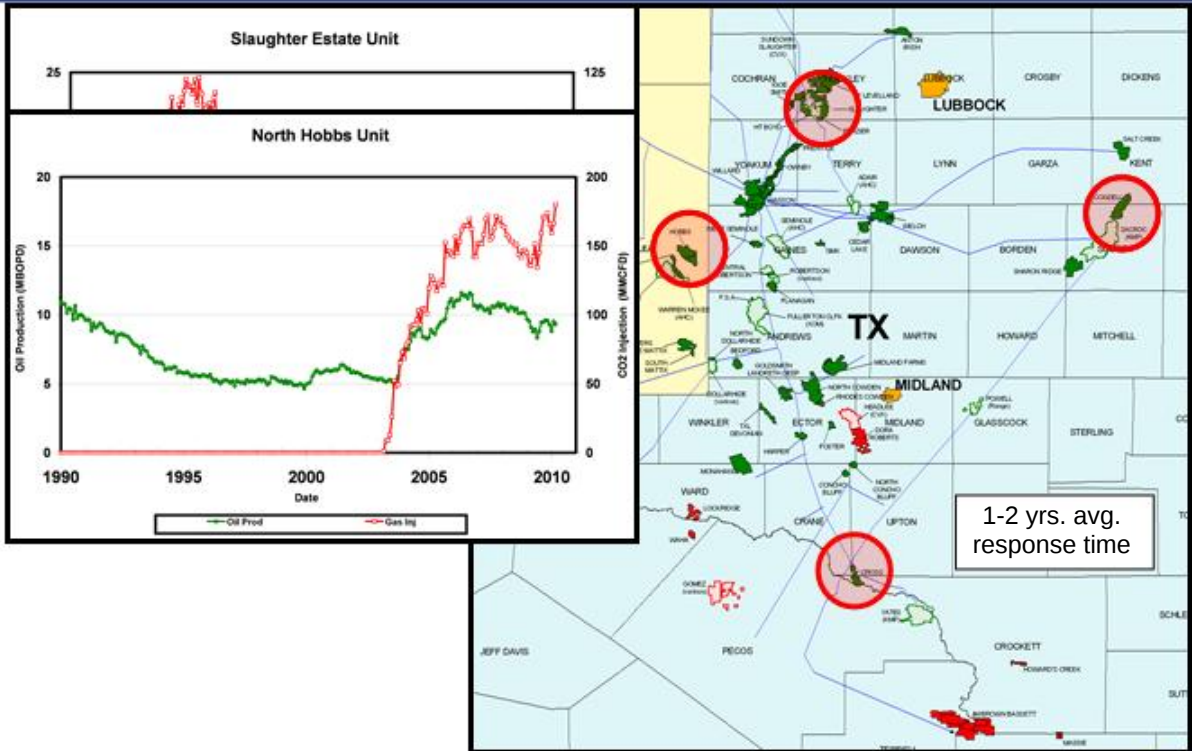
# Examples of CO<sub>2</sub> Flood Response



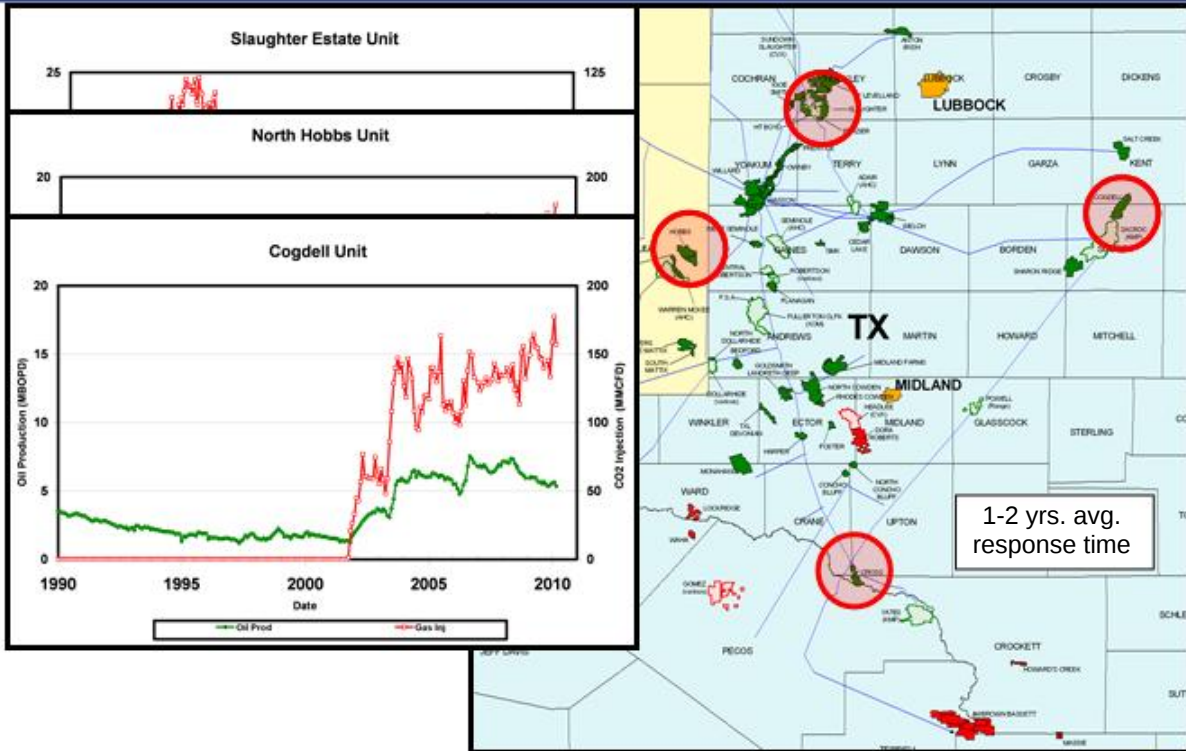
# Examples of CO<sub>2</sub> Flood Response



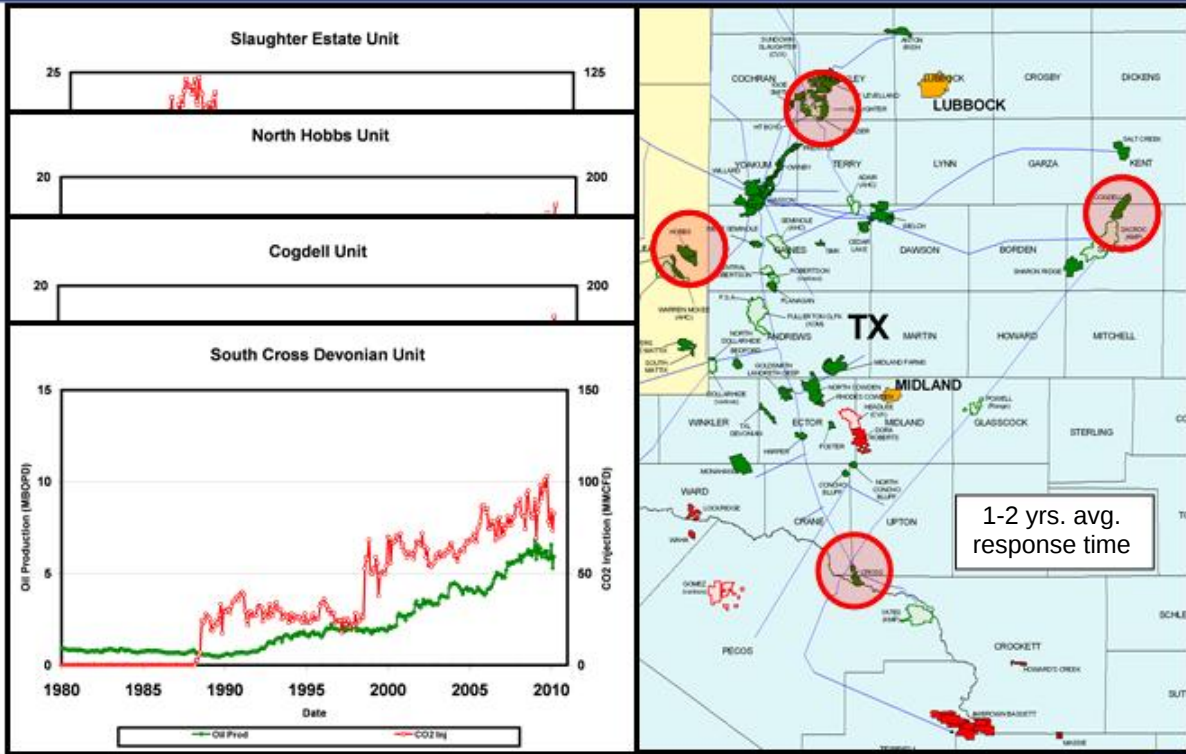
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# Examples of CO<sub>2</sub> Flood Response



# Examples of CO<sub>2</sub> Flood Response



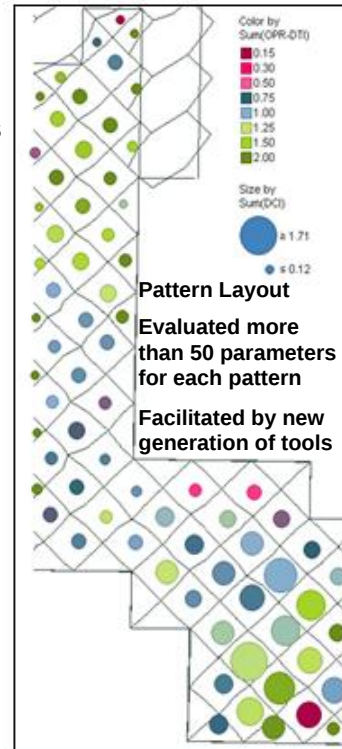
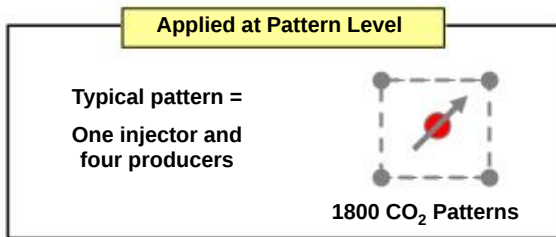
# CO<sub>2</sub> Surveillance - Step Change

## Traditional Process

- Flood specific tools
- Only applied to largest projects
- Limited to senior engineers
- Manual process
- Annual frequency

## New Process

- Standardized approach
- Applied to all CO<sub>2</sub> floods
- Visualization software
- Monthly updates
- Readily taught
- Improved accuracy
- Frequent flood improvements





# Permian CO<sub>2</sub> Surveillance

## Results of Surveillance Effort

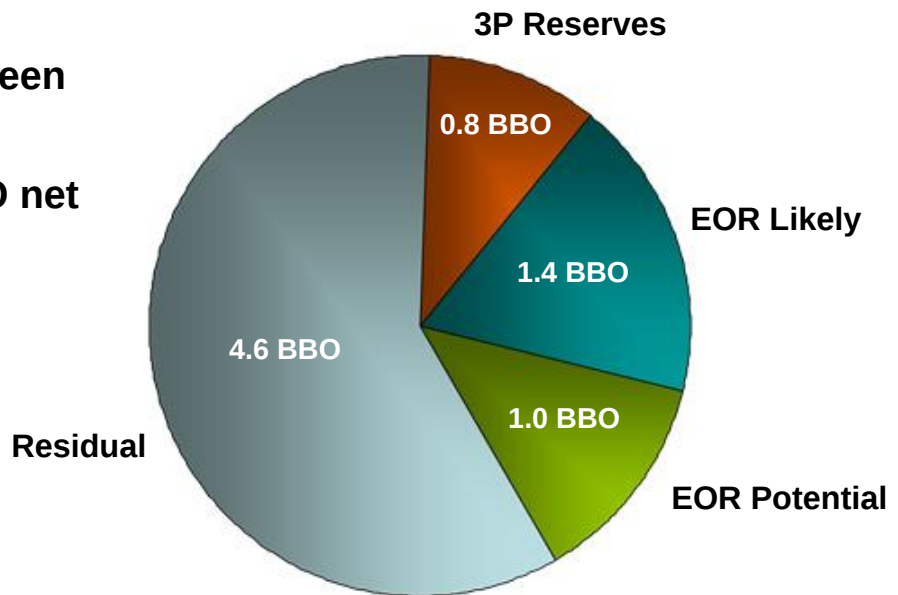
- Constructed new tools to enable review of 1,600 patterns in two months
- Re-allocated CO<sub>2</sub> to better performing patterns
- **Defined 3,000+ BOPD improvement with equal volume of CO<sub>2</sub> injected**
- Developed skills to maintain efficiency



# EOR Opportunities

- Permian properties initially had 11.9 BBO net in place
- 4.1 BBO have been produced,
- leaving 7.8 BBO net remaining

## 7.8 BBO Net Remaining



# Reserves and CO<sub>2</sub> Requirements

*“The next billion barrels”*

	<b>Net Reserves* (MMBOE)</b>	<b>Net CO<sub>2</sub> Required (TCF)</b>
Developed	<b>570</b>	<b>2.8</b>
Undeveloped	<b>430</b>	<b>2.2</b>
<b>TOTAL</b>	<b>1,000</b>	<b>5.0</b>

\* 3P Reserves



# CO<sub>2</sub> Growth Opportunities

- Currently produce 1.7 BCF/day (0.5 TCF/year)
- Short term CO<sub>2</sub> purchase opportunities (1.1TCF)
  - More opportunity to purchase additional CO<sub>2</sub> volumes
  - Recently contracted for additional 100 MMCFD
- Oxy produced CO<sub>2</sub> (1.6 TCF)
  - Can add CO<sub>2</sub> by drilling more wells
- Additional CO<sub>2</sub> supply (3.5 TCF)
  - From methane/CO<sub>2</sub> fields (e.g., Piñon field)
- Enables Occidental to accelerate development of projects that are in hand



## Additional CO<sub>2</sub> Supply vs. Demand

- Should Piñon development cease, currently developed CO<sub>2</sub> would continue to be available to Oxy at similar rates
- If Century Plant CO<sub>2</sub> delivery schedule not met, adequate CO<sub>2</sub> supply exists today on the market to cover the shortfall
- Penalties paid for non-delivery of CO<sub>2</sub> would effectively reduce the cost of make-up CO<sub>2</sub>
- Oxy expects to be able to secure such supply if necessary

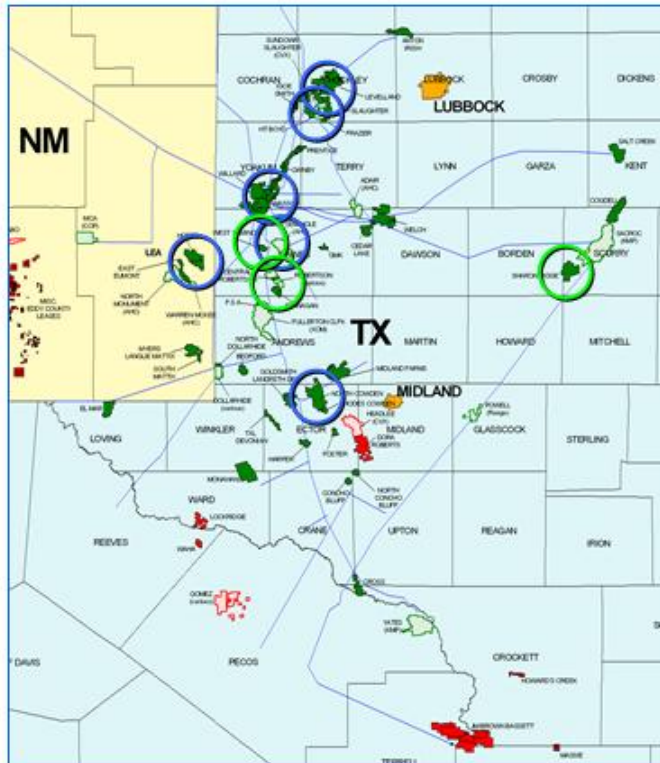


# Permian - Century CO<sub>2</sub> Plant Project



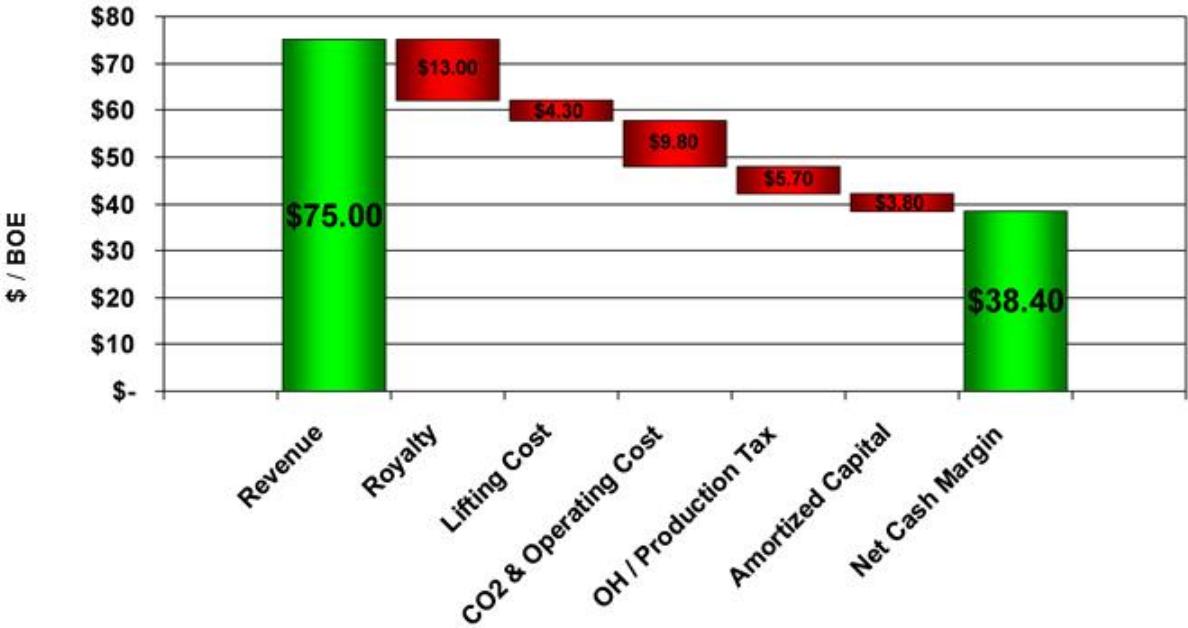
- **Plant design**
  - Inlet = 675 MMCFD
  - Train I = 260 MMCFD CO<sub>2</sub>
  - Train II = 180 MMCFD CO<sub>2</sub>
- **Expected start up:**
  - Train I - 4<sup>th</sup> Quarter 2010
  - Train II - Early 2012

# Permian CO<sub>2</sub> Floods (with additional CO<sub>2</sub>)



- Flood Expansions:
  - Slaughter (in 6 Units)
  - Levelland (3 Units)
  - Wasson (ROZ, 3 Units)
  - Seminole (ROZ, Hess)
  - South Hobbs
  - North Cowden
  - ROZ Expansions (numerous projects)
- New CO<sub>2</sub> Floods:
  - West Seminole
  - Sharon Ridge
  - Clearfork Reservoirs
- Slug Size Increases
  - Nearly all existing projects

# Typical CO<sub>2</sub> Project Cost Structure



\* \$75 / Bbl Marker Price





# Permian - Summary

- **Primary development**
  - Deep inventory of 2,000+ drilling locations, mostly oil, with 150+ MMBOE risked reserve exposure
  - Locations on acreage Oxy already owns
- **CO<sub>2</sub> growth**
  - 1-3 billion BBLs net of enhanced recovery reserves expected from Oxy Operated CO<sub>2</sub> floods
  - Significant inventory of CO<sub>2</sub> flood opportunities
    - § Expansions, new floods, residual oil zone development, slug size increases
  - Ample CO<sub>2</sub> supply accelerates implementation
- **Production**
  - Expect to grow production from 180 MBOEPD in 2010 to 220-230 MBOEPD in 2014
  - Assumes no additional acquisitions



# CALIFORNIA



# California Overview



- **143,000 BOEPD**
- **780 MMBOE net proved reserves (24% of Oxy total)**
- **Main producing assets are Elk Hills, Wilmington, and other assets in the San Joaquin, Ventura, Sacramento and LA basins**
- **#1 natural gas producer and #2 oil producer in the state**
- **Largest fee mineral owner in the state with more than one million net acres**
- **90 producing fields, spanning more than 600 miles**
- **7,500 active wells**



## Elk Hills Key Facts

- Took over operations in February 1998
- Approximately 78% ownership
- 538 million BOE proved reserves (70% of CA total)
- Produced 400 million BOE (1998-2009)
- ~125% production replacement
- Largest CA gas & NGL producer
- 5<sup>th</sup> largest CA oil producer
- Largest gas plant in CA



# California Development



## Elk Hills

- **Development Drilling**
  - Continued focus on Stevens sands and shales (60+ wells in 2010)
  - Re-focused effort on eastern shallow oil zone development (129 wells and 57 workovers)
  - Maintain a 7-rig program

# Elk Hills Drilling Location Inventory

	<u>Drilling Inventory</u>
Shallow Oil	1,060
Stevens Sands & Shales	<u>700</u>
Total	1,760



# Elk Hills Gas Plant Expansions

	<u>Gas Plant Capacity MMCFD</u>
Current	420 (at capacity)
Late 2Q 2010 Skid Plant	90 (will be at capacity)
Q1 2012 Cryo Plant	<u>200</u>
Total	710

- 200 MMCFD plant-largest that could be built in 20-24 months
- Awarded contract for the plant, and work has begun
- Deeper NGL recovery, high sales gas quality
- Largest, most efficient plant in the area (regional gas hub)
- **By year-end 2010, additional capacity will be ordered**



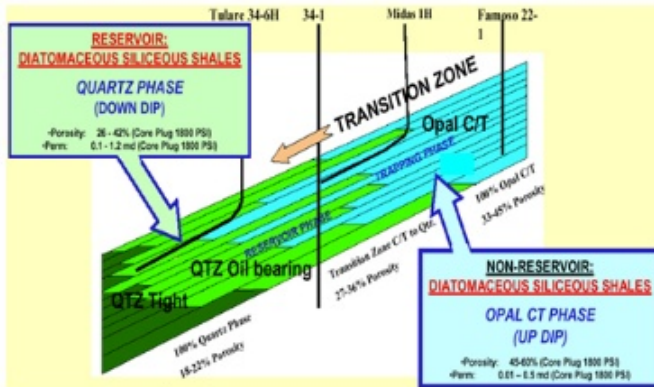
# California Development - Kern County Discovery



- Currently have 24 wells capable of producing ~45 MBOEPD
  - Currently gas plant constrained
  - When 90 MMCFPD skid mounted facility is brought online, it will be filled
- Planning to drill an additional 20 wells in 2010 (oil focused)
- Extension opportunities to the North, South, and West
- At least 30 additional locations beyond 2010

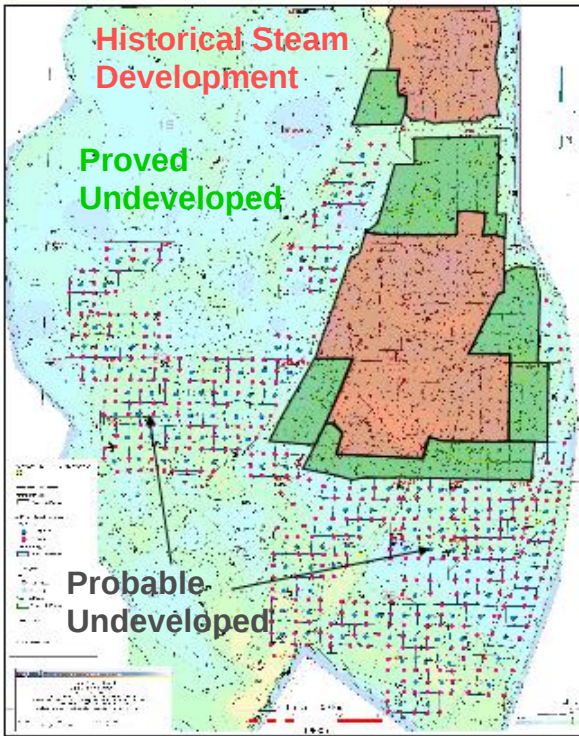


# California Development - North Shafter

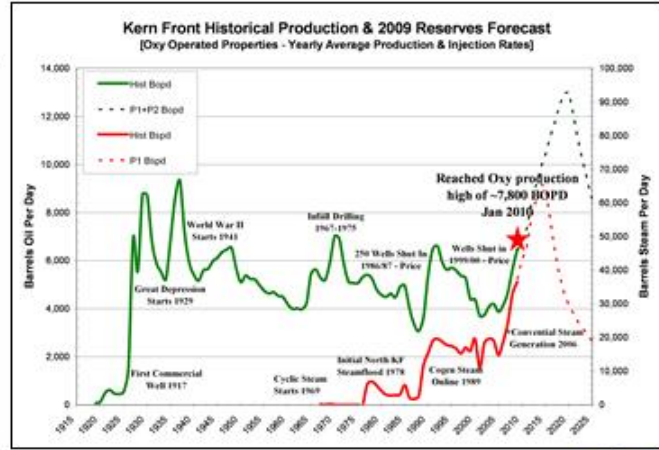


- **North Shafter Field**
  - Acquired 58% in 2004, and the remainder in 2009
  - Now 100% Oxy
  - 140+ MMBOEIP
  - 7.3% current Recovery Factor
  - 44 active wells
  - Potential to reduce 80 acre well spacing to 40 acres
- **New Concept**
  - California's first cemented liner, plug & perf, fracture stimulation
  - Completed March, 2010
  - IP 350 BOPD
  - Up to 40 additional locations using this new completion method and 40 acre spacing

# California Development - Heavy Oil



- **Producing:**
  - 580 Wells, 22 MMbo Net
- **Undeveloped:**
  - 720 Wells, 42 MMbo Net



# Oxy Long Beach Overview



## Wilmington Field

- **Among Top 10 largest oilfields in North America**
  - 6-8 Billion barrels in place
  - 2+ Billion recovered to date
- **Significant redevelopment upside**
- **Oxy partnering with State, City of Long Beach, and the Port of Long Beach**

# Oxy Long Beach Development



- **Steadily growing field ownership**
  - Current stake in over 80% of properties
- **Tidelands is a service contract; THUMS Long Beach is a PSC**
- **Converted a portion of Tidelands contract to a PSC through deal with Port of Long Beach**
- **Currently negotiating with the State to do the same**
- **Opportunity to grow production over a 5 year period with additional investment**

# California - Summary

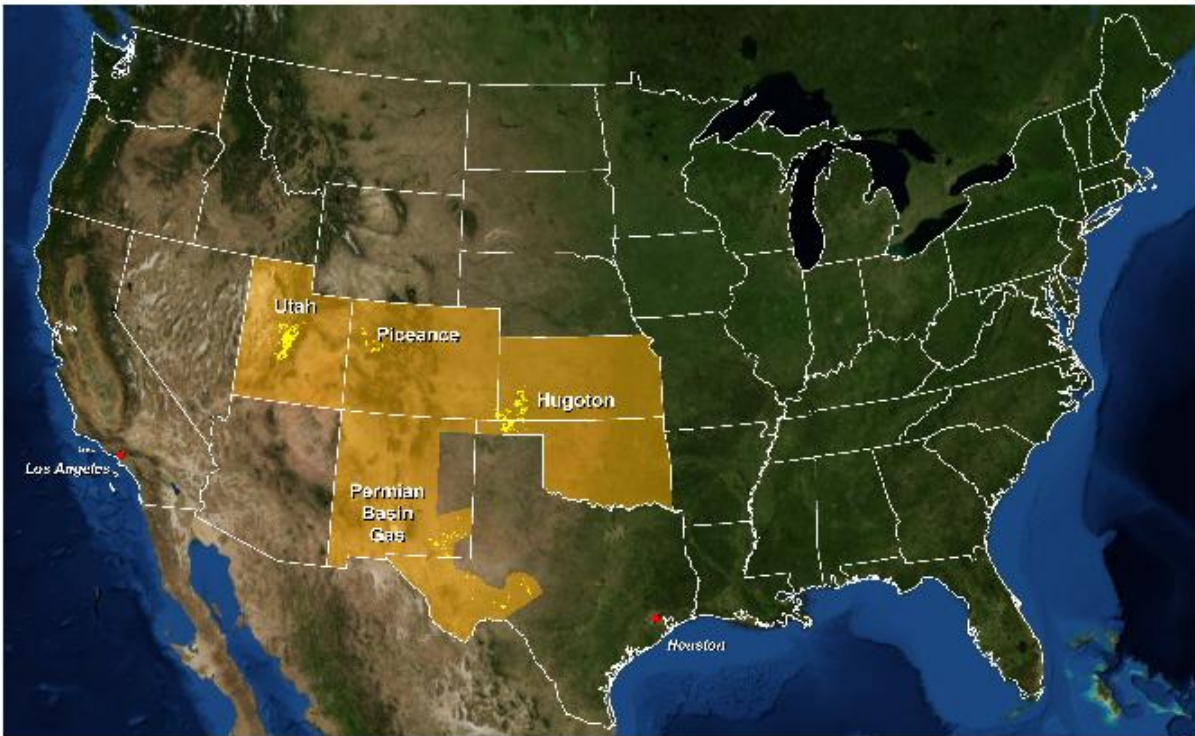
- **Primary development**
  - Current inventory of 3,700+ drilling locations
  - Locations on HBP or Oxy owned fee minerals
  - Recent Kern county discovery does not materially change gas/oil production mix
  - Long Beach is a growth opportunity with recent increases in equity ownership
- **Infrastructure**
  - Aging gas plant infrastructure constraining production
  - 200 MMCFPD gas plant to be built in 20-24 months
  - Additional gas plant capacity will be necessary
- **Production**
  - Expect to grow production from 151 MBOEPD in 2010 to 212-222 MBOEPD in 2014
  - Assumes no exploration success or acquisitions



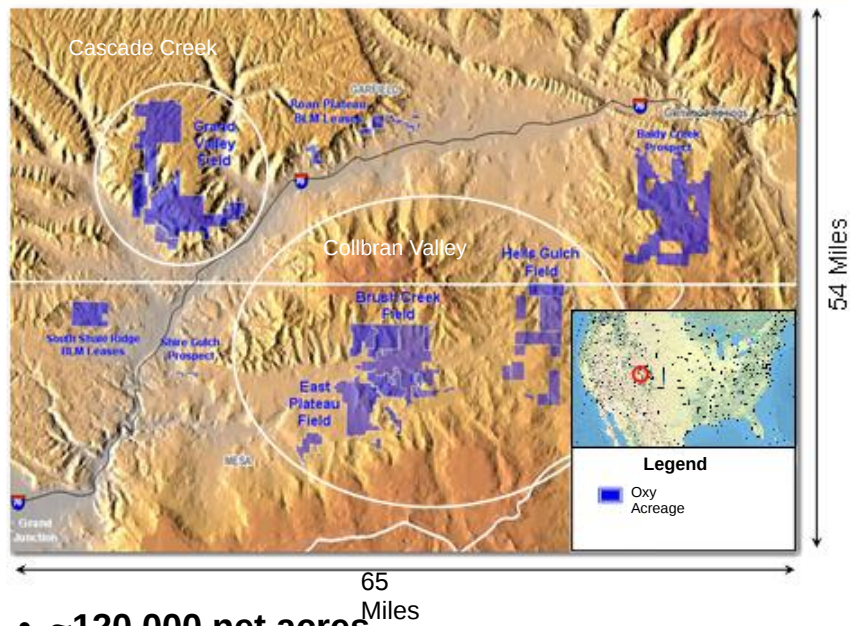
# MID-CONTINENT



# Mid-Continent Gas Business Unit



# Piceance Position Overview



- ~120,000 net acres
- ~ 640 mmbob total resource base (> 3.8 TCFE)
- ~ 6,000 undrilled locations



# Piceance Development

- **Prudent development approach short term, because of low current gas prices**
  - One rig program currently
- **Excellent acreage**
  - Own legacy fee acreage with low royalty (15,000 acres <1% royalty)
- **Focused operations**
  - Reduced unit operating costs by 40+% in 2009
  - Specialized Piceance fit-for-purpose drilling rigs in inventory
  - Reduced drilling time to < 10 days/well from 15+ days/well in 2008
  - Improved time to market through simultaneous drilling & completions operations
- **Growth**
  - Resource play where we can readily add production



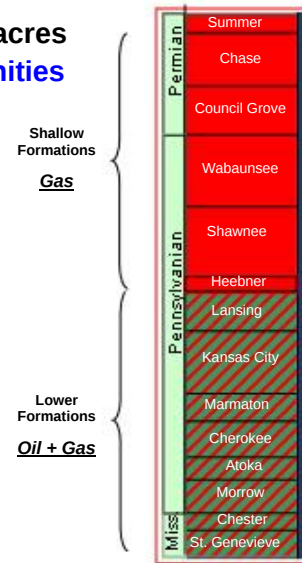
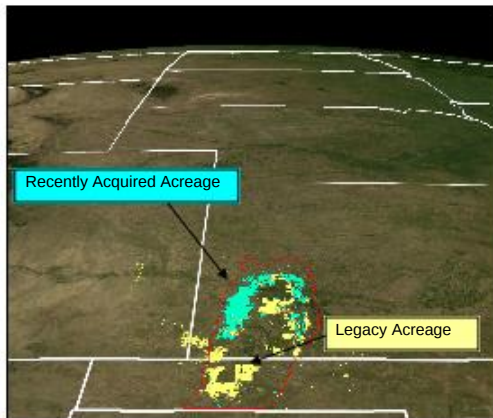
# Piceance Development Economics

<b>NYMEX Price</b>	<b>Realized Price (\$/MMBTU)</b>	<b>Capital (\$MM)</b>	<b>Reserves/Well (BCFE)</b>	<b>ROR</b>
<b>\$4.00/MMBTU</b>	<b>\$3.62</b>	<b>\$2.1</b>	<b>1.6</b>	<b>19%</b>
<b>\$6.00/MMBTU</b>	<b>\$5.36</b>	<b>\$2.1</b>	<b>1.6</b>	<b>40%</b>



# Hugoton - Oil Drilling Opportunities

- 185 miles long by 45 miles wide
- 2,500 active Oxy wells & 500 miles of pipeline
- ~25,000 boepd (100 mmcfpd, 5,500 bopd, 3,000 bcpd)
- Oxy operated since 1940's
- Recently doubled acreage from 700,000 to 1,400,000 acres
- 2010 capital program targeting high ROR oil opportunities
  - Primary & secondary recovery opportunities (waterfloods)
  - 35+ wells planned (90+% oil)



# Mid-Continent Gas - Summary

- **Primary development**
  - Prudent approach to gas drilling
  - 3.8 TCFE Resource
  - 6,000+ drilling locations
  - Low royalty burden enhances economics
  - Recent Hugoton acquisition doubles acreage position and adds significant oil location inventory
- **Production**
  - Expect to grow production from 60 MBOEPD in 2010 to 80-100 MBOEPD in 2014
  - Assumes no additional acquisitions



# DOMESTIC SUMMARY



# Domestic Drilling Location Inventory

	<u>Drilling Inventory</u>
Mid-Continent	6,500
Other California	1,870
Permian Primary	1,350
Elk Hills Shallow Oil	1,060
Permian ROZ deepening	800
Elk Hills Stevens	700
Kern County discovery	<u>50</u>
<b>TOTAL</b>	<b>12,330</b>



# Domestic Net Production

*MBOEPD*

	<u>2008</u>	<u>2009</u>	<u>2010 Outlook</u>	<u>2014 Estimate</u>
Permian	184	185	180	220-230
California	128	134	151	212-222
Mid-Continent	<u>49</u>	<u>57</u>	<u>60</u>	<u>80-100</u>
TOTAL	361	376	391	512-552

CAGR, %

6.4 - 8.0



# Domestic Summary

- **Stable, low decline base production**
- **Deep inventory of drilling projects, mostly oil, across all domestic business units (12,000+ locations)**
- **Large inventory of existing and new CO<sub>2</sub> floods with adequate CO<sub>2</sub> supplies secured**
- **California continues to be a major production growth driver in the U.S.**
- **Expect to generate 6-8% growth per year over the next five years (excludes exploration success and acquisitions)**
- **U.S. business is 70% liquids, and we expect this percentage to stay the same, or grow in the future**





# California Conventional Exploration

**Anita Powers**  
**EVP Worldwide Exploration**

May 19, 2010



# Conventional Reservoirs

These are the reservoirs that are capable of natural flow and will produce economic volumes of oil and gas without special recovery techniques.

*Source: Modified from Schlumberger*

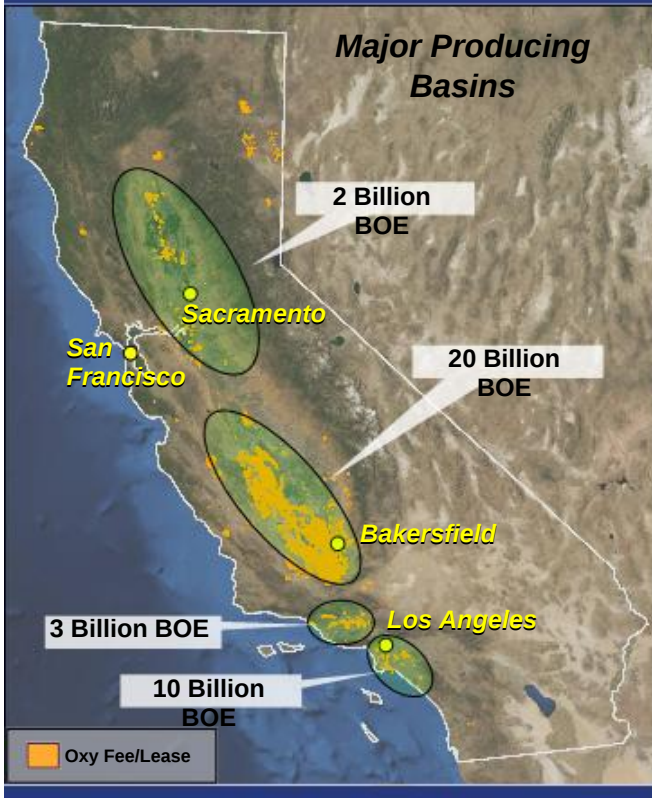


# Occidental Petroleum

- **Why California**
  - **High potential, underexplored**
  - **Dominant position**
  - **Favorable geology, many plays**
  - **Kern County Discovery**
  - **Just started, multi year inventory**



# California Oil and Gas Overview

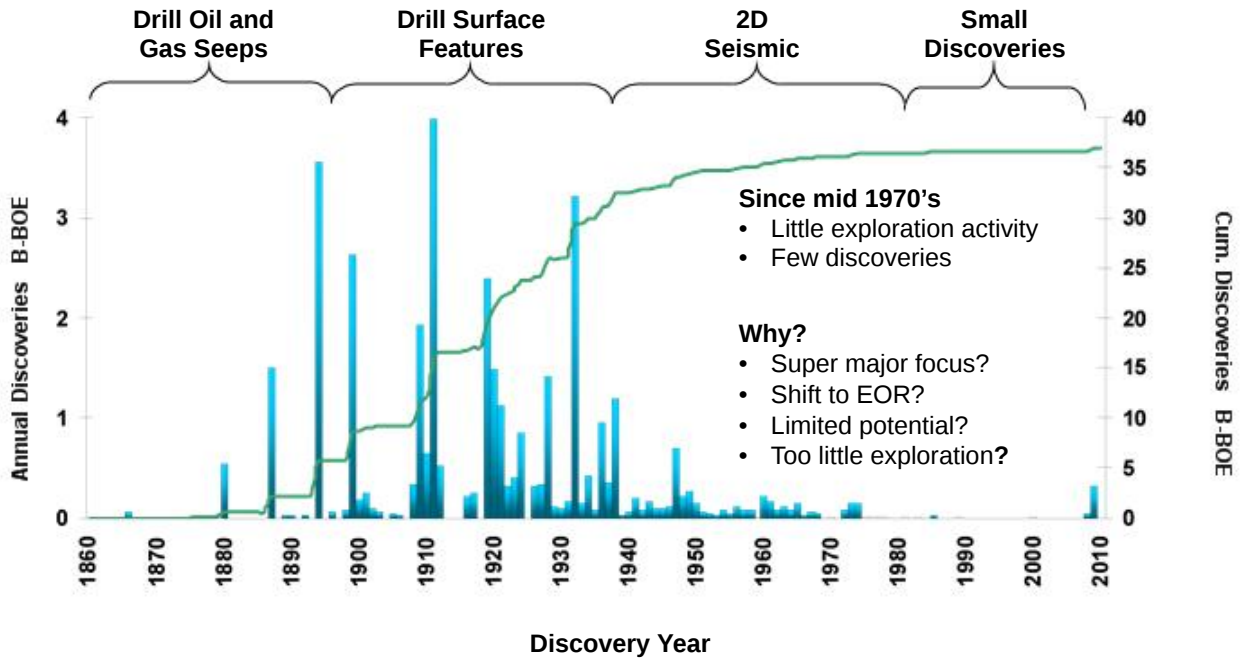


- **World Class Province**
  - 35+ Billion BOE discovered
  - 5 of top 12 U.S. oil fields
- **Significant Remaining Potential**
  - Large undiscovered resources
  - Multiple play and trap types
- **Underexplored**
- **Oxy**
  - Major producer
  - Largest land holder
  - Successful explorer
  - Multi-year prospect inventory

Sources:  
California Division of Oil, Gas & Geothermal Resources  
Gibson Consulting



# California Exploration History



Sources:  
California Division of Oil, Gas & Geothermal Resources  
2008-2009 Occidental Upside Estimates



# USGS Undiscovered Upside Resources

## Conventional Oil and Gas - L/48

**Total US Onshore 90 BBOE**

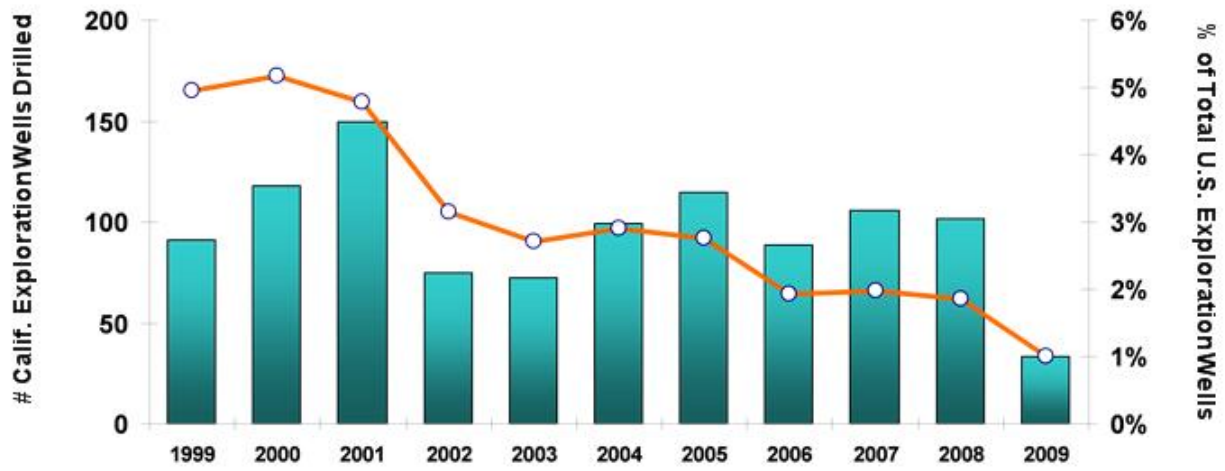
**California Only 11 BBOE (12%)**

USGS National Assessment of Oil and Gas Update (2008)  
\* Excludes Federal Waters



# California Exploration Drilling

As a percentage of the Total U.S. Exploration



Sources:  
EIA, IHS wells with recorded spud dates and Oxy estimated spud



# Occidental Petroleum

- **Why California**
  - High potential, underexplored
  - **Dominant position**
  - Favorable geology, many plays
  - Kern County Discovery
  - Just started, multi year inventory





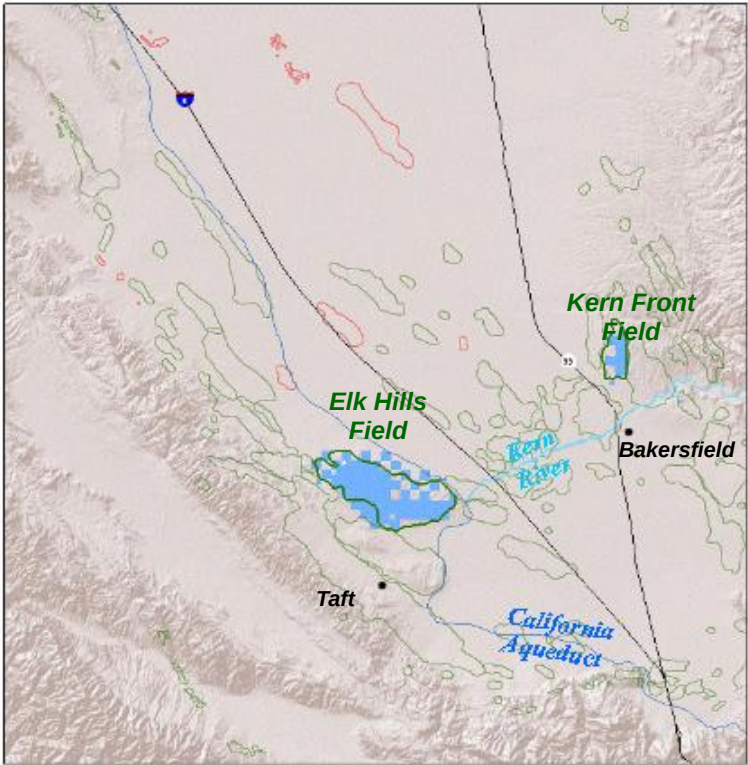
# Oxy Land Position Today



California Net Acreage		Million Acres
4Q 2009	Oxy	1.3
	Competitor A	0.4
	Competitor B	0.3
	Competitor C	0.3
	Competitor D	0.1

Competitor data estimated by Oxy

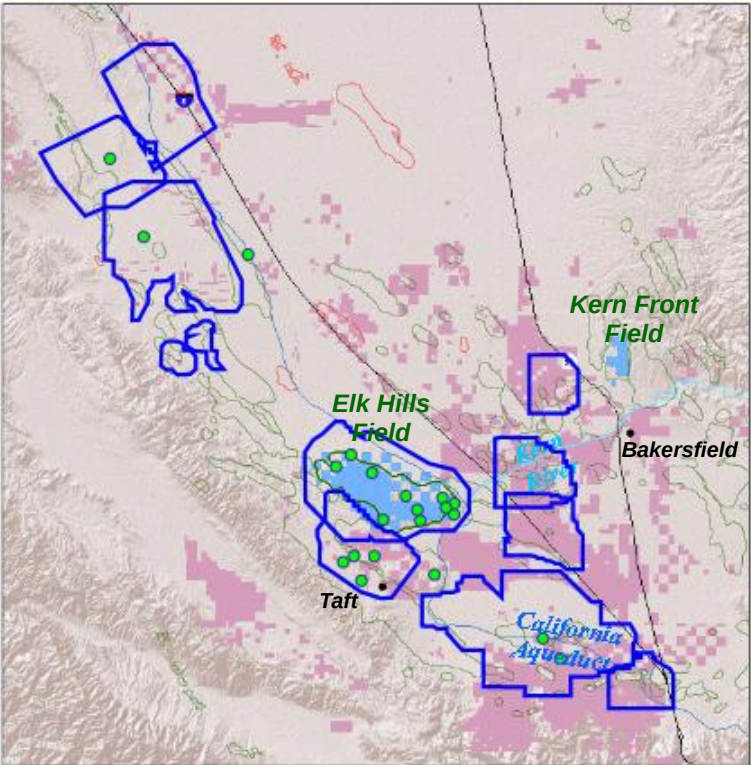




- Elk Hills Acquisition in 1998

1998 Fee Holdings

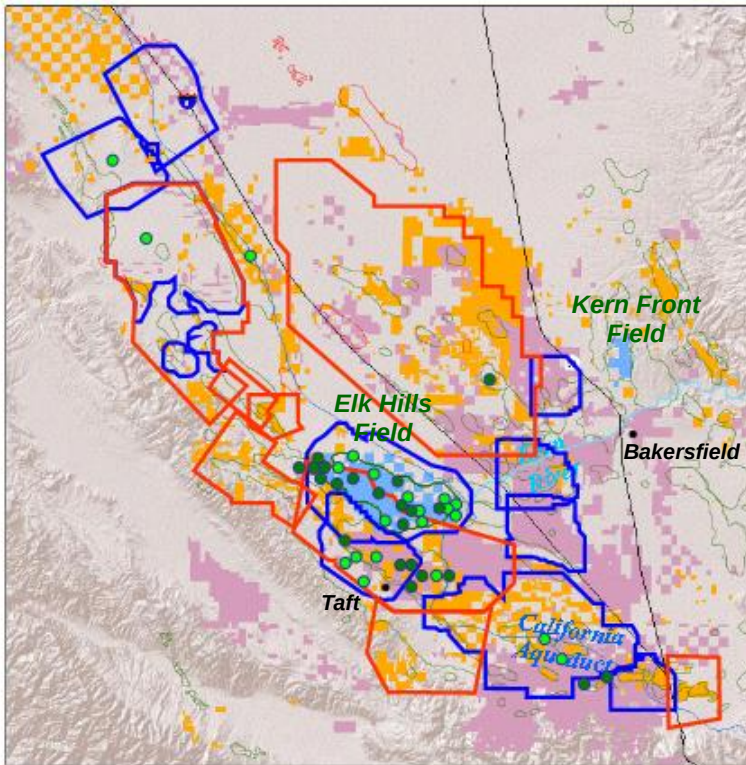
# 1998 - 2005



- Elk Hills Acquisition in 1998
- Learn, build, explore close-in

- 1998 Fee Holdings
- 1999-2005 Lease/Fee Additions
- 1998-2005 Exploration Wells
- 1998-2005 3D Seismic

# 1998 - 2010



- Elk Hills Acquisition in 1998
- Learn, build, explore close-in
- Dominant player, expand

- 1998 Fee Holdings
- 1999-2005 Lease/Fee Additions
- 2005-2010 Lease/Fee Additions
- 1998-2005 Exploration Wells
- 2005-2010 Exploration Wells\*
- 1998-2005 3D Seismic
- 2005-2010 3D Seismic

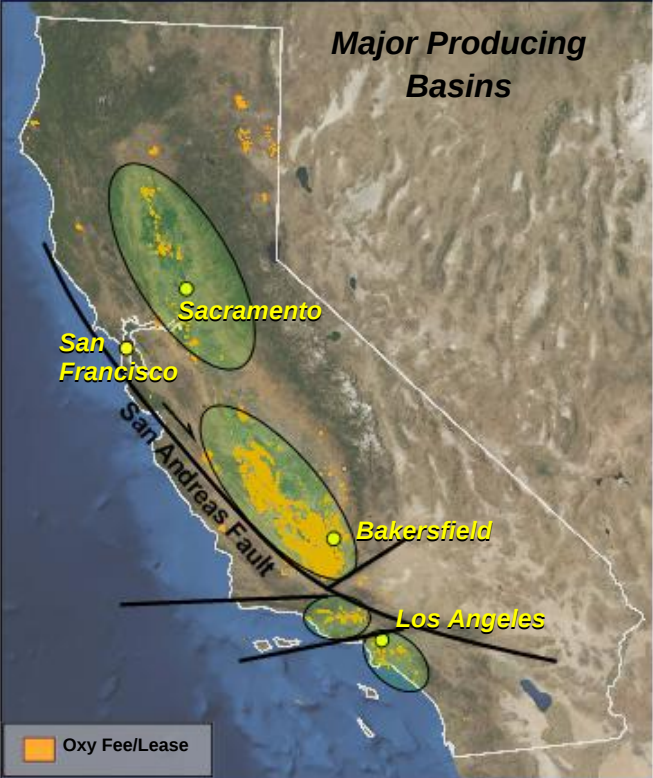
\*Excludes certain wells currently in confidentiality period

# Occidental Petroleum

- **Why California**
  - High potential, underexplored
  - Dominant position
  - **Favorable geology, many plays**
  - Kern County Discovery
  - Just started, multi year inventory



# Favorable Geology



Multiple Reservoirs

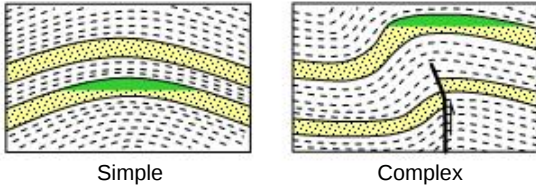
Rich Marine Oil and Gas Source Rocks

Tectonics Form Variety of Trap Types



# Conventional Exploration Plays

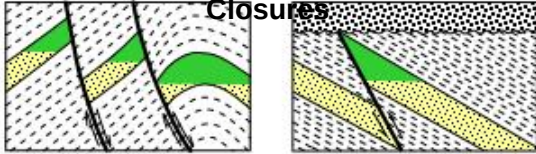
## Anticlines



Simple

Complex

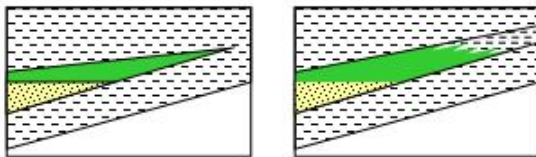
## Faulted Closures



Normal

Reverse

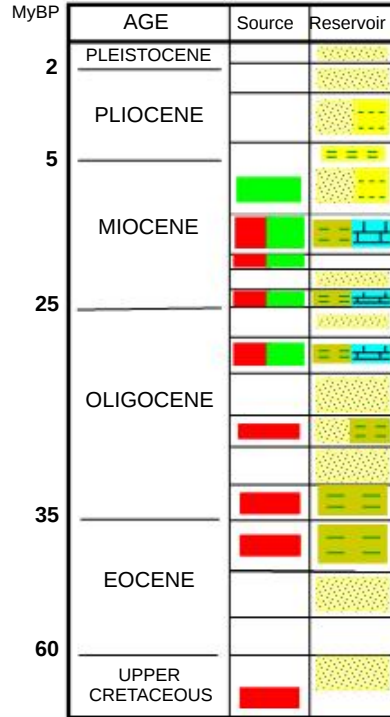
## Stratigraphic



Pinch-out

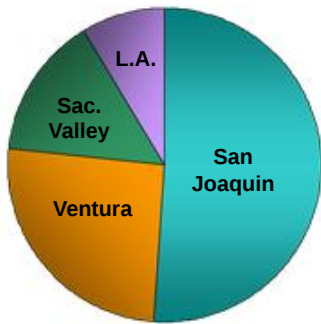
Facies Change

## Producing Intervals



# Oxy California Play Focus

47 Plays Identified



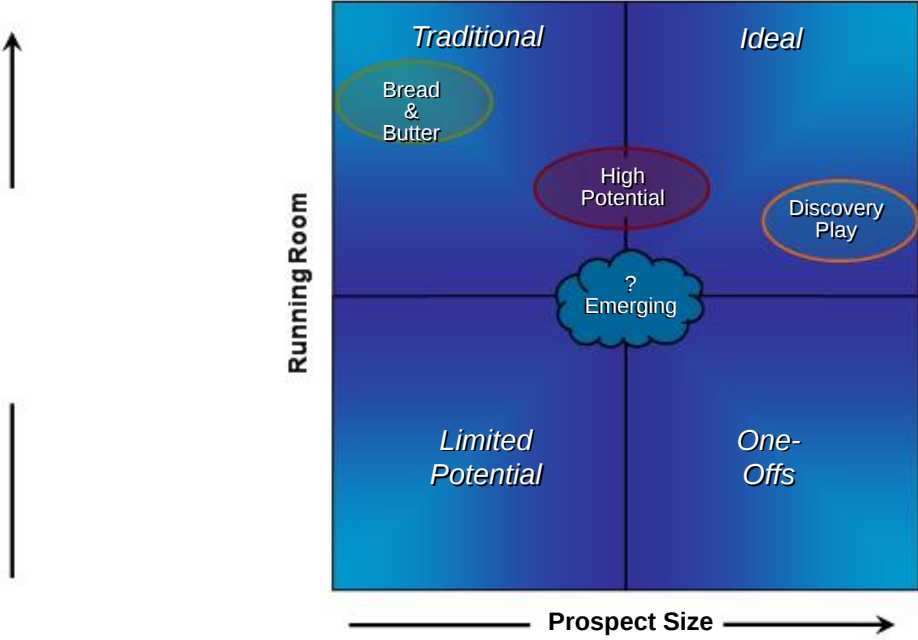
10 Plays Selected



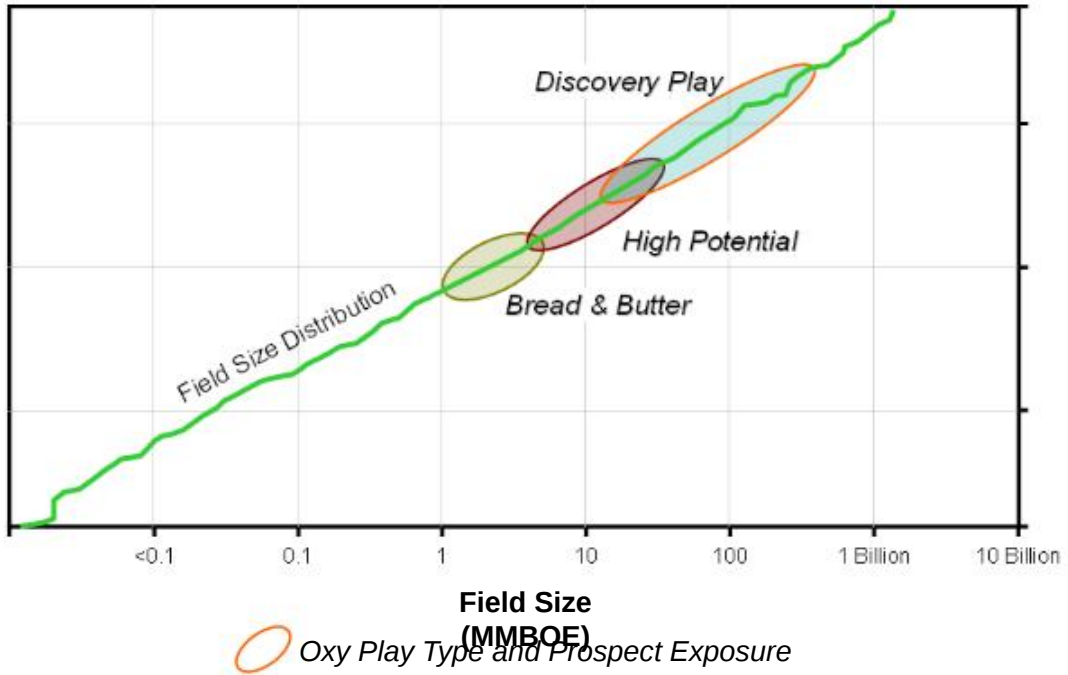
- Targeting Oil Prone Plays and Areas
- Integrate Well, Seismic, Outcrop and Analog Data
- Forensic geology - not all information resides on a workstation
- Challenge what is known
- No magic bullets - Just good solid geoscience



# Oxy Play Grouping



# California Field Sizes



Sources:  
California Division of Oil, Gas & Geothermal Resources  
Occidental Estimates



# Occidental Petroleum

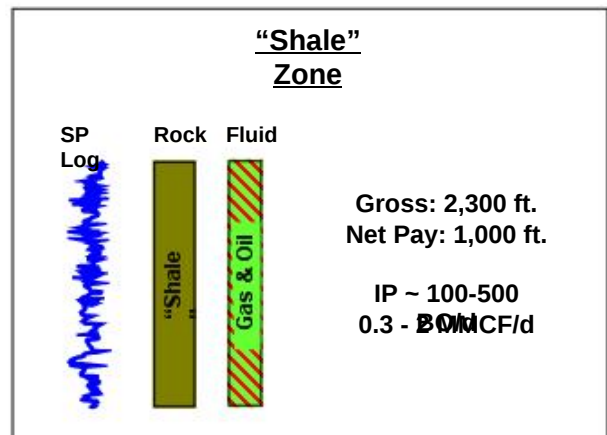
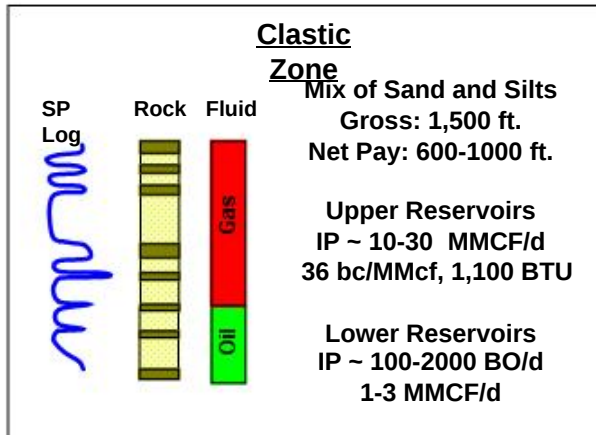
- **Why California**
  - High potential, underexplored
  - Dominant position
  - Favorable geology, many plays
  - **Kern County Discovery**
  - Just started, multi year inventory



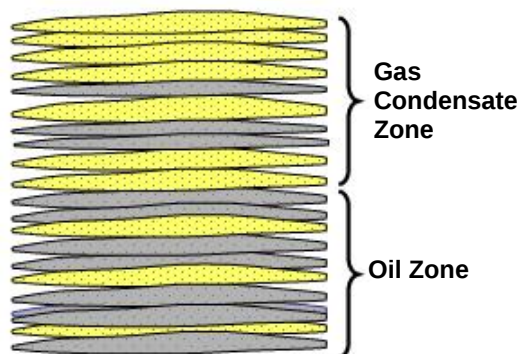
# Discovery Play

2008: 1<sup>st</sup> discovery: Proved play concept

2009: 2<sup>nd</sup> discovery: Major Kern County find



# Kern County Discovery



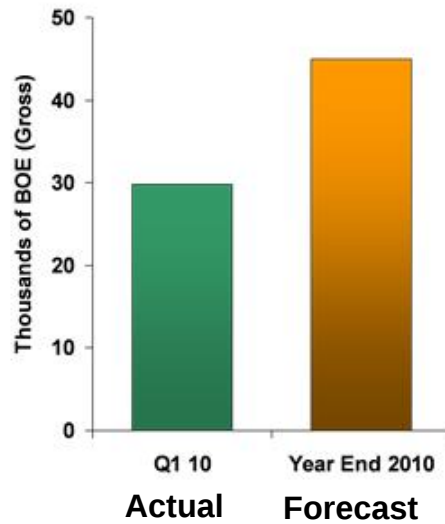
- 24 wells drilled to date
- Observed tighter intervals on edges of field
  - Modified completions of 6 wells
    - Increased flow rates
    - Ex: Low flow to >1,000+ BOEPD
  - 2 horizontal wells planned 2010
    - Exploit thick laminated pay intervals
- Field limits not yet defined
  - Continue step-out drilling along strike
  - Appraise down-dip limits for fluid contacts

# Kern County Discovery

## Discovery Volumes (Net MMBOE)

<i>Results after 24 Wells:</i>	
Produced + Proved	88
Probable	47
Possible	40 - 115
<i>End 1Q '10</i>	<u>175 - 250</u>
<i>2010 Step-Out Plan</i>	100 - 150
Total Net Potential	<u>275 - 400</u>
Gross Potential	350 - 500

## Gross Production



# Occidental Petroleum

- **Why California**
  - High potential, underexplored
  - Dominant position
  - Favorable geology, many plays
  - Kern County Discovery
  - **Just started, multi year inventory**



# California Exploration Program

## Multi-Play, Multi Basin, Large Prospect & Lead Inventory

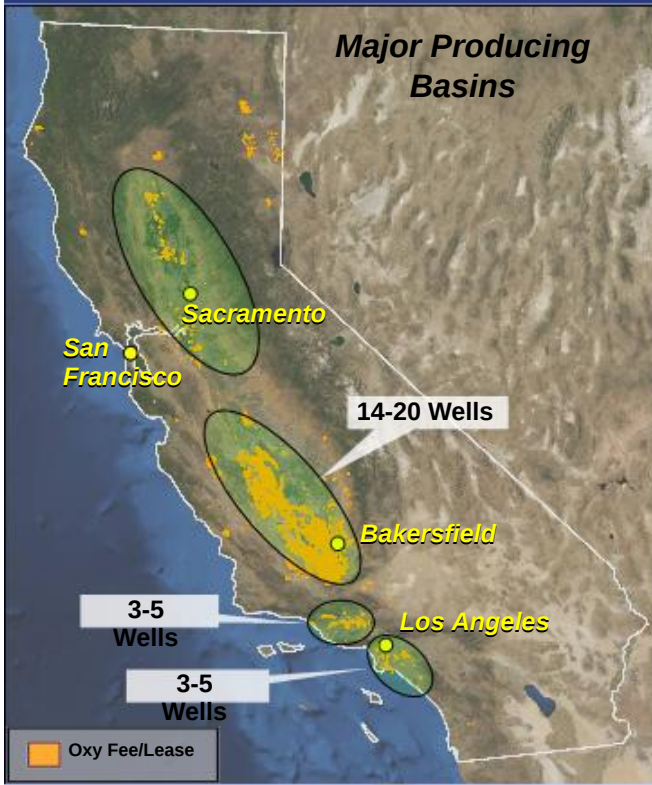
<u>Years</u>	<u># Wells*</u>	<u>3D Seismic Sq. Miles</u>
2009	25	200
2010	25	450
2011 – 14	80 – 120	800 – 1,600

\* Includes recompletions and deepenings





# Exploration Going Forward



## 2011 - 14 Annual Program

	<u># Wells*</u>
Discovery Play	7-10
High Potential	5-10
Bread & Butter	5-6
Emerging	3-4
<b>Total per year</b>	<b>20 - 30</b>

## 3D Seismic - 200-400 km<sup>2</sup> per year

- San Joaquin - Infill and Expand
- Ventura/LA - Combined exploration and development

\* includes Deepenings and Re Completions



# California Conventional Exploration

- **Tremendous potential**
  - Attractive risk profile (Oxy 1 in 3 success rate)
- **Dominant land position**
- **Kern County Discovery**
  - 175 - 250 MMBOE net discovered with significant upside
- **Discovery Play**
  - 7-10 prospects/year
  - Each prospect
    - 100 - 125 MMBOE, average
    - 500 MMBOE, high-side
- **Program will evolve**
  - Targeting areas more oil prone than Kern County Discovery
  - Multi-year inventory: 50 prospects and leads (and growing)
  - Learn as we go, prioritize and drill



# California Unconventional

**Todd Stevens**

**VP - California Operations**

May 19, 2010



# Unconventional Reservoirs

“These are the reservoirs that cannot be produced at economic flow rates or that do not produce economic volumes of oil and gas without assistance from massive stimulation treatments or special recovery processes and technologies.”

*Source: Schlumberger Presentation*

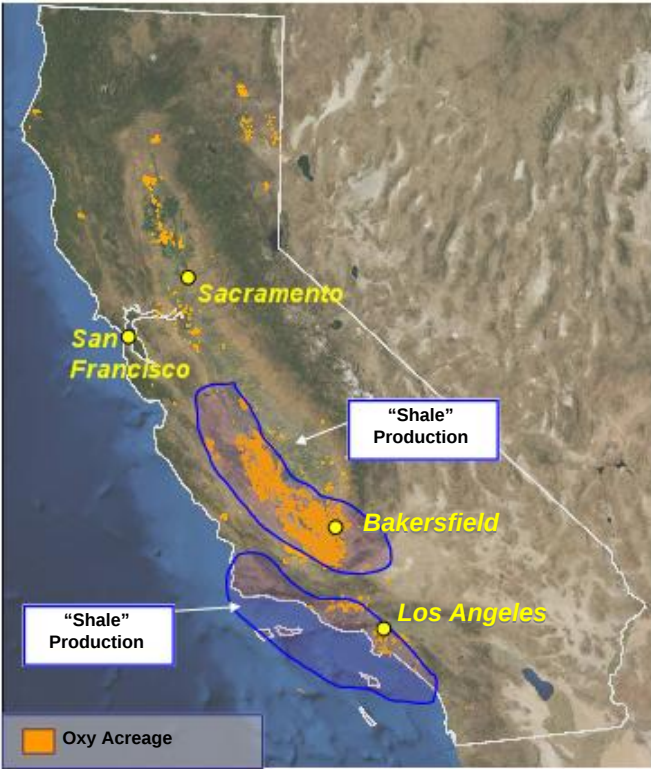


# Agenda

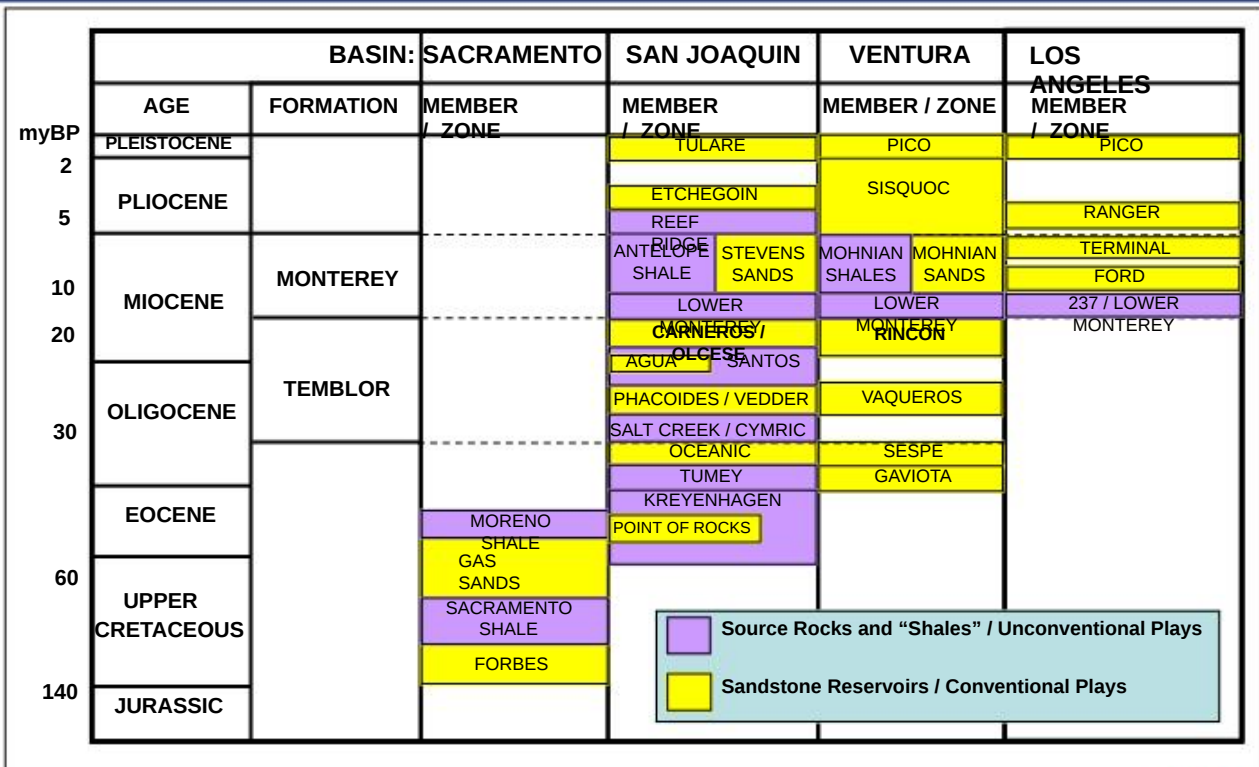
- **California “Shale” Background**
- **Oxy’s “Shale” Program**
- **California “Shale” Technical Attributes**
- **California “Shale” Analogs**
- **Summary**



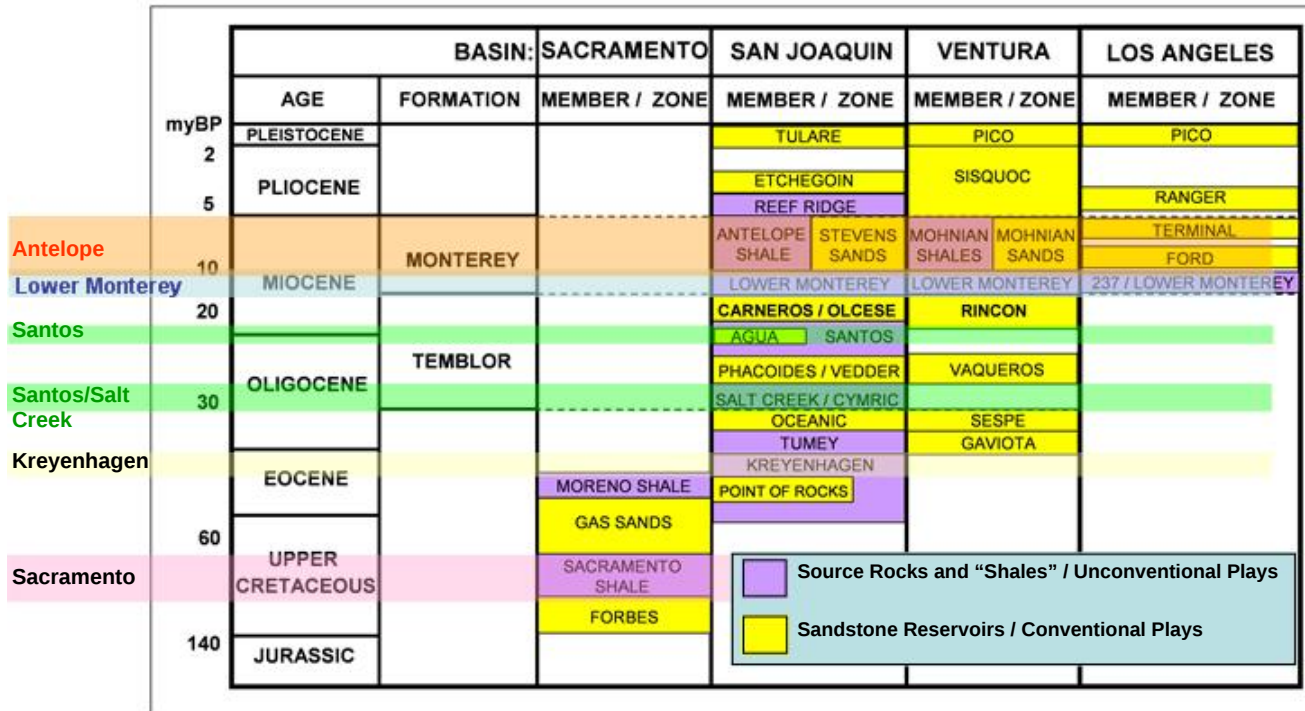
# Locator Map



# Stratigraphic Column - Major Producing Basins



# California "Shales" - Target Zones





## California “Shales” - “Under the Radar” Unconventional Play

- Oil and gas companies in California, in particular Oxy, have been producing from unconventional plays for a number of years
- California “shales” compare very favorably with some of the higher profile plays in other states
- Since acquiring Elk Hills, Oxy has been building its shale expertise
- Oxy has maintained a low profile to acquire the California acreage and assets it covets at reasonable prices



# San Joaquin Basin: Breaking the Paradigm

- **Historical view of California reservoirs:**

- Permeable Sands
- Shales (biosiliceous rocks - diatomite, porcelanite and cherts)
- No carbonates (except sporadic dolomites)
- “The Lower Monterey is a source rock with good shows but no production potential.”
- Very small new discoveries - not material to large operators

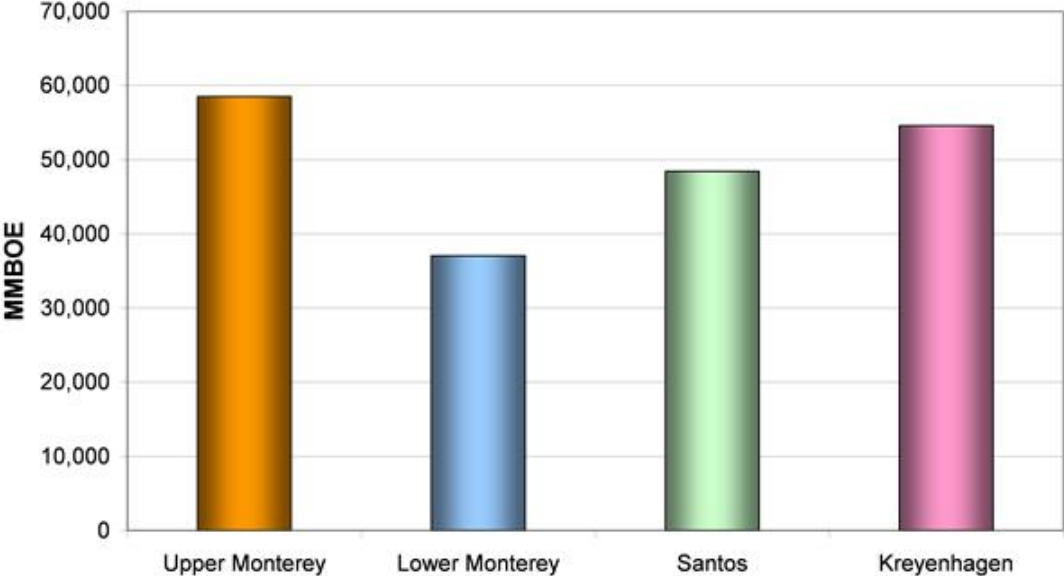
- **Unlock the potential:**

- Tight Sands (w/shows)
- Oxy’s “Shale” Successes
- Carbonates (lower Monterey / Santos?)
- Encouraging results
- Kern County discovery



# Petroleum Resource Generation by Zone

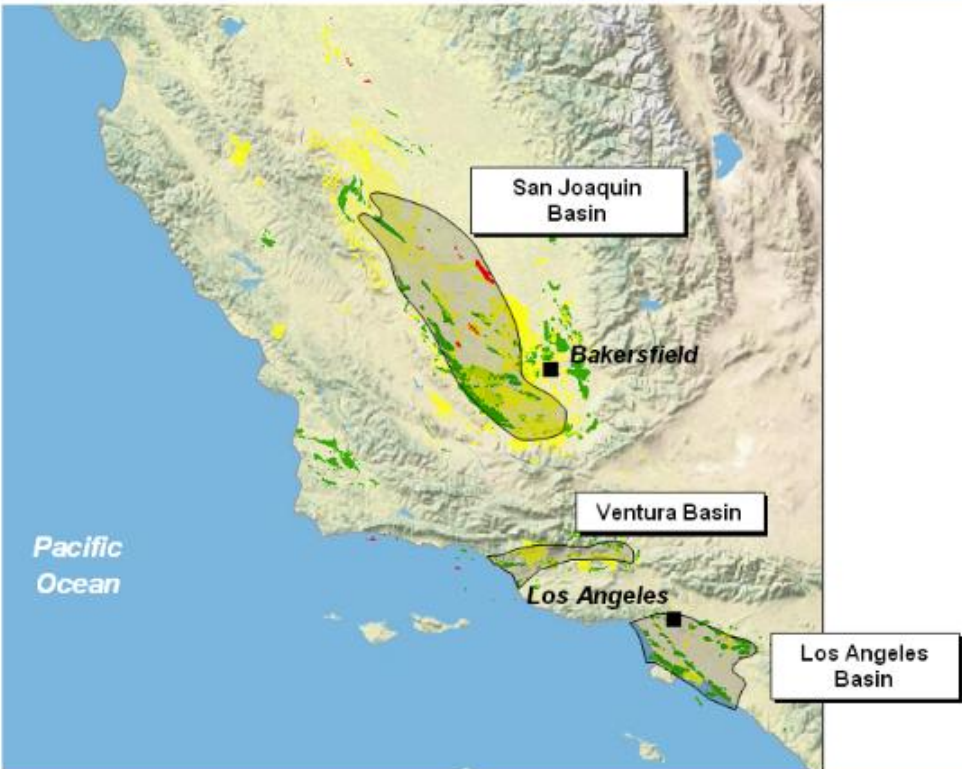
San Joaquin Basin



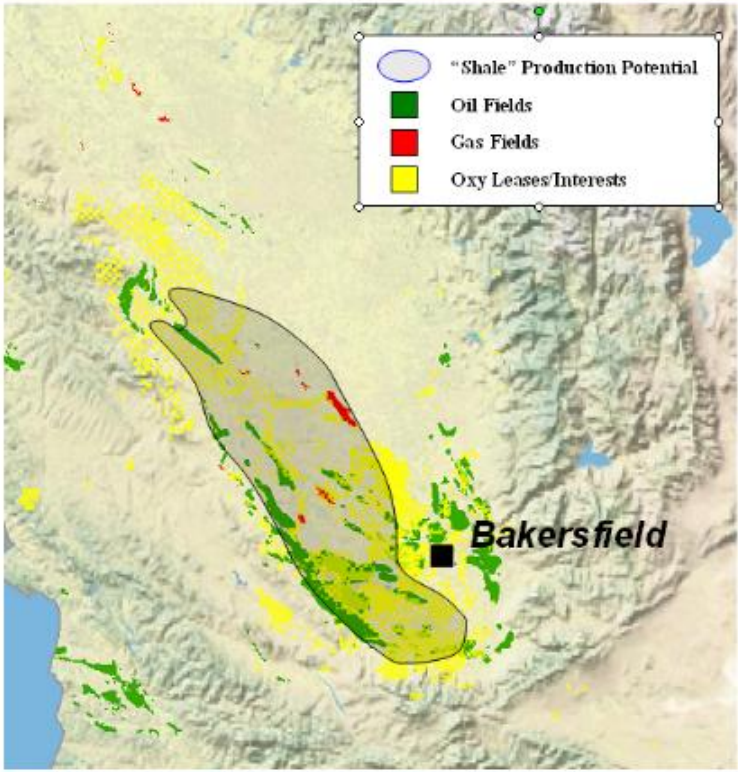
After : Brown  
(2001)



# Thermal Regime - Source Rock Kitchens



# Thermal Regime - San Joaquin Basin

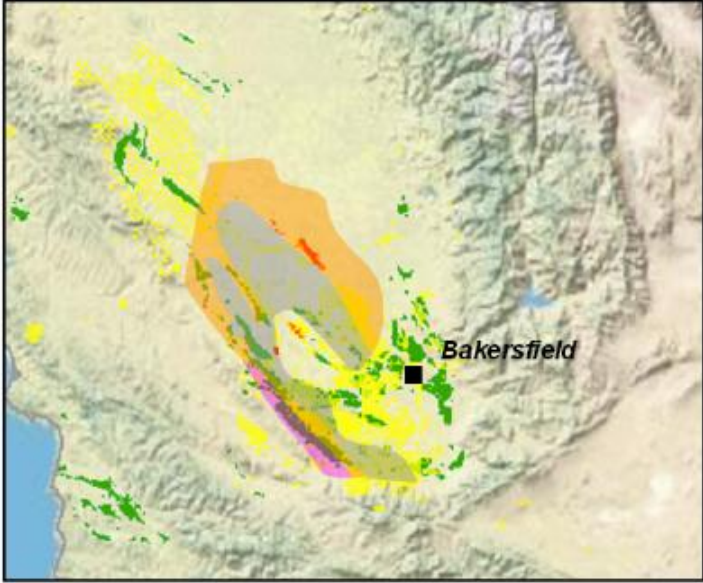


# Thermal Regime - Los Angeles and Ventura Basins

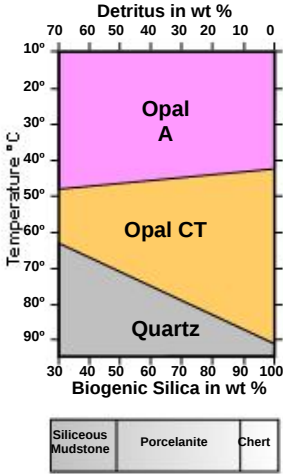


# Thermal Regime - Silica Phases

Antelope Shale Facies



Silica Phase Diagram



Modified after Behl & Garrison, 1994

# Agenda

- California “Shale” Background
- **Oxy’s “Shale” Program**
- California “Shale” Technical Attributes
- California “Shale” Analogs
- Summary





# Occidental “Shale” Production

- “Shale” drilling program really started in 1998 at Elk Hills
- Currently, over 1/4th of Oxy’s production in California comes from “shales”
  - Have successfully tested concept in eight more fields
- Undertaking 4 year development program
  - Appraising 20+ BBOE in place from “most likely” areas
  - 10 to 15 test wells/ year in different areas
  - Largest 3D seismic program in the history of the state
    - Identify “sweet” spots
    - Determine pay thickness, fracture distribution, fault zones, etc.

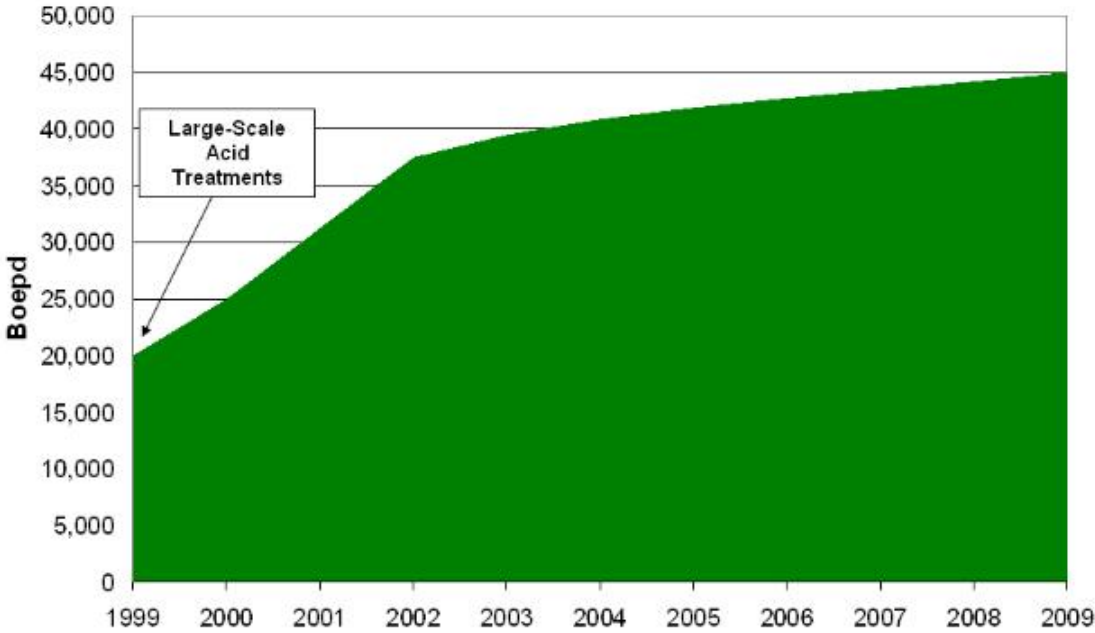


# Occidental Acreage - Southern California

- Oxy has over 1.3 MM net acres in California
- Largest acreage position in the state
- Oxy “shale” production spans multiple basins



# Occidental "Shale" Production



# Sample of “Shale” Producing Fields

Field	Wells Drilled Vertical / Horizon.	Well Cost (\$MM) V / H	F&D Costs \$/Boe	Avg. IP Boepd V / H	1 <sup>st</sup> Year Decline %
Elk Hills	427 / 117	\$2 / \$7	\$9 -\$12	170 / 500	30%
North Shafter	5 / 43	\$2.5 / \$5	\$8 -\$14	130 / 500	40%
Rose	3 / 19	\$2.5 / \$5	\$10 -\$16	NA / 350	40%
Ojai	30 / 200	\$2.5 / \$5	\$12 - \$18	80 / 250	25%

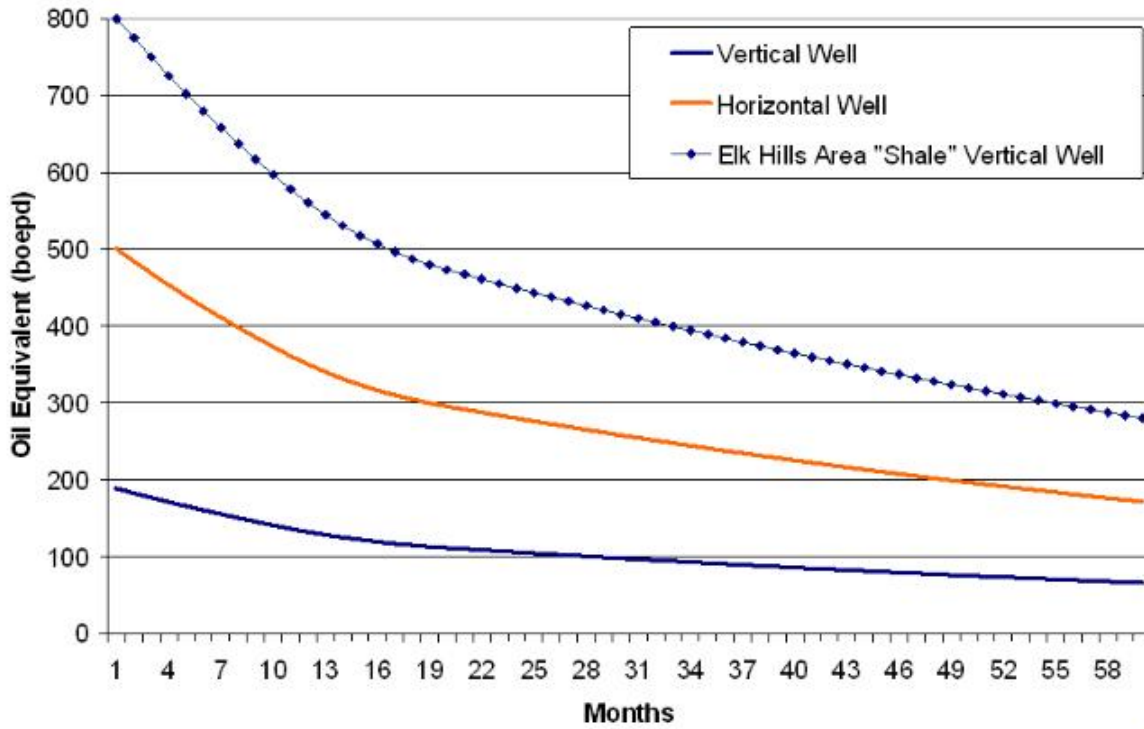


# Drivers for Success - California “Shales”

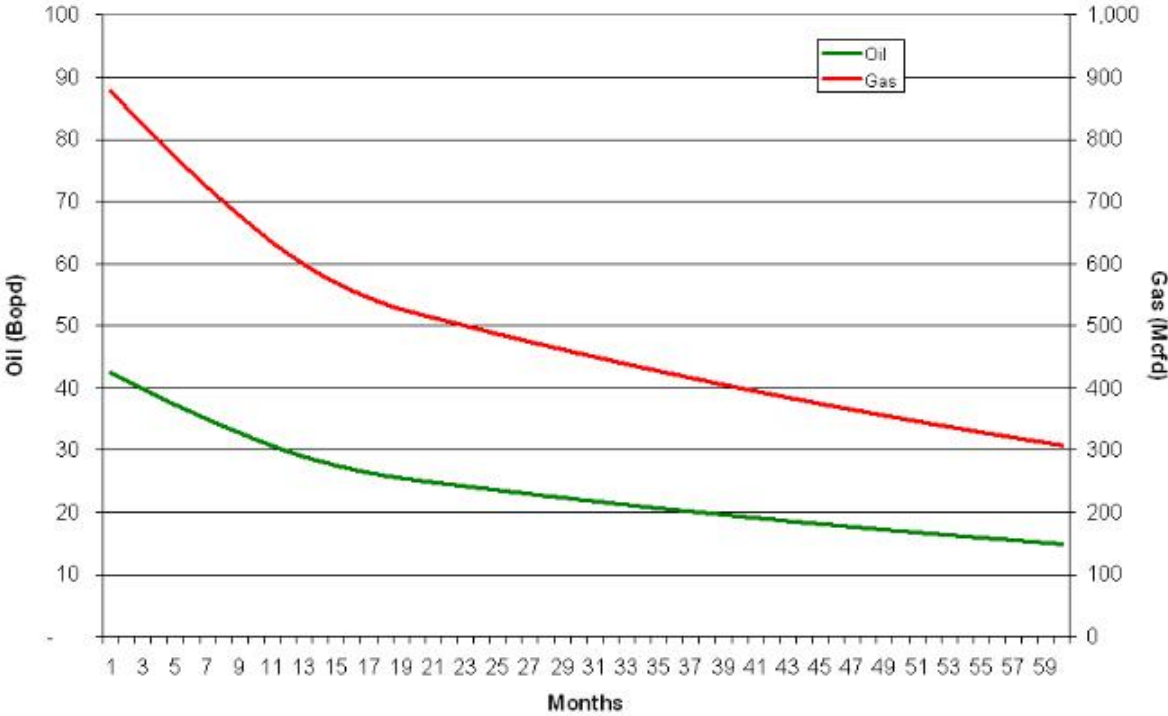
- **Stimulation recipe innovation**
  - Large acid treatments key to unlocking potential in some areas
- **Interval production testing**
  - Distinguish between oil-producing, wet and other zones
  - Determine hydrocarbon properties and quality
- **Reservoir characterization**
  - Better understanding of hydrocarbons in place and their distribution
  - Fracture reservoir modeling
- **Reservoir Management**
  - Individual zone completions
  - Optimizing lateral length and frac stages leads to better economics



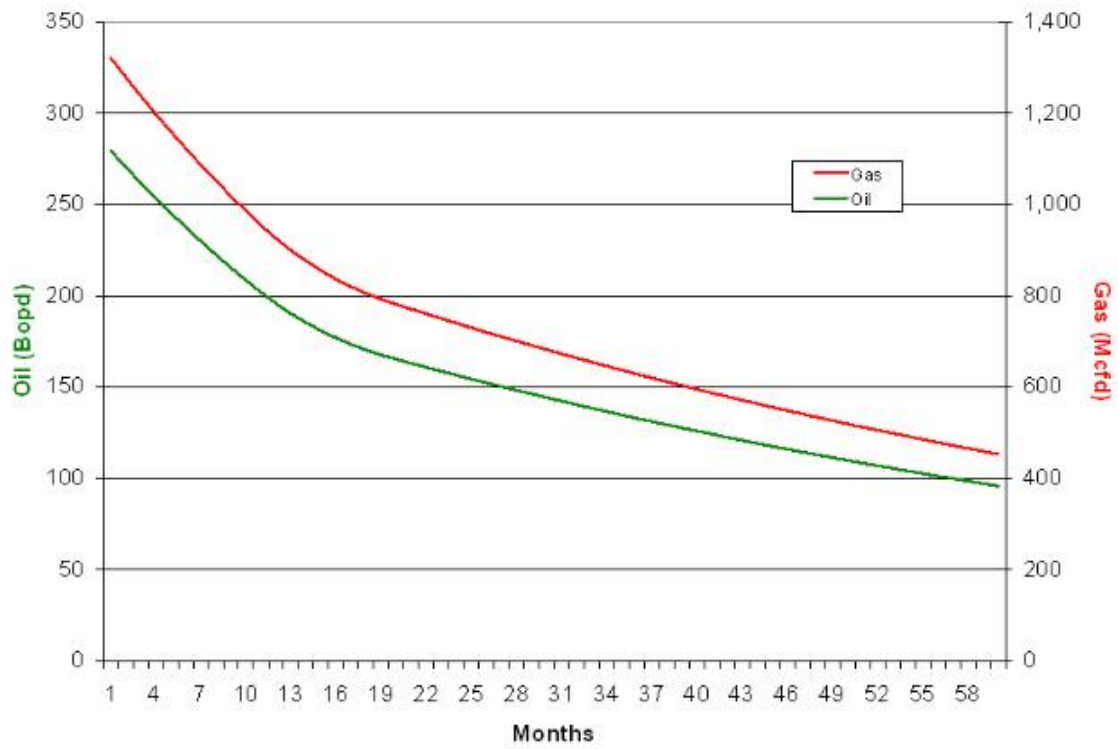
# Representative "Shale" Type Curves



# Vertical "Shale" Type Curve



# Horizontal "Shale" Type Curve





# Agenda

- California “Shale” Background
- Oxy’s “Shale” Program
- **California “Shale” Technical Attributes**
- California “Shale” Analogs
- Summary



# Comparison of Major California “Shales”

Play	Depth (feet)	Thickness (feet)	Avg. Porosity	Avg. Permeability	TOC%	Oil Gravity Deg API
Upper Monterey/ Antelope	3,500-12,000'	500-3,000'	15-30%	0.1-1 mD	0.1-4%	20°-40°
Lower Monterey	9,000-14,000'	1,000-3,500'	5-28%	<0.001-2 mD	5-12%	20°-40°
Santos	8,000-14,000'	1,000-2,000'	5-10%	<0.001-1 mD	4-6%	30°-50°
Kreyenhagen	8,000-16,000'	500-3,000'	5-10%	<0.0001-1 mD	4-12%	30°-40°
Sacramento	6,000-12,500'	200-400'	Low	Very low	<1%	Gas Shows

# CA “Shales” - Critical Technical Aspects

- **Organic Rich “Shales”**
  - Good TOC
  - Thermal Maturity
  - Source and Reservoir Rock
- **Gross Thickness**
  - Active Margin Basins
- **Unique Depositional Environment**
  - Deep vs. Shallow water
  - Diatom & Foram Rich



# Agenda

- California “Shale” Background
- Oxy’s “Shale” Program
- California “Shale” Technical Attributes
- **California “Shale” Analogs**
- Summary



# California “Shale” Analogs

- California oil “shales” compare very favorably to developed unconventional oil plays
- Bakken and Eagle Ford are best analogs
  - Large amounts of hydrocarbons generated and in place
  - Reservoir parameters are similar
  - Predominantly oil/liquids plays
  - Significant learning curves with pay-off - the more these plays are understood the more prospective they become



# Side by Side Play Comparison

Play	Depth (ft)	Thickness (ft)	Porosity (%)	Permeability (mD)	TOC (%)
CA "Shales"	3,500' - 16,000'	500' - 3,500'	5 - 30%	<0.0001 - 2	0.1 - 12%
Bakken	7,000' - 11,000'	20' - 100'	3 - 12%	0.05 - 0.5	2 - 18%
Eagle Ford	8,000' - 14,000'	75' - 300'	3 - 15%	<0.0001 - .003	0.6 - 7%

# Agenda

- California “Shale” Background
- Oxy’s “Shale” Program
- California “Shale” Technical Attributes
- California “Shale” Analogs
- **Summary**



# Summary

- ~870,000 acres are within most prospective “shale” plays
- Oxy’s average NRI ~95%
- Multiple potentially productive “shale” zones in each well
- Oxy’s acreage encompasses favorable thermal regime
- Identified 15 areas to appraise over the next 4 years (5-10% of total acreage)
  - Initially target 1-2 areas including Kern County discovery
  - Average IP 400-800 boepd
  - Production range from 100 to 1,000 boepd
  - Average EUR 400-700 Mboe
  - 10-acre spacing
- 10 years from now California “shale” could become Oxy’s largest business unit





# Occidental Petroleum Corporation

**Stephen I. Chazen**

**President and Chief Financial Officer**

May 19, 2010



# Agenda

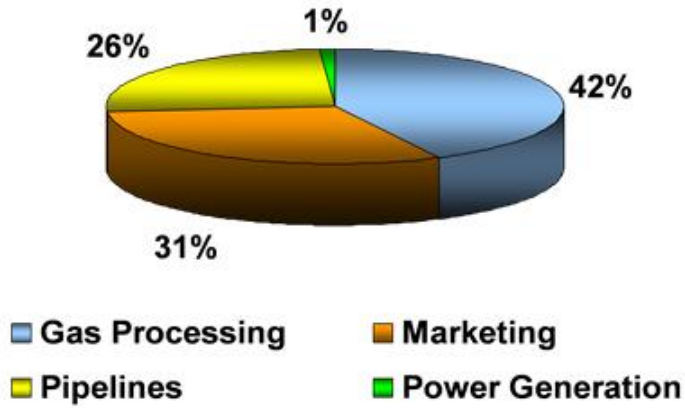
- **Midstream & Chemicals**
- **Production Forecast**
- **Capital Forecast**
- **Acquisition Strategy**
- **Asset Return Results**
- **Cash Flow Priorities**
- **Investment Attributes**



# Midstream Overview

## Midstream 3-Year Average EBIT

2007 - 2009



- 3-Year Average EBIT was \$374 Million
- 2009 EBIT was \$235 Million
- \$3.8 Billion net PP&E and investments
- Significant and growing fee income



# Midstream Lines of Business

## Gas Processing

- Located near our domestic producing operations
- Processes both Oxy and third-party gas
- Spread between natural gas and NGL prices drives business

## Marketing & Trading

- Maximizes value of company's production
  - Spread in pricing between various grades of crude oil drives business
- Gas storage arbitrage
- Gas storage capacity of 30.5 BCF
- Phibro is long a basket of commodities



# Midstream Lines of Business

## Pipelines

- Oxy owns 2,760 miles of oil pipeline in Permian Basin and Oklahoma
- 22% ownership of Plains All American Pipeline, G.P.
- 24.5% ownership of Dolphin Pipeline
- Fee-based business

## Power Generation

- Oxy power and steam generation facilities at our Louisiana and Texas chemical sites
- 50% ownership in a power generation facility at Elk Hills
- Spread between natural gas price and electricity price drives business



# Midstream 5-Year Outlook

## EBIT Growth to \$1 Billion Annually by 2014

- Increased pipeline fees
- Addition of Phibro
- Increased gas and CO<sub>2</sub> plant capacity
- Bolt-on acquisitions likely



# Chemicals Overview

- **5-Year Average EBIT was \$688 Million**
- **\$ 389 Million EBIT in 2009**
- **\$ 2.6 Billion Net PP&E**
- **Focus on Chlorovinyls**
- **Major Factor in its Industry**
- **Earnings are Volatile**

*See attached for GAAP reconciliation*



# Major Market End Uses for OxyChem Products

## Chlorovinyls

- Building Materials / Automotive Products
- Pulp & Paper / Aluminum Production
- Water Treatment / Disinfection
- Medical Products
- Fertilizers / Ag Feed

## Other Products \*

- Soaps / Detergents / Paint Pigments
- Ice Melting / Dust Control / Oil Field Services

*\* Other Products Accounted for 12% of Sales & 16% of Earnings in 2009*



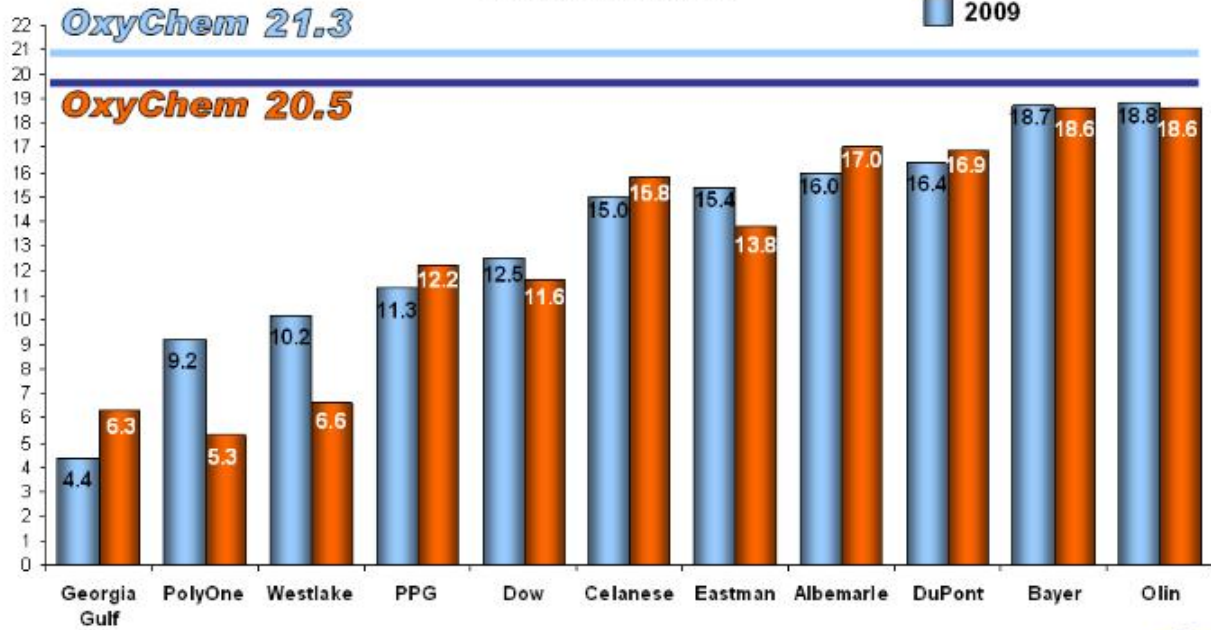


# Chemical Companies Comparison

## EBITDA

Percent of Sales

3-yr Avg ('07-'09)  
2009



See attached for GAAP reconciliation



# Chemicals 5-Year Outlook

- **Expect average annual EBIT of \$700 Million over next five years**
- **Opportunity for small bolt-on acquisitions**



# E&P Business Drivers

- Volume Growth
- Capital Expenditures
- Acquisitions
- Return Targets



# Volume Growth Drivers

- **Base 5 - 8% Growth**
  - CO<sub>2</sub> in Permian
  - Current California risked prospects
  - Rockies gas
  - Bahrain
  - Oman
  - Iraq
- **Upside from Existing Holdings**
  - New California conventional and unconventional prospects
  - Permian exploration
  - Rockies gas
  - Argentina
- **Additional opportunities from balance sheet and cash generation**
  - Domestic properties acquisitions
  - New Middle East projects



# Major Potential Drivers of Production and Profitability

- **California Non-conventional**
  - 870,000 potential acres with virtually no royalties
  - EUR of 400 - 700 MBOE per well
  - Modest F&D
  - Modest success built into production wedge
- **California Conventional**
  - 50 prospect inventory and growing
  - Low F&D
  - Considerable success so far
  - Only two or three moderate exploration successes built into production wedge

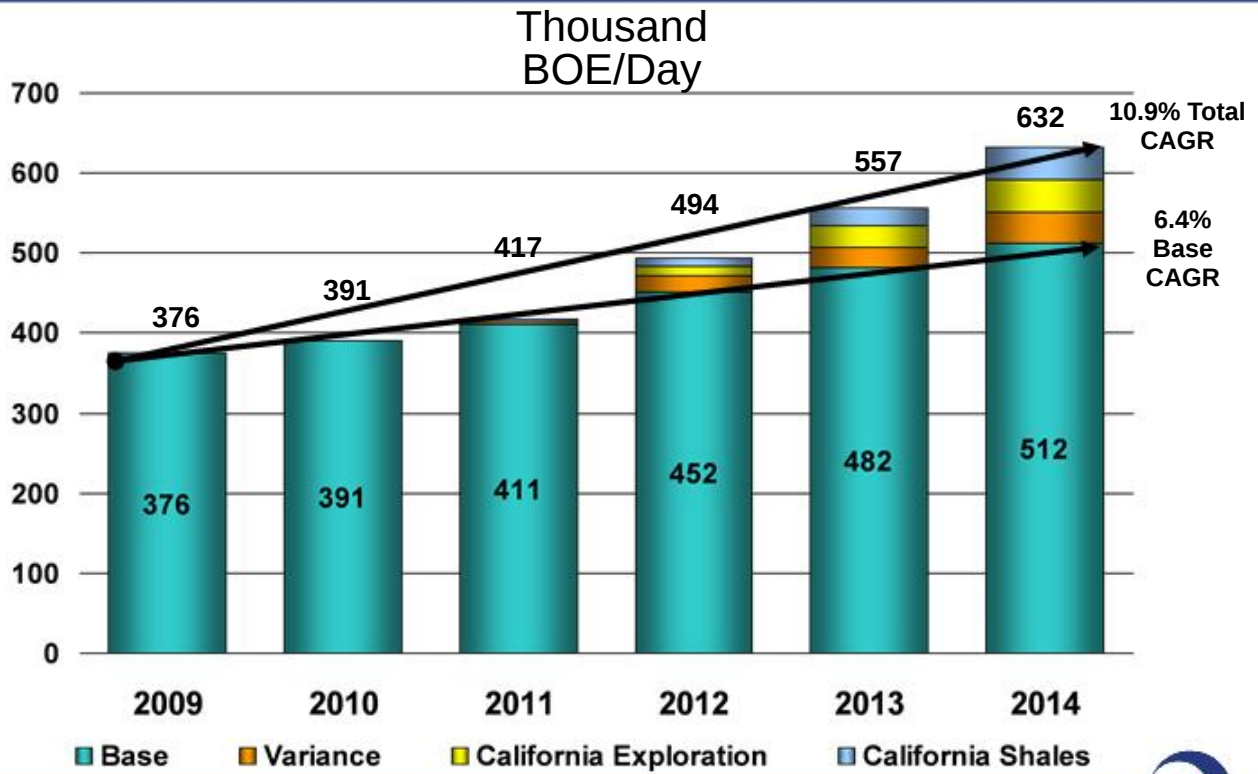


# Major Potential Drivers of Production and Profitability

- **Rockies Gas**
  - 3.8 TCFE potential
  - Base uses \$6.00 gas in 2014
  - Upside case is \$7.00 gas in 2014
- **Permian CO<sub>2</sub>**
  - 3 billion net barrels in resource from Oxy operated only
  - Possibly more CO<sub>2</sub> available over the 5-year period
  - Probable better response by 2013-14



# U.S. Production Outlook



# Major Potential Drivers of Production and Profitability

- **Bahrain**
  - Base case shows steady but not aggressive progress
  - Possible better oil results by 2014
- **Oman**
  - Base shows only modest growth of Oman gas markets
  - Likely better growth by 2014
- **Libya**
  - Little progress assumed
  - Possible need by the government for better production growth by end of the period

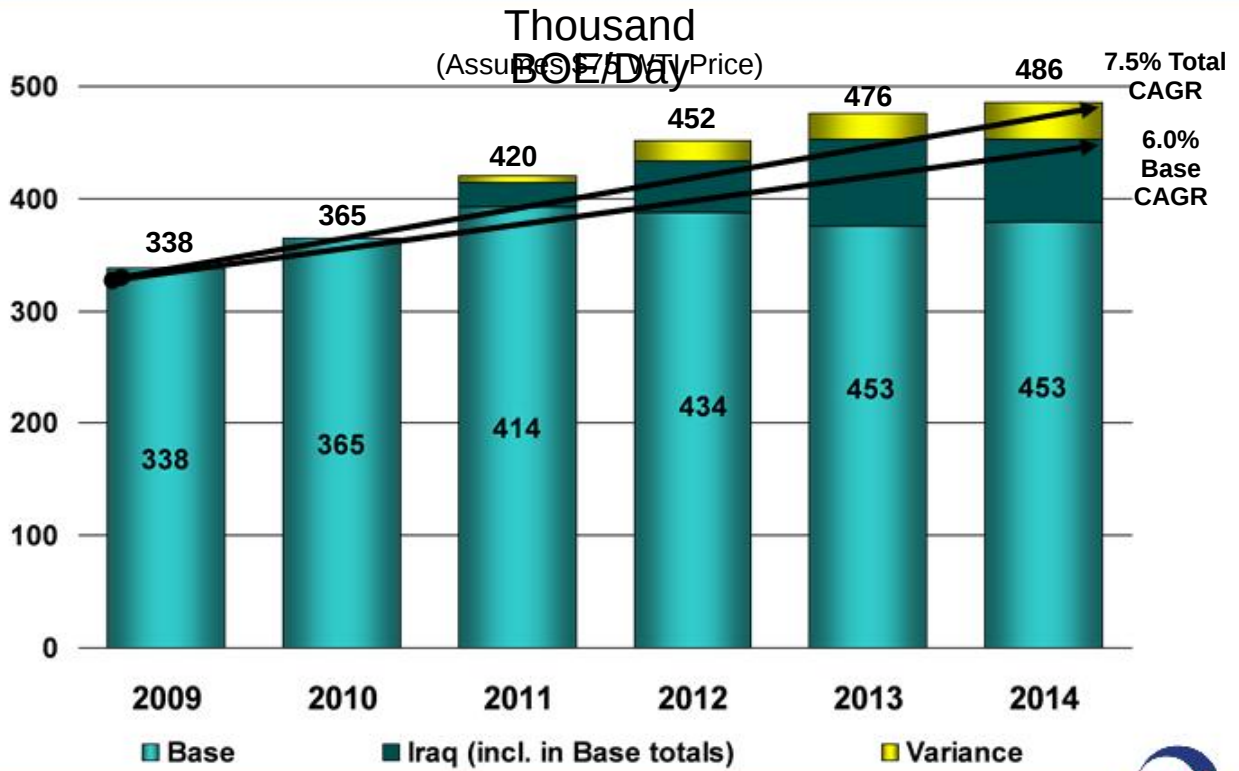


# Major Potential Drivers of Production and Profitability

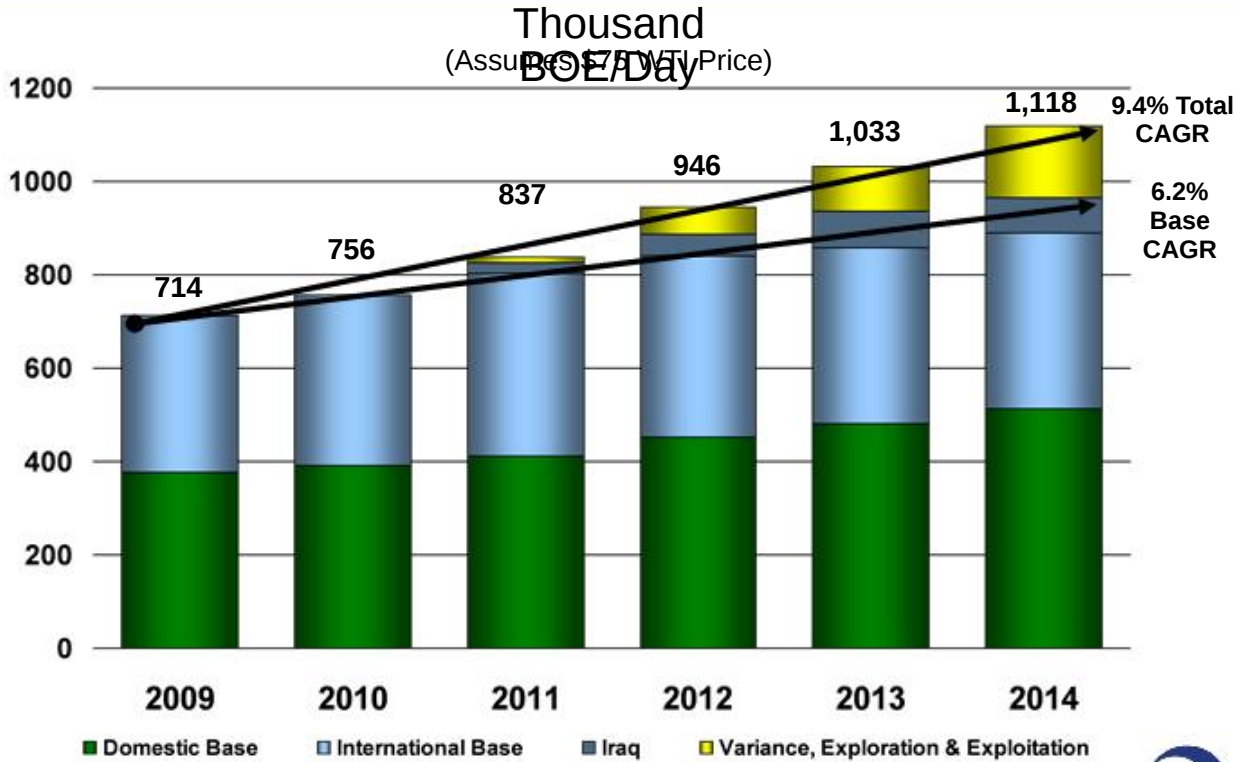
- **Argentina**
  - Modest base case shown
  - Potential is very high
- **Iraq**
  - Field is capable of outperforming our estimates



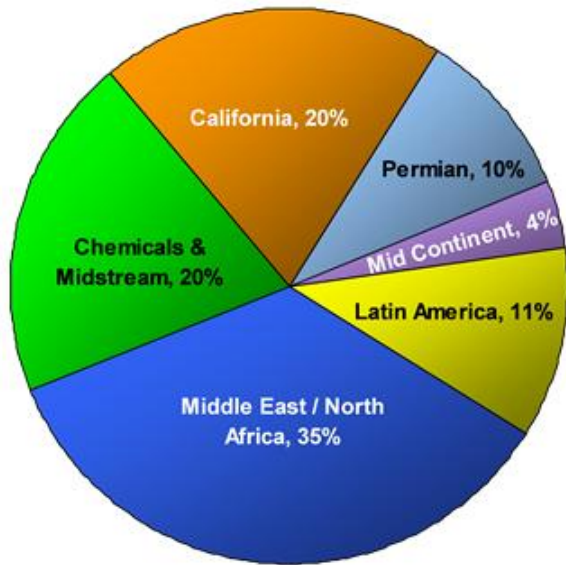
# International Production Outlook



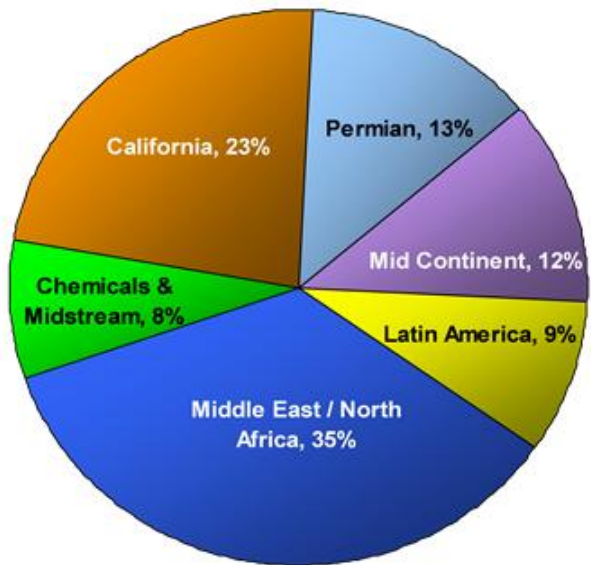
# Worldwide Production Outlook



# Capital



2010 Capital - \$4.5 Billion



2010 - 2014 Capital - \$27.5 Billion

International share will remain at 45% of Capital Program



# Acquisition Strategy

- **Company's core business is acquiring assets that can provide future growth through improved recovery**
  - Foreign contracts
  - Domestic add-ons
  - Small incremental additions to production in short term
- **Generate returns of at least 15% in the U.S. and 20% internationally**
- **Overall average finding & development costs of less than 25% of selling price**
- **Even with the additional capital shown, program will generate a significant amount of free cash flow**
- **Large number of opportunities over 5-year period**



# Sources of Acquisitions

- **Permian**
  - 1,500+ Operators; 75,000+ Royalty owners
- **California**
  - Large acreage holders
- **Other U.S.**
  - Small investments in emerging plays
- **Foreign**
  - Additional foreign contracts



# Reserves Replacement

	Million BOE					
	<u>Improved Recovery</u>	<u>Acquisitions</u>	<u>Others</u>	<u>Total</u>	<u>Reserve Replace %</u>	<u>Worldwide Production</u>
2005	128	139	104	371	220%	169
2006	137	325	51	513	259%	198
2007	254	60	(72)	242	116%	208
2008	247	210	(121)	336	153%	220
2009	173	160	150	483	206%	235
3-Year Avg.	225	143	(14)	354	160%	221
5-Year Avg.	188	179	22	389	189%	206



# Acquisitions

	Investment in Immediately Acquisitions	Reserves Improved Added from Recovery			
2005	\$ 1,807		139		128
2006	(\$ 4,463)	(MMBOE)	325	(MMBOE)	137
2007	\$ 1,103		60		254
2008	\$ 3,202		210		247
2009	\$ 703		160		173

See attached for GAAP reconciliation





# Return on Assets

## Net Income Return on Assets 5 Year Average

<b>U.S.</b>	<b>19%</b>
<b>International</b>	<b>24%</b>
<b>Total E&amp;P</b>	<b>21%</b>

## Cash Flow\* Return on Assets 5 Year Average

<b>U.S.</b>	<b>27%</b>
<b>International</b>	<b>41%</b>
<b>Total E&amp;P</b>	<b>31%</b>

\* Net Income + DD&A

See attached for GAAP reconciliation



# Finding & Development Costs per Barrel

	<u>6:1 *</u>	<u>Actual Prices **</u>	<u>F&amp;D Costs as a % of WTI Price</u>
<b>2009</b>	<b>\$ 7.90</b>	<b>\$ 9.64</b>	<b>16%</b>
<b>3-Year Average (2007 - 2009)</b>	<b>\$15.04</b>	<b>\$18.40</b>	<b>24%</b>
<b>5-Year Average (2005 - 2009)</b>	<b>\$14.77</b>	<b>\$16.84</b>	<b>24%</b>
<b>10-Year Average (2000 - 2009)</b>	<b>\$ 9.15</b>	<b>\$ 9.82</b>	<b>19%</b>

\* Oil / Gas Energy Content (Industry convention)

\*\* Gas converted to BOE @ WTI Oil Price / NYMEX Gas Price

See attached for GAAP reconciliation



# Cash Flow Priorities

1. **Base/Maintenance Capital**
2. **Dividends**
3. **Growth Capital**
4. **Acquisitions**
5. **Share Repurchase**



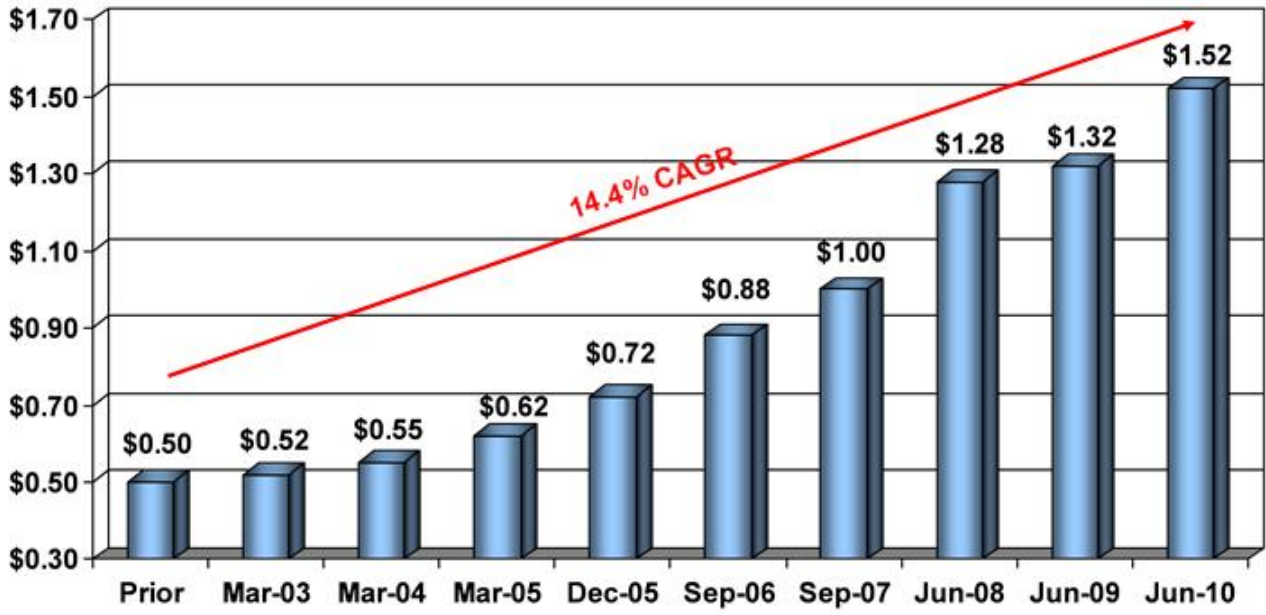
# Capital Spending Program

- Base Oil & Gas capital historically running at \$2.5 billion
- As production increases, the base capital will grow

	(\$ in Billions)	
<u>Oil &amp; Gas and Midstream Capital</u>	<u>2010</u>	<u>2010-2014 Cumulative</u>
Growth Capital	\$ 1.8	\$11.2
Base Capital	<u>2.5</u>	<u>15.0</u>
Total Oil & Gas and Midstream Capital	<u>\$ 4.3</u>	<u>\$26.2</u>



# Dividends



# Conservative Accounting

<u>Company</u>	<u>Proved Developed Reserves / Total Proved Reserves</u>	<u>Unproved Properties plus Goodwill / Net Capitalized Costs plus Goodwill</u>
<b>OXY</b>	<b>77.3%</b>	<b>6.7%</b>
A	54.4%	10.0%
B	59.2%	21.6%
C	69.1%	8.2%
D	70.5%	39.3%
E	70.3%	40.5%
F	61.4%	13.6%
G	70.7%	21.9%
H	70.1%	22.6%
I	67.3%	3.4%
J	56.6%	21.0%



# Capital Program Effectiveness

(Equity Market Value Created per \$1 Change in Shareholders' Equity\*)

<u>Company</u>	<u>Five years ended 12/31/09</u>	<u>Ten Years ended 12/31/09</u>
<b>OXY</b>	<b>\$2.67</b>	<b>\$2.57</b>
A	\$2.28	\$2.53
B	\$1.67	\$1.31
C	\$1.38	\$1.63
D	\$1.38	\$1.29
E	\$1.06	\$1.13
F	\$0.75	\$1.28
G	\$0.60	\$0.83
H	\$0.25	\$0.66
I	(\$0.60)	\$0.87
J	(\$1.15)	(\$0.24)

\* Impairments greater than 5% of Shareholders' Equity have been added back to Shareholders' Equity.



# Investment Attributes

- **5 - 8% base annual production growth**
- **Opportunity for additional volume growth**
- **Annual increases in dividends**
- **Significant financial flexibility for opportunities in distressed periods**
- **Conservative financial statements**
- **Returns on invested capital significantly in excess of Company's cost of capital**
- **Committed to generating stock market value which is greater than earnings retained**
- **We believe this will generate top quartile returns for our shareholders**





# Forward-Looking Statements

Statements in this release that contain words such as “will,” “expect” or “estimate,” or otherwise relate to the future, are forward-looking and involve risks and uncertainties that could significantly affect expected results. Factors that could cause actual results to differ materially include, but are not limited to: global commodity price fluctuations and supply/demand considerations for oil, gas and chemicals; not successfully completing (or any material delay in) any expansions, field development, capital projects, acquisitions, or dispositions; higher-than-expected costs; political risk; operational interruptions; changes in tax rates; exploration risks, such as drilling of unsuccessful wells; and commodity trading risks. You should not place undue reliance on these forward-looking statements which speak only as of the date of this release. Unless legally required, Occidental does not undertake any obligation to update any forward-looking statements as a result of new information, future events or otherwise. The United States Securities and Exchange Commission (SEC) permits oil and natural gas companies, in their filings with the SEC, to disclose only reserves anticipated to be economically producible, as of a given date, by application of development projects to known accumulations. We use certain terms in this presentation, such as reported reserves, EUR, expected ultimate recovery, potential reserves, volumes in resource, net risked reserves, enhanced recovery reserves, expected recovery, discovery volumes, recoverable reserves and oil in place, that the SEC’s guidelines strictly prohibit us from using in filings with the SEC. See our 2010 Form 10-K and February 3, 2010 8-K for information on calculation methodology for our reserves replacement ratio and F&D costs. U.S. investors are urged to consider carefully the disclosures in our 2010 Form 10-K, available through the following toll-free telephone number, 1-888-OXYPETE (1-888-699-7383) or on the Internet at <http://www.oxy.com>. You also can obtain a copy from the SEC by calling 1-800 - -SEC-0330. We post or provide links to important information on its website including investor and analyst presentations, certain board committee charters and information the SEC requires companies and certain of its officers and directors to file or furnish. Such information may be found in the “Investor Relations” and “Social Responsibility” portions of the website.



# Companies Included in Equity Market Comparison

**Anadarko**

**Apache**

**BP**

**Chevron**

**ConocoPhillips**

**Devon**

**EOG**

**ExxonMobil**

**Hess**

**Marathon**



**Occidental Petroleum Corporation**  
**Chemicals**  
**EBIT**  
**Reconciliation to Generally Accepted Accounting Principles (GAAP)**  
**(\$ Millions)**

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>5-Year Average</u>
Segment income	614	906	601	669	389	636
Add: significant items affecting earnings						
Plant closure and impairments	-	-	-	90	-	18
Hurricane insurance charges	11	-	-	-	-	2
Write-off of plants	159	-	-	-	-	32
Core results - EBIT	<u>784</u>	<u>906</u>	<u>601</u>	<u>759</u>	<u>389</u>	<u>688</u>

**Occidental Petroleum Corporation**  
**Chemicals**  
**EBITDA as a Percentage of Sales**  
**Reconciliation to Generally Accepted Accounting Principles (GAAP)**  
**(\$ Millions)**

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>3-Year Average</u>
Net Sales	4,664	5,112	3,225	4,334
Segment income	601	669	389	553
Add: significant items affecting earnings				
Plant closure and impairments	-	90	-	30
Core results - EBIT	601	759	389	583
DD&A Expense	304	311	298	304
EBITDA	<u>905</u>	<u>1,070</u>	<u>687</u>	<u>887</u>
EBITDA as a % of Sales	19.4%	20.9%	21.3%	20.5%

**Occidental Petroleum Corporation**  
**Oil & Gas**  
**Acquisitions**  
**Reconciliation to Generally Accepted Accounting Principles (GAAP)**  
**(\$ Millions)**

	2005	2006	2007	2008	2009
Property Acquisition Costs					
Proved Properties	1,768	4,888	926	1,830	727
Unproved Properties	398	1,142	119	1,711	103
Acquisitions - per costs incurred	2,166	6,030	1,045	3,541	830
Contract extensions and bonuses	(359)	(225)	58	(339)	(127)
Vintage acquisition deferred tax gross-up	-	(1,342)	-	-	-
	<u>1,807</u>	<u>4,463</u>	<u>1,103</u>	<u>3,202</u>	<u>703</u>

**Occidental Petroleum Corporation**  
**Oil & Gas**  
**Return on Assets**  
**Reconciliation to Generally Accepted Accounting Principles (GAAP)**  
**(\$ Millions)**

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>5-Year Average</u>
Revenues	9,038	11,448	13,039	17,877	11,565	12,593
Production costs	1,290	1,836	2,167	2,684	2,462	2,088
Other operating expense	408	506	567	553	713	549
Depreciation, depletion and amortization	1,082	1,672	1,992	2,307	2,688	1,948
Taxes other than income	289	388	411	580	421	418
Charges for impairments	-	-	58	557	170	157
Exploration expenses	309	296	364	327	267	313
Pretax income	5,660	6,750	7,480	10,869	4,844	7,121
Income tax expense	2,162	2,755	3,119	4,178	1,827	2,808
Results of operations	3,498	3,995	4,361	6,691	3,017	4,312
Depreciation, depletion and amortization	1,082	1,672	1,992	2,307	2,688	1,948
Charges for impairments	-	-	58	557	170	157
Gross Cash	4,580	5,667	6,411	9,555	5,875	6,418
Capitalized costs						
Current year	14,008	20,369	22,167	26,981	27,735	22,252
Prior year	11,554	14,008	20,369	22,167	26,981	19,016
Average capitalized costs	12,781	17,189	21,268	24,574	27,358	20,634
5-Year Average	<u>U.S.</u>	<u>International</u>	<u>Total</u>			
Results of operations	2,653	1,659	4,312	(a)		
Depreciation, depletion and amortization	984	964	1,984			
Charges for impairments	12	145	157			
Gross Cash	3,649	2,768	6,417	(b)		
Average capitalized costs	13,653	6,981	20,634	(c)		
Net income return on assets (a) / (c)	19%	24%	21%			
Cash flow return on assets (b) / (c)	27%	41%	31%			

**Occidental Petroleum Corporation**  
**Oil & Gas**  
**Finding and Development Costs - Using Industry Convention of 6:1**  
**Reconciliation to Generally Accepted Accounting Principles (GAAP)**  
**(\$ Millions except for F&D Costs)**

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	Averages			
											3-Year	5-Year	10-Year	
<b>Property Acquisition Costs</b>														
Proved Properties	3,753	25	163	357	146	1,768	4,888	926	1,830	727	1,161	2,028	1,458	
Unproved Properties	8	56	29	4	8	398	1,142	119	1,710	103	644	694	358	
Acquisitions	3,761	81	192	361	154	2,166	6,030	1,045	3,540	830	1,805	2,722	1,816	
Exploration Costs	134	171	134	97	158	255	316	327	334	207	289	288	213	
Development Costs	579	918	897	1,080	1,435	1,844	2,426	2,740	4,112	2,779	3,210	2,780	1,881	
	713	1,089	1,031	1,177	1,593	2,099	2,742	3,067	4,446	2,986	3,500	3,068	2,094	
<b>Costs Incurred</b>	<b>4,474</b>	<b>1,170</b>	<b>1,223</b>	<b>1,538</b>	<b>1,747</b>	<b>4,265</b>	<b>8,772</b>	<b>4,112</b>	<b>7,986</b>	<b>3,816</b>	<b>5,305</b>	<b>5,790</b>	<b>3,910</b>	
<b>Reserve replacements</b>														
Improved recovery	46	143	142	102	120	139	140	254	247	173	225	190	151	
Purchases of proved reserves	970	4	68	107	36	139	327	60	210	160	143	179	208	
Others														
Revisions of previous estimates	100	21	3	12	49	(12)	12	(95)	(145)	58	(61)	(37)	0	
Extensions & discoveries	55	76	50	147	64	124	34	23	24	92	46	59	69	
Total Others	155	97	53	159	113	112	46	(72)	(122)	149	(15)	23	69	
	1,171	244	263	368	269	390	512	241	335	483	353	392	427	
<b>F&amp;D Costs</b>	<b>\$ 3.82</b>	<b>\$ 4.80</b>	<b>\$ 4.65</b>	<b>\$ 4.18</b>	<b>\$ 6.51</b>	<b>\$ 10.93</b>	<b>\$ 17.14</b>	<b>\$ 17.04</b>	<b>\$ 23.84</b>	<b>\$ 7.90</b>	<b>\$ 15.04</b>	<b>\$ 14.77</b>	<b>\$ 9.15</b>	

**Occidental Petroleum Corporation**  
**Oil & Gas**  
**Finding and Development Costs - Using Average Commodity Prices**  
**Reconciliation to Generally Accepted Accounting Principles (GAAP)**  
**(\$ Millions except for F&D Costs)**

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	Averages			
											3-Year	5-Year	10-Year	
<b>Property Acquisition Costs</b>														
Proved Properties	3,753	25	163	357	146	1,768	4,888	926	1,830	727	1,161	2,028	1,458	
Unproved Properties	8	56	29	4	8	398	1,142	119	1,710	103	644	694	358	
Acquisitions	3,761	81	192	361	154	2,166	6,030	1,045	3,540	830	1,805	2,722	1,816	
Exploration Costs	134	171	134	97	158	255	316	327	334	207	289	288	213	
Development Costs	579	918	897	1,080	1,435	1,844	2,426	2,740	4,112	2,779	3,210	2,780	1,881	
	713	1,089	1,031	1,177	1,593	2,099	2,742	3,067	4,446	2,986	3,500	3,068	2,094	
<b>Costs Incurred</b>	<b>4,474</b>	<b>1,170</b>	<b>1,223</b>	<b>1,538</b>	<b>1,747</b>	<b>4,265</b>	<b>8,772</b>	<b>4,112</b>	<b>7,986</b>	<b>3,816</b>	<b>5,305</b>	<b>5,790</b>	<b>3,910</b>	
<b>Reserve replacements</b>														
Improved recovery	45	143	135	102	115	136	133	225	220	156	200	174	141	
Purchases of proved reserves	952	4	65	107	36	136	305	59	146	81	95	145	189	
Others														
Revisions of previous estimates	91	20	6	12	43	(13)	13	(89)	(131)	104	(39)	(23)	6	
Extensions & discoveries	50	78	47	148	59	114	31	20	18	56	31	48	62	
Total Others	141	98	53	161	102	101	44	(68)	(113)	159	(7)	25	68	
	1,139	245	252	370	254	373	482	215	254	396	288	344	398	
<b>F&amp;D Costs</b>	<b>\$ 3.93</b>	<b>\$ 4.77</b>	<b>\$ 4.84</b>	<b>\$ 4.15</b>	<b>\$ 6.88</b>	<b>\$ 11.44</b>	<b>\$ 18.20</b>	<b>\$ 19.09</b>	<b>\$ 31.49</b>	<b>\$ 9.64</b>	<b>\$ 18.40</b>	<b>\$ 16.84</b>	<b>\$ 9.82</b>	
WTI	\$ 30.20	\$ 25.97	\$ 26.08	\$ 31.03	\$ 41.40	\$ 56.56	\$ 66.23	\$ 72.32	\$ 99.65	\$ 61.80	\$ 77.92	\$ 71.31	\$ 51.12	
<b>F&amp;D Costs as a % of WTI</b>	<b>13%</b>	<b>18%</b>	<b>19%</b>	<b>13%</b>	<b>17%</b>	<b>20%</b>	<b>27%</b>	<b>26%</b>	<b>32%</b>	<b>16%</b>	<b>24%</b>	<b>24%</b>	<b>19%</b>	