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SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

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

DATE OF REPORT (DATE OF EARLIEST EVENT REPORTED) SEPTEMBER 25, 1998

OCCIDENTAL PETROLEUM CORPORATION  
(Exact name of registrant as specified in its charter)

DELAWARE  
(State or other jurisdiction  
of incorporation)

1-9210  
(Commission  
File Number)

95-4035997  
(I.R.S. Employer  
Identification No.)

10889 WILSHIRE BOULEVARD  
LOS ANGELES, CALIFORNIA  
(Address of principal executive offices)

90024  
(ZIP code)

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

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Item 5. Other Events

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(1) \$270 Million Principal Amount of Extendible Notes Due October 3, 2008 (the "Notes"). Exhibits with respect to the sale of the Notes are filed herewith in connection with the Registration Statement on Form S-3 (File No. 333-52053) filed with the Securities and Exchange Commission on May 7, 1998 and declared effective on May 12, 1998 under the Securities Act of 1933, as amended, which relates to \$800,000,000 of debt securities of Occidental Petroleum Corporation ("Occidental").

(2) Liquidity. Cash used by operating and investing activities in the first six months of 1998 resulted in a net cash shortfall, which was funded by additional borrowings. Operating cash flow decreased primarily due to the impact of lower worldwide crude oil prices, lower chemical prices and the repurchase of previously sold accounts receivable of Occidental's former subsidiary MidCon Corp. and of the petrochemical business contributed to Equistar Chemicals, LP petrochemicals partnership. In addition, cash proceeds from Occidental's program to sell nonstrategic assets did not totally offset cash expenditures for the February 1998 acquisition of its interest in Elk Hills Naval Petroleum Reserve and the Common Stock repurchase program.

For 1998 Occidental anticipates a net cash shortfall, which it expects can be funded without substantial additional borrowings over the levels at June 30, 1998. Occidental believes that cash generated from operations and available borrowing capacity will be adequate to meet its anticipated operating requirements, capital spending and dividend payments for the next 12 months, assuming oil and gas prices remain in their current range. However, Occidental continually evaluates possible acquisitions or other extraordinary transactions, which may, singularly or in the aggregate, affect Occidental's cash requirements. Without giving effect to the sale on October 2, 1998 of the Notes, Occidental expects to have available, but unused, lines of committed credit totaling approximately \$1.1 billion at September 30, 1998.

(3) Completion of Shell Swap. In September 1998, Occidental and Royal Dutch/Shell Group consummated the exchange of Occidental's oil and gas interests in the Philippines and Malaysia for the Royal Dutch/Shell Group's oil and gas interests in Yemen and its interests in the Cravo Norte, Samore, Soapaga and Rondon association contracts in Colombia.

Item 7. Exhibits

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- 1.1 Underwriting Agreement, dated September 25, 1998, between Occidental Petroleum Corporation and the Underwriter named therein.
- 4.1 Form of Extendible Notes due October 3, 2008.
- 8.1 Opinion of Skadden, Arps, Slate, Meagher & Flom LLP regarding tax matters.

SIGNATURE

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

OCCIDENTAL PETROLEUM CORPORATION  
(Registrant)

DATE: October 2, 1998

/s/ S. P. Dominick, Jr.

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S. P. Dominick, Jr., Vice President and Controller  
(Chief Accounting and Duly Authorized Officer)

EXHIBIT INDEX

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Exhibit No.  
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Description  
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OCCIDENTAL PETROLEUM CORPORATION

UNDERWRITING AGREEMENT

September 25, 1998

MERRILL LYNCH & CO.  
MERRILL LYNCH, PIERCE, FENNER & SMITH  
INCORPORATED  
World Financial Center  
North Tower  
New York, New York 10281

Dear Sirs:

Occidental Petroleum Corporation, a Delaware corporation (the "Company"), confirms its agreement with Merrill Lynch, Pierce, Fenner & Smith Incorporated (the "Underwriter") with respect to the sale by the Company and the purchase by the Underwriter of \$270 million aggregate principal amount of the Company's Extendible Notes due October 3, 2008 (the "Notes"). The Notes are to be issued pursuant to an indenture (the "Indenture", which term, for the purpose of this Agreement, shall include the Officers' Certificate with respect to the Notes delivered pursuant to Sections 201 and 301 of the Indenture), dated as of April 1, 1998, between the Company and The Bank of New York, as trustee (the "Trustee").

The Company has filed with the Securities and Exchange Commission (the "Commission") a registration statement on Form S-3 (No. 333-52053) and, if applicable, one or more amendments thereto for the registration of senior debt securities, including the Notes, under the Securities Act of 1933, as amended (the "1933 Act"), and the offering thereof from time to time in accordance with Rule 415 of the rules and regulations of the Commission under the 1933 Act (the "1933 Act Regulations"). Such registration statement (as amended, if applicable) has been declared effective by the Commission and the Indenture has been qualified under the Trust Indenture Act of 1939, as amended (the "1939 Act"). Such registration statement (as amended, if applicable) and the prospectus constituting a part thereof, together with any prospectus supplement relating to the Notes, including, in each case, all Incorporated Documents (as hereinafter defined), are referred to herein as the "Registration Statement" and the "Prospectus," respectively, except that, if any revised prospectus or revised prospectus supplement shall be provided to the Underwriters by the Company for use in connection with the offering of the Notes that is not required to be filed by the Company pursuant to Rule 424(b) of the 1933 Act Regulations, the term "Prospectus" shall refer to such revised prospectus or prospectus supplement, as the case may be, from and after the time it is first provided to the Underwriters for such use. Any registration statement filed pursuant to Rule 462(b) of the 1933 Act Regulations and relating to the Registration Statement is herein referred to as the "Rule 462(b) Registration Statement," and after such filing the term "Registration Statement" shall include the Rule 462(b) Registration Statement. Any reference herein to the Registration Statement, any preliminary prospectus or the Prospectus shall be deemed to refer to and include the documents, financial statements and schedules incorporated or deemed to be incorporated by reference therein pursuant to Item 12 of Form S-3 under the 1933 Act, and any reference to any amendment or supplement to the Registration Statement or the Prospectus shall be deemed to refer to and include any documents, financial statements and schedules filed by the Company with the Commission under the Securities Exchange Act of 1934, as amended (the "1934 Act"), and so incorporated or deemed to be incorporated by reference (such incorporated documents, financial statements and schedules being herein called the "Incorporated Documents"). Notwithstanding the foregoing, for purposes of this Agreement any prospectus supplement prepared or filed with respect to an offering pursuant to the Registration Statement of a series of debt securities other than the Notes shall not be deemed to have supplemented the Prospectus.

For purposes of this Agreement, all references to the Registration Statement, any preliminary prospectus or the Prospectus or any amendment or supplement to any of the foregoing shall be deemed to include the copy filed with the Commission pursuant to its Electronic Data Gathering, Analysis and Retrieval system ("EDGAR").

The Company understands that the Underwriter proposes to make a public offering of the Notes as soon as the Underwriter deems advisable after this Agreement has been executed and delivered.

#### Section 1. Representations and Warranties.

(a) The Company represents and warrants to the Underwriter as follows:

(i) The Incorporated Documents, when they were filed or became effective (or, if an amendment with respect to any such Incorporated Document was filed or became effective, when such amendment was filed or became effective) with the Commission, as the case may be, complied in all material respects with the requirements of the 1934 Act and the rules and regulations of the Commission under the 1934 Act (the "1934 Act Regulations"), and any Incorporated Documents filed subsequent to the date hereof and prior to the termination of the offering of the Notes, will, when they are filed with the Commission, comply in all material respects with the requirements of the 1934 Act and the 1934 Act Regulations; no such Incorporated Document, when it was filed or became effective (or, if an amendment with respect to any such Incorporated Document was filed or became effective, when such amendment was filed or became effective) with the Commission, contained, and no Incorporated Document filed subsequent to the date hereof and prior to the termination of the offering of the Notes will contain, an untrue statement of a material fact or omitted, or will omit, to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were or will be made, not misleading.

(ii) Each preliminary prospectus relating to the Notes filed as part of the Registration Statement as originally filed or as part of any amendment thereto, or filed pursuant to Rule 424 of the 1933 Act Regulations, when so filed, and the Registration Statement, at the time it became effective, complied in all material respects with the provisions of the 1933 Act and the 1933 Act Regulations; at the date hereof and at the Closing Time, the Registration Statement and the Prospectus, and any supplement or amendment thereto relating to the Notes, comply and will comply in all material respects with the provisions of the 1933 Act and the 1933 Act Regulations; and the Registration Statement and the Prospectus, and any such supplement or amendment thereto relating to the Notes, at all such times did not and will not contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; except that this representation and warranty does not apply to statements or omissions in the Registration Statement, the Prospectus or any preliminary prospectus, or any amendment or supplement thereto, made in reliance upon information furnished to the Company in writing by the Underwriter expressly for use therein or to those parts of the Registration Statement that constitute the Trustee's Statement of Eligibility on Form T-1 under the 1939 Act (the "Form T-1"). There is no contract or document of a character required to be described in the Registration Statement or the Prospectus or to be filed as an exhibit to the Registration Statement that is not described or filed as required. In the event that the Registration Statement (including any prospectus filed as part of the Registration Statement), any preliminary prospectus or the Prospectus or any amendment or supplement to any of the foregoing was or is filed electronically pursuant to EDGAR, then the Registration Statement (including any prospectus filed as part thereof), such preliminary prospectus, the Prospectus and any such amendment or supplement delivered to the Underwriter for use in connection with the offering of the Notes was or will be, as the case may be, identical (as to content) to the electronically transmitted copy thereof filed with the Commission pursuant to EDGAR, except to the extent permitted by Regulation S-T.

(iii) This Agreement, the Indenture, the Remarketing Agreement (the "Remarketing Agreement"), dated as of October 2, 1998, between the Company and Merrill Lynch, Pierce, Fenner & Smith Incorporated (the "Remarketing Agent") and the Notes have been duly authorized by the Company and conform in all material respects to the descriptions thereof in the Prospectus.

(iv) The Indenture (assuming the due execution and delivery thereof by the Trustee) and the Remarketing Agreement are, and the Notes (when executed by the Company and authenticated in accordance with the Indenture and delivered to and paid for by the purchasers thereof) will be, the legal, valid and binding obligations of the Company, enforceable against the Company in accordance with their terms, except as such enforceability may be limited by (A) bankruptcy, insolvency, reorganization, moratorium or other similar laws now or hereafter in effect relating to or affecting the enforcement of creditors' rights generally and (B) general principles of equity (regardless of whether such enforcement is considered in a proceeding in equity or at law). The Notes (when executed by the Company and authenticated in accordance with the terms of the Indenture and delivered to and paid for by the purchasers thereof) will be entitled to the benefits of the Indenture (subject to the exceptions set forth in the preceding sentence).

(v) The Company and each of Occidental Chemical Holding Corporation, a California corporation, and Occidental Oil and Gas Corporation, a California corporation (each a "Principal Domestic Subsidiary" and collectively the "Principal Domestic Subsidiaries") is a validly existing corporation in good standing under the laws of its state of incorporation. The Company and each Principal Domestic Subsidiary has full corporate power and authority to own its properties and carry on its business as presently conducted, as described in the Prospectus, and is duly registered or qualified to conduct business, and is in good standing, in each jurisdiction in which it owns or leases property or transacts business and in which such registration or qualification is necessary, except as to jurisdictions where the failure to do so would not have a material adverse effect on the Company and its subsidiaries, taken as a whole. All of the outstanding capital stock or other securities evidencing equity ownership of each Principal Domestic Subsidiary has been duly and validly authorized and issued and is fully paid and non-assessable, and is owned by the Company, directly or indirectly through subsidiaries, free and clear of any security interest, claim, lien or encumbrance. There are no outstanding rights, warrants or options to acquire, or instruments convertible into or exchangeable for, any shares of capital stock or other equity interest in any such Principal Domestic Subsidiary, except for rights, warrants or options held by the Company.

(vi) Except as contemplated in the Prospectus or reflected therein by the filing of any amendment or supplement thereto or any Incorporated Document, since the date of the most recent consolidated financial statements included or incorporated by reference in the Registration Statement and the Prospectus, unless the Company has notified the Underwriter as provided in Section 4(d) hereof, there has not been any material adverse change in the consolidated financial condition of the Company and its subsidiaries, taken as a whole.

(vii) The Company is not in violation of its Restated Certificate of Incorporation or Bylaws, in each case, as amended. The execution and delivery of this Agreement and the Remarketing Agreement by the Company, the issuance and sale of the Notes and the performance by the Company of its obligations under this Agreement, the Remarketing Agreement and the Indenture will not conflict with or constitute a breach of or a default (with the passage of time or otherwise) under (A) the Restated Certificate of Incorporation or Bylaws of the Company, in each case, as amended, (B) any agreement or instrument (which is, individually or in the aggregate, material to the Company and its subsidiaries, taken as a whole) to which the Company is a party or by which it is bound or (C) any order of any court or governmental agency or authority presently in effect and applicable to the Company or any Principal Domestic Subsidiary. Except for orders, permits and similar authorizations required under the securities or Blue Sky laws of certain jurisdictions, including jurisdictions outside the United States, or required of any securities exchange on which any of the Notes might be listed, no consent, approval, authorization or other order of any regulatory body, administrative agency or other governmental body is legally required for the valid issuance and sale of the Notes.

(viii) To the best of the Company's knowledge, the accountants who have audited and reported upon the consolidated financial statements filed with the Commission as part of the Registration Statement and the Prospectus are independent accountants as required by the 1933 Act. The consolidated financial statements included in the Registration Statement and Prospectus, or incorporated therein by reference,

fairly present the consolidated financial position and results of operations of the entities to which such statements relate at the respective dates and for the respective periods to which they apply. Such consolidated financial statements have been prepared in accordance with generally accepted accounting principles consistently applied, except as set forth in the Registration Statement and Prospectus.

(ix) The Company has complied with, and is and will be in compliance with, the provisions of that certain Florida act relating to disclosure of doing business with Cuba, codified as Section 517.075 of the Florida statutes, and the rules and regulations thereunder (collectively, the "Cuba Act") or is exempt therefrom.

(b) Additional Certifications. Any certificate signed by any officer of the Company and delivered to the Underwriter or to counsel for the Underwriter in connection with transactions contemplated hereby shall be deemed a representation and warranty by the Company to the Underwriter as to the matters covered thereby on the date of such certificate.

## Section 2. Sale and Delivery to the Underwriter; Closing.

(a) Purchase and Sale. On the basis of the representations and warranties herein contained and subject to the terms and conditions herein set forth, the Company agrees to issue and sell to the Underwriter, and the Underwriter agrees to purchase from the Company, at 99.80% of the principal amount thereof, \$270 million aggregate principal amount of the Notes.

(b) Closing Time. Payment of the purchase price for, and delivery of the certificates for, the Notes shall be made at the offices of Brown & Wood LLP, 10877 Wilshire Boulevard, Los Angeles, California 90024, or at such other place as shall be agreed upon by the Underwriter and the Company, at 10:00 a.m., New York City time, on October 2, 1998 (unless postponed in accordance with the provisions of Section 11), or such other time not later than ten business days after such date as shall be agreed upon by the Underwriter and the Company (such time and date of payment and delivery being herein called "Closing Time"). Payment shall be made to the Company by wire transfer of immediately available funds to a bank account designated by the Company, against delivery to the Underwriter of certificates for the Notes to be purchased by it. Certificates for the Notes shall be in such denominations and registered in such names as the Underwriter may request in writing by 12:00 noon New York City time at least one full business day before Closing Time. The certificates for the Notes will be made available for examination and packaging by the Underwriter not later than 10:00 a.m. on the last business day prior to Closing Time in The City of New York.

## Section 3. Foreign Offerings.

The Underwriter represents and agrees that (i) it has not solicited, and will not solicit, offers to purchase any of the Notes from, (ii) it has not sold, and will not sell, any of the Notes to, and (iii) it has not distributed, and will not distribute, the Prospectus to, any person or entity in any jurisdiction outside of the United States (collectively "Foreign Offers and Sales") except, in each case, in compliance in all material respects with all applicable laws and, in connection with the initial offering of, or subscription for, any of the Notes, only with the prior written consent of the Company and in full compliance with any requirements and procedures established by the Company with respect to any such Foreign Offers and Sales. For the purposes of this paragraph, "United States" means the United States of America, its territories, its possessions (including the Commonwealth of Puerto Rico) and other areas subject to its jurisdiction.

In particular and without limiting the generality of the foregoing:

(i) The Underwriter agrees to distribute, in connection with any Foreign Offers and Sales, only those Prospectuses used in connection therewith that have been appropriately "stickered" for use in the jurisdiction in which such Foreign Offers and Sales are to be made.



(ii) With respect to the United Kingdom, the Underwriter represents and agrees that (A) it has not offered or sold and, prior to the expiry of the period of six months from the Closing Time, will not offer or sell any Notes to persons in the United Kingdom except to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses or otherwise in circumstances which have not resulted and will not result in an offer to the public in the United Kingdom within the meaning of the Public Offers of Securities Regulations 1995, (B) it has complied and will comply with all applicable provisions of the Financial Services Act of 1986 (the "Financial Services Act") with respect to anything done by it in relation to the Notes in, from or otherwise involving the United Kingdom and (C) it has only issued or passed on, and will only issue or pass on, in the United Kingdom any document received by it in connection with the issue of the Notes, other than any document which consists of or any part of listing particulars, supplementary listing particulars or any other document required or permitted to be published by listing rules under Part IV of the Financial Services Act, to a person who is of a kind described in Article 11(3) of the Financial Services Act 1986 (Investment Advertisements) (Exemptions) Order 1996 or is a person to whom such document may otherwise lawfully be issued or passed on.

(iii) With respect to Japan, the Underwriter understands that the Notes have not been, and will not be, registered under the Securities and Exchange Law of Japan, and, accordingly, the Underwriter represents and agrees that in connection with the initial offering of any of the Notes, it has not, directly or indirectly, offered or sold, and will not, directly or indirectly, offer or sell, any of the Notes in Japan or to any resident of Japan (including any corporation or other entity incorporated or organized under the laws of Japan), or to others for re-offering or resale, directly or indirectly, in Japan or to any such resident of Japan, except, in each case, in compliance in all material respects with the Securities and Exchange Law of Japan.

(iv) With respect to the Provinces of Canada (the "Provinces"), the Underwriter represents and agrees that, in connection with the initial offering of any of the Notes, (A) it will not, directly or indirectly, offer or sell any of the Notes in any of the Provinces or to, or for the benefit of, any resident of any of the Provinces after the date (the "Canadian Ending Date") set by the Company for the end of the offer of such Notes, and, without the prior written consent of the Company, it will not distribute or permit to be distributed any Prospectus in any of the Provinces or to, or for the benefit of, any resident of any of the Provinces after the Canadian Ending Date, (B) with respect to anything done by the Underwriter in relation to the Notes in, from, or otherwise involving, any of the Provinces, it has complied, and will comply, in all material respects, with all applicable provisions of the securities legislation of Canada and the Provinces (the "Canadian Securities Legislation") (including, without limitation, the conveyance, or the provision of assistance to the Company in conveying, any right of rescission, damages or other right as required by applicable Canadian Securities Legislation) so that any offer or sale of any of the Notes in the Provinces, or any of them, will qualify for exemptions from prospectus, registration and equivalent requirements, or exemptions from other applicable requirements, as prescribed by the Canadian Securities Legislation in force at the time when such offer or sale is made, provided that such offer or sale is made pursuant to the Prospectus, as supplemented to the extent required by the Canadian Securities Legislation (the Prospectus, as so supplemented, hereinafter referred to as the "Canadian Offering Memorandum"), (C) with respect to Notes offered or sold, or to be offered or sold, by the Underwriter, or Notes purchased, or to be purchased, by the Underwriter, it has provided, and will provide, investors, where required pursuant to the provisions of applicable Canadian Securities Legislation, with (1) the Canadian Offering Memorandum, and (2) a list of the documents filed by the Company with the Commission pursuant to Sections 13(a), 13(c), 14 or 15(d) of the 1934 Act subsequent to the date of the Prospectus, dated September 25, 1998, and will obtain from each of such investors an acknowledgement in form satisfactory to the Company, and (D) with respect to any such sale of the Notes made by the Underwriter, it will effect all necessary filings in connection with such sale, including, without limitation, any required filings of (x) reports of trades and (y) the Canadian

Offering Memorandum, in each case with provincial securities commissions, as required pursuant to the provisions of applicable Canadian Securities Legislation.

#### Section 4. Covenants of the Company.

The Company covenants with the Underwriter as follows:

(a) Notice of Certain Events. During the period from the date hereof to and including the time at which the distribution of the Notes is completed, the Company will notify the Underwriter promptly (i) of the effectiveness of any post-effective amendment to the Registration Statement, (ii) of the receipt of any comments from the Commission with respect to the Registration Statement or the Prospectus, (iii) of any request by the Commission for any amendment to the Registration Statement or any amendment or supplement to the Prospectus or for additional information and (iv) of the issuance by the Commission of any stop order suspending the effectiveness of the Registration Statement or the initiation of any proceedings for that purpose. The Company will make every reasonable effort to prevent the issuance of any such stop order and, if any such stop order is issued, to obtain the lifting thereof at the earliest possible moment.

(b) Proposed Filings. During the period from the date hereof to and including the Closing Time, the Company will not file any amendment or supplement to the Registration Statement, or file any amendment or supplement to the Prospectus, in any such case relating to the Notes, of which the Underwriter shall not previously have been advised or to which the Underwriter shall reasonably object in writing, unless, in the judgment of the Company and its counsel, such amendment or supplement is necessary to comply with law.

(c) Copies of the Registration Statement, the Rule 462(b) Registration Statement and the Prospectus. The Company will deliver to the Underwriter one signed and as many conformed copies of the Registration Statement (as originally filed), the Rule 462(b) Registration Statement, if any, and of each amendment thereto relating to the Notes (including the Incorporated Documents and any exhibits filed therewith or incorporated by reference therein) as the Underwriter may reasonably request. The Company will furnish to the Underwriter as many copies of the Prospectus (as amended or supplemented) as the Underwriter shall reasonably request so long as the Underwriter is required to deliver a Prospectus in connection with sales or solicitations of offers to purchase the Notes.

(d) Revisions of Prospectus--Material Changes. So long as the Underwriter is required to deliver a Prospectus in connection with sales or solicitations of offers to purchase the Notes, if any event shall occur or condition exist as a result of which it is necessary, in the opinion of counsel for the Company and of counsel for the Underwriter, to further amend or supplement the Prospectus in order that the Prospectus will not include an untrue statement of a material fact or omit to state any material fact necessary in order to make the statements therein not misleading, in the light of the circumstances existing at the time it is delivered to a purchaser, or if it shall be necessary, in the opinion of such counsel, to amend or supplement the Registration Statement or the Prospectus in order to comply with the requirements of the 1933 Act or the 1933 Act Regulations, prompt notice shall be given to the Underwriter, and the Company will promptly prepare and file an amendment or supplement to the Prospectus so that the Prospectus, as amended or supplemented, will not include any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements therein not misleading, in the light of the circumstances existing at the time it is delivered to the Underwriter.

(e) Earnings Statements. The Company will make generally available to its security holders a consolidated earnings statement (which need not be audited) covering a period of at least twelve months commencing after the Closing Time (but in no event commencing later than 90 days after the Closing Time), as soon as is reasonably practicable after the end of such period, which earnings statement shall satisfy the provisions of Section 11(a) and Rule 158 of the 1933 Act.

(f) Blue Sky Qualifications. The Company will endeavor, in cooperation with the Underwriter, to qualify the Notes for offering and sale under the applicable securities laws of such states and other jurisdictions as the

Underwriter may reasonably designate (provided no registration shall be required in any jurisdiction outside the United States), and will maintain such qualifications in effect for as long as may be required for the distribution of the Notes; provided, however, that the Company will promptly notify the Underwriter of any suspension of any such qualifications; and provided, further, that the Company shall not be obligated to register or qualify as a foreign corporation or take any action which would subject it to general service of process in any jurisdiction where it is not now so subject.

(g) Filing of Prospectus. Immediately following the execution and delivery of this Agreement, the Company will prepare and file or transmit for filing with the Commission in accordance with Rule 424(b) of the 1933 Act Regulations, copies of a supplement to the Prospectus containing the terms of the Notes and such other information as the Underwriter and the Company deem appropriate.

#### Section 5. Payment of Expenses.

The Company will pay all expenses incident to the performance of its obligations under this Agreement, including:

(i) The preparation and filing of the Registration Statement and all amendments thereto and the Prospectus and any amendments or supplements thereto and all Incorporated Documents;

(ii) The preparation, filing and printing of this Agreement and the Remarketing Agreement;

(iii) The preparation, printing, issuance and delivery of the Notes;

(iv) The fees and disbursements of the Trustee and its counsel, of any calculation agent or exchange rate agent and of The Depository Trust Company;

(v) The qualification of the Notes under securities laws in accordance with the provisions of Section 4(f) hereof, including filing fees and the reasonable fees and disbursements of counsel to the Underwriter in connection therewith and in connection with the preparation of any Blue Sky survey and any legal investment survey;

(vi) The printing and delivery to the Underwriter in quantities as hereinabove stated of copies of the Registration Statement and any amendments thereto, and of the Prospectus and any amendments or supplements thereto relating to the Notes, and the delivery by the Underwriter of the Prospectus and any amendments or supplements thereto in connection with solicitations of offers to purchase, or confirmations of sales of, the Notes;

(vii) The preparation, printing and delivery to the Underwriter of copies of the Indenture;

(viii) Any fees charged by rating agencies for the rating of the Notes; and

(ix) The fees and expenses, if any, incurred with respect to any filing with the National Association of Securities Dealers, Inc. relating to the offering made hereby.

If this Agreement is terminated pursuant to any of the provisions hereof (otherwise than by notice given by the Underwriter in connection with the occurrence of any event set forth in clauses (ii) through (iv) of Section 10(a)), the Company shall reimburse the Underwriter for all of its out-of-pocket expenses, including the reasonable fees and disbursements of counsel for the Underwriter.

#### Section 6. Conditions of Underwriter's Obligations.

The obligations of the Underwriter hereunder are subject to the accuracy of the representations and warranties on the part of the Company herein and the accuracy of the statements of the Company's officers made in any certificate furnished pursuant to the provisions hereof, to the performance and observance by the Company of all covenants and agreements herein contained on its part to be performed and observed and to the following additional conditions precedent:

(a) At the Closing Time, no stop order suspending the effectiveness of the Registration Statement shall have been issued and no proceedings for that purpose shall be instituted or threatened or, to the knowledge of the Company or the Underwriter, contemplated by the Commission; no stop order suspending the sale of the Notes in any jurisdiction designated by the Underwriter pursuant to Section 4(f) shall have been issued and no proceedings for that purpose shall have been instituted or threatened or, to the knowledge of the Company or the Underwriter, shall be contemplated; any request of the Commission for additional information (to be included in the Registration Statement or Prospectus or otherwise) shall have been complied with to the satisfaction of the Underwriter. The supplement to the Prospectus referred to in Section 4(g) of this Agreement shall have been transmitted to the Commission for filing pursuant to Rule 424(b) of the 1933 Act Regulations within the prescribed time period, and prior to Closing Time the Company shall have provided evidence satisfactory to the Underwriter of such timely filing.

(b) The Underwriter shall have received an opinion from Robert E. Sawyer, Esq., Associate General Counsel for the Company, dated as of the Closing Time and in form and substance satisfactory to counsel for the Underwriter, to the effect that:

(i) The Company has been duly incorporated and is validly existing in good standing under the laws of the State of Delaware. Each Principal Domestic Subsidiary is validly existing in good standing under the laws of its state of incorporation.

(ii) The Company has full corporate power and corporate authority to enter into and perform its obligations under this Agreement and the Indenture, to borrow money as contemplated in this Agreement and the Indenture, and to issue, sell and deliver the Notes.

(iii) This Agreement has been duly authorized, executed and delivered by the Company.

(iv) The Indenture and the Remarketing Agreement have been duly authorized, executed and delivered by the Company and (assuming the due authorization, execution and delivery of the Indenture and the Remarketing Agreement by the Trustee and the Remarketing Agent, respectively) are valid and binding agreements of the Company enforceable against the Company in accordance with their terms, except that such enforceability may be limited by (A) bankruptcy, insolvency, reorganization, moratorium or other similar laws now or hereafter in effect relating to creditors' rights generally, (B) general principles of equity (regardless of whether enforcement is sought in a proceeding in equity or at law) and (C) in the case of the Remarketing Agreement, any law limiting rights of indemnity or contribution.

(v) No consent or approval of any United States governmental authority or other United States person or United States entity is required in connection with the issuance or sale of the Notes other than registration thereof under the 1933 Act, qualification of the Indenture under the 1939 Act, and such registrations or qualifications as may be necessary under the securities or Blue Sky laws of the various United States jurisdictions in which the Notes are to be offered or sold.

(vi) The Notes have been duly authorized by the Company and, when executed by the Company and authenticated by the Trustee in accordance with the terms of the Indenture (assuming the due authorization, execution and delivery of the Indenture by the Trustee) and issued to and paid for by the Underwriter in accordance with the terms of this Agreement, will be entitled to the benefits of the Indenture and will be valid and binding obligations of the Company enforceable against the Company in accordance with their respective terms, except that such enforceability may be limited by (A) bankruptcy, insolvency, reorganization, moratorium or other similar laws now or hereafter in effect relating to creditors' rights generally and (B) general principles of equity (regardless of whether such enforcement is sought in a proceeding in equity or at law).

(vii) The Registration Statement has become effective under the 1933 Act and the Indenture has been qualified under the 1939 Act, and, to the best of such counsel's knowledge, no stop order suspending the effectiveness of the Registration Statement has been issued and no proceedings for that purpose have been instituted or are pending or contemplated.

(viii) The execution and delivery of this Agreement, the Remarketing Agreement and the Indenture by the Company, the issuance and sale of the Notes and the fulfillment of this Agreement, the Remarketing Agreement and the Indenture by the Company will not conflict with or constitute a breach of or a default (with the passage of time or otherwise) under (A) the Restated Certificate of Incorporation or Bylaws of the Company, in each case, as amended, (B) any statute, law or regulation to which the Company or any Principal Domestic Subsidiary or any of their respective properties may be subject or (C) any judgment, decree or order, known to such counsel, after reasonable inquiry, of any court or governmental agency or authority entered in any proceeding to which the Company or any Principal Domestic Subsidiary was or is now a party or by which it is bound, except that such counsel may state that the opinion set forth in clause (B) of this paragraph (viii) is limited to those statutes, laws or regulations in effect on the date of such opinion which, in such counsel's experience, are normally applicable to transactions of the type contemplated by this Agreement and that such counsel expresses no opinion as to the securities or Blue Sky laws of the various jurisdictions in which the Notes are to be offered.

(ix) The Registration Statement, as of its effective date, and the Prospectus, as of its date, including each Incorporated Document when such Incorporated Document was filed or became effective, or if any such Incorporated Document was amended, when such amendment was filed or became effective, appeared on their face to be appropriately responsive in all material respects to the applicable requirements of the 1933 Act or the 1934 Act, as the case may be, except that in each case such counsel need not express an opinion as to the financial statements and schedules and other financial data included or incorporated by reference therein or as to the Form T-1.

(x) The statements in the Prospectus under the captions "Description of the Debt Securities" and "Description of the Notes," insofar as they purport to summarize certain provisions of documents specifically referred to therein, are in all material respects accurate summaries of such provisions.

(xi) Except as set forth in the Prospectus (including the Incorporated Documents), there is not pending or, to the knowledge of such counsel, after reasonable inquiry, threatened any action, suit or proceeding against the Company or any of its subsidiaries before or by any court or governmental agency or body, which is likely (to the extent not covered by insurance) to have a material adverse effect on the consolidated financial condition of the Company and its subsidiaries, taken as a whole.

(xii) To the best of such counsel's knowledge, after reasonable inquiry, there is no contract or document of a character required to be described in the Registration Statement or the Prospectus or to be filed as an exhibit to the Registration Statement that is not described or filed as required.

(xiii) To the best of such counsel's knowledge, after reasonable inquiry, the Company is not in violation of its Restated Certificate of Incorporation or Bylaws, in each case, as amended.

(xiv) To the best of such counsel's knowledge, after reasonable inquiry, the execution and delivery of this Agreement, the Remarketing Agreement and the Indenture by the Company, the issuance and sale of the Notes and the performance by the Company of its obligations under this Agreement, the Remarketing Agreement and the Indenture will not conflict with or constitute a breach of or a default (with the passage of time or otherwise) under any agreement or instrument that is, individually or in the aggregate, material to the Company and its subsidiaries, taken as a whole, to which the Company is a party or by which it is bound.

In rendering such opinion such counsel may state that with respect to certain matters he has relied upon advice of other counsel employed by the Company who are more familiar with such matters.

In addition, such counsel shall state that he has participated in conferences with officers and other representatives of the Company, outside counsel for the Company, representatives of the independent public accountants for the Company, representatives of the Underwriter and counsel for the Underwriter, at which conferences the contents of the Registration Statement and Prospectus and related matters were discussed and, although he is not passing upon, and does not assume any responsibility for the accuracy, completeness

or fairness of the statements contained in the Registration Statement or the Prospectus (other than as set forth in paragraph (x) above) and has not made any independent check or verification thereof, on the basis of the foregoing, nothing has come to such counsel's attention that leads him to believe that either the Registration Statement (including the Incorporated Documents) at the time such Registration Statement became effective, and if an amendment to the Registration Statement or an Annual Report on Form 10-K has been filed by the Company with the Commission subsequent to the effectiveness of the Registration Statement and prior to the date of such statement, then at the time such amendment became effective or at the time of the most recent such filing (to the extent deemed to be incorporated by reference therein), contained an untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary to make the statements therein not misleading, or that the Prospectus (including the Incorporated Documents) as of its date and as of the Closing Time contained or contains an untrue statement of a material fact or omitted or omits to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, except that such counsel need express no opinion with respect to the financial statements, schedules and other financial data included or incorporated by reference in the Registration Statement or Prospectus or with respect to the Form T-1.

(c) The Underwriter shall have received an opinion from Brown & Wood LLP, counsel to the Underwriter, dated as of the Closing Time and in form and substance satisfactory to the Underwriter.

(d) Officer's Certificate. Except as contemplated in the Prospectus or reflected therein by the filing of any amendment or supplement thereto or any Incorporated Document, at the Closing Time, there shall not have been, since the date of the most recent consolidated financial statements included or incorporated by reference in the Prospectus, any material adverse change in the consolidated financial condition of the Company and its subsidiaries, taken as a whole. The Underwriter shall have received a certificate signed by an officer of the Company, dated as of the Closing Time, to the effect (i) that there has been no such material adverse change, (ii) that the representations and warranties of the Company contained in Section 1(a) hereof (other than Section 1(a)(vi)) are true and correct in all material respects with the same force and effect as though expressly made at and as of the date of such certificate, (iii) that the Company has complied with all agreements and satisfied all conditions required by this Agreement or the Indenture on its part to be performed or satisfied at or prior to the date of such certificate and (iv) that no stop order suspending the effectiveness of the Registration Statement has been issued and, to the best of such officer's knowledge, no proceedings for that purpose have been initiated or threatened by the Commission.

(e) Comfort Letter. On the date hereof, the Underwriter shall have received a letter from the Company's independent public accountants, dated as of the date hereof and in form and substance satisfactory to the Underwriter, containing statements and information of a type ordinarily included in accountants' "comfort letters" to underwriters with respect to the financial statements and certain financial information contained or incorporated by reference in the Registration Statement and the Prospectus; and, if financial statements for any assets, business or entity acquired by the Company are included or incorporated by reference in the Registration Statement or the Prospectus, the Underwriter shall have received a similar "comfort letter" from a firm of independent public accountants, dated as of the date hereof and in form and substance satisfactory to the Underwriter, with respect to such financial statements and any financial information with respect to such assets, business or entity, as the case may be, contained or incorporated by reference in the Registration Statement and the Prospectus. Without limitation to the foregoing, the letter delivered by the Company's independent public accountants shall state that nothing has come to their attention that caused them to believe that at a specified date not more than five days prior to the date of such letter, there was any change in the outstanding capital stock of the Company or any increase in consolidated long-term debt of the Company or any decrease in the stockholders' equity of the Company, in each case as compared with the amounts shown on the most recent consolidated balance sheet of the Company incorporated by reference in the Registration Statement and Prospectus or, during the period from the date of such balance sheet to a specified date not more than five days prior to the date of such letter, there were any decreases, as compared with the corresponding period in the preceding year, in consolidated net sales and operating revenues or net income of the Company, except in each

such case as set forth in or contemplated by the Registration Statement and Prospectus or except for such exceptions enumerated in such letter as shall have been agreed to by the Underwriter and the Company.

(f) Subsequent Delivery of Comfort Letter. At the Closing Time, the Underwriter shall have received from each firm of independent public accountants which delivered a letter pursuant to subsection (e) of this Section, a letter, dated as of the Closing Time, to the effect that they reaffirm the statements made in the letter furnished pursuant to subsection (e) of this Section, except that the specified date referred to shall be a date not more than five days prior to the Closing Time.

(g) Other Documents. At the Closing Time, counsel for the Underwriter shall have been furnished with resolutions of the Company's Board of Directors authorizing and approving the issuance and sale of the Notes and matters related thereto and such other documents and opinions as they may reasonably require for the purpose of enabling them to pass upon the issuance and sale of the Notes as herein contemplated and related proceedings, or in order to evidence the accuracy of any of the representations or warranties, or the fulfillment of any of the conditions, herein contained.

(h) Tax Opinion. The Underwriter shall have received an opinion from Skadden, Arps, Slate, Meagher & Flom LLP, counsel for the Company, dated as of the Closing Time and in form and substance satisfactory to counsel for the Underwriter, to the effect that although the discussion in the Prospectus under the caption "Certain United States Federal Tax Considerations" does not purport to discuss all possible United States federal income tax consequences of the purchase, ownership, and disposition of the Notes, in the opinion of such counsel, such discussion constitutes, in all material respects, a fair and accurate summary of the United States federal income tax consequences of the purchase, ownership, and disposition of the Notes, based upon current law and subject to the qualifications set forth therein.

If any condition specified in this Section 6 shall not have been fulfilled when and as required to be fulfilled, this Agreement may be terminated by the Underwriter by notice to the Company at any time at or prior to the Closing Time, and any such termination shall be without liability of any party to any other party, except as provided in Section 5, and except that the indemnity and contribution agreements set forth in Sections 7 and 8 hereof and the provisions of Section 9 hereof shall remain in effect.

#### Section 7. Indemnification.

(a) Indemnification of the Underwriter. The Company agrees to indemnify and hold harmless the Underwriter and each person, if any, who controls the Underwriter within the meaning of Section 15 of the 1933 Act as follows:

(i) against any and all loss, liability, claim, damage and expense whatsoever (including, subject to the limitations set forth in subsection (c) below, the reasonable fees and disbursements of counsel chosen by the Underwriter), as incurred, insofar as such loss, liability, claim, damage or expense arises out of any untrue statement or alleged untrue statement of a material fact contained in the Registration Statement or the omission or alleged omission therefrom of a material fact required to be stated therein or necessary to make the statements therein not misleading, or arises out of any untrue statement or alleged untrue statement of a material fact contained in the Prospectus or the omission or alleged omission therefrom of a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading;

(ii) against any and all loss, liability, claim, damage and expense whatsoever (including, subject to the limitations set forth in subsection (c) below, the reasonable fees and disbursements of counsel chosen by the Underwriter), as incurred, to the extent of the aggregate amount paid in settlement of any litigation, or investigation or proceeding by any governmental agency or body, commenced or threatened, or of any claim whatsoever, insofar as such loss, liability, claim, damage or expense arises out of any such untrue statement or omission, or any such alleged untrue statement or omission, if such settlement is effected with the written consent of the Company; and

(iii) against any and all expense whatsoever (including, subject to the limitations set forth in subsection (c) below, the reasonable fees and disbursements of counsel chosen by the Underwriter), as incurred, reasonably incurred in investigating, preparing or defending against any litigation, or investigation or proceeding by any governmental agency or body, commenced or threatened, or any claim whatsoever, based upon any such untrue statement or omission, or any such alleged untrue statement or omission;

provided, however, that this indemnity shall not apply to any loss, liability, claim, damage or expense (A) to the extent arising out of or based upon any untrue statement or omission or alleged untrue statement or omission made in reliance upon the Form T-1 under the 1939 Act filed as an exhibit to the Registration Statement; or (B) to the extent arising out of any untrue statement or omission or alleged untrue statement or omission in the Prospectus, if such untrue statement or alleged untrue statement or omission or alleged omission is corrected in an amendment or supplement to the Prospectus and if, having previously been furnished by or on behalf of the Company with copies of the Prospectus, as so amended or supplemented, the Underwriter thereafter failed to deliver such Prospectus, as so amended or supplemented, prior to or concurrently with the sale of a Note or Notes to the person asserting such loss, liability, claim, damage or expense who purchased such Note or Notes that are the subject thereof from the Underwriter; or (C) as to which the Underwriter may be required to indemnify the Company pursuant to the provisions of subsection (b) of this Section 7; or (D) if such loss, liability, claim, damage or expense is covered by any other written agreement between the Company and the Underwriter pertaining to the sale of the Notes pursuant to which the Underwriter may be required to indemnify the Company for such loss, liability, claim, damage or expense.

(b) Indemnification of the Company. The Underwriter agrees to indemnify and hold harmless the Company, its directors, each of its officers who signed the Registration Statement, and each person, if any, who controls the Company within the meaning of Section 15 of the 1933 Act against any and all loss, liability, claim, damage and expense described in the indemnity contained in subsection (a) of this Section 7, as incurred, but only with respect to untrue statements or omissions, or alleged untrue statements or omissions, made in the Registration Statement or the Prospectus in reliance upon and in conformity with written information furnished to the Company by the Underwriter expressly for use in the Registration Statement or the Prospectus.

(c) General. (i) In case any action, suit or proceeding (including any governmental or regulatory investigation or proceeding) shall be brought against the Underwriter or any person controlling the Underwriter, based upon the Registration Statement or the Prospectus and with respect to which indemnity may be sought against the Company pursuant to this Section 7, the Underwriter or controlling person shall promptly notify the Company in writing, and the Company shall assume the defense thereof, including the employment of counsel and payment of all expenses. The Underwriter or any such controlling person shall have the right to employ separate counsel in any such action, suit or proceeding and to participate in the defense thereof, but the fees and expenses of such separate counsel shall be at the expense of the Underwriter or such controlling person, unless (A) the employment of such counsel shall have been specifically authorized in writing by the Company, (B) the Company shall have failed to assume the defense and employ counsel or (C) the named parties to any such action, suit or proceeding (including any impleaded parties) shall include both the Underwriter or such controlling person and the Company, and the Underwriter or such controlling person shall have been advised by such counsel that there may be one or more legal defenses available to it that are different from, or additional to, those available to the Company (in which case, if the Underwriter or such controlling person notifies the Company in writing that it elects to employ separate counsel at the expense of the Company, the Company shall not have the right to assume the defense of such action, suit or proceeding on behalf of the Underwriter or such controlling person, it being understood, however, that the Company shall not, in connection with any one such action or separate but substantially similar or related actions in the same jurisdiction arising out of the same general allegations or circumstances, be liable for the reasonable fees and expenses of more than one separate firm of attorneys (in addition to any local counsel) for the Underwriter and all such controlling persons, which firm shall be designated in writing by the Underwriter, on behalf of the Underwriter and all such controlling persons).



(ii) In case any action, suit or proceeding (including any governmental or regulatory investigation or proceeding) shall be brought against the Company, any of the Company's directors or officers, or any person controlling the Company, with respect to which indemnity may be sought against the Underwriter pursuant to this Section 7, the Underwriter shall have the rights and duties given to the Company by subsection (c)(i) of this Section 7, and the Company, the Company's directors and officers and any such controlling person shall have the rights and duties given to the Underwriter by subsection (c)(i) of this Section 7.

#### Section 8. Contribution.

In order to provide for just and equitable contribution in circumstances in which the indemnity agreement provided for in Section 7 hereof is for any reason held to be unenforceable by the indemnified parties, although applicable in accordance with its terms, the Company and the Underwriter shall contribute to the aggregate losses, liabilities, claims, damages and expenses of the nature contemplated by said indemnity agreement incurred by the Company and the Underwriter, as incurred, (i) in such proportion as is appropriate to reflect the relative benefits received by the Company, on the one hand, and the Underwriter, on the other hand, from the offering of the Notes or (ii) if the allocation provided by clause (i) above is not permitted by applicable law, in such proportion as is appropriate to reflect not only the relative benefits referred to in clause (i) above but also the relative fault of the Company, on the one hand, and of the Underwriter, on the other hand, in connection with the statements or omissions that resulted in such losses, liabilities, claims, damages and expenses. The relative benefits received by the Company, on the one hand, and the Underwriter, on the other hand, shall be deemed to be in the same proportions as the total net proceeds from the sale of the Notes (before deducting expenses) received by the Company as set forth on the cover page of the Prospectus, on the one hand, and the total underwriting discounts and commissions received by the Underwriter, on the other hand, bear to the total purchase price of the Notes. The relative fault of the Company, on the one hand, and the Underwriter, on the other hand, shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by the Company or by the Underwriter and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission. Notwithstanding the provisions of this Section 8, the Underwriter shall not be required to contribute any amount in excess of the amount by which the total price at which the Notes underwritten by it and distributed to the public were offered to the public exceeds the amount of any damages that the Underwriter has otherwise been required to pay by reason of such untrue or alleged untrue statement or omission or alleged omission. No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the 1933 Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation. For purposes of this Section 8, each person, if any, who controls the Underwriter within the meaning of Section 15 of the 1933 Act shall have the same rights to contribution as the Underwriter, and each director of the Company, each officer of the Company who signed the Registration Statement and each person, if any, who controls the Company within the meaning of Section 15 of the 1933 Act shall have the same rights to contribution as the Company. Any party entitled to contribution hereunder will, promptly after receipt of notice of commencement of any action, suit or proceeding against such party in respect of which a claim for contribution may be made against another party or parties under this Section 8, notify such party or parties from whom contribution may be sought, but the omission to so notify such party or parties shall not relieve the party or parties from whom contribution may be sought from any other obligation it or they may have otherwise than under this Section 8.

#### Section 9. Representations, Warranties and Agreements to Survive Delivery.

All representations, warranties and agreements contained in this Agreement, or contained in certificates of officers of the Company submitted pursuant hereto, shall remain operative and in full force and effect, regardless of any investigation made by or on behalf of the Underwriter or any controlling person of the Underwriter, or by or on behalf of the Company, and shall survive each delivery of and payment for any of the Notes.

#### Section 10. Termination.

(a) The Underwriter may terminate this Agreement, by notice to the Company, at any time at or prior to the Closing Time if (i) between the date hereof and the Closing Date, there shall have been any material adverse change in the consolidated financial condition of the Company and its subsidiaries, taken as a whole, (ii) there shall have occurred any material adverse change in the financial markets in the United States or any outbreak or escalation of hostilities or other national or international calamity or crisis, the effect of which shall be such as to make it, in the reasonable judgment of the Underwriter, impracticable to market or to enforce contracts for sale of the Notes or other debt securities, (iii) trading in any securities of the Company shall have been suspended by the Commission or a national securities exchange in the United States, or if trading generally on the New York Stock Exchange shall have been suspended, or minimum or maximum prices for trading shall have been fixed, or maximum ranges for prices for securities shall have been required, by said exchange or by order of the Commission or any other governmental authority, or if a banking moratorium shall have been declared by either Federal or New York authorities, (iv) any nationally recognized securities rating agency in the United States shall have publicly announced that it has (A) placed the Notes or the Company's long-term debt generally on what is commonly termed a "watch list" for possible downgrading or (B) downgraded the Notes or the Company's long-term debt generally, or (v) the Company shall have failed to furnish or cause to be furnished the certificates, opinions or letters referred to in Section 6 hereof.

(b) If this Agreement is terminated pursuant to this Section, such termination shall be without liability of any party to any other party except as provided in Section 5.

#### Section 11. (Intentionally Omitted.)

#### Section 12. Notices.

All notices and other communications hereunder shall be in writing and shall be deemed to have been duly given if mailed or transmitted by any standard form of telecommunication. Notices to the Underwriter shall be directed to Merrill Lynch, Pierce, Fenner & Smith Incorporated, World Financial Center, North Tower, New York, New York 10281, Attention: Scott Primrose. Notices to the Company shall be directed to it at 10889 Wilshire Boulevard, Los Angeles, California 90024, attention of Vice President and Treasurer.

#### Section 13. Parties.

This Agreement shall inure to the benefit of and be binding upon the Underwriter and the Company and their respective successors. Nothing expressed or mentioned in this Agreement is intended or shall be construed to give any person, firm or corporation, other than the parties hereto and their respective successors and the controlling persons and officers and directors referred to in Sections 7 and 8 hereof and their heirs and legal representatives, any legal or equitable right, remedy or claim under or in respect of this Agreement or any provisions herein contained. This Agreement and all conditions and provisions hereof are intended to be for the sole and exclusive benefit of the parties hereto and their respective successors and said controlling persons and officers and directors and their heirs and legal representatives, and for the benefit of no other person, firm or corporation. No purchaser of Notes shall be deemed to be a successor by reason merely of such purchase.

#### Section 14. Governing Law.

This Agreement and the rights and obligations of the parties created hereby shall be governed by and construed in accordance with the laws of the State of New York applicable to agreements made and to be performed in such State, including, without limitation, section 5-1401 of the New York General Obligations Law.

If the foregoing is in accordance with your understanding of our agreement, please sign and return to the Company a counterpart hereof, whereupon this instrument along with all counterparts will become a binding agreement between the Underwriter and the Company in accordance with its terms.

Very truly yours,

Occidental Petroleum Corporation

/s/ David C. Yen

By: \_\_\_\_\_  
Name: David C. Yen  
Title: Vice President and  
Treasurer

CONFIRMED AND ACCEPTED, as of the  
date first above written:

MERRILL LYNCH, PIERCE, FENNER & SMITH  
INCORPORATED

/s/ H.T. McMahon

By: \_\_\_\_\_  
Authorized Signatory

REGISTERED

REGISTERED

OCCIDENTAL PETROLEUM CORPORATION

EXTENDIBLE NOTE DUE OCTOBER 3, 2008

NO. R

PRINCIPAL AMOUNT:  
U.S.\$

CUSIP: 674599 BK 0

Unless and until it is exchanged in whole or in part for Notes in definitive form, this Note may not be transferred except as a whole by the Depository to a nominee of the Depository or by a nominee of the Depository to the Depository or another nominee of the Depository or by the Depository or any such nominee to a successor Depository or a nominee of such successor Depository. Unless this certificate is presented by an authorized representative of The Depository Trust Company (55 Water Street, New York, New York) ("DTC"), to the issuer or its agent for registration of transfer, exchange or payment, and any certificate issued is registered in the name of Cede & Co. or such other name as requested by an authorized representative of DTC and any payment is made to Cede & Co., ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL since the registered owner hereof, Cede & Co., has an interest herein.

Dated: October 2, 1998

TRUSTEE'S CERTIFICATE OF AUTHENTICATION

This is one of the Securities of the series designated therein referred to in the within-mentioned Indenture.

The Bank of New York, as Trustee

By: \_\_\_\_\_  
Authorized Signatory

Occidental Petroleum Corporation, a corporation duly organized and existing under the laws of the State of Delaware (herein referred to as the "Company"), for value received, hereby promises to pay to Cede & Co., or registered assigns, the principal amount of \_\_\_\_\_ Dollars (\$ \_\_\_\_\_), on October 3, 2008 ("Stated Maturity") (unless and to the extent earlier redeemed or repaid prior to such date) and to pay interest thereon from October 2, 1998 or from the most recent Interest Payment Date (as defined below) to which interest has been paid or duly provided for in arrears on January 3, April 3, July 3 and October 3, in each year, commencing January 3, 1999, or any other date as shall be established by the Company as an interest payment date in accordance with the provisions set forth below (each, an "Interest Payment Date"), and at maturity or earlier redemption, until the principal hereof is paid or made available for payment. Interest payments for this Note will include interest accrued to but excluding each Interest Payment Date. The interest so payable, and punctually paid or duly provided for, on any Interest Payment Date will, as provided in the Indenture (as defined below), be paid to the Person in whose name this Note (or one or more Predecessor Securities) is registered at the close of business on the Regular Record Date, which shall be the 15/th/ calendar day (whether or not a Business Day) next preceding such Interest Payment Date. Except as otherwise provided in the Indenture, any interest not punctually paid or duly provided for on any Interest Payment Date (herein called "Defaulted Interest") will forthwith cease to be payable to the Holder on the Regular Record Date with respect to such Interest Payment Date by virtue of having been such Holder and may either (1) be paid to the Person in whose name this Note (or one or more Predecessor Securities) is registered at the close of business on a Special Record Date for the payment of such Defaulted Interest to be fixed by the Trustee (as defined below), notice of which shall be given to Holders of Notes not less than 10 days prior to such Special Record Date, or (2) be paid at any time in any other lawful manner not inconsistent with the requirements of any securities exchange on which the Notes may be listed, and upon such notice as may be required by such exchange, all as more fully provided in the Indenture. Payment of the principal of and interest, if any, on this Note will be made at the Corporate Trust Office of the Trustee or at the office or agency of the Trustee maintained for that purpose in the Borough of Manhattan, The City of New York, and at any other office or agency maintained by the Company for such purpose, in such coin or currency of the United States of America as at the time of payment is legal tender for payment of public and private debts; provided, however, that at the option of the Company, payment of interest may be made by check mailed to the address of the Person entitled thereto as such address shall appear in the Security Register and provided, further, that the Holder of this Note shall be entitled to receive payments of principal of and interest, if any, on this Note by wire transfer of immediately available funds if appropriate wire transfer instructions have been received in writing by the Trustee not less than 15 days prior to the applicable payment date.

Reference is hereby made to the further provisions of this Note set forth below, which further provisions shall for all purposes have the same effect as if set forth at this place.

Unless the certificate of authentication hereon has been executed by the Trustee or its duly appointed co-authenticating agent by manual signature, this Note shall not be entitled to any benefit under the Indenture or be valid or obligatory for any purpose.

This Note is one of a duly authorized issue of securities (herein called the "Securities") of the Company (which term include any successor corporation under the Indenture hereinafter referred to) issued and to be issued pursuant to such Indenture. This Security is one of a Series designated by the Company as its Extendible Notes due October 3, 2008 (the "Notes"). The Indenture does not limit the aggregate principal amount of the Notes or the Securities.

The Company issued this Note pursuant to an Indenture, dated as of April 1, 1998 (herein called the "Indenture" which term, for the purpose of this Note, shall include the Officers' Certificate dated October 2, 1998, delivered pursuant to Sections 201 and 301 of the Indenture), between the Company and The Bank of New York, as trustee (herein called the "Trustee," which term includes any successor trustee under the Indenture), to which Indenture and all indentures supplemental thereto reference is hereby made for a statement of the respective rights, limitations of rights, duties and immunities thereunder of the Company, the Trustee and Holders of the Notes and of the terms upon which the Notes are, and are to be, authenticated and delivered.

The Notes are issuable as Registered Securities, without coupons, in denominations of \$1,000 and any amount in excess thereof which is an integral multiple of \$1,000. As provided in the Indenture and subject to certain limitations therein set forth, Notes are exchangeable for a like aggregate principal amount of Notes of like tenor of any authorized denomination, as requested by the Holder surrendering the same, upon surrender of the Note or Notes to be exchanged at any office or agency described below where Notes may be presented for registration of transfer.

Certain provisions relating to the remarketing of the Notes set forth below are contained in a Remarketing Agreement (the "Remarketing Agreement") between the Company and Merrill Lynch, Pierce, Fenner & Smith Incorporated, as Remarketing Agent (the "Remarketing Agent").

During the period from and including October 2, 1998 to but excluding April 3, 2000 (the "Initial Spread Period"), interest on this Note will be payable quarterly in arrears, on January 3, 1999, April 3, 1999, July 3, 1999, October 3, 1999, January 3, 2000 and April 3, 2000, commencing January 3, 1999, except as described below. During the Initial Spread Period the interest rate on the Notes will be reset quarterly, effective on each January 3, April 3, July 3 and October 3 (each, an "Interest Reset Date" in respect of the Initial Spread Period), and the Notes will bear interest at a per annum rate (computed on the basis of the actual number of days elapsed over a 360-day year) equal to LIBOR (as defined below) for the applicable Interest Reset Period (as defined below), plus the Initial Spread (as defined below). Interest on this Note will accrue from and including the most recent Interest Payment Date to which interest has been paid or duly provided for to but excluding the applicable Interest Payment Date or Stated Maturity or date of earlier redemption, as the case may be. The "Initial Interest Reset Period" will be the period from and including the date of original issuance of the Notes to but excluding January 3, 1999. Thereafter, each "Interest Reset Period" during the Initial Spread Period will be the quarterly period from and including the most recent Interest Reset Date to but excluding the next succeeding Interest Reset Date.

The Spread applicable to the Notes during the Initial Spread Period will be .70% (the "Initial Spread"), and the interest rate mode used for the Initial Spread Period will be the Floating Rate Mode. Thus, the interest rate per annum for the Notes during the Initial Interest Reset Period will be equal to

LIBOR, determined as of September 30, 1998, plus .70%. The interest rate per annum for each succeeding Interest Reset Period during the Initial Spread Period will equal LIBOR for such Interest Reset Period (as calculated below) plus the Initial Spread. Thereafter, the Spread will be determined in the manner described herein for each period from and including each Remarketing Reset Date (as defined below) to but excluding each next succeeding Remarketing Reset Date (a "Subsequent Spread Period"), which will be one or more periods of at least six months and not more than the period remaining to the Stated Maturity of this Note (or any integral multiple of six months therein), designated by the Company, commencing on April 3 or October 3 (or as otherwise specified by the Company and the Remarketing Agent on the applicable Duration/Mode Determination Date (as defined below) in connection with the establishment of each Subsequent Spread Period), as applicable (each such date, a "Remarketing Reset Date"), through and including October 3, 2008 (it being understood that no Subsequent Spread Period may end after October 3, 2008). The first Remarketing Reset Date will be April 3, 2000.

If this Note is to be reset to the Floating Rate Mode, as agreed to by the Company and the Remarketing Agent on a Duration/Mode Determination Date, then during the corresponding Subsequent Spread Period, (i) the interest rate on this Note will be reset monthly, quarterly or semiannually (each, an "Interest Reset Period" during the Subsequent Spread Periods) and this Note will bear interest at a per annum rate (computed on the basis of the actual number of days elapsed over a 360-day year) equal to LIBOR for the applicable Interest Reset Period, plus the applicable Spread and (ii) interest on this Note for each Subsequent Spread Period will be payable either monthly, quarterly or semiannually on such dates (each such date, an "Interest Payment Date" in respect of the Subsequent Spread Period) as specified by the Company and the Remarketing Agent on the applicable Duration/Mode Determination Date. Unless otherwise specified on the applicable Duration/Mode Determination Date for Notes in the Floating Rate Mode, interest on this Note will be payable, in the case of Notes which reset (i) monthly, on the third day of each month; (ii) quarterly, on the third day of each January, April, July and October; and (iii) semiannually, on the third day of each April and October. The first day of an Interest Reset Period is referred to herein as an "Interest Reset Date" in respect of the Subsequent Spread Period and, unless otherwise specified on the applicable Duration/Mode Determination Date, will be, in the case of Notes which reset (i) monthly, on the third day of each month; (ii) quarterly, on the third day of each January, April, July and October; and (iii) semiannually, on the third day of each April and October.

The interest rate in effect on each day will be (i) if such day is an Interest Reset Date, the interest rate determined as of the Floating Rate Determination Date (as defined below) immediately preceding such Interest Reset Date or (ii) if such day is not an Interest Reset Date, the interest rate determined as of the Floating Rate Determination Date immediately preceding the most recent Interest Reset Date.

If any Interest Payment Date (other than at Stated Maturity), Redemption Date, Interest Reset Date or Remarketing Reset Date in the Floating Rate Mode would otherwise be a day that is not a Business Day, such Interest Payment Date, Redemption Date, Interest Reset Date or Remarketing Reset Date will be postponed to the next succeeding day that is a Business Day, except that if such Business Day is in the next succeeding calendar month, such Interest Payment Date, Redemption Date, Interest Reset Date or Remarketing Reset Date shall be the next preceding Business Day.

The interest rate applicable to each Interest Reset Period commencing on the related Interest Reset Date will be the rate determined as of the applicable Floating Rate Determination Date. The

"Floating Rate Determination Date" will be the second London Business Day immediately preceding the applicable Interest Reset Date.

For the Initial Spread Period and if the Notes are reset to the Floating Rate Mode for a Subsequent Spread Period, LIBOR will be determined by the Rate Agent (as defined below) as of the applicable Floating Rate Determination Date in accordance with the following provisions:

(i) LIBOR will be determined on the basis of the offered rates for deposits in U.S. dollars of not less than U.S. \$1,000,000 of the applicable Index Maturity, commencing on the second London Business Day immediately following such Floating Rate Determination Date, which appears on Telerate Page 3750 (as defined below) as of approximately 11:00 a.m., London time, on such Floating Rate Determination Date. "Telerate Page 3750" means the display designated on page "3750" on Bridge Telerate, Inc. (or such other page as may replace the 3750 page on that service, any successor service or such other service or services as may be nominated by the British Bankers' Association for the purpose of displaying London interbank offered rates for U.S. dollar deposits). If no rate appears on Telerate Page 3750, LIBOR for such Floating Rate Determination Date will be determined in accordance with the provisions of paragraph (ii) below.

(ii) With respect to a Floating Rate Determination Date on which no rate appears on Telerate Page 3750 as of approximately 11:00 a.m., London time, on such Floating Rate Determination Date, the Rate Agent shall request the principal London offices of each of four major reference banks in the London interbank market selected by the Rate Agent to provide the Rate Agent with a quotation of the rate at which deposits of the applicable Index Maturity in U.S. dollars, commencing on the second London Business Day immediately following such Floating Rate Determination Date, are offered by it to prime banks in the London interbank market as of approximately 11:00 a.m., London time, on such Floating Rate Determination Date in a principal amount equal to an amount of not less than U.S. \$1,000,000 that is representative for a single transaction in such market at such time. If at least two such quotations are provided, LIBOR for such Floating Rate Determination Date will be the arithmetic mean of such quotations as calculated by the Rate Agent. If fewer than two quotations are provided, LIBOR for such Floating Rate Determination Date will be the arithmetic mean of the rates quoted as of approximately 11:00 a.m., New York City time, on such Floating Rate Determination Date by three major banks in The City of New York selected by the Rate Agent (after consultation with the Company) for loans in U.S. dollars to leading European banks of the applicable Index Maturity commencing on the second London Business Day immediately following such Floating Rate Determination Date and in a principal amount equal to an amount of not less than U.S. \$1,000,000 that is representative for a single transaction in such market at such time; provided, however, that if the banks selected as aforesaid by the Rate Agent are not quoting as mentioned in this sentence, LIBOR for such Floating Rate Determination Date will be LIBOR determined with respect to the immediately preceding Floating Rate Determination Date, or in the case of the first Floating Rate Determination Date, LIBOR for the Initial Interest Reset Period.



The Index Maturity applicable to Notes in the Floating Rate Mode will be, in the case of Notes resetting (i) monthly, one month; (ii) quarterly, three months; and (iii) semiannually, six months.

If this Note is to be reset to the Fixed Rate Mode, as agreed to by the Company and the Remarketing Agent on a Duration/Mode Determination Date, then the applicable Fixed Rate for the corresponding Subsequent Spread Period will be determined by 1:00 p.m., New York City time, on the third Business Day prior to the Remarketing Reset Date for such Subsequent Spread Period (the "Fixed Rate Determination Date"), in accordance with the following provisions: the Fixed Rate will be determined by (i) adding the applicable Spread (as determined by the Remarketing Agent and agreed to by the Company on the preceding Spread Determination Date) to (ii) the yield to maturity determined by 1:00 p.m., New York City time, on the Fixed Rate Determination Date (expressed as a bond equivalent, on the basis of a year of 365 or 366 days, as applicable, and applied on a daily basis) of the applicable United States Treasury security, selected by the Rate Agent after consultation with the Remarketing Agent, as having a maturity comparable to the duration selected for the following Subsequent Spread Period, which would be used in accordance with customary financial practice in pricing new issues of corporate debt securities of comparable maturity to the duration selected for the following Subsequent Spread Period.

Interest in the Fixed Rate Mode will be computed on the basis of a 360-day year of twelve 30-day months. Such interest will be payable semiannually in arrears on the Interest Payment Dates (i.e., April 3 and October 3, unless otherwise specified by the Company and the Remarketing Agent on the applicable Duration/Mode Determination Date) at the applicable Fixed Rate, as determined by the Company and the Remarketing Agent on the Fixed Rate Determination Date, beginning on the applicable Remarketing Reset Date and continuing for the duration of the relevant Subsequent Spread Period.

If any Interest Payment Date or any Redemption Date in the Fixed Rate Mode would otherwise be a day that is not a Business Day (in either case, other than any Interest Payment Date or Redemption Date that falls on a Remarketing Reset Date, in which case such date will be postponed to the next day that is a Business Day), the related payment of principal and interest will be made on the next succeeding Business Day as if it were made on the date such payment was due, and no interest will accrue on the amounts so payable for the period from and after such date to the next succeeding Business Day.

Unless notice of redemption of the Notes as a whole has been given, after the Initial Spread Period, the duration, Redemption Dates, redemption type (i.e., par, premium or make-whole, as described below), Redemption Prices (if applicable), Remarketing Reset Date, Interest Reset Dates, Interest Payment Dates, interest rate mode, and any other relevant terms for each Subsequent Spread Period will be agreed to by the Company and the Remarketing Agent by 3:00 p.m., New York City time, on the tenth Business Day prior to the Remarketing Reset Date which commences such Subsequent Spread Period (the "Duration/Mode Determination Date"), and the Spread for each Subsequent Spread Period will be agreed to by the Company and the Remarketing Agent by 1:00 p.m., New York City time, on the fifth Business Day prior to the Remarketing Reset Date which commences such Subsequent Spread Period (the "Spread Determination Date"). Interest on this Note during each Subsequent Spread Period shall accrue, as applicable, either (i) at a floating interest rate (such Note being in the "Floating Rate Mode" and such interest rate being a "Floating Rate") or (ii) at a fixed interest rate (such Note being in the "Fixed Rate

Mode" and such interest being a "Fixed Rate"), in each case as determined by the Remarketing Agent and the Company in accordance with the Remarketing Agreement.

The term "Business Day" means any day other than a Saturday or Sunday or a day on which banking institutions in The City of New York are required or authorized to close and, if this Note is in the Floating Rate Mode (as defined below), that is also a London Business Day. The term "London Business Day" means any day on which dealings in deposits in U.S. dollars are transacted in the London interbank market.

IN THE EVENT THAT THE COMPANY AND REMARKETING AGENT DO NOT AGREE ON THE SPREAD FOR ANY SUBSEQUENT SPREAD PERIOD, THEN THE COMPANY IS REQUIRED UNCONDITIONALLY TO REPURCHASE AND RETIRE ALL OF THE NOTES ON THE REMARKETING RESET DATE AT A PRICE EQUAL TO 100% OF THE PRINCIPAL AMOUNT OF THE NOTES, TOGETHER WITH ACCRUED AND UNPAID INTEREST, IF ANY, THEREON TO THE REMARKETING RESET DATE.

All percentages resulting from any calculation of any interest rate for this Note will be rounded, if necessary, to the nearest one hundred thousandth of a percentage point, with five one millionths of a percentage point rounded upward and all dollar amounts will be rounded to the nearest cent, with one-half cent being rounded upward.

In the event the Company and the Remarketing Agent agree on the Spread on the Spread Determination Date with respect to any Subsequent Spread Period, the Company and the Remarketing Agent will enter into a Remarketing Agency Agreement (the "Remarketing Agency Agreement") on such Spread Determination Date. On the Remarketing Reset Date which commences such Subsequent Spread Period, this Note will be automatically tendered, or deemed tendered, to the Remarketing Agent for remarketing by the Remarketing Agent on the Remarketing Reset Date at 100% of the principal amount hereof (the "Purchase Price") unless the beneficial owner of this Note, at such owner's option, upon giving notice as provided below (the "Hold Notice"), elects not to tender this Note. Subject to the second succeeding paragraph, the Purchase Price will be paid by the Remarketing Agent in accordance with the standard procedures of DTC, which currently provide for payments in same-day funds. Interest accrued on such Notes with respect to the preceding interest period will be paid by the Company in the manner described above.

The Hold Notice must be received by the Remarketing Agent during the period commencing at 3:00 p.m., New York City time, on the Spread Determination Date and ending at 12:00 noon, New York City time, on the second Business Day following such Spread Determination Date for such Subsequent Spread Period (the "Notice Date"). Except as otherwise provided below, a Hold Notice shall be irrevocable. If a Hold Notice is not received for any reason by the Remarketing Agent with respect to this Note by 12:00 noon, New York City time, on the Notice Date, the beneficial owner of this Note shall be deemed to have elected to tender this Note for purchase by the Remarketing Agent.

In the event that the Remarketing Agent is unable to remarket some or all of the tendered Notes and, in its sole discretion, chooses not to purchase such tendered Notes, the Company is obligated unconditionally to purchase and retire on the Remarketing Reset Date the remaining unsold tendered

Notes at a price equal to 100% of the principal amount thereof, plus accrued and unpaid interest, if any, thereon to the applicable Remarketing Reset Date.

Notwithstanding anything to the contrary contained herein, the Remarketing Agent shall have the option, but not the obligation, to purchase any Notes tendered to it that it is not able to remarket. If the Remarketing Agent is unable to remarket the entire principal amount of all Notes tendered on any Remarketing Reset Date and, in its sole discretion, the Remarketing Agent chooses not to purchase such tendered Notes, it will promptly notify the Company and the Trustee. No beneficial owner of any Note shall have any rights or claims against the Remarketing Agent as a result of the Remarketing Agent not purchasing such Notes.

The term "Remarketing Agent" means the nationally recognized broker-dealer selected by the Company to act as Remarketing Agent. Pursuant to the Remarketing Agreement, Merrill Lynch, Pierce, Fenner & Smith Incorporated has agreed to act as Remarketing Agent. The term "Rate Agent" means the entity selected by the Company as its agent to determine (i) LIBOR and the interest rate on the Notes for any Interest Reset Period and/or (ii) the yield to maturity on the applicable United States Treasury security that is used in connection with the determination of the applicable Fixed Rate, and the ensuing applicable Fixed Rate. Pursuant to the Remarketing Agreement, Merrill Lynch, Pierce, Fenner & Smith Incorporated has agreed to act as Rate Agent in respect of any Fixed Rate Mode, and pursuant to a Calculation Agency Agreement, The Bank of New York has agreed to act as the Rate Agent in respect of any Floating Rate Mode. The Company, in its sole discretion, may change the Remarketing Agent and the Rate Agent for any Subsequent Spread Period at any time on or prior to 3:00 p.m., New York City time, on the Duration/Mode Determination Date relating thereto.

This Note may not be redeemed by the Company prior to April 3, 2000. On that date, on each subsequent Remarketing Reset Date and on those Interest Payment Dates specified as Redemption Dates by the Company on the Duration/Mode Determination Date in connection with any Subsequent Spread Period, the Notes may be redeemed, at the option of the Company, in whole or in part, upon notice thereof (as described below) given at any time during the 30 calendar day period ending on the tenth Business Day prior to the Redemption Date, in accordance with the redemption type selected on the Duration/Mode Determination Date. This Note is also subject to redemption in accordance with other provisions specified above. In the event that less than all of the outstanding Notes are to be redeemed, the Notes to be redeemed shall be selected by such method as the Company shall deem fair and appropriate.

The redemption type to be chosen by the Company and the Remarketing Agent on the Duration/Mode Determination Date with respect to any Subsequent Spread Period may be one of the following as defined herein: (i) Par Redemption; (ii) Premium Redemption; or (iii) Make-Whole Redemption. "Par Redemption" means redemption at a redemption price equal to 100% of the principal amount thereof, plus unpaid interest thereon, if any, accrued to the Redemption Date. "Premium Redemption" means redemption at a redemption price or prices greater than 100% of the principal amount thereof, plus unpaid interest thereon, if any, accrued to the Redemption Date, as determined on the Duration/Mode Determination Date. "Make-Whole Redemption" means redemption at a redemption price equal to the Make-Whole Amount (as defined below) with respect to such Notes. Unless otherwise

specified by the Company and the Remarketing Agent on any Duration/Mode Determination Date, the redemption type will be Par Redemption.

"Make-Whole Amount" means, in connection with any optional redemption of any Note, an amount equal to the greater of (i) 100% of its principal amount plus accrued interest, if any, thereon to the date of redemption and (ii) the sum of the present values of the remaining scheduled payments of principal and interest thereon discounted to the date of redemption on a semiannual basis (assuming a 360-day year consisting of twelve 30-day months) at the applicable Treasury Yield plus the Reinvestment Spread.

"Treasury Yield" means, with respect to any Redemption Date applicable to any of the Notes, the rate per annum equal to the semiannual equivalent yield to maturity of the Comparable Treasury Issue, assuming a price for the Comparable Treasury Issue (expressed as a percentage of its principal amount) equal to the applicable Comparable Treasury Price for such Redemption Date.

"Comparable Treasury Issue" means, with respect to the Notes subject to redemption, the United States Treasury security selected by the Remarketing Agent as having a maturity comparable to the remaining term of the Notes that would be utilized, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of comparable maturity to the remaining term of the Notes. "Comparable Treasury Price" means, with respect to any Redemption Date applicable to the Notes subject to redemption, (i) the average of the applicable Reference Treasury Dealer Quotations for such Redemption Date, after excluding the highest and lowest of such applicable Reference Treasury Dealer Quotations, or (ii) if the Trustee obtains fewer than four such Reference Treasury Dealer Quotations, the average of all such Quotations, or (iii) if only one Reference Treasury Dealer Quotation is received, such Quotation. "Reference Treasury Dealer Quotations" means, with respect to each Reference Treasury Dealer and any Redemption Date for the Notes subject to redemption, the average, as determined by the Trustee, of the bid and asked prices for the Comparable Treasury Issue for the Notes (expressed in each case as a percentage of its principal amount) quoted in writing to the Trustee by such Reference Treasury Dealer at 3:30 p.m. on the third business day preceding such Redemption Date.

"Reference Treasury Dealer" means, with respect to the Notes subject to redemption, at least four primary U.S. Government securities dealers in New York City as the Company shall select, which may include the Remarketing Agent or an affiliate thereof.

"Reinvestment Spread" means, with respect to the Notes subject to redemption, a number, expressed as a number of basis points or as a percentage, selected by the Company and agreed to by the Remarketing Agent on the Duration/Mode Determination Date.

All notices of redemption shall state the Redemption Date, the Redemption Price, if fewer than all the Outstanding Notes are to be redeemed, the identification (and, in the case of partial redemption, the principal amounts) of the particular Notes to be redeemed, that on the Redemption Date the Redemption Price will become due and payable upon each Note, or portion thereof, to be redeemed, that interest on each Note, or portion thereof, called for redemption will cease to accrue on the Redemption Date and the place or places where Notes may be surrendered for redemption.

In the event of redemption of this Note in part only, a new Note or Notes of like tenor for the unredeemed portion hereof will be issued in authorized denominations in the name of the Holder hereof upon the cancellation hereof.

For all purposes of this Note and the Indenture, unless the context otherwise requires, all provisions relating to the redemption by the Company of this Note shall relate, in the case that this Note is redeemed or to be redeemed by the Company only in part to that portion of the principal amount of this Note that has been or is to be redeemed.

If an Event of Default with respect to Notes shall occur and be continuing, the principal of the Notes may be declared due and payable in the manner and with the effect provided in the Indenture.

The Indenture permits, in certain circumstances therein specified, the amendment thereof without the consent of the Holders of the Securities. The Indenture also permits, with certain exceptions as therein provided, the amendment thereof and the modification of the rights and obligations under the Indenture of the Company and the rights of Holders of the Securities of each series to be affected under the Indenture at any time by the Company and the Trustee with the consent of the Holders of a majority in aggregate principal amount of the Securities at the time Outstanding of each series to be affected. The Indenture also contains provisions permitting the Holders of a majority in aggregate principal amount of the Securities of each series at the time Outstanding, on behalf of the Holders of all the Securities of such series, to waive compliance by the Company with certain provisions of the Indenture and certain past defaults under the Indenture and their consequences. Any such consent or waiver by the Holder of this Note shall be conclusive and binding upon such Holder and upon all future Holders of this Note and of any Note issued upon the registration of transfer hereof or in exchange herefor or in lieu hereof, whether or not notation of such consent or waiver is made upon this Note.

No reference herein to the Indenture and no provision of this Note, subject to the provisions for satisfaction and discharge in Article Four of the Indenture, shall alter or impair the obligation of the Company, which is absolute and unconditional, to pay the principal of and interest on this Note at the times, place and rate, and in the coin or currency, herein prescribed.

The Indenture permits the Company, by irrevocably depositing, in amounts and maturities sufficient to pay and discharge at the Stated Maturity or Redemption Date, as the case may be, the entire indebtedness on all Outstanding Notes, cash or U.S. Government Obligations with the Trustee in trust solely for the benefit of the Holders of all Outstanding Notes, to defease the Indenture with respect to such Notes, and upon such deposit the Company shall be deemed to have paid and discharged its entire indebtedness on such Notes. Thereafter, Holders would be able to look only to such trust fund for payment of principal and interest at the Stated Maturity or Redemption Date, as the case may be.

As provided in the Indenture and subject to certain limitations therein set forth, the transfer of Notes is registrable in the Security Register, upon surrender of a Note for registration of transfer at the Corporate Trust Office of the Trustee or at the office or agency of the Trustee in the Borough of Manhattan, The City of New York, or at such other offices or agencies as the Company may designate, duly endorsed by, or accompanied by a written instrument of transfer in form satisfactory to the Company and the Security Registrar duly executed by, the Holder hereof or his attorney duly authorized in writing,

and thereupon one or more new Notes of like tenor, of authorized denominations and for the same aggregate principal amount, will be issued to the designated transferee or transferees.

No service charge shall be made by the Company, the Trustee or the Security Registrar for any such registration of transfer or exchange, but the Company may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection therewith (other than exchanges pursuant to Sections 304, 906 or 1107 of the Indenture, not involving any transfer).

Prior to due presentment of this Note for registration of transfer, the Company, the Trustee and any agent of the Company or the Trustee may treat the Person in whose name this Note is registered as the owner hereof for all purposes, whether or not this Note be overdue, and neither the Company, the Trustee nor any such agent shall be affected by notice to the contrary.

This Note shall be governed by and construed in accordance with the laws of the State of New York, including without limitation, section 5-1401 of The New York General Obligations Law.

All undefined terms used in this Note which are defined in the Indenture shall have the meanings assigned to them in the Indenture.

In Witness Whereof, Occidental Petroleum Corporation has caused this Instrument to be signed by the signature or facsimile signature of its Chairman of the Board, its President, a Vice President, its Treasurer or an Assistant Treasurer and attested by its Secretary or an Assistant Secretary by his signature or a facsimile thereof, and its corporate seal or a facsimile of its corporate seal to be affixed hereunto or imprinted hereon.

(SEAL)

OCCIDENTAL PETROLEUM CORPORATION

By \_\_\_\_\_

Title:

Attest:

\_\_\_\_\_  
Title:





October 2, 1998

Merrill Lynch & Co.  
Merrill Lynch, Pierce, Fenner & Smith  
Incorporated  
World Financial Center  
North Tower  
New York, New York 10281

Re: Prospectus Supplement dated September 25, 1998 to  
Prospectus dated September 25, 1998 (respectively, the  
"Prospectus Supplement" and the "Prospectus")  
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Ladies and Gentlemen:

We have acted as special tax counsel for Occidental Petroleum Corporation, a Delaware corporation, (the "Company") in connection with the preparation of the above captioned Prospectus and Prospectus Supplement filed on September 25, 1998 with the Securities and Exchange Commission (the "Commission") pursuant to Rule 424(b) of the Securities Act of 1933, as amended (the "Securities Act"). The Prospectus Supplement relates to the issuance and sale by the Company of \$270,000,000 aggregate principal amount of its Extendible Notes due October 3, 2008 (the "Debt Securities"). The Debt Securities were registered pursuant to a Registration Statement on Form S-3 (File No. 333-52053) declared effective by the Commission on May 12, 1998 pursuant to Rule 462(b) of the Securities Act.

This opinion is being furnished to you pursuant to Section 6(h) of the Underwriting Agreement, dated as of September 25, 1998, among the Company and Merrill Lynch, Pierce, Fenner & Smith Incorporated.

We hereby confirm that, although the discussions set forth in the Prospectus Supplement under the headings "Certain United States Federal Tax Considerations," does not purport to discuss all possible United States federal

income tax consequences of the purchase, ownership, and disposition of the Debt Securities, in our opinion such discussion constitutes, in all material respects, a fair and accurate summary of the United States federal income tax consequences of the purchase, ownership, and disposition of the Debt Securities, based upon current law and subject to the qualifications set forth therein. There can be no assurances that any of the opinions expressed herein will be accepted by the Internal Revenue Service, or if challenged, by a court. This opinion is expressed as of the date hereof unless otherwise expressly stated and applies only to the disclosure under the heading "Certain United States Federal Tax Considerations" set forth in the Prospectus Supplement. We disclaim any undertaking to advise you of any subsequent changes of the facts stated or assumed herein or any subsequent changes in applicable law.

This opinion is furnished to you solely for your benefit in connection with the preparation of the Prospectus and the Prospectus Supplement and is not to be used, circulated, quoted or otherwise referred to for any other purpose or relied upon by any other person for any purpose without our prior written consent.

Very truly yours,

/s/ SKADDEN, ARPS, SLATE, MEAGHER & FLOM LLP