SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

☑ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended June 30, 2005

OR

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from ___________ to ___________

Commission file number 1-9210

OCCIDENTAL PETROLEUM CORPORATION

(Exact name of registrant as specified in its charter)

Delaware (State or other jurisdiction of incorporation or organization)	**95-4035997** (I.R.S. Employer Identification No.)
10889 Wilshire Boulevard **Los Angeles, California** (Address of principal executive offices)	**90024** (Zip code)

(310) 208-8800
(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ü No____

Indicate by check mark whether the registrant is an accelerated filer (as defined in Rule 12b-2 of the Exchange Act). Yes ü No____

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Class	Outstanding at June 30, 2005
Common Stock $.20 par value	399,798,823 shares

OCCIDENTAL PETROLEUM CORPORATION AND SUBSIDIARIES

CONTENTS

PART I FINANCIAL INFORMATION

Item1. Financial Statements

OCCIDENTAL PETROLEUM CORPORATION AND SUBSIDIARIES
CONSOLIDATED CONDENSED BALANCE SHEETS
JUNE 30, 2005 AND DECEMBER 31, 2004
(Amounts in millions)

	2005	2004
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	$ 630	$ 1,199
Short-term investments	240	250
Receivables, net	2,859	2,235
Inventories	603	545
Prepaid expenses and other	178	202
Total current assets	4,510	4,431
LONG-TERM RECEIVABLES, net	302	239
INVESTMENTS IN UNCONSOLIDATED ENTITIES	1,869	1,727
PROPERTY, PLANT AND EQUIPMENT, net of accumulated depreciation, depletion and amortization of $9,390 at June 30, 2005 and $8,626 at December 31, 2004	16,929	14,633
OTHER ASSETS	350	361
	$ 23,960	$ 21,391

The accompanying notes are an integral part of these financial statements.

OCCIDENTAL PETROLEUM CORPORATION AND SUBSIDIARIES
CONSOLIDATED CONDENSED BALANCE SHEETS
JUNE 30, 2005 AND DECEMBER 31, 2004
(Amounts in millions)

	2005	2004
LIABILITIES AND EQUITY		
CURRENT LIABILITIES		
Current maturities of long-term debt and capital lease liabilities	$ 333	$ 459
Accounts payable	1,912	1,557
Accrued liabilities	1,282	1,144
Domestic and foreign income taxes	290	263
Total current liabilities	3,817	3,423
LONG-TERM DEBT, net of current maturities and unamortized discount	3,027	3,345
DEFERRED CREDITS AND OTHER LIABILITIES		
Deferred and other domestic and foreign income taxes	1,146	1,248
Other	2,898	2,498
	4,044	3,746
MINORITY INTEREST	366	327
STOCKHOLDERS' EQUITY		
Common stock, at par value	80	79
Additional paid-in capital	4,762	4,652
Retained earnings	7,799	5,664
Accumulated other comprehensive income	65	155
	12,706	10,550
	$ 23,960	$ 21,391

The accompanying notes are an integral part of these financial statements.

OCCIDENTAL PETROLEUM CORPORATION AND SUBSIDIARIES
CONSOLIDATED CONDENSED STATEMENTS OF OPERATIONS
FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2005 AND 2004
(Amounts in millions, except per-share amounts)

	Three Months Ended June 30		Six Months Ended June 30	
	2005	2004	2005	2004
REVENUES				
Net sales	$ 3,518	$ 2,724	$ 6,821	$ 5,281
Interest, dividends and other income	33	19	66	41
Gains on dispositions of assets, net	143	—	147	1
	3,694	2,743	7,034	5,323
COSTS AND OTHER DEDUCTIONS				
Cost of sales	1,628	1,438	3,160	2,818
Selling, general and administrative and other operating expenses	324	238	600	463
Environmental remediation	10	—	19	—
Exploration expense	111	40	158	94
Interest and debt expense, net	61	62	136	133
	2,134	1,778	4,073	3,508
Income before taxes and other items	1,560	965	2,961	1,815
Provision for domestic and foreign income and other taxes	44	384	645	747
Minority interest	29	23	50	36
Income from equity investments	(45)	(26)	(116)	(41)
Income from continuing operations	1,532	584	2,382	1,073
Discontinued operations, net	4	(3)	—	(5)
NET INCOME	$ 1,536	$ 581	$ 2,382	$ 1,068
BASIC EARNINGS PER COMMON SHARE				
Income from continuing operations	$ 3.81	$ 1.48	$ 5.94	$ 2.73
Discontinued operations, net	.01	—	—	(.01)
Basic earnings per common share	$ 3.82	$ 1.48	$ 5.94	$ 2.72
DILUTED EARNINGS PER COMMON SHARE				
Income from continuing operations	$ 3.77	$ 1.46	$ 5.86	$ 2.69
Discontinued operations, net	.01	—	—	(.01)
Diluted earnings per common share	$ 3.78	$ 1.46	$ 5.86	$ 2.68
DIVIDENDS PER COMMON SHARE	$ 0.31	$ 0.275	$ 0.62	$ 0.55
BASIC SHARES	401.9	393.9	401.2	392.8
DILUTED SHARES	407.3	398.9	406.8	398.0

The accompanying notes are an integral part of these financial statements.

OCCIDENTAL PETROLEUM CORPORATION AND SUBSIDIARIES
CONSOLIDATED CONDENSED STATEMENTS OF CASH FLOWS
FOR THE SIX MONTHS ENDED JUNE 30, 2005 AND 2004
(Amounts in millions)

	2005	2004
CASH FLOW FROM OPERATING ACTIVITIES		
Income from continuing operations	$ 2,382	$ 1,073
Adjustments to reconcile income to net cash provided by operating activities:		
Depreciation, depletion and amortization of assets	700	648
Deferred income tax provision	(41)	80
Other noncash charges to income	305	176
Gains on disposition of assets, net	(147)	(1)
Income from equity investments	(116)	(41)
Dry hole and impairment expense	117	69
Changes in operating assets and liabilities	(752)	(460)
Other operating, net	(89)	(76)
Operating cash flow from continuing operations	2,359	1,468
Operating cash flow from discontinued operations	(6)	(116)
Net cash provided by operating activities	2,353	1,457
CASH FLOW FROM INVESTING ACTIVITIES		
Capital expenditures	(1,054)	(804)
Purchase of businesses and other interests	(1,720)	(177)
Sales of businesses and disposal of property, plant and equipment, net	53	4
Purchase of short-term investments	(46)	(125)
Sale of short-term investments	56	105
Equity investments and other investing, net	355	(215)
Net cash used by investing activities	(2,356)	(1,212)
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from long-term debt	105	—
Payments of long-term debt and capital lease liabilities	(535)	—
Redemption of trust preferred securities	—	(466)
Proceeds from issuance of common stock	3	3
Cash dividends paid	(232)	(208)
Stock options exercised	64	110
Other	29	(4)
Net cash used by financing activities	(566)	(565)
Decrease in cash and cash equivalents	(569)	(320)
Cash and cash equivalents—beginning of period	1,199	573
Cash and cash equivalents—end of period	$ 630	$ 253

The accompanying notes are an integral part of these financial statements.

1. General

In these unaudited consolidated condensed financial statements, "Occidental" means Occidental Petroleum Corporation (OPC) and/or one or more entities where it owns a majority voting interest. Certain information and disclosures normally included in notes to consolidated financial statements have been condensed or omitted pursuant to the Securities and Exchange Commission's rules and regulations, but resultant disclosures are in accordance with accounting principles generally accepted in the United States of America as they apply to interim reporting. The consolidated condensed financial statements should be read in conjunction with the consolidated financial statements and the notes thereto in Occidental's Annual Report on Form 10-K for the year ended December 31, 2004 (2004 Form 10-K).

In the opinion of Occidental's management, the accompanying consolidated condensed financial statements contain all adjustments (consisting only of normal recurring adjustments) necessary to fairly present Occidental's consolidated financial position as of June 30, 2005, and the consolidated results of operations and cash flows for the three and six months then ended, as applicable. The results of operations and cash flows for the period ended June 30, 2005, are not necessarily indicative of the results of operations or cash flows to be expected for the full year.

Certain financial statements and notes for the prior year have been changed to conform to the 2005 presentation.

In 2005, Occidental reclassified its auction rate security investments from cash and cash equivalents to short-term investments on its consolidated balance sheets. These investments contain a short-term repricing feature. As a result, their carrying values approximate their fair values. There have been no realized gains or losses on these investments during 2005 or 2004. Prior period financial statements have been reclassified to conform to the current presentation. This reclassification resulted in no change to Occidental's results of operations or cash flow from operations for any period.

Refer to Note 1 to the consolidated financial statements in the 2004 Form 10-K for a summary of significant accounting policies, including critical accounting policies.

2. Asset Acquisitions, Dispositions and Other Transactions

In June 2005, Occidental closed a transaction in the Permian Basin which, combined with other acquisitions of oil and gas property interests completed earlier in the year and dispositions of a portion of the acquired properties, resulted in the addition of approximately 25,000 barrels of oil equivalent (BOE) in daily production. The second quarter production amounts included only a portion of this volume increase, and the remainder will be added in the third quarter. The gross cash outlay to acquire the interests in this production was $1.4 billion, of which $1.1 billion was paid in the second quarter of 2005. This was partially offset by cash proceeds totaling $178 million from dispositions of a portion of the acquired properties, the largest of which occurred in July 2005. Occidental hedged a portion of its existing Permian Basin production in anticipation of these transactions. See Note 10 for further information.

In June 2005, Occidental completed the purchase of three chlor-alkali chemical manufacturing facilities from Vulcan Materials Company (Vulcan) for $214 million in cash, plus contingent payments based upon the future performance of these facilities and the assumption of certain liabilities. To obtain regulatory approval for this acquisition, Occidental divested itself of one of the facilities.

In the second quarter of 2005, Occidental redeemed $75 million of 4.1% senior medium-term notes. This resulted in an after-tax charge of $1 million.

In the first quarter of 2005, Occidental redeemed all of its 7.65-percent senior notes which reduced current maturities of long-term debt by approximately $459 million. This resulted in an after-tax charge of $6 million.

3. Accounting Changes

In May 2005, the FASB issued SFAS No. 154, “Accounting Changes and Error Corrections, a replacement of Accounting Principles Board Opinion (APB) No. 20, Accounting Changes, and FASB Statement No. 3, Reporting Accounting Changes in Interim Financial Statements.” This Statement requires retrospective application to prior periods' financial statements of a change in accounting principle. It applies both to voluntary changes and to changes required by an accounting pronouncement if the pronouncement does not include specific transition provisions. APB 20 previously required that most voluntary changes in accounting principles be recognized by recording the cumulative effect of a change in accounting principle. SFAS 154 is effective for fiscal years beginning after December 15, 2005. Occidental plans to adopt this statement on January 1, 2006 and it is not expected to have a material effect on the financial statements upon adoption.

In April 2005, the FASB issued FASB Staff Position No. (FSP) FAS 19-1, “Accounting for Suspended Well Costs.” FSP FAS 19-1 provides new accounting guidance that specifies when successful efforts companies can capitalize exploratory well costs. The guidance also requires new disclosures related to these costs. FSP FAS 19-1 is effective in the first reporting period beginning after April 4, 2005 and should be applied prospectively to existing and new exploratory well costs. Occidental plans to adopt this statement effective July 1, 2005 and it is not expected to have a material effect on the financial statements upon adoption.

In March 2005, the FASB issued FASB Interpretation No. (FIN) 47, “Accounting for Conditional Asset Retirement Obligations.” FIN 47 specifies the accounting treatment for conditional asset retirement obligations under the provisions of Statement of Accounting Standard (SFAS) No. 143. FIN 47 is effective no later than the end of fiscal years ending after December 15, 2005. Occidental plans to adopt this statement effective December 31, 2005. Occidental is currently assessing the effect of FIN 47 on its financial statements.

In December 2004, the FASB issued SFAS No. 123 (revised 2004) (SFAS No. 123R) "Share-Based Payments." SFAS No. 123R requires that the cost from all share-based payment transactions, including stock options, be recognized in the financial statements at fair value. Occidental currently uses the provisions of APB No. 25 to account for its share-based payments. Public companies are required to adopt the provisions of SFAS No. 123R by the beginning of the first fiscal year ending after June 15, 2005. As permitted by the standard, Occidental will early adopt the provisions of SFAS 123R in the third quarter of 2005. Since most of Occidental’s existing stock-based compensation is already recorded on the income statement, Occidental decided to early adopt SFAS 123R, so that the remaining awards are accounted for in a similar manner. The cumulative effect of adopting this statement is expected to have an insignificant effect on the financial statements. The effect on earnings, subsequent to adoption, will depend on Occidental’s future stock price and the amount of stock-based compensation that is awarded to employees in the future.

4. Comprehensive Income

The following table presents Occidental's comprehensive income items (in millions):

	Periods Ended June 30			
	Three Months		Six Months	
	2005	2004	2005	2004
Net income	$ 1,536	$ 581	$ 2,382	$ 1,068
Other comprehensive income items				
Foreign currency translation adjustments	—	(3)	(12)	(10)
Derivative mark-to-market adjustments [(a)]	(81)	3	(265)	1
Minimum pension liability adjustments	(1)	—	(1)	—
Unrealized gains on securities	85	39	188	68
Other comprehensive income, net of tax	3	39	(90)	59
Comprehensive income	$ 1,539	$ 620	$ 2,292	$ 1,127

(a) See Note 10 for further information.

5. Supplemental Cash Flow Information

During the six months ended June 30, 2005 and 2004, net cash payments for federal, foreign and state income taxes were approximately $715 million and $404 million, respectively. Interest paid (net of interest capitalized of $7 million and $2 million, respectively) totaled approximately $125 million and $104 million for the six months ended June 30, 2005 and 2004, respectively.

6. Inventories

A portion of inventories is valued under the LIFO method. The valuation of LIFO inventory for interim periods is based on Occidental's estimates of year-end inventory levels and costs. Inventories consist of the following (in millions):

Balance at	June 30, 2005	December 31, 2004
Raw materials	$ 66	$ 62
Materials and supplies	189	157
Finished goods	402	380
	657	599
LIFO reserve	(54)	(54)
Total	$ 603	$ 545

7. Asset Retirement Obligations

The following table summarizes the activity of the asset retirement obligations of which $6 million and $4 million is included in accrued liabilities in 2005 and 2004, respectively, and the remaining balance in both years is included in deferred credits and other liabilities – other (in millions):

Six Months Ended June 30	2005	2004
Beginning balance	$ 206	$ 167
Liabilities incurred in the period	3	9
Liabilities settled in the period	(3)	(5)
Acquisitions and other	20	29
Accretion expense	7	6
Revisions to estimated cash flows	—	(2)
Ending balance	$ 233	$ 204

8. Environmental Liabilities and Expenditures

Occidental's operations in the United States are subject to stringent federal, state and local laws and regulations relating to improving or maintaining environmental quality. Foreign operations also are subject to environmental-protection laws. The laws that require or address environmental remediation may apply to past waste disposal practices and releases. In many cases, the laws apply regardless of fault, the legality of the original activities or current ownership or control of sites. OPC or certain of its subsidiaries are currently participating in environmental assessments and cleanups under these laws at sites subject to the federal Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA), comparable state sites and other domestic and foreign remediation sites, including Occidental facilities and previously owned sites.

The following table presents Occidental's environmental remediation reserves at June 30, 2005, which are included in accrued liabilities ($76 million) and deferred credits and other liabilities – other ($340 million). The reserves are grouped by three categories of environmental remediation sites as follows ($ amounts in millions):

	# of Sites	Reserve
CERCLA & Equivalent Sites	124	$ 228
Active Facilities	18	112
Closed or Sold Facilities	41	76
Total	183	$ 416

In determining the environmental remediation reserves and the reasonably possible range of loss, Occidental refers to currently available information, including relevant past experience, available technology, regulations in effect, the timing of remediation and cost-sharing arrangements. Occidental expects it may continue to incur additional liabilities beyond those recorded for environmental remediation at these and other sites. The range of reasonably possible loss for existing environmental remediation matters could be up to $385 million beyond the amount accrued.

The following table shows additional detail regarding reserves for CERCLA or CERCLA-equivalent sites in which OPC or certain of its subsidiaries were involved at June 30, 2005 ($ amounts in millions):

Description	# of Sites	Reserve
Minimal/No Exposure (a)	102	$ 7
Reserves between $1-10 MM	15	61
Reserves over $10 MM	7	160
Total	124	$ 228

(a) Includes 27 sites for which Maxus Energy Corporation has retained the liability and indemnified Occidental, 7 sites where Occidental has denied liability without challenge, 54 sites where Occidental's reserves are less than $50,000 each, and 14 sites where reserves are between $50,000 and $1 million each.

Refer to Note 8 to the consolidated financial statements in the 2004 Form 10-K for additional information regarding Occidental's environmental expenditures.

9. Lawsuits, Claims, Commitments, Contingencies and Related Matters

OPC and certain of its subsidiaries have been named in a substantial number of lawsuits, claims and other legal proceedings. These actions seek, among other things, compensation for alleged personal injury, breach of contract, property damage, punitive damages, civil penalties or other losses; or injunctive or declaratory relief. OPC and certain of its subsidiaries also have been named in proceedings under CERCLA and similar federal, state, local and foreign environmental laws. These environmental proceedings seek funding or performance of remediation and, in some cases, compensation for alleged property damage, punitive damages and civil penalties; however, Occidental is usually one of many companies in these proceedings and has to date been successful in sharing response costs with other financially sound companies. With respect to all such lawsuits, claims and proceedings, including environmental proceedings, Occidental accrues reserves when it believes it is probable a liability has been incurred and the amount of loss can be reasonably estimated.

During the course of its operations, Occidental is subject to audit by tax authorities for varying periods in various federal, state, local and foreign tax jurisdictions. Disputes arise during the course of such audits as to facts and matters of law. In May 2005, Occidental entered into a closing agreement with the Internal Revenue Service (IRS) resolving certain foreign tax credit issues as part of the IRS audit of tax years 1997-2000. The closing agreement was completed after an extensive IRS review of various complex tax issues and negotiations between Occidental and the IRS. As a result of the closing agreement, Occidental recorded a tax benefit of about $619 million for the reversal of tax reserves that were previously established for those foreign tax credit issues. This resolution did not have a significant current cash effect. Taxable years prior to 1998 are closed for U.S. federal income tax purposes. Taxable years 1998 through 2003 continue to be open for audit by the IRS. Occidental believes that it is reasonably possible that additional issues for taxable years 1998 to 2000 could be concluded during 2005 with a favorable effect on the statement of operations, and that such resolutions, if they occur, would not be material to its financial position.

Occidental has guarantees outstanding at June 30, 2005 which encompass performance bonds, letters of credit, indemnities, commitments and other forms of guarantees provided by Occidental to third parties, mainly to provide assurance that Occidental and/or its subsidiaries and affiliates will meet their various obligations (guarantees). At June 30, 2005, the notional amount of these guarantees was approximately $500 million. Of this amount, approximately $400 million relates to Occidental's guarantee of equity investees' debt and other commitments. The remaining $100 million relates to various indemnities and guarantees provided to third parties. The amount recorded on the consolidated balance sheet for these guarantees was immaterial.

It is impossible at this time to determine the ultimate liabilities that OPC and its subsidiaries may incur resulting from any lawsuits, claims and proceedings, audits, commitments, contingencies and related matters. If these matters were to be ultimately resolved unfavorably at amounts substantially exceeding Occidental's reserves, an outcome not currently anticipated, it is possible that such outcome could have a material adverse effect upon Occidental's consolidated financial position or results of operations. However, after taking into account reserves, management does not expect the ultimate resolution of any of these matters to have a material adverse effect upon Occidental's consolidated financial position or results of operations.

10. Derivative Activities

In the second quarter of 2005, Occidental terminated all of its interest rate swaps that were accounted for as fair value hedges. These hedges had effectively converted approximately $1.2 billion of fixed-rate debt to variable-rate debt. The fair value of the swaps at termination resulted in a gain of approximately $20 million which will be amortized into income over the remaining life of the previously-hedged debt.

During the first quarter of 2005, Occidental entered into a series of fixed price swaps and costless collar agreements that qualify as cash-flow hedges for the sale of its crude oil production. These hedges, which begin in July 2005 and continue to the end of 2011, will hedge less than 4% of Occidental's current crude oil production. The June 30, 2005 accumulated other comprehensive income account includes derivative mark-to-market after-tax losses of $249 million from changes in these cash flow hedges.

11. Income Taxes

The provision for taxes based on income for the 2005 and 2004 interim periods was computed in accordance with Interpretation No. 18 of APB No. 28 on reporting taxes for interim periods and was based on projections of total year pre-tax income.

The tax provision for the three and six months ended June 30, 2005, includes a $619 million tax benefit related to the resolution of certain IRS tax issues. See Note 9 for further information. The tax provision for the six months ended June 30, 2005 includes a net $10 million charge related to a state income tax issue and the tax provision for the six months ended June 30, 2004 includes a $20 million credit related to a first quarter 2004 settlement of an issue with the IRS.

12. Stock-Based Compensation

Occidental accounts for its stock incentive plans (Plans) using the intrinsic value method under APB No. 25 and related interpretations. Had compensation expense for those Plans been determined in accordance with SFAS No. 123, “Accounting for Stock Based Compensation”, Occidental’s pro-forma net income and earnings per share would have been as follows (in $ millions, except per share amounts):

	Periods Ended June 30			
	Three Months		Six Months	
	2005	2004	2005	2004
Net income	$ 1,536	$ 581	$ 2,382	$ 1,068
Add: Stock-based compensation included in net income, net of tax, under APB No. 25	38	8	73	17
Deduct : Stock-based compensation, net of tax, determined under SFAS No. 123 fair value method	(56)	(12)	(94)	(26)
Pro-forma net income	$ 1,518	$ 577	$ 2,361	$ 1,059
Earnings Per Share:				
Basic – as reported	$ 3.82	$ 1.48	$ 5.94	$ 2.72
Basic – pro forma	3.78	1.46	5.89	2.70
Diluted – as reported	$ 3.77	$ 1.46	$ 5.86	$ 2.68
Diluted – pro forma	3.73	1.45	5.80	2.66

Effective as of June 20, 2005, the holders of substantially all of Occidental’s unvested performance stock awards agreed to the amendment of such awards to provide cash settlement for award payouts in excess of 100% of the target. This modification does not change the amount of expense that Occidental records for its performance stock awards under APB No. 25, except that the cash settled portion of the performance stock award was reclassified from additional paid-in capital to other liabilities on the balance sheet.

13. Retirement Plans and Postretirement Benefits

Occidental has various defined contribution and defined benefit retirement plans for its salaried, domestic union and nonunion hourly, and certain foreign national employees.

The following tables set forth the components of the net periodic benefit costs for Occidental's defined benefit pension and postretirement benefit plans (in millions):

Three Months Ended June 30,	2005		2004	
Net Periodic Benefit Cost	Pension Benefit	Postretirement Benefit	Pension Benefit	Postretirement Benefit
Service cost	$ 4	$ 2	$ 3	$ 2
Interest cost	6	8	6	8
Expected return on plan assets	(9)	—	(5)	—
Recognized actuarial loss	—	4	1	3
Total	$ 1	$ 14	$ 5	$ 13

Six Months Ended June 30,	2005		2004	
Net Periodic Benefit Cost	Pension Benefit	Postretirement Benefit	Pension Benefit	Postretirement Benefit
Service cost	$ 7	$ 4	$ 7	$ 4
Interest cost	12	16	12	16
Expected return on plan assets	(16)	—	(10)	—
Recognized actuarial loss	1	8	2	5
Total	$ 4	$ 28	$ 11	$ 25

On December 8, 2003, President Bush signed into law a bill that expands Medicare, primarily by adding a prescription drug benefit for Medicare-eligible retirees starting in 2006. Regulations governing the Medical Prescription drug benefit and other key elements of the Medicare Modernization Act were released by the Department of Health and Human Services Centers for Medicare and Medicaid Services on January 21, 2005. Occidental is reviewing its retiree health care plans in light of these final regulations, which may change Occidental's obligations under the plans. At this time, Occidental is unable to determine the impact of the new Medicare provisions. The retiree medical obligations and costs reported do not reflect the impact of this legislation in accordance with FSP No. FAS 106-2. Occidental intends to adopt the accounting requirements of this standard and adjust its retiree medical obligations and costs by the end of 2005.

Occidental funded approximately $2 million in cash to its domestic defined benefit pension plans for the six months ended June 30, 2005 and it does not expect to contribute any further amount in 2005.

Refer to Note 13 to the consolidated financial statements in the 2004 Form 10-K for additional information regarding Occidental's retirement plans and postretirement benefits.

14. Investments in Unconsolidated Entities

In May 2005, Occidental sold 11 million shares of Lyondell Chemical Company (Lyondell) for gross proceeds of approximately $300 million. This sale resulted in a second quarter 2005 pre-tax gain of $140 million. Occidental has no current plans to divest itself of its remaining Lyondell shares. However, Occidental regularly reviews and analyzes its investments and other operations in order to determine how its stockholders' interests are best served. Occidental still owns 30.3 million of Lyondell shares and warrants to purchase an additional 5 million shares of Lyondell stock. Occidental continues to account for this investment on the equity method since it has the ability to exercise significant influence over Lyondell.

In May 2005, Dolphin Energy Limited signed a gas sales agreement with Dubai Supply Authority (DUSUP) to deliver future supplies of Dolphin gas from Qatar to a power plant in Jebel Ali. The agreement provides for the supply of up to 700 million standard cubic feet of gas per day for a period of 25 years.

In April 2005, Valero Energy Corp. (Valero) and Premcor Inc. (Premcor) announced that the companies have executed a merger agreement for Valero to acquire Premcor in an $8 billion transaction. Under the terms of the agreement, Premcor shareholders will have the right to receive 0.99 shares of Valero common stock or $72.76 in cash for each share of Premcor common stock, or they can receive a combination of both, subject to proration so that 50 percent of the total Premcor shares are acquired for cash. At June 30, 2005, Occidental owned over 9 million shares of Premcor.

15. Industry Segments

As of January 1, 2005, Occidental revised its reporting of segment earnings to show segment earnings before income taxes. All domestic and foreign income tax expense is now reflected in the “Corporate and Other” column. This change has been retrospectively applied to prior period results. The following table presents Occidental’s interim industry segment and corporate disclosures (in millions):

	Oil and Gas	Chemical	Corporate and Other		Total
Six Months Ended June 30, 2005					
Net sales	$ 4,572	$ 2,189	$ 60		$ 6,821
Pretax operating profit (loss)	$ 2,674	$ 439	$ (86)	(a)	$ 3,027
Income taxes	—	—	(645)	(b)	(645)
Net income (loss)	$ 2,674	$ 439	$ (731)	(c)	$ 2,382
Six Months Ended June 30, 2004					
Net sales	$ 3,476	$ 1,745	$ 60		$ 5,281
Pretax operating profit (loss)	$ 1,895	$ 148	$ (223)	(a)	$ 1,820
Income taxes	—	—	(747)	(b)	(747)
Discontinued operations, net of tax	—	—	(5)		(5)
Net income (loss)	$ 1,895	$ 148	$ (975)	(d)	$ 1,068

(a) Includes unallocated net interest expense, administration expense and other items.
(b) Includes all foreign and domestic income taxes. The 2005 amount includes a $619 million tax benefit related to the resolution of certain tax issues with the IRS and a net $10 million charge related to a state income tax issue. The 2004 amount includes a $20 million tax credit related to a settlement of an IRS issue.
(c) Includes a pre-tax gain on sale of Lyondell stock of $140 million ($89 million net of tax)
(d) Includes a trust preferred securities redemption pre-tax charge of $11 million ($7 million net of tax).

16. Subsequent Events

In July 2005, Occidental received a Royal Decree issued by the Sultanate of Oman formally approving the contract to develop the Mukhaizna oil field, one of the largest oilfields in Oman. Under the terms of the new production sharing contract, Occidental will be the operator of the field and hold a 45-percent working interest.

In July 2005, Occidental gave notice that it will redeem, out of existing cash on hand, three debt issues with a total notional amount of $333 million, most of which is due in 2007. These debt issues are classified as current liabilities on the June 30, 2005 balance sheet.

Occidental suspended all activities in Libya in 1986 as a result of economic sanctions imposed by the U.S. government. During the imposition of sanctions, Occidental derived no economic benefit from its Libyan interests and had no Libyan assets on its balance sheet. In 2004, the U.S. government lifted all of the principal economic sanctions against Libya. However, Libya continues to be designated as a country supporting international terrorism under section 6(j) of the U.S. Export Administration Act and, as such, continues to be subject to certain limited sanctions.

On June 28, 2005, Occidental reached agreement with the National Oil Corporation of Libya (NOC), subject to final Libyan governmental approval, to resume its participation in the operation of the assets that Occidental left in 1986. On July 25, 2005, Occidental was advised by the NOC that the Libyan authorities approved the terms and conditions of the re-entry agreement. The agreement allows Occidental to return to its Libyan operations on generally the same terms in effect when activities were suspended. Those assets consist of 3 producing contracts in the Sirte Basin and four exploration blocks. Net production to Occidental under the contracts is initially expected to be in the range of 12,000 to 15,000 barrels of oil per day. The agreement requires Occidental to pay to NOC approximately $133 million in re-entry bonuses and capital adjustment and work-in-progress payments and $10 million per year while Occidental continues to operate in Libya as reimbursements for past development costs associated with the historical assets. In addition, Occidental has committed to spend $90 million over the next five years in the four exploration blocks. Currently, Occidental’s rights in the producing fields extend through early 2009 and early 2010.

Separately, in January 2005, Occidental participated in the EPSA IV exploration bid round in Libya. Occidental was the successful bidder on nine of the 15 areas available. Occidental will operate five onshore areas and will have a 90-percent exploration working interest. In addition, Occidental will have a 35-percent exploration working interest in four offshore areas. The offshore areas will be operated by Woodside Petroleum Ltd. Occidental paid approximately $90 million in exploration lease bonuses as successful bidder and committed to spend an additional $125 million over the next 5 years.

On July 21, 2005, the Federal Energy Regulatory Commission (FERC) announced the approval of Occidental’s plan to construct a $450 million liquefied natural gas terminal and a related 26-mile-long pipeline near Corpus Christi, Texas. The terminal, if built, is expected to be able to deliver 1 billion cubic feet of natural gas to consumers, will be adjacent to and integrated with Occidental’s existing Ingleside chemical and power facilities.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

Consolidated Results of Operations

Occidental (as defined in Note 1 to the consolidated condensed financial statements) reported net income for the first six months of 2005 of $2.4 billion, on net sales of $6.8 billion, compared with net income of $1.1 billion, on net sales of $5.3 billion, for the same period of 2004. Basic earnings per common share were $5.94 for the first six months of 2005, compared with basic earnings per share of $2.72 for the same period of 2004. Occidental reported net income for the second quarter of 2005 of $1.5 billion, on net sales of $3.5 billion, compared with net income of $581 million, on net sales of $2.7 billion, for the same period of 2004. Basic earnings per common share were $3.82 for the second quarter of 2005, compared with basic earnings per share of $1.48 for the same period of 2004.

Net income for the first six months and the second quarter of 2005 included a $619 million tax benefit resulting from an IRS settlement, a $140 million pre-tax gain on sale of 11 million shares of Lyondell stock and a $26 million pre-tax expense related to a contract settlement. Net income for the first six months of 2005 included a $10 million pre-tax interest charge to redeem outstanding 7.65-percent senior notes and a net $10 million charge related to a state income tax issue. Net income for the first six months of 2004 included a pre-tax charge of $11 million for the redemption of all of the outstanding 8.16-percent Trust Preferred Redeemable Securities (trust preferred securities) and a $20 million credit from settlement of a tax issue. Net income for the second quarter of 2005, compared to the same period in 2004, reflected higher oil and gas prices and higher chemical margins resulting from higher chemical prices, partially offset by lower oil production, higher oil and gas production and exploration costs, higher DD&A expense and higher energy and raw material costs.

Selected Income Statement Items

The increase in net sales of $794 million and $1.5 billion for the three and six months ended June 30, 2005, compared with the same periods in 2004, reflected higher crude oil, natural gas and chemical prices. For the three and six months ended June 30, 2005, the gains on disposition of assets, net account included a pre-tax gain of $140 million on the sale of 11 million shares of Lyondell stock.

The increase in cost of sales of $190 million and $342 million for the three and six months ended June 30, 2005, respectively, compared with the same periods in 2004, reflected higher oil and gas production costs, higher DD&A expense and higher energy and chemicals raw material costs. The increase of $86 million and $137 million in selling, general and administrative and other operating expenses for the three and six months ended June 30, 2005, compared to the same periods in 2004, reflected increases in share-based compensation expense and various corporate costs, higher operating costs and a $26 million contract settlement. The increase in exploration expense of $71 million and $64 million for the three and six months ended June 30, 2005, respectively, compared with the same periods in 2004, reflected a $66 million pre-tax unproved property impairment as a result of an unsuccessful deep gas well at Elk Hills. The provision for income taxes for the three and six months ended June 30, 2005, includes a $619 million tax benefit related to the resolution of certain IRS tax issues. The provision for income taxes for the six months ended June 30, 2005 includes a net $10 million charge related to a state income tax issue and the provision for income taxes for the six months ended June 30, 2004 includes a $20 million credit related to a first quarter 2004 settlement of an issue with the IRS. The increase in income from equity investments of $19 million and $75 million for the three and six months ended June 30, 2005, respectively, compared with the same periods in 2004, was primarily attributable to improved results from the Lyondell equity investment.

Selected Analysis of Financial Position

The increase in receivables, net, of $624 million at June 30, 2005, compared with December 31, 2004, was primarily due to higher sales prices. The increase in property, plant and equipment of $2.3 billion at June 30, 2005, compared with December 31, 2004, was due to the Permian Basin oil and gas transactions, the acquisition of chlor-alkali chemical manufacturing facilities from Vulcan and continued capital investment in oil and gas and chemical assets. The increase in accounts payable of $355 million at June 30, 2005, compared with December 31, 2004, was due to higher payable balances in the oil and gas marketing and trading operations. The increase in deferred credits and other liabilities – other of $400 million was primarily due to increases in derivative non-current liabilities related to crude oil production hedges and accruals related to the Vulcan plant and Permian Basin acquisitions partially offset by the reduction in liabilities related to the IRS settlement.

Segment Operations

As of January 1, 2005, Occidental revised its reporting of segment earnings to show segment earnings before income taxes. All domestic and foreign income tax expense is now reflected in the income taxes line under Unallocated Corporate Items. This reporting change has been retrospectively applied to prior period results. The following table sets forth the sales and earnings of each industry segment and unallocated corporate items (in millions):

	Periods Ended June 30			
	Three Months		Six Months	
	2005	2004	2005	2004
Segment Net Sales				
Oil and gas [(a)]	$ 2,353	$ 1,783	$ 4,572	$ 3,476
Chemical	1,128	911	2,189	1,745
Other	37	30	60	60
Net Sales	$ 3,518	$ 2,724	$ 6,821	$ 5,281
Segment Earnings				
Oil and gas	$ 1,325	$ 980	$ 2,674	$ 1,895
Chemical	225	92	439	148
	1,550	1,072	3,113	2,043
Unallocated Corporate Items				
Interest expense, net [(b)]	(47)	(60)	(108)	(128)
Income taxes [(a,c)]	(44)	(384)	(645)	(747)
Other [(d)]	73	(44)	22	(95)
Income from Continuing Operations	1,532	584	2,382	1,073
Discontinued operations, net of tax	4	(3)	—	(5)
Net Income	$ 1,536	$ 581	$ 2,382	$ 1,068

(a) Revenues and income tax expense include taxes owed by Occidental but paid by governmental entities on its behalf. Oil and gas pre-tax income includes the following revenue amounts by period (in millions): second quarter 2005 - $226, second quarter 2004 - $117, first six months 2005 - $413, first six months 2004 - $233.

(b) The second quarter 2005 includes a $1 million pre-tax interest charge to redeem all the outstanding 4.1-percent medium term notes and the six months 2005 also includes a $10 million charge to redeem all the outstanding 7.65-percent senior notes. The six months 2004 includes an $11 million pre-tax interest charge to redeem all the outstanding 8.16-percent Trust Preferred Redeemable Securities.

(c) The second quarter 2005 includes a $619 million tax benefit resulting from the resolution of certain tax issues with the IRS. The six months 2005 also includes a net $10 million charge related to a state income tax issue. The six months 2004 includes a $20 million credit related to a first quarter settlement of an issue with the IRS.

(d) The second quarter 2005 includes a $140 million pre-tax gain from the sale of 11 million shares of Lyondell Chemical Company, which represented approximately 27 percent of Occidental's investment.

Significant Items 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 earnings", 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 earnings is not considered to be an alternative to operating income in accordance with generally accepted accounting principles.

The following table sets forth the core earnings and significant items affecting earnings for each operating segment and corporate for the three months ended June 30, 2005 and 2004:

	Three Months Ended June 30			
(in millions, except per-share amounts)	2005	EPS	2004	EPS
TOTAL REPORTED EARNINGS	$ 1,536	$ 3.82	$ 581	$ 1.48
Oil and Gas				
Segment Earnings	1,325		980	
Less: Contract settlement	(26)		—	
Segment Core Earnings	1,351		980	
Chemical				
Segment Earnings	225		92	
No significant items affecting earnings	—		—	
Segment Core Earnings	225		92	
Total Segment Core Earnings	1,576		1,072	
Corporate				
Results *	(14)		(491)	
Less:				
Gain on sale of Lyondell shares	140		—	
Settlement of federal tax issue	619		—	
Debt repurchase expense	(1)		—	
Tax effect of pre-tax adjustments	(51)		—	
Discontinued operations, net of tax	4		(3)	
Corporate results	(725)		(488)	
Total Core Earnings	$ 851	$ 2.12	$ 584	$ 1.49

* Includes interest expense, income taxes, general and administrative and other expense, and certain non-core items.

The following table sets forth the core earnings and significant items affecting earnings for each operating segment and corporate for the six months ended June 30, 2005 and 2004:

	Six Months Ended June 30			
(in millions, except per-share amounts)	2005	EPS	2004	EPS
TOTAL REPORTED EARNINGS	$ 2,382	$ 5.94	$ 1,068	$ 2.72
Oil and Gas				
Segment Earnings	2,674		1,895	
Less: Contract settlement	(26)		—	
Segment Core Earnings	2,700		1,895	
Chemical				
Segment Earnings	439		148	
No significant items affecting earnings	—		—	
Segment Core Earnings	439		148	
Total Segment Core Earnings	3,139		2,043	
Corporate				
Results *	(731)		(975)	
Less:				
Gain on sale of Lyondell shares	140		—	
Settlement of federal tax issue	619		20	
Debt repurchase expense	(11)		—	
State tax issue charge, net	(10)		—	
Trust preferred securities redemption charge	—		(11)	
Tax effect of pre-tax adjustments	(47)		4	
Discontinued operations, net of tax	—		(5)	
Corporate results	(1,422)		(983)	
Total Core Earnings	$ 1,717	$ 4.28	$ 1,060	$ 2.70

* Includes interest expense, income taxes, general and administrative and other expense, and certain non-core items.

Worldwide Effective Tax Rate

The following table sets forth the calculation of the worldwide effective tax rate for reported income and core earnings:

	Periods Ended June 30			
	Three Months		Six Months	
(in millions)	2005	2004	2005	2004
REPORTED INCOME				
Oil and Gas	$ 1,325	$ 980	$ 2,674	$ 1,895
Chemical	225	92	439	148
Corporate and other	26	(104)	(86)	(223)
Pre-tax income	1,576	968	3,027	1,820
Income tax expense (benefit)				
Federal and State	(256)	214	93	407
Foreign [(a)]	300	170	552	340
Total	44	384	645	747
Income from continuing operations	$ 1,532	$ 584	$ 2,382	$ 1,073
Worldwide effective tax rate	3%	40%	21%	41%
CORE INCOME				
Oil and Gas	$ 1,351	$ 980	$ 2,700	$ 1,895
Chemical	225	92	439	148
Corporate and other	(113)	(104)	(215)	(212)
Pre-tax income	1,463	968	2,924	1,831
Income tax expense				
Federal and State	312	214	655	431
Foreign [(a)]	300	170	552	340
Total	612	384	1,207	771
Income from continuing operations	$ 851	$ 584	$ 1,717	$ 1,060
Worldwide effective tax rate	42%	40%	41%	42%

(a) Revenues and income tax expense include taxes owed by Occidental but paid by governmental entities on its behalf. Oil and gas pre-tax income includes the following revenue amounts by period (in millions): second quarter 2005 - $226, second quarter 2004 - $117, first six months 2005 - $413, first six months 2004 - $233.

Occidental's three and six months ended June 30, 2005 worldwide effective tax rate was 3% and 21%, respectively. The three and six months ended June 30, 2005 worldwide tax rate reflected a $619 million tax benefit related to the resolution of certain tax issues with the IRS. The recorded tax benefit was the result of a closing agreement with the IRS, which resolved certain foreign tax credit issues as part of the IRS audit of tax years 1997 - 2000.

Oil and Gas Segment

	Periods Ended June 30			
	Three Months		Six Months	
Summary of Operating Statistics	2005	2004	2005	2004
Net Production Per Day:				
Crude Oil and Natural Gas Liquids (MBL)				
United States	245	260	245	259
Latin America	75	86	75	82
Middle East	90	86	95	90
Other Eastern Hemisphere	6	8	6	8
Natural Gas (MMCF)				
United States	548	513	538	520
Middle East	61	56	58	33
Other Eastern Hemisphere	72	73	75	74
Barrels of Oil Equivalent (MBOE) Per Day				
Consolidated subsidiaries	530	547	533	544
Other interests	25	27	27	27
Worldwide production	555	574	560	571
Average Sales Price:				
Crude Oil ($/BBL)				
United States	46.72	35.44	45.47	34.02
Latin America	42.09	30.60	40.99	29.83
Middle East	48.72	34.51	45.18	32.18
Other Eastern Hemisphere	46.84	32.26	42.76	30.79
Total consolidated subsidiaries	46.19	34.05	44.41	32.62
Other interests	34.99	21.46	31.60	20.67
Total Worldwide	45.41	33.12	43.53	31.77
Natural Gas ($/MCF)				
United States	6.18	4.90	6.07	4.95
Middle East	0.96	0.97	0.96	0.97
Other Eastern Hemisphere	2.28	2.47	2.25	2.35
Total consolidated subsidiaries	5.26	4.26	5.15	4.40
Other interests	0.13	—	0.14	—
Total Worldwide	5.16	4.26	5.02	4.40

Oil and gas segment and core earnings for the six months ended June 30, 2005 were $2.7 billion, compared with $1.9 billion for the same period of 2004. For the three months ended June 30, 2005, oil and gas segment earnings were $1.33 billion and core earnings were $1.35 billion, compared with $1.0 billion of segment and core earnings for the same period of 2004. The increase in earnings for the three and six months ended June 30, 2005, compared with the same periods in 2004, primarily reflected higher crude oil and natural gas prices partially offset by lower oil production, higher operating expenses and higher exploration expense.

The increase in net sales of $570 million and $1.1 billion for the three and six months ended June 30, 2005, compared with the same periods in 2004, primarily reflected higher crude oil and natural gas prices partially offset by lower crude oil production.

The decrease in daily production of 19,000 barrels of oil equivalent (BOE) and 11,000 BOE for the three and six months ended June 30, 2005, compared with the same periods in 2004, was due to several factors. As discussed in the 2004 Form 10-K, price changes impact Occidental's share of volumes reported from its production-sharing contracts in Qatar, Oman, Yemen and Long Beach. These price changes adversely impacted second quarter daily 2005 production by 15,000 BOE compared to the same period in 2004. In addition, production was lower due to Horn Mountain scheduled maintenance, completion of which was delayed by adverse weather conditions in the Gulf of Mexico. Production was also impacted by lower production from Occidental's non-operated assets in Pakistan, Russia and Yemen.

The average West Texas Intermediate price in the second quarter of 2005 was $53.17 per barrel and the average New York Mercantile Exchange (NYMEX) natural gas price for the second quarter of 2005 was $6.46 per million BTU's. Occidental's realized oil price for the second quarter 2005 was $45.41 per barrel, compared to $33.12 for the second quarter 2004. For the first six months of 2005, Occidental's realized price was $43.53 per barrel compared to last year's realized price of $31.77. Occidental's realized oil price increased $3.70 per barrel in the second quarter 2005, compared to the first quarter 2005, while WTI prices increased by $3.33 per barrel in the same period. A change of 10 cents per million BTU's in NYMEX gas prices has a quarterly impact on oil and gas segment earnings of $5 million while a $1.00 per barrel change in oil prices has a quarterly impact of $34 million, in each case before the effect of income taxes.

Average worldwide production costs for the first six months of 2005 were $8.18 per BOE compared to the average 2004 production cost of $6.95 per BOE. Production costs increased due to higher production-related taxes and higher utility costs resulting from higher oil and gas prices.

Occidental expects third quarter 2005 oil and gas production to be approximately 570,000 BOE per day. However, production could vary due to price-driven adjustments in the volumes under production-sharing contracts in Oman, Qatar, Yemen and Long Beach and weather conditions in the Gulf of Mexico, which impact the Horn Mountain operations.

In June 2005, Occidental closed a transaction in the Permian Basin which, combined with other acquisitions of oil and gas property interests completed earlier in the year and dispositions of a portion of the acquired properties, resulted in the addition of approximately 25,000 barrels of oil equivalent (BOE) in daily production. The second quarter production amounts included only a portion of this volume increase, and the remainder will be added in the third quarter. The gross cash outlay to acquire the interests in this production was $1.4 billion, of which $1.1 billion was paid in the second quarter of 2005. This was partially offset by cash proceeds totaling $178 million from dispositions of a portion of the acquired properties, the largest of which occurred in July 2005. Occidental hedged a portion of its existing Permian Basin production ranging from 12,000 to 16,000 barrels of oil per day through 2011 in anticipation of these transactions.

In July 2005, Occidental received a Royal Decree issued by the Sultanate of Oman formally approving the contract to develop the Mukhaizna oil field, one of the largest oilfields in Oman. Under the terms of the new production sharing contract, Occidental will be the operator of the field and hold a 45-percent working interest.

Occidental suspended all activities in Libya in 1986 as a result of economic sanctions imposed by the U.S. government. During the imposition of sanctions, Occidental derived no economic benefit from its Libyan interests and had no Libyan assets on its balance sheet. In 2004, the U.S. government lifted all of the principal economic sanctions against Libya. However, Libya continues to be designated as a country supporting international terrorism under section 6(j) of the U.S. Export Administration Act and, as such, continues to be subject to certain limited sanctions.

On June 28, 2005, Occidental reached agreement with the National Oil Corporation of Libya (NOC), subject to final Libyan governmental approval, to resume its participation in the operation of the assets that Occidental left in 1986. On July 25, 2005, Occidental was advised by the National Oil Corporation that the Libyan authorities approved the terms and conditions of the re-entry agreement. The agreement allows Occidental to return to its Libyan operations on generally the same terms in effect when activities were suspended. Those assets consist of 3 producing contracts in the Sirte Basin and four exploration blocks. Net production to Occidental under the contracts is initially expected to be in the range of 12,000 to 15,000 barrels of oil per day. The agreement requires Occidental to pay to NOC approximately $133 million in re-entry bonuses and capital adjustment and work-in-progress payments and $10 million per year while Occidental continues to operate in Libya as reimbursements for past development costs associated with the historical assets. In addition, Occidental has committed to spend $90 million over the next five years in the four exploration blocks. Currently, Occidental's rights in the producing fields extend through early 2009 and early 2010.

Separately, in January 2005, Occidental participated in the EPSA IV exploration bid round in Libya. Occidental was the successful bidder on nine of the 15 areas available. Occidental will operate five onshore areas and will have a 90-percent exploration working interest. In addition, Occidental will have a 35-percent exploration working interest in four offshore areas. The offshore areas will be operated by Woodside Petroleum Ltd. Occidental paid approximately $90 million in exploration lease bonuses as successful bidder and committed to spend an additional $125 million over the next 5 years.

In May 2005, Dolphin Energy Limited signed a gas sales agreement with Dubai Supply Authority (DUSUP) to deliver future supplies of Dolphin gas from Qatar to a power plant in Jebel Ali. The agreement provides for the supply of up to 700 million standard cubic feet of gas per day for a period of 25 years.

Chemical Segment

	Periods Ended June 30			
	Three Months		Six Months	
Summary of Operating Statistics	2005	2004	2005	2004
Major Product Volumes (Thousands of Tons, except PVC Resins)				
Chlorine [(a)]	746	740	1,451	1,446
Caustic Soda	768	819	1,482	1,551
Ethylene Dichloride	175	100	305	222
PVC Resins (millions of pounds)	985	1,090	2,010	2,161
Major Product Price Index (Base 1987 through 1990 average price = 1.0)				
Chlorine	2.65	2.00	2.60	1.80
Caustic Soda	1.67	0.61	1.59	0.66
Ethylene Dichloride	1.56	1.51	1.65	1.40
PVC Resins [(b)]	1.24	1.06	1.27	1.00

(a) Product volumes include those manufactured and consumed internally.

(b) Product volumes produced at former PolyOne facilities, now part of Occidental, are excluded from the product price indexes.

Chemical segment and core earnings for the six months ended June 30, 2005 were $439 million, compared with $148 million for the same period of 2004. Chemical segment and core earnings for the three months ended June 30, 2005 were $225 million, compared with $92 million for the same period of 2004. The increase in earnings for the three and six months ended June 30, 2005, compared with the same periods in 2004, primarily reflected higher margins due to higher sales prices for caustic soda, polyvinyl chloride resins (PVC), vinyl chloride monomer (VCM) and chlorine partially offset by higher energy and feedstock costs.

The increase in net sales of $217 million and $444 million for the three and six months ended June 30, 2005, respectively, compared with the same periods in 2004, primarily reflected higher sales prices for caustic soda, PVC, VCM and chlorine partially offset by lower sales volume for VCM and PVC.

Occidental expects third quarter 2005 earnings to be similar to second quarter 2005. Occidental expects a small reduction in product demand which may be offset by the benefit of the acquisition of the Vulcan chlor-alkali facilities discussed below.

In June 2005, Occidental completed the purchase of three chlor-alkali chemical manufacturing facilities from Vulcan Materials Company (Vulcan) for $214 million in cash, plus contingent payments based upon the future performance of these facilities and the assumption of certain liabilities. To obtain regulatory approval for this acquisition Occidental divested itself of one of the facilities.

Corporate and Other

The three and six months ended June 30, 2005, unallocated corporate items – income taxes account includes a $619 million tax benefit related to the resolution of certain IRS tax issues. The unallocated corporate items – income taxes for the six months ended June 30, 2005 includes a net $10 million charge related to a state income tax issue and for the six months ended June 30, 2004 includes a $20 million credit related to a first quarter 2004 settlement of an issue with the IRS.

In May 2005, Occidental sold 11 million shares of Lyondell Chemical Company (Lyondell) for gross proceeds of approximately $300 million. This sale resulted in a second quarter 2005 pre-tax gain of $140 million. Occidental has no current plans to divest itself of its remaining Lyondell shares. However, Occidental regularly reviews and analyzes its investments and other operations in order to determine how its stockholders' interests are best served. Occidental still owns 30.3 million of Lyondell shares and warrants to purchase an additional 5 million shares of Lyondell stock. Occidental continues to account for this investment on the equity method since it has the ability to exercise significant influence over Lyondell.

In April 2005, Valero Energy Corp. (Valero) and Premcor Inc. (Premcor) announced that the companies have executed a merger agreement for Valero to acquire Premcor in an $8 billion transaction. Under the terms of the agreement, Premcor shareholders will have the right to receive 0.99 shares of Valero common stock or $72.76 in cash for each share of Premcor common stock, or they can receive a combination of both, subject to proration so that 50 percent of the total Premcor shares are acquired for cash. At June 30, 2005, Occidental owned over 9 million shares of Premcor. If this agreement closes as discussed above, Occidental expects to record a significant gain from the transaction.

Liquidity and Capital Resources

Occidental's net cash provided by operating activities was $2.4 billion for the first six months of 2005, compared with $1.5 billion for the same period of 2004. The significant increase in operating cash flow in 2005, compared to 2004, resulted from several factors. The most important drivers were the significantly higher oil and natural gas prices and, to a much lesser extent, higher chemical prices. In the first six months of 2005, compared to the same period in 2004, Occidental's realized oil price was higher by 37 percent and Occidental's realized natural gas price increased 23 percent in the U.S., where approximately 80 percent of Occidental's natural gas was produced.

Increases in the costs of producing oil and gas, such as utilities, production taxes, purchased goods and services, particularly materials and oil field services, partially offset oil and gas sales price increases, but such cost increases had a much lower effect on cash flow than the realized price increases. Other cost elements, such as labor costs and overheads, are not significant drivers of cash flow because they vary within a narrow range over the short-to-intermediate term.

Increases in sales prices realized for Occidental's major chemical product lines for the first six months of 2005, compared to the same period of 2004, ranged from 18 to 141 percent. Chemical prices increased in the first six months of 2005 at a higher rate than the energy-driven increase in feedstock and power costs, thereby improving margins and cash flow. Chemical price changes had a less significant effect on cash flow because chemical segment earnings and cash flow are significantly smaller than those for the oil and gas segment and because of increases in energy price-driven feedstock and electric power costs, which are major elements of manufacturing cost for the chemical segment's products.

Occidental's net cash used by investing activities was $2.4 billion for the first six months of 2005, compared with net cash used of $1.2 billion for the same period of 2004. The 2005 amount includes the cash payments for the Permian Basin transactions and the acquisition of the Vulcan chlor-alkali manufacturing facilities which were partially offset by the cash proceeds from the sale of Lyondell shares. The 2004 amount includes a $208 million advance to the Elk Hills Power LLC (EHP) equity investment which EHP used to repay a portion of its debt. The 2004 amount also includes the purchase of a pipeline and gathering system in Texas.

Capital expenditures for the first six months of 2005 were $1.1 billion, including $988 million for oil and gas and $62 million for chemical. Capital expenditures for the first six months of 2004 were $804 million, including $744 million for oil and gas and $56 million for chemical.

Financing activities used net cash of $566 million in the first six months of 2005, compared with cash used of $565 million for the same period of 2004. The 2005 amount includes net debt payments of approximately $430 million. The 2004 amount includes the total cash paid of $466 million to redeem the trust preferred securities in January 2004.

In the first quarter of 2005, Occidental filed a shelf registration statement for up to $1.5 billion of various securities. No securities have been issued under this shelf.

Available but unused lines of committed bank credit totaled approximately $1.5 billion at June 30, 2005 and cash and cash equivalents and short-term investments totaled $870 million on the June 30, 2005 balance sheet.

At June 30, 2005, under the most restrictive covenants of certain financing agreements, Occidental's capacity for additional unsecured borrowing was approximately $28.7 billion, and the capacity for the payment of cash dividends and other distributions on, and for acquisitions of, Occidental's capital stock was approximately $10.7 billion, assuming that such dividends, distributions and acquisitions were made without incurring additional borrowing.

Occidental currently expects to spend approximately $2.3 billion on its 2005 capital spending program. Although its income and cash flows are largely dependent on oil and gas prices and production, Occidental believes that cash on hand, short-term investments and cash generated from operations will be sufficient to fund its operating needs, capital expenditure requirements, dividend payments and potential acquisitions.

In July 2005, Occidental gave notice that it will redeem, out of existing cash on hand, three debt issues with a total notional amount of $333 million, most of which is due in 2007. These debt issues are classified as current liabilities on the June 30, 2005 balance sheet and are expected to more than offset the planned increase in project-financed debt for the Dolphin Project.

Environmental Liabilities and Expenditures

Occidental's operations in the United States are subject to stringent federal, state and local laws and regulations relating to improving or maintaining environmental quality. Foreign operations also are subject to environmental-protection laws. The laws that require or address environmental remediation may apply to past waste disposal practices and releases. In many cases, the laws apply regardless of fault, the legality of the original activities or current ownership or control of sites. OPC or certain of its subsidiaries are currently participating in environmental assessments and cleanups under these laws at sites subject to the federal Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA), comparable state sites and other domestic and foreign remediation sites, including Occidental facilities and previously owned sites.

The following table presents Occidental's environmental remediation reserves at June 30, 2005, which are grouped by three categories of environmental remediation sites as follows ($ amounts in millions):

	# of Sites	Reserve
CERCLA & Equivalent Sites	124	$ 228
Active Facilities	18	112
Closed or Sold Facilities	41	76
Total	183	$ 416

In determining the environmental remediation reserves and the reasonably possible range of loss, Occidental refers to currently available information, including relevant past experience, available technology, regulations in effect, the timing of remediation and cost-sharing arrangements. Occidental expects it may continue to incur additional liabilities beyond those recorded for environmental remediation at these and other sites. The range of reasonably possible loss for existing environmental remediation matters could be up to $385 million beyond the amount accrued.

The following table shows additional detail regarding reserves for CERCLA or CERCLA-equivalent sites in which OPC or certain of its subsidiaries were involved at June 30, 2005 ($ amounts in millions):

Description	# of Sites	Reserve
Minimal/No Exposure [(a)]	102	$ 7
Reserves between $1-10 MM	15	61
Reserves over $10 MM	7	160
Total	124	$ 228

(a) Includes 27 sites for which Maxus Energy Corporation has retained the liability and indemnified Occidental, 7 sites where Occidental has denied liability without challenge, 54 sites where Occidental's reserves are less than $50,000 each, and 14 sites where reserves are between $50,000 and $1 million each.

Refer to the "Environmental Expenditures" section of Management's Discussion and Analysis of Financial Condition and Results of Operations in the 2004 Form 10-K for additional information regarding Occidental's environmental expenditures.

Lawsuits, Claims, Commitments, Contingencies and Related Matters

OPC and certain of its subsidiaries have been named in a substantial number of lawsuits, claims and other legal proceedings. These actions seek, among other things, compensation for alleged personal injury, breach of contract, property damage, punitive damages, civil penalties or other losses; or injunctive or declaratory relief. OPC and certain of its subsidiaries also have been named in proceedings under CERCLA and similar federal, state, local and foreign environmental laws. These environmental proceedings seek funding or performance of remediation and, in some cases, compensation for alleged property damage, punitive damages and civil penalties; however, Occidental is usually one of many companies in these proceedings and has to date been successful in sharing response costs with other financially sound companies. With respect to all such lawsuits, claims and proceedings, including environmental proceedings, Occidental accrues reserves when it believes it is probable a liability has been incurred and the amount of loss can be reasonably estimated.

During the course of its operations, Occidental is subject to audit by tax authorities for varying periods in various federal, state, local and foreign tax jurisdictions. Disputes arise during the course of such audits as to facts and matters of law. In May 2005, Occidental entered into a closing agreement with the IRS resolving certain foreign tax credit issues as part of the IRS audit of tax years 1997-2000. The closing agreement was completed after an extensive IRS review of various complex tax issues and negotiations between Occidental and the IRS. As a result of the closing agreement, Occidental recorded a tax benefit of about $619 million for the reversal of tax reserves that were previously established for those foreign tax credit issues. This resolution did not have a significant current cash effect. Taxable years prior to 1998 are closed for U.S. federal income tax purposes. Taxable years 1998 through 2003 continue to be open for audit by the IRS. Occidental believes that it is reasonably possible that additional issues for taxable years 1998 to 2000 could be concluded during 2005 with a favorable effect on the statement of operations, and that such resolutions, if they occur, would not be material to its financial position.

Occidental has guarantees outstanding at June 30, 2005 which encompass performance bonds, letters of credit, indemnities, commitments and other forms of guarantees provided by Occidental to third parties, mainly to provide assurance that Occidental and/or its subsidiaries and affiliates will meet their various obligations (guarantees). At June 30, 2005, the notional amount of these guarantees was approximately $500 million. Of this amount, approximately $400 million relates to Occidental's guarantee of equity investees' debt and other commitments. The remaining $100 million relates to various indemnities and guarantees provided to third parties. The amount recorded on the consolidated balance sheet for these guarantees was immaterial.

It is impossible at this time to determine the ultimate liabilities that OPC and its subsidiaries may incur resulting from any lawsuits, claims and proceedings, audits, commitments, contingencies and related matters. If these matters were to be ultimately resolved unfavorably at amounts substantially exceeding Occidental's reserves, an outcome not currently anticipated, it is possible that such outcome could have a material adverse effect upon Occidental's consolidated financial position or results of operations. However, after taking into account reserves, management does not expect the ultimate resolution of any of these matters to have a material adverse effect upon Occidental's consolidated financial position or results of operations.

Accounting Changes

In May 2005, the FASB issued SFAS No. 154, "Accounting Changes and Error Corrections, a replacement of APB Opinion No. 20, Accounting Changes, and FASB Statement No. 3, Reporting Accounting Changes in Interim Financial Statements." This Statement requires retrospective application to prior periods' financial statements of a change in accounting principle. It applies both to voluntary changes and to changes required by an accounting pronouncement if the pronouncement does not include specific transition provisions. APB 20 previously required that most voluntary changes in accounting principles be recognized by recording the cumulative effect of a change in accounting principle. SFAS 154 is effective for fiscal years beginning after December 15, 2005. Occidental plans to adopt this statement on January 1, 2006 and it is not expected to have a material effect on the financial statements upon adoption.

In April 2005, the FASB issued FASB Staff Position No. (FSP) FAS 19-1, "Accounting for Suspended Well Costs." FSP FAS 19-1 provides new accounting guidance that specifies when successful efforts companies can capitalize exploratory well costs. The guidance also requires new disclosures related to these costs. FSP FAS 19-1 is effective in the first reporting period beginning after April 4, 2005 and should be applied prospectively to existing and new exploratory well costs. Occidental plans to adopt this statement effective July 1, 2005 and it is not expected to have a material effect on the financial statements upon adoption.

In March 2005, the FASB issued FASB Interpretation No. (FIN) 47, "Accounting for Conditional Asset Retirement Obligations." FIN 47 specifies the accounting treatment for conditional asset retirement obligations under the provisions of Statement of Accounting Standard (SFAS) No. 143. FIN 47 is effective no later than the end of fiscal years ending after December 15, 2005. Occidental plans to adopt this statement effective December 31, 2005. Occidental is currently assessing the effect of FIN 47 on its financial statements.

In December 2004, the FASB issued SFAS No. 123 (revised 2004) (SFAS No. 123R) "Share-Based Payments." SFAS No. 123R requires that the cost from all share-based payment transactions, including stock options, be recognized in the financial statements at fair value. Occidental currently uses the provisions of APB No. 25 to account for its share-based payments. Public companies are required to adopt the provisions of SFAS No. 123R by the beginning of the first fiscal year ending after June 15, 2005. As permitted by the standard, Occidental will early adopt the provisions of SFAS 123R in the third quarter of 2005. Since most of Occidental's existing stock-based compensation is already recorded in the income statement, Occidental decided to early adopt SFAS 123R, so that the remaining awards are accounted for in a similar manner. The cumulative effect of adopting this statement is expected to have an insignificant effect on the financial statements. The effect on earnings, subsequent to adoption, will depend on Occidental's future stock price and the amount of stock-based compensation that is awarded to employees in the future.

Safe Harbor Statement Regarding Outlook and Forward-Looking Information

Portions of this report contain forward-looking statements and involve risks and uncertainties that could significantly 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: exploration risks such as drilling unsuccessful wells, global commodity pricing fluctuations; competitive pricing pressures; higher-than-expected costs, including feedstocks; crude oil and natural gas prices; chemical prices; potential liability for remedial actions under existing or future environmental regulations and litigation; potential liability resulting from pending or future litigation; general domestic and international political conditions; potential disruption or interruption of Occidental's production or manufacturing facilities due to accidents, political events or insurgent activity; potential failure to achieve expected production from existing and future oil and gas development projects; the supply/demand considerations for Occidental's products; any general economic recession or slowdown domestically or internationally; regulatory uncertainties; and not successfully completing, or any material delay of, any development of new fields, expansion, capital expenditure, efficiency-improvement project, acquisition or disposition. Forward-looking statements are generally accompanied by words such as "estimate", "project", "predict", "will", "anticipate", "plan", "intend", "believe", "expect" or similar expressions that convey the uncertainty of future events or outcomes. Occidental expressly disclaims any obligation to publicly update or revise any forward-looking statements, whether as a result of new information or otherwise. In light of these risks, uncertainties and assumptions, the forward-looking events discussed might not occur.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

In the second quarter of 2005, Occidental terminated all of its interest rate swaps that were accounted for as fair value hedges. These hedges had effectively converted approximately $1.2 billion of fixed-rate debt to variable-rate debt. The fair value of the swaps at termination resulted in a gain of approximately $20 million which will be amortized into income over the remaining life of the previously hedged debt. The table below provides information about Occidental's long-term debt obligations at June 30, 2005, that are sensitive to changes in interest rates in a tabular presentation. The debt amounts represent principal payments by maturity date.

Year of Maturity	U.S. Dollar Fixed-Rate Debt	U.S. Dollar Variable Rate Debt	Grand Total (a)
2006	$ 46	$ —	$ 46
2007	175	—	175
2008	405	—	405
2009	276	169	445
2010	287	—	287
Thereafter	1,540	115	1,655
TOTAL	$ 2,729	$ 284	$ 3,013
Average interest rate	7.35%	3.01%	6.94%
Fair Value	$ 3,296	$ 284	$ 3,580

(a) Excludes $5 million of unamortized debt discounts and $19 million of net unamortized gains related to the settled interest rate swaps.

During the first quarter of 2005, Occidental entered into a series of fixed price swaps and costless collar agreements that qualify as cash-flow hedges for the sale of its crude oil production. These hedges, which begin in July 2005 and continue to the end of 2011, will hedge less than 4% of Occidental's current crude oil production. The following table provides information about these cash-flow hedges in a tabular presentation.

(Volumes in MBL/day)	2005(a)	2006	2007	2008	2009	2010	2011	Fair Value Liability (in millions)
Crude Oil Fixed Price Swaps								
Daily Volume	14	10	8	—	—	—	—	$ 142
Average Price	$45.61	$41.61	$40.04					
Crude Oil Costless Collars								
Daily Volume	2	6	7	14	13	12	12	249
Average Floor	$44.00	$41.33	$40.43	$34.07	$33.15	$33.00	$32.92	
Average Cap	$49.75	$48.05	$45.21	$47.47	$47.41	$46.35	$46.27	
								$ 391

(a) Hedges for 2005 are in place only from July 2005 to December 2005.

For the six months ended June 30, 2005, there were no other material changes in the information required to be provided under Item 305 of Regulation S-K included under the caption "Management's Discussion and Analysis of Financial Condition and Results of Operations (Incorporating Item 7A) – Derivative Activities and Market Risk" in Occidental's 2004 Annual Report on Form 10-K.

Item 4. Controls and Procedures

Occidental's Chief Executive Officer and Chief Financial Officer supervised and participated in Occidental's evaluation of its disclosure controls and procedures as of the end of the period covered by this report. Disclosure controls and procedures are controls and procedures designed to ensure that information required to be disclosed in Occidental's periodic reports filed or submitted under the Securities Exchange Act of 1934, as amended, is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission’s rules and forms. Based upon that evaluation, Occidental's Chief Executive Officer and Chief Financial Officer concluded that Occidental's disclosure controls and procedures are effective.

There has been no change in Occidental’s internal control over financial reporting during the period covered by this report that has materially affected, or is reasonably likely to materially affect, Occidental’s internal control over financial reporting.

PART II OTHER INFORMATION

Item 1. Legal Proceedings

General

This item incorporates by reference the information regarding lawsuits, claims, commitments, contingencies and related matters in Note 9 to the consolidated condensed financial statements in Part I of this Form 10-Q.

Item 4. Submission of Matters to a Vote of Security-Holders

Occidental's 2005 Annual Meeting of Stockholders (the Annual Meeting) was held on May 6, 2005. The following actions were taken at the Annual Meeting, for which proxies were solicited pursuant to Regulation 14A under the Securities Exchange Act of 1934, as amended:

1. The twelve nominees proposed by the Board of Directors were elected as directors by the following votes:

NOMINEE	VOTES FOR	WITHHELD
Spencer Abraham	339,662,244	3,724,701
Ronald W. Burkle	338,230,487	5,156,458
John S. Chalsty	337,342,621	6,044,324
Edward P. Djerejian	339,777,715	3,609,230
R. Chad Dreier	338,279,742	5,107,203
John E. Feick	339,893,765	3,493,180
Ray R. Irani	333,245,388	10,141,557
Irvin W. Maloney	333,717,536	9,669,409
Rodolfo Segovia	335,614,521	7,772,424
Aziz D. Syriani	331,466,922	11,920,023
Rosemary Tomich	333,400,376	9,986,569
Walter L. Weisman	339,768,663	3,618,282

2. The ratification of the selection of KPMG as independent auditors was approved. The proposal received: 340,108,728 votes for, 896,480 votes agains 2,381,737 abstentions.

3. The Occidental Petroleum Corporation 2005 Long-Term Incentive Plan was approved. The proposal received: 244,700,900 votes for, 51,469,600 vote against, 6,583,016 abstentions and 40,633,429 broker non-votes.

4. A stockholder proposal requesting stockholder statements opposing board sponsored proposals was not approved. The proposal received: 5,807,618 for, 289,716,637 votes against, 7,229,261 abstentions and 40,633,429 broker non-votes.

5. A stockholder proposal requesting a vote regarding future golden parachutes was approved. The proposal received: 201,644,398 votes for, 94,505,81 votes against, 6,602,300 abstentions and 40,634,429 broker non-votes. The matter was referred to the Corporate Governance, Nominating and Socia Responsibility Committee of the Board of Directors which is working on a clarification of Occidental's golden parachute policy to make it more respons this stockholder proposal. The Committee anticipates that it will submit a revised policy for consideration by the full Board of Directors later this year.

Item 6. Exhibits

10.1	Amended And Restated Performance-Based Stock Award Terms And Conditions under Occidental Petroleum Corporation 2001 Ince Compensation Plan for January 1, 2002 Grant (Effective June 20, 2005) (Corporate).
10.2	Amended And Restated Performance-Based Stock Award Terms And Conditions under Occidental Petroleum Corporation 2001 Ince Compensation Plan for January 1, 2002 Grant (Effective June 20, 2005) (Oil and Gas).
10.3	Amended And Restated Performance-Based Stock Award Terms And Conditions under Occidental Petroleum Corporation 2001 Ince Compensation Plan for January 1, 2002 Grant (Effective June 20, 2005) (Chemicals).
10.4	Amended And Restated Performance-Based Stock Award Terms And Conditions For January 1, 2003 Grant (Effective June 20, 2005
10.5	Amended And Restated Performance-Based Stock Award Terms And Conditions For January 1, 2003 Grant (Effective June 20, 2005
10.6	Amended And Restated Performance-Based Stock Award Terms And Conditions For January 1, 2004 Grant (Effective June 20, 2005
10.7	Amended And Restated Performance-Based Stock Award Terms And Conditions For January 1, 2004 Grant (Effective June 20, 2005
10.8	Amended And Restated Performance-Based Stock Award Terms And Conditions For January 1, 2004 Grant (Effective June 20, 2005 Gas).
10.9	Amended And Restated Performance-Based Stock Award Terms And Conditions For January 1, 2005 Grant (Effective June 20, 2005
10.10	Amended And Restated Performance-Based Stock Award Terms And Conditions For January 1, 2005 Grant (Effective June 20, 2005
10.11	Amended And Restated Performance-Based Stock Award Terms And Conditions For January 1, 2005 Grant (Effective June 20, 2005 Gas).
10.12	Terms and Conditions of Stock Appreciation Rights Award under Occidental Petroleum Corporation 2005 Long-Term Incentive Plan.
10.13	Terms and Conditions of Restricted Share Unit Award under Occidental Petroleum Corporation 2005 Long-Term Incentive Plan.
10.14	Terms and Conditions of Restricted Share Unit Award (mandatory deferred issuance of shares) under Occidental Petroleum Corpora Long-Term Incentive Plan.
11	Statement regarding the computation of earnings per share for the three and six months ended June 30, 2005 and 2004.
12	Statement regarding the computation of total enterprise ratios of earnings to fixed charges for the six months ended June 30, 2005 a the five years ended December 31, 2004.
31.1	Certification of CEO Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.

31.2 Certification of CFO Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.

32.1 Certifications of CEO and CFO Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

SIGNATURES

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 thereunto duly authorized.

OCCIDENTAL PETROLEUM CORPORATION

DATE: August 2, 2005

/s/ Jim A. Leonard

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

EXHIBIT INDEX

EXHIBITS

10.1	Amended And Restated Performance-Based Stock Award Terms And Conditions under Occidental Petroleum Corporation 2001 Incentive Compensation Plan for January 1, 2002 Grant (Effective June 20, 2005) (Corporate).
10.2	Amended And Restated Performance-Based Stock Award Terms And Conditions under Occidental Petroleum Corporation 2001 Incentive Compensation Plan for January 1, 2002 Grant (Effective June 20, 2005) (Oil and Gas).
10.3	Amended And Restated Performance-Based Stock Award Terms And Conditions under Occidental Petroleum Corporation 2001 Incentive Compensation Plan for January 1, 2002 Grant (Effective June 20, 2005) (Chemicals).
10.4	Amended And Restated Performance-Based Stock Award Terms And Conditions For January 1, 2003 Grant (Effective June 20, 2005) (Corporate).
10.5	Amended And Restated Performance-Based Stock Award Terms And Conditions For January 1, 2003 Grant (Effective June 20, 2005) (Chemicals)
10.6	Amended And Restated Performance-Based Stock Award Terms And Conditions For January 1, 2004 Grant (Effective June 20, 2005) (Corporate).
10.7	Amended And Restated Performance-Based Stock Award Terms And Conditions For January 1, 2004 Grant (Effective June 20, 2005) (Chemicals)
10.8	Amended And Restated Performance-Based Stock Award Terms And Conditions For January 1, 2004 Grant (Effective June 20, 2005) (Oil and Gas
10.9	Amended And Restated Performance-Based Stock Award Terms And Conditions For January 1, 2005 Grant (Effective June 20, 2005) (Corporate).
10.10	Amended And Restated Performance-Based Stock Award Terms And Conditions For January 1, 2005 Grant (Effective June 20, 2005) (Chemicals)
10.11	Amended And Restated Performance-Based Stock Award Terms And Conditions For January 1, 2005 Grant (Effective June 20, 2005) (Oil and Gas
10.12	Terms and Conditions of Stock Appreciation Rights Award under Occidental Petroleum Corporation 2005 Long-Term Incentive Plan.
10.13	Terms and Conditions of Restricted Share Unit Award under Occidental Petroleum Corporation 2005 Long-Term Incentive Plan.
10.14	Terms and Conditions of Restricted Share Unit Award (mandatory deferred issuance of shares) under Occidental Petroleum Corporation 2005 Long Term Incentive Plan.
11	Statement regarding the computation of earnings per share for the three and six months ended June 30, 2005 and 2004.

12	Statement regarding the computation of total enterprise ratios of earnings to fixed charges for the six months ended June 30, 2005 and 2004 and th five years ended December 31, 2004.
31.1	Certification of CEO Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2	Certification of CFO Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1	Certifications of CEO and CFO Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

OCCIDENTAL PETROLEUM CORPORATION
2001 INCENTIVE COMPENSATION PLAN
AMENDED AND RESTATED PERFORMANCE-BASED STOCK AWARD
TERMS AND CONDITIONS FOR JANUARY 1, 2002 GRANT
(Effective June 20, 2005)

Date of Grant:	**January 1, 2002**
Target Performance Shares:	**See “Shares Granted/Awarded” (Grant Acknowledgment screen)**
Performance period:	**January 1, 2002 through December 31, 2005**

These Terms and Conditions (these “Terms and Conditions") made as of the Date of Grant, and amended effective June 20, 2005, between OCCIDENTAL PETROLEUM CORPORATION, a Delaware corporation ("Occidental") and, with its subsidiaries, (the "Company"), and Grantee.

1. **Grant of Target Performance Shares**. In accordance with these Terms and Conditions and the Occidental Petroleum Corporation 2001 Incentive Compensation Plan, as amended from time to time (the "Plan"), Occidental grants to the Grantee as of the Date of Grant, the right to receive in Common Shares and cash up to 200% of the number/value of Target Performance Shares. For the purposes of these Terms and Conditions, Target Performance Shares means a bookkeeping entry that records the equivalent of Common Shares awarded pursuant to Section 4.2 of the Plan that is payable upon the achievement of the Performance Goals.

2. **Restrictions on Transfer.** Neither these Terms and Conditions nor any right to receive Common Shares or cash pursuant to these Terms and Conditions may be transferred or assigned by the Grantee other than (i) to a beneficiary designated on a form approved by the Company, by will or, if the Grantee dies without designating a beneficiary of a valid will, by the laws of descent and distribution, or (ii) pursuant to a domestic relations order (if approved or ratified by the Administrator).

3. **Performance Goals.** The Performance Goal for the Performance Period is a peer company comparison based on Total Stockholder Return, as set forth on Exhibit I. In addition to the Company, the peer companies are: Anadarko Petroleum Corporation, Burlington Resources Inc., Conoco, Inc., Georgia Gulf Corporation, Kerr-McGee Corporation, Lyondell Petrochemical Company, Phillips Petroleum Corporation, and Unocal Corporation. If a peer company ceases to be a publicly-traded company at any time during the Performance Period or the Administrator determines pursuant to Section 7 of these Terms and Conditions to reflect a change in circumstances with respect to any peer company, then such company will be removed as a peer company and the achievement of the Performance Goal will be determined with respect to the remaining peer companies as set forth on Exhibit 1.

4. **Vesting and Forfeiture of Target Performance Shares**. (a) The Grantee must remain in the continuous employ of the Company through the last day of the Performance Period to receive payment of this award. The continuous employment of the Grantee will not be deemed to have been interrupted by reason of the transfer of the Grantee’s employment among the Company and its affiliates or an approved leave of absence. However, if, prior to the end of the

Performance Period, the Grantee dies or becomes permanently disabled while in the employ of the Company, retires under a Company-sponsored retirement plan or with the consent of the Company, or terminates employment for the convenience of the Company (each of the foregoing, a “Forfeiture Event”), then the number of Target Performance Shares upon which the Grantee's award is based will be reduced on a pro rata basis based upon the number of days remaining in the Performance Period following the date of the Forfeiture Event.

(b) The Grantee's right to receive payment of the award in an amount not to exceed 200% of the Target Performance Shares, rounded up to the nearest whole share, will be based and become nonforfeitable upon, the Administrator's certification of the attainment of the Performance Goals.

(c) For the purposes of Section 4(b), if prior to the end of the Performance Period, the Grantee transfers his employment among the Company and its affiliates, the amount of the award attained by the Grantee shall be determined by assessing the level of achievement of the Performance Goals certified by the Administrator for each employing entity and multiplying the number of Target Performance Shares attainable at such level by a fraction equal to the number of months in the Performance Period that the Grantee worked for the entity divided by the total number of months in the Performance Period.

(d) Notwithstanding Section 4(b), if a Change in Control Event occurs prior to the end of the Performance Period, the Grantee's right to receive Common Shares equal to the number of Target Performance Shares (as adjusted for any Forfeiture Event pursuant to Section 4(a) will become nonforfeitable. The right to receive cash in excess of the number of Target Performance Shares (as adjusted for any Forfeiture Event pursuant to Section 4(a)) will be forfeited.

5. **Payment of Awards**. Up to and including 100% of the Target Performance Shares as adjusted pursuant to Sections 4 and 7 of these Terms and Conditions will be settled in Common Shares and the amount, if any, above 100% of the Target Performance Shares as so adjusted will be settled in cash. The cash payment will equal the closing price of the Common Shares on the New York Stock Exchange on the date of the Administrator’s certification (the “Certification Date Value”) of the attainment of the Performance Goals and will be paid as promptly as possible after such date. The Common Shares covered by these Terms and Conditions or any prorated portion thereof shall be issued to the Grantee as promptly as practicable after the Administrator's certification of the attainment of the Performance Goals or the Change in Control Event, as the case may be.

6. **Crediting and Payment of Dividend Equivalents**. With respect to the number of Target Performance Shares listed above, the Grantee will be credited on the books and records of Occidental with an amount (the "Dividend Equivalent") equal to the amount per share of any cash dividends declared by the Board on the outstanding Common Shares during the period beginning on the Date of Grant and ending with respect to any portion of the Target Performance Shares covered by these Terms and Conditions on the date on which the Grantee's right to receive such portion becomes nonforfeitable, or, if earlier, the date on which the Grantee forfeits the right to receive such portion. Occidental will pay in cash to the Grantee an amount equal to the Dividend Equivalents credited to such Grantee as promptly as may be practicable after the Grantee has been credited with a Dividend Equivalent.

7. **Adjustments**. (a) The number or kind of shares of stock covered by these Terms and Conditions may be adjusted as the Administrator determines pursuant to Section 6.2 of the Plan

in order to prevent dilution or expansion of the Grantee's rights under these Terms and Conditions as a result of events such as stock dividends, stock splits or other changes in the capital structure of Occidental, or any merger, consolidation, spin-off, liquidation or other corporate transaction having a similar effect. If any such adjustment occurs, the Company will give the Grantee written notice of the adjustment.

(b) In addition, the Administrator may adjust the Performance Goal or other features of this Grant as permitted by Section 4.2.3 of the Plan.

8. **NO EMPLOYMENT CONTRACT.** Nothing in these Terms and Conditions confers upon the Grantee any right with respect to continued employment by the Company, nor limits in any manner the right of the Company to terminate the employment or adjust the compensation of the Grantee.

9. **TAXES AND WITHHOLDING.** If the Company must withhold any federal, state, local or foreign tax in connection with the issuance of any Common Shares or other securities or the payment of cash or any other consideration pursuant to these Terms and Conditions (other than the Payment of Dividend Equivalents), the Grantee shall satisfy all or any part of any such withholding obligation first from any cash amount payable under these Terms and Conditions and, second by surrendering to the Company a portion of the Common Shares that are issued or transferred to the Grantee pursuant to these Terms and Conditions. Any Common Shares so surrendered by the Grantee shall be credited against the Grantee's withholding obligation at their Certification Date Value. If the Company must withhold any tax in connection with granting or vesting of Target Performance Shares (including those for which receipt of the payout is deferred under a company-sponsored deferral program for cash or stock) or the payment of Dividend Equivalents pursuant to this grant of Target Performance Shares, the Grantee by acknowledging these Terms and Conditions agrees that, so long as the Grantee is an employee of the Company for tax purposes, all or any part of any such withholding obligation shall be deducted from the Grantee's wages or other cash compensation (including regular pay). The Grantee shall pay to the Company any amount that cannot be satisfied by the means previously described.

10. **COMPLIANCE WITH LAW.** The Company will make reasonable efforts to comply with all applicable federal and state securities laws; however, the Company will not issue any Common Shares or other securities pursuant to these Terms and Conditions if their issuance would result in a violation of any such law.

11. **RELATION TO OTHER BENEFITS.** The benefits received by the Grantee under these Terms and Conditions will not be taken into account in determining any benefits to which the Grantee may be entitled under any profit sharing, retirement or other benefit or compensation plan maintained by the Company, including the amount of any life insurance coverage available to any beneficiary of the Grantee under any life insurance plan covering employees of the Company.

12. **AMENDMENTS.** Any amendment to the Plan will be deemed to be an amendment to these Terms and Conditions to the extent it is applicable to these Terms and Conditions; however, no amendment will adversely affect the rights of the Grantee under these Terms and Conditions without the Grantee's consent.

13. **SEVERABILITY.** If one or more of the provisions of these Terms and Conditions is invalidated for any reason by a court of competent jurisdiction, the invalidated provisions shall be deemed to be separable from the other provisions of these Terms and Conditions, and the

remaining provisions of these Terms and Conditions will continue to be valid and fully enforceable.

14. **RELATION TO PLAN; INTERPRETATION.** These Terms and Conditions are subject to the terms and conditions of the Plan. In the event of any inconsistent provisions between these Terms and Conditions and the Plan, the provisions of the Plan control. Capitalized terms used in these Terms and Conditions without definition have the meanings assigned to them in the Plan. References to Sections are to Sections of these Terms and Conditions unless otherwise noted.

15. **SUCCESSORS AND ASSIGNS.** Subject to Sections 2 and 4, the provisions of these Terms and Conditions shall be for the benefit of, and be binding upon, the successors, administrators, heirs, legal representatives and assigns of the Grantee, and the successors and assigns of the Company.

16. **GOVERNING LAW.** The laws of the State of Delaware govern the interpretation, performance, and enforcement of these Terms and Conditions.

2001 Incentive Compensation Plan

2002 Grant to OPC/OSI Participants

(% of Number of Target Shares of Performance Stock that become Nonforfeitable based on Comparison of Total Shareholder Return for the Peer Companies for the Performance Period)

Ranking	**9 Cos.**	**8 Cos.**	**7 Cos.**	**6 Cos.**	**5 Cos.**	**4 Cos.**	**3 Cos.**	**2 Cos.**	**1 Cos.**
1	200%	200%	200%	200%	200%	200%	200%	*	*
2	175%	167%	167%	150%	150%	133%	100%	*	
3	150%	133%	133%	100%	100%	67%	**0%**		
4	125%	100%	100%	100%	50%	**0%**			
5	100%	100%	67%	50%	**0%**				
6	75%	67%	33%	**0%**					
7	50%	33%	**0%**						
8	25%	**0%**							
9	**0%**								

* Committee Discretion

Exhibit 1

OCCIDENTAL PETROLEUM CORPORATION
2001 INCENTIVE COMPENSATION PLAN
AMENDED AND RESTATED PERFORMANCE-BASED STOCK AWARD
TERMS AND CONDITIONS FOR JANUARY 1, 2002 GRANT
(Effective June 20, 2005)

DATE OF GRANT:	**January 1, 2002**
TARGET PERFORMANCE SHARES:	**See "Shares Granted/Awarded" (Grant Acknowledgement screen)**
PERFORMANCE PERIOD:	**January 1, 2002 through December 31, 2005**

These Terms and Conditions (these "Terms and Conditions") made as of the Date of Grant and amended effective June 20, 2005 between OCCIDENTAL PETROLEUM CORPORATION, a Delaware corporation ("Occidental") and, with its subsidiaries, (the "Company"), and Grantee.

1. **Grant of Target Performance Shares**. In accordance with these Terms and Conditions and the Occidental Petroleum Corporation 2001 Incentive Compensation Plan, as amended from time to time (the "Plan"), Occidental grants to the Grantee as of the Date of Grant, the right to receive in Common Shares and cash up to 200% of the number/value of Target Performance Shares. For the purposes of these Terms and Conditions, Target Performance Shares means a bookkeeping entry that records the equivalent of Common Shares awarded pursuant to Section 4.2 of the Plan that is payable upon the achievement of the Performance Goals.

2. **Restrictions on Transfer.** Neither these Terms and Conditions nor any right to receive Common Shares or cash pursuant to these Terms and Conditions may be transferred or assigned by the Grantee other than (i) to a beneficiary designated on a form approved by the Company, by will or, if the Grantee dies without designating a beneficiary of a valid will, by the laws of descent and distribution, or (ii) pursuant to a domestic relations order (if approved or ratified by the Administrator).

3. **Performance Goals.** The Performance Goal for the Performance Period is based on (i) Return on Assets and (ii) a peer company comparison based on Total Stockholder Return, as set forth on Exhibit I.

For the purposes of these Terms and Conditions, "Return on Assets" means the percentage obtained by (A) multiplying the sum of the before tax earnings for each year in the Performance Period of the division of the Company employing the Grantee by 0.65 and (B) dividing the resulting product by the sum of such division's Assets as of December 31st for each year in the Performance Period. For the purposes of the foregoing sentence, "Assets" will reflect all acquisitions, divestitures and write-downs during the Performance Period. For the purposes of these Terms and Conditions, in addition to the Company, the peer companies are: Anadarko Petroleum Corporation, Burlington Resources Inc., Conoco, Inc., Georgia Gulf Corporation, Kerr-McGee Corporation, Lyondell Petrochemical Company, Phillips Petroleum Corporation, and Unocal Corporation. If a peer company ceases to be a publicly-traded company at any time during the Performance Period or the Administrator determines pursuant to Section 7 of these Terms and Conditions to reflect a change in circumstances with respect to any peer company, then such company will be removed as a peer company and the achievement of the Performance Goal will be determined with respect to the remaining peer companies as set forth on Exhibit 1.

4. **Vesting and Forfeiture of Target Performance Shares**. (a) The Grantee must remain in the continuous employ of the Company through the last day of the Performance Period to receive payment of this award. The continuous employment of the Grantee will not be deemed to have been interrupted by reason of the transfer of the Grantee's employment among the Company and its affiliates or an approved leave of absence. However, if, prior to the end of the Performance Period, the Grantee dies or becomes permanently disabled while in the employ of the Company, retires under a Company-sponsored retirement plan or with the consent of the Company, or terminates employment for the convenience of the Company (each of the foregoing, a "Forfeiture Event"), then the number of Target Performance Shares upon which the Grantee's award is based will be reduced on a pro rata basis based upon the number of days remaining in the Performance Period following the date of the Forfeiture Event.

(b) The Grantee's right to receive payment of the award in an amount not to exceed 200% of the Target Performance Shares, rounded up to the nearest whole share, will be based and become nonforfeitable upon, the Administrator's certification of the attainment of the Performance Goals. If the Committee certifies that Occidental ranks last among its peers in Total Stockholder Return, the Grantee will not be entitled to receive any Common Shares or cash.

(c) For the purposes of Section 4(b), if prior to the end of the Performance Period, the Grantee transfers his employment among the Company and its affiliates, the amount of the award attained by the Grantee shall be determined by assessing the level of achievement of the Performance Goals certified by the Administrator for each employing entity and multiplying the number of Target Performance Shares attainable at such level by a fraction equal to the number of months in the Performance Period that the Grantee worked for the entity divided by the total number of months in the Performance Period.

(d) Notwithstanding Section 4(b), if a Change in Control Event occurs prior to the end of the Performance Period, the Grantee's right to receive Common Shares equal to the number of Target Performance Shares (as adjusted for any Forfeiture Event pursuant to Section 4(a)) will become nonforfeitable. The right to receive cash in excess of the number of Target Performance Shares (as adjusted for any Forfeiture Event pursuant to Section 4(a)) will be forfeited.

5. **Payment of Awards**. Up to and including 100% of the Target Performance Shares as adjusted pursuant to Sections 4 and 7 of these Terms and Conditions will be settled in Common Shares and the amount, if any, above 100% of the Target Performance Shares as so adjusted will be settled in cash. The cash payment will equal the closing price of the Common Shares on the New York Stock Exchange on the date of the Administrator's certification (the "Certification Date Value") of the attainment of the Performance Goals and will be paid as promptly as possible after such date. The Common Shares covered by these Terms and Conditions or any prorated portion thereof shall be issued to the Grantee as promptly as practicable after the Administrator's certification of the attainment of the Performance Goals or the Change in Control Event, as the case may be.

6. **Crediting and Payment of Dividend Equivalents**. With respect to the number of Target Performance Shares listed above, the Grantee will be credited on the books and records of Occidental with an amount (the "Dividend Equivalent") equal to the amount per share of any cash dividends declared by the Board on the outstanding Common Shares during the period beginning on the Date of Grant and ending with respect to any portion of the Target Performance Shares covered by these Terms and Conditions on the date on which the Grantee's right to receive such portion becomes nonforfeitable, or, if earlier, the date on which the Grantee forfeits the right to receive such portion. Occidental will pay in cash to the Grantee an amount equal to the Dividend Equivalents credited to such Grantee as promptly as may be practicable after the Grantee has been credited with a Dividend Equivalent.

7. **Adjustments**. (a) The number or kind of shares of stock covered by these Terms and Conditions may be adjusted as the Administrator determines pursuant to Section 6.2 of the Plan in order to prevent dilution or expansion of the Grantee's rights under these Terms and Conditions as a result of events such as stock dividends, stock splits or other changes in the capital structure of Occidental, or any merger, consolidation, spin-off, liquidation or other corporate transaction having a similar effect. If any such adjustment occurs, the Company will give the Grantee written notice of the adjustment.

(b) In addition, the Administrator may adjust the Performance Goal or other features of this Grant as permitted by Section 4.2.3 of the Plan.

8. **NO EMPLOYMENT CONTRACT.** Nothing in these Terms and Conditions confers upon the Grantee any right with respect to continued employment by the Company, nor limits in any manner the right of the Company to terminate the employment or adjust the compensation of the Grantee.

9. **TAXES AND WITHHOLDING.** If the Company must withhold any federal, state, local or foreign tax in connection with the issuance of any Common Shares or other securities or the payment of cash or any other consideration pursuant to these Terms and Conditions (other than the Payment of Dividend Equivalents), the Grantee shall satisfy all or any part of any such withholding obligation first from any cash amount payable under these Terms and Conditions and second, by surrendering to the Company a portion of the Common Shares that are issued or transferred to the Grantee pursuant to these Terms and Conditions. Any Common Shares so surrendered by the Grantee shall be credited against the Grantee’s withholding obligation at their Certification Date Value. If the Company must withhold any tax in connection with granting or vesting of Target Performance Shares (including those for which receipt of the payout is deferred under a company-sponsored deferral program for cash or stock) or the payment of Dividend Equivalents pursuant to this grant of Target Performance Shares, the Grantee by acknowledging these Terms and Conditions agrees that, so long as the Grantee is an employee of the Company for tax purposes, all or any part of any such withholding obligation shall be deducted from the Grantee’s wages or other cash compensation (including regular pay). The Grantee shall pay to the Company any amount that cannot be satisfied by the means previously described.

10. **COMPLIANCE WITH LAW.** The Company will make reasonable efforts to comply with all applicable federal and state securities laws; however, the Company will not issue any Common Shares or other securities pursuant to these Terms and Conditions if their issuance would result in a violation of any such law.

11. **RELATION TO OTHER BENEFITS.** The benefits received by the Grantee under these Terms and Conditions will not be taken into account in determining any benefits to which the Grantee may be entitled under any profit sharing, retirement or other benefit or compensation plan maintained by the Company, including the amount of any life insurance coverage available to any beneficiary of the Grantee under any life insurance plan covering employees of the Company.

12. **AMENDMENTS.** Any amendment to the Plan will be deemed to be an amendment to these Terms and Conditions to the extent it is applicable to these Terms and Conditions; however, no amendment will adversely affect the rights of the Grantee under these Terms and Conditions without the Grantee's consent.

13. **SEVERABILITY.** If one or more of the provisions of these Terms and Conditions is invalidated for any reason by a court of competent jurisdiction, the invalidated provisions shall be deemed to be separable from the other provisions of these Terms and Conditions, and the remaining provisions of these Terms and Conditions will continue to be valid and fully enforceable.

14. **RELATION TO PLAN; INTERPRETATION.** These Terms and Conditions are subject to the terms and conditions of the Plan. In the event of any inconsistent provisions between these Terms and Conditions and the Plan, the provisions of the Plan control. Capitalized terms used in these Terms and Conditions without definition have the meanings assigned to them in the Plan. References to Sections are to Sections of these Terms and Conditions unless otherwise noted.

15. **SUCCESSORS AND ASSIGNS.** Subject to Sections 2 and 4, the provisions of this Agreement shall be for the benefit of, and be binding upon, the successors, administrators, heirs, legal representatives and assigns of the Grantee, and the successors and assigns of the Company.

16. **GOVERNING LAW.** The laws of the State of Delaware govern the interpretation, performance, and enforcement of these Terms and Conditions.

2001 Incentive Compensation Plan

2002 Grant to OOGC Participants

(% of Number of Target Shares of Performance Stock that become Nonforfeitable based on Comparison of Total Shareholder Return for the Peer Companies for the Performance Period)

Ranking	**9 Cos.**	**8 Cos.**	**7 Cos.**	**6 Cos.**	**5 Cos.**	**4 Cos.**	**3 Cos.**	**2 Cos.**	**1 Cos.**
1	100%	100%	100%	100%	100%	100%	100%	*	*
2	87.5%	83.5%	83.5%	75%	75%	66.5%	50%	*	
3	75%	66.5%	66.5%	50%	50%	33.5%	**0%**		
4	62.5%	50%	50%	50%	25%	**0%**			
5	50%	50%	33.5%	25%	**0%**				
6	37.5%	33.5%	16.5%	**0%**					
7	25%	16.5%	**0%**						
8	12.5%	**0%**							
9	**0%**								

* Committee Discretion

PLUS

(% of Number of Target Shares of Performance Stock that become Nonforfeitable based on Return on Assets for the Performance Period)

Return on Assets	Payout Percentage
10%	100%
9%	50%
6%	0%

If actual ROA falls between stated ROA’s, payout percentages will be interpolated.

Exhibit 1
(Oil and Gas)

EXHIBIT 10.3

OCCIDENTAL PETROLEUM CORPORATION
2001 INCENTIVE COMPENSATION PLAN
AMENDED AND RESTATED PERFORMANCE-BASED STOCK AWARD
TERMS AND CONDITIONS FOR JANUARY 1, 2002 GRANT
(Effective June 20, 2005)

DATE OF GRANT:	**January 1, 2002**
TARGET PERFORMANCE SHARES:	**See "Shares Granted/Awarded" (Grant Acknowledgement screen)**
PERFORMANCE PERIOD:	**January 1, 2002 through December 31, 2005**

These Terms and Conditions (these "Terms and Conditions") made as of the Date of Grant and amended effective June 20, 2005 between OCCIDENTAL PETROLEUM CORPORATION, a Delaware corporation ("Occidental") and, with its subsidiaries, (the "Company"), and Grantee.

1. **Grant of Target Performance Shares**. In accordance with these Terms and Conditions and the Occidental Petroleum Corporation 2001 Incentive Compensation Plan, as amended from time to time (the "Plan"), Occidental grants to the Grantee as of the Date of Grant, the right to receive in Common Shares and cash up to 200% of the number/value of Target Performance Shares. For the purposes of these Terms and Conditions, Target Performance Shares means a bookkeeping entry that records the equivalent of Common Shares awarded pursuant to Section 4.2 of the Plan that is payable upon the achievement of the Performance Goals.

2. **Restrictions on Transfer.** Neither these Terms and Conditions nor any right to receive Common Shares or cash pursuant to these Terms and Conditions may be transferred or assigned by the Grantee other than (i) to a beneficiary designated on a form approved by the Company, by will or, if the Grantee dies without designating a beneficiary of a valid will, by the laws of descent and distribution, or (ii) pursuant to a domestic relations order (if approved or ratified by the Administrator).

3. **Performance Goals.** The Performance Goal for the Performance Period is based on (i) Return on Assets and (ii) a peer company comparison based on Total Stockholder Return, as set forth on Exhibit I.

For the purposes of these Terms and Conditions, "Return on Assets" means the percentage obtained by (A) multiplying the sum of the before tax earnings for each year in the Performance Period of the division of the Company employing the Grantee by 0.65 and (B) dividing the resulting product by the sum of such division's Assets as of December 31st for each year in the Performance Period. For the purposes of the foregoing sentence, "Assets" will reflect all acquisitions, divestitures and write-downs during the Performance Period. For the purposes of these Terms and Conditions, in addition to the Company, the peer companies are: Anadarko Petroleum Corporation, Burlington Resources Inc., Conoco, Inc., Georgia Gulf Corporation, Kerr-McGee Corporation, Lyondell Petrochemical Company, Phillips Petroleum Corporation, and Unocal Corporation. If a peer company ceases to be a publicly-traded company at any time during the Performance Period or the Administrator determines pursuant to Section 7 of these Terms and Conditions to reflect a change in circumstances with respect to any peer company, then such company will be removed as a peer company and the achievement of the Performance Goal will be determined with respect to the remaining peer companies as set forth on Exhibit 1.

4. **Vesting and Forfeiture of Target Performance Shares**. (a) The Grantee must remain in the continuous employ of the Company through the last day of the Performance Period to receive payment of this award. The continuous employment of the Grantee will not be deemed to have been interrupted by reason of the transfer of the Grantee’s employment among the Company and its affiliates or an approved leave of absence. However, if, prior to the end of the Performance Period, the Grantee dies or becomes permanently disabled while in the employ of the Company, retires under a Company-sponsored retirement plan or with the consent of the Company, or terminates employment for the convenience of the Company (each of the foregoing, a “Forfeiture Event”), then the number of Target Performance Shares upon which the Grantee's award is based will be reduced on a pro rata basis based upon the number of days remaining in the Performance Period following the date of the Forfeiture Event.

(b) The Grantee's right to receive payment of the award in an amount not to exceed 200% of the Target Performance Shares, rounded up to the nearest whole share, will be based and become nonforfeitable upon, the Administrator’s certification of the attainment of the Performance Goals. If the Committee certifies that Occidental ranks last among its peers in Total Stockholder Return, the Grantee will not be entitled to receive any Common Shares or cash.

(c) For the purposes of Section 4(b), if prior to the end of the Performance Period, the Grantee transfers his employment among the Company and its affiliates, the amount of the award attained by the Grantee shall be determined by assessing the level of achievement of the Performance Goals certified by the Administrator for each employing entity and multiplying the number of Target Performance Shares attainable at such level by a fraction equal to the number of months in the Performance Period that the Grantee worked for the entity divided by the total number of months in the Performance Period.

(d) Notwithstanding Section 4(b), if a Change in Control Event occurs prior to the end of the Performance Period, the Grantee's right to receive Common Shares equal to the number of Target Performance Shares (as adjusted for any Forfeiture Event pursuant to Section 4(a)) will become nonforfeitable. The right to receive cash in excess of the number of Target Performance Shares (as adjusted for any Forfeiture Event pursuant to Section 4(a)) will be forfeited.

5. **Payment of Awards**. Up to and including 100% of the Target Performance Shares as adjusted pursuant to Sections 4 and 7 of these Terms and Conditions will be settled in Common Shares and the amount, if any, above 100% of the Target Performance Shares as so adjusted will be settled in cash. The cash payment will equal the closing price of the Common Shares on the New York Stock Exchange on the date of the Administrator’s certification (the “Certification Date Value”) of the attainment of the Performance Goals and will be paid as promptly as possible after such date. The Common Shares covered by these Terms and Conditions or any prorated portion thereof shall be issued to the Grantee as promptly as practicable after the Administrator's certification of the attainment of the Performance Goals or the Change in Control Event, as the case may be.

6. **Crediting and Payment of Dividend Equivalents**. With respect to the number of Target Performance Shares listed above, the Grantee will be credited on the books and records of Occidental with an amount (the "Dividend Equivalent") equal to the amount per share of any cash dividends declared by the Board on the outstanding Common Shares during the period beginning on the Date of Grant and ending with respect to any portion of the Target Performance Shares covered by these Terms and Conditions on the date on which the Grantee's right to receive such portion becomes nonforfeitable, or, if earlier, the date on which the Grantee forfeits the right to receive such portion. Occidental will pay in cash to the Grantee an amount equal to the Dividend Equivalents credited to such Grantee as promptly as may be practicable after the Grantee has been credited with a Dividend Equivalent.

7. **Adjustments**. (a) The number or kind of shares of stock covered by these Terms and Conditions may be adjusted as the Administrator determines pursuant to Section 6.2 of the Plan in order to prevent dilution or expansion of the Grantee's rights under these Terms and Conditions as a result of events such as stock dividends, stock splits or other changes in the capital structure of Occidental, or any merger, consolidation, spin-off, liquidation or other corporate transaction having a similar effect. If any such adjustment occurs, the Company will give the Grantee written notice of the adjustment.

(b) In addition, the Administrator may adjust the Performance Goal or other features of this Grant as permitted by Section 4.2.3 of the Plan.

8. **NO EMPLOYMENT CONTRACT.** Nothing in these Terms and Conditions confers upon the Grantee any right with respect to continued employment by the Company, nor limits in any manner the right of the Company to terminate the employment or adjust the compensation of the Grantee.

9. **TAXES AND WITHHOLDING.** If the Company must withhold any federal, state, local or foreign tax in connection with the issuance of any Common Shares or other securities or the payment of cash or any other consideration pursuant to these Terms and Conditions (other than the Payment of Dividend Equivalents), the Grantee shall satisfy all or any part of any such withholding obligation first from any cash amount payable under these Terms and Conditions and second, by surrendering to the Company a portion of the Common Shares that are issued or transferred to the Grantee pursuant to these Terms and Conditions. Any Common Shares so surrendered by the Grantee shall be credited against the Grantee's withholding obligation at their Certification Date Value. If the Company must withhold any tax in connection with granting or vesting of Target Performance Shares (including those for which receipt of the payout is deferred under a company-sponsored deferral program for cash or stock) or the payment of Dividend Equivalents pursuant to this grant of Target Performance Shares, the Grantee by acknowledging these Terms and Conditions agrees that, so long as the Grantee is an employee of the Company for tax purposes, all or any part of any such withholding obligation shall be deducted from the Grantee's wages or other cash compensation (including regular pay). The Grantee shall pay to the Company any amount that cannot be satisfied by the means previously described.

10. **COMPLIANCE WITH LAW.** The Company will make reasonable efforts to comply with all applicable federal and state securities laws; however, the Company will not issue any Common Shares or other securities pursuant to these Terms and Conditions if their issuance would result in a violation of any such law.

11. **RELATION TO OTHER BENEFITS.** The benefits received by the Grantee under these Terms and Conditions will not be taken into account in determining any benefits to which the Grantee may be entitled under any profit sharing, retirement or other benefit or compensation plan maintained by the Company, including the amount of any life insurance coverage available to any beneficiary of the Grantee under any life insurance plan covering employees of the Company.

12. **AMENDMENTS.** Any amendment to the Plan will be deemed to be an amendment to these Terms and Conditions to the extent it is applicable to these Terms and Conditions; however, no amendment will adversely affect the rights of the Grantee under these Terms and Conditions without the Grantee's consent.

13. **SEVERABILITY.** If one or more of the provisions of these Terms and Conditions is invalidated for any reason by a court of competent jurisdiction, the invalidated provisions shall be deemed to be separable from the other provisions of these Terms and Conditions, and the remaining provisions of these Terms and Conditions will continue to be valid and fully enforceable.

14. **RELATION TO PLAN; INTERPRETATION.** These Terms and Conditions are subject to the terms and conditions of the Plan. In the event of any inconsistent provisions between these Terms and Conditions and the Plan, the provisions of the Plan control. Capitalized terms used in these Terms and Conditions without definition have the meanings assigned to them in the Plan. References to Sections are to Sections of these Terms and Conditions unless otherwise noted.

15. **SUCCESSORS AND ASSIGNS.** Subject to Sections 2 and 4, the provisions of this Agreement shall be for the benefit of, and be binding upon, the successors, administrators, heirs, legal representatives and assigns of the Grantee, and the successors and assigns of the Company.

16. **GOVERNING LAW.** The laws of the State of Delaware govern the interpretation, performance, and enforcement of these Terms and Conditions.

2001 Incentive Compensation Plan

2002 Grant to OCC Participants

(% of Number of Target Shares of Performance Stock that become Nonforfeitable based on Comparison of Total Shareholder Return for the Peer Companies for the Performance Period)

Ranking	**9 Cos.**	**8 Cos.**	**7 Cos.**	**6 Cos.**	**5 Cos.**	**4 Cos.**	**3 Cos.**	**2 Cos.**	**1 Cos.**
1	100%	100%	100%	100%	100%	100%	100%	*	*
2	87.5%	83.5%	83.5%	75%	75%	66.5%	50%	*	
3	75%	66.5%	66.5%	50%	50%	33.5%	**0%**		
4	62.5%	50%	50%	50%	25%	**0%**			
5	50%	50%	33.5%	25%	**0%**				
6	37.5%	33.5%	16.5%	**0%**					
7	25%	16.5%	**0%**						
8	12.5%	**0%**							
9	**0%**								

* Committee Discretion

PLUS

(% of Number of Target Shares of Performance Stock that become Nonforfeitable based on Return on Assets for the Performance Period)

Return on Assets	Payout Percentage
10%	100%
9%	75%
8%	50%
7%	25%
6%	0%

If actual ROA falls between stated ROA's, payout percentages will be interpolated.

Exhibit 1
(OxyChem)

EXHIBIT 10.4

OCCIDENTAL PETROLEUM CORPORATION
2001 INCENTIVE COMPENSATION PLAN
AMENDED AND RESTATED PERFORMANCE-BASED STOCK AWARD
TERMS AND CONDITIONS FOR JANUARY 1, 2003 GRANT
(Effective June 20, 2005)

DATE OF GRANT:	**January 1, 2003**
TARGET PERFORMANCE SHARES:	**See “Shares Granted/Awarded” (Grant Acknowledgement screen)**
PERFORMANCE PERIOD:	**January 1, 2003 through December 31, 2006**

These Terms and Conditions (these "Terms and Conditions") made as of the Date of Grant and amended effective June 20, 2005between OCCIDENTAL PETROLEUM CORPORATION, a Delaware corporation ("Occidental") and, with its subsidiaries, (the "Company"), and Grantee.

1. **Grant of Target Performance Shares**. In accordance with these Terms and Conditions and the Occidental Petroleum Corporation 2001 Incentive Compensation Plan, as amended from time to time (the "Plan"), Occidental grants to the Grantee as of the Date of Grant, the right to receive in Common Shares and cash up to 200% of the number/value of Target Performance Shares. For the purposes of these Terms and Conditions, Target Performance Shares means a bookkeeping entry that records the equivalent of Common Shares awarded pursuant to Section 4.2 of the Plan that is payable upon the achievement of the Performance Goals.

2. **Restrictions on Transfer.** Neither these Terms and Conditions nor any right to receive Common Shares or cash pursuant to these Terms and Conditions may be transferred or assigned by the Grantee other than (i) to a beneficiary designated on a form approved by the Company, by will or, if the Grantee dies without designating a beneficiary of a valid will, by the laws of descent and distribution, or (ii) pursuant to a domestic relations order (if approved or ratified by the Administrator).

3. **Performance Goals.** The Performance Goal for the Performance Period is a peer company comparison based on Total Stockholder Return, as set forth on Exhibit I. Total Shareholder Return shall be calculated for each peer company using the average of its last reported sale price per share of common stock on the New York Stock Exchange - Composite Transactions for the last ten trading days of 2002 and the average of its last reported sale price per share of common stock on the New York Stock Exchange - Composite Transactions for the last ten trading days of 2006. In addition to the Company, the peer companies are: Amerada Hess Corporation, Anadarko Petroleum Corporation, Burlington Resources Inc., ChevronTexaco Corp., ConocoPhillips, Kerr-McGee Corporation, and Unocal Corporation. If a peer company ceases to be a publicly-traded company at any time during the Performance Period or the Administrator determines pursuant to Section 7 of these Terms and Conditions to reflect a change in circumstances with respect to any peer company, then such company will be removed as a peer company and the achievement of the Performance Goal will be determined with respect to the remaining peer companies as set forth on Exhibit 1.

4. **Vesting and Forfeiture of Target Performance Shares**. (a) The Grantee must remain in the continuous employ of the Company through the last day of the Performance Period to receive payment of this award. The continuous employment of the Grantee will not be deemed to have been interrupted by reason of the transfer of the Grantee’s employment among the Company and its affiliates or an approved leave of absence. However, if, prior to the end of the Performance Period, the Grantee dies or becomes permanently disabled while in the employ of

the Company, retires under a Company-sponsored retirement plan or with the consent of the Company, or terminates employment for the convenience of the Company (each of the foregoing, a “Forfeiture Event”), then the number of Target Performance Shares upon which the Grantee's award is based will be reduced on a pro rata basis based upon the number of days remaining in the Performance Period following the date of the Forfeiture Event.

(b) The Grantee's right to receive payment of the award in an amount not to exceed 200% of the Target Performance Shares, rounded up to the nearest whole share, will be based and become nonforfeitable upon, the Administrator's certification of the attainment of the Performance Goals.

(c) For the purposes of Section 4(b), if prior to the end of the Performance Period, the Grantee transfers his employment among the Company and its affiliates, the amount of the award attained by the Grantee shall be determined by assessing the level of achievement of the Performance Goals certified by the Administrator for each employing entity and multiplying the number of Target Performance Shares attainable at such level by a fraction equal to the number of months in the Performance Period that the Grantee worked for the entity divided by the total number of months in the Performance Period.

(d) Notwithstanding Section 4(b), if a Change in Control Event occurs prior to the end of the Performance Period, the Grantee's right to receive Common Shares equal to the number of Target Performance Shares (as adjusted for any Forfeiture Event pursuant to Section 4(a)) will become nonforfeitable. The right to receive cash in excess of the number of Target Performance Shares (as adjusted for any Forfeiture Event pursuant to Section 4(a)) will be forfeited.

5. **Payment of Awards**. Up to and including 100% of the Target Performance Shares as adjusted pursuant to Sections 4 and 7 of these Terms and Conditions will be settled in Common Shares and the amount, if any, above 100% of the Target Performance Shares as so adjusted will be settled in cash. The cash payment will equal the closing price of the Common Shares on the New York Stock Exchange on the date of the Administrator’s certification (the “Certification Date Value”) of the attainment of the Performance Goals and will be paid as promptly as possible after such date. The Common Shares covered by these Terms and Conditions or any prorated portion thereof shall be issued to the Grantee as promptly as practicable after the Administrator's certification of the attainment of the Performance Goals or the Change in Control Event, as the case may be.

6. **Crediting and Payment of Dividend Equivalents**. With respect to the number of Target Performance Shares listed above, the Grantee will be credited on the books and records of Occidental with an amount (the "Dividend Equivalent") equal to the amount per share of any cash dividends declared by the Board on the outstanding Common Shares during the period beginning on the Date of Grant and ending with respect to any portion of the Target Performance Shares covered by these Terms and Conditions on the date on which the Grantee's right to receive such portion becomes nonforfeitable, or, if earlier, the date on which the Grantee forfeits the right to receive such portion. Occidental will pay in cash to the Grantee an amount equal to the Dividend Equivalents credited to such Grantee as promptly as may be practicable after the Grantee has been credited with a Dividend Equivalent.

7. **Adjustments**. (a) The number or kind of shares of stock covered by these Terms and Conditions may be adjusted as the Administrator determines pursuant to Section 6.2 of the

Plan in order to prevent dilution or expansion of the Grantee's rights under these Terms and Conditions as a result of events such as stock dividends, stock splits or other changes in the capital structure of Occidental, or any merger, consolidation, spin-off, liquidation or other corporate transaction having a similar effect. If any such adjustment occurs, the Company will give the Grantee written notice of the adjustment.

(b) In addition, the Administrator may adjust the Performance Goal or other features of this Grant as permitted by Section 4.2.3 of the Plan.

8. **NO EMPLOYMENT CONTRACT.** Nothing in these Terms and Conditions confers upon the Grantee any right with respect to continued employment by the Company, nor limits in any manner the right of the Company to terminate the employment or adjust the compensation of the Grantee.

9. **TAXES AND WITHHOLDING.** If the Company must withhold any federal, state, local or foreign tax in connection with the issuance of any Common Shares or other securities or the payment of any other consideration pursuant to these Terms and Conditions (other than the Payment of Dividend Equivalents), the Grantee shall satisfy all or any part of any such withholding obligation, first from any cash amount payable under these Terms and Conditions and second, by surrendering to the Company a portion of the Common Shares that are issued or transferred to the Grantee pursuant to these Terms and Conditions. Any Common Shares so surrendered by the Grantee shall be credited against the Grantee’s withholding obligation at their Certification Date Value. If the Company must withhold any tax in connection with granting or vesting of Target Performance Shares (including those for which receipt of the payout is deferred under a company-sponsored deferral program for cash or stock) or the payment of Dividend Equivalents pursuant to this grant of Target Performance Shares, the Grantee by acknowledging these Terms and Conditions agrees that, so long as the Grantee is an employee of the Company for tax purposes, all or any part of any such withholding obligation shall be deducted from the Grantee’s wages or other cash compensation (including regular pay). The Grantee shall pay to the Company any amount that cannot be satisfied by the means previously described.

10. **COMPLIANCE WITH LAW.** The Company will make reasonable efforts to comply with all applicable federal and state securities laws; however, the Company will not issue any Common Shares or other securities pursuant to these Terms and Conditions if their issuance would result in a violation of any such law.

11. **RELATION TO OTHER BENEFITS.** The benefits received by the Grantee under these Terms and Conditions will not be taken into account in determining any benefits to which the Grantee may be entitled under any profit sharing, retirement or other benefit or compensation plan maintained by the Company, including the amount of any life insurance coverage available to any beneficiary of the Grantee under any life insurance plan covering employees of the Company.

12. **AMENDMENTS.** Any amendment to the Plan will be deemed to be an amendment to these Terms and Conditions to the extent it is applicable to these Terms and Conditions; however, no amendment will adversely affect the rights of the Grantee under these Terms and Conditions without the Grantee's consent.

13. **SEVERABILITY.** If one or more of the provisions of these Terms and Conditions is invalidated for any reason by a court of competent jurisdiction, the invalidated provisions shall be deemed to be separable from the other provisions of these Terms and Conditions, and the remaining provisions of these Terms and Conditions will continue to be valid and fully enforceable.

14. **RELATION TO PLAN; INTERPRETATION.** These Terms and Conditions are subject to the terms and conditions of the Plan. In the event of any inconsistent provisions between these Terms and Conditions and the Plan, the provisions of the Plan control. Capitalized terms used in these Terms and Conditions without definition have the meanings assigned to them in the Plan. References to Sections are to Sections of these Terms and Conditions unless otherwise noted.

15. **SUCCESSORS AND ASSIGNS.** Subject to Sections 2 and 4, the provisions of these Terms and Conditions shall be for the benefit of, and be binding upon, the successors, administrators, heirs, legal representatives and assigns of the Grantee, and the successors and assigns of the Company.

16. **GOVERNING LAW.** The laws of the State of Delaware govern the interpretation, performance, and enforcement of these Terms and Conditions.

EXHIBIT 1

2003 Grant to OPC Participants

(% of Number of Target Shares of Performance Stock that become Nonforfeitable based on Comparison of Total Shareholder Return for the Peer Companies for the Performance Period)

Ranking	**8 Cos.**	**7 Cos.**	**6 Cos.**	**5 Cos.**	**4 Cos.**	**3 Cos.**	**2 Cos.**
1	200%	200%	200%	200%	200%	200%	*
2	167%	167%	150%	150%	133%	100%	**0%**
3	133%	133%	100%	100%	67%	**0%**	
4	100%	100%	100%	50%	**0%**		
5	100%	67%	50%	**0%**			
6	67%	33%	**0%**				
7	33%	**0%**					
8	**0%**						

* Subject to Committee Discretion.

OCCIDENTAL PETROLEUM CORPORATION
2001 INCENTIVE COMPENSATION PLAN
AMENDED AND RESTATED PERFORMANCE-BASED STOCK AWARD
TERMS AND CONDITIONS FOR JANUARY 1, 2003
(Effective June 20, 2005)

DATE OF GRANT:	**January 1, 2003**
TARGET PERFORMANCE SHARES:	**See "Shares Granted/Awarded" (Grant Acknowledgement screen)**
PERFORMANCE PERIOD:	**January 1, 2003 through December 31, 2006**

These Terms and Conditions (these "Terms and Conditions") made as of the Date of Grant and amended effective June 20, 2005, between OCCIDENTAL PETROLEUM CORPORATION, a Delaware corporation ("Occidental") and, with its subsidiaries, (the "Company"), and Grantee.

1. **GRANT OF TARGET PERFORMANCE SHARES**. In accordance with these Terms and Conditions and the Occidental Petroleum Corporation 2001 Incentive Compensation Plan, as amended from time to time (the "Plan"), Occidental grants to the Grantee as of the Date of Grant, the right to receive in Common Shares and cash up to 200% of the number/value of Target Performance Shares. For the purposes of these Terms and Conditions, Target Performance Shares means a bookkeeping entry that records the equivalent of Common Shares awarded pursuant to Section 4.2 of the Plan that is payable upon the achievement of the Performance Goals.

2. **RESTRICTIONS ON TRANSFER.** Neither these Terms and Conditions nor any right to receive Common Shares or cash pursuant to these Terms and Conditions may be transferred or assigned by the Grantee other than (i) to a beneficiary designated on a form approved by the Company, by will or, if the Grantee dies without designating a beneficiary of a valid will, by the laws of descent and distribution, or (ii) pursuant to a domestic relations order (if approved or ratified by the Administrator).

3. **PERFORMANCE GOALS.** The Performance Goal for the Performance Period is based on (i) Return on Assets and (ii) a peer company comparison based on Total Stockholder Return, as set forth on Exhibit 1.

For the purposes of these Terms and Conditions, "Return on Assets" means the percentage obtained by (A) multiplying the sum of the before tax earnings for each year in the Performance Period of the division of the Company employing the Grantee by 0.65 and (B) dividing the resulting product by the sum of such division's Assets as of December 31 for each year in the Performance Period. For the purposes of the foregoing sentence, "Assets" will reflect all acquisitions, divestitures and write-downs during the Performance Period. For the purposes of these Terms and Conditions, Total Shareholder Return shall be calculated for each peer company using the average of its last reported sale price per share of common stock on the New York Stock Exchange - Composite Transactions for the last ten trading days of 2002 and the average of its last reported sale price per share of common stock on the New York Stock Exchange - Composite Transactions for the last ten trading days of 2006. In addition to the Company, the peer companies are: Amerada Hess Corporation, Anadarko Petroleum Corporation, Burlington Resources Inc., ChevronTexaco Corp., ConocoPhillips Kerr-McGee

Corporation, and Unocal Corporation. If a peer company ceases to be a publicly-traded company at any time during the Performance Period or the Administrator determines pursuant to Section 7 of these Terms and Conditions to reflect a change in circumstances with respect to any peer company, then such company will be removed as a peer company, and the achievement of the Performance Goal will be determined with respect to the remaining peer companies as set forth on Exhibit 1.

4. **VESTING AND FORFEITURE OF TARGET PERFORMANCE SHARES**. (a) The Grantee must remain in the continuous employ of the Company through the last day of the Performance Period to receive payment of this award. The continuous employment of the Grantee will not be deemed to have been interrupted by reason of the transfer of the Grantee's employment among the Company and its affiliates or an approved leave of absence. However, if, prior to the end of the Performance Period, the Grantee dies or becomes permanently disabled while in the employ of the Company, retires under a Company-sponsored retirement plan or with the consent of the Company, or terminates employment for the convenience of the Company (each of the foregoing, a "Forfeiture Event"), then the number of Target Performance Shares upon which the Grantee's award is based will be reduced on a pro rata basis based upon the number of days remaining in the Performance Period following the date of the Forfeiture Event.

(b) The Grantee's right to receive payment of the award in an amount not to exceed 200% of the Target Performance Shares, rounded up to the nearest whole share, will be based and become nonforfeitable upon, the Administrator's certification of the attainment of the Performance Goals. If the Committee certifies that Occidental ranks last among its peers in Total Stockholder Return, the Grantee will not be entitled to receive any Common Shares or cash.

(c) For the purposes of Section 4(b), if prior to the end of the Performance Period, the Grantee transfers his employment among the Company and its affiliates, the amount of the award attained by the Grantee shall be determined by assessing the level of achievement of the Performance Goals certified by the Administrator for each employing entity and multiplying the number of Target Performance Shares attainable at such level by a fraction equal to the number of months in the Performance Period that the Grantee worked for the entity divided by the total number of months in the Performance Period.

(d) Notwithstanding Section 4(b), if a Change in Control Event occurs prior to the end of the Performance Period, the Grantee's right to receive Common Shares equal to the number of Target Performance Shares (as adjusted for any Forfeiture Event pursuant to Section 4(a)) will become nonforfeitable. The right to receive cash in excess of the number of Target Performance Shares (as adjusted for any Forfeiture Event pursuant to Section 4(a)) will be forfeited.

5. **PAYMENT OF AWARDS**. Up to and including 100% of the Target Performance Shares as adjusted pursuant to Sections 4 and 7 of these Terms and Conditions will be settled in Common Shares and the amount, if any, above 100% of the Target Performance Shares as so adjusted will be settled in cash. The cash payment will equal the closing price of the Common Shares on the New York Stock Exchange on the date of the Administrator's certification (the "Certification Date Value") of the attainment of the Performance Goals and will be paid as promptly as possible after such date. The Common Shares covered by these Terms and Conditions or any prorated portion thereof shall be issued to the Grantee as promptly as practicable after the

Administrator's certification of the attainment of the Performance Goals or the Change in Control Event, as the case may be.

6. **CREDITING AND PAYMENT OF DIVIDEND EQUIVALENTS**. With respect to the number of Target Performance Shares listed above, the Grantee will be credited on the books and records of Occidental with an amount (the "Dividend Equivalent") equal to the amount per share of any cash dividends declared by the Board on the outstanding Common Shares during the period beginning on the Date of Grant and ending with respect to any portion of the Target Performance Shares covered by these Terms and Conditions on the date on which the Grantee's right to receive such portion becomes nonforfeitable, or, if earlier, the date on which the Grantee forfeits the right to receive such portion. Occidental will pay in cash to the Grantee an amount equal to the Dividend Equivalents credited to such Grantee as promptly as may be practicable after the Grantee has been credited with a Dividend Equivalent.

7. **ADJUSTMENTS**. (a) The number or kind of shares of stock covered by these Terms and Conditions may be adjusted as the Administrator determines pursuant to Section 6.2 of the Plan in order to prevent dilution or expansion of the Grantee's rights under these Terms and Conditions as a result of events such as stock dividends, stock splits or other changes in the capital structure of Occidental, or any merger, consolidation, spin-off, liquidation or other corporate transaction having a similar effect. If any such adjustment occurs, the Company will give the Grantee written notice of the adjustment.

(b) In addition, the Administrator may adjust the Performance Goal or other features of this Grant as permitted by Section 4.2.3 of the Plan.

8. **NO EMPLOYMENT CONTRACT.** Nothing in these Terms and Conditions confers upon the Grantee any right with respect to continued employment by the Company, nor limits in any manner the right of the Company to terminate the employment or adjust the compensation of the Grantee.

9. **TAXES AND WITHHOLDING.** If the Company must withhold any federal, state, local or foreign tax in connection with the issuance of any Common Shares or other securities or the payment of cash or any other consideration pursuant to these Terms and Conditions (other than the Payment of Dividend Equivalents), the Grantee shall satisfy all or any part of any such withholding obligation, first from any cash amount payable under these Terms and Conditions and second, by surrendering to the Company a portion of the Common Shares that are issued or transferred to the Grantee pursuant to these Terms and Conditions. Any Common Shares so surrendered by the Grantee shall be credited against the Grantee's withholding obligation at their Certification Date Value. If the Company must withhold any tax in connection with granting or vesting of Target Performance Shares (including those for which receipt of the payout is deferred under a company-sponsored deferral program for cash or stock) or the payment of Dividend Equivalents pursuant to this grant of Target Performance Shares, the Grantee by acknowledging these Terms and Conditions agrees that, so long as the Grantee is an employee of the Company for tax purposes, all or any part of any such withholding obligation shall be deducted from the Grantee's wages or other cash compensation (including regular pay). The Grantee shall pay to the Company any amount that cannot be satisfied by the means previously described.

10. **COMPLIANCE WITH LAW.** The Company will make reasonable efforts to comply with all applicable federal and state securities laws; however, the Company will not issue any Common

Shares or other securities pursuant to these Terms and Conditions if their issuance would result in a violation of any such law.

11. **RELATION TO OTHER BENEFITS.** The benefits received by the Grantee under these Terms and Conditions will not be taken into account in determining any benefits to which the Grantee may be entitled under any profit sharing, retirement or other benefit or compensation plan maintained by the Company, including the amount of any life insurance coverage available to any beneficiary of the Grantee under any life insurance plan covering employees of the Company.

12. **AMENDMENTS.** Any amendment to the Plan will be deemed to be an amendment to these Terms and Conditions to the extent it is applicable to these Terms and Conditions; however, no amendment will adversely affect the rights of the Grantee under these Terms and Conditions without the Grantee's consent.

13. **SEVERABILITY.** If one or more of the provisions of these Terms and Conditions is invalidated for any reason by a court of competent jurisdiction, the invalidated provisions shall be deemed to be separable from the other provisions of these Terms and Conditions , and the remaining provisions of these Terms and Conditions will continue to be valid and fully enforceable.

14. **RELATION TO PLAN; INTERPRETATION.** These Terms and Conditions are subject to the terms and conditions of the Plan. In the event of any inconsistent provisions between these Terms and Conditions and the Plan, the provisions of the Plan control. Capitalized terms used in these Terms and Conditions without definition have the meanings assigned to them in the Plan. References to Sections are to Sections of these Terms and Conditions unless otherwise noted.

15. **SUCCESSORS AND ASSIGNS.** Subject to Sections 2 and 4, the provisions of these Terms and Conditions shall be for the benefit of, and be binding upon, the successors, administrators, heirs, legal representatives and assigns of the Grantee, and the successors and assigns of the Company.

16. **GOVERNING LAW.** The laws of the State of Delaware govern the interpretation, performance, and enforcement of these Terms and Conditions.

EXHIBIT 1

2003 Grant to OCC Participants

(% of Number of Target Shares of Performance Stock that become Nonforfeitable based on Comparison of Total Shareholder Return for the Peer Companies for the Performance Period)

Ranking	**8 Cos.**	**7 Cos.**	**6 Cos.**	**5 Cos.**	**4 Cos.**	**3 Cos.**	**2 Cos.**
1	100%	100%	100%	100%	100%	100%	*
2	83.5%	83.5%	75%	75%	66.5%	50%	**0%**
3	66.5%	66.5%	50%	50%	33.5%	**0%**	
4	50%	50%	50%	25%	**0%**		
5	50%	33.5%	25%	**0%**			
6	33.5%	16.5%	**0%**				
7	16.5%	**0%**					
8	**0%**						

* Subject to Committee Discretion

PLUS

(% of Number of Target Shares of Performance Stock that become Nonforfeitable based on Return on Assets for the Performance Period)

Return on Assets	Payout Percentage
10%	100%
9%	75%
8%	50%
7%	25%
6%	0%

If actual ROA falls between stated ROA’s, payout percentages will be interpolated.

EXHIBIT 10.6

OCCIDENTAL PETROLEUM CORPORATION
2001 INCENTIVE COMPENSATION PLAN
AMENDED AND RESTATED PERFORMANCE-BASED STOCK AWARD
TERMS AND CONDITIONS FOR JANUARY 1, 2004 GRANT
(Effective June 20, 2005)

DATE OF GRANT:	**January 1, 2004**
TARGET PERFORMANCE SHARES:	**See “Shares Granted/Awarded” (Grant Acknowledgment screen)**
PERFORMANCE PERIOD:	**January 1, 2004 through December 31, 2007**

These **Terms and Conditions** (these “Terms and Conditions”) are set forth as of the Date of Grant, and amended effective June 20, 2005, between OCCIDENTAL PETROLEUM CORPORATION, a Delaware corporation ("Occidental") and, with its subsidiaries, (the "Company"), and Grantee.

1. **GRANT OF TARGET PERFORMANCE SHARES**. In accordance with these Terms and Conditions and the Occidental Petroleum Corporation 2001 Incentive Compensation Plan, as amended from time to time (the "Plan"), Occidental grants to the Grantee as of the Date of Grant, the right to receive in Common Shares and cash up to 200% of the number/value of Target Performance Shares. For the purposes of these Terms and Conditions, “Target Performance Shares” means a bookkeeping entry that records the equivalent of Common Shares awarded pursuant to Section 4.2 of the Plan that is payable upon the achievement of the Performance Goals. Target Performance Shares are not Common Shares and have no voting rights or, except as stated in Section 6, dividend rights.

2. **RESTRICTIONS ON TRANSFER.** Neither these Terms and Conditions nor any right to receive Common Shares or cash pursuant to these Terms and Conditions may be transferred or assigned by the Grantee other than (i) to a beneficiary designated on a form approved by the Company (if permitted by local law), by will or, if the Grantee dies without designating a beneficiary of a valid will, by the laws of descent and distribution, or (ii) pursuant to a domestic relations order, if applicable, (if approved or ratified by the Administrator).

3. **PERFORMANCE GOALS.** The Performance Goal for the Performance Period is a peer company comparison based on Total Shareholder Return, as set forth on Exhibit 1. Total Shareholder Return shall be calculated for each peer company using the average of its last reported sale price per share of common stock on the New York Stock Exchange - Composite Transactions for the last ten trading days of 2003 and the average of its last reported sale price per share of common stock on the New York Stock Exchange - Composite Transactions for the last ten trading days of 2007. In addition to the Company, the peer companies are: Amerada Hess Corporation, Anadarko Petroleum Corporation, Burlington Resources Inc., ChevronTexaco Corp., ConocoPhillips, Kerr-McGee Corporation, and Unocal Corporation. If a peer company ceases to be a publicly-traded company at any time during the Performance Period or the Administrator determines pursuant to Section 7 of these Terms and Conditions to reflect a change in circumstances with respect to any peer company, then such company will be removed as a peer company and the achievement of the Performance Goal will be determined with respect to the remaining peer companies as set forth on Exhibit 1.

4. **VESTING AND FORFEITURE OF TARGET PERFORMANCE SHARES**. (a) The Grantee must remain in the continuous employ of the Company through the last day of the Performance Period to receive payment of this award. The continuous employment of the Grantee will not be

deemed to have been interrupted by reason of the transfer of the Grantee’s employment among the Company and its affiliates or an approved leave of absence. However, if, prior to the end of the Performance Period, the Grantee dies or becomes permanently disabled while in the employ of the Company, retires under a Company-sponsored retirement plan or with the consent of the Company, or terminates employment for the convenience of the Company (each of the foregoing, a “Forfeiture Event”), then the number of Target Performance Shares upon which the Grantee's award is based will be reduced on a pro rata basis based upon the number of days remaining in the Performance Period following the date of the Forfeiture Event.

(b) The Grantee's right to receive payment of this award in an amount not to exceed 200% of the Target Performance Shares, rounded up to the nearest whole share, will be based and become nonforfeitable upon, the Administrator’s certification of the attainment of the Performance Goals.

(c) For the purposes of Section 4(b), if prior to the end of the Performance Period, the Grantee transfers his employment among the Company and its affiliates, the amount of the award attained by the Grantee shall be determined by assessing the level of achievement of the Performance Goals certified by the Administrator for each employing entity and multiplying the number of Target Performance Shares attainable at such level by a fraction equal to the number of months in the Performance Period that the Grantee worked for the entity divided by the total number of months in the Performance Period.

(d) Notwithstanding Section 4(b), if a Change in Control Event occurs prior to the end of the Performance Period, the Grantee's right to receive Common Shares equal to the number of Target Performance Shares (as adjusted for any Forfeiture Event pursuant to Section 4(a)) will become nonforfeitable. The right to receive cash in excess of the number of Target Performance Shares (as adjusted for any Forfeiture Event pursuant to Section 4(a)) will be forfeited.

5. **PAYMENT OF AWARDS**. Up to and including 100% of the Target Performance Shares as adjusted pursuant to Sections 4 and 7 of these Terms and Conditions will be settled in Common Shares and the amount, if any, above 100% of the Target Performance Shares as so adjusted will be settled in cash. The cash payment will equal the closing price of the Common Shares on the New York Stock Exchange on the date of the Administrator’s certification (the “Certification Date Value”) of the attainment of the Performance Goals and will be paid as promptly as possible after such date. The Common Shares covered by these Terms and Conditions or any prorated portion thereof shall be issued to the Grantee as promptly as practicable after the Administrator's certification of the attainment of the Performance Goals or the Change in Control Event, as the case may be.

6. **CREDITING AND PAYMENT OF DIVIDEND EQUIVALENTS**. With respect to the number of Target Performance Shares listed above, the Grantee will be credited on the books and records of Occidental with an amount (the "Dividend Equivalent") equal to the amount per share of any cash dividends declared by the Board on the outstanding Common Shares during the period beginning on the Date of Grant and ending with respect to any portion of the Target Performance Shares covered by these Terms and Conditions on the date on which the Grantee's right to receive such portion becomes nonforfeitable, or, if earlier, the date on which the Grantee forfeits the right to receive such portion. Occidental will pay in cash to the Grantee an amount equal to the Dividend Equivalents credited to such Grantee as promptly as may be practicable after the Grantee has been credited with a Dividend Equivalent.

7. **ADJUSTMENTS**. (a) The number or kind of shares of stock covered by these Terms and Conditions may be adjusted as the Administrator determines pursuant to Section 6.2 of the Plan in order to prevent dilution or expansion of the Grantee's rights under these Terms and Conditions as a result of events such as stock dividends, stock splits or other changes in the capital structure of Occidental, or any merger, consolidation, spin-off, liquidation or other corporate transaction having a similar effect. If any such adjustment occurs, the Company will give the Grantee written notice of the adjustment.

(b) In addition, the Administrator may adjust the Performance Goal or other features of this Grant as permitted by Section 4.2.3 of the Plan.

8. **NO EMPLOYMENT CONTRACT.** Nothing in these Terms and Conditions confers upon the Grantee any right with respect to continued employment by the Company, nor limits in any manner the right of the Company to terminate the employment or adjust the compensation of the Grantee.

9. **TAXES AND WITHHOLDING.** The Grantee is responsible for any federal, state, local or foreign tax, including income tax, social insurance, payroll tax, payment on account or other tax-related withholding with respect to the grant of Target Performance Shares (including the grant, the vesting, the receipt of Common Shares or cash, the sale of Common Shares and the receipt of dividends or dividend equivalents, if any). If the Company must withhold any tax in connection with the issuance of any Common Shares or the payment of cash or any other consideration pursuant to the grant of Target Performance Shares (other than the payment of Dividend Equivalents), the Grantee shall satisfy all or any part of any such withholding obligation first from any cash amount payable under these Terms and Conditions and, second by surrendering to the Company a portion of the Common Shares that are issued or transferred to the Grantee pursuant to these Terms and Conditions. Any Common Shares so surrendered by the Grantee shall be credited against the Grantee’s withholding obligation at their Certification Date Value. If the Company must withhold any tax in connection with granting or vesting of Target Performance Shares (including those for which receipt of the payout is deferred under a company-sponsored deferral program for cash or stock) or the payment of Dividend Equivalents pursuant to this grant of Target Performance Shares, the Grantee by acknowledging these Terms and Conditions agrees that, so long as the Grantee is an employee of the Company for tax purposes, all or any part of any such withholding obligation shall be deducted from the Grantee’s wages or other cash compensation (including regular pay). The Grantee shall pay to the Company any amount that cannot be satisfied by the means previously described.

10. **COMPLIANCE WITH LAW.** The Company will make reasonable efforts to comply with all applicable federal, state and foreign securities laws; however, the Company will not issue any Common Shares or other securities pursuant to these Terms and Conditions if their issuance would result in a violation of any such law.

11. **RELATION TO OTHER BENEFITS.** The benefits received by the Grantee under these Terms and Conditions will not be taken into account in determining any benefits to which the Grantee may be entitled under any profit sharing, retirement or other benefit or compensation plan maintained by the Company, including the amount of any life insurance coverage available to any beneficiary of the Grantee under any life insurance plan covering employees of the Company. Additionally, the Target Performance Shares are not part of normal or expected compensation or salary for any purposes, including, but not limited to calculation of any severance, resignation, termination, redundancy, end of service payments, bonuses or long-service awards. This grant of Target Performance Shares does not create any contractual or other right to receive future grants of Target Performance Shares, or benefits in lieu of Target

Performance Shares, even if Grantee has a history of receiving Target Performance Shares or other stock awards.

12. **AMENDMENTS.** The Plan may be modified, amended, suspended or terminated by the Company at any time, as provided in the Plan. Any amendment to the Plan will be deemed to be an amendment to these Terms and Conditions to the extent it is applicable to these Terms and Conditions; however, no amendment will adversely affect the rights of the Grantee under these Terms and Conditions without the Grantee's consent.

13. **SEVERABILITY.** If one or more of the provisions of these Terms and Conditions is invalidated for any reason by a court of competent jurisdiction, the invalidated provisions shall be deemed to be separable from the other provisions of these Terms and Conditions, and the remaining provisions of these Terms and Conditions will continue to be valid and fully enforceable.

14. **RELATION TO PLAN; INTERPRETATION.** These Terms and Conditions are subject to the terms and conditions of the Plan. In the event of any inconsistent provisions between these Terms and Conditions and the Plan, the provisions of the Plan control. Capitalized terms used in these Terms and Conditions without definition have the meanings assigned to them in the Plan. References to Sections are to Sections of these Terms and Conditions unless otherwise noted.

15. **SUCCESSORS AND ASSIGNS.** Subject to Sections 2 and 4, the provisions of these Terms and Conditions shall be for the benefit of, and be binding upon, the successors, administrators, heirs, legal representatives and assigns of the Grantee, and the successors and assigns of the Company.

16. **GOVERNING LAW.** The laws of the State of Delaware govern the interpretation, performance, and enforcement of these Terms and Conditions.

17. **PRIVACY RIGHTS.** By accepting this award, the Grantee explicitly and unambiguously consents to the collection, use and transfer, in electronic or other form, of the Grantee’s personal data as described in these Terms and Conditions by and among, as applicable, the Company and its affiliates for the exclusive purpose of implementing, administering and managing the Grantee’s participation in the Plan. The Company holds or may receive from any agent designated by the Company certain personal information about the Grantee, including, but not limited to, the Grantee’s name, home address and telephone number, date of birth, social insurance number or other identification number, salary, nationality, job title, any shares of stock or directorships held in Occidental, details of this Target Performance Share award or any other entitlement to shares of stock awarded, canceled, exercised, vested, unvested or outstanding in the Grantee’s favor, for the purpose of implementing, administering and managing the Plan, including complying with applicable tax and securities laws (“Data”). Data may be transferred to any third parties assisting in the implementation, administration and management of the Plan. These recipients may be located in the Grantee’s country or elsewhere, and may have different data privacy laws and protections than the Grantee’s country. By accepting these Terms and Conditions, the Grantee authorizes the recipients to receive, possess, use, retain and transfer the Data, in electronic or other form, for the purposes described above. The Grantee may, at any time, view Data, request additional information about the storage and processing of Data, require any necessary amendments to Data or refuse or withdraw the consents herein, in any case without cost, by contacting the Administrator in writing. Refusing or withdrawing consent may affect the Grantee’s ability to participate in the Plan.

18. **ELECTRONIC DELIVERY.** The Company may, in its sole discretion, decide to deliver any documents related to this Target Performance Share award granted under the Plan or future awards that may be granted under the Plan (if any) by electronic means or to request the Grantee's consent to participate in the Plan by electronic means. The Grantee hereby consents to receive such documents by electronic delivery and, if requested, to participate in the Plan through an on-line or electronic system established and maintained by the Company or another third party designated by the Company.

19. **GRANTEE'S REPRESENTATIONS AND RELEASES.** By accepting this award, the Grantee acknowledges that the Grantee has read these Terms and Conditions and understands that (i) the grant of this Target Performance Share award is made voluntarily by Occidental in its discretion with no liability on the part of any of its direct or indirect subsidiaries and that, if the Grantee is not an employee of Occidental, the Grantee is not, and will not be considered, an employee of Occidental but the Grantee is a third party (employee of a subsidiary) to whom this Target Performance Share award is granted; (ii) the Grantee's participation in the Plan is voluntary; (iii) the future value of any Common shares issued pursuant to this Target Performance Share award cannot be predicted and Occidental does not assume liability in the event such Common Shares have no value in the future; and, (iv) subject to the terms of any tax equalization agreement between the Grantee and the entity employing the Grantee, the Grantee will be solely responsible for the payment or nonpayment of taxes imposed or threatened to be imposed by any authority of any jurisdiction.

In consideration of the grant of this Target Performance Share award, no claim or entitlement to compensation or damages shall arise from termination of this Target Performance Share award or diminution in value of this Target Performance Share award or Common Shares issued pursuant to this Target Performance Share award resulting from termination of the Grantee's employment by the Company (for any reason whatsoever and whether or not in breach of local labor laws) and the Grantee irrevocably releases the Company from any such claim that may arise; if, notwithstanding the foregoing, any such claim is found by a court of competent jurisdiction to have arisen, then, by accepting these Terms and Conditions, the Grantee shall be deemed irrevocably to have waived his or her entitlement to pursue such claim.

EXHIBIT 1

2004 Grant to OPC Participants

(% of Number of Target Shares of Performance Stock that become Nonforfeitable based on Comparison of Total Shareholder Return for the Peer Companies for the Performance Period)

Ranking	**8 Cos.**	**7 Cos.**	**6 Cos.**	**5 Cos.**	**4 Cos.**	**3 Cos.**	**2 Cos.**
1	200%	200%	200%	200%	200%	200%	*
2	167%	167%	150%	150%	133%	100%	**0%**
3	133%	133%	100%	100%	67%	**0%**	
4	100%	100%	100%	50%	**0%**		
5	100%	67%	50%	**0%**			
6	67%	33%	**0%**				
7	33%	**0%**					
8	**0%**						

* Subject to Committee Discretion.

OCCIDENTAL PETROLEUM CORPORATION
2001 INCENTIVE COMPENSATION PLAN
AMENDED AND RESTATED PERFORMANCE-BASED STOCK AWARD
TERMS AND CONDITIONS FOR JANUARY 1, 2004 GRANT
(Effective June 20, 2005)

DATE OF GRANT:	**January 1, 2004**
TARGET PERFORMANCE SHARES:	**See "Shares Granted/Awarded" (Grant Acknowledgment screen)**
PERFORMANCE PERIOD:	**January 1, 2004 through December 31, 2007**

These **Terms and Conditions** (these "Terms and Conditions") are set forth as of the Date of Grant, and amended effective June 20, 2005, between OCCIDENTAL PETROLEUM CORPORATION, a Delaware corporation ("Occidental") and, with its subsidiaries, (the "Company"), and Grantee.

1. **GRANT OF TARGET PERFORMANCE SHARES**. In accordance with these Terms and Conditions and the Occidental Petroleum Corporation 2001 Incentive Compensation Plan, as amended from time to time (the "Plan"), Occidental grants to the Grantee as of the Date of Grant, the right to receive in Common Shares and cash up to 200% of the number/value of Target Performance Shares. For the purposes of these Terms and Conditions, "Target Performance Shares" means a bookkeeping entry that records the equivalent of Common Shares awarded pursuant to Section 4.2 of the Plan that is payable upon the achievement of the Performance Goals. Target Performance Shares are not Common Shares and have no voting rights or, except as stated in Section 6, dividend rights.

2. **RESTRICTIONS ON TRANSFER.** Neither these Terms and Conditions nor any right to receive Common Shares or cash pursuant to these Terms and Conditions may be transferred or assigned by the Grantee other than to a beneficiary designated on a form approved by the Company (if permitted by local law), by will or, if the Grantee dies without designating a beneficiary of a valid will, by the laws of descent and distribution, or (ii) pursuant to a domestic relations order, if applicable, (if approved or ratified by the Administrator).

3. **PERFORMANCE GOALS.** The Performance Goal for the Performance Period is based on (i) Return on Assets and (ii) a peer company comparison based on Total Shareholder Return, as set forth on Exhibit 1.

For the purposes of these Terms and Conditions, "Return on Assets" means the percentage obtained by (A) multiplying the sum of the before tax earnings for each year in the Performance Period of the division of the Company employing the Grantee by 0.65 and (B) dividing the resulting product by the sum of such division's Assets as of December 31 for each year in the Performance Period. For the purposes of the foregoing sentence, "Assets" will reflect all acquisitions, divestitures and write-downs during the Performance Period. For the purposes of these Terms and Conditions, Total Shareholder Return shall be calculated for each peer company using the average of its last reported sale price per share of common stock on the New York Stock Exchange - Composite Transactions for the last ten trading days of 2003 and the average of its last reported sale price per share of common stock on the New York Stock Exchange - Composite Transactions for the last ten trading days of 2007. In addition to the Company, the peer companies are: Amerada Hess Corporation, Anadarko Petroleum Corporation, Burlington Resources Inc., ChevronTexaco Corp., ConocoPhillips, Kerr-McGee

Corporation, and Unocal Corporation. If a peer company ceases to be a publicly-traded company at any time during the Performance Period or the Administrator determines pursuant to Section 7 of these Terms and Conditions to reflect a change in circumstances with respect to any peer company, then such company will be removed as a peer company, and the achievement of the Performance Goal will be determined with respect to the remaining peer companies as set forth on Exhibit 1.

4. **VESTING AND FORFEITURE OF TARGET PERFORMANCE SHARES**. (a) The Grantee must remain in the continuous employ of the Company through the last day of the Performance Period to receive payment of this award. The continuous employment of the Grantee will not be deemed to have been interrupted by reason of the transfer of the Grantee's employment among the Company and its affiliates or an approved leave of absence. However, if, prior to the end of the Performance Period, the Grantee dies or becomes permanently disabled while in the employ of the Company, retires under a Company-sponsored retirement plan or with the consent of the Company, or terminates employment for the convenience of the Company (each of the foregoing, a "Forfeiture Event"), then the number of Target Performance Shares upon which the Grantee's award is based will be reduced on a pro rata basis based upon the number of days remaining in the Performance Period following the date of the Forfeiture Event.

(b) The Grantee's right to receive payment of this award in an amount not to exceed 200% of the Target Performance Shares, rounded up to the nearest whole share, will be based and become nonforfeitable upon, the Administrator's certification of the attainment of the Performance Goals.

(c) For the purposes of Section 4(b), if prior to the end of the Performance Period, the Grantee transfers his employment among the Company and its affiliates, the number of Common Shares attained by the Grantee shall be determined by assessing the level of achievement of the Performance Goals certified by the Administrator for each employing entity and multiplying the number of Target Performance Shares attainable at such level by a fraction equal to the number of months in the Performance Period that the Grantee worked for the entity divided by the total number of months in the Performance Period.

(d) Notwithstanding Section 4(b), if a Change in Control Event occurs prior to the end of the Performance Period, the Grantee's right to receive Common Shares equal to the number of Target Performance Shares (as adjusted for any Forfeiture Event pursuant to Section 4(a)) will become nonforfeitable. The right to receive cash in excess of the number of Target Performance Shares (as adjusted for any Forfeiture Event pursuant to Section 4(a)) will be forfeited.

5. **PAYMENT OF AWARDS**. Up to and including 100% of the Target Performance Shares as adjusted pursuant to Sections 4 and 7 of these Terms and Conditions will be settled in Common Shares and the amount, if any, above 100% of the Target Performance Shares as so adjusted will be settled in cash. The cash payment will equal the closing price of the Common Shares on the New York Stock Exchange on the date of the Administrator's certification (the "Certification Date Value") of the attainment of the Performance Goals and will be paid as promptly as possible after such date. The Common Shares covered by these Terms and Conditions or any prorated portion thereof shall be issued to the Grantee as promptly as practicable after the Administrator's certification of the attainment of the Performance Goals or the Change in Control Event, as the case may be.

6. **CREDITING AND PAYMENT OF DIVIDEND EQUIVALENTS**. With respect to the number of Target Performance Shares listed above, the Grantee will be credited on the books and records of Occidental with an amount (the "Dividend Equivalent") equal to the amount per share of any cash dividends declared by the Board on the outstanding Common Shares during the period beginning on the Date of Grant and ending with respect to any portion of the Target Performance Shares covered by these Terms and Conditions on the date on which the Grantee's right to receive such portion becomes nonforfeitable, or, if earlier, the date on which the Grantee forfeits the right to receive such portion. Occidental will pay in cash to the Grantee an amount equal to the Dividend Equivalents credited to such Grantee as promptly as may be practicable after the Grantee has been credited with a Dividend Equivalent.

7. **ADJUSTMENTS**. (a) The number or kind of shares of stock covered by these Terms and Conditions may be adjusted as the Administrator determines pursuant to Section 6.2 of the Plan in order to prevent dilution or expansion of the Grantee's rights under these Terms and Conditions as a result of events such as stock dividends, stock splits or other changes in the capital structure of Occidental, or any merger, consolidation, spin-off, liquidation or other corporate transaction having a similar effect. If any such adjustment occurs, the Company will give the Grantee written notice of the adjustment.

(b) In addition, the Administrator may adjust the Performance Goal or other features of this Grant as permitted by Section 4.2.3 of the Plan.

8. **NO EMPLOYMENT CONTRACT.** Nothing in these Terms and Conditions confers upon the Grantee any right with respect to continued employment by the Company, nor limits in any manner the right of the Company to terminate the employment or adjust the compensation of the Grantee.

9. **TAXES AND WITHHOLDING.** The Grantee is responsible for any federal, state, local or foreign tax, including income tax, social insurance, payroll tax, payment on account or other tax-related withholding with respect to the grant of Target Performance Shares (including the grant, the vesting, the receipt of Common Shares or cash, the sale of Common Shares and the receipt of dividends or dividend equivalents, if any). If the Company must withhold any tax in connection with the issuance of any Common Shares or the payment of cash or any other consideration pursuant to the grant of Target Performance Shares (other than the payment of Dividend Equivalents), the Grantee shall satisfy all or any part of any such withholding obligation first from any cash amount payable under these Terms and Conditions and, second by surrendering to the Company a portion of the Common Shares that are issued or transferred to the Grantee pursuant to these Terms and Conditions. Any Common Shares so surrendered by the Grantee shall be credited against the Grantee’s withholding obligation at their Certification Date Value. If the Company must withhold any tax in connection with granting or vesting of Target Performance Shares (including those for which receipt of the payout is deferred under a company-sponsored deferral program for cash or stock) or the payment of Dividend Equivalents pursuant to this grant of Target Performance Shares the Grantee by acknowledging these Terms and Conditions agrees that, so long as the Grantee is an employee of the Company for tax purposes, all or any part of any such withholding obligation shall be deducted from the Grantee’s wages or other cash compensation (including regular pay). The Grantee shall pay to the Company any amount that cannot be satisfied by the means previously described.

10. **COMPLIANCE WITH LAW.** The Company will make reasonable efforts to comply with all applicable federal, state and foreign securities laws; however, the Company will not issue any

Common Shares or other securities pursuant to these Terms and Conditions if their issuance would result in a violation of any such law.

11. **RELATION TO OTHER BENEFITS.** The benefits received by the Grantee under these Terms and Conditions will not be taken into account in determining any benefits to which the Grantee may be entitled under any profit sharing, retirement or other benefit or compensation plan maintained by the Company, including the amount of any life insurance coverage available to any beneficiary of the Grantee under any life insurance plan covering employees of the Company. Additionally, the Target Performance Shares are not part of normal or expected compensation or salary for any purposes, including, but not limited to calculation of any severance, resignation, termination, redundancy, end of service payments, bonuses or long-service awards. This grant of Target Performance Shares does not create any contractual or other right to receive future grants of Target Performance Shares, or benefits in lieu of Target Performance Shares, even if Grantee has a history of receiving Target Performance Shares or other stock awards.

12. **AMENDMENTS.** The Plan may be modified, amended, suspended or terminated by the Company at any time, as provided in the Plan. Any amendment to the Plan will be deemed to be an amendment to these Terms and Conditions to the extent it is applicable to these Terms and Conditions; however, no amendment will adversely affect the rights of the Grantee under these Terms and Conditions without the Grantee's consent.

13. **SEVERABILITY.** If one or more of the provisions of these Terms and Conditions is invalidated for any reason by a court of competent jurisdiction, the invalidated provisions shall be deemed to be separable from the other provisions of these Terms and Conditions, and the remaining provisions of these Terms and Conditions will continue to be valid and fully enforceable.

14. **RELATION TO PLAN; INTERPRETATION.** These Terms and Conditions are subject to the terms and conditions of the Plan. In the event of any inconsistent provisions between these Terms and Conditions and the Plan, the provisions of the Plan control. Capitalized terms used in these Terms and Conditions without definition have the meanings assigned to them in the Plan. References to Sections are to Sections of these Terms and Conditions unless otherwise noted.

15. **SUCCESSORS AND ASSIGNS.** Subject to Sections 2 and 4, the provisions of these Terms and Conditions shall be for the benefit of, and be binding upon, the successors, administrators, heirs, legal representatives and assigns of the Grantee, and the successors and assigns of the Company.

16. **GOVERNING LAW.** The laws of the State of Delaware govern the interpretation, performance, and enforcement of these Terms and Conditions.

17**.** **PRIVACY RIGHTS.** By accepting this award, the Grantee explicitly and unambiguously consents to the collection, use and transfer, in electronic or other form, of the Grantee’s personal data as described in these Terms and Conditions by and among, as applicable, the Company and its affiliates for the exclusive purpose of implementing, administering and managing the Grantee’s participation in the Plan. The Company holds or may receive from any agent designated by the Company certain personal information about the Grantee, including, but not limited to, the Grantee’s name, home address and telephone number, date of birth, social insurance number or other identification number, salary, nationality, job title, any shares of stock or directorships held in Occidental, details of this Target Performance Share award or any other entitlement to shares of stock awarded, canceled, exercised, vested, unvested or outstanding in the Grantee's favor, for the purpose of implementing, administering and managing the Plan, including complying with applicable tax and securities laws ("Data"). Data may be transferred to any third parties assisting in the implementation, administration and management of the Plan. These recipients may be located in the Grantee's country or elsewhere, and may have different data privacy laws and protections than the Grantee's country. By accepting these Terms and Conditions, the Grantee authorizes the recipients to receive, possess, use, retain and transfer the Data, in electronic or other form, for the purposes described above. The Grantee may, at any time, view Data, request additional information about the storage and processing of Data, require any necessary amendments to Data or refuse or withdraw the consents herein, in any case without cost, by contacting the Administrator in writing. Refusing or withdrawing consent may affect the Grantee's ability to participate in the Plan.

18. **ELECTRONIC DELIVERY.** The Company may, in its sole discretion, decide to deliver any documents related to this Target Performance Share award granted under the Plan or future awards that may be granted under the Plan (if any) by electronic means or to request the Grantee's consent to participate in the Plan by electronic means. The Grantee hereby consents to receive such documents by electronic delivery and, if requested, to participate in the Plan through an on-line or electronic system established and maintained by the Company or another third party designated by the Company.

19. **GRANTEE'S REPRESENTATIONS AND RELEASES.** By accepting this award, the Grantee acknowledges that the Grantee has read these Terms and Conditions and understands that (i) the grant of this Target Performance Share award is made voluntarily by Occidental in its discretion with no liability on the part of any of its direct or indirect subsidiaries and that, if the Grantee is not an employee of Occidental, the Grantee is not, and will not be considered, an employee of Occidental but the Grantee is a third party (employee of a subsidiary) to whom this Target Performance Share award is granted; (ii) the Grantee's participation in the Plan is voluntary; (iii) the future value of any Common shares issued pursuant to this Target Performance Share award cannot be predicted and Occidental does not assume liability in the event such Common Shares have no value in the future; and, (iv) subject to the terms of any tax equalization agreement between the Grantee and the entity employing the Grantee, the Grantee will be solely responsible for the payment or nonpayment of taxes imposed or threatened to be imposed by any authority of any jurisdiction.

In consideration of the grant of this Target Performance Share award, no claim or entitlement to compensation or damages shall arise from termination of this Target Performance Share award or diminution in value of this Target Performance Share award or Common Shares issued pursuant to this Target Performance Share award resulting from termination of the Grantee's employment by the Company (for any reason whatsoever and whether or not in breach of local labor laws) and the Grantee irrevocably releases the Company from any such claim that may arise; if, notwithstanding the foregoing, any such claim is found by a court of competent jurisdiction to have arisen, then, by accepting these Terms and Conditions, the Grantee shall be deemed irrevocably to have waived his or her entitlement to pursue such claim.

EXHIBIT 1

2004 Grant to OCC Participants

(% of Number of Target Shares of Performance Stock that become Nonforfeitable based on Comparison of Total Shareholder Return for the Peer Companies for the Performance Period)

Ranking	**8 Cos.**	**7 Cos.**	**6 Cos.**	**5 Cos.**	**4 Cos.**	**3 Cos.**	**2 Cos.**
1	100%	100%	100%	100%	100%	100%	*
2	83.5%	83.5%	75%	75%	66.5%	50%	**0%**
3	66.5%	66.5%	50%	50%	33.5%	**0%**	
4	50%	50%	50%	25%	**0%**		
5	50%	33.5%	25%	**0%**			
6	33.5%	16.5%	**0%**				
7	16.5%	**0%**					
8	**0%**						

* Subject to Committee Discretion

PLUS

(% of Number of Target Shares of Performance Stock that become Nonforfeitable based on Return on Assets for the Performance Period)

Return on Assets	Payout Percentage
10%	100%
9%	75%
8%	50%
7%	25%
6%	0%

If actual ROA falls between stated ROA's, payout percentages will be interpolated.

OCCIDENTAL PETROLEUM CORPORATION
2001 INCENTIVE COMPENSATION PLAN
AMENDED AND RESTATED PERFORMANCE-BASED STOCK AWARD
TERMS AND CONDITIONS FOR JANUARY 1, 2004 GRANT
(Effective June 20, 2005)

DATE OF GRANT:	**January 1, 2004**
TARGET PERFORMANCE SHARES:	**See "Shares Granted/Awarded" (Grant Acknowledgment screen)**
PERFORMANCE PERIOD:	**January 1, 2004 through December 31, 2007**

These **Terms and Conditions** (these "Terms and Conditions") are set forth as of the Date of Grant, and amended effective June 20, 2005, between OCCIDENTAL PETROLEUM CORPORATION, a Delaware corporation ("Occidental") and, with its subsidiaries, (the "Company"), and Grantee.

1. **GRANT OF TARGET PERFORMANCE SHARES**. In accordance with these Terms and Conditions and the Occidental Petroleum Corporation 2001 Incentive Compensation Plan, as amended from time to time (the "Plan"), Occidental grants to the Grantee as of the Date of Grant, the right to receive in Common Shares and cash up to 200% of the number/value of Target Performance Shares. For the purposes of these Terms and Conditions, "Target Performance Shares" means a bookkeeping entry that records the equivalent of Common Shares awarded pursuant to Section 4.2 of the Plan that is payable upon the achievement of the Performance Goals. Target Performance Shares are not Common Shares and have no voting rights or, except as stated in Section 6, dividend rights.

2. **RESTRICTIONS ON TRANSFER.** Neither these Terms and Conditions nor any right to receive Common Shares or cash pursuant to these Terms and Conditions may be transferred or assigned by the Grantee other than to a beneficiary designated on a form approved by the Company (if permitted by local law), by will or, if the Grantee dies without designating a beneficiary of a valid will, by the laws of descent and distribution, or (ii) pursuant to a domestic relations order, if applicable, (if approved or ratified by the Administrator).

3. **PERFORMANCE GOALS.** The Performance Goal for the Performance Period is based on (i) Return on Assets and (ii) a peer company comparison based on Total Shareholder Return, as set forth on Exhibit 1.

For the purposes of these Terms and Conditions, "Return on Assets" means the percentage obtained by (A) multiplying the sum of the before tax earnings for each year in the Performance Period of the division of the Company employing the Grantee by 0.65 and (B) dividing the resulting product by the sum of such division's Assets as of December 31 for each year in the Performance Period. For the purposes of the foregoing sentence, "Assets" will reflect all acquisitions, divestitures and write-downs during the Performance Period. For the purposes of these Terms and Conditions, Total Shareholder Return shall be calculated for each peer company using the average of its last reported sale price per share of common stock on the New York Stock Exchange - Composite Transactions for the last ten trading days of 2003 and the average of its last reported sale price per share of common stock on the New York Stock Exchange - Composite Transactions for the last ten trading days of 2007. In addition to the Company, the peer companies are: Amerada Hess Corporation, Anadarko Petroleum

Corporation, Burlington Resources Inc., ChevronTexaco Corp., ConocoPhillips, Kerr-McGee Corporation, and Unocal Corporation. If a peer company ceases to be a publicly-traded company at any time during the Performance Period or the Administrator determines pursuant to Section 7 of these Terms and Conditions to reflect a change in circumstances with respect to any peer company, then such company will be removed as a peer company, and the achievement of the Performance Goal will be determined with respect to the remaining peer companies as set forth on Exhibit 1.

4. **VESTING AND FORFEITURE OF TARGET PERFORMANCE SHARES**. (a) The Grantee must remain in the continuous employ of the Company through the last day of the Performance Period to receive payment of this award. The continuous employment of the Grantee will not be deemed to have been interrupted by reason of the transfer of the Grantee's employment among the Company and its affiliates or an approved leave of absence. However, if, prior to the end of the Performance Period, the Grantee dies or becomes permanently disabled while in the employ of the Company, retires under a Company-sponsored retirement plan or with the consent of the Company, or terminates employment for the convenience of the Company (each of the foregoing, a “Forfeiture Event”), then the number of Target Performance Shares upon which the Grantee's award is based will be reduced on a pro rata basis based upon the number of days remaining in the Performance Period following the date of the Forfeiture Event.

(b) The Grantee's right to receive payment of this award in an amount not to exceed 200% of the Target Performance Shares, rounded up to the nearest whole share, will be based and become nonforfeitable upon, the Administrator's certification of the attainment of the Performance Goals.

(c) For the purposes of Section 4(b), if prior to the end of the Performance Period, the Grantee transfers his employment among the Company and its affiliates, the amount of the award attained by the Grantee shall be determined by assessing the level of achievement of the Performance Goals certified by the Administrator for each employing entity and multiplying the number of Target Performance Shares attainable at such level by a fraction equal to the number of months in the Performance Period that the Grantee worked for the entity divided by the total number of months in the Performance Period.

(d) Notwithstanding Section 4(b), if a Change in Control Event occurs prior to the end of the Performance Period, the Grantee's right to receive Common Shares equal to the number of Target Performance Shares (as adjusted for any Forfeiture Event pursuant to Section 4(a)) will become nonforfeitable. The right to receive cash in excess of the number of Target Performance Shares (as adjusted for any Forfeiture Event pursuant to Section 4(a)) will be forfeited.

5. **PAYMENT OF AWARDS**. Up to and including 100% of the Target Performance Shares as adjusted pursuant to Sections 4 and 7 of these Terms and Conditions will be settled in Common Shares and the amount, if any, above 100% of the Target Performance Shares as so adjusted will be settled in cash. The cash payment will equal the closing price of the Common Shares on the New York Stock Exchange on the date of the Administrator's certification (the “Certification Date Value”) of the attainment of the Performance Goals and will be paid as promptly as possible after such date. The Common Shares covered by these Terms and Conditions or any prorated portion thereof shall be issued to the Grantee as promptly as practicable after the Administrator's certification of the attainment of the Performance Goals or the Change in Control Event, as the case may be.

6. **CREDITING AND PAYMENT OF DIVIDEND EQUIVALENTS**. With respect to the number of Target Performance Shares listed above, the Grantee will be credited on the books and records of Occidental with an amount (the "Dividend Equivalent") equal to the amount per share of any cash dividends declared by the Board on the outstanding Common Shares during the period beginning on the Date of Grant and ending with respect to any portion of the Target Performance Shares covered by these Terms and Conditions on the date on which the Grantee's right to receive such portion becomes nonforfeitable, or, if earlier, the date on which the Grantee forfeits the right to receive such portion. Occidental will pay in cash to the Grantee an amount equal to the Dividend Equivalents credited to such Grantee as promptly as may be practicable after the Grantee has been credited with a Dividend Equivalent.

7. **ADJUSTMENTS**. (a) The number or kind of shares of stock covered by these Terms and Conditions may be adjusted as the Administrator determines pursuant to Section 6.2 of the Plan in order to prevent dilution or expansion of the Grantee's rights under these Terms and Conditions as a result of events such as stock dividends, stock splits or other changes in the capital structure of Occidental, or any merger, consolidation, spin-off, liquidation or other corporate transaction having a similar effect. If any such adjustment occurs, the Company will give the Grantee written notice of the adjustment.

(b) In addition, the Administrator may adjust the Performance Goal or other features of this Grant as permitted by Section 4.2.3 of the Plan.

8. **NO EMPLOYMENT CONTRACT.** Nothing in these Terms and Conditions confers upon the Grantee any right with respect to continued employment by the Company, nor limits in any manner the right of the Company to terminate the employment or adjust the compensation of the Grantee.

9. **TAXES AND WITHHOLDING.** The Grantee is responsible for any federal, state, local or foreign tax, including income tax, social insurance, payroll tax, payment on account or other tax-related withholding with respect to the grant of Target Performance Shares (including the grant, the vesting, the receipt of Common Shares or cash, the sale of Common Shares and the receipt of dividends or dividend equivalents, if any). If the Company must withhold any tax in connection with the issuance of any Common Shares or the payment of cash or any other consideration pursuant to the grant of Target Performance Shares (other than the payment of Dividend Equivalents), the Grantee shall satisfy all or any part of any such withholding obligation first from any cash amount payable under these Terms and Conditions and, second by surrendering to the Company a portion of the Common Shares that are issued or transferred to the Grantee pursuant to these Terms and Conditions. Any Common Shares so surrendered by the Grantee shall be credited against the Grantee’s withholding obligation at their Certification Date Value. If the Company must withhold any tax in connection with granting or vesting of Target Performance Shares (including those for which receipt of the payout is deferred under a company-sponsored deferral program for cash or stock) or the payment of Dividend Equivalents pursuant to this grant of Target Performance Shares, the Grantee by acknowledging these Terms and Conditions agrees that, so long as the Grantee is an employee of the Company for tax purposes, all or any part of any such withholding obligation shall be deducted from the Grantee’s wages or other cash compensation (including regular pay). The Grantee shall pay to the Company any amount that cannot be satisfied by the means previously described.

10. **COMPLIANCE WITH LAW.** The Company will make reasonable efforts to comply with all applicable federal, state and foreign securities laws; however, the Company will not issue any Common Shares or other securities pursuant to these Terms and Conditions if their issuance would result in a violation of any such law.

11. **RELATION TO OTHER BENEFITS.** The benefits received by the Grantee under these Terms and Conditions will not be taken into account in determining any benefits to which the Grantee may be entitled under any profit sharing, retirement or other benefit or compensation plan maintained by the Company, including the amount of any life insurance coverage available to any beneficiary of the Grantee under any life insurance plan covering employees of the Company. Additionally, the Target Performance Shares are not part of normal or expected compensation or salary for any purposes, including, but not limited to calculation of any severance, resignation, termination, redundancy, end of service payments, bonuses or long-service awards. This grant of Target Performance Shares does not create any contractual or other right to receive future grants of Target Performance Shares, or benefits in lieu of Target Performance Shares, even if Grantee has a history of receiving Target Performance Shares or other stock awards.

12. **AMENDMENTS.** The Plan may be modified, amended, suspended or terminated by the Company at any time, as provided in the Plan. Any amendment to the Plan will be deemed to be an amendment to these Terms and Conditions to the extent it is applicable to these Terms and Conditions; however, no amendment will adversely affect the rights of the Grantee under these Terms and Conditions without the Grantee's consent.

13. **SEVERABILITY.** If one or more of the provisions of these Terms and Conditions is invalidated for any reason by a court of competent jurisdiction, the invalidated provisions shall be deemed to be separable from the other provisions of these Terms and Conditions, and the remaining provisions of these Terms and Conditions will continue to be valid and fully enforceable.

14. **RELATION TO PLAN; INTERPRETATION.** These Terms and Conditions are subject to the terms and conditions of the Plan. In the event of any inconsistent provisions between these Terms and Conditions and the Plan, the provisions of the Plan control. Capitalized terms used in these Terms and Conditions without definition have the meanings assigned to them in the Plan. References to Sections are to Sections of these Terms and Conditions unless otherwise noted.

15. **SUCCESSORS AND ASSIGNS.** Subject to Sections 2 and 4, the provisions of these Terms and Conditions shall be for the benefit of, and be binding upon, the successors, administrators, heirs, legal representatives and assigns of the Grantee, and the successors and assigns of the Company.

16. **GOVERNING LAW.** The laws of the State of Delaware govern the interpretation, performance, and enforcement of these Terms and Conditions.

17. **PRIVACY RIGHTS.** By accepting this award, the Grantee explicitly and unambiguously consents to the collection, use and transfer, in electronic or other form, of the Grantee’s personal data as described in these Terms and Conditions by and among, as applicable, the Company and its affiliates for the exclusive purpose of implementing, administering and managing the Grantee’s participation in the Plan. The Company holds or may receive from any agent

designated by the Company certain personal information about the Grantee, including, but not limited to, the Grantee's name, home address and telephone number, date of birth, social insurance number or other identification number, salary, nationality, job title, any shares of stock or directorships held in Occidental, details of this Target Performance Share award or any other entitlement to shares of stock awarded, canceled, exercised, vested, unvested or outstanding in the Grantee's favor, for the purpose of implementing, administering and managing the Plan, including complying with applicable tax and securities laws ("Data"). Data may be transferred to any third parties assisting in the implementation, administration and management of the Plan. These recipients may be located in the Grantee's country or elsewhere, and may have different data privacy laws and protections than the Grantee's country. By accepting these Terms and Conditions, the Grantee authorizes the recipients to receive, possess, use, retain and transfer the Data, in electronic or other form, for the purposes described above. The Grantee may, at any time, view Data, request additional information about the storage and processing of Data, require any necessary amendments to Data or refuse or withdraw the consents herein, in any case without cost, by contacting the Administrator in writing. Refusing or withdrawing consent may affect the Grantee's ability to participate in the Plan.

18. **ELECTRONIC DELIVERY.** The Company may, in its sole discretion, decide to deliver any documents related to this Target Performance Share award granted under the Plan or future awards that may be granted under the Plan (if any) by electronic means or to request the Grantee's consent to participate in the Plan by electronic means. The Grantee hereby consents to receive such documents by electronic delivery and, if requested, to participate in the Plan through an on-line or electronic system established and maintained by the Company or another third party designated by the Company.

19. **GRANTEE'S REPRESENTATIONS AND RELEASES.** By accepting this award, the Grantee acknowledges that the Grantee has read these Terms and Conditions and understands that (i) the grant of this Target Performance Share award is made voluntarily by Occidental in its discretion with no liability on the part of any of its direct or indirect subsidiaries and that, if the Grantee is not an employee of Occidental, the Grantee is not, and will not be considered, an employee of Occidental but the Grantee is a third party (employee of a subsidiary) to whom this Target Performance Share award is granted; (ii) the Grantee's participation in the Plan is voluntary; (iii) the future value of any Common shares issued pursuant to this Target Performance Share award cannot be predicted and Occidental does not assume liability in the event such Common Shares have no value in the future; and, (iv) subject to the terms of any tax equalization agreement between the Grantee and the entity employing the Grantee, the Grantee will be solely responsible for the payment or nonpayment of taxes imposed or threatened to be imposed by any authority of any jurisdiction.

In consideration of the grant of this Target Performance Share award, no claim or entitlement to compensation or damages shall arise from termination of this Target Performance Share award or diminution in value of this Target Performance Share award or Common Shares issued pursuant to this Target Performance Share award resulting from termination of the Grantee's employment by the Company (for any reason whatsoever and whether or not in breach of local labor laws) and the Grantee irrevocably releases the Company from any such claim that may arise; if, notwithstanding the foregoing, any such claim is found by a court of competent jurisdiction to have arisen, then, by accepting these Terms and Conditions, the Grantee shall be deemed irrevocably to have waived his or her entitlement to pursue such claim.

EXHIBIT 1

2004 Grant to OOGC Participants

(% of Number of Target Shares of Performance Stock that become Nonforfeitable based on Comparison of Total Shareholder Return for the Peer Companies for the Performance Period)

Ranking	**8 Cos.**	**7 Cos.**	**6 Cos.**	**5 Cos.**	**4 Cos.**	**3 Cos.**	**2 Cos.**
1	100%	100%	100%	100%	100%	100%	*
2	83.5%	83.5%	75%	75%	66.5%	50%	**0%**
3	66.5%	66.5%	50%	50%	33.5%	**0%**	
4	50%	50%	50%	25%	**0%**		
5	50%	33.5%	25%	**0%**			
6	33.5%	16.5%	**0%**				
7	16.5%	**0%**					
8	**0%**						

*Subject to Committee Discretion

PLUS

(% of Number of Target Shares of Performance Stock that become Nonforfeitable based on Return on Assets for the Performance Period)

Return on Assets	Payout Percentage
12%	100%
9%	50%
6%	0%

If actual ROA falls between stated ROA's, payout percentages will be interpolated.

OCCIDENTAL PETROLEUM CORPORATION
2001 INCENTIVE COMPENSATION PLAN
AMENDED AND RESTATED PERFORMANCE-BASED STOCK AWARD
TERMS AND CONDITIONS FOR JANUARY 1, 2005 GRANT
(Effective June 20, 2005)

DATE OF GRANT:	**January 1, 2005**
TARGET PERFORMANCE SHARES:	**See “Shares Granted/Awarded” (Grant Acknowledgment screen)**
PERFORMANCE PERIOD:	**January 1, 2005 through December 31, 2008**

These **Terms and Conditions** (these “Terms and Conditions”) are set forth as of the Date of Grant, and amended effective June 20, 2005, between OCCIDENTAL PETROLEUM CORPORATION, a Delaware corporation ("Occidental") and, with its subsidiaries, (the "Company"), and Grantee.

1. **GRANT OF TARGET PERFORMANCE SHARES**. In accordance with these Terms and Conditions and the Occidental Petroleum Corporation 2001 Incentive Compensation Plan, as amended from time to time (the "Plan"), Occidental grants to the Grantee as of the Date of Grant, the right to receive in Common Shares and cash up to 200% of the number/value of Target Performance Shares. For the purposes of these Terms and Conditions, “Target Performance Shares” means a bookkeeping entry that records the equivalent of Common Shares awarded pursuant to Section 4.2 of the Plan that is payable upon the achievement of the Performance Goals. Target Performance Shares are not Common Shares and have no voting rights or, except as stated in Section 6, dividend rights.

2. **RESTRICTIONS ON TRANSFER.** Neither these Terms and Conditions nor any right to receive Common Shares or cash pursuant to these Terms and Conditions may be transferred or assigned by the Grantee other than (i) to a beneficiary designated on a form approved by the Company (if permitted by local law), by will or, if the Grantee dies without designating a beneficiary of a valid will, by the laws of descent and distribution, or (ii) pursuant to a domestic relations order, if applicable, (if approved or ratified by the Administrator).

3. **PERFORMANCE GOALS.** The Performance Goal for the Performance Period is a peer company comparison based on Total Shareholder Return, as set forth on Exhibit 1. Total Shareholder Return shall be calculated for each peer company using the average of its last reported sale price per share of common stock on the New York Stock Exchange - Composite Transactions for the last ten trading days of 2004 and the average of its last reported sale price per share of common stock on the New York Stock Exchange - Composite Transactions for the last ten trading days of 2008. In addition to the Company, the peer companies are: Amerada Hess Corporation, Anadarko Petroleum Corporation, Burlington Resources Inc., ChevronTexaco Corp., ConocoPhillips, Kerr-McGee Corporation, and Unocal Corporation. If a peer company ceases to be a publicly-traded company at any time during the Performance Period or the Administrator determines pursuant to Section 7 of these Terms and Conditions to reflect a change in circumstances with respect to any peer company, then such company will be removed as a peer company and the achievement of the Performance Goal will be determined with respect to the remaining peer companies as set forth on Exhibit 1.

4. **VESTING AND FORFEITURE OF TARGET PERFORMANCE SHARES**. (a) The Grantee must remain in the continuous employ of the Company through the last day of the Performance Period to receive payment of this award. The continuous employment of the Grantee will not be deemed to have been interrupted by reason of the transfer of the Grantee's employment among the Company and its affiliates or an approved leave of absence. However, if, prior to the end of the Performance Period, the Grantee dies or becomes permanently disabled while in the employ of the Company, retires under a Company-sponsored retirement plan or with the consent of the Company, or terminates employment for the convenience of the Company (each of the foregoing, a "Forfeiture Event"), then the number of Target Performance Shares upon which the Grantee's award is based will be reduced on a pro rata basis based upon the number of days remaining in the Performance Period following the date of the Forfeiture Event.

(b) The Grantee's right to receive payment of this award in an amount not to exceed 200% of the Target Performance Shares, rounded up to the nearest whole share, will be based and become nonforfeitable upon, the Administrator's certification of the attainment of the Performance Goals.

(c) For the purposes of Section 4(b), if prior to the end of the Performance Period, the Grantee transfers his employment among the Company and its affiliates, the amount of the award attained by the Grantee shall be determined by assessing the level of achievement of the Performance Goals certified by the Administrator for each employing entity and multiplying the number of Target Performance Shares attainable at such level by a fraction equal to the number of months in the Performance Period that the Grantee worked for the entity divided by the total number of months in the Performance Period.

(d) Notwithstanding Section 4(b), if a Change in Control Event occurs prior to the end of the Performance Period, the Grantee's right to receive Common Shares equal to the number of Target Performance Shares (as adjusted for any Forfeiture Event pursuant to Section 4(a)) will become nonforfeitable. The right to receive cash in excess of the number of Target Performance Shares (as adjusted for any Forfeiture Event pursuant to Section 4(a)) will be forfeited.

5. **PAYMENT OF AWARDS; ELECTIVE DEFERRAL**. Up to and including 100% of the Target Performance Shares as adjusted pursuant to Sections 4 and 7 of these Terms and Conditions will be settled in Common Shares and the amount, if any, above 100% of the Target Performance Shares as so adjusted will be settled in cash. The cash payment will equal the closing price of the Common Shares on the New York Stock Exchange on the date of the Administrator's certification (the "Certification Date Value") of the attainment of the Performance Goals and will be paid as promptly as possible after such date. The Common Shares covered by these Terms and Conditions or any prorated portion thereof shall be issued to the Grantee as promptly as practicable after the Administrator's certification of the attainment of the Performance Goals or the Change in Control Event, as the case may be. Notwithstanding the foregoing, the Grantee may elect pursuant to the Occidental Petroleum Corporation 2005 Deferred Stock Program and the Occidental Petroleum Corporation 2005 Deferred Compensation Plan to defer receipt of any Common Shares and cash to which Grantee may be entitled following certification of the attainment of the Performance Goals.

6. **CREDITING AND PAYMENT OF DIVIDEND EQUIVALENTS**. With respect to the number of Target Performance Shares listed above, the Grantee will be credited on the books and records of Occidental with an amount (the "Dividend Equivalent") equal to the amount per share of any

cash dividends declared by the Board on the outstanding Common Shares during the period beginning on the Date of Grant and ending with respect to any portion of the Target Performance Shares covered by these Terms and Conditions on the date on which the Grantee's right to receive such portion becomes nonforfeitable, or, if earlier, the date on which the Grantee forfeits the right to receive such portion. Occidental will pay in cash to the Grantee an amount equal to the Dividend Equivalents credited to such Grantee as promptly as may be practicable after the Grantee has been credited with a Dividend Equivalent.

7. **ADJUSTMENTS**. (a) The number or kind of shares of stock covered by these Terms and Conditions may be adjusted as the Administrator determines pursuant to Section 6.2 of the Plan in order to prevent dilution or expansion of the Grantee's rights under these Terms and Conditions as a result of events such as stock dividends, stock splits or other changes in the capital structure of Occidental, or any merger, consolidation, spin-off, liquidation or other corporate transaction having a similar effect. If any such adjustment occurs, the Company will give the Grantee written notice of the adjustment.

(b) In addition, the Administrator may adjust the Performance Goal or other features of this Grant as permitted by Section 4.2.3 of the Plan.

8. **NO EMPLOYMENT CONTRACT.** Nothing in these Terms and Conditions confers upon the Grantee any right with respect to continued employment by the Company, nor limits in any manner the right of the Company to terminate the employment or adjust the compensation of the Grantee.

9. **TAXES AND WITHHOLDING.** The Grantee is responsible for any federal, state, local or foreign tax, including income tax, social insurance, payroll tax, payment on account or other tax-related withholding with respect to the grant of Target Performance Shares (including the grant, the vesting, the receipt of Common Shares or cash, the sale of Common Shares and the receipt of dividends or dividend equivalents, if any). If the Company must withhold any tax in connection with the issuance of any Common Shares or the payment of cash or any other consideration pursuant to the grant of Target Performance Shares (other than the payment of Dividend Equivalents), the Grantee shall satisfy all or any part of any such withholding obligation first from any cash amount payable under these Terms and Conditions and, second by surrendering to the Company a portion of the Common Shares that are issued or transferred to the Grantee pursuant to these Terms and Conditions. Any Common Shares so surrendered by the Grantee shall be credited against the Grantee's withholding obligation at their Certification Date Value. If the Company must withhold any tax in connection with granting or vesting of Target Performance Shares (including those for which receipt of the payout is deferred under a company-sponsored deferral program for cash or stock) or the payment of Dividend Equivalents pursuant to this grant of Target Performance Shares, the Grantee by acknowledging these Terms and Conditions agrees that, so long as the Grantee is an employee of the Company for tax purposes, all or any part of any such withholding obligation shall be deducted from the Grantee's wages or other cash compensation (including regular pay). The Grantee shall pay to the Company any amount that cannot be satisfied by the means previously described.

10. **COMPLIANCE WITH LAW.** The Company will make reasonable efforts to comply with all applicable federal, state and foreign securities laws; however, the Company will not issue any Common Shares or other securities pursuant to these Terms and Conditions if their issuance would result in a violation of any such law.

11. **RELATION TO OTHER BENEFITS.** The benefits received by the Grantee under these Terms and Conditions will not be taken into account in determining any benefits to which the Grantee may be entitled under any profit sharing, retirement or other benefit or compensation plan maintained by the Company, including the amount of any life insurance coverage available to any beneficiary of the Grantee under any life insurance plan covering employees of the Company. Additionally, the Target Performance Shares are not part of normal or expected compensation or salary for any purposes, including, but not limited to calculation of any severance, resignation, termination, redundancy, end of service payments, bonuses or long-service awards. This grant of Target Performance Shares does not create any contractual or other right to receive future grants of Target Performance Shares, or benefits in lieu of Target Performance Shares, even if Grantee has a history of receiving Target Performance Shares or other stock awards.

12. **AMENDMENTS.** The Plan may be modified, amended, suspended or terminated by the Company at any time, as provided in the Plan. Any amendment to the Plan will be deemed to be an amendment to these Terms and Conditions to the extent it is applicable to these Terms and Conditions; however, no amendment will adversely affect the rights of the Grantee under these Terms and Conditions without the Grantee's consent.

13. **SEVERABILITY.** If one or more of the provisions of these Terms and Conditions is invalidated for any reason by a court of competent jurisdiction, the invalidated provisions shall be deemed to be separable from the other provisions of these Terms and Conditions, and the remaining provisions of these Terms and Conditions will continue to be valid and fully enforceable.

14. **RELATION TO PLAN; INTERPRETATION.** These Terms and Conditions are subject to the terms and conditions of the Plan. In the event of any inconsistent provisions between these Terms and Conditions and the Plan, the provisions of the Plan control. Capitalized terms used in these Terms and Conditions without definition have the meanings assigned to them in the Plan. References to Sections are to Sections of these Terms and Conditions unless otherwise noted.

15. **SUCCESSORS AND ASSIGNS.** Subject to Sections 2 and 4, the provisions of these Terms and Conditions shall be for the benefit of, and be binding upon, the successors, administrators, heirs, legal representatives and assigns of the Grantee, and the successors and assigns of the Company.

16. **GOVERNING LAW.** The laws of the State of Delaware govern the interpretation, performance, and enforcement of these Terms and Conditions.

17. **PRIVACY RIGHTS.** By accepting this award, the Grantee explicitly and unambiguously consents to the collection, use and transfer, in electronic or other form, of the Grantee’s personal data as described in these Terms and Conditions by and among, as applicable, the Company and its affiliates for the exclusive purpose of implementing, administering and managing the Grantee’s participation in the Plan. The Company holds or may receive from any agent designated by the Company certain personal information about the Grantee, including, but not limited to, the Grantee’s name, home address and telephone number, date of birth, social insurance number or other identification number, salary, nationality, job title, any shares of stock or directorships held in Occidental, details of this Target Performance Share award or any other entitlement to shares of stock awarded, canceled, exercised, vested, unvested or outstanding in

the Grantee's favor, for the purpose of implementing, administering and managing the Plan, including complying with applicable tax and securities laws ("Data"). Data may be transferred to any third parties assisting in the implementation, administration and management of the Plan. These recipients may be located in the Grantee's country or elsewhere, and may have different data privacy laws and protections than the Grantee's country. By accepting these Terms and Conditions, the Grantee authorizes the recipients to receive, possess, use, retain and transfer the Data, in electronic or other form, for the purposes described above. The Grantee may, at any time, view Data, request additional information about the storage and processing of Data, require any necessary amendments to Data or refuse or withdraw the consents herein, in any case without cost, by contacting the Administrator in writing. Refusing or withdrawing consent may affect the Grantee's ability to participate in the Plan.

18. **ELECTRONIC DELIVERY.** The Company may, in its sole discretion, decide to deliver any documents related to this Target Performance Share award granted under the Plan or future awards that may be granted under the Plan (if any) by electronic means or to request the Grantee's consent to participate in the Plan by electronic means. The Grantee hereby consents to receive such documents by electronic delivery and, if requested, to participate in the Plan through an on-line or electronic system established and maintained by the Company or another third party designated by the Company.

19. **GRANTEE'S REPRESENTATIONS AND RELEASES.** By accepting this award, the Grantee acknowledges that the Grantee has read these Terms and Conditions and understands that (i) the grant of this Target Performance Share award is made voluntarily by Occidental in its discretion with no liability on the part of any of its direct or indirect subsidiaries and that, if the Grantee is not an employee of Occidental, the Grantee is not, and will not be considered, an employee of Occidental but the Grantee is a third party (employee of a subsidiary) to whom this Target Performance Share award is granted; (ii) the Grantee's participation in the Plan is voluntary; (iii) the future value of any Common shares issued pursuant to this Target Performance Share award cannot be predicted and Occidental does not assume liability in the event such Common Shares have no value in the future; and, (iv) subject to the terms of any tax equalization agreement between the Grantee and the entity employing the Grantee, the Grantee will be solely responsible for the payment or nonpayment of taxes imposed or threatened to be imposed by any authority of any jurisdiction.

In consideration of the grant of this Target Performance Share award, no claim or entitlement to compensation or damages shall arise from termination of this Target Performance Share award or diminution in value of this Target Performance Share award or Common Shares issued pursuant to this Target Performance Share award resulting from termination of the Grantee's employment by the Company (for any reason whatsoever and whether or not in breach of local labor laws) and the Grantee irrevocably releases the Company from any such claim that may arise; if, notwithstanding the foregoing, any such claim is found by a court of competent jurisdiction to have arisen, then, by accepting these Terms and Conditions, the Grantee shall be deemed irrevocably to have waived his or her entitlement to pursue such claim.

EXHIBIT 1

2005 Grant to OPC Participants

(% of Number of Target Shares of Performance Stock that become Nonforfeitable based on Comparison of Total Shareholder Return for the Peer Companies for the Performance Period)

Ranking	**8 Cos.**	**7 Cos.**	**6 Cos.**	**5 Cos.**	**4 Cos.**	**3 Cos.**	**2 Cos.**
1	200%	200%	200%	200%	200%	200%	*
2	167%	167%	150%	150%	133%	100%	**0%**
3	133%	133%	100%	100%	67%	**0%**	
4	100%	100%	100%	50%	**0%**		
5	100%	67%	50%	**0%**			
6	67%	33%	**0%**				
7	33%	**0%**					
8	**0%**						

* Subject to Committee Discretion.

OCCIDENTAL PETROLEUM CORPORATION
2001 INCENTIVE COMPENSATION PLAN
AMENDED AND RESTATED PERFORMANCE-BASED STOCK AWARD
TERMS AND CONDITIONS FOR JANUARY 1, 2005
(Effective June 20, 2005)

DATE OF GRANT:	**January 1, 2005**
TARGET PERFORMANCE SHARES:	**See "Shares Granted/Awarded" (Grant Acknowledgment screen)**
PERFORMANCE PERIOD:	**January 1, 2005 through December 31, 2008**

These **Terms and Conditions** (these "Terms and Conditions") are set forth as of the Date of Grant, and amended effective June 20, 2005, between OCCIDENTAL PETROLEUM CORPORATION, a Delaware corporation ("Occidental") and, with its subsidiaries, (the "Company"), and Grantee.

1. **GRANT OF TARGET PERFORMANCE SHARES**. In accordance with these Terms and Conditions and the Occidental Petroleum Corporation 2001 Incentive Compensation Plan, as amended from time to time (the "Plan"), Occidental grants to the Grantee as of the Date of Grant, the right to receive in Common Shares and cash up to 200% of the number/value of Target Performance Shares. For the purposes of these Terms and Conditions, "Target Performance Shares" means a bookkeeping entry that records the equivalent of Common Shares awarded pursuant to Section 4.2 of the Plan that is payable upon the achievement of the Performance Goals. Target Performance Shares are not Common Shares and have no voting rights or, except as stated in Section 6, dividend rights.

2. **RESTRICTIONS ON TRANSFER.** Neither these Terms and Conditions nor any right to receive Common Shares or cash pursuant to these Terms and Conditions may be transferred or assigned by the Grantee other than to a beneficiary designated on a form approved by the Company (if permitted by local law), by will or, if the Grantee dies without designating a beneficiary of a valid will, by the laws of descent and distribution, or (ii) pursuant to a domestic relations order, if applicable, (if approved or ratified by the Administrator).

3. **PERFORMANCE GOALS.** The Performance Goal for the Performance Period is based on (i) Return on Assets and (ii) a peer company comparison based on Total Shareholder Return, as set forth on Exhibit 1.

For the purposes of these Terms and Conditions, "Return on Assets" means the percentage obtained by (A) multiplying the sum of the before tax earnings for each year in the Performance Period of the division of the Company employing the Grantee by 0.65 and (B) dividing the resulting product by the sum of such division's Assets as of December 31 for each year in the Performance Period. For the purposes of the foregoing sentence, "Assets" will reflect all acquisitions, divestitures and write-downs during the Performance Period. For the purposes of these Terms and Conditions, Total Shareholder Return shall be calculated for each peer company using the average of its last reported sale price per share of common stock on the New York Stock Exchange - Composite Transactions for the last ten trading days of 2004 and the average of its last reported sale price per share of common stock on the New York Stock Exchange - Composite Transactions for the last ten trading days of 2008. In addition to the Company, the peer companies are: Amerada Hess Corporation, Anadarko Petroleum Corporation, Burlington Resources Inc., ChevronTexaco Corp., ConocoPhillips, Kerr-McGee

Corporation, and Unocal Corporation. If a peer company ceases to be a publicly-traded company at any time during the Performance Period or the Administrator determines pursuant to Section 7 of these Terms and Conditions to reflect a change in circumstances with respect to any peer company, then such company will be removed as a peer company, and the achievement of the Performance Goal will be determined with respect to the remaining peer companies as set forth on Exhibit 1.

4. **VESTING AND FORFEITURE OF TARGET PERFORMANCE SHARES**. (a) The Grantee must remain in the continuous employ of the Company through the last day of the Performance Period to receive payment of this award. The continuous employment of the Grantee will not be deemed to have been interrupted by reason of the transfer of the Grantee's employment among the Company and its affiliates or an approved leave of absence. However, if, prior to the end of the Performance Period, the Grantee dies or becomes permanently disabled while in the employ of the Company, retires under a Company-sponsored retirement plan or with the consent of the Company, or terminates employment for the convenience of the Company (each of the foregoing, a "Forfeiture Event"), then the number of Target Performance Shares upon which the Grantee's award is based will be reduced on a pro rata basis based upon the number of days remaining in the Performance Period following the date of the Forfeiture Event.

(b) The Grantee's right to receive payment of this award in an amount not to exceed 200% of the Target Performance Shares, rounded up to the nearest whole share, will be based and become nonforfeitable upon, the Administrator's certification of the attainment of the Performance Goals.

(c) For the purposes of Section 4(b), if prior to the end of the Performance Period, the Grantee transfers his employment among the Company and its affiliates, the amount of the award attained by the Grantee shall be determined by assessing the level of achievement of the Performance Goals certified by the Administrator for each employing entity and multiplying the number of Target Performance Shares attainable at such level by a fraction equal to the number of months in the Performance Period that the Grantee worked for the entity divided by the total number of months in the Performance Period.

(d) Notwithstanding Section 4(b), if a Change in Control Event occurs prior to the end of the Performance Period, the Grantee's right to receive Common Shares equal to the number of Target Performance Shares (as adjusted for any Forfeiture Event pursuant to Section 4(a)) will become nonforfeitable. The right to receive cash in excess of the number of Target Performance Shares (as adjusted for any Forfeiture Event pursuant to Section 4(a)) will be forfeited.

5. **PAYMENT OF AWARDS; ELECTIVE DEFERRAL**. Up to and including 100% of the Target Performance Shares as adjusted pursuant to Sections 4 and 7 of these Terms and Conditions will be settled in Common Shares and the amount, if any, above 100% of the Target Performance Shares as so adjusted will be settled in cash. The cash payment will equal the closing price of the Common Shares on the New York Stock Exchange on the date of the Administrator's certification (the "Certification Date Value") of the attainment of the Performance Goals and will be paid as promptly as possible after such date. The Common Shares covered by these Terms and Conditions or any prorated portion thereof shall be issued to the Grantee as promptly as practicable after the Administrator's certification of the attainment of the Performance Goals or the Change in Control Event, as the case may be. Notwithstanding the foregoing, the Grantee may elect pursuant to the Occidental Petroleum Corporation 2005

Deferred Stock Program and the Occidental Petroleum Corporation 2005 Deferred Compensation Plan to defer receipt of any Common Shares and cash to which Grantee may be entitled following certification of the attainment of the Performance Goals.

6. **CREDITING AND PAYMENT OF DIVIDEND EQUIVALENTS**. With respect to the number of Target Performance Shares listed above, the Grantee will be credited on the books and records of Occidental with an amount (the "Dividend Equivalent") equal to the amount per share of any cash dividends declared by the Board on the outstanding Common Shares during the period beginning on the Date of Grant and ending with respect to any portion of the Target Performance Shares covered by these Terms and Conditions on the date on which the Grantee's right to receive such portion becomes nonforfeitable, or, if earlier, the date on which the Grantee forfeits the right to receive such portion. Occidental will pay in cash to the Grantee an amount equal to the Dividend Equivalents credited to such Grantee as promptly as may be practicable after the Grantee has been credited with a Dividend Equivalent.

7. **ADJUSTMENTS**. (a) The number or kind of shares of stock covered by these Terms and Conditions may be adjusted as the Administrator determines pursuant to Section 6.2 of the Plan in order to prevent dilution or expansion of the Grantee's rights under these Terms and Conditions as a result of events such as stock dividends, stock splits or other changes in the capital structure of Occidental, or any merger, consolidation, spin-off, liquidation or other corporate transaction having a similar effect. If any such adjustment occurs, the Company will give the Grantee written notice of the adjustment.

(b) In addition, the Administrator may adjust the Performance Goal or other features of this Grant as permitted by Section 4.2.3 of the Plan.

8. **NO EMPLOYMENT CONTRACT.** Nothing in these Terms and Conditions confers upon the Grantee any right with respect to continued employment by the Company, nor limits in any manner the right of the Company to terminate the employment or adjust the compensation of the Grantee.

9. **TAXES AND WITHHOLDING.** The Grantee is responsible for any federal, state, local or foreign tax, including income tax, social insurance, payroll tax, payment on account or other tax-related withholding with respect to the grant of Target Performance Shares (including the grant, the vesting, the receipt of Common Shares or cash, the sale of Common Shares and the receipt of dividends or dividend equivalents, if any). If the Company must withhold any tax in connection with the issuance of any Common Shares or the payment of cash or any other consideration pursuant to the grant of Target Performance Shares (other than the payment of Dividend Equivalents), the Grantee shall satisfy all or any part of any such withholding obligation first from any cash amount payable under these Terms and Conditions and, second by surrendering to the Company a portion of the Common Shares that are issued or transferred to the Grantee pursuant to these Terms and Conditions. Any Common Shares so surrendered by the Grantee shall be credited against the Grantee’s withholding obligation at their Certification Date Value. If the Company must withhold any tax in connection with granting or vesting of Target Performance Shares (including those for which receipt of the payout is deferred under a company-sponsored deferral program for cash or stock) or the payment of Dividend Equivalents pursuant to this grant of Target Performance Shares the Grantee by acknowledging these Terms and Conditions agrees that, so long as the Grantee is an employee of the Company for tax purposes, all or any part of any such withholding obligation shall be deducted from the

Grantee's wages or other cash compensation (including regular pay). The Grantee shall pay to the Company any amount that cannot be satisfied by the means previously described.

10. **COMPLIANCE WITH LAW.** The Company will make reasonable efforts to comply with all applicable federal, state and foreign securities laws; however, the Company will not issue any Common Shares or other securities pursuant to these Terms and Conditions if their issuance would result in a violation of any such law.

11. **RELATION TO OTHER BENEFITS.** The benefits received by the Grantee under these Terms and Conditions will not be taken into account in determining any benefits to which the Grantee may be entitled under any profit sharing, retirement or other benefit or compensation plan maintained by the Company, including the amount of any life insurance coverage available to any beneficiary of the Grantee under any life insurance plan covering employees of the Company. Additionally, the Target Performance Shares are not part of normal or expected compensation or salary for any purposes, including, but not limited to calculation of any severance, resignation, termination, redundancy, end of service payments, bonuses or long-service awards. This grant of Target Performance Shares does not create any contractual or other right to receive future grants of Target Performance Shares, or benefits in lieu of Target Performance Shares, even if Grantee has a history of receiving Target Performance Shares or other stock awards.

12. **AMENDMENTS.** The Plan may be modified, amended, suspended or terminated by the Company at any time, as provided in the Plan. Any amendment to the Plan will be deemed to be an amendment to these Terms and Conditions to the extent it is applicable to these Terms and Conditions; however, no amendment will adversely affect the rights of the Grantee under these Terms and Conditions without the Grantee's consent.

13. **SEVERABILITY.** If one or more of the provisions of these Terms and Conditions is invalidated for any reason by a court of competent jurisdiction, the invalidated provisions shall be deemed to be separable from the other provisions of these Terms and Conditions, and the remaining provisions of these Terms and Conditions will continue to be valid and fully enforceable.

14. **RELATION TO PLAN; INTERPRETATION.** These Terms and Conditions are subject to the terms and conditions of the Plan. In the event of any inconsistent provisions between these Terms and Conditions and the Plan, the provisions of the Plan control. Capitalized terms used in these Terms and Conditions without definition have the meanings assigned to them in the Plan. References to Sections are to Sections of these Terms and Conditions unless otherwise noted.

15. **SUCCESSORS AND ASSIGNS.** Subject to Sections 2 and 4, the provisions of these Terms and Conditions shall be for the benefit of, and be binding upon, the successors, administrators, heirs, legal representatives and assigns of the Grantee, and the successors and assigns of the Company.

16. **GOVERNING LAW.** The laws of the State of Delaware govern the interpretation, performance, and enforcement of these Terms and Conditions.

17. **PRIVACY RIGHTS.** By accepting this award, the Grantee explicitly and unambiguously consents to the collection, use and transfer, in electronic or other form, of the Grantee's personal

data as described in these Terms and Conditions by and among, as applicable, the Company and its affiliates for the exclusive purpose of implementing, administering and managing the Grantee's participation in the Plan. The Company holds or may receive from any agent designated by the Company certain personal information about the Grantee, including, but not limited to, the Grantee's name, home address and telephone number, date of birth, social insurance number or other identification number, salary, nationality, job title, any shares of stock or directorships held in Occidental, details of this Target Performance Share award or any other entitlement to shares of stock awarded, canceled, exercised, vested, unvested or outstanding in the Grantee's favor, for the purpose of implementing, administering and managing the Plan, including complying with applicable tax and securities laws ("Data"). Data may be transferred to any third parties assisting in the implementation, administration and management of the Plan. These recipients may be located in the Grantee's country or elsewhere, and may have different data privacy laws and protections than the Grantee's country. By accepting these Terms and Conditions, the Grantee authorizes the recipients to receive, possess, use, retain and transfer the Data, in electronic or other form, for the purposes described above. The Grantee may, at any time, view Data, request additional information about the storage and processing of Data, require any necessary amendments to Data or refuse or withdraw the consents herein, in any case without cost, by contacting the Administrator in writing. Refusing or withdrawing consent may affect the Grantee's ability to participate in the Plan.

18. **ELECTRONIC DELIVERY.** The Company may, in its sole discretion, decide to deliver any documents related to this Target Performance Share award granted under the Plan or future awards that may be granted under the Plan (if any) by electronic means or to request the Grantee's consent to participate in the Plan by electronic means. The Grantee hereby consents to receive such documents by electronic delivery and, if requested, to participate in the Plan through an on-line or electronic system established and maintained by the Company or another third party designated by the Company.

19. **GRANTEE'S REPRESENTATIONS AND RELEASES.** By accepting this award, the Grantee acknowledges that the Grantee has read these Terms and Conditions and understands that (i) the grant of this Target Performance Share award is made voluntarily by Occidental in its discretion with no liability on the part of any of its direct or indirect subsidiaries and that, if the Grantee is not an employee of Occidental, the Grantee is not, and will not be considered, an employee of Occidental but the Grantee is a third party (employee of a subsidiary) to whom this Target Performance Share award is granted; (ii) the Grantee's participation in the Plan is voluntary; (iii) the future value of any Common shares issued pursuant to this Target Performance Share award cannot be predicted and Occidental does not assume liability in the event such Common Shares have no value in the future; and, (iv) subject to the terms of any tax equalization agreement between the Grantee and the entity employing the Grantee, the Grantee will be solely responsible for the payment or nonpayment of taxes imposed or threatened to be imposed by any authority of any jurisdiction.

In consideration of the grant of this Target Performance Share award, no claim or entitlement to compensation or damages shall arise from termination of this Target Performance Share award or diminution in value of this Target Performance Share award or Common Shares issued pursuant to this Target Performance Share award resulting from termination of the Grantee's employment by the Company (for any reason whatsoever and whether or not in breach of local labor laws) and the Grantee irrevocably releases the Company from any such claim that may arise; if, notwithstanding the foregoing, any such claim is found by a court of competent jurisdiction to have arisen, then, by accepting these Terms and Conditions, the Grantee shall be deemed irrevocably to have waived his or her entitlement to pursue such claim.

EXHIBIT 1

2005 Grant to OCC Participants

(% of Number of Target Shares of Performance Stock that become Nonforfeitable based on Comparison of Total Shareholder Return for the Peer Companies for the Performance Period)

Ranking	**8 Cos.**	**7 Cos.**	**6 Cos.**	**5 Cos.**	**4 Cos.**	**3 Cos.**	**2 Cos.**
1	100%	100%	100%	100%	100%	100%	*
2	83.5%	83.5%	75%	75%	66.5%	50%	**0%**
3	66.5%	66.5%	50%	50%	33.5%	**0%**	
4	50%	50%	50%	25%	**0%**		
5	50%	33.5%	25%	**0%**			
6	33.5%	16.5%	**0%**				
7	16.5%	**0%**					
8	**0%**						

* Subject to Committee Discretion

PLUS

(% of Number of Target Shares of Performance Stock that become Nonforfeitable based on Return on Assets for the Performance Period)

Return on Assets	Payout Percentage
10%	100%
9%	75%
8%	50%
7%	25%
6%	0%

If actual ROA falls between stated ROA's, payout percentages will be interpolated.

OCCIDENTAL PETROLEUM CORPORATION
2001 INCENTIVE COMPENSATION PLAN
AMENDED AND RESTATED PERFORMANCE-BASED STOCK AWARD
TERMS AND CONDITIONS FOR JANUARY 1, 2005 GRANT
(Effective June 20, 2005)

DATE OF GRANT:	**January 1, 2005**
TARGET PERFORMANCE SHARES:	**See "Shares Granted/Awarded" (Grant Acknowledgment screen)**
PERFORMANCE PERIOD:	**January 1, 2005 through December 31, 2008**

These **Terms and Conditions** (these "Terms and Conditions") are set forth as of the Date of Grant, and amended effective June 20, 2005, between OCCIDENTAL PETROLEUM CORPORATION, a Delaware corporation ("Occidental") and, with its subsidiaries, (the "Company"), and Grantee.

1. **GRANT OF TARGET PERFORMANCE SHARES**. In accordance with these Terms and Conditions and the Occidental Petroleum Corporation 2001 Incentive Compensation Plan, as amended from time to time (the "Plan"), Occidental grants to the Grantee as of the Date of Grant, the right to receive in Common Shares and cash up to 200% of the number/value of Target Performance Shares. For the purposes of these Terms and Conditions, "Target Performance Shares" means a bookkeeping entry that records the equivalent of Common Shares awarded pursuant to Section 4.2 of the Plan that is payable upon the achievement of the Performance Goals. Target Performance Shares are not Common Shares and have no voting rights or, except as stated in Section 6, dividend rights.

2. **RESTRICTIONS ON TRANSFER.** Neither these Terms and Conditions nor any right to receive Common Shares or cash pursuant to these Terms and Conditions may be transferred or assigned by the Grantee other than to a beneficiary designated on a form approved by the Company (if permitted by local law), by will or, if the Grantee dies without designating a beneficiary of a valid will, by the laws of descent and distribution, or (ii) pursuant to a domestic relations order, if applicable, (if approved or ratified by the Administrator).

3. **PERFORMANCE GOALS.** The Performance Goal for the Performance Period is based on (i) Return on Assets and (ii) a peer company comparison based on Total Shareholder Return, as set forth on Exhibit 1.

For the purposes of these Terms and Conditions, "Return on Assets" means the percentage obtained by (A) multiplying the sum of the before tax earnings for each year in the Performance Period of the division of the Company employing the Grantee by 0.65 and (B) dividing the resulting product by the sum of such division's Assets as of December 31 for each year in the Performance Period. For the purposes of the foregoing sentence, "Assets" will reflect all acquisitions, divestitures and write-downs during the Performance Period. For the purposes of these Terms and Conditions, Total Shareholder Return shall be calculated for each peer company using the average of its last reported sale price per share of common stock on the New York Stock Exchange - Composite Transactions for the last ten trading days of 2004 and the average of its last reported sale price per share of common stock on the New York Stock Exchange - Composite Transactions for the last ten trading days of 2008. In addition to the Company, the peer companies are: Amerada Hess Corporation, Anadarko Petroleum Corporation, Burlington Resources Inc., ChevronTexaco Corp., ConocoPhillips, Kerr-McGee

Corporation, and Unocal Corporation. If a peer company ceases to be a publicly-traded company at any time during the Performance Period or the Administrator determines pursuant to Section 7 of these Terms and Conditions to reflect a change in circumstances with respect to any peer company, then such company will be removed as a peer company, and the achievement of the Performance Goal will be determined with respect to the remaining peer companies as set forth on Exhibit 1.

4. **VESTING AND FORFEITURE OF TARGET PERFORMANCE SHARES**. (a) The Grantee must remain in the continuous employ of the Company through the last day of the Performance Period to receive payment of this award. The continuous employment of the Grantee will not be deemed to have been interrupted by reason of the transfer of the Grantee's employment among the Company and its affiliates or an approved leave of absence. However, if, prior to the end of the Performance Period, the Grantee dies or becomes permanently disabled while in the employ of the Company, retires under a Company-sponsored retirement plan or with the consent of the Company, or terminates employment for the convenience of the Company (each of the foregoing, a "Forfeiture Event"), then the number of Target Performance Shares upon which the Grantee's award is based will be reduced on a pro rata basis based upon the number of days remaining in the Performance Period following the date of the Forfeiture Event.

(b) The Grantee's right to receive payment of this award in an amount not to exceed 200% of the Target Performance Shares, rounded up to the nearest whole share, will be based and become nonforfeitable upon, the Administrator's certification of the attainment of the Performance Goals.

(c) For the purposes of Section 4(b), if prior to the end of the Performance Period, the Grantee transfers his employment among the Company and its affiliates, the amount of the award attained by the Grantee shall be determined by assessing the level of achievement of the Performance Goals certified by the Administrator for each employing entity and multiplying the number of Target Performance Shares attainable at such level by a fraction equal to the number of months in the Performance Period that the Grantee worked for the entity divided by the total number of months in the Performance Period.

(d) Notwithstanding Section 4(b), if a Change in Control Event occurs prior to the end of the Performance Period, the Grantee's right to receive Common Shares equal to the number of Target Performance Shares (as adjusted for any Forfeiture Event pursuant to Section 4(a)) will become nonforfeitable. The right to receive cash in excess of the number of Target Performance Shares (as adjusted for any Forfeiture Event pursuant to Section 4(a)) will be forfeited.

5. **PAYMENT OF AWARDS; ELECTIVE DEFERRAL**. Up to and including 100% of the Target Performance Shares as adjusted pursuant to Sections 4 and 7 of these Terms and Conditions will be settled in Common Shares and the amount, if any, above 100% of the Target Performance Shares as so adjusted will be settled in cash. The cash payment will equal the closing price of the Common Shares on the New York Stock Exchange on the date of the Administrator's certification (the "Certification Date Value") of the attainment of the Performance Goals and will be paid as promptly as possible after such date. The Common Shares covered by these Terms and Conditions or any prorated portion thereof shall be issued to the Grantee as promptly as practicable after the Administrator's certification of the attainment of the Performance Goals or the Change in Control Event, as the case may be. Notwithstanding the foregoing, the Grantee may elect pursuant to the Occidental Petroleum Corporation 2005

Deferred Stock Program and the Occidental Petroleum Corporation 2005 Deferred Compensation Plan to defer receipt of any Common Shares and cash to which Grantee may be entitled following certification of the attainment of the Performance Goals.

6. **CREDITING AND PAYMENT OF DIVIDEND EQUIVALENTS**. With respect to the number of Target Performance Shares listed above, the Grantee will be credited on the books and records of Occidental with an amount (the "Dividend Equivalent") equal to the amount per share of any cash dividends declared by the Board on the outstanding Common Shares during the period beginning on the Date of Grant and ending with respect to any portion of the Target Performance Shares covered by these Terms and Conditions on the date on which the Grantee's right to receive such portion becomes nonforfeitable, or, if earlier, the date on which the Grantee forfeits the right to receive such portion. Occidental will pay in cash to the Grantee an amount equal to the Dividend Equivalents credited to such Grantee as promptly as may be practicable after the Grantee has been credited with a Dividend Equivalent.

7. **ADJUSTMENTS**. (a) The number or kind of shares of stock covered by these Terms and Conditions may be adjusted as the Administrator determines pursuant to Section 6.2 of the Plan in order to prevent dilution or expansion of the Grantee's rights under these Terms and Conditions as a result of events such as stock dividends, stock splits or other changes in the capital structure of Occidental, or any merger, consolidation, spin-off, liquidation or other corporate transaction having a similar effect. If any such adjustment occurs, the Company will give the Grantee written notice of the adjustment.

(b) In addition, the Administrator may adjust the Performance Goal or other features of this Grant as permitted by Section 4.2.3 of the Plan.

8. **NO EMPLOYMENT CONTRACT.** Nothing in these Terms and Conditions confers upon the Grantee any right with respect to continued employment by the Company, nor limits in any manner the right of the Company to terminate the employment or adjust the compensation of the Grantee.

9. **TAXES AND WITHHOLDING.** The Grantee is responsible for any federal, state, local or foreign tax, including income tax, social insurance, payroll tax, payment on account or other tax-related withholding with respect to the grant of Target Performance Shares (including the grant, the vesting, the receipt of Common Shares or cash, the sale of Common Shares and the receipt of dividends or dividend equivalents, if any). If the Company must withhold any tax in connection with the issuance of any Common Shares or the payment of cash or any other consideration pursuant to the grant of Target Performance Shares (other than the payment of Dividend Equivalents), the Grantee shall satisfy all or any part of any such withholding obligation first from any cash amount payable under these Terms and Conditions and, second by surrendering to the Company a portion of the Common Shares that are issued or transferred to the Grantee pursuant to these Terms and Conditions. Any Common Shares so surrendered by the Grantee shall be credited against the Grantee’s withholding obligation at their Certification Date Value. If the Company must withhold any tax in connection with granting or vesting of Target Performance Shares (including those for which receipt of the payout is deferred under a company-sponsored deferral program for cash or stock) or the payment of Dividend Equivalents pursuant to this grant of Target Performance Shares, the Grantee by acknowledging these Terms and Conditions agrees that, so long as the Grantee is an employee of the Company for tax purposes, all or any part of any such withholding obligation shall be deducted from the

Grantee's wages or other cash compensation (including regular pay). The Grantee shall pay to the Company any amount that cannot be satisfied by the means previously described.

10. **COMPLIANCE WITH LAW.** The Company will make reasonable efforts to comply with all applicable federal, state and foreign securities laws; however, the Company will not issue any Common Shares or other securities pursuant to these Terms and Conditions if their issuance would result in a violation of any such law.

11. **RELATION TO OTHER BENEFITS.** The benefits received by the Grantee under these Terms and Conditions will not be taken into account in determining any benefits to which the Grantee may be entitled under any profit sharing, retirement or other benefit or compensation plan maintained by the Company, including the amount of any life insurance coverage available to any beneficiary of the Grantee under any life insurance plan covering employees of the Company. Additionally, the Target Performance Shares are not part of normal or expected compensation or salary for any purposes, including, but not limited to calculation of any severance, resignation, termination, redundancy, end of service payments, bonuses or long-service awards. This grant of Target Performance Shares does not create any contractual or other right to receive future grants of Target Performance Shares, or benefits in lieu of Target Performance Shares, even if Grantee has a history of receiving Target Performance Shares or other stock awards.

12. **AMENDMENTS.** The Plan may be modified, amended, suspended or terminated by the Company at any time, as provided in the Plan. Any amendment to the Plan will be deemed to be an amendment to these Terms and Conditions to the extent it is applicable to these Terms and Conditions; however, no amendment will adversely affect the rights of the Grantee under these Terms and Conditions without the Grantee's consent.

13. **SEVERABILITY.** If one or more of the provisions of these Terms and Conditions is invalidated for any reason by a court of competent jurisdiction, the invalidated provisions shall be deemed to be separable from the other provisions of these Terms and Conditions, and the remaining provisions of these Terms and Conditions will continue to be valid and fully enforceable.

14. **RELATION TO PLAN; INTERPRETATION.** These Terms and Conditions are subject to the terms and conditions of the Plan. In the event of any inconsistent provisions between these Terms and Conditions and the Plan, the provisions of the Plan control. Capitalized terms used in these Terms and Conditions without definition have the meanings assigned to them in the Plan. References to Sections are to Sections of these Terms and Conditions unless otherwise noted.

15. **SUCCESSORS AND ASSIGNS.** Subject to Sections 2 and 4, the provisions of these Terms and Conditions shall be for the benefit of, and be binding upon, the successors, administrators, heirs, legal representatives and assigns of the Grantee, and the successors and assigns of the Company.

16. **GOVERNING LAW.** The laws of the State of Delaware govern the interpretation, performance, and enforcement of these Terms and Conditions.

17. **PRIVACY RIGHTS.** By accepting this award, the Grantee explicitly and unambiguously consents to the collection, use and transfer, in electronic or other form, of the Grantee's personal

data as described in these Terms and Conditions by and among, as applicable, the Company and its affiliates for the exclusive purpose of implementing, administering and managing the Grantee's participation in the Plan. The Company holds or may receive from any agent designated by the Company certain personal information about the Grantee, including, but not limited to, the Grantee's name, home address and telephone number, date of birth, social insurance number or other identification number, salary, nationality, job title, any shares of stock or directorships held in Occidental, details of this Target Performance Share award or any other entitlement to shares of stock awarded, canceled, exercised, vested, unvested or outstanding in the Grantee's favor, for the purpose of implementing, administering and managing the Plan, including complying with applicable tax and securities laws ("Data"). Data may be transferred to any third parties assisting in the implementation, administration and management of the Plan. These recipients may be located in the Grantee's country or elsewhere, and may have different data privacy laws and protections than the Grantee's country. By accepting these Terms and Conditions, the Grantee authorizes the recipients to receive, possess, use, retain and transfer the Data, in electronic or other form, for the purposes described above. The Grantee may, at any time, view Data, request additional information about the storage and processing of Data, require any necessary amendments to Data or refuse or withdraw the consents herein, in any case without cost, by contacting the Administrator in writing. Refusing or withdrawing consent may affect the Grantee's ability to participate in the Plan.

18. **ELECTRONIC DELIVERY.** The Company may, in its sole discretion, decide to deliver any documents related to this Target Performance Share award granted under the Plan or future awards that may be granted under the Plan (if any) by electronic means or to request the Grantee's consent to participate in the Plan by electronic means. The Grantee hereby consents to receive such documents by electronic delivery and, if requested, to participate in the Plan through an on-line or electronic system established and maintained by the Company or another third party designated by the Company.

19. **GRANTEE'S REPRESENTATIONS AND RELEASES.** By accepting this award, the Grantee acknowledges that the Grantee has read these Terms and Conditions and understands that (i) the grant of this Target Performance Share award is made voluntarily by Occidental in its discretion with no liability on the part of any of its direct or indirect subsidiaries and that, if the Grantee is not an employee of Occidental, the Grantee is not, and will not be considered, an employee of Occidental but the Grantee is a third party (employee of a subsidiary) to whom this Target Performance Share award is granted; (ii) the Grantee's participation in the Plan is voluntary; (iii) the future value of any Common shares issued pursuant to this Target Performance Share award cannot be predicted and Occidental does not assume liability in the event such Common Shares have no value in the future; and, (iv) subject to the terms of any tax equalization agreement between the Grantee and the entity employing the Grantee, the Grantee will be solely responsible for the payment or nonpayment of taxes imposed or threatened to be imposed by any authority of any jurisdiction.

In consideration of the grant of this Target Performance Share award, no claim or entitlement to compensation or damages shall arise from termination of this Target Performance Share award or diminution in value of this Target Performance Share award or Common Shares issued pursuant to this Target Performance Share award resulting from termination of the Grantee's employment by the Company (for any reason whatsoever and whether or not in breach of local labor laws) and the Grantee irrevocably releases the Company from any such claim that may arise; if, notwithstanding the foregoing, any such claim is found by a court of competent jurisdiction to have arisen, then, by accepting these Terms and Conditions, the Grantee shall be deemed irrevocably to have waived his or her entitlement to pursue such claim.

EXHIBIT 1

2005 Grant to OOGC Participants

(% of Number of Target Shares of Performance Stock that become Nonforfeitable based on Comparison of Total Shareholder Return for the Peer Companies for the Performance Period)

Ranking	**8 Cos.**	**7 Cos.**	**6 Cos.**	**5 Cos.**	**4 Cos.**	**3 Cos.**	**2 Cos.**
1	100%	100%	100%	100%	100%	100%	*
2	83.5%	83.5%	75%	75%	66.5%	50%	**0%**
3	66.5%	66.5%	50%	50%	33.5%	**0%**	
4	50%	50%	50%	25%	**0%**		
5	50%	33.5%	25%	**0%**			
6	33.5%	16.5%	**0%**				
7	16.5%	**0%**					
8	**0%**						

*Subject to Committee Discretion

PLUS

(% of Number of Target Shares of Performance Stock that become Nonforfeitable based on Return on Assets for the Performance Period)

Return on Assets	Payout Percentage
12%	100%
9%	50%
6%	0%

If actual ROA falls between stated ROA's, payout percentages will be interpolated.

OCCIDENTAL PETROLEUM CORPORATION
2005 LONG-TERM INCENTIVE PLAN
STOCK APPRECIATION RIGHTS (SARs)

TERMS AND CONDITIONS

Date of Grant:	July 13, 2005	
Number of SARs:	See “Shares Granted/Awarded” (Grant Acknowledgement screen)	
Grant Price:	$81.61	
Expiration Date:	July 13, 2015	
Vesting Schedule:	1st Anniversary	33-1/3 Percent of Number of SARs
	2nd Anniversary	33-1/3 Percent of Number of SARs
	3rd Anniversary	33-1/3 Percent of Number of SARs

The following **Terms and Conditions** (these “Terms and Conditions”) are set forth as of the Date of Grant between OCCIDENTAL PETROLEUM CORPORATION, a Delaware corporation ("Occidental"), and with its subsidiaries (the "Company"), and the Eligible Employee receiving this grant (the “Grantee”).

1. **STOCK APPRECIATION RIGHTS.** For the purposes of these Terms and Conditions, Stock Appreciation Rights (“SARs”) are the right to receive in shares of Occidental Common Stock the excess, if any, of the fair market value at the date and time of exercise of the number of shares of Occidental Common Stock equal to the number of SARs being exercised over the Fair Market Value of such number of shares of Occidental Common Stock on the Date of Grant (the “Grant Price”).

2. **GRANT OF SARS.** As of the Date of Grant, Occidental grants to the Grantee the Number of SARs indicated on the Grant acknowledgement Screen at the Grant Price. All SARs may be exercised in accordance with these Terms and Conditions and the Occidental Petroleum Corporation 2005 Long-Term Incentive Plan, as amended from time to time (the “Plan”). This Grant shall not be an option to purchase Occidental Common Stock and shall confer no stockholder rights upon the Grantee.

3. **TERM OF SARS.** The term of these SARs begins on the Date of Grant and expires on the tenth anniversary of the Date of Grant (the “Expiration Date”) unless they are terminated earlier as provided in Section 7.

4. **RIGHT TO EXERCISE.** Unless these SARs have expired, terminated, or accelerated, on each anniversary of the Date of Grant, the amount of SARs indicated above in the Vesting Schedule for such anniversary will become exercisable on a cumulative basis until all of the SARs are fully exercisable. The projected Vesting Schedule with the number of SARs vesting on each anniversary is shown on the Grant Detail screen (from Grant Summary page, click “View Detail & History”). SARs may be exercised, in whole or in part, only for the amount of SARs that are vested on the date of exercise. The last date to exercise these SARs is the New York Stock Exchange trading day prior to the earlier of the date these SARs terminate and the Expiration Date.

5. **SARS NONTRANSFERABLE.** These Terms and Conditions, the SARs and the right to receive Common Shares upon exercise of the SARs may not be transferred nor assigned by the Grantee other than to a beneficiary designated on a form approved by the Company or will, or if the Grantee dies without designating a beneficiary and without a valid will, by the laws of descent and distribution. During the Grantee's lifetime, only the Grantee, or in the event of his or her legal incapacity, a properly appointed guardian or legal representative may exercise these SARs.

6. **NOTICE OF EXERCISE.**

(a) To exercise these SARs, the Grantee must give oral or written notice to Occidental or any agent designated by Occidental to administer grants made under the Plan. If Occidental has designated an agent, notice must be given to the agent to be effective and, except for limit orders (if permitted), must be received on a New York Stock Exchange trading day during the trading day (9:30 AM - 4 PM Eastern Time). The notice of exercise must state the amount of SARs the Grantee wishes to exercise. The date the notice is received is the exercise date unless limit orders are permitted by the Administrator or any agent designated by Occidental and the notice contains a limit order in accordance with the procedures established by the Administrator or the agent, in which case the exercise date is the trading date on the New York Stock Exchange during the limit order period on which the price of the Common Stock traded on the New York Stock Exchange reaches the price specified in the notice. The fair market value used to determine the proceeds will be the value indicated as such by the Administrator or the agent on the exercise date. If requested, any oral notice of exercise shall be confirmed in writing the same day before the close of trading on the New York Stock Exchange.

(b) **CALCULATION OF SHARES ISSUABLE UPON EXERCISE.** At exercise, Grantee will be issued the number of whole shares of Common Stock obtained by dividing (X) the product of (i) the number of SARS exercised times (ii) the difference between the Grant Price and the Exercise Value by (Y) the Exercise Value. If the calculation results in a fractional share, the Grantee will receive cash for the fractional share (but not for any whole shares) equal to the product of the fraction times the Exercise Value. For the purpose of the foregoing calculations, the Exercise Value equals the fair market value of one share of Occidental Common Stock at the date and time of exercise (unless otherwise required by the administrator).

(c) **FEES, TAXES.** The Grantee will be obligated to pay transaction fees imposed by Occidental's agent, if one is designated, and any applicable taxes on the Grantee's profits.

7. **TERMINATION OF RIGHT TO EXERCISE.** The right to exercise these SARs terminates automatically and without further notice on the date the Grantee ceases to be an employee of the Company for any reason whatsoever, except as follows:

(a) **If the Grantee dies,** the SARs will vest immediately as of the date of the Grantee's death for the full Number of SARs. All SARs may be exercised up to the Expiration Date by a transferee acceptable under Section 5.

(b) **If the Grantee becomes permanently and totally disabled,** the SARs will continue to vest in accordance with the Vesting Schedule, and they may be exercised up to the Expiration Date. For purposes of these Terms and Conditions, to be "permanently and totally disabled" means to be unable to engage in any substantial gainful activity by reason of an impairment which can be expected to result in death or which has lasted, or can be expected to last, for a continuous period of at least twelve (12) months.

(c) **If the Grantee retires,** the SARs will continue to vest in accordance with the Vesting Schedule, and they may be exercised up to the Expiration Date. For purposes of these Terms and Conditions, “retire” means to retire with the consent of the Company.

(d) **If the Grantee terminates employment with the Company for any reason other than death, permanent and total disability, retirement or cause (whether or not in breach of local labor laws),** the SARs will cease to vest as of the close of business on the last day of the Grantee’s active employment. Any vested SARs may be exercised up to the sooner of (i) three (3) months following the last day of the Grantee’s active employment and (ii) the Expiration Date. Only the amount of SARs exercisable as of the Grantee’s last day of employment pursuant to the Vesting Schedule may be exercised. For the purposes of these Terms and Conditions, “cause” means the Grantee’s (W) failure to satisfactorily perform the duties of his or her job or negligence in carrying out the Company’s legal obligations, (X) refusal to carry out any lawful order of the Company, (Y) breach of any legal duty to the Company, or (Z) conduct constituting moral turpitude or conviction of a crime which may diminish the Grantee’s ability to effectively act on the Company’s behalf or with or on behalf of others.

For the purposes of these Terms and Conditions, the continuous employment of the Grantee with the Company will not be interrupted, and the Grantee will not be deemed to cease to be an employee of the Company, by reason of the transfer of his or her employment among the Company and its affiliates or an approved leave of absence.

8. **ACCELERATION OF SARS.** If a Change in Control Event as defined in the Plan occurs, all SARs shall become immediately exercisable unless, prior to the occurrence of the Change in Control Event, the Administrator, as provided in Section 7.1 of the Plan, determines that such Event will not accelerate these SARs or that acceleration will occur for only part of the SARs granted or at a different time. Any such determination by the Administrator is binding on the Grantee.

9. **NO EMPLOYMENT CONTRACT.** Nothing in these Terms and Conditions confers upon the Grantee any right with respect to continued employment by the Company, nor limits in any manner the right of the Company to terminate the employment or adjust the compensation of the Grantee.

10. **TAXES AND WITHHOLDING.** The Grantee is responsible for any federal, state, local or foreign tax, including income tax, social insurance, payroll tax, payment on account or other tax-related withholding with respect to the grant of SARs (including the grant, vesting and exercise of SARS and the receipt of Common Shares and sale of Common Shares). The Company does not guarantee any particular tax treatment or results in connection with the grant, vesting or exercise of SARs. If the Company must withhold any tax in connection with the exercise of these SARs, the Grantee shall satisfy all or any part of any such withholding obligation by surrendering to the Company a portion of the Common Shares that are issued to the Grantee pursuant to this Agreement. Any Common Shares so surrendered by the Grantee shall be credited against the Grantee’s withholding obligation at their Fair Market Value on the exercise date.

11. **COMPLIANCE WITH LAW.** The Company will make reasonable efforts to comply with all applicable federal, state and foreign securities laws; however, these SARs are not exercisable if their exercise would result in a violation of any such law by the Company.

12. **RELATION TO OTHER BENEFITS.** The benefits received by the Grantee under these Terms and Conditions will not be taken into account or treated as normal salary or compensation in determining any benefits to which the Grantee may be entitled under any profit sharing, retirement, bonus, long service or other benefit or compensation plan maintained by the Company, including the amount of any life insurance coverage available to any beneficiary of the Grantee under any life insurance plan covering employees of the Company, or as part of the calculation of any severance, resignation, termination, redundancy or end of service payments. The grant of these SARs does not create any contractual or other right to receive future grants of SARs, or benefits in lieu of SARs, even if the Grantee has a history of receiving SARs or other stock awards.

13. **ADJUSTMENTS.** The Grant Price, the number of SARs and the number of Shares of Common Stock or type of security covered by this Grant may be adjusted as the Administrator determines pursuant to Section 7.2 of the Plan in order to prevent dilution or expansion of the Grantee's rights under these Terms and Conditions as a result of events such as stock dividends, stock splits, or other change in the capital structure of Occidental, or any merger, consolidation, spin-off, liquidation or other corporate transaction or event having a similar effect. If any such adjustment occurs, the Company will give the Grantee written notice of the adjustment containing an explanation of the nature of the adjustment.

14. **AMENDMENTS.** The Plan may be modified, amended, suspended or terminated by the Company at any time, as provided in the Plan. Any amendment to the Plan will be deemed to be an amendment to these Terms and Conditions to the extent it is applicable to these Terms and Conditions; however, except to the extent necessary to comply with applicable law, no amendment will adversely affect the rights of the Grantee under these Terms and Conditions without the Grantee's consent.

15. **SEVERABILITY.** If one or more of the provisions of these Terms and Conditions is invalidated for any reason by a court of competent jurisdiction, the invalidated provisions shall be deemed to be separable from the other provisions of these Terms and Conditions, and the remaining provisions of these Terms and Conditions will continue to be valid and fully enforceable.

16. **RELATION TO PLAN; INTERPRETATION.** These Terms and Conditions are subject to the terms and conditions of the Plan. In the event of any inconsistent provisions between these Terms and Conditions and the Plan, the provisions of the Plan control. Capitalized terms used in these Terms and Conditions without definitions have the meanings assigned to them in the Plan. References to Sections are to Sections of these Terms and Conditions unless otherwise noted.

17. **ADMINISTRATIVE PROCEDURES.** The Administrator, directly or through its agent, reserves the right to adopt procedures with respect to the exercise of these SARs. In the event of any inconsistent provisions between such procedures, these Terms and Conditions and the Plan, the provisions of the Plan control.

18. **SUCCESSORS AND ASSIGNS.** Subject to Section 5, the provisions of these Terms and Conditions shall be for the benefit of, and be binding upon, the successors, administrators, heirs, legal representatives and assigns of the Grantee, and the successors and assigns of the Company.

19. **GOVERNING LAW.** The laws of the State of Delaware govern the interpretation, performance, and enforcement of these Terms and Conditions.

20. **NOTICES.** Except as the Company may otherwise direct for exercise notices, any notice to the Company provided for in these Terms and Conditions will be given to its Secretary at 10889 Wilshire Boulevard, Los Angeles, California 90024, and any notice to the Grantee will be addressed to the Grantee at his or her address currently on file with the Company. Except as provided in Section 6 for exercise notices, any written notice will be deemed to be duly given when received if delivered personally or sent by telecopy, e-mail, or the United States mail, first class registered mail, postage and fees prepaid, and addressed as provided in this paragraph. Any party may change the address to which notices are to be given by written notice to the other party as specified in the preceding sentence.

21. **PRIVACY RIGHTS.** By accepting this award, the Grantee explicitly and unambiguously consents to the collection, use and transfer, in electronic or other form, of the Grantee's personal data as described in these Terms and Conditions by and among, as applicable, the Company and its affiliates for the exclusive purpose of implementing, administering and managing the Grantee's participation in the Plan. The Company holds or may receive from any agent designated by the Company certain personal information about the Grantee, including, but not limited to, the Grantee's name, home address and telephone number, date of birth, social insurance number or other identification number, salary, nationality, job title, any shares of stock or directorships held in Occidental, details of this SARs award or any other entitlement to shares of stock awarded, canceled, exercised, vested, unvested or outstanding in the Grantee's favor, for the purpose of implementing, administering and managing the Plan, including complying with applicable tax and securities laws ("Data"). Data may be transferred to any third parties assisting in the implementation, administration and management of the Plan. These recipients may be located in the Grantee's country or elsewhere, and may have different data privacy laws and protections than the Grantee's country. By accepting these Terms and Conditions, the Grantee authorizes the recipients to receive, possess, use, retain and transfer the Data, in electronic or other form, for the purposes described above. The Grantee may, at any time, view Data, request additional information about the storage and processing of Data, require any necessary amendments to Data or refuse or withdraw the consents herein, in any case without cost, by contacting the Administrator in writing. Refusing or withdrawing consent may affect the Grantee's ability to participate in the Plan.

22. **ELECTRONIC DELIVERY.** The Company may, in its sole discretion, decide to deliver any documents related to this SARs award granted under the Plan or future grants that may be granted under the Plan (if any) by electronic means or to request the Grantee's consent to participate in the Plan by electronic means. The Grantee hereby consents to receive such documents by electronic delivery and, if requested, to participate in the Plan through an on-line or electronic system established and maintained by the Company or another third party designated by the Company.

23. **GRANTEE'S REPRESENTATIONS AND RELEASES.** By accepting the grant, the Grantee acknowledges that the Grantee has read these Terms and Conditions and understands that (i)

the grant of these SARs is made voluntarily by Occidental in its discretion with no liability on the part of any of its direct or indirect subsidiaries, and that, if the Grantee is not an employee of Occidental, the Grantee is not, and will not be considered, an employee of Occidental but the Grantee is a third party (employee of a subsidiary) to whom these SARs are granted; (ii) the Grantee's participation in the Plan is voluntary; (iii) the future value of the SARs cannot be predicted and Occidental does not assume liability in the event the SARs have no value in the future; and, (iv) subject to the terms of any tax equalization agreement between the Grantee and the entity employing the Grantee, the Grantee will be solely responsible for the payment or nonpayment of taxes imposed or threatened to be imposed by any authority of any jurisdiction.

In consideration of the grant of these SARs, no claim or entitlement to compensation or damages shall arise from termination of these SARs or diminution in value of these SARs resulting from termination of the Grantee's employment by the Company or the Grantee's employer (for any reason whatsoever and whether or not in breach of local labor laws). The Grantee irrevocably releases the Company and, if not Occidental, the Grantee's employer, from any such claim that may arise; if, notwithstanding the foregoing, any such claim is found by a court of competent jurisdiction to have arisen, then, by accepting these Terms and Conditions, the Grantee shall be deemed irrevocably to have waived his or her entitlement to pursue such claim.

OCCIDENTAL PETROLEUM CORPORATION
2005 LONG-TERM INCENTIVE PLAN
RESTRICTED SHARE UNIT AWARD
TERMS AND CONDITIONS

Date of Grant:	July 13, 2005	
Number of Restricted Share Units:	See “Shares Granted/Awarded” (Grant Acknowledgment screen)	
Vesting Schedule:	1st Anniversary	33-1/3 Percent of Restricted Share Units
	2nd Anniversary	33-1/3 Percent of Restricted Share Units
	3rd Anniversary	33-1/3 Percent of Restricted Share Units

The following **Terms and Conditions** (these “Terms and Conditions”) are set forth as of the Date of Grant between OCCIDENTAL PETROLEUM CORPORATION, a Delaware corporation ("Occidental"), and with its subsidiaries (the "Company"), and the Eligible Employee receiving this Award (the “Grantee”).

1. GRANT OF RESTRICTED SHARE UNITS. In accordance with these Terms and Conditions and the Occidental Petroleum Corporation 2005 Long-Term Incentive Plan, as amended from time to time (the "Plan"), Occidental grants to the Grantee as of the Date of Grant the right to receive on each anniversary date Common Shares equal to the number of Restricted Share Units (as defined below) that vest on such date according to the schedule set forth above. For the purposes of these Terms and Conditions, “Restricted Share Unit” means a bookkeeping entry equivalent to a whole or fractional Common Share. Restricted Share Units are not shares and have no voting rights or, except as stated in Section 4, dividend rights.

2. RESTRICTIONS ON TRANSFER. These Terms and Conditions, the Restricted Share Units and the right to receive Common Shares may not be transferred or assigned by the Grantee other than (i) to a beneficiary designated on a form approved by the Company (if permitted by local law) or by will or, if the Grantee dies without designating a beneficiary or a valid will, by the laws of descent and distribution, or (ii) pursuant to a domestic relations order, if applicable, (if approved or ratified by the Administrator).

3. VESTING AND FORFEITURE OF RESTRICTED SHARE UNITS. (a) Subject to Sections 3(b) and (c), on each anniversary of the Date of Grant the amount of Restricted Share Units indicated above in the Vesting Schedule for such anniversary will vest and become nonforfeitable if the Grantee remains in the continuous employ of the Company through such date. The projected Vesting Schedule with the number of Restricted Share Units vesting on each anniversary is shown on the Grant Detail screen (from Grant Summary page, click “View Detail & History”). The continuous employment of the Grantee will not be deemed to have been interrupted by reason of the transfer of the Grantee’s employment among the Company and its affiliates or an approved leave of absence.

(b) Notwithstanding Section 3(a), if the Grantee dies or becomes permanently disabled while in the employ of the Company, retires with the consent of the Company, or terminates employment for the convenience of the Company (each of the foregoing, a “Vesting Event”), then Restricted Share Units that have not vested prior to the date of the Vesting Event will become fully vested and nonforfeitable as of such date.

(c) Notwithstanding Section 3(a), if a Change in Control Event occurs prior to the end of the Vesting Schedule, all of the Restricted Share Units that have not yet vested shall immediately become fully vested and nonforfeitable unless, prior to the occurrence of the Change in Control Event, the Administrator, as provided in Section 7.1 of the Plan, determines that such Event will not accelerate these Restricted Share Units or that acceleration will occur for only part of the Restricted Share Units granted or at a different time. Any such determination by the Administrator is binding on the Grantee.

4. CREDITING AND PAYMENT OF DIVIDEND EQUIVALENTS. With respect to the Restricted Share Units granted to the Grantee, the Grantee will be credited on the books and records of Occidental with an amount (the "Dividend Equivalent") equal to the amount per share of any cash dividends declared by the Board on the outstanding Common Shares until the shares vest, or, if earlier, up to the date on which the Grantee forfeits all or any portion of the Restricted Share Units. Until the Restricted Share Units have vested, Occidental will pay in cash to the Grantee an amount equal to the Dividend Equivalents credited to such Grantee as promptly as may be practicable after the Grantee has been credited with a Dividend Equivalent.

5. NO EMPLOYMENT CONTRACT. Nothing in these Terms and Conditions confers upon the Grantee any right with respect to continued employment by the Company, nor limits in any manner the right of the Company to terminate the employment or adjust the compensation of the Grantee.

6. TAXES AND WITHHOLDING. The Grantee is responsible for any federal, state, local or foreign tax, including income tax, social insurance, payroll tax, payment on account or other tax-related withholding with respect to the grant of Restricted Share Units (including the grant, the vesting, the receipt of Common Shares, the sale of Common Shares and the receipt of dividends or Dividend Equivalents, if any). The Company does not guarantee any particular tax treatment or results in connection with the grant or vesting of the Restricted Share Units or the payment of Dividend Equivalents. If the Company must withhold any tax in connection with granting of Restricted Stock Units or the payment of Dividend Equivalents pursuant to this grant of Restricted Share Units, the Grantee by acknowledging these Terms and Conditions agrees that, so long as the Grantee is an employee of the Company for tax purposes, all or any part of any such withholding obligation shall be deducted from the Grantee’s wages, other cash compensation (including regular pay) or Dividend Equivalents. The Grantee shall pay to the Company any amount that cannot be satisfied by the means previously described. If the Company must withhold any tax in connection with the vesting of Restricted Share Units, the Grantee shall satisfy all or any part of any such withholding obligation by surrendering to the Company a portion of the Common Shares that are issued to the Grantee pursuant to this Agreement. Any Common Shares so surrendered by the Grantee shall be credited against the Grantee’s withholding obligation at their Fair Market Value on the vesting date.

7. COMPLIANCE WITH LAW. The Company will make reasonable efforts to comply with all applicable federal, state and foreign securities laws; however, the Company will not issue any Common Shares or other securities pursuant to these Terms and Conditions if their issuance would result in a violation of any such law by the Company.

8. RELATION TO OTHER BENEFITS. The benefits received by the Grantee under these Terms and Conditions will not be taken into account or treated as normal salary or compensation in determining any benefits to which the Grantee may be entitled under any profit sharing, retirement, bonus, long service or other benefit or compensation plan maintained by the Company, including the amount of any life insurance coverage available to any beneficiary of the Grantee under any life insurance plan covering employees of the Company, or as part of the calculation of any severance, resignation, termination, redundancy or end of service payments. This grant of Restricted Share Units does not create any contractual or other right to receive future grants of Restricted Share Units, or benefits in lieu of Restricted Share Units, even if the Grantee has a history of receiving Restricted Share Units or other stock awards.

9. ADJUSTMENTS. The number or kind of shares of stock covered by this Restricted Share Unit Award may be adjusted as the Administrator determines pursuant to Section 7.2 of the Plan in order to prevent dilution or expansion of the Grantee's rights under these Terms and Conditions as a result of events such as stock dividends, stock splits, or other change in the capital structure of Occidental, or any merger, consolidation, spin-off, liquidation or other corporate transaction or event having a similar effect. If any such adjustment occurs, the Company will give the Grantee written notice of the adjustment containing an explanation of the nature of the adjustment.

10. AMENDMENTS. The Plan may be modified, amended, suspended or terminated by the Company at any time, as provided in the Plan. Any amendment to the Plan will be deemed to be an amendment to these Terms and Conditions to the extent it is applicable to these Terms and Conditions; however, except to the extent necessary to comply with applicable law, no amendment will adversely affect the rights of the Grantee under these Terms and Conditions without the Grantee's consent.

11. SEVERABILITY. If one or more of the provisions of these Terms and Conditions is invalidated for any reason by a court of competent jurisdiction, the invalidated provisions shall be deemed to be separable from the other provisions of these Terms and Conditions, and the remaining provisions of these Terms and Conditions will continue to be valid and fully enforceable.

12. RELATION TO PLAN; INTERPRETATION. These Terms and Conditions are subject to the terms and conditions of the Plan. In the event of any inconsistent provisions between these Terms and Conditions and the Plan, the provisions of the Plan control. Capitalized terms used in these Terms and Conditions without definitions have the meanings assigned to them in the Plan. References to Sections are to Sections of these Terms and Conditions unless otherwise noted.

13. SUCCESSORS AND ASSIGNS. Subject to Sections 2 and 3, the provisions of these Terms and Conditions shall be for the benefit of, and be binding upon, the successors, administrators, heirs, legal representatives and assigns of the Grantee, and the successors and assigns of the Company.

14. GOVERNING LAW. The laws of the State of Delaware govern the interpretation, performance, and enforcement of these Terms and Conditions.

15. NOTICES. Any notice to the Company provided for in these Terms and Conditions will be given to its Secretary at 10889 Wilshire Boulevard, Los Angeles, California 90024, and any notice to the Grantee will be addressed to the Grantee at his or her address currently on file with the Company. Any written notice will be deemed to be duly given when received if delivered personally or sent by telecopy, e-mail, or the United States mail, first class registered mail, postage and fees prepaid, and addressed as provided in this paragraph. Any party may change the address to which notices are to be given by written notice to the other party as specified in the preceding sentence.

16. PRIVACY RIGHTS. By accepting this award, the Grantee explicitly and unambiguously consents to the collection, use and transfer, in electronic or other form, of the Grantee's personal data as described in these Terms and Conditions by and among, as applicable, the Company and its affiliates for the exclusive purpose of implementing, administering and managing the Grantee's participation in the Plan. The Company holds or may receive from any agent designated by the Company certain personal information about the Grantee, including, but not limited to, the Grantee's name, home address and telephone number, date of birth, social insurance number or other identification number, salary, nationality, job title, any shares of stock or directorships held in Occidental, details of this Restricted Share Unit award or any other entitlement to shares of stock awarded, canceled, exercised, vested, unvested or outstanding in the Grantee's favor, for the purpose of implementing, administering and managing the Plan, including complying with applicable tax and securities laws ("Data"). Data may be transferred to any third parties assisting in the implementation, administration and management of the Plan. These recipients may be located in the Grantee's country or elsewhere, and may have different data privacy laws and protections than the Grantee's country. By accepting these Terms and Conditions, the Grantee authorizes the recipients to receive, possess, use, retain and transfer the Data, in electronic or other form, for the purposes described above. The Grantee may, at any time, view Data, request additional information about the storage and processing of Data, require any necessary amendments to Data or refuse or withdraw the consents herein, in any case without cost, by contacting the Administrator in writing. Refusing or withdrawing consent may affect the Grantee's ability to participate in the Plan.

17. ELECTRONIC DELIVERY. The Company may, in its sole discretion, decide to deliver any documents related to this Restricted Share Unit award granted under the Plan or future awards that may be granted under the Plan (if any) by electronic means or to request the Grantee's consent to participate in the Plan by electronic means. The Grantee hereby consents to receive such documents by electronic delivery and, if requested, to participate in the Plan through an on-line or electronic system established and maintained by the Company or another third party designated by the Company.

18. GRANTEE'S REPRESENTATIONS AND RELEASES. By accepting this award, the Grantee acknowledges that the Grantee has read these Terms and Conditions and understands that (i) the grant of this Restricted Share Unit award is made voluntarily by Occidental in its discretion with no liability on the part of any of its direct or indirect subsidiaries and that, if the Grantee is not an employee of Occidental, the Grantee is not, and will not be considered, an employee of Occidental but the Grantee is a third party (employee of a subsidiary) to whom this Restricted Share Unit award is granted; (ii) the Grantee's participation in the Plan is voluntary; (iii) the future value of any Common shares issued pursuant to this Restricted Share Unit award cannot be predicted and Occidental does not assume liability in the event such Common Shares have no value in the future; and, (iv) subject to the terms of any tax equalization agreement between the Grantee and the entity employing the Grantee, the Grantee will be solely responsible for the payment or nonpayment of taxes imposed or threatened to be imposed by any authority of any jurisdiction.

In consideration of the grant of this Restricted Share Unit award, no claim or entitlement to compensation or damages shall arise from termination of this Restricted Share Unit award or diminution in value of this Restricted Share Unit award or Common Shares issued pursuant to this Restricted Share Unit award resulting from termination of the Grantee's employment by the Company or the Grantee's employer (for any reason whatsoever and whether or not in breach of local labor laws) and the Grantee irrevocably releases the Company and, if not Occidental, the Grantee's employer, from any such claim that may arise; if, notwithstanding the foregoing, any such claim is found by a court of competent jurisdiction to have arisen, then, by accepting these Terms and Conditions, the Grantee shall be deemed irrevocably to have waived his or her entitlement to pursue such claim.

OCCIDENTAL PETROLEUM CORPORATION
2005 LONG-TERM INCENTIVE PLAN
RESTRICTED SHARE UNIT AWARD
TERMS AND CONDITIONS
(mandatory deferred issuance of shares)

Date of Grant:	July 13, 2005	
Number of Restricted Share Units:	See “Shares Granted/Awarded” (Grant Acknowledgment screen)	
Vesting Schedule:	1st Anniversary	33-1/3 Percent of Restricted Share Units
	2nd Anniversary	33-1/3 Percent of Restricted Share Units
	3rd Anniversary	33-1/3 Percent of Restricted Share Units

The following **Terms and Conditions** (these “Terms and Conditions”) are set forth as of the Date of Grant between OCCIDENTAL PETROLEUM CORPORATION, a Delaware corporation ("Occidental"), and with its subsidiaries (the "Company"), and the Eligible Employee receiving this Award (the “Grantee”).

1. GRANT OF RESTRICTED SHARE UNITS. In accordance with these Terms and Conditions and the Occidental Petroleum Corporation 2005 Long-Term Incentive Plan, as amended from time to time (the "Plan"), Occidental grants to the Grantee as of the Date of Grant the right to receive, at the end of the Deferral Period (as defined below) in accordance with Grantee’s distribution election under the Occidental Petroleum Corporation 2005 Deferred Stock Program, as such program may be amended from time to time (the “Deferral Program”), Common Shares equal to the number of Restricted Share Units (as defined below) that vest according to the schedule set forth above. For the purposes of these Terms and Conditions, (a) “Deferral Period” means the period commencing on the date the Restricted Share Units vest and ending on the date the Grantee receives the complete distribution of Common Shares equal to the number of Restricted Share Units pursuant to the Deferral Program, and (b) “Restricted Share Unit” means a bookkeeping entry equivalent to a whole or fractional Common Share. Restricted Share Units are not shares and have no voting rights or, except as stated in Section 5, dividend rights.

2. RESTRICTIONS ON TRANSFER. These Terms and Conditions, the Restricted Share Units and the right to receive Common Shares may not be transferred or assigned by the Grantee other than (i) to a beneficiary designated on a form approved by the Company (if permitted by local law) or by will, or if the Grantee dies without designating a beneficiary or a valid will, by the laws of descent and distribution, or (ii) pursuant to a domestic relations order, if applicable, (if approved or ratified by the Administrator).

3. VESTING AND FORFEITURE OF RESTRICTED SHARE UNITS. (a) Subject to Sections 3(b) and (c), on each anniversary of the Date of Grant the amount of Restricted Share Units indicated above in the Vesting Schedule for such anniversary will vest and become nonforfeitable if the Grantee remains in the continuous employ of the Company through such date. The projected Vesting Schedule with the number of Restricted Share Units vesting on each anniversary is shown on the Grant Detail screen (from Grant Summary page, click “View Detail & History”). The continuous employment of the Grantee will not be deemed to have been interrupted by reason of the transfer of the Grantee's employment among the Company and its affiliates or an approved leave of absence.

(b) Notwithstanding Section 3(a), if the Grantee dies or becomes permanently disabled (as defined in the Deferral Program) while in the employ of the Company, retires with the consent of the Company, or terminates employment for the convenience of the Company (each of the foregoing, a "Vesting Event"), then Restricted Share Units that have not vested prior to the date of the Vesting Event will become fully vested and nonforfeitable as of such date.

(c) Notwithstanding Section 3(a), if a Change in Control Event occurs prior to the end of the Vesting Schedule, all of the Restricted Share Units that have not yet vested shall immediately become fully vested and nonforfeitable unless, prior to the occurrence of the Change in Control Event, the Administrator, as provided in Section 7.1 of the Plan, determines that such Event will not accelerate these Restricted Share Units or that acceleration will occur for only part of the Restricted Share Units granted or at a different time. Any such determination by the Administrator is binding on the Grantee.

4. DEFERRAL OF COMMON SHARE PAYOUT. By accepting these Terms and Conditions, the Grantee has agreed that the receipt of the Common Shares will be deferred in accordance with the terms and conditions of the Deferral Program. The administration of the Deferral Program is governed by the Executive Compensation and Human Resources Committee, whose decision on all matters shall be final. The deferral of receipt of any Common Shares upon the vesting of the Restricted Share Units is irrevocable and cannot be changed or canceled. As a result of the deferral, no Common Shares will be issued pursuant to these Terms and Conditions upon the vesting of the Restricted Share Units, and the Restricted Share Units will continue to be recorded as a bookkeeping entry.

5. CREDITING AND PAYMENT OF DIVIDEND EQUIVALENTS. With respect to the Restricted Share Units granted to the Grantee, the Grantee will be credited on the books and records of Occidental with an amount (the "Dividend Equivalent") equal to the amount per share of any cash dividends declared by the Board on the outstanding Common Shares until the shares vest, or, if earlier, up to the date on which the Grantee forfeits all or any portion of the Restricted Share Units. Until the Restricted Share Units have vested, Occidental will pay in cash to the Grantee an amount equal to the Dividend Equivalents credited to such Grantee as promptly as may be practicable after the Grantee has been credited with a Dividend Equivalent. Once the Restricted Share Units have vested, Dividend Equivalents will be credited and paid pursuant to the Deferral Program.

6. NO EMPLOYMENT CONTRACT. Nothing in these Terms and Conditions confers upon the Grantee any right with respect to continued employment by the Company, nor limits in any manner the right of the Company to terminate the employment or adjust the compensation of the Grantee.

7. TAXES AND WITHHOLDING. The Grantee is responsible for any federal, state, local or foreign tax, including income tax, social insurance, payroll tax, payment on account or other tax-related withholding with respect to the grant of Restricted Share Units (including the grant, the vesting, the receipt of Common Shares, the sale of Common Shares and the receipt of dividends or Dividend Equivalents, if any). The Company does not guarantee any particular tax treatment or results in connection with the grant or vesting of the Restricted Share Units or the payment of Dividend Equivalents. If the Company must withhold any tax in connection with the issuance of any Common Shares or other securities or the payment of any other consideration pursuant to the grant of Restricted Share Units (other than the payment of Dividend Equivalents), this obligation shall be satisfied in accordance with the provisions of the Deferral Program. If the Company must withhold any tax in connection with granting or vesting of Restricted Share Units or the payment of Dividend Equivalents pursuant to this grant of Restricted Share Units, the Grantee by acknowledging these Terms and Conditions agrees that, so long as the Grantee is an employee of the Company for tax purposes, all or any part of any such withholding obligation shall be deducted from the Grantee's wages or other cash compensation (including regular pay) or Dividend Equivalents. The Grantee shall pay to the Company any amount that cannot be satisfied by the means previously described.

8. COMPLIANCE WITH LAW. The Company will make reasonable efforts to comply with all applicable federal, state and foreign securities laws; however, the Company will not issue any Common Shares or other securities pursuant to these Terms and Conditions if their issuance would result in a violation of any such law by the Company.

9. RELATION TO OTHER BENEFITS. The benefits received by the Grantee under these Terms and Conditions will not be taken into account or treated as normal salary or compensation in determining any benefits to which the Grantee may be entitled under any profit sharing, retirement, bonus, long service or other benefit or compensation plan maintained by the Company, including the amount of any life insurance coverage available to any beneficiary of the Grantee under any life insurance plan covering employees of the Company, or as part of the calculation of any severance, resignation, termination, redundancy or end of service payments. This grant of Restricted Share Units does not create any contractual or other right to receive future grants of Restricted Share Units, or benefits in lieu of Restricted Share Units, even if the Grantee has a history of receiving Restricted Share Units or other stock awards.

10. ADJUSTMENTS. The number or kind of shares of stock covered by this Restricted Share Unit Award may be adjusted as the Administrator determines pursuant to Section 7.2 of the Plan in order to prevent dilution or expansion of the Grantee's rights under these Terms and Conditions as a result of events such as stock dividends, stock splits, or other change in the capital structure of Occidental, or any merger, consolidation, spin-off, liquidation or other corporate transaction or event having a similar effect. If any such adjustment occurs, the Company will give the Grantee written notice of the adjustment containing an explanation of the nature of the adjustment.

11. AMENDMENTS. The Plan may be modified, amended, suspended or terminated by the Company at any time, as provided in the Plan. Any amendment to the Plan or the Deferral Program will be deemed to be an amendment to these Terms and Conditions to the extent it is applicable to these Terms and Conditions or the deferrals made pursuant to these Terms and Conditions; however, except to the extent necessary to comply with applicable law, no amendment will adversely affect the rights of the Grantee under these Terms and Conditions without the Grantee's consent.

12. SEVERABILITY. If one or more of the provisions of these Terms and Conditions is invalidated for any reason by a court of competent jurisdiction, the invalidated provisions shall be deemed to be separable from the other provisions of these Terms and Conditions, and the remaining provisions of these Terms and Conditions will continue to be valid and fully enforceable.

13. RELATION TO PLAN; INTERPRETATION. These Terms and Conditions are subject to the terms and conditions of the Plan and the Deferral Program. In the event of any inconsistent provisions between these Terms and Conditions and the Plan or the Deferral Program, the provisions of the Plan control with respect to the grant of the award and its administration until vesting; and the provisions of the Deferral Program control with respect to Restricted Share Units that have vested. Capitalized terms used in these Terms and Conditions without definitions have the meanings assigned to them in the Plan. References to Sections are to Sections of these Terms and Conditions unless otherwise noted.

14. SUCCESSORS AND ASSIGNS. Subject to Sections 2 and 3, the provisions of these Terms and Conditions shall be for the benefit of, and be binding upon, the successors, administrators, heirs, legal representatives and assigns of the Grantee, and the successors and assigns of the Company.

15. GOVERNING LAW. The laws of the State of Delaware govern the interpretation, performance, and enforcement of these Terms and Conditions.

16. **NOTICES. A**ny notice to the Company provided for in these Terms and Conditions will be given to its Secretary at 10889 Wilshire Boulevard, Los Angeles, California 90024, and any notice to the Grantee will be addressed to the Grantee at his or her address currently on file with the Company. Any written notice will be deemed to be duly given when received if delivered personally or sent by telecopy, e-mail, or the United States mail, first class registered mail, postage and fees prepaid, and addressed as provided in this paragraph. Any party may change the address to which notices are to be given by written notice to the other party as specified in the preceding sentence.

17. PRIVACY RIGHTS. By accepting this award, the Grantee explicitly and unambiguously consents to the collection, use and transfer, in electronic or other form, of the Grantee’s personal data as described in these Terms and Conditions by and among, as applicable, the Company and its affiliates for the exclusive purpose of implementing, administering and managing the Grantee’s participation in the Plan and the Deferral Program. The Company holds or may receive from any agent designated by the Company certain personal information about the Grantee, including, but not limited to, the Grantee’s name, home address and telephone number, date of birth, social insurance number or other identification number, salary, nationality, job title, any shares of stock or directorships held in Occidental, details of this Restricted Share Unit award or any other entitlement to shares of stock awarded, canceled, exercised, vested, unvested or outstanding in the Grantee’s favor, for the purpose of implementing, administering and managing the Plan and the Deferral Program, including complying with applicable tax and securities laws (“Data”). Data may be transferred to any third parties assisting in the implementation, administration and management of the Plan and the Deferral Program. These recipients may be located in the Grantee’s country or elsewhere, and may have different data privacy laws and protections than the Grantee’s country. By accepting these Terms and Conditions, the Grantee authorizes the recipients to receive, possess, use, retain and transfer the Data, in electronic or other form, for the purposes described above. The Grantee may, at any time, view Data, request additional information about the storage and processing of Data, require any necessary amendments to Data or refuse or withdraw the consents herein, in any case without cost, by contacting the Administrator in writing. Refusing or withdrawing consent may affect the Grantee’s ability to participate in the Plan and the Deferral Program.

18. ELECTRONIC DELIVERY. The Company may, in its sole discretion, decide to deliver any documents related to this Restricted Share Unit award granted under the Plan or future awards that may be granted under the Plan (if any) by electronic means or to request the Grantee's consent to participate in the Plan by electronic means. The Grantee hereby consents to receive such documents by electronic delivery and, if requested, to participate in the Plan and the Deferral Program through an on-line or electronic system established and maintained by the Company or another third party designated by the Company.

19. GRANTEE'S REPRESENTATIONS AND RELEASES. By accepting this award, the Grantee acknowledges that the Grantee has read these Terms and Conditions and understands that (i) the grant of this Restricted Share Unit award is made voluntarily by Occidental in its discretion with no liability on the part of any of its direct or indirect subsidiaries and that, if the Grantee is not an employee of Occidental, the Grantee is not, and will not be considered, an employee of Occidental but the Grantee is a third party (employee of a subsidiary) to whom this Restricted Share Unit award is granted; (ii) the Grantee's participation in the Plan is voluntary; (iii) the future value of any Common shares issued pursuant to this Restricted Share Unit award cannot be predicted and Occidental does not assume liability in the event such Common Shares have no value in the future; and, (iv) subject to the terms of any tax equalization agreement between the Grantee and the entity employing the Grantee, the Grantee will be solely responsible for the payment or nonpayment of taxes imposed or threatened to be imposed by any authority of any jurisdiction.

In consideration of the grant of this Restricted Share Unit award, no claim or entitlement to compensation or damages shall arise from termination of this Restricted Share Unit award or diminution in value of this Restricted Share Unit award or Common Shares issued pursuant to this Restricted Share Unit award resulting from termination of the Grantee's employment by the Company or the Grantee's employer (for any reason whatsoever and whether or not in breach of local labor laws) and the Grantee irrevocably releases the Company and, if not Occidental, the Grantee's employer, from any such claim that may arise; if, notwithstanding the foregoing, any such claim is found by a court of competent jurisdiction to have arisen, then, by accepting these Terms and Conditions, the Grantee shall be deemed irrevocably to have waived his or her entitlement to pursue such claim.

EXHIBIT 11

OCCIDENTAL PETROLEUM CORPORATION AND SUBSIDIARIES
COMPUTATION OF EARNINGS PER SHARE
FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2005 AND 2004
(Amounts in millions, except per-share amounts)

	Three Months Ended June 30		Six Months Ended June 30	
	2005	2004	2005	2004
BASIC EARNINGS PER SHARE				
Earnings applicable to common stock	$ 1,536	$ 581	$ 2,382	$ 1,068
Basic shares				
Weighted average common shares outstanding	399.0	391.5	398.3	390.5
Vested, unissued restricted stock	1.2	0.6	1.2	0.6
Deferred shares	1.7	1.8	1.7	1.7
Basic shares outstanding	401.9	393.9	401.2	392.8
Basic earnings per share				
Income from continuing operations	$ 3.81	$ 1.48	$ 5.94	$ 2.73
Discontinued operations, net	0.01	—	—	(.01)
Basic earnings per common share	$ 3.82	$ 1.48	$ 5.94	$ 2.72
DILUTED EARNINGS PER SHARE				
Earnings applicable to common stock	$ 1,536	$ 581	$ 2,382	$ 1,068
Diluted shares				
Basic shares outstanding	401.9	393.9	401.2	392.8
Dilutive effect of exercise of options outstanding	4.5	3.9	4.7	4.1
Deferred, restricted stock	0.9	1.1	0.9	1.1
Diluted shares	407.3	398.9	406.8	398.0
Diluted earnings per share				
Income from continuing operations	$ 3.77	$ 1.46	$ 5.86	$ 2.69
Discontinued operations, net	0.01	—	—	(.01)
Diluted earnings per common share	$ 3.78	$ 1.46	$ 5.86	$ 2.68

EXHIBIT 12

OCCIDENTAL PETROLEUM CORPORATION AND SUBSIDIARIES
COMPUTATION OF TOTAL ENTERPRISE RATIOS OF EARNINGS TO FIXED CHARGES
(Amounts in millions, except ratios)

	Six Months Ended June 30		Year Ended December 31				
	2005	2004	2004	2003	2002	2001	2000
Income from continuing operations	$ 2,382	$ 1,073	$ 2,606	$ 1,601	$ 1,181	$ 1,182	$ 1,559
Add:							
Minority interest[(a)]	50	36	75	62	77	143	185
Adjusted income from equity investments[(b)]	(45)	6	(6)	69	308	89	31
	2,387	1,115	2,675	1,732	1,566	1,414	1,775
Add:							
Provision for taxes on income (other than foreign oil and gas taxes)	111	407	982	682	(41)	172	871
Interest and debt expense[(c)]	138	134	266	335	309	411	540
Portion of lease rentals representative of the interest factor	19	18	40	8	6	7	6
	268	559	1,288	1,025	274	590	1,417
Earnings before fixed charges	$ 2,655	$ 1,674	$ 3,963	$ 2,757	$ 1,840	$ 2,004	$ 3,192
Fixed charges							
Interest and debt expense including capitalized interest[(c)]	$ 145	$ 136	$ 281	$ 341	$ 321	$ 417	$ 543
Portion of lease rentals representative of the interest factor	19	18	40	8	6	7	6
Total fixed charges	$ 164	$ 154	$ 321	$ 349	$ 327	$ 424	$ 549
Ratio of earnings to fixed charges	16.17	10.87	12.35	7.90	5.63	4.73	5.81

(a) Represents minority interests in net income of majority-owned subsidiaries and partnerships having fixed charges.

(b) Represents income from less-than-50-percent-owned equity investments adjusted to reflect only dividends received.

(c) Includes proportionate share of interest and debt expense of 50-percent-owned equity investments.

EXHIBIT 31.1

CERTIFICATION

I, Ray R. Irani, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Occidental Petroleum Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 2, 2005

/s/ Ray R. Irani
Ray R. Irani
Chairman of the Board of Directors, President and
Chief Executive Officer

EXHIBIT 31.2

CERTIFICATION

I, Stephen I. Chazen, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Occidental Petroleum Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 2, 2005

/s/ Stephen I. Chazen
Stephen I. Chazen
Senior Executive Vice President and
Chief Financial Officer

EXHIBIT 32.1

CERTIFICATION OF CEO AND CFO PURSUANT TO
18 U.S.C. § 1350,
AS ADOPTED PURSUANT TO
§ 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report on Form 10-Q of Occidental Petroleum Corporation (the "Company") for the fiscal period ended June 30, 2005, as filed with the Securities and Exchange Commission on August 2, 2005 (the "Report"), Ray R. Irani, as Chief Executive Officer of the Company, and Stephen I. Chazen, as Chief Financial Officer of the Company, each hereby certifies, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that, to the best of his knowledge:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Ray R. Irani

Name: Ray R. Irani
Title: Chairman of the Board of Directors, President and Chief Executive Officer
Date: August 2, 2005

/s/ Stephen I. Chazen

Name: Stephen I. Chazen
Title: Senior Executive Vice President and Chief Financial Officer
Date: August 2, 2005

A signed original of this written statement required by Section 906 has been provided to Occidental Petroleum Corporation and will be retained by Occidental Petroleum Corporation and furnished to the Securities and Exchange Commission or its staff upon request.

This certification accompanies the Report pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 and shall not, except to the extent required by the Sarbanes-Oxley Act of 2002, be deemed filed by the Company for purposes of Section 18 of the Securities Exchange Act of 1934, as amended.