

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

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

For the quarterly period ended June 30, 2011

OR

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

For the transition period from _____ to _____

Commission file number 1-9210

OCCIDENTAL PETROLEUM CORPORATION

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of incorporation or organization)

95-4035997

(I.R.S. Employer Identification No.)

10889 Wilshire Boulevard
Los Angeles, California

(Address of principal executive offices)

90024

(Zip Code)

(310) 208-8800

(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. R Yes £ No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate website, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). R Yes £ No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. (See definition of "accelerated filer", "large accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act):

Large Accelerated FilerR Accelerated Filer£ Non-Accelerated Filer£ Smaller Reporting Company£

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). £ Yes R No

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

Class	Outstanding at June 30, 2011
Common stock \$.20 par value	812,770,675 shares

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PART I FINANCIAL INFORMATION

Item 1. Financial Statements (unaudited)

OCCIDENTAL PETROLEUM CORPORATION AND SUBSIDIARIES
 CONSOLIDATED CONDENSED BALANCE SHEETS
 JUNE 30, 2011 AND DECEMBER 31, 2010
 (Amounts in millions)

	<u>2011</u>	<u>2010</u>
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 1,994	\$ 2,578
Trade receivables, net	5,542	5,032
Marketing and trading assets and other	813	900
Assets of discontinued operations	—	2,861
Inventories	1,202	1,041
Prepaid expenses and other	<u>392</u>	<u>647</u>
Total current assets	<u>9,943</u>	<u>13,059</u>
INVESTMENTS IN UNCONSOLIDATED ENTITIES	<u>2,084</u>	<u>2,039</u>
PROPERTY, PLANT AND EQUIPMENT, net of accumulated depreciation, depletion and amortization of \$22,100 at June 30, 2011 and \$20,630 at December 31, 2010	<u>41,795</u>	<u>36,536</u>
LONG-TERM RECEIVABLES AND OTHER ASSETS, NET	<u>773</u>	<u>798</u>
TOTAL ASSETS	<u>\$ 54,595</u>	<u>\$ 52,432</u>

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

OCCIDENTAL PETROLEUM CORPORATION AND SUBSIDIARIES
CONSOLIDATED CONDENSED BALANCE SHEETS
JUNE 30, 2011 AND DECEMBER 31, 2010
(Amounts in millions)

	2011	2010
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES		
Short-term borrowings	\$ 500	\$ —
Accounts payable	5,030	4,646
Accrued liabilities	2,230	2,397
Domestic and foreign income taxes	237	170
Liabilities of discontinued operations	96	612
Total current liabilities	8,093	7,825
LONG-TERM DEBT, NET	3,749	5,111
DEFERRED CREDITS AND OTHER LIABILITIES		
Deferred and other domestic and foreign income taxes	4,002	3,445
Long-term liabilities of discontinued operations	107	115
Other	3,484	3,452
	7,593	7,012
STOCKHOLDERS' EQUITY		
Common stock, at par value	177	177
Treasury stock	(4,271)	(4,228)
Additional paid-in capital	7,221	7,191
Retained earnings	32,485	29,868
Accumulated other comprehensive loss	(452)	(524)
Total stockholders' equity	35,160	32,484
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 54,595	\$ 52,432

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

OCCIDENTAL PETROLEUM CORPORATION AND SUBSIDIARIES
CONSOLIDATED CONDENSED STATEMENTS OF INCOME
FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2011 AND 2010
(Amounts in millions, except per-share amounts)

	Three months ended		Six months ended	
	June 30		June 30	
	2011	2010	2011	2010
REVENUES AND OTHER INCOME				
Net sales	\$ 6,173	\$ 4,603	\$ 11,899	\$ 9,219
Interest, dividends and other income	35	40	67	61
Gains (losses) on disposition of assets, net	—	(6)	21	(5)
	<u>6,208</u>	<u>4,637</u>	<u>11,987</u>	<u>9,275</u>
COSTS AND OTHER DEDUCTIONS				
Cost of sales	2,720	2,292	5,246	4,565
Selling, general and administrative and other operating expenses	388	282	829	631
Taxes other than on income	162	125	313	246
Exploration expense	62	69	146	125
Interest and debt expense, net	27	30	242	67
	<u>3,359</u>	<u>2,798</u>	<u>6,776</u>	<u>5,634</u>
Income before income taxes and other items	2,849	1,839	5,211	3,641
Provision for domestic and foreign income taxes	1,111	809	2,165	1,555
(Income) from equity investments	(81)	(59)	(178)	(124)
Income from continuing operations	1,819	1,089	3,224	2,210
Discontinued operations, net	(2)	(14)	142	(47)
Net income	1,817	1,075	3,366	2,163
Less: Net income attributable to noncontrolling interest	—	(12)	—	(36)
NET INCOME ATTRIBUTABLE TO COMMON STOCK	<u>\$ 1,817</u>	<u>\$ 1,063</u>	<u>\$ 3,366</u>	<u>\$ 2,127</u>
BASIC EARNINGS PER COMMON SHARE (attributable to common stock)				
Income from continuing operations	\$ 2.23	\$ 1.32	\$ 3.96	\$ 2.67
Discontinued operations, net	—	(0.01)	0.18	(0.06)
BASIC EARNINGS PER COMMON SHARE	<u>\$ 2.23</u>	<u>\$ 1.31</u>	<u>\$ 4.14</u>	<u>\$ 2.61</u>
DILUTED EARNINGS PER COMMON SHARE (attributable to common stock)				
Income from continuing operations	\$ 2.23	\$ 1.32	\$ 3.96	\$ 2.67
Discontinued operations, net	—	(0.01)	0.17	(0.06)
DILUTED EARNINGS PER COMMON SHARE	<u>\$ 2.23</u>	<u>\$ 1.31</u>	<u>\$ 4.13</u>	<u>\$ 2.61</u>
DIVIDENDS PER COMMON SHARE	<u>\$ 0.46</u>	<u>\$ 0.38</u>	<u>\$ 0.92</u>	<u>\$ 0.71</u>

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

OCCIDENTAL PETROLEUM CORPORATION AND SUBSIDIARIES
CONSOLIDATED CONDENSED STATEMENTS OF CASH FLOWS
FOR THE SIX MONTHS ENDED JUNE 30, 2011 AND 2010
(Amounts in millions)

	2011	2010
CASH FLOW FROM OPERATING ACTIVITIES		
Net income	\$ 3,366	\$ 2,163
Adjustments to reconcile net income to net cash provided by operating activities:		
Discontinued operations, net	(142)	47
Depreciation, depletion and amortization of assets	1,729	1,561
Deferred income tax provision	517	159
Other noncash charges to income	317	266
(Gains) losses on disposition of assets, net	(21)	5
Undistributed earnings from equity investments	(25)	(65)
Dry hole and impairment expense	94	69
Changes in operating assets and liabilities, net	(132)	304
Other operating, net	(131)	(218)
Operating cash flow from continuing operations	5,572	4,291
Operating cash flow from discontinued operations, net of taxes	(8)	30
Net cash provided by operating activities	<u>5,564</u>	<u>4,321</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Capital expenditures	(2,958)	(1,560)
Payments for purchases of assets and businesses	(3,905)	(664)
Sales of assets, net	45	17
Other, net	(43)	34
Investing cash flow from continuing operations	(6,861)	(2,173)
Investing cash flow from discontinued operations	2,570	(235)
Net cash used by investing activities	<u>(4,291)</u>	<u>(2,408)</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from short-term borrowings, net	500	—
Payments of long-term debt	(1,523)	(299)
Proceeds from issuance of common stock	5	5
Purchases of treasury stock	(43)	(11)
Excess share-based tax benefits and other	10	7
Distributions to noncontrolling interest	(121)	—
Cash dividends paid	(685)	(538)
Net cash used by financing activities	<u>(1,857)</u>	<u>(836)</u>
(Decrease) increase in cash and cash equivalents	(584)	1,077
Cash and cash equivalents—beginning of period	<u>2,578</u>	<u>1,224</u>
Cash and cash equivalents—end of period	<u>\$ 1,994</u>	<u>\$ 2,301</u>

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

OCCIDENTAL PETROLEUM CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED CONDENSED FINANCIAL STATEMENTS

June 30, 2011

1. General

In these unaudited consolidated condensed financial statements, "Occidental" means Occidental Petroleum Corporation, a Delaware corporation (OPC), and/or one or more entities in which it owns a majority voting interest (subsidiaries). Occidental has made its disclosures in accordance with United States generally accepted accounting principles as they apply to interim reporting, and condensed or omitted, as permitted by the Securities and Exchange Commission's rules and regulations, certain information and disclosures normally included in consolidated financial statements and the notes. The consolidated condensed financial statements should be read in conjunction with the consolidated financial statements and the notes thereto in Occidental's Annual Report on Form 10-K for the year ended December 31, 2010.

In the opinion of Occidental's management, the accompanying consolidated condensed financial statements contain all adjustments (consisting of normal recurring adjustments) necessary to fairly present Occidental's consolidated financial position as of June 30, 2011, and the consolidated statements of income and cash flows for the three and six months ended June 30, 2011 and 2010, as applicable. The income and cash flows for the periods ended June 30, 2011 and 2010 are not necessarily indicative of the income or cash flows to be expected for the full year.

Certain financial statement balances and notes for the prior year have been reclassified to conform to the 2011 presentation.

2. Asset Acquisitions, Dispositions and Other Transactions

During the six months ended June 30, 2011, Occidental paid approximately \$3.4 billion for domestic acquisitions, which included oil and gas properties in South Texas, California and the Permian Basin.

In the first quarter of 2011, Occidental acquired a 40-percent participating interest in Al Hosn, the high sulfur gas development project of the Shah Field in Abu Dhabi. Occidental partnered with the Abu Dhabi National Oil Company in a 30-year joint venture agreement for the \$10 billion project, of which Occidental's portion is approximately \$4 billion. In May 2011, Occidental paid approximately \$500 million for its share of development expenditures incurred by the project prior to the date the final agreement was signed.

In March 2011, Occidental redeemed all of its \$1.0 billion 7-percent senior notes due 2013 and all of its \$368 million 6.75-percent senior notes due 2012. Occidental recorded a \$163 million pre-tax charge related to this redemption in the first quarter of 2011.

In March 2011, Occidental borrowed \$1.0 billion for short-term cash needs, all of which was repaid in April 2011. In June 2011, Occidental borrowed \$500 million for short-term cash needs, all of which was repaid in July 2011.

In December 2010, Occidental executed an agreement with a subsidiary of China Petrochemical Corporation (Sinopec) to sell its Argentine oil and gas operations for after-tax proceeds of approximately \$2.6 billion. Occidental recorded a pre-tax gain of \$225 million when the sale closed in February 2011. Net revenues and pre-tax income for discontinued operations related to Argentina were \$97 million and \$2 million for the six months ended June 30, 2011, while there were no revenues and pre-tax income for the three months ended June 30, 2011. Net revenues and pre-tax losses for such discontinued operations were respectively \$158 million and \$17 million for the three months ended June 30, 2010, and \$313 million and \$60 million for the six months ended June 30, 2010. As of June 30, 2011 and December 31, 2010, the assets of discontinued operations related to Argentina were \$0 and \$2.9 billion, respectively, which were mainly comprised of property, plant and equipment as of December 31, 2010. As of December 31, 2010, the liabilities of discontinued operations were \$513 million, which mainly comprised deferred tax liabilities and accrued liabilities.

Occidental has ceased its exploration activity in Libya due to the ongoing political unrest there and sanctions imposed by the United States government in February 2011. As a result, Occidental wrote off the entire amount of the capitalized and suspended exploration costs incurred to date, including lease acquisition costs, of approximately \$35 million in the first quarter of 2011. The producing fields in Libya are operated by Libyan companies and the impact of the current situation on those operations is uncertain at this time. Further, United States sanctions currently prevent Occidental from participating in those operations. The net book value of Occidental's Libyan producing properties as of June 30, 2011 was \$847 million. At December 31, 2010, these properties had net proved reserves estimated at 57 million barrels, approximately 2 percent of Occidental's total proved reserves. Occidental Libya's 2010 sales and production volumes were 13,000 BOE per day, representing less than 2 percent of Occidental's worldwide volumes. Going forward, Occidental will not report any production from Libya until permitted. Occidental's Libyan operations, excluding exploration costs, had \$25 million and \$31 million of after-tax income and cash flows, respectively, for the year ended December 31, 2010.

3. Accounting and Disclosure Changes

Occidental has not made any significant accounting and disclosure changes for the three and six months ended June 30, 2011.

4. Comprehensive Income

The following table presents Occidental's comprehensive income for the three and six months ended June 30, 2011 and 2010 (in millions):

	Periods ended June 30			
	Three months		Six months	
	2011	2010	2011	2010
Net income attributable to common stock	\$ 1,817	\$ 1,063	\$ 3,366	\$ 2,127
Other comprehensive income items:				
Foreign currency translation adjustments	7	(1)	13	(4)
Pension and postretirement adjustments	7	6	14	13
Unrealized gains (losses) on derivatives	21	37	(4)	60
Reclassification of realized losses on derivatives and other	35	23	49	44
Other comprehensive income, net of tax	70	65	72	113
Comprehensive income attributable to common stock	\$ 1,887	\$ 1,128	\$ 3,438	\$ 2,240

There were no other comprehensive income items related to noncontrolling interests for the three and six months ended June 30, 2011 and 2010.

5. Supplemental Cash Flow Information

Occidental paid U.S. federal, state and foreign income taxes for continuing operations of approximately \$1.6 billion and \$1.3 billion during the six months ended June 30, 2011 and 2010, respectively. Additionally, net payments for income taxes related to discontinued operations were \$0 and \$46 million for the six months ended June 30, 2011 and 2010, respectively. Interest paid totaled approximately \$236 million (including \$154 million for early extinguishment premium) and \$83 million for the six months ended June 30, 2011 and 2010, respectively.

6. Inventories

A portion of inventories is valued under the LIFO method. The valuation of LIFO inventory for interim periods is based on Occidental's estimates of year-end inventory levels and costs. Inventories as of June 30, 2011 and December 31, 2010 consisted of the following (in millions):

	2011	2010
Raw materials	\$ 69	\$ 63
Materials and supplies	433	414
Finished goods	772	636
	1,274	1,113
LIFO reserve	(72)	(72)
Total	\$ 1,202	\$ 1,041

7. Environmental Liabilities and Expenditures

Occidental's operations are subject to stringent federal, state, local and foreign laws and regulations relating to improving or maintaining environmental quality. Occidental's environmental compliance costs have generally increased over time and could continue to rise in the future. Occidental factors environmental expenditures for its operations into its business planning process as an integral part of producing quality products responsive to market demand.

The laws that require or address environmental remediation, including the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA) and similar federal, state, local and foreign laws, may apply retroactively and regardless of fault, the legality of the original activities or the current ownership or control of sites. OPC or certain of its subsidiaries participate in or actively monitor a range of remedial activities and government or private proceedings under these laws with respect to alleged past practices at operating, closed and third-party sites. Remedial activities may include one or more of the following: investigation involving sampling, modeling, risk assessment or monitoring; cleanup measures including removal, treatment or disposal; or operation and maintenance of remedial systems. The environmental proceedings seek funding or performance of remediation and, in some cases, compensation for alleged property damage, punitive damages, civil penalties, injunctive relief and government oversight costs.

As of June 30, 2011, Occidental participated in or monitored remedial activities or proceedings at 168 sites. The following table presents Occidental's environmental remediation reserves as of June 30, 2011, the current portion of which is included in accrued liabilities (\$78 million) and the remainder in deferred credits and other liabilities – other (\$285 million). The reserves are grouped as environmental remediation sites listed or proposed for listing by the U.S. Environmental Protection Agency on the CERCLA National Priorities List (NPL sites) and three categories of non-NPL sites — third-party sites, Occidental-operated sites and closed or non-operated Occidental sites.

	Number of Sites	Reserve Balance (in millions)
NPL sites	38	\$ 55
Third-party sites	80	97
Occidental-operated sites	21	117
Closed or non-operated Occidental sites	29	94
Total	168	\$ 363

As of June 30, 2011, Occidental's environmental reserves exceeded \$10 million at 11 of the 168 sites described above, and 119 of the sites had reserves from \$0 to \$1 million each. Occidental expects to expend funds corresponding to approximately half of the current environmental reserves over the next four years and the balance over the subsequent ten or more years. Occidental believes its range of reasonably possible additional loss beyond those liabilities recorded for environmental remediation at the sites described above could be up to \$375 million. The status of Occidental's involvement with the sites and related significant assumptions have not changed materially since December 31, 2010. For management's opinion with respect to environmental matters, refer to Note 8.

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

OPC or certain of its subsidiaries are named, in the normal course of business, in lawsuits, claims and other legal proceedings that seek, among other things, compensation for alleged personal injury, breach of contract, property damage, punitive damages, civil penalties or other losses, or injunctive or declaratory relief. OPC or certain of its subsidiaries also have been named in proceedings under CERCLA and similar federal, state, local and foreign environmental laws. These environmental proceedings seek funding or performance of remediation and, in some cases, compensation for alleged property damage, punitive damages, civil penalties and injunctive relief; however, Occidental is usually one of many companies in these proceedings and has to date been successful in sharing response costs with other financially sound companies. The ultimate amount of losses and the timing of any such losses that Occidental may incur resulting from currently outstanding lawsuits, claims and proceedings cannot be determined reliably at this time. Occidental accrues reserves for all of these matters when it is probable that a liability has been incurred and the liability can be reasonably estimated. Reserve balances as of June 30, 2011 and December 31, 2010 were not material to Occidental's consolidated balance sheets. Occidental also evaluates the amount of reasonably possible additional losses that it could incur as a result of the matters mentioned above. Occidental has disclosed its range of reasonably possible losses for sites where it is a participant in environmental remediation. Occidental believes that other reasonably possible additional losses that it could incur in excess of reserves accrued on the balance sheet would not be material to its consolidated financial position or results of operations.

During the course of its operations, Occidental is subject to audit by tax authorities for varying periods in various federal, state, local and foreign tax jurisdictions. While the audits of corporate tax returns for taxable years through 2008 have concluded for U.S. federal income tax purposes, the 2009 through 2011 taxable years are currently under review by the U.S. Internal Revenue Service pursuant to its Compliance Assurance Program. Taxable years from 2000 through the current year remain subject to examination by foreign and state government tax authorities in certain jurisdictions. In certain of these jurisdictions, tax authorities are in various stages of auditing Occidental's income taxes. During the course of tax audits, disputes have arisen and other disputes may arise as to facts and matters of law. Occidental believes that the resolution of outstanding tax matters would not have a material adverse effect on its consolidated financial position or results of operations.

Occidental has indemnified various parties against specified liabilities that those parties might incur in the future in connection with purchases and other transactions that they have entered into with Occidental. These indemnities usually are contingent upon the other party incurring liabilities that reach specified thresholds. As of June 30, 2011, Occidental is not aware of circumstances that it believes would reasonably be expected to lead to future indemnity claims against it in connection with these transactions that would result in payments materially in excess of reserves.

9. Retirement Plans and Postretirement Benefits

The following table sets forth the components of the net periodic benefit costs for Occidental's defined benefit pension and postretirement benefit plans for the three and six months ended June 30, 2011 and 2010 (in millions):

Three months ended June 30	2011		2010	
	Pension Benefit	Postretirement Benefit	Pension Benefit	Postretirement Benefit
Net Periodic Benefit Costs				
Service cost	\$ 5	\$ 5	\$ 5	\$ 4
Interest cost	8	12	7	11
Expected return on plan assets	(8)	—	(8)	—
Amortization of prior service cost	—	—	1	—
Recognized actuarial loss	3	7	3	7
Total	\$ 8	\$ 24	\$ 8	\$ 22

Six months ended June 30	2011		2010	
	Pension Benefit	Postretirement Benefit	Pension Benefit	Postretirement Benefit
Net Periodic Benefit Costs				
Service cost	\$ 10	\$ 11	\$ 9	\$ 9
Interest cost	15	23	15	22
Expected return on plan assets	(16)	—	(16)	—
Amortization of prior service cost	—	—	1	—
Recognized actuarial loss	6	15	6	13
Total	\$ 15	\$ 49	\$ 15	\$ 44

Occidental contributed \$2 million and \$3 million in the three-month periods ended June 30, 2011 and 2010, respectively, and \$4 million and \$5 million in the six-month periods ended June 30, 2011 and 2010, respectively, to its defined benefit pension plans.

10. Fair Value Measurements

Occidental has categorized its assets and liabilities that are measured at fair value, based on the priority of the inputs to the valuation techniques, in a three-level fair value hierarchy: Level 1 – using quoted prices in active markets for identical assets or liabilities; Level 2 – using observable inputs other than quoted prices; and Level 3 – using unobservable inputs. Transfers between levels, if any, are recognized at the end of each reporting period.

Fair Values – Recurring

Occidental primarily applies the market approach for recurring fair value measurements, maximizes its use of observable inputs and minimizes its use of unobservable inputs. Occidental utilizes the mid-point price between bid and ask prices for valuing the majority of its assets and liabilities measured and reported at fair value. In addition to using market data, Occidental makes assumptions in valuing its assets and liabilities, including assumptions about the risks inherent in the inputs to the valuation technique. For assets and liabilities carried at fair value, Occidental measures fair value using the following methods:

Trading securities – Quoted prices in active markets exist and are used to provide fair values for these instruments. These securities are classified as Level 1.

Commodity derivatives – Occidental values exchange-cleared commodity derivatives using closing prices provided by the exchange as of the balance sheet date. These derivatives are classified as Level 1. Over-the-Counter (OTC) financial commodity contracts, options and physical commodity forward purchase and sale contracts are generally valued using quotations provided by brokers or industry-standard models that consider various inputs, including quoted forward prices for commodities, time value, volatility factors, credit risk and current market and contractual prices for the underlying instruments, as well as other relevant economic measures. Substantially all of these inputs are observable in the marketplace throughout the full term of the instrument, can be derived from observable data or are supported by observable prices at which transactions are executed in the marketplace. Occidental classifies these measurements as Level 2.

Occidental generally uses an income approach to measure fair value when there is not a market-observable price for an identical or similar asset or liability. This approach utilizes management's assumptions regarding expectations of projected cash flows, and discounts the expected cash flows using a commensurate risk-adjusted discount rate.

The following tables provide fair value measurement information for such assets and liabilities that are measured on a recurring basis as of June 30, 2011 and December 31, 2010 (in millions):

Description	Fair Value Measurements at June 30, 2011 Using			Netting and Collateral ^(a)	Total Fair Value
	Level 1	Level 2	Level 3		
Assets:					
Trading equity securities – natural resources industry	\$ 135	\$ —	\$ —	\$ —	\$ 135
Commodity derivatives	481	608	—	(801)	288
Total assets	\$ 616	\$ 608	\$ —	\$ (801)	\$ 423
Liabilities:					
Commodity derivatives	\$ 377	\$ 764	\$ —	\$ (830)	\$ 311
Total liabilities	\$ 377	\$ 764	\$ —	\$ (830)	\$ 311

Description	Fair Value Measurements at December 31, 2010 Using			Netting and Collateral ^(a)	Total Fair Value
	Level 1	Level 2	Level 3		
Assets:					
Trading equity securities – natural resources industry	\$ 116	\$ —	\$ —	\$ —	\$ 116
Trading U.S. treasury securities	10	—	—	—	10
Commodity derivatives	178	797	—	(680)	295
Total assets	\$ 304	\$ 797	\$ —	\$ (680)	\$ 421
Liabilities:					
Commodity derivatives	\$ 201	\$ 916	\$ —	\$ (736)	\$ 381
Total liabilities	\$ 201	\$ 916	\$ —	\$ (736)	\$ 381

(a) Represents the impact of netting assets, liabilities and collateral when a legal right of offset exists.

Fair Values - Nonrecurring

During the three and six months ended June 30, 2011 and 2010, Occidental did not have any assets or liabilities measured at fair value on a non-recurring basis.

Other Financial Instruments

The carrying amounts of cash and cash equivalents and other on-balance-sheet financial instruments, other than fixed-rate debt, approximate fair value. The cost, if any, to terminate off-balance-sheet financial instruments is not significant. Occidental estimates the fair value of fixed-rate debt based on the quoted market prices for those instruments or on quoted market yields for similarly rated debt instruments, taking into account such similar instruments' maturities. The estimated fair values of Occidental's debt, as of June 30, 2011 and December 31, 2010, were approximately \$4.5 billion and \$5.5 billion, respectively, compared to carrying values of \$4.2 billion and \$5.1 billion, respectively.

11. Derivatives

Derivatives are carried at fair value and on a net basis when a legal right of offset exists with the same counterparty. Occidental applies hedge accounting when transactions meet specified criteria for such treatment and management elects to do so. If a derivative does not qualify or is not designated and documented as a cash-flow hedge, any fair value gains or losses are recognized in earnings in the current period.

Through its marketing and trading activities and within its established policy controls and procedures, Occidental uses derivative instruments, including a combination of short-term futures, forwards, options and swaps, to improve realized prices for its crude oil, gas and natural gas liquids (NGL). Additionally, Occidental, through its Phibro trading unit, engages in trading activities using derivatives for the purpose of generating profits mainly from market price changes of commodities. Occidental has also used derivatives to reduce its exposure to price volatility on a small portion of its crude oil and gas production.

Cash-Flow Hedges

As of June 30, 2011 and December 31, 2010, Occidental held a series of collar agreements that qualify as cash-flow hedges for the sale of approximately 3 percent of its crude oil production. These agreements are for existing domestic production and continue to the end of 2011. The following table presents the daily quantities and weighted-average strike prices of Occidental's collar positions as of June 30, 2011 and December 31, 2010:

<u>Crude Oil – Collars</u>	<u>Daily Volume (barrels)</u>	<u>Average Floor</u>	<u>Average Cap</u>
<u>July 2011 – December 2011 (a)</u>	<u>12,000</u>	<u>\$32.92</u>	<u>\$46.27</u>

(a) At December 31, 2010, these contracts were outstanding with the same daily volumes and terms indicated and also covered the period from January 1, 2011 to June 30, 2011.

In 2009, Occidental entered into financial swap agreements related to the sale of a portion of its natural gas production from the Rocky Mountain region of the United States that qualify as cash-flow hedges. The following table presents the daily quantities and weighted-average prices that will be received by Occidental as of June 30, 2011 and December 31, 2010:

<u>Natural Gas – Swaps</u>	<u>Daily Volume (cubic feet)</u>	<u>Average Price</u>
<u>July 2011 – March 2012 (a)</u>	<u>50 million</u>	<u>\$6.07</u>

(a) At December 31, 2010, these contracts were outstanding with the same daily volumes and terms indicated and also covered the period from January 1, 2011 to June 30, 2011.

Occidental's marketing and trading operations store natural gas purchased from third parties at Occidental's North American leased storage facilities. Derivative instruments are used to fix margins on the future sales of the stored volumes. These agreements continue through March 31, 2012. As of June 30, 2011 and December 31, 2010, Occidental had approximately 11 billion cubic feet and 28 billion cubic feet of natural gas held in storage, respectively. As of June 30, 2011 and December 31, 2010, Occidental had cash-flow hedges for the forecasted sale, to be settled by physical delivery, of approximately 5 billion cubic feet and 24 billion cubic feet of this natural gas held in storage, respectively.

The following table presents the pre-tax gains and losses recognized in, and reclassified from, Accumulated Other Comprehensive Income (AOCI) and recognized in income (net sales), including any hedge ineffectiveness, for derivative instruments classified as cash-flow hedges for the three and six months ended June 30, 2011 and 2010 (in millions):

Commodity Contracts	Periods ended June 30			
	Three Months		Six Months	
	2011	2010	2011	2010
Unrealized gains (losses) recognized in AOCI – effective portion	\$ 34	\$ 58	\$ (6)	\$ 95
Amount of losses reclassified from AOCI into income – effective portion	\$ 54	\$ 30	\$ 76	\$ 62
Gains (losses) recognized in income – ineffective portion	\$ 1	\$ (3)	\$ —	\$ (1)

The following table summarizes net after-tax derivative activity recorded in AOCI for the three and six months ended June 30, 2011 and 2010 (in millions):

	Periods ended June 30			
	Three Months		Six Months	
	2011	2010	2011	2010
Beginning balance – AOCI	\$ (122)	\$ (183)	\$ (111)	\$ (227)
Gains (losses) from changes in cash-flow hedges	21	37	(4)	60
Losses reclassified to income	35	19	49	40
Ending balance – AOCI	\$ (66)	\$ (127)	\$ (66)	\$ (127)

During the next twelve months, Occidental expects that approximately \$53 million of net after-tax derivative losses included in AOCI, based on their valuation as of June 30, 2011, will be reclassified into income.

Derivatives Not Designated as Hedging Instruments

Occidental's third-party marketing and trading activities focus on purchasing crude oil, natural gas and NGL for resale from partners, producers and third parties whose supply is located near midstream and marketing assets, such as pipelines, processing plants and storage facilities, that are owned or leased by Occidental. These purchases allow Occidental to aggregate volumes to maximize prices received for Occidental's production. The third-party marketing and trading purchase and sales contracts generally approximate each other with respect to aggregate volumes and terms. In addition, Occidental's Phibro trading unit uses derivative instruments, including forwards, futures, swaps and options, some of which may be for physical delivery, in its strategy to profit from market price changes.

The following table presents gross volumes of Occidental's commodity derivatives contracts not designated as hedging instruments as of June 30, 2011 and December 31, 2010:

Commodity	Volumes	
	2011	2010
Sales contracts related to Occidental's production		
Crude oil (million barrels)	9	8
Third-party marketing and trading activities		
Purchase contracts		
Crude oil (million barrels)	205	136
Natural gas (billion cubic feet)	888	833
Precious metals (million troy ounces)	1	13
Sales contracts		
Crude oil (million barrels)	191	144
Natural gas (billion cubic feet)	998	1,156
Precious metals (million troy ounces)	1	1

In addition, Occidental has certain other commodity trading contracts, including agricultural products, metals and electricity, as well as foreign exchange contracts, which were not material to Occidental as of June 30, 2011 and December 31, 2010.

Occidental has crude oil sales contracts representing a small portion of Occidental's domestic crude oil production. Additionally, for third-party marketing and trading activities, a substantial portion of the sales contracts that exist at the end of a reporting period are typically fulfilled by existing purchase contracts with substantially identical terms. For a substantial portion of the natural gas sales commitments not satisfied by such contracts as of June 30, 2011, Occidental has entered into offsetting contracts after June 30, 2011. The remaining portion is not material to Occidental.

Approximately \$200 million and \$67 million of net gains from derivatives not designated as hedging instruments were recognized in net sales for the three months ended June 30, 2011 and 2010, respectively. Approximately \$189 million and \$44 million of net gains from derivatives not designated as hedging instruments were recognized in net sales for the six months ended June 30, 2011 and 2010, respectively.

Fair Value of Derivatives

The following table presents the gross fair value of Occidental's outstanding derivatives as of June 30, 2011 and December 31, 2010 (in millions):

June 30, 2011	Asset Derivatives Balance Sheet Location	Fair Value	Liability Derivatives Balance Sheet Location	Fair Value
Cash-flow hedges ^(a)				
Commodity contracts	Marketing and trading assets and other	\$ 29	Accrued liabilities	\$ 113
		<u>29</u>		<u>113</u>
Derivatives not designated as hedging instruments ^(a)				
Commodity contracts	Marketing and trading assets and other	999	Accrued liabilities	968
	Long-term receivables and other assets, net	61	Deferred credits and other liabilities	60
		<u>1,060</u>		<u>1,028</u>
Total gross fair value		1,089		1,141
Less: counterparty netting and cash collateral ^(b)		(801)		(830)
Total net fair value of derivatives		\$ 288		\$ 311
<hr/>				
December 31, 2010	Asset Derivatives Balance Sheet Location	Fair Value	Liability Derivatives Balance Sheet Location	Fair Value
Cash-flow hedges ^(a)				
Commodity contracts	Marketing and trading assets and other	\$ 51	Accrued liabilities	\$ 209
	Long-term receivables and other assets, net	9	Deferred credits and other liabilities	—
		<u>60</u>		<u>209</u>
Derivatives not designated as hedging instruments ^(a)				
Commodity contracts	Marketing and trading assets and other	829	Accrued liabilities	823
	Long-term receivables and other assets, net	86	Deferred credits and other liabilities	85
		<u>915</u>		<u>908</u>
Total gross fair value		975		1,117
Less: counterparty netting and cash collateral ^(c)		(680)		(736)
Total net fair value of derivatives		\$ 295		\$ 381

(a) The above fair values are presented at gross amounts, including when the derivatives are subject to master netting arrangements and qualify for net presentation in the consolidated balance sheet.

(b) As of June 30, 2011, collateral received of \$45 million has been netted against derivative assets and collateral paid of \$74 million has been netted against derivative liabilities.

(c) As of December 31, 2010, collateral received of \$39 million has been netted against derivative assets and collateral paid of \$95 million has been netted against derivative liabilities.

See Note 10 for fair value measurement disclosures on derivatives.

Credit Risk

A majority of Occidental's derivative transaction volume is executed through exchange-traded contracts, which are subject to nominal credit risk as a significant portion of these transactions are executed on a daily margin basis. Collateral of \$64 million and \$154 million deposited by Occidental for such contracts with clearing houses and brokers, which has not been reflected in the derivative fair value tables, is included in the marketing and trading assets and other balance as of June 30, 2011 and December 31, 2010, respectively.

In addition, Occidental executes a portion of its derivative transactions in the over-the-counter (OTC) market. Occidental is subject to counterparty credit risk to the extent the counterparty to the derivatives is unable to meet its settlement commitments. Occidental manages this credit risk by selecting counterparties that it believes to be financially strong, by spreading the credit risk among many such counterparties, by entering into master netting arrangements with the counterparties and by requiring collateral, as appropriate. Occidental actively monitors the creditworthiness of each counterparty and records valuation adjustments to reflect counterparty risk, if necessary. Certain of Occidental's OTC derivative instruments contain credit risk contingent features, primarily tied to credit ratings for Occidental or its counterparties, which may affect the amount of collateral that each would need to post. As of June 30, 2011 and December 31, 2010, Occidental had a net liability of \$66 million and \$234 million, respectively, for which the amount of collateral posted was \$35 million and \$10 million, respectively. Occidental believes that if it had received a one-notch reduction in its credit ratings, it would not have resulted in a material change in its collateral-posting requirements as of June 30, 2011 and December 31, 2010.

12. Industry Segments

Occidental conducts its continuing operations through three segments: (1) oil and gas; (2) chemical; and (3) midstream, marketing and other (midstream and marketing). The oil and gas segment explores for, develops, produces and markets crude oil, NGL and condensate (collectively "liquids"), and natural gas. The chemical segment manufactures and markets basic chemicals, vinyls and other chemicals. The midstream and marketing segment gathers, treats, processes, transports, stores, purchases and markets liquids, natural gas, carbon dioxide (CO₂) and power. It also trades around its assets, including pipelines and storage capacity, and trades oil and gas, other commodities and commodity-related securities.

Earnings of industry segments generally exclude income taxes, interest income, interest expense, environmental remediation expenses, unallocated corporate expenses and discontinued operations, but include gains and losses from dispositions of segment assets and income from segment equity investments.

The following table presents Occidental's industry segment and corporate disclosures (in millions):

	<u>Oil and Gas</u>	<u>Chemical</u>	<u>Midstream, Marketing and Other</u>	<u>Corporate and Eliminations</u>	<u>Total</u>
Six months ended June 30, 2011					
Net sales	\$ <u>8,958</u>	\$ <u>2,490</u>	\$ <u>853</u>	\$ <u>(402)</u> ^(a)	\$ <u>11,899</u>
Pretax operating profit (loss)	\$ 5,092	\$ 472	\$ 301	\$ (476) ^(b)	\$ 5,389
Income taxes	—	—	—	(2,165) ^(c)	(2,165)
Discontinued operations, net	—	—	—	142 ^(d)	142
Net income (loss) attributable to common stock	\$ <u>5,092</u>	\$ <u>472</u>	\$ <u>301</u>	\$ <u>(2,499)</u>	\$ <u>3,366</u>
Six months ended June 30, 2010					
Net sales	\$ <u>7,009</u>	\$ <u>1,969</u>	\$ <u>605</u>	\$ <u>(364)</u> ^(a)	\$ <u>9,219</u>
Pretax operating profit (loss)	\$ 3,764	\$ 138	\$ 107	\$ (244) ^(b)	\$ 3,765
Income taxes	—	—	—	(1,555) ^(c)	(1,555)
Discontinued operations, net	—	—	—	(47)	(47)
Net income attributable to noncontrolling interest	(36)	—	—	—	(36)
Net income (loss) attributable to common stock	\$ <u>3,728</u>	\$ <u>138</u>	\$ <u>107</u>	\$ <u>(1,846)</u>	\$ <u>2,127</u>

(a) Intersegment sales eliminate upon consolidation and are generally made at prices approximating those that the selling entity is able to obtain in third-party transactions.

(b) Includes net interest expense (including the early debt extinguishment costs of \$163 million for the six months ended June 30, 2011), administration expense, environmental remediation and other pre-tax items.

(c) Includes all foreign and domestic income taxes from continuing operations.

(d) Reflects the after-tax gain from the sale of the Argentine operations.

13. Earnings Per Share

Occidental's instruments containing rights to nonforfeitable dividends granted in share-based payment transactions are considered participating securities prior to vesting, and, therefore, have been included in the earnings allocations in computing basic and diluted EPS under the two-class method.

Basic EPS was computed by dividing net income attributable to common stock, net of income attributable to participating securities, by the weighted-average number of common shares outstanding during each period, net of treasury shares and including vested but unissued shares and share units. The computation of diluted EPS further reflected the dilutive effect of stock options and unvested stock awards.

The following table presents the calculation of basic and diluted EPS for the three and six months ended June 30, 2011 and 2010:

<i>(in millions, except per-share amounts)</i>	Periods Ended June 30			
	Three months		Six months	
	2011	2010	2011	2010
Basic EPS				
Income from continuing operations	\$ 1,819	\$ 1,089	\$ 3,224	\$ 2,210
Less: Income from continuing operations attributable to noncontrolling interest	—	(12)	—	(36)
Income from continuing operations attributable to common stock	1,819	1,077	3,224	2,174
Discontinued operations, net	(2)	(14)	142	(47)
Net income attributable to common stock	1,817	1,063	3,366	2,127
Less: Net income allocated to participating securities	(3)	(1)	(6)	(3)
Net income attributable to common stock, net of participating securities	\$ 1,814	\$ 1,062	\$ 3,360	\$ 2,124
Weighted average number of basic shares	812.5	812.6	812.5	812.3
Basic EPS	\$ 2.23	\$ 1.31	\$ 4.14	\$ 2.61
Diluted EPS				
Net income attributable to common stock, net of participating securities	\$ 1,814	\$ 1,062	\$ 3,360	\$ 2,124
Weighted average number of basic shares	812.5	812.6	812.5	812.3
Dilutive effect of potentially dilutive securities	0.8	1.2	0.8	1.4
Total diluted weighted average common shares	813.3	813.8	813.3	813.7
Diluted EPS	\$ 2.23	\$ 1.31	\$ 4.13	\$ 2.61

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

Consolidated Results of Operations

Occidental (which means Occidental Petroleum Corporation (OPC) and/or one or more entities in which it owns a majority voting interest) reported net income of \$1.8 billion for the second quarter of 2011 on net sales of \$6.2 billion, compared to net income of \$1.1 billion on net sales of \$4.6 billion for the same period of 2010. Diluted earnings per share (EPS) were \$2.23 for the second quarter of 2011, compared to \$1.31 for the same period of 2010. Occidental reported net income of \$3.4 billion for the first six months of 2011 on net sales of \$11.9 billion, compared to net income of \$2.1 billion on net sales of \$9.2 billion for the same period of 2010. Diluted EPS were \$4.13 and \$2.61 for the first six months of 2011 and 2010, respectively.

Net income for the three and six months ended June 30, 2011, compared to the same periods of 2010, reflected higher worldwide crude oil and NGL prices, higher margins and volumes across most chemical products and higher margins in the marketing business, while the increase for the six months also reflected higher margins in the trading business.

Net income for the six months ended June 30, 2011 included net after-tax charges of \$46 million. These items included pre-tax gains of \$225 million from the sale of the Argentine operations and \$22 million from the sale of an interest in a Colombian pipeline. Pre-tax charges included \$163 million related to the early redemption of \$1.4 billion face value of debt, a \$35 million write-off of the entire accumulated cost of exploration properties in Libya and non-recurring charges for state and foreign taxes of \$62 million.

Unless indicated otherwise, net income and EPS reflect net income attributable to common stock.

Selected Income Statement Items

The increase in net sales for the three and six months ended June 30, 2011, compared with the same periods of 2010, reflected higher prices and margins in all segments as well as higher chemical volumes. The increase in net sales for the six-month periods also included higher oil and gas sales volumes.

The increase in cost of sales for the three and six months ended June 30, 2011, compared with the same periods of 2010, reflected higher oil and gas operating costs, including workovers and maintenance activity and higher support costs. The increase in interest and debt expense, net, for the six-month periods was mainly due to the \$163 million early debt extinguishment charge recorded in the first quarter of 2011.

The increase in provision for domestic and foreign income taxes for the three and six months ended June 30, 2011, compared with the same periods of 2010, reflected higher pre-tax income, partially offset by lower effective tax rates. The lower tax rates are due to higher proportionate domestic income in 2011, compared to 2010. The income from discontinued operations, net, for the six months ended June 30, 2011, primarily reflected the \$144 million after-tax gain recorded from the sale of the Argentine operations.

Selected Analysis of Financial Position

See "Liquidity and Capital Resources" for discussion about the change in cash and cash equivalents.

The increase in trade receivables, net, reflected higher oil and NGL sales prices in the second quarter of 2011, compared to the fourth quarter of 2010. The decrease in assets of discontinued operations was due to the sale of Occidental's Argentine operations, which closed in February 2011. The increase in inventories reflected 2011 production which had not been lifted as of the end of the second quarter and higher third-party marketing activity. The decrease in prepaid expenses and other reflected the closing of the South Texas acquisition in January 2011, for which a deposit was made in 2010. The increase in property, plant and equipment, net, reflected capital expenditures of approximately \$3 billion and acquisitions of \$4.1 billion, partially offset by DD&A.

The increase in short-term borrowings reflected \$500 million net borrowings for short-term needs, all of which have been repaid. The increase in accounts payable was primarily due to the increase in the price of crude oil and higher capital expenditures for the second quarter of 2011, compared to the fourth quarter of 2010. The decrease in accrued liabilities was primarily due to mark-to-market activity for derivative financial instruments. The decrease in liabilities of discontinued operations was due to the sale of Occidental's Argentine operations. The decrease in long-term debt, net, reflected the first quarter 2011 early redemption of \$1.4 billion of senior notes. The increase in deferred and other domestic and foreign income taxes was due to higher capital expenditures. The increase in stockholder's equity reflected net income for the first six months of 2011, partially offset by dividend payments.

Segment Operations

Occidental conducts its continuing operations through three segments: (1) oil and gas; (2) chemical; and (3) midstream and marketing. The oil and gas segment explores for, develops, produces and markets crude oil, NGL and condensate (collectively "liquids"), and natural gas. The chemical segment manufactures and markets basic chemicals, vinyls and other chemicals. The midstream and marketing segment gathers, treats, processes, transports, stores, purchases and markets liquids, natural gas, CO₂ and power. It also trades around its assets, including pipelines and storage capacity, and trades oil and gas, other commodities and commodity-related securities.

The following table sets forth the sales and earnings of each operating segment and corporate items for the three and six months ended June 30, 2011 and 2010 (in millions):

	Three Months		Periods Ended June 30	
	2011	2010	2011	2010
Net Sales ^(a)				
Oil and Gas	\$ 4,591	\$ 3,518	\$ 8,958	\$ 7,009
Chemical	1,325	1,013	2,490	1,969
Midstream, Marketing and Other	441	236	853	605
Eliminations	(184)	(164)	(402)	(364)
	<u>\$ 6,173</u>	<u>\$ 4,603</u>	<u>\$ 11,899</u>	<u>\$ 9,219</u>
Segment Earnings ^(b)				
Oil and Gas	\$ 2,624	\$ 1,867 ^(c)	\$ 5,092	\$ 3,728 ^(c)
Chemical	253	108	472	138
Midstream, Marketing and Other	187	13	301	107
	<u>3,064</u>	<u>1,988</u>	<u>5,865</u>	<u>3,973</u>
Unallocated Corporate Items ^(b)				
Interest expense, net	(22)	(20)	(236)	(55)
Income taxes	(1,111)	(809)	(2,165)	(1,555)
Other expense, net	(112)	(82)	(240)	(189)
Income from continuing operations	1,819	1,077 ^(c)	3,224	2,174 ^(c)
Discontinued operations, net ^(b)	(2)	(14)	142 ^(d)	(47)
Net income	<u>\$ 1,817</u>	<u>\$ 1,063</u> ^(c)	<u>\$ 3,366</u>	<u>\$ 2,127</u> ^(c)

- (a) Intersegment sales eliminate upon consolidation and are generally made at prices approximating those that the selling entity is able to obtain in third-party transactions.
(b) Refer to "Significant Transactions and Events Affecting Earnings," "Oil and Gas Segment," "Chemical Segment," "Midstream, Marketing and Other Segment" and "Corporate" discussions that follow.
(c) Represents amounts attributable to common stock shown after deducting noncontrolling interest amounts of \$12 million and \$36 million for the three- and six-month periods ended June 30, 2010, respectively.
(d) Reflects the after-tax gain from the sale of the Argentine operations.

Significant Transactions and Events Affecting Earnings

The following table sets forth, for the three and six months ended June 30, 2011 and 2010, the effects of significant transactions and events affecting Occidental's earnings that vary widely and unpredictably in nature, timing and amount (in millions):

	Periods Ended June 30			
	Three Months		Six Months	
	2011	2010	2011	2010
Oil & Gas				
Libya exploration write-off	\$ —	\$ —	\$ (35)	\$ —
Gains on sale of Colombian pipeline interest	—	—	22	—
Foreign tax	—	—	(29)	—
Total Oil and Gas	\$ —	\$ —	\$ (42)	\$ —
Chemical				
No significant items affecting earnings	\$ —	\$ —	\$ —	\$ —
Total Chemical	\$ —	\$ —	\$ —	\$ —
Midstream, Marketing and Other				
No significant items affecting earnings	\$ —	\$ —	\$ —	\$ —
Total Midstream, Marketing and Other	\$ —	\$ —	\$ —	\$ —
Corporate				
Premium on debt extinguishments	\$ —	\$ —	\$ (163)	\$ —
State income tax charge	—	—	(33)	—
Tax effect of pre-tax adjustments	—	—	50	—
Discontinued operations, net*	(2)	(14)	142	(47)
Total Corporate	\$ (2)	\$ (14)	\$ (4)	\$ (47)
Total	\$ (2)	\$ (14)	\$ (46)	\$ (47)

*Amounts shown after tax.

Worldwide Effective Tax Rate

The following table sets forth the calculation of the worldwide effective tax rate for income from continuing operations for the three and six months ended June 30, 2011 and 2010 (in millions):

	Periods Ended June 30			
	Three Months		Six Months	
	2011	2010	2011	2010
Oil & Gas earnings	\$ 2,624	\$ 1,867	\$ 5,092	\$ 3,728
Chemical earnings	253	108	472	138
Midstream, Marketing and Other earnings	187	13	301	107
Unallocated corporate items	(134)	(102)	(476)	(244)
Pre-tax income	2,930	1,886	5,389	3,729
Income tax expense				
Federal and state	557	329	927	636
Foreign	554	480	1,238	919
Total	1,111	809	2,165	1,555
Income from continuing operations	\$ 1,819	\$ 1,077	\$ 3,224	\$ 2,174
Worldwide effective tax rate	38%	43%	40%	42%

Oil and Gas Segment

The following tables set forth the sales and production volumes of crude oil, NGL and natural gas per day for the three and six months ended June 30, 2011 and 2010. The differences between the sales volumes and production per day are generally due to the timing of shipments at Occidental's international locations where product is loaded onto tankers. In addition, Occidental has not had a lifting in Iraq as of June 30, 2011, but expects to have a lifting in the third quarter of 2011.

Sales Volumes per Day	Periods Ended June 30			
	Three Months		Six Months	
	2011	2010	2011	2010
Crude Oil (MBBL)				
United States	226	217	224	219
Middle East/North Africa	167	204	189	193
Latin America (a,b)	30	31	31	35
NGL (MBBL)				
United States	71	52	65	50
Middle East/North Africa	11	15	10	13
Natural Gas (MMCF)				
United States	761	681	748	678
Middle East/North Africa	424	444	421	445
Latin America (b)	16	15	16	13
Total sales volumes (MBOE) (a,b,c)	705	709	717	700
Production per Day				
Crude Oil (MBBL)				
United States	226	217	224	219
Middle East/North Africa	177	197	195	196
Latin America (a,b)	30	36	31	38
NGL (MBBL)				
United States	71	52	65	50
Middle East/North Africa	11	13	10	13
Natural Gas (MMCF)				
United States	761	681	748	678
Middle East	424	444	421	445
Latin America (b)	16	15	16	13
Total production (MBOE) (a,b,c)	715	705	723	706

(a) Includes volumes per day of 4 mbbbl and 5 mbbbl for the three and six months ended June 30, 2010, respectively, related to the noncontrolling interest in a Colombian subsidiary. On December 31, 2010, Occidental restructured its Colombian operations to take a direct working interest in the related assets. As a result, the 2011 volumes exclude noncontrolling interest volumes.

(b) For all periods presented, excludes volumes from the Argentine operations sold in February 2011.

(c) Natural gas volumes have been converted to barrels of oil equivalent (BOE) based on energy content of 6,000 cubic feet (one thousand cubic feet is referred to as "Mcf") of gas to one barrel of oil. Barrels of oil equivalence does not necessarily result in price equivalence. The price of natural gas on a barrel of oil equivalent basis has been substantially lower than the corresponding price for crude oil over the recent past.

Average Sales Prices	Periods Ended June 30			
	Three Months		Six Months	
	2011	2010	2011	2010
Crude Oil (\$/BBL)				
United States	\$ 98.74	\$ 71.66	\$ 93.45	\$ 72.38
Middle East/North Africa	\$ 109.11	\$ 77.50	\$ 102.05	\$ 76.31
Latin America	\$ 103.22	\$ 72.99	\$ 97.75	\$ 74.54
Worldwide	\$ 103.12	\$ 74.39	\$ 97.38	\$ 74.24
NGL (\$/BBL)				
United States	\$ 61.30	\$ 47.65	\$ 58.87	\$ 50.00
Middle East/North Africa	\$ 33.50	\$ 31.89	\$ 33.71	\$ 29.59
Worldwide	\$ 57.67	\$ 44.08	\$ 55.38	\$ 45.73
Natural Gas (\$/MCF)				
United States	\$ 4.27	\$ 4.19	\$ 4.24	\$ 4.90
Latin America	\$ 9.55	\$ 8.00	\$ 8.88	\$ 7.72
Worldwide	\$ 3.12	\$ 2.93	\$ 3.08	\$ 3.34

Oil and gas segment earnings for the three and six months ended June 30, 2011, were \$2.6 billion and \$5.1 billion, respectively, compared to \$1.9 billion and \$3.7 billion for the same periods of 2010. The increase in oil and gas segment earnings for the three and six months ended June 30, 2011, compared to the same periods of 2010, reflected higher crude oil and NGL prices, partially offset by higher operating costs, while the increase for the six months also reflected higher sales volumes.

In the second quarter of 2011, the average West Texas Intermediate (WTI) price was \$102.56 per barrel and the average New York Mercantile Exchange (NYMEX) price for natural gas was \$4.23 per million British Thermal Units (BTUs), compared to \$78.03 per barrel and \$4.18 per million BTUs, respectively, for the second quarter of 2010. The realized worldwide crude oil price for the second quarter of 2011, \$103.12, was 101 percent of the average WTI price for that period. Based on the current levels of production and prices, a \$1.00 per barrel change in crude oil and NGL prices would have an estimated effect on quarterly pre-tax income of approximately \$37 million and \$7 million, respectively. A \$0.50 per million BTU change in domestic natural gas prices would have an estimated effect on quarterly pre-tax income of approximately \$34 million. If production levels change, the sensitivity of Occidental's results to oil, NGL and gas prices also would change.

Oil and gas production in the second quarter of 2011 was 715,000 BOE per day, compared with 701,000 BOE per day (net of noncontrolling interest) for the same period of 2010. As a result of higher year-over-year average oil prices and other factors affecting production sharing and similar contracts, production was reduced in the Middle East/North Africa and Colombia by 11,000 BOE per day, with another 1,000 BOE per day reduction in Long Beach. The second quarter 2011 production volume increase was a result of 42,000 BOE per day higher domestic volumes partially offset by reduced Middle East/North Africa production. The domestic increase was mainly from the new acquisitions in South Texas and the Williston Basin in North Dakota. The Middle East/North Africa production was lower primarily due to the lack of production in Libya, price impacts and other factors affecting production sharing contracts and planned maintenance and mechanical issues in Qatar, partially offset by production from Iraq coming on line in 2011 and higher volumes from the Mukhaizna field in Oman. Daily sales volumes were flat at 705,000 BOE per day in the second quarter of 2011, compared with the second quarter of 2010 (net of noncontrolling interest). Sales volumes generally differ from production volumes due to the timing of liftings in Occidental's international operations.

Oil and gas production volumes for the first six months were 723,000 BOE per day for 2011, compared with 701,000 BOE per day (net of noncontrolling interest) for the 2010 period. Higher year-over-year average oil prices and other factors affecting production sharing and similar contracts lowered the Middle East/North Africa, Long Beach and Colombia production by 14,000 BOE per day. Domestic BOE volumes increased primarily due

to new operations in South Texas and the Williston Basin, partially offset by lower gas volumes in California. The Middle East/North Africa's BOE production declined due to price impacts and other factors affecting production sharing contracts, lower production in Libya and planned maintenance in Dolphin. Partially offsetting these declines were increases from the new production in Iraq and higher production in the Mukhaizna field in Oman. Daily sales volumes were 717,000 BOE per day in the first six months of 2011, compared with 695,000 BOE per day (net of noncontrolling interest) for 2010. An increase in oil prices of \$5.00 per barrel from the second quarter 2011 levels would result in approximately 3,500 BOE per day lower production due to the impact of higher prices affecting Occidental's production sharing and similar contracts.

Oil and gas cash production costs, excluding production and property taxes, increased from \$10.19 per BOE for the total year 2010 to \$11.88 per BOE for the six months ended June 30, 2011. The increase for the six months of 2011 reflected increased workovers and maintenance activity and higher support costs. Taxes other than on income, which are directly related to product prices, were \$2.36 per BOE for the first six months of 2011, compared to \$1.83 per BOE for the total year 2010.

During the six months ended June 30, 2011, Occidental paid approximately \$3.4 billion for domestic acquisitions, which included oil and gas properties in South Texas, California and the Permian Basin.

In the first quarter of 2011, Occidental acquired a 40-percent participating interest in Al Hosn, the high sulfur gas development project of the Shah Field in Abu Dhabi. Occidental partnered with the Abu Dhabi National Oil Company in a 30-year joint venture agreement for the \$10 billion project, of which Occidental's portion is approximately \$4 billion. In May 2011, Occidental paid approximately \$500 million for its share of development expenditures incurred by the project prior to the date the final agreement was signed.

In December 2010, Occidental executed an agreement with a subsidiary of China Petrochemical Corporation (Sinopec) to sell its Argentine oil and gas operations for after-tax proceeds of approximately \$2.6 billion. Occidental recorded a pre-tax gain of \$225 million when the sale closed in February 2011.

Occidental has ceased its exploration activity in Libya due to the ongoing political unrest there and sanctions imposed by the United States government in February 2011. As a result, Occidental wrote off the entire amount of the capitalized and suspended exploration costs incurred to date, including lease acquisition costs, of approximately \$35 million in the first quarter of 2011. The producing fields in Libya are operated by Libyan companies and the impact of the current situation on those operations is uncertain at this time. Further, United States sanctions currently prevent Occidental from participating in those operations. The net book value of Occidental's Libyan producing properties as of June 30, 2011 was \$847 million. At December 31, 2010, these properties had net proved reserves estimated at 57 million barrels, approximately 2 percent of Occidental's total proved reserves. Occidental Libya's 2010 sales and production volumes were 13,000 BOE per day, representing less than 2 percent of Occidental's worldwide volumes. Going forward, Occidental will not report any production from Libya until permitted. Occidental's Libyan operations, excluding exploration costs, had \$25 million and \$31 million of after-tax income and cash flows, respectively, for the year ended December 31, 2010.

Chemical Segment

Chemical segment earnings for the three and six months ended June 30, 2011, were \$253 million and \$472 million, respectively, compared to \$108 million and \$138 million, respectively, for the same periods of 2010. The three- and six-month results reflect continued strong export sales demand and higher margins resulting from improved supply and demand balances across most products.

Midstream, Marketing and Other Segment

Midstream and marketing segment earnings for the three months ended June 30, 2011 and 2010 were \$187 million and \$13 million, respectively. Higher earnings for the second quarter of 2011 were primarily due to higher margins in the marketing business and improved earnings in the pipeline businesses.

Midstream and marketing segment earnings for the six months ended June 30, 2011 and 2010 were \$301 million and \$107 million, respectively. Earnings for the first six months of 2011 reflect higher margins in the marketing and trading business and improved results in the pipeline businesses.

Corporate

In March 2011, Occidental redeemed all of its \$1.0 billion 7-percent senior notes due 2013 and all of its \$368 million 6.75-percent senior notes due 2012. Occidental recorded a \$163 million pre-tax charge related to this redemption in the first quarter of 2011. In March 2011, Occidental borrowed \$1.0 billion for short-term cash needs, all of which was repaid in April 2011. In June 2011, Occidental borrowed \$500 million for short-term cash needs, all of which was repaid in July 2011.

Liquidity and Capital Resources

At June 30, 2011, Occidental had approximately \$2.0 billion in cash on hand. Available but unused lines of committed bank credit totaled approximately \$1.0 billion at June 30, 2011. Income and cash flows are largely dependent on crude oil, NGL and natural gas prices and sales volumes, all of which increased in the first six months of 2011, compared to the same period of 2010, except domestic natural gas prices. Occidental believes that cash on hand and cash generated from operations will be sufficient to fund its operating needs and planned capital expenditures, dividends and any debt payments.

Occidental's cash flow from operations for the six months ended June 30, 2011 was approximately \$5.6 billion, compared to \$4.3 billion for the same period in 2010. The most important sources of the increase in operating cash flow in 2011, compared to 2010, were higher worldwide crude oil and NGL prices, as well as higher oil, NGL and gas sales volumes. In the first six months of 2011, compared to the same period in 2010, Occidental's average worldwide realized prices for crude oil and NGL were 31 and 21 percent higher, respectively, while the average realized natural gas price decreased 13 percent in the U.S., where approximately 63 percent of Occidental's natural gas was produced. The overall impact of the chemical and midstream and marketing segments' margins on cash flow was less significant than the increases in oil and gas segment cash flow because the chemical and midstream and marketing segments are significantly smaller.

Occidental's net cash used by investing activities was \$4.3 billion for the first six months of 2011, compared to \$2.4 billion for the same period of 2010. The 2011 amount included payments of \$3.9 billion for acquisitions of various interests in domestic oil and gas properties and the Shah Field Development Project and \$2.6 billion of cash received from the sale of the Argentine discontinued operations. The 2010 amount included payments of \$460 million for acquisitions of various interests in domestic oil and gas properties and approximately \$200 million for foreign contracts. Capital expenditures for the first six months of 2011 were \$3.0 billion, including \$2.5 billion for oil and gas. Capital expenditures for the first six months of 2010 were \$1.6 billion, including \$1.2 billion for oil and gas.

Occidental's net cash used by financing activities was \$1.9 billion in the first six months of 2011, compared to net cash used by financing activities of \$836 million for the same period of 2010. The 2011 amount included the early repayment of \$1.5 billion of Occidental's debt, net short-term borrowings of \$500 million, dividend payments of \$685 million and \$121 million of distributions paid to a noncontrolling interest partner. The 2010 amount included the repayment of \$299 million of Occidental's debt and dividend payments of \$538 million.

As of June 30, 2011, under the most restrictive covenants of its financing agreements, Occidental had substantial capacity for additional unsecured borrowings, the payment of cash dividends and other distributions on, or acquisitions of, Occidental stock.

Occidental's capital spending estimate for 2011 is approximately \$6.8 billion and Occidental will focus on the goal of keeping Occidental's returns well above its cost of capital.

Environmental Liabilities and Expenditures

Occidental's operations are subject to stringent federal, state, local and foreign laws and regulations relating to improving or maintaining environmental quality. Occidental's environmental compliance costs have generally increased over time and could continue to rise in the future. Occidental factors environmental expenditures for its operations into its business planning process as an integral part of producing quality products responsive to market demand.

The laws that require or address environmental remediation, including the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA) and similar federal, state, local and foreign laws, may apply retroactively and regardless of fault, the legality of the original activities or the current ownership or control of sites. OPC or certain of its subsidiaries participate in or actively monitor a range of remedial activities and government or private proceedings under these laws with respect to alleged past practices at operating, closed and third-party sites. Remedial activities may include one or more of the following: investigation involving sampling, modeling, risk assessment or monitoring; cleanup measures including removal, treatment or disposal; or operation and maintenance of remedial systems. The environmental proceedings seek funding or performance of remediation and, in some cases, compensation for alleged property damage, punitive damages, civil penalties, injunctive relief and government oversight costs.

As of June 30, 2011, Occidental participated in or monitored remedial activities or proceedings at 168 sites. The following table presents Occidental's environmental remediation reserves as of June 30, 2011, the current portion of which is included in accrued liabilities (\$78 million) and the remainder in deferred credits and other liabilities — other (\$285 million). The reserves are grouped as environmental remediation sites listed or proposed for listing by the U.S. Environmental Protection Agency on the CERCLA National Priorities List (NPL sites) and three categories of non-NPL sites — third-party sites, Occidental-operated sites and closed or non-operated Occidental sites.

	Number of Sites	Reserve Balance (in millions)
NPL sites	38	\$ 55
Third-party sites	80	97
Occidental-operated sites	21	117
Closed or non-operated Occidental sites	29	94
Total	168	\$ 363

As of June 30, 2011, Occidental's environmental reserves exceeded \$10 million at 11 of the 168 sites described above, and 119 of the sites had reserves from \$0 to \$1 million each. Occidental expects to expend funds corresponding to about half of the current environmental reserves over the next four years and the balance over the subsequent ten or more years. Occidental believes its range of reasonably possible additional loss beyond those liabilities recorded for environmental remediation at the sites described above could be up to \$375 million. The status of Occidental's involvement with the sites and related significant assumptions have not changed materially since December 31, 2010.

Refer to the "Environmental Liabilities and Expenditures" section of Management's Discussion and Analysis of Financial Condition and Results of Operations in Occidental's Annual Report on Form 10-K for the year ended December 31, 2010 for additional information regarding Occidental's environmental expenditures.

Lawsuits, Claims, Commitments, Contingencies and Related Matters

OPC or certain of its subsidiaries are named, in the normal course of business, in lawsuits, claims and other legal proceedings that seek, among other things, compensation for alleged personal injury, breach of contract, property damage, punitive damages, civil penalties or other losses, or injunctive or declaratory relief. OPC or certain of its subsidiaries also have been named in proceedings under CERCLA and similar federal, state, local and foreign environmental laws. These environmental proceedings seek funding or performance of remediation and, in some cases, compensation for alleged property damage, punitive damages, civil penalties and injunctive relief; however, Occidental is usually one of many companies in these proceedings and has to date been successful in sharing response costs with other financially sound companies. The ultimate amount of losses and the timing of any such losses that Occidental may incur resulting from currently outstanding lawsuits, claims and proceedings cannot be determined reliably at this time. Occidental accrues reserves for all of these matters when it is probable that a liability has been incurred and the liability can be reasonably estimated. Reserve balances as of June 30, 2011 and December 31, 2010 were not material to Occidental's consolidated balance sheets. Occidental also evaluates the amount of reasonably possible additional losses that it could incur as a result of the matters mentioned above. Occidental has disclosed its range of reasonably possible losses for sites where it is a participant in environmental remediation. Occidental believes that other reasonably possible additional losses that it could incur in excess of reserves accrued on the balance sheet would not be material to its consolidated financial position or results of operations.

During the course of its operations, Occidental is subject to audit by tax authorities for varying periods in various federal, state, local and foreign tax jurisdictions. While the audits of corporate tax returns for taxable years through 2008 have concluded for U.S. federal income tax purposes, the 2009 through 2011 taxable years are currently under review by the U.S. Internal Revenue Service pursuant to its Compliance Assurance Program. Taxable years from 2000 through the current year remain subject to examination by foreign and state government tax authorities in certain jurisdictions. In certain of these jurisdictions, tax authorities are in various stages of auditing Occidental's income taxes. During the course of tax audits, disputes have arisen and other disputes may arise as to facts and matters of law. Occidental believes that the resolution of outstanding tax matters would not have a material adverse effect on its consolidated financial position or results of operations.

Occidental has indemnified various parties against specified liabilities that those parties might incur in the future in connection with purchases and other transactions that they have entered into with Occidental. These indemnities usually are contingent upon the other party incurring liabilities that reach specified thresholds. As of June 30, 2011, Occidental is not aware of circumstances that it believes would reasonably be expected to lead to future indemnity claims against it in connection with these transactions that would result in payments materially in excess of reserves.

Recently Adopted Accounting and Disclosure Changes

None.

Safe Harbor Statement Regarding Outlook and Forward-Looking Information

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

Item 3. Quantitative and Qualitative Disclosures About Market Risk

For the three and six months ended June 30, 2011, there were no material changes in the information required to be provided under Item 305 of Regulation S-K included under the caption "Management's Discussion and Analysis of Financial Condition and Results of Operations (Incorporating Item 7A) – Derivative Activities and Market Risk" in the 2010 Form 10-K.

Item 4. Controls and Procedures

Occidental's President and Chief Executive Officer and its Executive Vice President and Chief Financial Officer supervised and participated in Occidental's evaluation of its disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934) as of the end of the period covered by this report. Based upon that evaluation, Occidental's President and Chief Executive Officer and its Executive Vice President and Chief Financial Officer concluded that Occidental's disclosure controls and procedures were effective as of June 30, 2011.

There has been no change in Occidental's internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Securities Exchange Act of 1934) during the second quarter of 2011 that has materially affected, or is reasonably likely to materially affect, Occidental's internal control over financial reporting.

PART II OTHER INFORMATION

Item 1. Legal Proceedings

For information regarding legal proceedings, see the information in Note 8 to the consolidated condensed financial statements in Part I of this Form 10-Q and Part I, Item 3, "Legal Proceedings" in the Form 10-K for the year ended December 31, 2010.

An Occidental subsidiary has settled a previously disclosed matter with the Colorado Oil and Gas Conservation Commission on the permitting and use of a well pad in Garfield County, Colorado by paying a penalty of \$90,000 and agreeing to fund a supplemental environmental project for \$60,000.

Item 2. Share Repurchase Activities

Occidental's share repurchase activities for the three and six months ended June 30, 2011 were as follows:

Period	Total Number of Shares Purchased ^(a)	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Maximum Number of Shares that May Yet be Purchased Under the Plans or Programs
First Quarter 2011	129,521	\$ 103.07	—	
April 1 – 30, 2011	—	\$ —	—	
May 1 – 31, 2011	264,560	\$ 112.90	—	
June 1 – 30, 2011	—	\$ —	—	
Second Quarter 2011	264,560	\$ 112.90	—	
Total	394,081	\$ 109.67	—	27,155,575

(a) Purchased from the trustee of Occidental's defined contribution savings plan.

Item 6. Exhibits

- 10.1 Form of Amendment to 2008 Return On Equity Incentive Award Grant Agreement (filed as Exhibit 10.1 to the Current Report on Form 8-K of Occidental dated July 13, 2011 (date of earliest event reported), filed July 18, 2010, File No. 1-9210).
- 10.2 Form of Occidental Petroleum Corporation 2005 Long-Term Incentive Plan Total Shareholder Return Incentive Award Terms and Conditions (Equity-based, Equity and Cash-settled Award) (filed as Exhibit 10.2 to the Current Report on Form 8-K of Occidental dated July 13, 2011 (date of earliest event reported), filed July 18, 2010, File No. 1-9210).
- 10.3 Form of Occidental Petroleum Corporation 2005 Long-Term Incentive Plan Restricted Stock Incentive Award Terms and Conditions (filed as Exhibit 10.3 to the Current Report on Form 8-K of Occidental dated July 13, 2011 (date of earliest event reported), filed July 18, 2010, File No. 1-9210).
- 10.4 Form of Acknowledgment Letter
- 10.5 Occidental Petroleum Corporation 2005 Long-Term Incentive Plan Long-Term Incentive Award Terms and Conditions (Cash-Based, Cash-Settled Award)
- 10.6 Occidental Petroleum Corporation 2005 Long-Term Incentive Plan Occidental Chemical Corporation Return on Assets Incentive Award Terms and Conditions (Cash-Based, Cash-Settled Award)
- 10.7 Occidental Petroleum Corporation 2005 Long-Term Incentive Plan Occidental Oil and Gas Corporation Return on Assets Incentive Award Terms and Conditions (Cash-based, Cash-settled Award)
- 12 Statement regarding the computation of total enterprise ratios of earnings to fixed charges for the six months ended June 30, 2011 and 2010 and for each of the five years in the period ended December 31, 2010.
- 31.1 Certification of CEO Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
- 31.2 Certification of CFO Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
- 32.1 Certifications of CEO and CFO Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
- 101.INS XBRL Instance Document
- 101.SCH XBRL Taxonomy Extension Schema Document
- 101.CAL XBRL Taxonomy Extension Calculation Linkbase Document
- 101.LAB XBRL Taxonomy Extension Label Linkbase Document
- 101.PRE XBRL Taxonomy Extension Presentation Linkbase Document
- 101.DEF XBRL Taxonomy Extension Definition Linkbase Document

SIGNATURES

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

OCCIDENTAL PETROLEUM CORPORATION

DATE: August 4, 2011

/s/ Roy Pineci

Roy Pineci

Vice President, Controller and
Principal Accounting Officer

EXHIBIT INDEX

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Occidental Petroleum Corporation**Form of Acknowledgement Letter**

On July 16, 2008, you were granted a Return on Equity Incentive Award with a performance period of July 1, 2008 through June 30, 2011 (the "Award"). On July 18, 2011, the Executive Compensation and Human Resources Committee (the "Committee") of Occidental Petroleum Corporation (the "Company") determined that events which have occurred in Libya over the course of the performance period may result in a loss or impairment of the Libyan contract, which may in turn cause the Company to write down the value of certain assets (such action, the "Write-Down") in such a manner that, had such Write-Down occurred before the end of the performance period, the value of the Award would have been less than the value of the Award as certified by the Compensation Committee.

By signing below, you hereby acknowledge that you have been informed that if the Write-Down is taken on or prior to June 30, 2013, for every \$100 million of a Write-Down, after-tax, the Committee intends to reduce your future compensation from the Company by a pre-tax amount up to \$_____ (the aggregate reduction amount, the "Reduction Amount") within a period determined by the Committee. Such reduction may apply to one or more of the following: base salary, separation or retirement pay, bonus, and stock and incentive awards (through the Committee's exercise of negative discretion with respect to any outstanding incentive awards), until the earlier of the attainment of the Reduction Amount or the end of the period determined by the Committee, except to the extent such reduction is not permitted under applicable law, or would cause the imposition of additional taxes and/or penalties under Section 409A of the Internal Revenue Code.

Any determinations of the Compensation Committee shall be conclusive and binding on you.

[Name of Executive]

Date: _____

**OCCIDENTAL PETROLEUM CORPORATION
2005 LONG-TERM INCENTIVE PLAN
LONG-TERM INCENTIVE AWARD TERMS AND CONDITIONS
(Cash-based, Cash-settled Award)**

DATE OF GRANT: July 13, 2011

LONG-TERM INCENTIVE UNITS: See Morgan Stanley Smith Barney Benefit Access "Other Awards/My Awards/Awarded"

VESTING DATE SCHEDULE: 1/3 of Long-Term Incentive Units on July 12, 2012
1/3 of Long-Term Incentive Units on July 12, 2013
1/3 of Long-Term Incentive Units on July 12, 2014

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

1. **GRANT OF LONG-TERM INCENTIVE AWARD.** In accordance with these Terms and Conditions and the Occidental Petroleum Corporation 2005 Long-Term Incentive Plan, as the same may be amended from time to time (the "Plan"), Occidental grants to the Grantee as of the Date of Grant, the number of Long-Term Incentive Units ("LTI Units") set forth above, subject to adjustment under the Plan and Section 6 of these Terms and Conditions. An LTI Unit represents the right to receive in cash, upon vesting, as set forth in Section 3, the Long-Term Incentive Value of one share of Occidental Common Stock, \$0.20 par value (the "Common Stock"). LTI Units are not Common Stock and have no voting rights or, except as stated in Section 5, dividend rights. "Long-Term Incentive Value" means the last reported sale price of a share of Common Stock on the New York Stock Exchange Composite Transactions on the applicable scheduled Vesting Date, date of death or Change in Control event.

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

3. **VESTING AND FORFEITURE OF LONG-TERM INCENTIVE AWARD.** (a) If the Grantee fails to accept this award prior to the next record date for the payment of dividends on the Common Stock subsequent to the Date of Grant, then, notwithstanding any other provision of this award, the Grantee shall forfeit all rights under this award and this award will become null and void. For purposes of this section, acceptance of the award shall occur on the date the Grantee accepts this Long-Term Incentive Award through Morgan Stanley Smith Barney Benefit Access or any replacement on-line system designated by the Company.

(b) The Grantee must remain in the continuous employ of the Company through the applicable Vesting Date to receive payment of this award in the number of LTI Units shown for such Vesting Date. The continuous employment of the Grantee will not be deemed to have been interrupted by reason of the transfer of the Grantee's employment among the Company

and its affiliates or an approved leave of absence. However, if, prior to any Vesting Date, the Grantee becomes permanently disabled while in the employ of the Company and terminates employment as a result thereof, retires with the consent of the Company, or terminates employment for the convenience of the Company (each of the foregoing, a "Forfeiture Event"), then the number of unvested LTI Units will be reduced on a pro rata basis based upon the number of days remaining until the final Vesting Date following the date of the Forfeiture Event, and such pro rata unvested LTI units shall vest as of the date of the Forfeiture Event and become immediately payable. If the Grantee terminates employment voluntarily or is terminated for cause before any Vesting Date, then these Terms and Conditions will terminate automatically on the date of the Grantee's termination and the Grantee shall forfeit the right to receive any unvested LTI Units. If the Grantee dies while in the employ of the Company before any Vesting Date, all of the unvested LTI Units will vest as of the date of death and become immediately payable.

(c) If a Change in Control event occurs prior to the last scheduled Vesting Date, all unvested LTI Units shall immediately vest and become nonforfeitable unless, prior to the occurrence of the Change in Control event, the Committee, as provided in Section 7.1 of the Plan, determines that such event will not accelerate vesting of any of these LTI Units. Any such determination by the Committee is binding on the Grantee.

4. **PAYMENT OF AWARDS.** Payment of the Long-Term Incentive Value for each LTI Unit, as adjusted pursuant to Sections 3 and 6 of these Terms and Conditions, will be settled in cash only. Payment will be made to the Grantee as promptly as practicable after the applicable scheduled Vesting Date, Forfeiture Event, date of death or the Change in Control event, as the case may be, and in any event no later than the 15th day of the third month following the end of the first taxable year in which the award is no longer subject to a substantial risk of forfeiture.

5. **CREDITING AND PAYMENT OF DIVIDEND EQUIVALENTS.** With respect to the number of LTI Units listed above, the Grantee will be credited on the books and records of Occidental with an amount (the "Dividend Equivalent") equal to the amount per share of any cash dividends declared by the Board on the outstanding Common Stock as and when declared during the period beginning on the Date of Grant and ending, with respect to any portion of the LTI Units covered by these Terms and Conditions, on the date on which the Grantee's right to receive such portion becomes nonforfeitable, or, if earlier, the date on which the Grantee forfeits the right to receive such portion. Occidental will pay in cash to the Grantee an amount equal to the Dividend Equivalents credited to such Grantee as promptly as may be practicable after the Grantee has been credited with a Dividend Equivalent, and within 70 days of the relevant record date.

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

7. **NO EMPLOYMENT CONTRACT.** Nothing in these Terms and Conditions confers upon the Grantee any right with respect to continued employment by the Company, nor limits in any manner the right of the Company to terminate the employment or adjust the compensation of the Grantee. Unless otherwise agreed in a writing signed by the Grantee and an authorized

representative of the Company, the Grantee's employment with the Company is at will and may be terminated at any time by the Grantee or the Company.

8. **TAXES AND WITHHOLDING.** Regardless of any action the Company takes with respect to any or all income tax (including U.S. federal, state and local tax and non-U.S. tax), social insurance, payroll tax, payment on account or other tax-related items related to the Grantee's participation in the Plan and legally applicable to the Grantee ("Tax-Related Items"), the Grantee acknowledges that the ultimate liability for all Tax-Related Items is and remains the Grantee's responsibility and may exceed the amount actually withheld by the Company. The Grantee further acknowledges that the Company (i) makes no representations or undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of this Long-Term Incentive Award, including the grant or vesting of the Long-Term Incentive Award and the receipt of Dividend Equivalents; and (ii) does not commit to and is under no obligation to structure the terms of the grant or any aspect of the Long-Term Incentive Award to reduce or eliminate the Grantee's liability for Tax-Related Items or achieve any particular tax result. Further, if the Grantee has become subject to tax in more than one jurisdiction between the Date of Grant and the date of any relevant taxable event, the Grantee acknowledges that the Company may be required to withhold or account for Tax-Related Items in more than one jurisdiction.

Prior to the relevant taxable event, the Grantee shall pay or make adequate arrangements satisfactory to the Company to satisfy all Tax-Related Items. In this regard, the Grantee authorizes the Company to withhold all applicable Tax-Related Items legally payable by the Grantee first from the cash payable pursuant to this Long-Term Incentive Award (including Dividend Equivalents) and, if not sufficient, from the Grantee's wages or other cash compensation. The Grantee shall pay to the Company any amount of Tax-Related Items that the Company may be required to withhold as a result of the Grantees receipt of this Long-Term Incentive Award that cannot be satisfied by the means previously described.

9. **COMPLIANCE WITH LAW.** The Company will make reasonable efforts to comply with all federal, state and non-U.S. laws applicable to awards of this type. However, if it is not feasible for the Company to comply with these laws with respect to the grant or settlement of these awards, then the awards may be cancelled without any compensation or additional benefits provided to Grantee as a result of the cancellation.

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

11. **AMENDMENTS.** The Plan may be modified, amended, suspended or terminated by the Board at any time, as provided in the Plan. Any amendment to the Plan will be deemed to be an amendment to these Terms and Conditions to the extent it is applicable to these Terms and

Conditions; however, no amendment will adversely affect the rights of the Grantee under these Terms and Conditions without the Grantee's consent.

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

13. **ENTIRE AGREEMENT; RELATION TO PLAN; INTERPRETATION.** Except as specifically provided in this Section, these Terms and Conditions and the Attachments incorporated in these Terms and Conditions constitute the entire agreement between the Company and the Grantee with respect to this Long-Term Incentive Award. These Terms and Conditions are subject to the terms and conditions of the Plan. In the event of any inconsistent provisions between these Terms and Conditions and the Plan, the provisions of the Plan control. Capitalized terms used in these Terms and Conditions without definitions have the meanings assigned to them in the Plan. References to Sections and Attachments are to Sections of, and Attachments incorporated in, these Terms and Conditions unless otherwise noted.

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

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

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

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

18. **GRANTEE'S REPRESENTATIONS AND RELEASES.** By accepting this Long-Term Incentive Award, the Grantee acknowledges that the Grantee has read these Terms and Conditions and understands that (i) the grant of this Long-Term Incentive Award is made voluntarily by Occidental in its discretion with no liability on the part of any of its direct or indirect subsidiaries and that, if the Grantee is not an employee of Occidental, the Grantee is not, and will not be considered, an employee of Occidental but the Grantee is a third party (employee of a subsidiary) to whom this Long-Term Incentive Award is granted; (ii) all decisions with respect to future awards, if any, will be at the sole discretion of Occidental; (iii) the Grantee's participation in the Plan is voluntary; (iv) this Long-Term Incentive Award is an extraordinary item that does not constitute a regular and recurring item of base compensation; (v) the future amount of any cash payment pursuant to this Long-Term Incentive Award cannot be predicted and Occidental does not assume liability in the event this Long-Term Incentive Award has no value in the future; (vi) subject to the terms of any tax equalization agreement between the Grantee and the entity employing the Grantee, the Grantee will be solely responsible for the payment or nonpayment of taxes imposed or threatened to be imposed by any authority of any jurisdiction; and (vii) Occidental is not providing any tax, legal or financial advice with respect to this Long-Term Incentive Award or the Grantee's participation in the Plan.

In consideration of the grant of this Long-Term Incentive Award, no claim or entitlement to compensation or damages shall arise from termination of this Long-Term Incentive Award or diminution in value of this Long-Term Incentive Award resulting from termination of the Grantee's employment by the Company (for any reason whatsoever) and, to the extent permitted by law, the Grantee irrevocably releases the Company from any such claim that may arise; if, notwithstanding the foregoing, any such claim is found by a court of competent jurisdiction to have arisen, then, by accepting this Long-Term Incentive Award, the Grantee shall be deemed irrevocably to have waived his or her entitlement to pursue such claim.

By accepting this Long-Term Incentive Award, the Grantee agrees, to the extent not contrary to applicable law, to the General Terms of Employment set out on Attachment 1 and the Arbitration Provisions set out on Attachment 2, which, in each case, are incorporated in these Terms and Conditions by reference.

19. **IMPOSITION OF OTHER REQUIREMENTS.** Occidental reserves the right to impose other requirements on the Grantee's participation in the Plan and on the Long-Term Incentive Award, to the extent Occidental determines it is necessary or advisable in order to comply with local law or facilitate the administration of the Plan, and to require the Grantee to sign any additional agreements or undertakings that may be necessary to accomplish the foregoing.

20. **COMPLIANCE WITH SECTION 409A OF THE CODE.** All amounts payable under these Terms and Conditions are intended to comply with the "short term deferral" exception from Section 409A of the U.S. Internal Revenue Code ("Section 409A") specified in Treas. Reg. § 1.409A-1(b)(4) (or any successor provision) and shall be paid within the period necessary to qualify for such exception. Notwithstanding the foregoing, to the extent that the Board determines that the

Plan or this award is subject to Section 409A, these Terms and Conditions shall be interpreted and administered in such a way as to comply with the applicable provisions of Section 409A to the maximum extent possible. In addition, if this award is subject to Section 409A and the Grantee must be treated as a "specified employee" within the meaning of Section 409A, any payments made on account of the Grantee's separation from service (as defined for purposes of Section 409A) will be made at the time specified above in these Terms and Conditions or, if later, on the date that is six (6) months and one (1) day following the date of the Grantee's separation from service. To the extent that the Board determines that the Plan or this award is subject to Section 409A and fails to comply with the requirements of Section 409A, the Board reserves the right (without any obligation to do so) to amend or terminate the Plan and/or amend, restructure, terminate or replace this award in order to cause this award to either not be subject to Section 409A or to comply with the applicable provisions of such section.

Attachment 1

General Terms of Employment

A. Except as otherwise required by law or legal process, the Grantee will not publish or divulge to any person, firm, corporation or institution and will not use to the detriment of Occidental, or any of its subsidiaries or other affiliates, or any of their respective officers, directors, employees or stockholders (collectively, "Occidental Parties"), at any time during or after the Grantee's employment by any of them, any trade secrets or confidential information of any of them (whether generated by them or as a result of any of their business relationships), including such information as described in Occidental's Code of Business Conduct and other corporate policies, without first obtaining the written permission of an officer of the Company.

B. At the time of leaving employment with the Company, the Grantee will deliver to the Company, and not keep or deliver to anyone else, any and all credit cards, drawings, blueprints, specifications, devices, notes, notebooks, memoranda, reports, studies, correspondence and other documents, and, in general, any and all materials relating to the Occidental Parties (whether generated by them or as a result of their business relationships), including any copies (whether in paper or electronic form), that the Grantee has in the Grantee's possession or control.

C. The Grantee will, during the Grantee's employment by the Company, comply with the provisions of Occidental's Code of Business Conduct.

D. Except as otherwise required by the Grantee's job or permitted by law, the Grantee will not make statements about any Occidental Parties (1) to the press, electronic media, to any part of the investment community, to the public, or to any person connected with, employed by or having a relationship with any of them without permission of an officer of the Company or (2) that are derogatory, defamatory or negative. Nothing herein, however, shall prevent Grantee from making a good faith report or complaint to appropriate governmental authorities. To the fullest extent permitted by law, Grantee will not interfere with or disrupt any of the Company's operations or otherwise take actions intended directly to harm any of the Occidental Parties.

E. All inventions, developments, designs, improvements, discoveries and ideas that the Grantee makes or conceives in the course of employment by the Company, whether or not during regular working hours, relating to any design, article of manufacture, machine, apparatus, process, method, composition of matter, product or any improvement or component thereof, that are manufactured, sold, leased, used or under development by, or pertain to the present or possible future business of the Company shall be a work-for-hire and become and remain the property of Occidental, its successors and assigns.

The provisions of this Section do not apply to an invention that qualifies fully under the provisions of Section 2870 of the California Labor Code, which provides in substance that provisions in an employment agreement providing that an employee shall assign or offer to assign rights in an invention to his or her employer do not apply to an invention for which no equipment, supplies, facilities, or trade secret information of the employer was used and which was developed entirely on the employee's own time, except for those inventions that either (a) relate, at the time of conception or reduction to practice of the invention, (1) to the business of the employer or (2) to the employer's actual or demonstrably anticipated research or development, or (b) result from any work performed by the employee for the employer.

F. The foregoing General Terms of Employment are not intended to be an exclusive list of the employment terms and conditions that apply to the Grantee. The Company, in its sole discretion, may at any time amend or supplement the foregoing terms. The Grantee's breach of the foregoing General Terms of Employment will entitle the Company to take appropriate disciplinary action, including, without limitation, reduction of the Long-Term Incentive Award granted pursuant to these Terms and Conditions and termination of employment.

Attachment 2

Arbitration Provisions

Any dispute arising out of or in any way related to the Grantee's employment with the Company, or the termination of that employment, will be decided exclusively by final and binding arbitration pursuant to any procedures required by applicable law. To the extent not inconsistent with applicable law, any arbitration will be submitted to American Arbitration Association ("AAA") and subject to AAA Employment Arbitration Rules and Mediation Procedures in effect at the time of filing of the demand for arbitration. Only the following claims are excluded from these Terms and Conditions: (1) claims for workers' compensation, unemployment compensation, or state disability benefits, and claims based upon any pension or welfare benefit plan the terms of which contain an arbitration or other non-judicial dispute resolution procedure, (2) to the extent permitted by applicable law, claims for provisional remedies to maintain the status quo pending the outcome of arbitration, (3) claims based on compensation award agreements and incentive plans and (4) claims which are not permitted by applicable law to be subject to a binding pre-dispute arbitration agreement.

Any controversy regarding whether a particular dispute is subject to arbitration under this Section shall be decided by the arbitrator.

To the extent required under applicable law, the Grantee's responsibility for payment of the neutral arbitrator's fees and expenses shall be limited to an amount equal to the filing fee that would be required for a state trial court action and the Company shall pay all remaining fees and expenses of the arbitrator. Unless otherwise required under applicable law, the parties shall each pay their pro rata share of the neutral arbitrator's expenses and fees. Any controversy regarding the payment of fees and expenses under this arbitration provision shall be decided by the arbitrator.

The arbitrator may award any form of remedy or relief (including injunctive relief) that would otherwise be available in court. Any award pursuant to said arbitration shall be accompanied by a written opinion of the arbitrator setting forth the reason for the award. The award rendered by the arbitrator shall be conclusive and binding upon the parties hereto, and judgment upon the award may be entered, and enforcement may be sought in, any court of competent jurisdiction. To the extent not inconsistent with applicable laws, the arbitrator will have the authority to hear and grant motions.

OCCIDENTAL PETROLEUM CORPORATION
2005 LONG-TERM INCENTIVE PLAN
OCCIDENTAL CHEMICAL CORPORATION
RETURN ON ASSETS INCENTIVE AWARD TERMS AND CONDITIONS
(Cash-based, Cash-settled Award)

DATE OF GRANT: July 13, 2011

TARGET INCENTIVE AMOUNT: See Morgan Stanley Smith Barney Benefit Access "ROEI and ROAI/My Awards/Awarded"

PERFORMANCE PERIOD: January 1, 2012 through December 31, 2015

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

- GRANT OF RETURN ON ASSETS INCENTIVE AWARD.** In accordance with these Terms and Conditions and the Occidental Petroleum Corporation 2005 Long-Term Incentive Plan, as the same may be amended from time to time (the "Plan"), Occidental grants to the Grantee as of the Date of Grant, the right to receive in cash up to 200% of the Target Incentive Amount.
- RESTRICTIONS ON TRANSFER.** Neither these Terms and Conditions nor any right to receive cash pursuant to these Terms and Conditions may be transferred or assigned by the Grantee other than (i) to a beneficiary designated on a form approved by the Company (if enforceable under local law), by will or, if the Grantee dies without designating a beneficiary of a valid will, by the laws of descent and distribution, or (ii) pursuant to a domestic relations order, if applicable, (if approved or ratified by the Committee).
- PERFORMANCE GOAL.** The Performance Goal for the Performance Period is based on the attainment of at least a minimum Return on Assets, as set forth on Exhibit 1. Return on Assets for the purposes of Exhibit 1 shall be the percentage obtained by (i) multiplying (A) the sum of before-tax earnings for the Chemical Segment for each year in the Performance Period, as reported in the preliminary year-end financial statements of the Company, by (B) 0.65; and (ii) dividing the resulting product by the sum of the Chemical Segment Assets as of December 31st for each year in the Performance Period. For the purpose of the foregoing sentence, "Assets" will reflect all acquisitions, divestures and write downs during the Performance Period unless the senior management of Occidental recommends exclusion and the Committee agrees.
- VESTING AND FORFEITURE OF RETURN ON ASSETS INCENTIVE AWARD.** (a) If the Grantee fails to accept this award prior to the next record date for the payment of dividends on Occidental Common Stock subsequent to the Date of Grant, then, notwithstanding any other provision of this award, the Grantee shall forfeit all rights under this award and this award will become null and void. For purposes of this section, acceptance of the award shall occur on the date the Grantee accepts this Long-Term Incentive Award through Morgan Stanley Smith Barney Benefit Access or any replacement on-line system designated by the Company.

(b) The Grantee must remain in the continuous employ of the Company through the last day of the Performance Period to receive payment of this award. The continuous employment of the Grantee will not be deemed to have been interrupted by reason of the transfer of the Grantee's employment among the Company and its affiliates or an approved leave of absence. However, if, prior to the end of the Performance Period, the Grantee dies, becomes permanently disabled while in the employ of the Company and terminates employment as a result thereof, retires with the consent of the Company, or terminates employment for the convenience of the Company (each of the foregoing, a "Forfeiture Event"), then the Target Incentive Amount upon which the Grantee's award is based will be reduced on a pro rata basis based upon the number of days remaining in the Performance Period following the date of the Forfeiture Event. If the Grantee terminates employment voluntarily or is terminated for cause before the end of the Performance Period, then these Terms and Conditions will terminate automatically on the date of the Grantee's termination and the Grantee shall forfeit the right to receive any cash hereunder.

(c) The Grantee's right to receive payment in cash of this award in an amount not to exceed 200% of the Target Incentive Amount will be based on, and become nonforfeitable upon the Committee's certification of, the attainment of the Performance Goal.

(d) For the purposes of Section 4(c), if prior to the end of the Performance Period, the Grantee transfers his employment among the Company and its affiliates, the amount of the award attained by the Grantee shall be determined by assessing the level of achievement of the Performance Goals, if any, certified by the Committee for each entity which employed the Grantee during the Performance Period and multiplying the Target Incentive Amount attainable at such level by a fraction equal to the number of days in the Performance Period that the Grantee worked for the entity divided by the total number of days in the Performance Period. If employees of the entity to which the Grantee transfers did not receive substantially similar Return on Asset Incentive Awards, then the amount of the award attained by the Grantee shall be determined as if the Grantee had not transferred but had remained with Grantee's original employer.

(e) Notwithstanding Section 4(c), if a Change in Control event occurs prior to the end of the Performance Period, the Grantee's right to receive cash equal to the Target Incentive Amount (as adjusted for any Forfeiture Event pursuant to Section 4(b)) will become nonforfeitable.

5. **PAYMENT OF AWARDS.** Up to and including 200% of the Target Incentive Amount, as adjusted pursuant to Sections 4 and 6 of these Terms and Conditions, will be settled in cash only. Payment will be made to the Grantee as promptly as practicable after the Committee's certification of the attainment of the Performance Goal or the Change in Control event, as the case may be, and shall be made no later than the 15th day of the third month following the end of the first taxable year in which the award is no longer subject to a substantial risk of forfeiture.

6. **ADJUSTMENTS.** The Committee may adjust the Performance Goal or other features of this Grant as permitted by Section 5.2.3 of the Plan.

7. **NO EMPLOYMENT CONTRACT.** Nothing in these Terms and Conditions confers upon the Grantee any right with respect to continued employment by the Company, nor limits in any manner the right of the Company to terminate the employment or adjust the compensation of the Grantee. Unless otherwise agreed in a writing signed by the Grantee and an authorized representative of the Company, the Grantee's employment with the Company is at will and may be terminated at any time by the Grantee or the Company.

8. **TAXES AND WITHHOLDING.** Regardless of any action the Company takes with respect to any or all income tax (including U.S. federal, state and local tax and non-U.S. tax), social insurance, payroll tax, payment on account or other tax-related items related to the Grantee's participation in the Plan and legally applicable to the Grantee ("Tax-Related Items"), the Grantee acknowledges that the ultimate liability for all Tax-Related Items is and remains the Grantee's responsibility and may exceed the amount actually withheld by the Company. The Grantee further acknowledges that the Company (i) makes no representations or undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of this Return on Assets Incentive Award, including the grant or vesting of the Return on Assets Incentive Award; and (ii) does not commit to and is under no obligation to structure the terms of the grant or any aspect of the Return on Assets Incentive Award to reduce or eliminate the Grantee's liability for Tax-Related Items or achieve any particular tax result. Further, if the Grantee has become subject to tax in more than one jurisdiction between the Date of Grant and the date of any relevant taxable event, the Grantee acknowledges that the Company may be required to withhold or account for Tax-Related Items in more than one jurisdiction.

Prior to the relevant taxable event, the Grantee shall pay or make adequate arrangements satisfactory to the Company to satisfy all Tax-Related Items. In this regard, the Grantee authorizes the Company to withhold all applicable Tax-Related Items legally payable by the Grantee first from the cash payable pursuant to this Return on Assets Incentive Award, and if not sufficient, from the Grantee's wages or other cash compensation. The Grantee shall pay to the Company any amount of Tax-Related Items that the Company may be required to withhold as a result of Grantee's receipt of this Return on Assets Incentive Award that cannot be satisfied by the means previously described.

9. **COMPLIANCE WITH LAW.** The Company will make reasonable efforts to comply with all applicable federal, state and non-U.S. laws. However, if it is not feasible for the Company to comply with these laws with respect to the grant or settlement of these awards, then the awards may be cancelled without any compensation or additional benefits provided to Grantee as a result of the cancellation.

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

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

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

13. **ENTIRE AGREEMENT; RELATION TO PLAN; INTERPRETATION.** Except as specifically provided in this Section, these Terms and Conditions, the Exhibit and the Attachments incorporated in these Terms and Conditions constitute the entire agreement between the Company and the Grantee with respect to this Return on Assets Incentive Award. These Terms and Conditions are subject to the terms and conditions of the Plan. In the event of any inconsistent provisions between these Terms and Conditions and the Plan, the provisions of the Plan control. Capitalized terms used in these Terms and Conditions without definition have the meanings assigned to them in the Plan. References to Sections, Exhibits and Attachments are to Sections of, and Exhibits and Attachments incorporated in, these Terms and Conditions unless otherwise noted.

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

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

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

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

18. **GRANTEE'S REPRESENTATIONS AND RELEASES.** By accepting this Return on Assets Incentive Award, the Grantee acknowledges that the Grantee has read these Terms and Conditions and understands that (i) the grant of this Return on Assets Incentive Award is made voluntarily by Occidental in its discretion with no liability on the part of any of its direct or indirect subsidiaries and that, if the Grantee is not an employee of Occidental, the Grantee is not, and will not be considered, an employee of Occidental but the Grantee is a third party (employee of a subsidiary) to whom this Return on Assets Incentive Award is granted; (ii) all decisions with respect to future awards, if any, will be at the sole discretion of Occidental; (iii) the Grantee's participation in the Plan is voluntary; (iv) this Return on Assets Incentive Award is an extraordinary item that does not constitute a regular and recurring item of base compensation; (v) the future amount of any cash payment pursuant to this Return on Assets Incentive Award cannot be predicted and Occidental does not assume liability in the event this Return on Assets Incentive Award has no value in the future; (vi) subject to the terms of any tax equalization agreement between the Grantee and the entity employing the Grantee, the Grantee will be solely responsible for the payment or nonpayment of taxes imposed or threatened to be imposed by any authority of any jurisdiction; and (vii) Occidental is not providing any tax, legal or financial advice with respect to this Return on Assets Incentive Award or the Grantee's participation in the Plan.

In consideration of the grant of this Return on Assets Incentive Award, no claim or entitlement to compensation or damages shall arise from termination of this Return on Assets Incentive Award or diminution in value of this Return on Assets Incentive Award resulting from termination of the Grantee's employment by the Company (for any reason whatsoever) and, to the extent permitted by law, the Grantee irrevocably releases the Company from any such claim that may arise; if, notwithstanding the foregoing, any such claim is found by a court of competent jurisdiction to have arisen, then, by accepting these Terms and Conditions, the Grantee shall be deemed irrevocably to have waived his or her entitlement to pursue such claim.

By accepting this Return on Assets Incentive Award, the Grantee agrees, to the extent not contrary to applicable law, to the General Terms of Employment set out on Attachment 1 and the Arbitration Provisions set out on Attachment 2, which, in each case, are incorporated in these Terms and Conditions by reference.

19. **IMPOSITION OF OTHER REQUIREMENTS.** Occidental reserves the right to impose other requirements on the Grantee's participation in the Plan and on the Return on Assets Incentive Award, to the extent Occidental determines it is necessary or advisable in order to comply with local law or facilitate the administration of the Plan, and to require the Grantee to sign any additional agreements or undertakings that may be necessary to accomplish the foregoing.

20. **COMPLIANCE WITH SECTION 409A OF THE CODE.** All amounts payable under these Terms and Conditions are intended to comply with the "short term deferral" exception from Section 409A of the U.S. Internal Revenue Code ("Section 409A") specified in Treas. Reg. § 1.409A-1(b)(4) (or any successor provision) and shall be paid within the period necessary to qualify for such exception. Notwithstanding the foregoing, to the extent that the Board determines that the Plan or this award is subject to Section 409A, these Terms and Conditions shall be interpreted and administered in such a way as to comply with the applicable provisions of Section 409A to the maximum extent possible. To the extent that the Board determines that the Plan or this award is subject to Section 409A and fails to comply with the requirements of Section 409A, the Board reserves the right (without any obligation to do so) to amend or terminate the Plan and/or amend, restructure, terminate or replace this award in order to cause this award to either not be subject to Section 409A or to comply with the applicable provisions of such section.

EXHIBIT 1
2005 Long-Term Incentive Plan

2011 Occidental Chemical Corporation Return on Assets Incentive Award

(Payment Percentage of Target Incentive Amount of Return on Assets Incentive Award
that becomes Nonforfeitable
Based on Return on Assets for the Four-Year Period Ending December 31, 2015)

<u>End of Period Return on Assets</u>	<u>Payment Percentage*</u>
12% or more	200%
9%	100%
6% or less	0%

Payment Percentages for Return on Assets for other values between 6% and 9% and between 9% and 12% will be interpolated in the Committee's discretion.

Attachment 1

General Terms of Employment

A. Except as otherwise required by law or legal process, the Grantee will not publish or divulge to any person, firm, corporation or institution and will not use to the detriment of Occidental, or any of its subsidiaries or other affiliates, or any of their respective officers, directors, employees or stockholders (collectively, "Occidental Parties"), at any time during or after the Grantee's employment by the Company, any trade secrets or confidential information of any of them (whether generated by them or as a result of any of their business relationships), including such information as described in Occidental's Code of Business Conduct and other corporate policies, without first obtaining the written permission of an officer of the Company.

B. At the time of leaving employment with the Company, the Grantee will deliver to the Company, and not keep or deliver to anyone else, any and all credit cards, drawings, blueprints, specifications, devices, notes, notebooks, memoranda, reports, studies, correspondence and other documents, and, in general, any and all materials relating to the Occidental Parties (whether generated by them or as a result of their business relationships), including any copies (whether in paper or electronic form), that the Grantee has in the Grantee's possession or control.

C. The Grantee will, during the Grantee's employment by the Company, comply with the provisions of Occidental's Code of Business Conduct.

D. Except as otherwise required by the Grantee's job or permitted by law, the Grantee will not make statements about any Occidental Parties (1) to the press, electronic media, to any part of the investment community, to the public, or to any person connected with, employed by or having a relationship with any of them without permission of an officer of the Company or (2) that are derogatory, defamatory or negative. Nothing herein, however, shall prevent Grantee from making a good faith report or complaint to appropriate governmental authorities. To the fullest extent permitted by law, Grantee will not interfere with or disrupt any of the Company's operations or otherwise take actions intended directly to harm any of the Occidental Parties.

E. All inventions, developments, designs, improvements, discoveries and ideas that the Grantee makes or conceives in the course of employment by the Company, whether or not during regular working hours, relating to any design, article of manufacture, machine, apparatus, process, method, composition of matter, product or any improvement or component thereof, that are manufactured, sold, leased, used or under development by, or pertain to the present or possible future business of the Company shall be a work-for-hire and become and remain the property of Occidental, its successors and assigns.

The provisions of this Section do not apply to an invention that qualifies fully under the provisions of Section 2870 of the California Labor Code, which provides in substance that provisions in an employment agreement providing that an employee shall assign or offer to assign rights in an invention to his or her employer do not apply to an invention for which no equipment, supplies, facilities, or trade secret information of the employer was used and which was developed entirely on the employee's own time, except for those inventions that either (a) relate, at the time of conception or reduction to practice of the invention, (1) to the business of the employer or (2) to the employer's actual or demonstrably anticipated research or development, or (b) result from any work performed by the employee for the employer.

F. The foregoing General Terms of Employment are not intended to be an exclusive list of the employment terms and conditions that apply to the Grantee. The Company, in its sole discretion, may at any time amend or supplement the foregoing terms. The Grantee's breach of the foregoing General Terms of Employment will entitle the Company to take appropriate disciplinary action, including, without limitation, reduction of the Return on Assets Incentive Award granted pursuant to these Terms and Conditions and termination of employment.

Attachment 2

Arbitration Provisions

Any dispute arising out of or in any way related to the Grantee's employment with any of the Occidental Parties, or the termination of that employment, will be decided exclusively by final and binding arbitration pursuant to any procedures required by applicable law. To the extent not inconsistent with applicable law, any arbitration will be submitted to American Arbitration Association ("AAA") and subject to AAA Employment Arbitration Rules and Mediation Procedures in effect at the time of filing of the demand for arbitration. Only the following claims are excluded from these Terms and Conditions: (1) claims for workers' compensation, unemployment compensation, or state disability benefits, and claims based upon any pension or welfare benefit plan the terms of which contain an arbitration or other non-judicial dispute resolution procedure, (2) to the extent permitted by applicable law, claims for provisional remedies to maintain the status quo pending the outcome of arbitration, (3) claims based on employee compensation award agreements and incentive plans and (4) claims which are not permitted by applicable law to be subject to a binding pre-dispute arbitration agreement.

Any controversy regarding whether a particular dispute is subject to arbitration under this Section shall be decided by the arbitrator.

To the extent required under applicable law, the Grantee's responsibility for payment of the neutral arbitrator's fees and expenses shall be limited to an amount equal to the filing fee that would be required for a state trial court action and the Company shall pay all remaining fees and expenses of the arbitrator. Unless otherwise required under applicable law, the parties shall each pay their pro rata share of the neutral arbitrator's expenses and fees. Any controversy regarding the payment of fees and expenses under this arbitration provision shall be decided by the arbitrator.

The arbitrator may award any form of remedy or relief (including injunctive relief) that would otherwise be available in court. Any award pursuant to said arbitration shall be accompanied by a written opinion of the arbitrator setting forth the reason for the award. The award rendered by the arbitrator shall be conclusive and binding upon the parties hereto, and judgment upon the award may be entered, and enforcement may be sought in, any court of competent jurisdiction. To the extent not inconsistent with applicable laws, the arbitrator will have the authority to hear and grant motions.

OCCIDENTAL PETROLEUM CORPORATION
2005 LONG-TERM INCENTIVE PLAN
OCCIDENTAL OIL AND GAS CORPORATION
RETURN ON ASSETS INCENTIVE AWARD TERMS AND CONDITIONS
(Cash-based, Cash-settled Award)

DATE OF GRANT: July 13, 2011

TARGET INCENTIVE AMOUNT: See Morgan Stanley Smith Barney Benefit Access "ROEI and ROAI/My Awards/Awarded"

PERFORMANCE PERIOD: January 1, 2012 through December 31, 2015

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

1. **GRANT OF RETURN ON ASSETS INCENTIVE AWARD.** In accordance with these Terms and Conditions and the Occidental Petroleum Corporation 2005 Long-Term Incentive Plan, as the same may be amended from time to time (the "Plan"), Occidental grants to the Grantee as of the Date of Grant, the right to receive in cash up to 200% of the Target Incentive Amount.
2. **RESTRICTIONS ON TRANSFER.** Neither these Terms and Conditions nor any right to receive cash pursuant to these Terms and Conditions may be transferred or assigned by the Grantee other than (i) to a beneficiary designated on a form approved by the Company (if enforceable under local law), by will or, if the Grantee dies without designating a beneficiary of a valid will, by the laws of descent and distribution, or (ii) pursuant to a domestic relations order, if applicable, (if approved or ratified by the Committee).
3. **PERFORMANCE GOAL.** The Performance Goal for the Performance Period is based on the attainment of at least a minimum Return on Assets, as set forth on Exhibit 1. Return on Assets for the purposes of Exhibit 1 shall be the percentage obtained by dividing (i) the sum of after-tax earnings for the Oil and Gas Segment for each year in the Performance Period, as reported in the preliminary year-end financial statements of the Company, by (ii) the sum of the Oil and Gas Assets as of December 31st for each year in the Performance Period. For the purpose of the foregoing sentence, "Assets" will reflect all acquisitions, divestures and write downs during the Performance Period unless the senior management of Occidental recommends exclusion and the Committee agrees.
4. **VESTING AND FORFEITURE OF RETURN ON ASSETS INCENTIVE AWARD.** (a) If the Grantee fails to accept this award prior to the next record date for the payment of dividends on Occidental Common Stock subsequent to the Date of Grant, then, notwithstanding any other provision of this award, the Grantee shall forfeit all rights under this award and this award will become null and void. For purposes of this section, acceptance of the award shall occur on the date the Grantee accepts this Long-Term Incentive Award through Morgan Stanley Smith Barney Benefit Access or any replacement on-line system designated by the Company.

(b) The Grantee must remain in the continuous employ of the Company through the last day of the Performance Period to receive payment of this award. The continuous employment of the Grantee will not be deemed to have been interrupted by reason of the transfer of the

Grantee's employment among the Company and its affiliates or an approved leave of absence. However, if, prior to the end of the Performance Period, the Grantee dies, becomes permanently disabled while in the employ of the Company and terminates employment as a result thereof, retires with the consent of the Company, or terminates employment for the convenience of the Company (each of the foregoing, a "Forfeiture Event"), then the Target Incentive Amount upon which the Grantee's award is based will be reduced on a pro rata basis based upon the number of days remaining in the Performance Period following the date of the Forfeiture Event. If the Grantee terminates employment voluntarily or is terminated for cause before the end of the Performance Period, then these Terms and Conditions will terminate automatically on the date of the Grantee's termination and the Grantee shall forfeit the right to receive any cash hereunder.

(c) The Grantee's right to receive payment in cash of this award in an amount not to exceed 200% of the Target Incentive Amount will be based on, and become nonforfeitable upon the Committee's certification of, the attainment of the Performance Goal.

(d) For the purposes of Section 4(c), if prior to the end of the Performance Period, the Grantee transfers his employment among the Company and its affiliates, the amount of the award attained by the Grantee shall be determined by assessing the level of achievement of the Performance Goals, if any, certified by the Committee for each entity which employed the Grantee during the Performance Period and multiplying the Target Incentive Amount attainable at such level by a fraction equal to the number of days in the Performance Period that the Grantee worked for the entity divided by the total number of days in the Performance Period. If employees of the entity to which the Grantee transfers did not receive substantially similar Return on Asset Incentive Awards, then the amount of the award attained by the Grantee shall be determined as if the Grantee had not transferred but had remained with Grantee's original employer.

(e) Notwithstanding Section 4(c), if a Change in Control event occurs prior to the end of the Performance Period, the Grantee's right to receive cash equal to the Target Incentive Amount (as adjusted for any Forfeiture Event pursuant to Section 4(b)) will become nonforfeitable.

5. **PAYMENT OF AWARDS.** Up to and including 200% of the Target Incentive Amount, as adjusted pursuant to Sections 4 and 6 of these Terms and Conditions, will be settled in cash only. Payment will be made to the Grantee as promptly as practicable after the Committee's certification of the attainment of the Performance Goal or the Change in Control event, as the case may be, and shall be made no later than the 15th day of the third month following the end of the first taxable year in which the award is no longer subject to a substantial risk of forfeiture.

6. **ADJUSTMENTS.** The Committee may adjust the Performance Goal or other features of this Grant as permitted by Section 5.2.3 of the Plan.

7. **NO EMPLOYMENT CONTRACT.** Nothing in these Terms and Conditions confers upon the Grantee any right with respect to continued employment by the Company, nor limits in any manner the right of the Company to terminate the employment or adjust the compensation of the Grantee. Unless otherwise agreed in a writing signed by the Grantee and an authorized representative of the Company, the Grantee's employment with the Company is at will and may be terminated at any time by the Grantee or the Company.

8. **TAXES AND WITHHOLDING.** Regardless of any action the Company takes with respect to any or all income tax (including U.S. federal, state and local tax and non-U.S. tax), social

insurance, payroll tax, payment on account or other tax-related items related to the Grantee's participation in the Plan and legally applicable to the Grantee ("Tax-Related Items"), the Grantee acknowledges that the ultimate liability for all Tax-Related Items is and remains the Grantee's responsibility and may exceed the amount actually withheld by the Company. The Grantee further acknowledges that the Company (i) makes no representations or undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of this Return on Assets Incentive Award, including the grant or vesting of the Return on Assets Incentive Award; and (ii) does not commit to and is under no obligation to structure the terms of the grant or any aspect of the Return on Assets Incentive Award to reduce or eliminate the Grantee's liability for Tax-Related Items or achieve any particular tax result. Further, if the Grantee has become subject to tax in more than one jurisdiction between the Date of Grant and the date of any relevant taxable event, the Grantee acknowledges that the Company may be required to withhold or account for Tax-Related Items in more than one jurisdiction.

Prior to the relevant taxable event, the Grantee shall pay or make adequate arrangements satisfactory to the Company to satisfy all Tax-Related Items. In this regard, the Grantee authorizes the Company to withhold all applicable Tax-Related Items legally payable by the Grantee first from the cash payable pursuant to this Return on Assets Incentive Award, and if not sufficient, from the Grantee's wages or other cash compensation. The Grantee shall pay to the Company any amount of Tax-Related Items that the Company may be required to withhold as a result of Grantee's receipt of this Return on Assets Incentive Award that cannot be satisfied by the means previously described.

9. **COMPLIANCE WITH LAW.** The Company will make reasonable efforts to comply with all applicable federal, state and non-U.S. laws. However, if it is not feasible for the Company to comply with these laws with respect to the grant or settlement of these awards, then the awards may be cancelled without any compensation or additional benefits provided to Grantee as a result of the cancellation.

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

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

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

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

13. **ENTIRE AGREEMENT; RELATION TO PLAN; INTERPRETATION.** Except as specifically provided in this Section, these Terms and Conditions, the Exhibit and the Attachments incorporated in these Terms and Conditions constitute the entire agreement between the Company and the Grantee with respect to this Return on Assets Incentive Award. These Terms and Conditions are subject to the terms and conditions of the Plan. In the event of any inconsistent provisions between these Terms and Conditions and the Plan, the provisions of the Plan control. Capitalized terms used in these Terms and Conditions without definition have the meanings assigned to them in the Plan. References to Sections, Exhibits and Attachments are to Sections of, and Exhibits and Attachments incorporated in, these Terms and Conditions unless otherwise noted.

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

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

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

17. **ELECTRONIC DELIVERY AND ACCEPTANCE.** The Company may, in its sole discretion, decide to deliver any documents related to this Return on Assets Incentive Award granted under the Plan or future awards that may be granted under the Plan (if any) by electronic means or to request the Grantee's consent to participate in the Plan by electronic means. The Grantee hereby consents to receive such documents by electronic delivery and, if requested, to

participate in the Plan through an on-line or electronic system established and maintained by the Company or another third party designated by the Company.

18. **GRANTEE'S REPRESENTATIONS AND RELEASES.** By accepting this Return on Assets Incentive Award, the Grantee acknowledges that the Grantee has read these Terms and Conditions and understands that (i) the grant of this Return on Assets Incentive Award is made voluntarily by Occidental in its discretion with no liability on the part of any of its direct or indirect subsidiaries and that, if the Grantee is not an employee of Occidental, the Grantee is not, and will not be considered, an employee of Occidental but the Grantee is a third party (employee of a subsidiary) to whom this Return on Assets Incentive Award is granted; (ii) all decisions with respect to future awards, if any, will be at the sole discretion of Occidental; (iii) the Grantee's participation in the Plan is voluntary; (iv) this Return on Assets Incentive Award is an extraordinary item that does not constitute a regular and recurring item of base compensation; (v) the future amount of any cash payment pursuant to this Return on Assets Incentive Award cannot be predicted and Occidental does not assume liability in the event this Return on Assets Incentive Award has no value in the future; (vi) subject to the terms of any tax equalization agreement between the Grantee and the entity employing the Grantee, the Grantee will be solely responsible for the payment or nonpayment of taxes imposed or threatened to be imposed by any authority of any jurisdiction; and (vii) Occidental is not providing any tax, legal or financial advice with respect to this Return on Assets Incentive Award or the Grantee's participation in the Plan.

In consideration of the grant of this Return on Assets Incentive Award, no claim or entitlement to compensation or damages shall arise from termination of this Return on Assets Incentive Award or diminution in value of this Return on Assets Incentive Award resulting from termination of the Grantee's employment by the Company (for any reason whatsoever) and, to the extent permitted by law, the Grantee irrevocably releases the Company from any such claim that may arise; if, notwithstanding the foregoing, any such claim is found by a court of competent jurisdiction to have arisen, then, by accepting these Terms and Conditions, the Grantee shall be deemed irrevocably to have waived his or her entitlement to pursue such claim.

By accepting this Return on Assets Incentive Award, the Grantee agrees, to the extent not contrary to applicable law, to the General Terms of Employment set out on Attachment 1 and the Arbitration Provisions set out on Attachment 2, which, in each case, are incorporated in these Terms and Conditions by reference.

19. **IMPOSITION OF OTHER REQUIREMENTS.** Occidental reserves the right to impose other requirements on the Grantee's participation in the Plan and on the Return on Assets Incentive Award, to the extent Occidental determines it is necessary or advisable in order to comply with local law or facilitate the administration of the Plan, and to require the Grantee to sign any additional agreements or undertakings that may be necessary to accomplish the foregoing.

20. **COMPLIANCE WITH SECTION 409A OF THE CODE.** All amounts payable under these Terms and Conditions are intended to comply with the "short term deferral" exception from Section 409A of the U.S. Internal Revenue Code ("Section 409A") specified in Treas. Reg. § 1.409A-1(b)(4) (or any successor provision) and shall be paid within the period necessary to qualify for such exception. Notwithstanding the foregoing, to the extent that the Board determines that the Plan or this award is subject to Section 409A, these Terms and Conditions shall be interpreted and administered in such a way as to comply with the applicable provisions of Section 409A to the maximum extent possible. To the extent that the Board determines that the Plan or this award is subject to Section 409A and fails to comply with the requirements of Section 409A, the Board reserves the right (without any obligation to do so) to amend or terminate the Plan and/or amend, restructure, terminate or replace this award in order to cause this award to either not be subject to Section 409A or to comply with the applicable provisions of such section.

EXHIBIT 1
2005 Long-Term Incentive Plan

2011 Occidental Oil and Gas Corporation Return on Assets Incentive Award

(Payment Percentage of Target Incentive Amount of Return on Assets Incentive Award
that becomes Nonforfeitable
Based on Return on Assets for the Four-Year Period Ending December 31, 2015)

<u>End of Period Return on Assets</u>	<u>Payment Percentage*</u>
18% or more	200%
15%	100%
10% or less	0%

* Payment Percentages for Return on Assets for other values between 10% and 15% and between 15% and 18% will be interpolated in the Committee's discretion.

Attachment 1

General Terms of Employment

A. Except as otherwise required by law or legal process, the Grantee will not publish or divulge to any person, firm, corporation or institution and will not use to the detriment of Occidental, or any of its subsidiaries or other affiliates, or any of their respective officers, directors, employees or stockholders (collectively, "Occidental Parties"), at any time during or after the Grantee's employment by the Company, any trade secrets or confidential information of any of them (whether generated by them or as a result of any of their business relationships), including such information as described in Occidental's Code of Business Conduct and other corporate policies, without first obtaining the written permission of an officer of the Company.

B. At the time of leaving employment with the Company, the Grantee will deliver to the Company, and not keep or deliver to anyone else, any and all credit cards, drawings, blueprints, specifications, devices, notes, notebooks, memoranda, reports, studies, correspondence and other documents, and, in general, any and all materials relating to the Occidental Parties (whether generated by them or as a result of their business relationships), including any copies (whether in paper or electronic form), that the Grantee has in the Grantee's possession or control.

C. The Grantee will, during the Grantee's employment by the Company, comply with the provisions of Occidental's Code of Business Conduct.

D. Except as otherwise required by the Grantee's job or permitted by law, the Grantee will not make statements about any Occidental Parties (1) to the press, electronic media, to any part of the investment community, to the public, or to any person connected with, employed by or having a relationship with any of them without permission of an officer of the Company or (2) that are derogatory, defamatory or negative. Nothing herein, however, shall prevent Grantee from making a good faith report or complaint to appropriate governmental authorities. To the fullest extent permitted by law, Grantee will not interfere with or disrupt any of the Company's operations or otherwise take actions intended directly to harm any of the Occidental Parties.

E. All inventions, developments, designs, improvements, discoveries and ideas that the Grantee makes or conceives in the course of employment by the Company, whether or not during regular working hours, relating to any design, article of manufacture, machine, apparatus, process, method, composition of matter, product or any improvement or component thereof, that are manufactured, sold, leased, used or under development by, or pertain to the present or possible future business of the Company shall be a work-for-hire and become and remain the property of Occidental, its successors and assigns.

The provisions of this Section do not apply to an invention that qualifies fully under the provisions of Section 2870 of the California Labor Code, which provides in substance that provisions in an employment agreement providing that an employee shall assign or offer to assign rights in an invention to his or her employer do not apply to an invention for which no equipment, supplies, facilities, or trade secret information of the employer was used and which was developed entirely on the employee's own time, except for those inventions that either (a) relate, at the time of conception or reduction to practice of the invention, (1) to the business of the employer or (2) to the employer's actual or demonstrably anticipated research or development, or (b) result from any work performed by the employee for the employer.

F. The foregoing General Terms of Employment are not intended to be an exclusive list of the employment terms and conditions that apply to the Grantee. The Company, in its sole discretion, may at any time amend or supplement the foregoing terms. The Grantee's breach of the foregoing General Terms of Employment will entitle the Company to take appropriate disciplinary action, including, without limitation, reduction of the Return on Assets Incentive Award granted pursuant to these Terms and Conditions and termination of employment.

Attachment 2

Arbitration Provisions

Any dispute arising out of or in any way related to the Grantee's employment with any of the Occidental Parties, or the termination of that employment, will be decided exclusively by final and binding arbitration pursuant to any procedures required by applicable law. To the extent not inconsistent with applicable law, any arbitration will be submitted to American Arbitration Association ("AAA") and subject to AAA Employment Arbitration Rules and Mediation Procedures in effect at the time of filing of the demand for arbitration. Only the following claims are excluded from these Terms and Conditions: (1) claims for workers' compensation, unemployment compensation, or state disability benefits, and claims based upon any pension or welfare benefit plan the terms of which contain an arbitration or other non-judicial dispute resolution procedure, (2) to the extent permitted by applicable law, claims for provisional remedies to maintain the status quo pending the outcome of arbitration, (3) claims based on employee compensation award agreements and incentive plans and (4) claims which are not permitted by applicable law to be subject to a binding pre-dispute arbitration agreement.

Any controversy regarding whether a particular dispute is subject to arbitration under this Section shall be decided by the arbitrator.

To the extent required under applicable law, the Grantee's responsibility for payment of the neutral arbitrator's fees and expenses shall be limited to an amount equal to the filing fee that would be required for a state trial court action and the Company shall pay all remaining fees and expenses of the arbitrator. Unless otherwise required under applicable law, the parties shall each pay their pro rata share of the neutral arbitrator's expenses and fees. Any controversy regarding the payment of fees and expenses under this arbitration provision shall be decided by the arbitrator.

The arbitrator may award any form of remedy or relief (including injunctive relief) that would otherwise be available in court. Any award pursuant to said arbitration shall be accompanied by a written opinion of the arbitrator setting forth the reason for the award. The award rendered by the arbitrator shall be conclusive and binding upon the parties hereto, and judgment upon the award may be entered, and enforcement may be sought in, any court of competent jurisdiction. To the extent not inconsistent with applicable laws, the arbitrator will have the authority to hear and grant motions.

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

	Six Months Ended June 30		Year Ended December 31				
	2011	2010	2010	2009	2008	2007	2006
Income from continuing operations	\$ 3,224	\$ 2,210	\$ 4,641	\$ 3,202	\$ 7,299	\$ 5,147	\$ 4,238
Subtract:							
Net income attributable to noncontrolling interest	—	(36)	(72)	(51)	(116)	(75)	(111)
Adjusted income from equity investments ^(a)	(25)	(65)	(60)	(88)	(84)	(28)	(52)
	<u>3,199</u>	<u>2,109</u>	<u>4,509</u>	<u>3,063</u>	<u>7,099</u>	<u>5,044</u>	<u>4,075</u>
Add:							
Provision for taxes on income (other than foreign oil and gas taxes)	979	629	1,099	695	2,213	1,577	1,545
Interest and debt expense ^(b)	79	67	116	140	133	344	297
Portion of lease rentals representative of the interest factor	27	28	57	57	58	60	52
	<u>1,085</u>	<u>724</u>	<u>1,272</u>	<u>892</u>	<u>2,404</u>	<u>1,981</u>	<u>1,894</u>
Earnings before fixed charges	<u>\$ 4,284</u>	<u>\$ 2,833</u>	<u>\$ 5,781</u>	<u>\$ 3,955</u>	<u>\$ 9,503</u>	<u>\$ 7,025</u>	<u>\$ 5,969</u>
Fixed charges:							
Interest and debt expense including capitalized interest ^(b)	\$ 114	\$ 105	\$ 203	\$ 218	\$ 201	\$ 403	\$ 352
Portion of lease rentals representative of the interest factor	27	28	57	57	58	60	52
Total fixed charges	<u>\$ 141</u>	<u>\$ 133</u>	<u>\$ 260</u>	<u>\$ 275</u>	<u>\$ 259</u>	<u>\$ 463</u>	<u>\$ 404</u>
Ratio of earnings to fixed charges	<u>30.60</u>	<u>21.30</u>	<u>22.23</u>	<u>14.38</u>	<u>36.69</u>	<u>15.17</u>	<u>14.77</u>

Note: Argentine operations have been reflected as held for sale for all periods.

(a) Represents adjustments to arrive at distributed income from equity investees.

(b) The six months ended June 30, 2011 amount excludes a pre-tax charge of \$163 million for the early redemption of debt.

RULE 13a – 14(a) / 15d – 14 (a)
CERTIFICATION
PURSUANT TO §302 OF THE SARBANES-OXLEY ACT OF 2002

I, Stephen I. Chazen, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Occidental Petroleum Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 4, 2011

/s/ Stephen I. Chazen

Stephen I. Chazen
President and
Chief Executive Officer

RULE 13a – 14(a) / 15d – 14 (a)
CERTIFICATION
PURSUANT TO §302 OF THE SARBANES-OXLEY ACT OF 2002

I, James M. Lienert, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Occidental Petroleum Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 4, 2011

/s/ James M. Lienert
James M. Lienert
Executive Vice President and Chief Financial Officer

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

In connection with the Quarterly Report on Form 10-Q of Occidental Petroleum Corporation (the "Company") for the fiscal period ended June 30, 2011, as filed with the Securities and Exchange Commission on August 4, 2011 (the "Report"), Stephen I. Chazen, as Chief Executive Officer of the Company, and James M. Lienert, as Chief Financial Officer of the Company, each hereby certifies, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that, to the best of his knowledge:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Stephen I. Chazen

Name: Stephen I. Chazen
Title: President and Chief Executive Officer
Date: August 4, 2011

/s/ James M. Lienert

Name: James M. Lienert
Title: Executive Vice President and Chief Financial Officer
Date: August 4, 2011

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

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