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, 2016

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	**95-4035997**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
5 Greenway Plaza, Suite 110 **Houston, Texas**	**77046**
(Address of principal executive offices)	(Zip Code)

(713) 215-7000
(Registrant's telephone number, including area code)

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

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act)
o Yes ☑ 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, 2016
Common stock $.20 par value	763,926,260

OCCIDENTAL PETROLEUM CORPORATION AND SUBSIDIARIES

TABLE OF CONTENTS

PART I FINANCIAL INFORMATION

Item 1. Financial Statements (unaudited)

OCCIDENTAL PETROLEUM CORPORATION AND SUBSIDIARIES
CONSOLIDATED CONDENSED BALANCE SHEETS
JUNE 30, 2016 AND DECEMBER 31, 2015
(Amounts in millions)

	2016	2015
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	$ 3,751	$ 3,201
Restricted cash	—	1,193
Trade receivables, net	3,113	2,970
Inventories	906	986
Assets held for sale	—	141
Other current assets	1,202	911
Total current assets	8,972	9,402
INVESTMENTS		
Investment in unconsolidated entities	1,360	1,267
Available for sale investment	—	167
Total investments	1,360	1,434
PROPERTY, PLANT AND EQUIPMENT, net of accumulated depreciation, depletion and amortization of $41,212 at June 30, 2016 and $39,419 at December 31, 2015	31,038	31,639
LONG-TERM RECEIVABLES AND OTHER ASSETS, NET	1,025	934
TOTAL ASSETS	$ 42,395	$ 43,409

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

OCCIDENTAL PETROLEUM CORPORATION AND SUBSIDIARIES
CONSOLIDATED CONDENSED BALANCE SHEETS
JUNE 30, 2016 AND DECEMBER 31, 2015
(Amounts in millions except share amounts)

	2016	2015
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES		
Current maturities of long-term debt	$ —	$ 1,450
Accounts payable	3,126	3,069
Accrued liabilities	2,141	2,213
Liabilities of assets held for sale	—	110
Total current liabilities	5,267	6,842
LONG-TERM DEBT, NET	8,331	6,855
DEFERRED CREDITS AND OTHER LIABILITIES		
Deferred domestic and foreign income taxes	1,646	1,323
Other	4,050	4,039
	5,696	5,362
STOCKHOLDERS' EQUITY		
Common stock, at par value (891,807,415 shares at June 30, 2016 and 891,360,091 shares at December 31, 2015)	178	178
Treasury stock (127,881,155 shares at June 30, 2016 and 127,681,335 shares at December 31, 2015)	(9,136)	(9,121)
Additional paid-in capital	7,697	7,640
Retained earnings	24,661	25,960
Accumulated other comprehensive loss	(299)	(307)
Total stockholders' equity	23,101	24,350
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$ 42,395	$ 43,409

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

OCCIDENTAL PETROLEUM CORPORATION AND SUBSIDIARIES
CONSOLIDATED CONDENSED STATEMENTS OF OPERATIONS
FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2016 AND 2015
(Amounts in millions, except per-share amounts)

	Three months ended June 30		Six months ended June 30	
	2016	2015	2016	2015
REVENUES AND OTHER INCOME				
Net sales	$ 2,531	$ 3,469	$ 4,654	$ 6,558
Interest, dividends and other income	27	26	47	57
Gain (loss) on sale of assets, net	—	19	138	(5)
	2,558	3,514	4,839	6,610
COSTS AND OTHER DEDUCTIONS				
Cost of sales	1,244	1,480	2,525	3,037
Selling, general and administrative and other operating expenses	338	347	610	658
Taxes other than on income	74	107	149	214
Depreciation, depletion and amortization	1,070	1,116	2,172	2,145
Asset impairments and related items	—	—	78	324
Exploration expense	27	10	36	18
Interest and debt expense, net	88	8	148	38
	2,841	3,068	5,718	6,434
Income (loss) before income taxes and other items	(283)	446	(879)	176
Benefit (provision) for domestic and foreign income taxes	96	(324)	299	(305)
Income from equity investments	51	58	84	94
Income (loss) from continuing operations	(136)	180	(496)	(35)
Discontinued operations, net	(3)	(4)	435	(7)
NET INCOME (LOSS)	$ (139)	$ 176	$ (61)	$ (42)
BASIC EARNINGS PER COMMON SHARE				
Income (loss) from continuing operations	$ (0.18)	$ 0.23	$ (0.65)	$ (0.04)
Discontinued operations, net	—	—	0.57	(0.01)
BASIC EARNINGS PER COMMON SHARE	$ (0.18)	$ 0.23	$ (0.08)	$ (0.05)
DILUTED EARNINGS PER COMMON SHARE				
Income (loss) from continuing operations	$ (0.18)	$ 0.23	$ (0.65)	$ (0.04)
Discontinued operations, net	—	—	0.57	(0.01)
DILUTED EARNINGS PER COMMON SHARE	$ (0.18)	$ 0.23	$ (0.08)	$ (0.05)
DIVIDENDS PER COMMON SHARE	$ 0.75	$ 0.75	$ 1.50	$ 1.47

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

OCCIDENTAL PETROLEUM CORPORATION AND SUBSIDIARIES
CONSOLIDATED CONDENSED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2016 AND 2015
(Amounts in millions)

	Three months ended June 30		Six months ended June 30	
	2016	2015	2016	2015
Net income (loss)	$ (139)	$ 176	$ (61)	$ (42)
Other comprehensive income (loss) items:				
Foreign currency translation gains (losses)	—	—	1	(1)
Unrealized gains (losses) on available for sale investment	—	(112)	—	38
Unrealized losses on derivatives [(a)]	(3)	—	(13)	—
Pension and postretirement gains [(b)]	7	2	12	4
Reclassification to income of realized losses on derivatives[(c)]	1	—	8	—
Other comprehensive income (loss), net of tax[(d)]	5	(110)	8	41
Comprehensive income (loss)	$ (134)	$ 66	$ (53)	$ (1)

(a) Net of tax of $1 and $7 for the three and six months ended June 30, 2016, respectively.
(b) Net of tax of $(4) and $(1) for the three months ended June 30, 2016 and 2015, respectively, and $(7) and $(2) for the six months ended June 30, 2016 and 2015.
(c) Net of tax of zero and $(4) for the three and six months ended June 30, 2016, respectively.
(d) There were no other comprehensive income (loss) items related to noncontrolling interests in the three and six months ended 2016 and 2015, respectively.

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, 2016 AND 2015
(Amounts in millions)

	2016	2015
CASH FLOW FROM OPERATING ACTIVITIES		
Net Loss	$ (61)	$ (42)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Discontinued operations, net	(435)	7
Depreciation, depletion and amortization of assets	2,172	2,145
Deferred income tax provision	76	139
Other noncash charges to income	37	145
Asset impairments	78	236
(Gain) loss on sale of assets, net	(138)	5
Dry hole expenses	28	3
Changes in operating assets and liabilities, net	(511)	(954)
Other operating, net	(304)	(307)
Operating cash flow from continuing operations	942	1,377
Operating cash flow from discontinued operations	876	(11)
Net cash provided by operating activities	1,818	1,366
CASH FLOW FROM INVESTING ACTIVITIES		
Capital expenditures	(1,247)	(3,065)
Change in capital accrual	(209)	(585)
Payments for purchases of assets and businesses	(34)	(43)
Sale of assets, net	260	58
Equity investments and other, net	(104)	(254)
Net cash used by investing activities	(1,334)	(3,889)
CASH FLOW FROM FINANCING ACTIVITIES		
Change in restricted cash	1,193	1,637
Proceeds from long-term debt, net	2,718	1,478
Payment of long-term debt, net	(2,710)	—
Proceeds from issuance of common stock	29	23
Purchases of treasury stock	(15)	(536)
Cash dividends paid	(1,149)	(1,113)
Other, net	—	1
Net cash provided by financing activities	66	1,490
Increase (decrease) in cash and cash equivalents	550	(1,033)
Cash and cash equivalents — beginning of period	3,201	3,789
Cash and cash equivalents — end of period	$ 3,751	$ 2,756

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

1. General

In these unaudited consolidated condensed financial statements, "Occidental" means Occidental Petroleum Corporation, a Delaware corporation (OPC), or OPC and one or more entities in which it owns a controlling interest (subsidiaries). Occidental has made its disclosures in accordance with United States generally accepted accounting principles (GAAP) 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. These unaudited consolidated condensed financial statements should be read in conjunction with the audited consolidated financial statements and the notes thereto in Occidental's Annual Report on Form 10-K for the year ended December 31, 2015.

In the opinion of Occidental's management, the accompanying unaudited 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, 2016, and the consolidated statements of operations, comprehensive income and cash flows for the three and six months ended June 30, 2016 and 2015, as applicable. The income and cash flows for the periods ended June 30, 2016 and 2015 are not necessarily indicative of the income or cash flows to be expected for the full year.

2. Asset Acquisitions, Dispositions and Other

In the second quarter of 2016, Occidental received $330 million as final payment from the settlement with the Republic of Ecuador. In January 2016, Occidental reached an understanding on the terms of payment for the approximate $1.0 billion payable to Occidental by the Republic of Ecuador under a November 2015 International Center for Settlement of Investment Disputes arbitration award. This award relates to Ecuador's 2006 expropriation of Occidental's Participation Contract for Block 15. Occidental recorded a pre-tax gain of $681 million in the first quarter of 2016. The results related to Ecuador were presented as discontinued operations.

In May and June 2016, respectively, Occidental utilized part of the proceeds from the April 2016 senior note offering (described below) to exercise the early redemption option on $1.25 billion of 1.75-percent senior notes due in the first quarter of 2017 and to retire all $750 million of 4.125-percent senior notes that matured in June 2016.

In April 2016, Occidental issued $2.75 billion of senior notes, comprised of $0.4 billion of 2.6-percent senior notes due 2022, $1.15 billion of 3.4-percent senior notes due 2026 and $1.2 billion of 4.4-percent senior notes due 2046. Occidental received net proceeds of approximately $2.72 billion. Interest on the senior notes will be payable semi-annually in arrears in April and October of each year for each series of senior notes, beginning on October 15, 2016. Occidental used a portion of the proceeds to retire debt in May and June 2016, and will use the remaining proceeds for general corporate purposes.

In March 2016, Occidental distributed its remaining shares of California Resources Corporation (California Resources) through a special stock dividend to stockholders of record as of February 29, 2016. Upon distribution, Occidental recorded a $78 million loss to reduce the investment to its fair market value, and Occidental no longer owns any shares of California Resources common stock.

In March 2016, Occidental completed the sale of its Piceance Basin operations in Colorado for $153 million resulting in a pre-tax gain of $121 million. The assets and liabilities related to these operations were presented as held for sale at December 31, 2015, and primarily included property, plant and equipment and current accrued liabilities and asset retirement obligations.

In February 2016, Occidental repaid $700 million of 2.5-percent senior notes that matured.

In January 2016, Occidental completed the sale of its Occidental Tower building in Dallas, Texas, for net proceeds of approximately $85 million. The building was classified as held for sale as of December 31, 2015.

3. Accounting and Disclosure Changes

In March, April, and May of 2016, the Financial Accounting Standards Board ("FASB") amended revenue recognition rules clarifying several aspects of the new revenue recognition standard, previously issued in May 2014. Occidental is currently evaluating the impact of these rules on its financial statements.

In March 2016, the FASB issued rules affecting entities that issue share-based payment awards to their employees. These rules are designed to simplify several aspects of accounting for share-based payment award transactions, including: (1) accounting and cash flow classification for excess tax benefits and deficiencies, (2) forfeitures, and (3) tax withholding requirements and cash flow classification. The rules were adopted for the second quarter of 2016 and did not have a material impact on Occidental's financial statements upon adoption.

In March 2016, the FASB issued an update to eliminate the requirement to retrospectively adopt the equity method of accounting if an investment qualifies for use of the equity method as a result of an increase in the level of ownership or degree of influence. The update requires that the equity method investor add the cost of acquiring the additional interest and adopt the equity method of accounting as of the date the investment becomes qualified for equity method accounting. The rules become effective for the interim and annual periods beginning after December 15, 2016. The rules do not have a material impact on Occidental's financial statements upon adoption.

In March 2016, the FASB issued rules clarifying that a change in one of the parties to a derivative contract that is part of a hedge accounting relationship does not, by itself, require dedesignation of that relationship, as long as all other hedge accounting criteria continue to be met. The rules become effective for the interim and annual periods beginning after December 15, 2016. Occidental is currently evaluating the impact of these rules on its financial statements.

In February 2016, the FASB issued rules in which lessees will recognize most leases, including operating leases, on-balance sheet. These new rules will significantly increase reported assets and liabilities. The rules become effective for interim and annual periods beginning after December 15, 2018. Occidental is currently evaluating the impact of these rules on its financial statements.

In April 2015, the FASB issued rules simplifying the presentation of debt issuance costs. The new rules require that debt issuance costs related to a recognized debt liability be presented in the balance sheet as a direct deduction from the carrying amount of that debt liability, consistent with debt discounts. Occidental adopted these rules retrospectively as of January 1, 2016. The rules do not have a material impact on Occidental's financial statements.

4. Supplemental Cash Flow Information

Occidental paid foreign, state and federal income taxes of $288 million and $638 million during the six months ended June 30, 2016 and 2015, respectively. During the second quarter of 2016, Occidental received federal income tax refunds of $302 million as a result of the carryback of net operating losses generated in 2015. Interest paid totaled $154 million and $108 million in each of the six months ended June 30, 2016 and 2015, respectively.

5. 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, 2016, and December 31, 2015, consisted of the following (in millions):

	2016	2015
Raw materials	$ 73	$ 73
Materials and supplies	502	568
Finished goods	381	395
	956	1,036
Revaluation to LIFO	(50)	(50)
Total	$ 906	$ 986

6. Environmental Liabilities and Expenditures

Occidental's operations are subject to stringent federal, state, local and foreign laws and regulations related to improving or maintaining environmental quality.

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 of hazardous substances; or operation and maintenance of remedial systems. These 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, 2016, Occidental participated in or monitored remedial activities or proceedings at 145 sites. The following table presents Occidental's environmental remediation reserves as of June 30, 2016, the current portion of which is included in accrued liabilities ($70 million) and the remainder in deferred credits and other liabilities — other ($309 million). The reserves are grouped as environmental remediation sites listed or proposed for listing by the United States 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	33	$ 27
Third-party sites	65	128
Occidental-operated sites	17	102
Closed or non-operated Occidental sites	30	122
Total	145	$ 379

As of June 30, 2016, Occidental's environmental reserves exceeded $10 million each at 11 of the 145 sites described above, and 94 of the sites each had reserves of $1 million or less. Based on current estimates, Occidental expects to expend funds corresponding to approximately half of the current environmental reserves at the sites described above over the next three to four years and the balance at these sites over the subsequent 10 or more years.

Due to the uncertainties surrounding the Maxus-indemnified sites described further under Note 7, *Lawsuits, Claims, Commitments and Contingencies*, Occidental is currently unable to estimate an amount of reasonably possible losses associated with these sites. For all other sites, Occidental believes its estimable range of reasonably possible additional losses beyond those liabilities recorded for environmental remediation at these sites could be up to $370 million. For additional information regarding environmental matters, refer to Note 7.

7. Lawsuits, Claims, Commitments and Contingencies

OPC or certain of its subsidiaries are involved, 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 or other losses, punitive damages, civil penalties, or injunctive or declaratory relief. OPC or certain of its subsidiaries also are involved 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. Usually OPC or such subsidiaries are among many companies in these environmental proceedings and have to date been successful in sharing response costs with other financially sound companies. Further, some lawsuits, claims and legal proceedings involve acquired or disposed assets with respect to which a third party or Occidental retains liability or indemnifies the other party for conditions that existed prior to the transaction.

During 2014, a New Jersey state court approved Occidental's settlement with the State of New Jersey (the State) to resolve claims asserted by the State against Occidental arising from Occidental's acquisition of Diamond Shamrock Chemicals Company (DSCC) in 1986. Pursuant to the settlement agreement (the State Settlement), Occidental paid the State $190 million in 2015. As part of the State Settlement, Occidental agreed, under certain circumstances, to perform or fund future work on behalf of the State along a portion of the Passaic River. The State Settlement does not cover any potential Occidental share of costs associated with the EPA's proposed clean-up plan of the Passaic River as set out in its March 4, 2016 Record of Decision (ROD). During the second quarter of 2016, the EPA sent Occidental a draft Administrative Order on Consent to complete the design of the proposed clean-up plan outlined in the ROD. Negotiations with the EPA are ongoing.

When Occidental acquired DSCC, Maxus Energy Corporation (Maxus), currently a subsidiary of YPF S.A. (YPF), agreed to a broad indemnity for a number of environmental sites, including the Diamond Alkali Superfund Site, which is at issue in the State Settlement and the ROD. As a result, Occidental has been pursuing Maxus and its parent company, YPF, as the alter ego of Maxus, to recover the costs paid by Occidental under the State Settlement and other indemnified costs. Trial on Occidental's claims against Maxus and YPF was scheduled to begin on June 21, 2016. On June 17, 2016, Maxus and several affiliated companies filed for Chapter 11 bankruptcy in Federal District Court in the State of Delaware. Occidental is continuing to pursue claims against Maxus and YPF in the bankruptcy court and other appropriate forums. Prior to filing for bankruptcy, Maxus defended and indemnified Occidental in connection with federal clean-up and other costs associated with the Diamond Alkali Superfund Site and other sites.

Occidental accrues reserves for outstanding lawsuits, claims and proceedings when it is probable that a liability has been incurred and the liability can be reasonably estimated. Occidental has disclosed its reserve balances for environmental matters that satisfy this criteria. Reserve balances for other non-environmental matters that satisfy this criteria as of June 30, 2016 and December 31, 2015 were not material to Occidental's consolidated balance sheets.

Occidental also evaluates the amount of reasonably possible losses that it could incur as a result of outstanding lawsuits, claims and proceedings and has disclosed its estimable range of reasonably possible additional losses for sites where it is a participant in environmental remediation. Occidental believes that other reasonably possible losses for non-environmental matters 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. Occidental's potential obligations for the Maxus-indemnified sites described above, including any potential share of costs associated with the ROD for the Passaic River, are not currently included in such estimates, as the amounts cannot be reasonably estimated at this time for several reasons, including, but not limited to, the existence of other potentially responsible parties, the presence of contaminants of concern that are not associated with DSCC or Occidental's operations, the inherent uncertainties in estimating clean-up costs and the Maxus bankruptcy filing.

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. Although taxable years through 2009 for United States federal income tax purposes have been audited by the United States Internal Revenue Service (IRS) pursuant to its Compliance Assurance Program, subsequent taxable years are currently under review. Additionally, in December 2012, Occidental filed United States federal refund claims for tax years 2008 and 2009 that are subject to IRS review. Taxable years from 2002 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.

OPC, its subsidiaries, or both, have indemnified various parties against specified liabilities 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, 2016, Occidental is not aware of circumstances that it believes would reasonably be expected to lead to indemnity claims that would result in payments materially in excess of reserves.

8. Retirement and Post-retirement Benefit Plans

The following tables set forth the components of the net periodic benefit costs for Occidental's defined benefit pension and post-retirement benefit plans for the three and six months ended June 30, 2016 and 2015 (in millions):

Three months ended June 30	2016		2015	
Net Periodic Benefit Costs	Pension Benefit	Post-retirement Benefit	Pension Benefit	Post-retirement Benefit
Service cost	$ 2	$ 5	$ 2	$ 7
Interest cost	4	10	5	10
Expected return on plan assets	(6)	—	(7)	—
Recognized actuarial loss	3	6	2	7
Settlement loss	2	—	—	—
Total	$ 5	$ 21	$ 2	$ 24

Six months ended June 30	2016		2015	
Net Periodic Benefit Costs	Pension Benefit	Post-retirement Benefit	Pension Benefit	Post-retirement Benefit
Service cost	$ 4	$ 10	$ 4	$ 14
Interest cost	8	20	10	20
Expected return on plan assets	(12)	—	(14)	—
Recognized actuarial loss	6	11	4	14
Settlement loss	2	—	—	—
Total	$ 8	$ 41	$ 4	$ 48

Occidental contributed approximately $1 million and zero in the three months ended June 30, 2016 and 2015, respectively, and approximately $2 million and $5 million in the six months ended June 30, 2016 and 2015, respectively, to its defined benefit plans.

9. Fair Value Measurements

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

<u>Fair Values — Recurring</u>

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 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:

- Ø Occidental values exchange-cleared commodity derivatives using closing prices provided by the exchange as of the balance sheet date. Occidental values its available for sale investment based on the common stock closing share price as of the balance sheet date. These derivatives and investments are classified as Level 1.
- Ø Over-the-Counter (OTC) bilateral financial commodity contracts, foreign exchange contracts, options and physical commodity forward purchase and sale contracts are generally classified as Level 2 and 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, and can be derived from observable data or are supported by observable prices at which transactions are executed in the marketplace.
- Ø Occidental values commodity derivatives based on a market approach that considers various assumptions, including quoted forward commodity prices and market yield curves. The assumptions used include inputs that are generally unobservable in the marketplace or are observable but have been adjusted based upon various assumptions, and the fair value is designated as Level 3 within the valuation hierarchy.

Occidental generally uses an income approach to measure fair value when observable inputs are unavailable. This approach utilizes management's judgments regarding expectations of projected cash flows, and discounts those cash flows using a 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, 2016 and December 31, 2015 (in millions):

Fair Value Measurements at June 30, 2016:

Description	Level 1	Level 2	Level 3	Netting and Collateral	Total Fair Value
Assets:					
Commodity derivatives	$ 94	$ 31	$ —	$ (85)	$ 40
Liabilities:					
Commodity derivatives	$ 116	$ 304	$ —	$ (100)	$ 320

Fair Value Measurements at December 31, 2015:

Description	Level 1	Level 2	Level 3	Netting and Collateral	Total Fair Value
Assets:					
Commodity derivatives	$ 557	$ 87	$ —	$ (535)	$ 109
Available for sale investment	$ 167	$ —	$ —	$ —	$ 167
Liabilities:					
Commodity derivatives	$ 544	$ 404	$ —	$ (525)	$ 423

Fair Values — Nonrecurring

During the three and six months ended June 30, 2016, Occidental did not have any assets or liabilities measured at fair value on a nonrecurring basis. The following table provides fair value measurement for such proved domestic and international oil and gas properties that are measured on a nonrecurring basis as of December 31, 2015. The impairment tests, including the fair value estimation, incorporated a number of assumptions involving expectations of future cash flows. These assumptions included estimates of future product prices, which Occidental based on forward price curves as of balance sheet date and, where applicable, contractual prices, estimates of oil and gas reserves, estimates of future expected operating and development costs, and a risk adjusted discount rate of 8 to 20 percent. These properties were impacted by persistently low worldwide oil and natural gas prices and changing development plans. Occidental used the income approach to measure the fair value of these properties, using inputs categorized as Level 3 in the fair value hierarchy.

(in millions)	Fair Value Measurements at December 31, 2015 Using				
Description	Level 1	Level 2	Level 3	Net Book Value (a)	Total Pre-tax (Non-cash) Impairment Loss
Assets:					
Impaired proved oil and gas assets - international	$ —	$ —	$ 2,666	$ 7,359	$ 4,693
Impaired proved oil and gas assets - domestic	$ —	$ —	$ 625	$ 1,655	$ 1,030
Impaired Midstream assets	$ —	$ —	$ 50	$ 891	$ 841
Impaired Chemical property, plant, and equipment	$ —	$ —	$ 3	$ 124	$ 121

(a) Amount represents net book value at date of assessment.

Other Financial Instruments

The carrying amounts of cash and cash equivalents and other on-balance-sheet financial instruments, other than long-term fixed-rate debt, approximate fair value. The cost, if any, to terminate Occidental's 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 instruments' maturities. The estimated fair value of Occidental's debt as of June 30, 2016,and December 31, 2015, was $9.1 billion and $8.4 billion, respectively, and its carrying value net of unamortized discount as of June 30, 2016 and December 31, 2015, was $8.3 billion. The majority of Occidental's debt is classified as Level 1, with $273 million classified as Level 2.

10. 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 cash-flow hedge treatment and management elects and documents such treatment. Otherwise, any fair value gains or losses are recognized in earnings in the current period.

Occidental uses a variety of derivative instruments, including cash-flow hedges and derivative instruments not designated as hedging instruments, to obtain average prices for the relevant production month and to improve realized prices for oil and gas. Occidental only occasionally hedges its oil and gas production, and, when it does, the volumes are usually insignificant.

Cash-Flow Hedges

Occidental's marketing and trading operations, from time to time, 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 through March 2017. As of June 30, 2016, Occidental had approximately 6 billion cubic feet of natural gas held in storage, and had cash-flow hedges for the forecast sale, to be settled by physical delivery, of approximately 6 billion cubic feet of stored natural gas. As of December 31, 2015, Occidental had approximately 13 billion cubic feet of natural gas held in storage, and had cash-flow hedges for the forecast sale, to be settled by physical delivery, of approximately 14 billion cubic feet of stored natural gas. The following table summarizes Occidental’s other comprehensive income related to derivatives for the three and six months ended June 30, 2016 and June 30, 2015:

	After-tax			
	Three months ended June 30		Six months ended June 30	
	2016	2015	2016	2015
Unrealized losses on derivatives	$ (2)	$ —	$ (14)	$ —
Reclassification to income of realized loss on derivatives	$ —	$ —	$ 7	$ —

Derivatives Not Designated as Hedging Instruments

The following table summarizes Occidental’s net volumes of outstanding commodity derivatives contracts not designated as hedging instruments, including both financial and physical derivative contracts as of June 30, 2016 and December 31, 2015:

	Net Outstanding Position Long / (Short)	
Commodity	2016	2015
Oil (million barrels)	149	83
Natural gas (billion cubic feet)	(71)	(58)
Carbon dioxide (billion cubic feet)	571	603

The volumes in the table above exclude contracts tied to index prices, for which the fair value, if any, is minimal at any point in time. These excluded contracts do not expose Occidental to price risk because the contract prices fluctuate with index prices.

Occidental fulfills short positions through its own production or by third-party purchase contracts. Subsequent to June 30, 2016, Occidental entered into purchase contracts for a substantial portion of the short positions outstanding at quarter end and has sufficient production capacity and the ability to enter into additional purchase contracts to satisfy the remaining positions.

Approximately $38 million and $45 million of net gains from derivatives not designated as hedging instruments were recognized in net sales for the three months ended June 30, 2016 and 2015, respectively. Approximately $26 million of net gains and $44 million of net losses from derivatives not designated as hedging instruments were recognized in net sales for the six months ended June 30, 2016 and 2015, respectively.

Fair Value of Derivatives

The following table presents the gross and net fair values of Occidental's outstanding derivatives as of June 30, 2016 and December 31, 2015 (in millions):

June 30, 2016	Asset Derivatives Balance Sheet Location	Fair Value	Liability Derivatives Balance Sheet Location	Fair Value
Cash-flow hedges(a)				
Commodity contracts	Other current assets	$ —	Accrued liabilities	$ 4
Derivatives not designated as hedging instruments (a)				
Commodity contracts	Other current assets	117	Accrued liabilities	190
	Long-term receivables and other assets, net	8	Deferred credits and other liabilities	227
		125		417
Total gross fair value		125		421
Less: counterparty netting and cash collateral (b,d)		(85)		(101)
Total net fair value of derivatives		$ 40		$ 320

December 31, 2015	Asset Derivatives Balance Sheet Location	Fair Value	Liability Derivatives Balance Sheet Location	Fair Value
Cash-flow hedges(a)				
Commodity contracts	Other current assets	$ 9	Accrued liabilities	$ 1
Derivatives not designated as hedging instruments (a)				
Commodity contracts	Other current assets	626	Accrued liabilities	672
	Long-term receivables and other assets, net	9	Deferred credits and other liabilities	275
		635		947
Total gross fair value		644		948
Less: counterparty netting and cash collateral (c,d)		(535)		(525)
Total net fair value of derivatives		$ 109		$ 423

(a) Fair values are presented at gross amounts, including when the derivatives are subject to master netting arrangements and presented on a net basis in the consolidated balance sheets.
(b) As of June 30, 2016, collateral received of zero has been netted against the derivative assets, and collateral paid of $15 million has been netted against derivative liabilities.
(c) As of December 31, 2015, collateral received of $14 million has been netted against derivative assets, and collateral paid of $4 million has been netted against derivative liabilities.
(d) Select clearinghouses and brokers require Occidental to post an initial margin deposit. Collateral, mainly for initial margin, of $44 million and $3 million deposited by Occidental has not been reflected in these derivative fair value tables as of June 30, 2016 and December 31, 2015, respectively. This collateral is included in other current assets in the consolidated balance sheets as of June 30, 2016 and December 31, 2015, respectively.

See Note 9, *Fair Value Measurements,* for fair value measurement disclosures on derivatives.

Credit Risk

The majority of Occidental's counterparty credit risk is related to the physical delivery of energy commodities to its customers and their inability to meet their settlement commitments. Occidental manages this credit risk by selecting counterparties that it believes to be financially strong, by entering into master netting arrangements with counterparties and by requiring collateral, as appropriate. Occidental actively reviews the creditworthiness of its counterparties and monitors credit exposures against assigned credit limits by adjusting credit limits to reflect counterparty risk, if necessary. Occidental also enters into future contracts through regulated exchanges with select clearinghouses and brokers, which are subject to minimal credit risk as a significant portion of these transactions settle on a daily margin basis.

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. 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, 2016 and December 31, 2015.

11. Industry Segments

Occidental conducts its operations through three segments: (1) oil and gas; (2) chemical; and (3) midstream and marketing. The oil and gas segment explores for, develops and produces oil and condensate, natural gas liquids (NGLs) and natural gas. The chemical segment mainly manufactures and markets basic chemicals and vinyls. The midstream and marketing segment gathers, processes, transports, stores, purchases and markets oil, condensate, NGLs, natural gas, CO_2 and power. It also trades around its assets, including transportation and storage capacity. Additionally, the midstream and marketing segment invests in entities that conduct similar activities.

Results 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 and geographic area assets and income from the segments' equity investments. Intersegment sales eliminate upon consolidation and are generally made at prices approximating those that the selling entity would be able to obtain in third-party transactions.

The following tables present Occidental's industry segments (in millions):

	Oil and Gas	Chemical	Midstream and Marketing	Corporate and Eliminations	Total
Three months ended June 30, 2016					
Net sales	$ 1,625	$ 908	$ 141	$ (143)	$ 2,531
Pre-tax operating profit (loss)	$ (117)	$ 88	$ (58)	$ (145) [a]	$ (232)
Income taxes	—	—	—	96 [b]	96
Discontinued operations, net	—	—	—	(3)	(3)
Net income (loss)	$ (117)	$ 88	$ (58)	$ (52)	$ (139)
Three months ended June 30, 2015					
Net sales	$ 2,342	$ 1,030	$ 294	$ (197)	$ 3,469
Pre-tax operating profit (loss)	$ 355	$ 136	$ 87	$ (74) [a]	$ 504
Income taxes	—	—	—	(324) [b]	(324)
Discontinued operations, net	—	—	—	(4)	(4)
Net income (loss)	$ 355	$ 136	$ 87	$ (402)	$ 176

	Oil and Gas	Chemical	Midstream and Marketing	Corporate and Eliminations	Total
Six months ended June 30, 2016					
Net sales	$ 2,900	$ 1,798	$ 274	$ (318)	$ 4,654
Pre-tax operating profit (loss)	$ (602)	$ 302	$ (153)	$ (342) [a]	$ (795)
Income taxes	—	—	—	299 [b]	299
Discontinued operations, net	—	—	—	435	435
Net income (loss)	$ (602)	$ 302	$ (153)	$ 392	$ (61)
Six months ended June 30, 2015					
Net sales	$ 4,351	$ 2,030	$ 491	$ (314)	$ 6,558
Pre-tax operating profit (loss)	$ 89 [c]	$ 275	$ 72	$ (166) [a,c]	$ 270
Income taxes	—	—	—	(305) [b]	(305)
Discontinued operations, net	—	—	—	(7)	(7)
Net income (loss)	$ 89	$ 275	$ 72	$ (478)	$ (42)

(a) Includes unallocated net interest expense, administration expense, environmental remediation and other pre-tax items.
(b) Includes all foreign and domestic income taxes from continuing operations.
(c) Includes pre-tax charges of $310 million for the impairment of certain domestic and international oil and gas assets and other items and $14 million of corporate other items.

12. Earnings Per Share

Occidental's instruments containing rights to nonforfeitable dividends granted in stock-based awards are considered participating securities prior to vesting and, therefore, net income allocated to these participating securities has been deducted from earnings 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 allocated 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 reflects the additional 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, 2016 and 2015 (in millions, except per-share amounts):

	Three months ended June 30		Six months ended June 30	
	2016	2015	2016	2015
Basic EPS				
Income (loss) from continuing operations	$ (136)	$ 180	$ (496)	$ (35)
Discontinued operations, net	(3)	(4)	435	(7)
Net income (loss)	(139)	176	(61)	(42)
Less: Net income allocated to participating securities	—	—	—	—
Net income (loss), net of participating securities	(139)	176	(61)	(42)
Weighted average number of basic shares	763.6	766.4	763.5	768.0
Basic EPS	$ (0.18)	$ 0.23	$ (0.08)	$ (0.05)
Diluted EPS				
Net income (loss), net of participating securities	$ (139)	$ 176	$ (61)	$ (42)
Weighted average number of basic shares	763.6	766.4	763.5	768.0
Dilutive effect of potentially dilutive securities	—	0.2	—	—
Total diluted weighted average common shares	763.6	766.6	763.5	768.0
Diluted EPS	$ (0.18)	$ 0.23	$ (0.08)	$ (0.05)

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

In this report, "Occidental" means Occidental Petroleum Corporation (OPC), or OPC and one or more entities in which it owns a controlling interest (subsidiaries). 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. Actual results may differ from anticipated results, sometimes materially, and reported results should not be considered an indication of future performance. Factors that could cause results to differ include, but are not limited to: global commodity pricing fluctuations; supply and demand considerations for Occidental's products; higher-than-expected costs; the regulatory approval environment; reorganization or restructuring of Occidental's operations; not successfully completing, or any material delay of, field developments, expansion projects, capital expenditures, efficiency projects, acquisitions or dispositions; uncertainties about the estimated quantities of oil and natural gas reserves; lower-than-expected production from development projects or acquisitions; exploration risks; general economic slowdowns domestically or internationally; political conditions and events; liability under environmental regulations including remedial actions; litigation; disruption or interruption of production or manufacturing or facility damage due to accidents, chemical releases, labor unrest, weather, natural disasters, cyber attacks 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," "aim," "goal," "target," "objective," "likely" or similar expressions that convey the prospective nature of events or outcomes generally indicate forward-looking statements. You should not place undue reliance on these forward-looking statements, which speak only as of the date of this report. Unless legally required, Occidental does not undertake any obligation to update any forward-looking statements, as a result of new information, future events or otherwise. Material risks that may affect Occidental's results of operations and financial position appear in Part I, Item 1A "Risk Factors" of Occidental's Annual Report on Form 10-K for the year ended December 31, 2015 (the 2015 Form 10-K).

Consolidated Results of Operations

Occidental reported a net loss from continuing operations of $136 million for the second quarter of 2016 on net sales of $2.5 billion, compared to net income from continuing operations of $180 million on net sales of $3.5 billion for the second quarter of 2015. Diluted loss per share from continuing operations was $0.18 for the second quarter of 2016, compared to diluted earnings of $0.23 per share for the second quarter of 2015.

Occidental reported a net loss from continuing operations of $496 million for the first six months of 2016 on net sales of $4.7 billion, compared to a net loss of $35 million on net sales of $6.6 billion for the same period in 2015. Diluted loss per share from continuing operations was $0.65 per share for the first six months of 2016, compared to a loss per share of $0.04 for the same period of 2015. Income from discontinued operations was $435 million or $0.57 per share for the first six months of 2016, compared with a loss of $7 million or $0.01 per share for the same period of 2015.

The net losses from continuing operations in the three and six months ended June 30, 2016, when compared to the same periods in 2015, reflect the impact of lower realized commodity prices in the oil and gas and chemical segments and lower marketing margins due to unfavorable Permian to Gulf Coast differentials. The lower prices were partially offset by lower per-barrel operating costs and lower chemical raw material and energy costs. Income from discontinued operations for the six months ended June 30, 2016, resulted from the settlement from the Republic of Ecuador under a November 2015 arbitration award.

Selected Statements of Operations Items

Net sales decreased for the three and six months ended June 30, 2016, compared to the same periods in 2015, due to lower realized commodity prices. Gain (loss) on sale of assets, net, for the six months ended June 30, 2016, primarily reflected a gain on the sale of the Piceance Basin operations in Colorado of $121 million and a gain on the sale of the Occidental Tower building in Dallas of $57 million.

Compared to the same periods in 2015, cost of sales for the three and six months ended June 30, 2016 reflected lower oil and gas production costs, mainly from maintenance and support activities and lower raw material and energy costs for the chemical business.

Asset impairments and related items for the six months ended June 30, 2016, reflected impairment charges of $78 million related to the special stock dividend of California Resources shares. Asset impairments and related items for the six months ended June 30, 2015, reflected impairment charges for Occidental's South Texas Eagle Ford non-operated properties, investments in Yemen, mark-to-market losses on a CO_2 purchase contract and rig idling and termination fees.

Lower taxes other than on income for the three and six months ended June 30, 2016, compared to the same periods of 2015, reflected lower production and ad valorem taxes, which are mostly tied to oil and gas prices.

Higher interest and debt expense, net for the three and six months ended June 30, 2016, compared to the same periods of 2015, reflected lower capitalized interest as well as additional interest accrued for senior notes issued in April 2016 and a premium on the early retirement in May 2016 of the $1.25 billion of 1.75-percent senior notes due February 2017.

The domestic and foreign income tax benefit for the three and six months ended June 30, 2016, compared to income tax provisions in the same periods of 2015, are due to higher pre-tax operating losses in 2016 compared to 2015 and the relinquishment of foreign exploration blocks.

Selected Analysis of Financial Position

See “Liquidity and Capital Resources” for a discussion about the changes in cash and cash equivalents and restricted cash.

The increase in trade receivables, net, at June 30, 2016, compared to December 31, 2015, was due to an increase in oil and gas realized prices. The decrease in assets held for sale and available for sale investment reflect the sale of Piceance operations in Colorado and the Occidental Tower in Dallas, and the distribution of Occidental's remaining California Resources common stock to its shareholders. The increase in investments in unconsolidated entities is primarily a result of capital contributions associated with the joint venture for the ethylene cracker at the OxyChem Ingleside facility. The decrease in property, plant and equipment, net, is primarily the result of DD&A, offset partially by Occidental's capital spending of $1.2 billion in the first half of 2016.

Current maturities of long-term debt at June 30, 2016, decreased from December 31, 2015, due to the payments of $700 million 2.5-percent senior notes due February 2016 and $750 million 4.125-percent senior notes due June 2016. The increase in long-term debt, net since December 31, 2015 is the result of the issuance of $2.75 billion of senior notes in April 2016, partially offset by the early redemption in May 2016 of $1.25 billion 1.75-percent senior notes due February 2017.

The decrease in accrued liabilities at June 30, 2016, is due to first quarter payments of ad-valorem taxes. Liabilities of assets held for sale as of June 30, 2016, decreased due to the sale of Piceance operations in Colorado.

Segment Operations

Occidental conducts its operations through three segments: (1) oil and gas; (2) chemical; and (3) midstream and marketing. The oil and gas segment explores for, develops and produces oil and condensate, NGLs and natural gas. The chemical segment mainly manufactures and markets basic chemicals and vinyls. The midstream and marketing segment gathers, processes, transports, stores, purchases and markets oil, condensate, NGLs, natural gas, CO_2 and power. It also trades around its assets, including transportation and storage capacity. Additionally, the midstream and marketing segment invests in entities that conduct similar activities.

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, 2016 and 2015 (in millions):

	Three months ended June 30		Six months ended June 30	
	2016	2015	2016	2015
Net Sales [(a)]				
Oil and Gas	$ 1,625	$ 2,342	$ 2,900	$ 4,351
Chemical	908	1,030	1,798	2,030
Midstream and Marketing	141	294	274	491
Eliminations	(143)	(197)	(318)	(314)
	$ 2,531	$ 3,469	$ 4,654	$ 6,558
Segment Results [(b)]				
Oil and Gas	$ (117)	$ 355	$ (602)	$ 89
Chemical	88	136	302	275
Midstream and Marketing	(58)	87	(153)	72
	(87)	578	(453)	436
Unallocated Corporate Items [(b)]				
Interest expense, net	(84)	(7)	(141)	(35)
Income tax benefit (provision)	96	(324)	299	(305)
Other expense, net	(61)	(67)	(201)	(131)
Income (loss) from continuing operations	(136)	180	(496)	(35)
Discontinued operations, net	(3)	(4)	435	(7)
Net Income (loss)	$ (139)	$ 176	$ (61)	$ (42)

(a) Intersegment sales eliminate upon consolidation and are generally made at prices approximating those that the selling entity would be able to obtain in third-party transactions.
(b) Refer to "Significant Transactions and Events Affecting Earnings," "Oil and Gas Segment," "Chemical Segment," "Midstream and Marketing Segment" and "Corporate" discussions that follow.

Significant Transactions and Events Affecting Earnings

The following table sets forth significant transactions and events affecting Occidental's earnings that vary widely and unpredictably in nature, timing and amount for the three and six months ended June 30, 2016 and 2015 (in millions):

	Three months ended June 30		Six months ended June 30	
	2016	2015	2016	2015
Oil and Gas				
Asset sales gains and other	$ —	$ 18	$ 23	$ 5
Asset impairments and related items - Domestic	—	14	—	(250)
Asset impairments and related items - International	—	(1)	—	(47)
Total Oil and Gas	$ —	$ 31	$ 23	$ (292)
Chemical				
Asset sales gains	$ —	$ —	$ 88	$ —
Total Chemical	$ —	$ —	$ 88	$ —
Midstream and Marketing				
Total Midstream and Marketing	$ —	$ 3	$ —	$ (7)
Corporate				
Asset impairments and related items	—	—	(78)	—
Spin-off costs and related items	—	(6)	—	(20)
Asset sales losses	—	—	—	(11)
Tax effect of pre-tax adjustments [(a)]	—	(13)	33	99
Discontinued operations, net [(b)]	(3)	(4)	435	(7)
Total Corporate	$ (3)	$ (23)	$ 390	$ 61
Total	$ (3)	$ 11	$ 501	$ (238)

(a) The 2016 amount included benefits for the relinquishment of foreign exploration blocks.
(b) 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, 2016 and 2015 (in millions):

	Three months ended June 30		Six months ended June 30	
	2016	2015	2016	2015
Oil and Gas results	$ (117)	$ 355	$ (602)	$ 89
Chemical results	88	136	302	275
Midstream and Marketing results	(58)	87	(153)	72
Unallocated corporate items	(145)	(74)	(342)	(166)
Pre-tax income (loss)	(232)	504	(795)	270
Income tax benefit (provision)				
Federal and state	234	47	525	172
Foreign	(138)	(371)	(226)	(477)
Total	96	(324)	299	(305)
Income (loss) from continuing operations	$ (136)	$ 180	$ (496)	$ (35)
Worldwide effective tax rate	41%	64%	38%	113%

Occidental's worldwide effective tax rate of 38 percent for the six months ended June 30, 2016 is lower than the comparative period of 2015 due to the mix of domestic operating losses and foreign operating income, as well as the current year domestic tax benefit associated with the relinquishment of foreign exploration blocks. Excluding the impact of asset sales and other nonrecurring items, Occidental's worldwide effective tax rate for the six months ended June 30, 2016 would be 32 percent.

Oil and Gas Segment

The following tables set forth the production and sales volumes of oil, NGLs and natural gas per day for the three and six months ended June 30, 2016 and 2015. The differences between the production and sales volumes per day are generally due to the timing of shipments at Occidental’s international locations where the product is loaded onto tankers.

	Three months ended June 30		Six months ended June 30	
Production Volumes per Day	2016	2015	2016	2015
Oil (MBBL)				
United States	190	205	193	201
Middle East/North Africa	168	188	175	189
Latin America	34	40	36	39
NGLs (MBBL)				
United States	52	55	54	55
Middle East/North Africa	30	12	26	11
Natural Gas (MMCF)				
United States	357	437	372	441
Middle East/North Africa	708	498	648	488
Latin America	8	10	8	11
Total Production Volumes (MBOE) [(a)]	653	658	655	652

	Three months ended June 30		Six months ended June 30	
Sales Volumes per Day	2016	2015	2016	2015
Oil (MBBL)				
United States	190	205	193	201
Middle East/North Africa	172	192	177	188
Latin America	38	35	36	35
NGLs (MBBL)				
United States	52	55	54	55
Middle East/North Africa	29	12	25	11
Natural Gas (MMCF)				
United States	357	437	372	441
Middle East/North Africa	708	498	648	488
Latin America	8	10	8	11
Total Sales Volumes (MBOE) [(a)]	660	657	656	647

(See footnote following the table below)

The following tables set forth the production and sales volumes of ongoing operations for oil, NGLs and natural gas per day for the three and six months ended June 30, 2016 and 2015, this excludes operations sold, exited or exiting.

	Three months ended June 30		Six months ended June 30	
Production Volumes per Day	2016	2015	2016	2015
Oil (MBBL)				
United States [(b)]	190	188	193	184
Middle East/North Africa [(c)]	162	157	162	154
Latin America	34	40	36	39
NGLs (MBBL)				
United States [(b)]	52	51	53	51
Middle East/North Africa	30	12	26	11
Natural Gas (MMCF)				
United States [(b)]	357	357	350	358
Middle East/North Africa [(c)]	481	258	420	246
Latin America	8	10	8	11
Total Production Ongoing Operations (MBOE)	609	552	599	542
Operations Sold, Exited and Exiting	44	106	56	110
Total Production Volumes (MBOE) [(a)]	653	658	655	652

	Three months ended June 30		Six months ended June 30	
Sales Volumes per Day	2016	2015	2016	2015
Oil (MBBL)				
United States [(b)]	190	188	193	184
Middle East/North Africa [(d)]	166	157	164	156
Latin America	38	35	36	35
NGLs (MBBL)				
United States [(b)]	52	51	53	51
Middle East/North Africa	29	12	25	11
Natural Gas (MMCF)				
United States [(b)]	357	357	350	358
Middle East/North Africa [(d)]	481	258	420	246
Latin America	8	10	8	11
Total Sales Ongoing Operations (MBOE)	616	547	600	540
Operations Sold, Exited and Exiting	44	110	56	107
Total Sales Volumes (MBOE) [(a)]	660	657	656	647

Note: MBBL represents thousand barrels. MMCF represents million cubic feet.

(a) Natural gas volumes have been converted to thousands of barrels of oil equivalent (MBOE) based on energy content of six million cubic feet (MMCF) of gas to one thousand barrels of oil (MBOE). Barrels of oil equivalence does not necessarily result in price equivalence.

(b) Excludes 17 MBBL, 4 MBBL and 80 MMCF of oil, NGLs and gas for the three months ended June 30, 2015 related to Williston and Piceance. Excludes 22 MMCF of gas for the six months ended June 30, 2016, related to Piceance and 17 MBBL, 4 MBBL and 83 MMCF of oil, NGLs, and gas for the six months ended June 30, 2015, related to Williston and Piceance.

(c) Excludes 6 MBBL and 227 MMCF of oil and gas for the three months ended June 30, 2016 and 31 MMBL and 240 MMCF of oil and gas for the three months ended June 30, 2015, related to Bahrain, Iraq and Yemen. Excludes 13 MBBL and 228 MMCF of oil and gas for the six months ended June 30, 2016, and 35 MMBL and 242 MMCF of oil and gas for the six months ended June 30, 2015, related to Bahrain, Iraq and Yemen.

(d) Excludes 6 MBBL and 227 MMCF of oil and gas for the three months ended June 30, 2016 and 35 MMBL and 240 MMCF of oil and gas for the three months ended June 30, 2015, related to Bahrain, Iraq and Yemen. Excludes 13 MBBL and 228 MMCF of oil and gas for the six months ended June 30, 2016, and 32 MMBL and 242 MMCF of oil and gas for the six months ended June 30, 2015, related to Bahrain, Iraq and Yemen.

The following tables present information about Occidental's average realized prices and index prices for the three and six months ended June 30, 2016 and 2015:

Average Realized Prices	Three months ended June 30		Six months ended June 30	
	2016	2015	2016	2015
Oil ($/BBL)				
United States	$ 41.43	$ 52.64	$ 35.33	$ 48.25
Middle East/North Africa	$ 37.80	$ 56.48	$ 33.66	$ 55.27
Latin America	$ 39.26	$ 55.19	$ 33.72	$ 51.43
Total Worldwide	$ 39.66	$ 54.55	$ 34.46	$ 51.60
NGLs ($/BBL)				
United States	$ 14.25	$ 17.32	$ 12.04	$ 17.32
Middle East/North Africa	$ 15.21	$ 21.38	$ 14.38	$ 21.46
Total Worldwide	$ 14.59	$ 18.06	$ 12.80	$ 18.01
Natural Gas ($/MCF)				
United States	$ 1.46	$ 2.09	$ 1.48	$ 2.29
Latin America	$ 3.36	$ 5.49	$ 3.76	$ 4.98
Total Worldwide	$ 1.26	$ 1.48	$ 1.26	$ 1.57

Average Index Prices	Three months ended June 30		Six months ended June 30	
	2016	2015	2016	2015
WTI oil ($/BBL)	$ 45.59	$ 57.94	$ 39.52	$ 53.29
Brent oil ($/BBL)	$ 46.97	$ 63.50	$ 41.03	$ 59.33
NYMEX gas ($/MCF)	$ 1.97	$ 2.73	$ 2.02	$ 2.90

Average Realized Prices as Percentage of Average Index Prices	Three months ended June 30		Six months ended June 30	
	2016	2015	2016	2015
Worldwide oil as a percentage of average WTI	87%	94%	87%	97%
Worldwide oil as a percentage of average Brent	84%	86%	84%	87%
Worldwide NGLs as a percentage of average WTI	32%	31%	32%	34%
Domestic natural gas as a percentage of average NYMEX	74%	77%	73%	79%

Oil and gas segment losses were $117 million for the second quarter of 2016, compared with segment earnings of $355 million for the second quarter of 2015. The decrease in earnings was mainly due to lower commodity prices for all products, partially offset by lower operating costs.

Total average daily production volumes were 653,000 BOE for the second quarter of 2016 compared to 658,000 BOE for the second quarter of 2015. Occidental completed the sale of the Piceance Basin assets on March 1, 2016, and continues to reduce its exposure to non-core operations in the Middle East/North Africa, including Bahrain, Iraq and Yemen. These domestic and international operations produced average daily volumes of 44,000 BOE and 106,000 BOE in the second quarters of 2016 and 2015, respectively. For the second quarter of 2016, total company average daily oil and gas production volumes for ongoing operations increased by 57,000 barrels of oil equivalent (BOE) to 609,000 BOE from 552,000 BOE in the second quarter of 2015. Compared to the second quarter of 2015, domestic average daily production for ongoing operations increased by 4,000 BOE to 302,000 BOE in the second quarter of 2016 with Permian Resources increasing by 17,000 BOE, which was partially offset by lower natural gas and NGL production in South Texas. International average daily production for ongoing operations increased to 307,000 BOE in the second quarter of 2016 from 254,000 BOE in the second quarter of 2015. The increase in international production is primarily attributable to Al Hosn, which was not fully operational in the second quarter of 2015, in addition to Oman's Block 62 production which commenced in 2016.

Worldwide commodity prices for the second quarter of 2016 were lower than the second quarter of 2015. The average quarterly WTI and Brent prices decreased to $45.59 per barrel and $46.97 per barrel, respectively, for the second quarter of 2016, compared to $57.94 per barrel and $63.50 per barrel, respectively, for the second quarter of 2015. Worldwide realized crude oil prices declined by 27 percent to $39.66 per barrel for the second quarter of 2016, compared to $54.55 per barrel in the second quarter of 2015. Worldwide realized NGL prices decreased by 19 percent to $14.59 per barrel in the second quarter of 2016, compared to $18.06 per barrel in the second quarter of 2015. Domestic realized natural gas prices decreased by 30 percent in the second quarter of 2016 to $1.46 per MCF, compared to $2.09 per MCF in the second quarter of 2015.

Oil and gas segment losses were $602 million for the first six months of 2016, compared with segment earnings of $89 million for the same period of 2015. The decrease in earnings was mainly due to lower commodity prices, partially offset by lower operating costs.

Total average daily production volumes for the first six months of 2016 and 2015 were 655,000 BOE and 652,000 BOE, respectively. For the first six months of 2016 and 2015, non-core operations produced average daily volumes of 56,000 BOE and 110,000 BOE, respectively. For the first six months of 2016, total company average daily oil and gas production volumes for ongoing operations increased by 57,000 barrels of oil equivalent (BOE) to 599,000 BOE from 542,000 BOE for the first six months of 2015. Domestic average daily production for ongoing operations increased by 9,000 BOE for the first six months of 2016 as compared to the first six months of 2015 with Permian Resources increasing by 23,000 BOE, which was partially offset by lower natural gas and NGL production in South Texas. International average daily production increased to 295,000 BOE for the first six months of 2016 from 247,000 BOE for the first six months 2015. The increase in international production mainly comes from Al Hosn, which was not fully operational in the first half of 2015.

Worldwide commodity prices for the first six months of 2016 were lower than the same period of 2015. Worldwide realized crude oil prices declined by 33 percent to $34.46 per barrel for the first six months of 2016, compared to $51.60 per barrel for the same period of 2015. Worldwide realized NGL prices decreased by 29 percent to $12.80 per barrel for the first six months of 2016, compared to $18.01 per barrel for the same period of 2015. Domestic realized natural gas prices decreased by 35 percent for the first six months of 2016 to $1.48 per MCF, compared to $2.29 per MCF for the same period of 2015.

Occidental's financial results correlate closely to the prices it obtains for its products. The weak price environment continues to significantly impact earnings as compared to the same period in 2015. Further declines in these commodity prices may result in additional impairments to reduce the carrying value of Occidental's oil and gas properties as well as reducing the amount of these commodities that can be produced economically and the quantity and present value of proved reserves.

The calculated average first-day-of-the-month West Texas Intermediate oil price and Henry Hub natural gas price were $40.54 per barrel and $2.25 per MMBtu, respectively, for the first seven months of 2016 as compared to $50.28 per barrel and $2.66 per MMBtu for the twelve months of 2015. To the extent that commodity prices remain at current or lower levels throughout 2016, a portion of proved reserves could be deemed uneconomic and no longer classified as proved.

Chemical Segment

Chemical segment earnings for the three and six months ended June 30, 2016, were $88 million and $302 million, respectively, compared to $136 million and $275 million for the same period of 2015. Excluding gains of $88 million for the sale of chemical assets in the first six months of 2016, the lower earnings in 2016 compared to the same period in 2015 reflected lower average sales prices for most product lines and lower demand for calcium chloride, partially offset with lower ethylene and energy costs.

Midstream and Marketing Segment

Midstream and marketing losses were $58 million and $153 million for the three and six months ended June 30, 2016, respectively, compared to segment earnings of $87 million and $72 million for the same periods of 2015. The lower results reflected lower marketing margins due to unfavorable Permian to Gulf Coast differentials.

Liquidity and Capital Resources

At June 30, 2016, Occidental had $3.8 billion in cash. Income and cash flows are largely dependent on the oil and gas segment's realized prices, sales volumes and operating costs. In the first six months of 2016, Occidental significantly reduced its capital expenditures compared to the prior year period. With a continued reduction in capital expenditures and forecasted operational improvements, Occidental expects to fund its liquidity needs, including future dividend payments, through cash on hand, cash generated from operations, monetization of non-core assets or investments and, if necessary, through future borrowings or proceeds from other forms of capital issuance.

Net cash provided by operating activities was $1.8 billion and $1.4 billion for the six months ended June 30, 2016 and 2015, respectively. The 2016 amount includes $0.9 billion in operating cash flows from discontinued operations related to the Ecuador settlement. Cash flows were negatively impacted by significantly lower realized prices for all oil and natural gas commodities in the first half of 2016 as compared to the same period in 2015; however, operating cost reductions as well as cash receipts of $882 million for the Ecuador settlement and $302 million of federal income tax refunds more than offset the effect of lower commodity prices. The impact of the chemical and the midstream and marketing segments on overall cash flows is typically less significant than the impact of the oil and gas segment because the chemical and midstream and marketing segments are significantly smaller. The $0.5 billion decrease of working capital was related to the cyclical payments of property taxes and employee costs, payment of liabilities accrued at year-end related to exited or exiting international operations, and decreases in inventory and receivables.

Occidental's net cash used by investing activities was $1.3 billion for the first six months of 2016, compared to $3.9 billion for the same period of 2015. Capital expenditures for the first six months of 2016 were $1.2 billion of which $0.9 billion was for the oil and gas segment, compared to $3.1 billion for the first six months of 2015 of which $2.7 billion was for the oil and gas segment. The change in capital accrual for both periods reflected amounts paid in the first half of the current year related to capital expenditures incurred and accrued in the fourth quarter of the preceding year. Capital expenditures have been significantly reduced in response to the current commodity price environment.

Occidental's net cash provided by financing activities was $66 million for the first six months of 2016, compared to $1.5 billion for the same period of 2015. Restricted cash of $1.2 billion and $1.6 billion was used to pay dividends and repay debt in the first six months of 2016 and 2015, respectively. In the first six months of 2016 and 2015, Occidental issued $2.75 billion and $1.5 billion of senior notes, respectively. In the first six months of 2016, Occidental repaid $700 million of 2.5-percent senior notes due February 2016 and $750 million of 4.125-percent senior notes due June 2016, and early redeemed $1.25 billion of 1.75-percent senior notes due February 2017.

As of June 30, 2016, Occidental was in compliance with all covenants of its financing agreements and had substantial capacity for additional unsecured borrowings, the payment of cash dividends and other distributions on, or acquisitions of, Occidental stock.

Environmental Liabilities and Expenditures

Occidental's operations are subject to stringent federal, state, local and foreign laws and regulations related to improving or maintaining environmental quality. Occidental's environmental compliance costs have generally increased over time and are expected 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 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 of hazardous substances; or operation and maintenance of remedial systems. These 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.

Refer to Note 6, *Environmental Liabilities and Expenditures,* in the *Notes to the Consolidated Condensed Financial Statements* in Part I Item 1 of this Form 10-Q and to the *Environmental Liabilities and Expenditures* section of

*Management's Discussion and Analysis of Financial Condition and Results of Operation*s in the 2015 Form 10-K for additional information regarding Occidental's environmental expenditures.

Lawsuits, Claims, Commitments and Contingencies

Occidental accrues reserves for outstanding lawsuits, claims and proceedings when it is probable that a liability has been incurred and the liability can be reasonably estimated. Occidental has disclosed its reserve balances for environmental matters. Reserve balances for other matters as of June 30, 2016, and December 31, 2015, were not material to Occidental's consolidated balance sheets. Occidental also evaluates the amount of reasonably possible losses that it could incur as a result of the matters mentioned above. Occidental has disclosed its range of reasonably possible additional losses for sites where it is a participant in environmental remediation. Occidental believes that other reasonably possible losses which 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. For further information, see Note 7, *Lawsuits, Claims, Commitments and Contingencies,* in the *Notes to Consolidated Condensed Financial Statements* in Part I Item 1 of this Form 10-Q.

Recently Adopted Accounting and Disclosure Changes

See Note 3, *Accounting and Disclosure Changes,* in the *Notes to Condensed Consolidated Financial Statements* in Part I Item 1 of this Form 10-Q.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

For the three and six months ended June 30, 2016, there were no material changes in the information required to be provided under Item 305 of Regulation S-K included under Item 7A, "Quantitative and Qualitative Disclosures About Market Risk" in the 2015 Form 10-K.

Item 4. Controls and Procedures

Occidental's President and Chief Executive Officer and its Senior 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 Senior Vice President and Chief Financial Officer concluded that Occidental's disclosure controls and procedures were effective as of June 30, 2016.

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 first six months of 2016 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 other legal proceedings, see Note 7, Lawsuits, Claims, Commitments and Contingencies in the Notes to Condensed Consolidated Financial Statements, in Part I Item 1 of this Form 10-Q, and Part I Item 3, “Legal Proceedings” in the 2015 Form 10-K.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

Share Repurchase Activities

Occidental's share repurchase activities for the six months ended June 30, 2016, were as follows:

Period	Total Number of Shares Purchased		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 (a)
First Quarter 2016	103,371	(b)	$ 70.63	—	
April 1 - 30, 2016	—		$ —	—	
May 1 - 31, 2016	96,449	(b)	$ 76.06	—	
June 1 - 30, 2016	—		$ —	—	
Second quarter 2016	96,449		76.06	—	
Total	199,820		$ 73.25	—	63,756,544

(a) Represents the total number of shares remaining at June 30, 2016, under Occidental's share repurchase program of 185 million shares. The program was initially announced in 2005. The program does not obligate Occidental to acquire any specific number of shares and may be discontinued at any time.
(b) Includes purchases from the trustee of Occidental's defined contribution savings plan that are not part of publicly announced plans or programs.

Item 5. Other Information

None.

Item 6. Exhibits

10.1	Form of 2016 Occidental Petroleum Corporation 2015 Long-Term Incentive Plan Common Stock Unit Award For Non-Employee Directors.
10.2	Form of 2016 Occidental Petroleum Corporation 2015 Long-Term Incentive Plan Common Stock Award For Non-Employee Directors.
10.3	Form of 2016 Occidental Petroleum Corporation 2015 Long-Term Incentive Plan Restricted Stock Unit Incentive Award.
10.4	Form of 2016 Occidental Petroleum Corporation 2015 Long-Term Incentive Plan Total Shareholder Return Incentive Award.
12	Statement regarding the computation of total enterprise ratios of earnings to fixed charges for the three months ended June 30, 2016 and 2015, and for each of the five years in the period ended December 31, 2015.
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 3, 2016	/s/ Jennifer M. Kirk
	Jennifer M. Kirk Vice President, Controller and Principal Accounting Officer

EXHIBIT INDEX

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Exhibit 10.1

OCCIDENTAL PETROLEUM CORPORATION
2015 LONG-TERM INCENTIVE PLAN

COMMON STOCK UNIT AWARD
FOR NON-EMPLOYEE DIRECTORS
GRANT AGREEMENT

Name of Grantee:

Date of Grant:

Number of Common Stock Units:

This Agreement (this "***Agreement***") is made as of the Date of Grant between OCCIDENTAL PETROLEUM CORPORATION, a Delaware corporation ("***Occidental***"), and the Eligible Person receiving this Award (the "***Grantee***").

1. **Grant of Common Stock Units**. In accordance with this Agreement and the Occidental Petroleum Corporation 2015 Long-Term Incentive Plan, as amended from time to time (the "***Plan***"), Occidental hereby grants to the Grantee as of the Date of Grant, the number of Common Stock Units set forth above (the "***Award***"). For purposes of this Agreement, a grant of Common Stock Units is a bookkeeping entry that represents the right to receive an equivalent number of shares of Occidental Stock on the applicable payment date set forth in Section 4. Common Stock Units are not shares of Stock and have no voting rights or, except as stated in Section 5, dividend rights.

2. **Restrictions on Transfer**. Neither this Agreement nor any right to receive shares of Stock pursuant to this Agreement may be transferred or assigned by the Grantee other than in accordance with the transfer provisions set forth in the Plan. Any purported transfer, encumbrance or other disposition of the Grantee's rights under this Agreement that is in violation of this Section 2 shall be null and void.

3. **Vesting of Common Stock Units**. The Common Stock Units shall be fully vested and nonforfeitable as of the Date of Grant.

4. **Payment of Awards**. Fifty percent (50%) of the Common Stock Units shall be payable on the third anniversary of the Date of Grant, and the other fifty percent (50%) of the Common Stock Units shall be payable on the date of the Grantee's "separation from service" (as defined under the Nonqualified Deferred Compensation Rules) for any reason, including as a result of the Grantee's ceasing to serve on the Board, death or disability ("***Separation from Service***"); provided, however, that all of the Common Stock Units shall immediately become payable upon • the occurrence of a C

hange in Control, but only if such Change in Control constitutes a "change in control event" for purposes of the Nonqualified Deferred Compensation Rules, or the Grantee's Separation from Service. Payment in each case shall be made within 45 days after the applicable payment event stated in the previous sentence. Payment shall be made in the form of shares of Stock equal in number to the number of Common Stock Units with respect to which payment is being made on that date, plus cash for any fractional share units.

5. **Crediting and Payment of Dividend Equivalents**. With respect to the number of Common Stock Units listed above, the Grantee shall 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 Stock as and when declared during the period beginning on the Date of Grant and ending on the applicable payment date set forth in Section 4. Occidental will pay in cash to the Grantee an amount equal to the Dividend Equivalents credited to such Grantee within the calendar quarter following the relevant dividend declaration date.

6. **Retention as Director**. Nothing contained in this Agreement shall interfere with or limit in any way the right of the stockholders of Occidental to remove the Grantee from the Board pursuant to the By-laws of Occidental, nor confer upon the Grantee any right to continue in the service of Occidental as a member of the Board.

7. **Taxes and Withholding**. The Grantee is responsible for any federal, state, local or non-U.S. tax, including income tax, social insurance, payroll tax, payment on account or other tax-related withholding with respect to the Award (including the grant, the receipt of Stock, the sale of Stock and the receipt of Dividend Equivalents, if any). Occidental does not guarantee any particular tax treatment or results in connection with the grant or payment of the Common Stock Units or the payment of Dividend Equivalents.

8. **Compliance with Law**. Occidental will make reasonable efforts to comply with all applicable federal, state and foreign securities laws; however, Occidental will not issue any Stock or other securities pursuant to this Agreement if the issuance would result in a violation of any such law by Occidental.

9. **Adjustments**. The number or kind of shares of stock covered by this Award may be adjusted pursuant to the Plan in order to prevent dilution or expansion of the Grantee's rights under this Agreement as a result of events such as stock dividends, stock splits, or other changes in the capital structure of Occidental, or any merger, consolidation, spin-off, liquidation or other corporate transaction or event having a similar effect. If any such adjustment occurs, Grantee will receive written notice of the adjustment containing an explanation of the nature of the adjustment.

10. **Amendments**. The Plan may be modified, amended, suspended or terminated by the Board a

t any time, as provided in the Plan. The Board may amend or terminate this Agreement at any time, except as otherwise provided in the Plan. However, except to the extent necessary to comply with applicable law, no such amendment to the Plan or this Agreement will materially and adversely affect the rights of the Grantee under this Agreement without the Grantee's consent.

11. **Severability**. If one or more of the provisions of this Agreement 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 this Agreement, and the remaining provisions of this Agreement will continue to be valid and fully enforceable.

12. **Relation to Plan; Interpretation**. This Agreement is subject to the terms and conditions of the Plan. In the event of any inconsistent provisions between this Agreement and the Plan, the provisions of the Plan control. Capitalized terms used in this Agreement without definitions have the meanings assigned to them in the Plan. References to Sections are to Sections of this Agreement unless otherwise noted.

13. **Successors and Assigns**. Subject to Section 2, the provisions of this Agreement shall be for the benefit of, and be binding upon, the successors, administrators, heirs, legal representatives and assigns of the Grantee, and the successors and assigns of Occidental.

14. **Governing Law**. The laws of the State of Delaware govern the interpretation, performance, and enforcement of this Agreement.

15. **Notices**. Any notice to Occidental provided for in this Agreement will be given to its Secretary at 5 Greenway Plaza, Suite 110, Houston, Texas 77046, and any notice to the Grantee will be addressed to the Grantee at his or her address currently on file with Occidental. Any written notice will be deemed to be duly given when received if delivered personally or sent by telecopy, e-mail, or the United States mail, first class registered mail, postage and fees prepaid, and addressed as provided in this paragraph. Any party may change the address to which notices are to be given by written notice to the other party as specified in the preceding sentence.

16. **Privacy Rights**. By accepting this Award, the Grantee explicitly and unambiguously consents to the collection, use and transfer, in electronic or other form, of the Grantee's personal data as described in this Agreement by and among, as applicable, Occidental and its affiliates for the exclusive purpose of implementing, administering and managing the Grantee's participation in the Plan. Occidental holds or may receive from any agent designated by Occidental certain personal information about the Grantee, including, but not limited to, the Grantee's name, home address and telephone number, date of birth, social insurance number or other identification number, salary, nationality, job title, any shares of stock or directorships held in Occidental, details of this Award or any other entitlement to shares of stock awarded, canceled, exercised, vested, unvested or o

utstanding 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 this Award, 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 Occidental in writing. Refusing or withdrawing consent may affect the Grantee's ability to participate in the Plan.

17. **Electronic Delivery**. Occidental may, in its sole discretion, decide to deliver any documents related to this 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 Occidental or another third party designated by Occidental.

18. **Compliance With Section 409A of the Code**. To the extent that the Board determines that the Plan or this Award is subject to the Nonqualified Deferred Compensation Rules, this Agreement shall be interpreted and administered in such a way as to comply with the applicable provisions of the Nonqualified Deferred Compensation Rules to the maximum extent possible. In addition, if this Award is subject to the Nonqualified Deferred Compensation Rules and the Grantee must be treated as a "specified employee" within the meaning of the Nonqualified Deferred Compensation Rules, all or some portion of payments made on account of the Grantee's Separation from Service may be delayed in accordance with the applicable terms of Section 9(n) of the Plan. To the extent that the Board determines that the Plan or this Award is subject to the Nonqualified Deferred Compensation Rules and fails to comply with the requirements of the Nonqualified Deferred Compensation Rules, 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 the Nonqualified Deferred Compensation Rules or to comply with the applicable provisions of such rules.

19. **Grantee's Representations and Releases**. By accepting this Award, the Grantee acknowledges that the Grantee has read this Agreement and understands that the future value of any shares of Stock issued pursuant to this Award cannot be predicted and Occidental does not assume liability in the event such shares of Stock have no value in the future; and the Grantee will be solely responsible for the payment or nonpayment of taxes imposed or threatened to be imposed by any authority of any jurisdiction. In consideration of the grant of this Award, no claim or entitlement to compensation or damages shall arise from termination of this Award or diminution in value of this Award or Stock issued pursuant to this Award resulting from termination of the G

rantee's service as a member of the Board and the Grantee irrevocably releases Occidental and its affiliates 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 Award, the Grantee shall be deemed irrevocably to have waived his or her entitlement to pursue such claim.

20. **<u>Clawback</u>.** This Award and this Agreement shall be subject to the clawback provisions of Section 9(m) of the Plan.

Signatures on the Following Page

IN WITNESS WHEREOF, Occidental has caused this Agreement to be executed on its behalf by its duly authorized officer and Grantee has also executed this Agreement, as of the day and year first above written.

OCCIDENTAL PETROLEUM CORPORATION

By:
Name: Marcia E. Backus
Title: Senior Vice President, General Counsel, Corporate Secretary and Chief Compliance Officer

The undersigned Grantee hereby • acknowledges receipt of an executed original of this Agreement and a copy of the Prospectus, dated April 28, 2016, and • accepts the right to receive the Stock or other securities covered hereby, subject to the terms and conditions of the Plan and the terms and conditions hereinabove set forth.

OCCIDENTAL PETROLEUM CORPORATION
2015 LONG-TERM INCENTIVE PLAN

COMMON STOCK AWARD
FOR NON-EMPLOYEE DIRECTORS
GRANT AGREEMENT

Name of Grantee:

Date of Grant:

Number of Shares of Common Stock:

This Agreement (this "***Agreement***") is made as of the Date of Grant between OCCIDENTAL PETROLEUM CORPORATION, a Delaware corporation ("***Occidental***"), and the Eligible Person receiving this Award (the "***Grantee***").

1. **Grant of Common Stock**. In accordance with this Agreement and the Occidental Petroleum Corporation 2015 Long-Term Incentive Plan, as amended from time to time (the "***Plan***"), Occidental hereby grants to the Grantee as of the Date of Grant, the number of shares of Stock set forth above (the "***Award***"). The Stock shall be subject to the restrictions hereinafter set forth until those shares have become transferable in accordance with Section 2.

2. **Restrictions on Transfer of Stock**. Fifty percent (50%) of the shares of Stock may not be transferred, sold, pledged, exchanged, assigned or otherwise encumbered or disposed of by the Grantee, except to Occidental, until the third anniversary of the Date of Grant, and the other fifty percent (50%) of such shares shall be subject to such transfer restrictions until the Grantee ceases to serve on the Board for any reason, including as a result of the Grantee's death or disability (the "***Grantee's Termination***"); provided, however, that all of the shares of Stock shall immediately become transferable in the event of a Change in Control or the Grantee's Termination. Any purported transfer, encumbrance or other disposition of the Stock that is in violation of this Section 2 shall be null and void, and the other party to any such purported transaction shall not obtain any rights to or interest in the Stock.

3. **Vesting of Stock**. The Stock shall be fully vested and nonforfeitable as of the Date of Grant.

4. **Dividend, Voting and Other Rights**. Except as otherwise provided herein, the Grantee shall have all of the rights of a stockholder with respect to the shares of Stock, including the right to vote such shares and receive any dividends that may be paid thereon; provided, however, that any additional shares of Stock or other securities that the Grantee may become entitled to receive pursuant to a stock dividend, stock split, combination of shares, recapitalization, merger,

consolidation, separation or reorganization or any other change in the capital structure of Occidental shall be subject to the same restrictions as the shares of Stock.

5. **Retention as Director**. Nothing contained in this Agreement shall interfere with or limit in any way the right of the stockholders of Occidental to remove the Grantee from the Board pursuant to the By-laws of Occidental, nor confer upon the Grantee any right to continue in the service of Occidental as a member of the Board.

6. **Taxes and Withholding**. The Grantee is responsible for any federal, state, local or non-U.S. tax, including income tax, social insurance, payroll tax, payment on account or other tax-related withholding with respect to the Award (including the grant, the receipt of Stock, the sale of Stock and the receipt of dividends, if any). Occidental does not guarantee any particular tax treatment or results in connection with the grant of the Stock or the payment of dividends.

7. **Compliance with Law**. Occidental will make reasonable efforts to comply with all applicable federal, state and foreign securities laws; however, Occidental will not issue any Stock or other securities pursuant to this Agreement if the issuance would result in a violation of any such law by Occidental.

8. **Amendments**. The Plan may be modified, amended, suspended or terminated by the Board at any time, as provided in the Plan. The Board may amend or terminate this Agreement at any time, except as otherwise provided in the Plan. However, except to the extent necessary to comply with applicable law, no such amendment to the Plan or this Agreement will materially and adversely affect the rights of the Grantee under this Agreement without the Grantee's consent.

9. **Severability**. If one or more of the provisions of this Agreement 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 this Agreement, and the remaining provisions of this Agreement will continue to be valid and fully enforceable.

10. **Relation to Plan; Interpretation**. This Agreement is subject to the terms and conditions of the Plan. In the event of any inconsistent provisions between this Agreement and the Plan, the provisions of the Plan control. Capitalized terms used in this Agreement without definitions have the meanings assigned to them in the Plan. References to Sections are to Sections of this Agreement unless otherwise noted.

11. **Successors and Assigns**. Subject to Section 2, the provisions of this Agreement shall be for the benefit of, and be binding upon, the successors, administrators, heirs, legal representatives and assigns of the Grantee, and the successors and assigns of Occidental.

12. **Governing Law**. The laws of the State of Delaware govern the interpretation, performance, and enforcement of this Agreement.

13. **Notices**. Any notice to Occidental provided for in this Agreement will be given to its Secretary at 5 Greenway Plaza, Suite 110, Houston, Texas 77046, and any notice to the Grantee will be addressed to the Grantee at his or her address currently on file with Occidental. Any written

notice will be deemed to be duly given when received if delivered personally or sent by telecopy, e-mail, or the United States mail, first class registered mail, postage and fees prepaid, and addressed as provided in this paragraph. Any party may change the address to which notices are to be given by written notice to the other party as specified in the preceding sentence.

14. **Privacy Rights**. By accepting this Award, the Grantee explicitly and unambiguously consents to the collection, use and transfer, in electronic or other form, of the Grantee's personal data as described in this Agreement by and among, as applicable, Occidental and its affiliates for the exclusive purpose of implementing, administering and managing the Grantee's participation in the Plan. Occidental holds or may receive from any agent designated by Occidental certain personal information about the Grantee, including, but not limited to, the Grantee's name, home address and telephone number, date of birth, social insurance number or other identification number, salary, nationality, job title, any shares of stock or directorships held in Occidental, details of Award or any other entitlement to shares of stock awarded, canceled, exercised, vested, unvested or outstanding in the Grantee's favor, for the purpose of implementing, administering and managing the Plan, including complying with applicable tax and securities laws ("***Data***"). Data may be transferred to any third parties assisting in the implementation, administration and management of the Plan. These recipients may be located in the Grantee's country or elsewhere, and may have different data privacy laws and protections than the Grantee's country. By accepting this Award, 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 Occidental in writing. Refusing or withdrawing consent may affect the Grantee's ability to participate in the Plan.

15. **Electronic Delivery**. Occidental may, in its sole discretion, decide to deliver any documents related to this 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 Occidental or another third party designated by Occidental.

16. **Grantee's Representations and Releases**. By accepting this Award, the Grantee acknowledges that the Grantee has read this Agreement and understands that the future value of any shares of Stock issued pursuant to this Award cannot be predicted and Occidental does not assume liability in the event such shares of Stock have no value in the future; and the Grantee will be solely responsible for the payment or nonpayment of taxes imposed or threatened to be imposed by any authority of any jurisdiction. In consideration of the grant of this Award, no claim or entitlement to compensation or damages shall arise from termination of this Award or diminution in value of this Award or Stock issued pursuant to this Award resulting from termination of the Grantee's service as a member of the Board and the Grantee irrevocably releases Occidental and its affiliates 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 Award, the Grantee shall be deemed irrevocably to have waived his or her entitlement to pursue such claim.

17. **Clawback**. This Award and this Agreement shall be subject to the clawback provisions set forth in Section 9(m) of the Plan.

Signatures on the Following Page

IN WITNESS WHEREOF, Occidental has caused this Agreement to be executed on its behalf by its duly authorized officer and Grantee has also executed this Agreement, as of the day and year first above written.

OCCIDENTAL PETROLEUM CORPORATION

By:
Name: Marcia E. Backus
Title: Senior Vice President, General Counsel, Corporate Secretary and Chief Compliance Officer

The undersigned Grantee hereby • acknowledges receipt of an executed original of this Agreement and a copy of the Prospectus, dated April 28, 2016, and • accepts the right to receive the Stock or other securities covered hereby, subject to the terms and conditions of the Plan and the terms and conditions hereinabove set forth.

Exhibit 10.3

OCCIDENTAL PETROLEUM CORPORATION
2015 LONG-TERM INCENTIVE PLAN

NOTICE OF GRANT
OF RESTRICTED STOCK UNIT INCENTIVE AWARD
(Time-based Vesting; Equity-settled Award; Section 16 Officers)

Pursuant to the Occidental Petroleum Corporation 2015 Long-Term Incentive Plan, as the same may be amended from time to time (the "***Plan***"), OCCIDENTAL PETROLEUM CORPORATION, a Delaware corporation ("***Occidental***" and, with its Subsidiaries, the "***Company***"), grants you (the "***Grantee***") an award on the terms and conditions set forth herein (the "***Award***"). By accepting this Award, the Grantee agrees, to the extent not contrary to applicable law, to (i) the terms and conditions of the Plan and this Notice of Grant of Restricted Stock Unit Incentive Award (the "***Notice of Grant***"), (ii) the Standard Award Terms and Conditions set out on Attachment 1 hereto, including the arbitration provisions thereof (the "***Terms and Conditions***"), and (iii) the General Terms of Employment set out on Attachment 2 hereto, which, in the case of (ii) and (iii), are incorporated in this Notice of Grant by reference. Capitalized terms used but not defined herein shall, unless otherwise indicated, have the meanings set forth in the Plan. This Notice of Grant (along with the Terms and Conditions and all other incorporated attachments and exhibits) and the Award evidenced hereby are collectively referred to as the "***Award Agreement***."

Date of Grant:	
Award Type and Description:	Restricted Stock Units granted pursuant to Section 6(e) of the Plan, which Award is a bookkeeping entry that represents the right to receive a number of shares of Stock up to the number indicated below under "*Number of Shares*," subject to the terms and conditions of the Award Agreement. The Grantee's right to receive payment of this Award shall vest and become earned and nonforfeitable upon the Grantee's satisfaction of the continued service requirements described below under "*Vesting Schedule and Forfeiture*."
Number of Shares:	See Morgan Stanley "StockPlan Connect/Stock-Based Awards/ Awarded" for the total number of Restricted Stock Units subject to the Award.

Vesting Schedule and Forfeiture:	Vesting Date. The Grantee must remain in the continuous employ of the Company from the Date of Grant through each applicable vesting date (each, a "***Vesting Date***"), in accordance with the schedule below, to be eligible to receive payment of this Award. The vesting schedule shall begin on (the "***Vesting Start 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. Termination of Employment. Notwithstanding the foregoing, if, prior to any Vesting Date, the Grantee (i) dies, or (ii) becomes permanently disabled while in the employ of the Company and terminates employment as a result thereof, or (iii) retires with the consent of the Company, or (iv) is terminated by the Company without Cause (each of the foregoing, a "***Forfeiture Event***"), then the number of unvested Restricted Stock Units will be reduced on a pro rata basis to the number obtained by (A) multiplying the total number of Restricted Stock Units granted by a fraction, the numerator of which is the number of days between the Vesting Start Date and the Forfeiture Event and the denominator of which is the number of days between the Vesting Start Date and the final Vesting Date, and (B) subtracting from the product the number of Restricted Stock Units that previously vested, if any. Such remaining pro rata unvested Restricted Stock Units shall immediately vest and become nonforfeitable on the date of the Forfeiture Event, and all other Restricted Stock Units that have not previously vested shall be immediately forfeited. If the Grantee terminates employment voluntarily or is terminated for Cause before any Vesting Date, then the Award will terminate automatically on the date of the Grantee's termination and the Grantee shall immediately forfeit all unvested Restricted Stock Units. Change in Control. If a Forfeiture Event has not occurred and a Change in Control occurs prior to the final Vesting Date and the Grantee's employment is terminated by the Company without Cause or by the Grantee for Good Reason, in either case within 12 months following the date of such Change in Control, then the number of unvested Restricted Stock Units will be reduced on a pro rata basis to the number obtained by (i) multiplying the total number of Restricted Stock Units granted by a fraction, the numerator of which is the number of days between the Vesting Start Date and the date the Grantee's employment was so terminated (such date, the "***CIC Related Vesting Date***"), and the denominator of which is the number of days between the Vesting Start Date and the final Vesting Date, and (ii) subtracting from the product the number of Restricted Stock Units that previously vested, if any. All other Restricted Stock Units with respect to which the continued service requirements have not previously been met as of the CIC Related Vesting Date shall be immediately forfeited. In addition, the Grantee shall be deemed to have a CIC Related Vesting Date such that the treatment in the preceding sentence shall apply (A) on the date at any time following the occurrence of a Change in Control and prior to the final Vesting Date on which the Grantee dies, becomes permanently disabled while in the employ of the Company and terminates employment as a result thereof, or retires with the consent of the Company, or (B) if the Grantee has accrued 12 months of continuous employment with the Company following the Change in Control, on the date following the 12 month anniversary of the Change in Control date and prior to the final Vesting Date on which the Grantee's employment is terminated by the Company without Cause. For the avoidance of doubt, the occurrence of a Change in Control is not intended to change the protections provided to the Grantee in the event of the Grantee's death, permanent disability, or retirement with consent occurring prior to the Change in Control. Such remaining pro rata unvested Restricted Stock Units shall immediately vest and become nonforfeitable on the CIC Related Vesting Date, unless, prior to the occurrence of the Change in Control, the Committee determines in its discretion that such event will not accelerate vesting of any of the Restricted Stock Units covered by this Award. Any such determination by the Committee is binding on the Grantee.

Payment of Award:	Payment for vested Restricted Stock Units will be made solely in shares of Stock, which will be issued to the Grantee as promptly as practicable after the Vesting Date, Forfeiture Event or CIC Related Vesting Date, as applicable (the “***Payment Trigger Date***”), 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 Restricted Stock Units are no longer subject to a substantial risk of forfeiture. Notwithstanding the foregoing, in the event the Award is determined to be subject to Nonqualified Deferred Compensation Rules, payment will be made no later than the end of the year in which the Payment Trigger Date occurs, except to the extent Section 9(n) of the Plan requires payment on the Grantee's Section 409A Payment Date.
Dividends, Voting and Other Rights:	Restricted Stock Units are not shares of Stock and have no voting rights or, except as described in this paragraph, dividend rights. With respect to each Restricted Stock Unit subject to this Award, the Grantee is also awarded Dividend Equivalents with respect to one share of Stock, which means that, in the event that Occidental declares and pays a cash dividend on its outstanding Stock and, on the record date for such dividend, the Grantee holds Restricted Stock Units that have not been settled or forfeited pursuant to the terms of the Award Agreement, then the Grantee will be credited on the books and records of Occidental with an amount equal to the amount per share of any such cash dividend for each outstanding Restricted Stock Unit. The Grantee will be credited with such Dividend Equivalents for the period beginning on the Date of Grant and ending on the applicable Payment Trigger Date or, if earlier, the date the Grantee forfeits his rights with respect to the Restricted Stock Units. 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 on or after the time the cash dividends to which such Dividend Equivalents relate are paid by Occidental to its stockholders generally, 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 Dividend Equivalents are no longer subject to a substantial risk of forfeiture.
Holding Period:	The shares of Stock ultimately received by the Grantee in connection with the vesting of Restricted Stock Units on [ ] must be held by the Grantee until [ ]. The shares of Stock ultimately received by the Grantee in connection with the vesting of Restricted Stock Units on [ ] must be held by the Grantee until [ ]. The shares of Stock ultimately received by the Grantee in connection with the vesting of Restricted Stock Units on [ ] must be held by the Grantee until [ ]. Notwithstanding the immediately preceding paragraph, to the extent that the Grantee is subject to Occidental’s Executive Stock Ownership Guidelines, as in effect from time to time (the “***Ownership Guidelines***”), and the Grantee’s Stock holdings fail, as of the last day of an applicable holding period set forth in the immediately preceding paragraph, to satisfy the applicable requirements of the Ownership Guidelines, then the Grantee shall continue to retain Beneficial Ownership (as defined below) of all shares of Stock ultimately received by the Grantee in connection with the vesting of Restricted Stock Units on the related vesting date until the Grantee satisfies the applicable requirements of the Ownership Guidelines (the “***Beneficial Ownership Period***”). Compliance with the foregoing requirement shall be determined by reference to the reports filed by the Grantee on Forms 3, 4 and 5, as applicable, pursuant to Section 16(a) of the Exchange Act. For purposes of this paragraph, the term “***Beneficial Ownership***” has the meaning ascribed in Rule 16a-1(a)(2) under the Exchange Act. Notwithstanding the immediately preceding two paragraphs, upon an Officer’s separation of employment with Occidental, such Officer shall no longer be subject to the two-year holding requirement or Occidental’s Executive Stock Ownership Guidelines.

<u>ATTACHMENT 1</u>

OCCIDENTAL PETROLEUM CORPORATION
2015 LONG TERM INCENTIVE PLAN

STANDARD AWARD TERMS AND CONDITIONS

The following Standard Award Terms and Conditions (these “***Terms and Conditions***”) are set forth as of the Date of Grant specified in the Notice of Grant of [Award] to which these Terms and Conditions are attached (the “***Notice of Grant***”), by and between OCCIDENTAL PETROLEUM CORPORATION, a Delaware corporation (“***Occidental***” and, with its Subsidiaries, the “***Company***”), and the eligible individual (the “***Grantee***”) receiving the award described in the Notice of Grant (the “***Award***”). The Award is granted in accordance with the Occidental Petroleum Corporation 2015 Long Term Incentive Plan, as the same may be amended from time to time (the “***Plan***”). Capitalized terms used but not defined herein shall, unless otherwise indicated, have the meanings set forth in the Plan. These Terms and Conditions, the Notice of Grant (along with all incorporated attachments and exhibits) and the Award evidenced thereby are collectively referred to herein as the “***Award Agreement***.”

1. **<u>Acceptance of Award</u>**. If the Grantee fails to accept the Award prior to the next record date for the payment of dividends on the Stock subsequent to the Date of Grant, then, notwithstanding any other provision of the Award Agreement, the Grantee shall forfeit all rights under the Award (including all shares of Stock subject thereto) and the Award will become null and void. For purposes of this Section 1, acceptance of the Award shall occur on the date the Grantee accepts the Award through Morgan Stanley StockPlan Connect or any replacement online system designated by the Company.

2. **<u>No Employment Contract</u>**. Nothing in the Award Agreement 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.

3. **<u>Restrictions on Transfer</u>**. Neither the Award Agreement nor any right to receive shares of Stock or cash pursuant to the Award Agreement may be transferred or assigned by the Grantee other than in accordance with the transfer restrictions set forth in the Plan.

4. **<u>Taxes and Withholding</u>**.

(a) 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, if any, 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 the Award, including, as applicable, the grant, vesting or settlement of the Award and the receipt of any dividends or Dividend Equivalents thereon; and (ii) does not commit to and is under no obligation to structure the terms of the grant or any other aspect of the 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.

(b) 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 (i) in connection with the vesting of the Award and/or the issuance of any shares of Stock or the payment of any cash or other consideration pursuant to the Award in accordance with the Notice of Grant (other than the crediting and payment of any dividends or Dividend Equivalents, as applicable), from any cash and shares of Stock that are to be paid or issued to the Grantee pursuant to the Award, in any combination as determined by the Committee, or (ii) in connection with the granting of the Award or the crediting and payment of any dividends or Dividend Equivalents, as applicable, first from the cash payable pursuant to the Award (including any dividends or 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 Grantee's receipt of the Award that cannot be satisfied by the means previously described.

5. **Compliance with Law**. The Company will make reasonable efforts to comply with all applicable federal, state and non-U.S. laws, and the Company will not issue any shares of Stock or other securities pursuant to the Award Agreement if such issuance would result in a violation of any such law. Further, if it is not feasible for the Company to comply with these laws with respect to the grant or settlement of the Award, then the Award may be cancelled without any compensation or additional benefits provided to Grantee as a result of the cancellation.

6. **Relation to Other Benefits**. The benefits received by the Grantee under the Award Agreement will not be taken into account in determining any benefits to which the Grantee may be entitled under any profit sharing, retirement or other benefit or compensation plan maintained by the Company, including the amount of any life insurance coverage available to any beneficiary of the Grantee under any life insurance plan covering employees of the Company. Additionally, the 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 the Award does not create any contractual or other right to receive future grants of, or benefits in lieu of, awards under the Plan, even if Grantee has a history of receiving awards under the Plan or other cash or stock awards.

7. **Beneficial Ownership Requirements**. If the Grantee (a) was a Named Executive Officer for the last completed fiscal year prior to vesting of the Award, and (b) is, as of the date of vesting of the Award, subject to Occidental's Executive Stock Ownership Guidelines, as in effect from time to time (the "***Ownership Guidelines***"), and the Grantee's Stock holdings fail as of such date to satisfy the applicable requirements of the Ownership Guidelines, then the Grantee shall retain Beneficial Ownership of shares of Stock equal to not less than 50% of the net after-tax shares of Stock, if any, received under the Award until the Grantee satisfies the applicable requirements of the Ownership Guidelines (the "***Beneficial Ownership Period***"). Compliance with the foregoing requirement shall be determined by reference to the reports filed by the Grantee on Forms 3, 4 and 5, as applicable, pursuant to Section 16(a) of the Exchange Act, and the aggregate number of shares of Stock reported as Beneficially Owned during the Beneficial Ownership Period shall not be less than the sum of the number of shares of Stock then required to be so owned pursuant to this Award Agreement and the terms and conditions of any other grant containing this or a similar requirement. For purposes of this Section 7, the term "***Beneficial Ownership***" has the

meaning ascribed in Rule 16a-1(a)(2) under the Exchange Act and the term “***Named Executive Officer***” has the meaning ascribed in Item 402 of Regulation S-K under the Exchange Act.

8. **Golden Parachute Policy**. Notwithstanding any provision in the Award Agreement to the contrary, no payment shall be made with respect to the Award that would cause the total payments made to the Grantee to exceed the limits in Occidental’s Golden Parachute Policy, as in effect from time to time.

9. **Adjustments**. The number and kind of shares of Stock covered by the Award are subject to adjustment pursuant to the allowances set forth in the Plan in order to prevent dilution or expansion of the Grantee’s rights under the Award as a result of events such as stock dividends, stock splits or other changes in the capital structure of Occidental, or any merger, consolidation, spin-off, liquidation or other corporate transaction or event having a similar effect. If any such adjustment occurs, the Company will give the Grantee written notice of the adjustment.

10. **Amendments**. The Plan may be amended, altered, suspended, discontinued 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 the Award Agreement to the extent it is applicable to the Award; however, no amendment may materially and adversely affect the rights of the Grantee under the Award Agreement without the Grantee’s consent. In addition, the Committee may waive any conditions or rights under, or amend, alter, suspend, discontinue or terminate the Award Agreement, except as otherwise provided in the Plan; provided, that, without the Grantee’s consent, no such Committee action may materially and adversely affect the rights of the Grantee under the Award.

11. **Severability**. If one or more of the provisions of the Award Agreement 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 the Award Agreement, and the remaining provisions of the Award Agreement will continue to be valid and fully enforceable.

12. **Entire Agreement; Relation to Plan; Interpretation**. Except as specifically provided in this Section 12, the Award Agreement (including these Terms and Conditions, the Notice of Grant and all incorporated attachments and exhibits) constitutes the entire agreement between the Company and the Grantee with respect to the Award. The Award Agreement is subject to the terms and conditions of the Plan. In the event of any inconsistent provisions between the Award Agreement and the Plan, the provisions of the Plan control. References to Sections and Attachments are to Sections of, and Attachments incorporated in, the Award Agreement unless otherwise noted. In the event of any inconsistent provisions between the Award Agreement and any employment agreement between the Grantee and the Company, the provisions of the Award Agreement control, except with respect to Section 21 below.

13. **Successors and Assigns**. Subject to any transfer or forfeiture restrictions set forth in the Notice of Grant, the provisions of the Award Agreement shall be for the benefit of, and be binding upon, the successors, administrators, heirs, legal representatives and assigns of the Grantee, and the successors and assigns of the Company.

14. **Beneficiaries**.

(a) The Grantee shall have the option of designating a beneficiary (“***Beneficiary***”) to receive settlement of, or exercise (as applicable), the Grantee’s Award upon the Grantee’s death.

(b) If no Beneficiary is designated at the time of the Grantee’s death, or if no Beneficiary survives the Grantee, the Beneficiary shall be the Grantee’s surviving spouse, or if the Grantee has no surviving spouse, the Grantee’s surviving children equally, or if there are no surviving children, the Grantee’s surviving parents equally, or if there is no surviving parent, the Grantee's surviving siblings equally, or if there is no sibling living, the Grantee's estate.

(c) In order to designate a Beneficiary or change a previous designation, the Grantee must complete a Long-Term Incentive Beneficiary Designation Form (beneficiary designations submitted on other forms or in any other format will not be accepted). The Grantee should read the Long-Term Incentive Beneficiary Form carefully, follow the instructions and complete the form in its entirety according to the instructions, obtain any necessary signatures according to the form, sign and date the form, and return to Executive Compensation Department, c/o Occidental Petroleum Corporation, 5 Greenway Plaza, Suite 110, Houston, Texas, 77046. The Grantee should also keep a copy of the form for the Grantee's records. Upon acceptance, the Grantee's designation will cancel any previous designations. The Grantee's Beneficiary designation shall not affect any designation by the Grantee under any other benefit plan.

(d) The Grantee should consider submitting a new Beneficiary designation if: (1) the Grantee's marital status changes, (2) one of the Grantee's previously designated Beneficiaries dies before the Grantee, or (3) the Grantee acquires or loses dependents. To determine the tax consequences associated with the Grantee's designation, it is recommended that the Grantee consult with a qualified tax advisor or estate planner.

15. **Governing Law**. The laws of the State of Delaware govern the interpretation, performance, and enforcement of the Award Agreement (including these Terms and Conditions, the Notice of Grant and all incorporated attachments and exhibits).

16. **Privacy Rights**. By accepting the 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 the Award Agreement 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 the 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 the Award, 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 the Award 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 online or electronic system established and maintained by the Company or another third party designated by the Company.

18. **Grantee's Representations and Releases**.

(a) By accepting the Award, the Grantee acknowledges that the Grantee has read the Award Agreement (including these Terms and Conditions, the Notice of Grant and all incorporated attachments and exhibits) and understands that (i) the grant of the 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 the 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) the Award is an extraordinary item that does not constitute a regular and recurring item of base compensation; (v) the future value of any shares of Stock issued and/or the future amount of cash, if any, payable pursuant to the Award cannot be predicted and Occidental does not assume liability in the event the Award or any such shares of Stock have 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 the Award or the Grantee's participation in the Plan.

(b) In consideration of the grant of the Award, no claim or entitlement to compensation or damages shall arise from termination of the Award or diminution in value of the Award or the shares of Stock issued pursuant to the 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 the Award, the Grantee shall be deemed irrevocably to have waived his or her entitlement to pursue such claim.

19. **Imposition of Other Requirements**. Occidental reserves the right to impose other requirements on the Grantee's participation in the Plan and on the 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**. Unless specified otherwise in the Notice of Grant, all amounts payable pursuant to the Award are intended to comply with the "short term deferral" exception in the Nonqualified Deferred Compensation Rules, and the Company shall take all reasonable actions in order to settle the Award within the period necessary to qualify for such exception. Notwithstanding the foregoing, to the extent that it is determined that the Plan or the Award is subject to the Nonqualified Deferred Compensation Rules, the Award Agreement shall be interpreted and administered in such a way as to comply with the applicable provisions of the Nonqualified Deferred Compensation Rules to the maximum extent possible. In addition, if the Award is subject to the Nonqualified Deferred Compensation Rules, then (i) the settlement of the Award or some portion of the Award may be delayed in accordance with the applicable terms of Section 9(n) of the Plan; (ii) any payment on a Change in Control event will be made only if the Change in Control also qualifies as a change of control event within the meaning of the Nonqualified Deferred Compensation Rules; and (iii) any determination by the Committee not to accelerate the Award on a Change in Control shall be made only to the extent such determination is consistent with the Nonqualified Deferred Compensation Rules. To the extent that the Board determines that the Plan or the Award is subject to the Nonqualified Deferred Compensation Rules and fails to comply with the requirements of the Nonqualified Deferred Compensation Rules, the Board reserves the right (without any obligation to do so) to amend or terminate the Plan and/or amend,

restructure, terminate or replace the Award in order to cause the Award to either not be subject to the Nonqualified Deferred Compensation Rules or to comply with the applicable provisions of such rules.

21. **Clawback**. The Award shall be subject to the clawback provisions set forth in Section 9(m) of the Plan.

22. **Arbitration**.

(a) **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 this Section 21: (i) 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, (ii) to the extent permitted by applicable law, claims for provisional remedies to maintain the status quo pending the outcome of arbitration, (iii) claims based on compensation award agreements and incentive plans, and (iv) claims which are not permitted by applicable law to be subject to a binding pre-dispute arbitration agreement.**

(b) **Any controversy regarding whether a particular dispute is subject to arbitration under this Section 21 shall be decided by the arbitrator.**

(c) **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.**

(d) **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.**

ATTACHMENT 2

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 (a) 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 (b) 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 Award granted pursuant to this Award Agreement and termination of employment.

Exhibit 10.4

OCCIDENTAL PETROLEUM CORPORATION
2015 LONG-TERM INCENTIVE PLAN

NOTICE OF GRANT
OF TOTAL SHAREHOLDER RETURN INCENTIVE AWARD
(Equity-based and Equity-settled Award)

Pursuant to the Occidental Petroleum Corporation 2015 Long-Term Incentive Plan, as the same may be amended from time to time (the "***Plan***"), OCCIDENTAL PETROLEUM CORPORATION, a Delaware corporation ("***Occidental***" and, with its Subsidiaries, the "***Company***"), grants you (the "***Grantee***") an award on the terms and conditions set forth herein (the "***Award***"). By accepting this Award, the Grantee agrees, to the extent not contrary to applicable law, to (i) the terms and conditions of the Plan and this Notice of Grant of Total Shareholder Return Incentive Award (the "***Notice of Grant***"), (ii) the Standard Award Terms and Conditions set out on Attachment 1 hereto, including the arbitration provisions thereof (the "***Terms and Conditions***"), and (iii) the General Terms of Employment set out on Attachment 2 hereto, which, in the case of (ii) and (iii), are incorporated in this Notice of Grant by reference. Capitalized terms used but not defined herein shall, unless otherwise indicated, have the meanings set forth in the Plan. This Notice of Grant (along with the Terms and Conditions and all other incorporated attachments and exhibits) and the Award evidenced hereby are collectively referred to as the "***Award Agreement***."

Date of Grant:	
Award Type and Description:	Restricted Stock Units granted pursuant to Section 6(e) of the Plan that have been designated as a Performance Award under Section 6(k) of the Plan (referred to herein as "***Performance Shares***"), which Award is a bookkeeping entry that represents the right to receive a number of shares of Stock up to 200% of the Target Performance Shares (defined below), subject to the terms and conditions of the Award Agreement. This Award is also intended to constitute a Section 162(m) Award granted under Section 6(k)(i) of the Plan (even if the Grantee is not a Covered Employee on the Date of Grant). The Grantee's right to receive payment of this Award in an amount ranging from 0% to 200% of the number of Target Performance Shares, rounded up to the nearest whole share, shall vest and become earned and nonforfeitable upon (i) the Grantee's satisfaction of the continued service requirements described below under "*Vesting Schedule and Forfeiture*" and (ii) the Committee's certification of the level of achievement of the Performance Goal (defined below). The number of Performance Shares actually earned upon satisfaction of the foregoing requirements are referred to herein as the "***Earned Performance Shares***."
Target Number of Shares:	See Morgan Stanley "StockPlan Connect/Stock-Based Awards/Awarded" for the target number of Performance Shares subject to the Award (the "***Target Performance Shares***").
Performance Period:	

Vesting Schedule and Forfeiture:	<u>Vesting Date</u>. The Grantee must remain in the continuous employ of the Company from the Date of Grant through the last day of the Performance Period (the "***Vesting Date***") to be eligible to receive payment of this Award, subject to the level of achievement of the Performance Goal. 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. <u>Termination of Employment</u>. Notwithstanding the foregoing, if, prior to the Vesting Date, the Grantee (i) dies, or (ii) becomes permanently disabled while in the employ of the Company and terminates employment as a result thereof, or (iii) retires with the consent of the Company less than 12 months after the Date of Grant, or (iv) is terminated by the Company without Cause (each of the foregoing, a "***Forfeiture Event***"), then the number of Target Performance Shares will be reduced on a pro rata basis to the number obtained by multiplying the total number of Target Performance Shares granted by a fraction, the numerator of which is the number of days between the first day of the Performance Period and the Forfeiture Event and the denominator of which is the total number of days in the Performance Period. Such remaining pro rata unvested Target Performance Shares shall remain eligible for payment following the date of the Forfeiture Event, subject to the level of achievement of the Performance Goal at the end of the Performance Period or the occurrence of a Change in Control, and all other Target Performance Shares shall be immediately forfeited. If the Grantee retires with the consent of the Company 12 months or more after the Date of Grant but prior to the Vesting Date, then none of the Target Performance Shares will be reduced or forfeited and the Grantee will remain eligible to receive payment with respect to all Target Performance Shares following the date of the Forfeiture Event, subject to the level of achievement of the Performance Goal at the end of the Performance Period. If the Grantee terminates employment voluntarily or is terminated for Cause before the Vesting Date, then the Award will terminate automatically on the date of the Grantee's termination and the Grantee shall immediately forfeit all Target Performance Shares. <u>Change in Control</u>. If a Change in Control occurs following a Forfeiture Event, then the unvested Target Performance Shares (as reduced as a result of the Forfeiture Event) shall become immediately vested and nonforfeitable and deemed to be Earned Performance Shares as of the date of the Change in Control (without regard to the level of achievement of the Performance Goal). For the avoidance of doubt, Target Performance Shares previously forfeited as a result of the Forfeiture Event shall not become vested pursuant to this paragraph. If a Forfeiture Event has not occurred and a Change in Control occurs prior to the Vesting Date, then 100% of the Target Performance Shares will be deemed to be Earned Performance Shares and will automatically convert into the same number of shares of Restricted Stock. The shares of Restricted Stock may not be transferred, assigned, sold, pledged, exchanged or otherwise encumbered or disposed of by the Grantee, except as provided for within the Plan, and are subject to a risk of forfeiture. In order for restrictions to lapse and the shares of Restricted Stock to become vested and nonforfeitable, the Grantee must remain in the continuous employ of the Company from the date of the Change in Control through the earlier to occur of (i) the Vesting Date or (ii) the date within 12 months following the date of the Change in Control on which the Grantee's employment is terminated by the Company without Cause or by the Grantee for Good Reason (the "***CIC Related Vesting Date***"); provided, that, for the avoidance of doubt, vesting of the shares of Restricted Stock shall not be subject to any level of attainment of the Performance Goal, which shall be waived upon occurrence of the Change in Control. In addition, the Grantee shall be deemed to have a CIC Related Vesting Date (A) on the date at any time following the occurrence of a Change in Control and prior to the Vesting Date on which the Grantee dies or becomes permanently disabled while in the employ of the Company and terminates employment as a result thereof, or (B) if the Grantee has accrued 12 months of continuous employment with the Company following the Change in Control, on the date following the 12 month anniversary of the Change in Control date and prior to the Vesting Date on which the Grantee's employment is terminated by the Company without Cause or the Grantee retires with the consent of the Company; provided, that in the case of clause (A) or (B) of this sentence, the number of shares of Restricted Stock which shall become vested and nonforfeitable on the applicable CIC Related Vesting Date shall equal the total number of shares of Restricted Stock multiplied by a fraction, the numerator of which is the number of days between the first day of the Performance Period and the CIC Related Vesting Date and the denominator of which is the total number of days in the Performance Period. For the avoidance of doubt, the occurrence of a Change in Control is not intended to change the protections provided to the Grantee in the event of the Grantee's death or permanent disability occurring prior to a Change in Control, other than waiver of any level of attainment of the Performance Goal. Except as otherwise provided in the Award Agreement, the Grantee shall have all of the rights of a stockholder with respect to the shares of Restricted Stock received upon conversion of Earned Performance Shares pursuant to this paragraph, including the right to vote such shares and, subject to the terms and conditions described below under "*Dividends, Voting and Other Rights*," to receive any dividends that may be paid thereon; provided, that any and all such dividends shall be subject to the same restrictions as the underlying shares of Restricted Stock. The foregoing provisions of this paragraph shall not apply if, prior to the occurrence of the Change in Control, the Committee determines in its discretion that such event will not accelerate vesting of this Award. Any such determination by the Committee is binding on the Grantee.

Performance Goal:

The “***Performance Goal***” for the Performance Period is based on relative total shareholder return (referred to as “total stockholder return” in the Plan) (“***TSR***”) of the Peer Companies (defined below), as described herein. The Committee may adjust the Performance Goal as permitted by the Plan.

Peer Companies. In addition to Occidental, the “***Peer Companies***” are Anadarko Petroleum Corporation, Apache Corporation, Canadian Natural Resources Limited, Chevron Corporation, ConocoPhillips, Devon Energy Corporation, EOG Resources, Inc., ExxonMobil Corporation, Hess Corporation, Marathon Oil Corporation, and Total S.A. Consistent with Section 162(m) of the Code, if at any time during the Performance Period, a Peer Company is acquired, ceases to exist, ceases to be a publicly-traded company, files for bankruptcy, spins off 25% or more of its assets, or sells all or substantially all of its assets, then such company will be removed and treated as if it had never been a Peer Company and the achievement of the Performance Goal will be determined with respect to the remaining Peer Companies.

Calculation of TSR. TSR shall be calculated for each Peer Company using (i) the average of its last reported sale price per share of common stock on the New York Stock Exchange (“***NYSE***”)—Composite Transactions for each trading day during the 30 calendar days beginning with the first day of the Performance Period and (ii) the average of its last reported sale price per share of common stock on the NYSE-Composite Transactions for each trading day during the 30 calendar days ending with the last day of the Performance Period. At the end of the Performance Period, the TSR of each Peer Company shall be calculated by the Committee in its good faith discretion, and the ranking of Occidental’s TSR compared to the TSR of each other Peer Company shall determine the percentage of the Target Performance Shares that may become Earned Performance Shares as follows:

If Occidental’s TSR is negative for the Performance Period, the number of Earned Performance Shares will be limited to the Target Performance Shares. At the end of the Performance Period, the TSR of Occidental shall be calculated by the Committee in its good faith discretion using (i) the average of Occidental’s last reported sale price per share of Stock on the NYSE—Composite Transactions for each trading day during the 30 calendar days beginning with the first day of the Performance Period and (ii) the average of Occidental’s last reported sale price per share of Stock on the NYSE-Composite Transactions for each trading day during the 30 calendar days ending with the last day of the Performance Period.

Payment of Award:

Payment for Earned Performance Shares will be made solely in shares of Stock (in shares of Restricted Stock, in the case of the occurrence of a Change in Control), which will be issued to the Grantee as promptly as practicable after the Committee’s certification of attainment of the Performance Goal (which such payment and certification shall occur no later than 70 days following the end of the Performance Period) or the occurrence of a Change in Control (which such payment shall occur no later than 70 days following the date of the Change in Control), as applicable (the “***Payment Trigger Date***”), 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 Performance Shares are no longer subject to a substantial risk of forfeiture.

Dividends, Voting and Other Rights:	Performance Shares are not shares of Stock and have no voting rights or, except as described in this paragraph, dividend rights. With respect to each Performance Share subject to this Award, the Grantee is also awarded Dividend Equivalents with respect to one share of Stock, which means that, in the event that Occidental declares and pays a cash dividend on its outstanding Stock and, on the record date for such dividend, the Grantee holds Performance Shares that have not been settled (including settlement through conversion into Restricted Stock) or forfeited pursuant to the terms of the Award Agreement, then the Grantee will be credited on the books and records of Occidental with an amount equal to the amount per share of any such cash dividend for each outstanding Performance Share. The Grantee will be credited with such Dividend Equivalents for the period beginning on the Date of Grant and ending on the applicable Payment Trigger Date or, if earlier, the date the Grantee forfeits his rights with respect to the Performance Shares. Occidental will pay in cash to the Grantee an amount equal to (i) the Dividend Equivalents credited to such Grantee, adjusted as necessary to reflect the number of Earned Performance Shares, plus (ii) if applicable, the amount of any cash dividends accumulated with respect to any shares of Restricted Stock received as described above under "*Vesting Schedule and Forfeiture—Change in Control*," as promptly as may be practicable after (A) the Committee certifies the attainment of the Performance Goal, or (B) if a Change in Control has occurred, the earlier to occur of the Vesting Date and the CIC Related Vesting Date, as applicable, 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 Dividend Equivalents or dividends, as applicable, are no longer subject to a substantial risk of forfeiture. For purposes of clarity, if Performance Shares or shares of Restricted Stock are forfeited by the Grantee, then the Grantee shall also forfeit the Dividend Equivalents and/or dividends, if any, accrued with respect to such Performance Shares and/or shares of Restricted Stock.

<u>ATTACHMENT 1</u>

OCCIDENTAL PETROLEUM CORPORATION
2015 LONG TERM INCENTIVE PLAN

STANDARD AWARD TERMS AND CONDITIONS

The following Standard Award Terms and Conditions (these "***Terms and Conditions***") are set forth as of the Date of Grant specified in the Notice of Grant of [Award] to which these Terms and Conditions are attached (the "***Notice of Grant***"), by and between OCCIDENTAL PETROLEUM CORPORATION, a Delaware corporation ("***Occidental***" and, with its Subsidiaries, the "***Company***"), and the eligible individual (the "***Grantee***") receiving the award described in the Notice of Grant (the "***Award***"). The Award is granted in accordance with the Occidental Petroleum Corporation 2015 Long Term Incentive Plan, as the same may be amended from time to time (the "***Plan***"). Capitalized terms used but not defined herein shall, unless otherwise indicated, have the meanings set forth in the Plan. These Terms and Conditions, the Notice of Grant (along with all incorporated attachments and exhibits) and the Award evidenced thereby are collectively referred to herein as the "***Award Agreement***."

1. **<u>Acceptance of Award</u>**. If the Grantee fails to accept the Award prior to the next record date for the payment of dividends on the Stock subsequent to the Date of Grant, then, notwithstanding any other provision of the Award Agreement, the Grantee shall forfeit all rights under the Award (including all shares of Stock subject thereto) and the Award will become null and void. For purposes of this Section 1, acceptance of the Award shall occur on the date the Grantee accepts the Award through Morgan Stanley StockPlan Connect or any replacement online system designated by the Company.

2. **<u>No Employment Contract</u>**. Nothing in the Award Agreement 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.

3. **<u>Restrictions on Transfer</u>**. Neither the Award Agreement nor any right to receive shares of Stock or cash pursuant to the Award Agreement may be transferred or assigned by the Grantee other than in accordance with the transfer restrictions set forth in the Plan.

4. **<u>Taxes and Withholding</u>**.

(a) 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, if any, 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 the Award, including, as applicable, the grant, vesting or settlement of the Award and the receipt of any dividends or Dividend Equivalents thereon; and (ii) does not commit to and is under no obligation to structure the terms of the grant or any other aspect of the 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.

(b) 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 (i) in connection with the vesting of the Award and/or the issuance of any shares of Stock or the payment of any cash or other consideration pursuant to the Award in accordance with the Notice of Grant (other than the crediting and payment of any dividends or Dividend Equivalents, as applicable), from any cash and shares of Stock that are to be paid or issued to the Grantee pursuant to the Award, in any combination as determined by the Committee, or (ii) in connection with the granting of the Award or the crediting and payment of any dividends or Dividend Equivalents, as applicable, first from the cash payable pursuant to the Award (including any dividends or 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 Grantee’s receipt of the Award that cannot be satisfied by the means previously described.

5. **Compliance with Law**. The Company will make reasonable efforts to comply with all applicable federal, state and non-U.S. laws, and the Company will not issue any shares of Stock or other securities pursuant to the Award Agreement if such issuance would result in a violation of any such law. Further, if it is not feasible for the Company to comply with these laws with respect to the grant or settlement of the Award, then the Award may be cancelled without any compensation or additional benefits provided to Grantee as a result of the cancellation.

6. **Relation to Other Benefits**. The benefits received by the Grantee under the Award Agreement will not be taken into account in determining any benefits to which the Grantee may be entitled under any profit sharing, retirement or other benefit or compensation plan maintained by the Company, including the amount of any life insurance coverage available to any beneficiary of the Grantee under any life insurance plan covering employees of the Company. Additionally, the 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 the Award does not create any contractual or other right to receive future grants of, or benefits in lieu of, awards under the Plan, even if Grantee has a history of receiving awards under the Plan or other cash or stock awards.

7. **Beneficial Ownership Requirements**. If the Grantee (a) was a Named Executive Officer for the last completed fiscal year prior to vesting of the Award, and (b) is, as of the date of vesting of the Award, subject to Occidental’s Executive Stock Ownership Guidelines, as in effect from time to time (the “***Ownership Guidelines***”), and the Grantee’s Stock holdings fail as of such date to satisfy the applicable requirements of the Ownership Guidelines, then the Grantee shall retain Beneficial Ownership of shares of Stock equal to not less than 50% of the net after-tax shares of Stock, if any, received under the Award until the Grantee satisfies the applicable requirements of the Ownership Guidelines (the “***Beneficial Ownership Period***”). Compliance with the foregoing requirement shall be determined by reference to the reports filed by the Grantee on Forms 3, 4 and 5, as applicable, pursuant to Section 16(a) of the Exchange Act, and the aggregate number of shares of Stock reported as Beneficially Owned during the Beneficial Ownership Period shall not be less than the sum of the number of shares of Stock then required to be so owned pursuant to this Award Agreement and the terms and conditions of any other grant containing this or a similar requirement. For purposes of this Section 7, the term “***Beneficial Ownership***” has the

meaning ascribed in Rule 16a-1(a)(2) under the Exchange Act and the term "***Named Executive Officer***" has the meaning ascribed in Item 402 of Regulation S-K under the Exchange Act.

8. **Golden Parachute Policy**. Notwithstanding any provision in the Award Agreement to the contrary, no payment shall be made with respect to the Award that would cause the total payments made to the Grantee to exceed the limits in Occidental's Golden Parachute Policy, as in effect from time to time.

9. **Adjustments**. The number and kind of shares of Stock covered by the Award are subject to adjustment pursuant to the allowances set forth in the Plan in order to prevent dilution or expansion of the Grantee's rights under the Award as a result of events such as stock dividends, stock splits or other changes in the capital structure of Occidental, or any merger, consolidation, spin-off, liquidation or other corporate transaction or event having a similar effect. If any such adjustment occurs, the Company will give the Grantee written notice of the adjustment.

10. **Amendments**. The Plan may be amended, altered, suspended, discontinued 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 the Award Agreement to the extent it is applicable to the Award; however, no amendment may materially and adversely affect the rights of the Grantee under the Award Agreement without the Grantee's consent. In addition, the Committee may waive any conditions or rights under, or amend, alter, suspend, discontinue or terminate the Award Agreement, except as otherwise provided in the Plan; provided, that, without the Grantee's consent, no such Committee action may materially and adversely affect the rights of the Grantee under the Award.

11. **Severability**. If one or more of the provisions of the Award Agreement 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 the Award Agreement, and the remaining provisions of the Award Agreement will continue to be valid and fully enforceable.

12. **Entire Agreement; Relation to Plan; Interpretation**. Except as specifically provided in this Section 12, the Award Agreement (including these Terms and Conditions, the Notice of Grant and all incorporated attachments and exhibits) constitutes the entire agreement between the Company and the Grantee with respect to the Award. The Award Agreement is subject to the terms and conditions of the Plan. In the event of any inconsistent provisions between the Award Agreement and the Plan, the provisions of the Plan control. References to Sections and Attachments are to Sections of, and Attachments incorporated in, the Award Agreement unless otherwise noted. In the event of any inconsistent provisions between the Award Agreement and any employment agreement between the Grantee and the Company, the provisions of the Award Agreement control, except with respect to Section 21 below.

13. **Successors and Assigns**. Subject to any transfer or forfeiture restrictions set forth in the Notice of Grant, the provisions of the Award Agreement shall be for the benefit of, and be binding upon, the successors, administrators, heirs, legal representatives and assigns of the Grantee, and the successors and assigns of the Company.

14. **Beneficiaries**.

(a) The Grantee shall have the option of designating a beneficiary ("***Beneficiary***") to receive settlement of, or exercise (as applicable), the Grantee's Award upon the Grantee's death.

(b) If no Beneficiary is designated at the time of the Grantee's death, or if no Beneficiary survives the Grantee, the Beneficiary shall be the Grantee's surviving spouse, or if the Grantee has no surviving spouse, the Grantee's surviving children equally, or if there are no surviving children, the Grantee's surviving parents equally, or if there is no surviving parent, the Grantee's surviving siblings equally, or if there is no sibling living, the Grantee's estate.

(c) In order to designate a Beneficiary or change a previous designation, the Grantee must complete a Long-Term Incentive Beneficiary Designation Form (beneficiary designations submitted on other forms or in any other format will not be accepted). The Grantee should read the Long-Term Incentive Beneficiary Form carefully, follow the instructions and complete the form in its entirety according to the instructions, obtain any necessary signatures according to the form, sign and date the form, and return to Executive Compensation Department, c/o Occidental Petroleum Corporation, 5 Greenway Plaza, Suite 110, Houston, Texas, 77046. The Grantee should also keep a copy of the form for the Grantee's records. Upon acceptance, the Grantee's designation will cancel any previous designations. The Grantee's Beneficiary designation shall not affect any designation by the Grantee under any other benefit plan.

(d) The Grantee should consider submitting a new Beneficiary designation if: (1) the Grantee's marital status changes, (2) one of the Grantee's previously designated Beneficiaries dies before the Grantee, or (3) the Grantee acquires or loses dependents. To determine the tax consequences associated with the Grantee's designation, it is recommended that the Grantee consult with a qualified tax advisor or estate planner.

15. **Governing Law**. The laws of the State of Delaware govern the interpretation, performance, and enforcement of the Award Agreement (including these Terms and Conditions, the Notice of Grant and all incorporated attachments and exhibits).

16. **Privacy Rights**. By accepting the 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 the Award Agreement 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 the 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 the Award, 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 the Award 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 online or electronic system established and maintained by the Company or another third party designated by the Company.

18. **Grantee's Representations and Releases**.

(a) By accepting the Award, the Grantee acknowledges that the Grantee has read the Award Agreement (including these Terms and Conditions, the Notice of Grant and all incorporated attachments and exhibits) and understands that (i) the grant of the 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 the 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) the Award is an extraordinary item that does not constitute a regular and recurring item of base compensation; (v) the future value of any shares of Stock issued and/or the future amount of cash, if any, payable pursuant to the Award cannot be predicted and Occidental does not assume liability in the event the Award or any such shares of Stock have 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 the Award or the Grantee's participation in the Plan.

(b) In consideration of the grant of the Award, no claim or entitlement to compensation or damages shall arise from termination of the Award or diminution in value of the Award or the shares of Stock issued pursuant to the 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 the Award, the Grantee shall be deemed irrevocably to have waived his or her entitlement to pursue such claim.

19. **Imposition of Other Requirements**. Occidental reserves the right to impose other requirements on the Grantee's participation in the Plan and on the 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**. Unless specified otherwise in the Notice of Grant, all amounts payable pursuant to the Award are intended to comply with the "short term deferral" exception in the Nonqualified Deferred Compensation Rules, and the Company shall take all reasonable actions in order to settle the Award within the period necessary to qualify for such exception. Notwithstanding the foregoing, to the extent that it is determined that the Plan or the Award is subject to the Nonqualified Deferred Compensation Rules, the Award Agreement shall be interpreted and administered in such a way as to comply with the applicable provisions of the Nonqualified Deferred Compensation Rules to the maximum extent possible. In addition, if the Award is subject to the Nonqualified Deferred Compensation Rules, then (i) the settlement of the Award or some portion of the Award may be delayed in accordance with the applicable terms of Section 9(n) of the Plan; (ii) any payment on a Change in Control event will be made only if the Change in Control also qualifies as a change of control event within the meaning of the Nonqualified Deferred Compensation Rules; and (iii) any determination by the Committee not to accelerate the Award on a Change in Control shall be made only to the extent such determination is consistent with the Nonqualified Deferred Compensation Rules. To the extent that the Board determines that the Plan or the Award is subject to the Nonqualified Deferred Compensation Rules and fails to comply with the requirements of the Nonqualified Deferred Compensation Rules, the Board reserves the right (without any obligation to do so) to amend or terminate the Plan and/or amend,

restructure, terminate or replace the Award in order to cause the Award to either not be subject to the Nonqualified Deferred Compensation Rules or to comply with the applicable provisions of such rules.

21. **Clawback**. The Award shall be subject to the clawback provisions set forth in Section 9(m) of the Plan.

22. **Arbitration**.

(a) **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 this Section 21: (i) 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, (ii) to the extent permitted by applicable law, claims for provisional remedies to maintain the status quo pending the outcome of arbitration, (iii) claims based on compensation award agreements and incentive plans, and (iv) claims which are not permitted by applicable law to be subject to a binding pre-dispute arbitration agreement.**

(b) **Any controversy regarding whether a particular dispute is subject to arbitration under this Section 21 shall be decided by the arbitrator.**

(c) **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.**

(d) **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.**

<u>**ATTACHMENT 2**</u>

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 (a) 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 (b) 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 Award granted pursuant to this Award Agreement and termination of employment.

EXHIBIT 12

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

	Six Months Ended June 30		Year Ended December 31				
	2016	2015	2015	2014	2013	2012	2011
Income from continuing operations [a]	$ (496)	$ (35)	$ (8,146)	$ (130)	$ 4,932	$ 3,829	$ 5,527
Add/(Subtract):							
Net income attributable to noncontrolling interest	—	—	—	(14)	—	—	—
Adjusted income from equity investments [b]	14	(17)	21	64	52	163	(33)
	(482)	(52)	(8,125)	(80)	4,984	3,992	5,494
Add:							
Provision for taxes on income (other than foreign oil and gas taxes)	(509)	(127)	(2,070)	(280)	1,353	249	1,167
Interest and debt expense	178	38	147	77	132	149	313 [c]
Portion of lease rentals representative of the interest factor	31	31	63	52	60	58	57
	(300)	(58)	(1,860)	(151)	1,545	456	1,537
Earnings before fixed charges	$ (782)	$ (110)	$ (9,985)	$ (231)	$ 6,529	$ 4,448	$ 7,031
Fixed charges:							
Interest and debt expense including capitalized interest	$ 148	$ 129	$ 285	$ 257	$ 269	$ 254	$ 384 [c]
Portion of lease rentals representative of the interest factor	31	31	63	52	60	58	57
Total fixed charges	$ 179	$ 160	$ 348	$ 309	$ 329	$ 312	$ 441
Ratio of earnings to fixed charges	(4.38)	(0.69)	(28.69)	(0.75)	19.83	14.26	15.93
Insufficient coverage	(961) [d]	(270) [d]	(10,333)	(540)			

Note: Results of California Resources Corporation have been reflected as discontinued operations for all periods presented.

(a) The 2016 amount includes a $78 million dollar after-tax impairment charge related to the special stock dividend of California Resources shares in the first quarter. The 2015 amounts includes a $177 million dollar after-tax charge for domestic asset impairments and other related items for the first quarter 2015, a $47 million dollar after-tax charge for foreign asset impairments and other related items, a $2 million dollar charge related to Phibro operation results, and a $25 million dollar charge for cost associated with the California Resources Corporation spin-off and other charges.

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

(c) Excludes a pre-tax charge of $163 million for the early redemption of debt.

(d) The 2016 and 2015 second quarter ratio of earnings to fixed charges excluding certain items (a) were (3.94) and 0.88, respectively.

EXHIBIT 31.1

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

I, Vicki A. Hollub, 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 3, 2016

/s/ Vicki A. Hollub
Vicki A. Hollub
President and Chief Executive Officer

EXHIBIT 31.2

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

I, Christopher G. Stavros, 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 3, 2016

/s/ Christopher G. Stavros
Christopher G. Stavros
Senior Vice President and Chief Financial Officer

EXHIBIT 32.1

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

In connection with the Quarterly Report on Form 10-Q of Occidental Petroleum Corporation (the “Company”) for the fiscal period ended June 30, 2016, as filed with the Securities and Exchange Commission on August 3, 2016 (the “Report”), Vicki A. Hollub, as Chief Executive Officer of the Company, and Christopher G. Stavros, 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 her or 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/ Vicki A. Hollub

Name:	Vicki A. Hollub
Title:	President and Chief Executive Officer
Date:	August 3, 2016

/s/ Christopher G. Stavros

Name:	Christopher G. Stavros
Title:	Senior Vice President and Chief Financial Officer
Date:	August 3, 2016

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.