
UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

**Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934**

Date of Report (Date of earliest event reported) April 23, 2009

OCCIDENTAL PETROLEUM CORPORATION

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

1-9210
(Commission
File Number)

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

10889 Wilshire Boulevard
Los Angeles, California
(Address of principal executive offices)

90024
(ZIP code)

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

Check the appropriate box below if the Form 8-K is intended to simultaneously satisfy the filing obligation of the Registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Section 2 – Financial Information

Item 2.02. Results of Operations and Financial Condition

On April 23, 2009, Occidental Petroleum Corporation released information regarding its results of operations for the three months ended March 31, 2009. The exhibits to this Form 8-K and the information set forth in this Item 2.02 are being furnished pursuant to Item 2.02, Results of Operations and Financial Condition. The full text of the press release is attached to this report as Exhibit 99.1. The full text of the speech given by Stephen I. Chazen is attached to this report as Exhibit 99.2. Investor Relations Supplemental Schedules are attached to this report as Exhibit 99.3. Earnings Conference Call Slides are attached to this report as Exhibit 99.4. Forward-Looking Statements Disclosure for Earnings Release Presentation Materials are attached to this report as Exhibit 99.5.

Section 8 – Other Events

Item 8.01. Other Events

On April 23, 2009, Occidental Petroleum Corporation announced that its net income for the first quarter of 2009 was \$368 million (\$0.45 per diluted share). Results for the quarter were impacted by certain non-core charges. Core results for the first quarter of 2009 were \$407 million (\$0.50 per diluted share).

Oil and Gas

Oil and gas segment earnings were \$545 million for the first quarter of 2009. After excluding rig termination costs of \$8 million, the first quarter 2009 core results were \$553 million, compared with \$2.9 billion for the same period in 2008. The \$2.3 billion decrease in the first quarter 2009 results reflected lower crude oil and natural gas prices and higher DD&A rates.

For the first quarter of 2009, daily oil and gas sales volumes averaged 654,000 barrels of oil equivalent (BOE), compared with 607,000 BOE per day in the first quarter of 2008. Volume increases were 22,000 BOE per day in domestic operations, largely in the Rockies and California, 15,000 BOE per day in Oman, and 10,000 BOE per day in Argentina.

Oxy's realized price for worldwide crude oil was \$39.29 per barrel for the first quarter of 2009, compared with \$86.75 per barrel for the first quarter of 2008. Domestic realized gas prices decreased from \$8.15 per thousand cubic feet (MCF) in the first quarter of 2008 to \$3.54 per MCF for the first quarter of 2009.

Oil and gas cash production costs, including taxes – other than on income, declined from \$14.75 per BOE for the total year 2008 to \$12.19 per BOE for the first quarter of 2009.

Chemicals

Chemical segment earnings for the first quarter of 2009 were \$169 million, compared with \$179 million for the same period in 2008. The first quarter of 2009 results reflect higher caustic soda margins, offset by lower volumes in chlorine, caustic soda and polyvinyl chloride.

Midstream, Marketing and Other

Midstream segment earnings were \$14 million for the first quarter of 2009, compared with \$123 million for the first quarter of 2008. The earnings decline for the first quarter of 2009 reflects significantly lower NGL prices in the gas processing business and negative mark to market adjustments in crude oil marketing.

Forward-Looking Statements

Statements in this report that contain words such as "will," "expect" or "estimate," or otherwise relate to the future, are forward-looking and involve risks and uncertainties that could significantly affect expected results. Factors that could cause actual results to differ materially include, but are not limited to: global commodity price fluctuations and supply/demand considerations for oil, gas and chemicals; not successfully completing (or any material delay in) any expansions, field development, capital projects, acquisitions, or dispositions; higher-than-expected costs; political risk; exploration risks, such as drilling of unsuccessful wells; operational interruptions and changes in tax rates. You should not place undue reliance on these forward-looking statements which speak only as of the date of this release. Unless legally required, Occidental does not undertake any obligation to update any forward-looking statements as a result of new information, future events or otherwise. U.S. investors are urged to consider carefully the disclosures in our Form 10-K, available through the following toll-free telephone number, 1-888-OXYPETE (1-888-699-7383) or on the Internet at <http://www.oxy.com>. You also can obtain a copy from the SEC by calling 1-800-SEC-0330.

SUMMARY OF SEGMENT NET SALES AND EARNINGS

(In millions, except
per-share amounts)

	First Quarter	
	2009	2008
SEGMENT NET SALES		
Oil and Gas	\$ 2,137	\$ 4,518
Chemical	792	1,267
Midstream, Marketing and Other	228	405
Eliminations	(84)	(170)
Net sales	<u>\$ 3,073</u>	<u>\$ 6,020</u>
SEGMENT EARNINGS		
Oil and Gas (a), (b)	\$ 545	\$ 2,888
Chemical	169	179
Midstream, Marketing and Other	14	123
	<u>728</u>	<u>3,190</u>
Unallocated Corporate Items		
Interest expense, net	(20)	—
Income taxes	(241)	(1,294)
Other (c)	(96)	(77)
	<u>371</u>	<u>1,819</u>
Income from Continuing Operations (a)	<u>371</u>	<u>1,819</u>
Discontinued operations, net	(3)	27
NET INCOME (a)	<u>\$ 368</u>	<u>\$ 1,846</u>
BASIC EARNINGS PER COMMON SHARE		
Income from continuing operations	\$ 0.45	\$ 2.21
Discontinued operations, net	—	0.03
	<u>\$ 0.45</u>	<u>\$ 2.24</u>
DILUTED EARNINGS PER COMMON SHARE (d)		
Income from continuing operations	\$ 0.45	\$ 2.19
Discontinued operations, net	—	0.03
	<u>\$ 0.45</u>	<u>\$ 2.22</u>
AVERAGE BASIC COMMON SHARES OUTSTANDING (d)		
BASIC	811.8	825.5
DILUTED	<u>814.4</u>	<u>829.8</u>

See footnotes on following page.

- (a) **Net Income** - Net income and income from continuing operations represent amounts attributable to Common Stock, after deducting non-controlling interest of \$9 million and \$29 million for the first quarter 2009 and 2008, respectively. Oil and gas segment earnings are also presented net of these non-controlling interest amounts.
- (b) **Oil and Gas** - The first quarter of 2009 includes an \$8 million pretax charge for the terminations of rig contracts.
- (c) **Unallocated Corporate Item - Other** - The first quarter of 2009 includes a pretax charge of \$32 million of severance accruals and \$15 million for railcar leases.
- (d) **Earnings Per Share** - The 2008 earnings per share amounts reflect the adoption on January 1, 2009 of FSP No. EITF 03-06-1 dealing with participating securities.

SUMMARY OF CAPITAL EXPENDITURES AND DD&A EXPENSE

(\$ millions)	First Quarter	
	2009	2008
CAPITAL EXPENDITURES	\$ 1,071	\$ 833
DEPRECIATION, DEPLETION AND AMORTIZATION OF ASSETS	\$ 786	\$ 653

ITEMS AFFECTING COMPARABILITY OF CORE EARNINGS BETWEEN PERIODS

Income/(Expense) (\$ millions)	First Quarter	
	2009	2008
FOREIGN EXCHANGE GAINS AND (LOSSES)*	\$ 37	\$ (1)

*Amounts shown after tax.

SUMMARY OF OPERATING STATISTICS

	First Quarter	
	2009	2008
NET OIL, GAS AND LIQUIDS		
SALES VOLUMES PER DAY		
United States		
Crude Oil and Liquids (MBBL)		
California	97	87
Permian	169	170
Mid-Continent and Rockies	10	4
Total	276	261
Natural Gas (MMCF)		
California	216	245
Permian	194	177
Mid-Continent and Rockies	210	158
Total	620	580
Latin America		
Crude Oil (MBBL)		
Argentina	45	37
Colombia	47	42
Total	92	79
Natural Gas (MMCF)		
Argentina	33	22
Bolivia	15	21
Total	48	43
Middle East/North Africa		
Crude Oil and Liquids (MBBL)		
Oman	35	20
Dolphin	20	22
Qatar	47	46
Yemen	31	25
Libya	5	17
Total	138	130
Natural Gas (MMCF)		
Oman	24	23
Dolphin	205	200
Total	229	223
Barrels of Oil Equivalent (MBOE)		
Subtotal consolidated subsidiaries	656	611
Colombia non-controlled interest	(6)	(6)
Yemen-Occidental net interest	4	2
Total Worldwide Sales Volumes (MBOE)	654	607

SUMMARY OF OPERATING STATISTICS - PRODUCTION

	First Quarter	
	2009	2008
NET OIL, GAS AND LIQUIDS		
PRODUCTION PER DAY		
United States		
Crude Oil and Liquids (MBBL)	276	261
Natural Gas (MMCF)	620	580
Latin America		
Crude Oil (MBBL)		
Argentina	39	36
Colombia	48	42
Total	87	78
Natural Gas (MMCF)	48	43
Middle East/North Africa		
Crude Oil and Liquids (MBBL)		
Oman	34	20
Dolphin	21	22
Qatar	51	46
Yemen	28	25
Libya	8	22
Total	142	135
Natural Gas (MMCF)	229	223
Barrels of Oil Equivalent (MBOE)		
Subtotal consolidated subsidiaries	655	615
Colombia non-controlled interest	(6)	(6)
Yemen-Occidental net interest	3	2
Total Worldwide Production - (MBOE)	652	611

SIGNIFICANT TRANSACTIONS AND EVENTS AFFECTING EARNINGS

Occidental's results of operations often include the effects of significant transactions and events affecting earnings that vary widely and unpredictably in nature, timing and amount. Therefore, management uses a measure called "core results," which excludes those items. This non-GAAP measure is not meant to disassociate those items from management's performance, but rather is meant to provide useful information to investors interested in comparing Occidental's earnings performance between periods. Reported earnings are considered representative of management's performance over the long term. Core results is not considered to be an alternative to operating income in accordance with generally accepted accounting principles.

SIGNIFICANT TRANSACTIONS AND EVENTS AFFECTING EARNINGS (continued)

(\$ millions, except per-share amounts)				First Quarter
	2009	Diluted EPS	2008	Diluted EPS
TOTAL REPORTED EARNINGS *	\$ 368	\$ 0.45	\$ 1,846	\$ 2.22
Oil and Gas				
Segment Earnings*	\$ 545		\$ 2,888	
Add:				
Rig terminations	8		—	
Segment Core Results	553		2,888	
Chemicals				
Segment Earnings	169		179	
Add:				
No significant items affecting earnings	—		—	
Segment Core Results	169		179	
Midstream, marketing and other				
Segment Earnings	14		123	
Add:				
No significant items affecting earnings	—		—	
Segment Core Results	14		123	
Total Segment Core Results	736		3,190	
Corporate				
Corporate Results — Non Segment**	(360)		(1,344)	
Add:				
Severance accrual	32		—	
Railcar leases	15		—	
Tax effect of pre-tax adjustments	(19)		—	
Discontinued operations, net***	3		(27)	
Corporate Core Results — Non Segment	(329)		(1,371)	
TOTAL CORE RESULTS	\$ 407	\$ 0.50	\$ 1,819	\$ 2.19

*Represents amounts attributable to common stock, after deducting non-controlling interest of \$9 million and \$29 million for the first quarter 2009 and 2008, respectively.

**Interest expense, income taxes, G&A expense and other, and non-core items.

***Amounts shown after tax.

Section 9 – Financial Statements and Exhibits

Item 9.01. Financial Statements and Exhibits

(d) Exhibits

- 99.1 Press release dated April 23, 2009.
- 99.2 Full text of speech given by Stephen I. Chazen.
- 99.3 Investor Relations Supplemental Schedules.
- 99.4 Earnings Conference Call Slides.
- 99.5 Forward-Looking Statements Disclosure for Earnings Release Presentation Materials.

SIGNATURE

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

OCCIDENTAL PETROLEUM CORPORATION
(Registrant)

DATE: April 23, 2009

/s/ ROY PINECI

Roy Pineci, Vice President, Controller
and Principal Accounting Officer

EXHIBIT INDEX

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For Immediate Release: April 23, 2009

Occidental Petroleum Announces First Quarter Net Income

LOS ANGELES, April 23, 2009 -- Occidental Petroleum Corporation (NYSE: OXY) announced that its net income for the first quarter of 2009 was \$368 million (\$0.45 per diluted share). Results for the quarter were impacted by certain non-core charges. Core results for the first quarter of 2009 were \$407 million (\$0.50 per diluted share).

In announcing the results, Dr. Ray R. Irani, Chairman and Chief Executive Officer, said, "In the first quarter, Occidental achieved a nearly eight percent growth in year-over-year oil and gas production. In addition, we have made significant progress in our continuing cost reduction efforts and we will continue to invest in the long-term growth of the Company. I am pleased with our effectiveness in adjusting to the ongoing volatile market conditions."

Oil and Gas

Oil and gas segment earnings were \$545 million for the first quarter of 2009. After excluding rig termination costs of \$8 million, the first quarter 2009 core results were \$553 million, compared with \$2.9 billion for the same period in 2008. The \$2.3 billion decrease in the first quarter 2009 results reflected lower crude oil and natural gas prices and higher DD&A rates.

For the first quarter of 2009, daily oil and gas sales volumes averaged 654,000 barrels of oil equivalent (BOE), compared with 607,000 BOE per day in the first quarter of 2008. Volume increases were 22,000 BOE per day in domestic operations, largely in the Rockies and California, 15,000 BOE per day in Oman, and 10,000 BOE per day in Argentina.

Oxy's realized price for worldwide crude oil was \$39.29 per barrel for the first quarter of 2009, compared with \$86.75 per barrel for the first quarter of 2008. Domestic realized gas

prices decreased from \$8.15 per thousand cubic feet (MCF) in the first quarter of 2008 to \$3.54 per MCF for the first quarter of 2009.

Oil and gas cash production costs, including taxes – other than on income, declined from \$14.75 per BOE for the total year 2008 to \$12.19 per BOE for the first quarter of 2009.

Chemicals

Chemical segment earnings for the first quarter of 2009 were \$169 million, compared with \$179 million for the same period in 2008. The first quarter of 2009 results reflect higher caustic soda margins, offset by lower volumes in chlorine, caustic soda and polyvinyl chloride.

Midstream, Marketing and Other

Midstream segment earnings were \$14 million for the first quarter of 2009, compared with \$123 million for the first quarter of 2008. The earnings decline for the first quarter of 2009 reflects significantly lower NGL prices in the gas processing business and negative mark to market adjustments in crude oil marketing.

About Oxy

Occidental Petroleum Corporation is an international oil and gas exploration and production company with operations in the United States, Middle East/North Africa and Latin America regions. Oxy is the fourth largest U.S. oil and gas company, based on equity market capitalization. Oxy's wholly owned subsidiary, OxyChem, manufactures and markets chlor-alkali products and vinyls. Occidental is committed to safeguarding the environment, protecting the safety and health of employees and neighboring communities and upholding high standards of social responsibility in all of the company's worldwide operations.

Forward-Looking Statements

Statements in this release that contain words such as "will," "expect" or "estimate," or otherwise relate to the future, are forward-looking and involve risks and uncertainties that could significantly affect expected results. Factors that could cause actual results to differ materially include, but are not limited

to: global commodity price fluctuations and supply/demand considerations for oil, gas and chemicals; not successfully completing (or any material delay in) any expansions, field development, capital projects, acquisitions, or dispositions; higher-than-expected costs; political risk; exploration risks, such as drilling of unsuccessful wells; operational interruptions and changes in tax rates. You should not place undue reliance on these forward-looking statements which speak only as of the date of this release. Unless legally required, Occidental does not undertake any obligation to update any forward-looking statements as a result of new information, future events or otherwise. U.S. investors are urged to consider carefully the disclosures in our Form 10-K, available through the following toll-free telephone number, 1-888-OXYPETE (1-888-699-7383) or on the Internet at <http://www.oxy.com>. You also can obtain a copy from the SEC by calling 1-800-SEC-0330.

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212-603-8184

For further analysis of Occidental's quarterly performance, please visit the web site:
www.oxy.com

SUMMARY OF SEGMENT NET SALES AND EARNINGS

(In millions, except
per-share amounts)

	First Quarter	
	2009	2008
SEGMENT NET SALES		
Oil and Gas	\$ 2,137	\$ 4,518
Chemical	792	1,267
Midstream, Marketing and Other	228	405
Eliminations	(84)	(170)
Net sales	<u>\$ 3,073</u>	<u>\$ 6,020</u>
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	<u>728</u>	<u>3,190</u>
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Interest expense, net	(20)	—
Income taxes	(241)	(1,294)
Other (c)	(96)	(77)
	<u>371</u>	<u>1,819</u>
Income from Continuing Operations (a)	371	1,819
Discontinued operations, net	(3)	27
NET INCOME (a)	\$ 368	\$ 1,846
BASIC EARNINGS PER COMMON SHARE		
Income from continuing operations	\$ 0.45	\$ 2.21
Discontinued operations, net	—	0.03
	<u>\$ 0.45</u>	<u>\$ 2.24</u>
DILUTED EARNINGS PER COMMON SHARE (d)		
Income from continuing operations	\$ 0.45	\$ 2.19
Discontinued operations, net	—	0.03
	<u>\$ 0.45</u>	<u>\$ 2.22</u>
AVERAGE BASIC COMMON SHARES OUTSTANDING (d)		
BASIC	811.8	825.5
DILUTED	<u>814.4</u>	<u>829.8</u>

See footnotes on following page.

- (a) **Net Income** - Net income and income from continuing operations represent amounts attributable to Common Stock, after deducting non-controlling interest of \$9 million and \$29 million for the first quarter 2009 and 2008, respectively. Oil and gas segment earnings are also presented net of these non-controlling interest amounts.
- (b) **Oil and Gas** - The first quarter of 2009 includes an \$8 million pretax charge for the terminations of rig contracts.
- (c) **Unallocated Corporate Item - Other** - The first quarter of 2009 includes a pretax charge of \$32 million of severance accruals and \$15 million for railcar leases.
- (d) **Earnings Per Share** - The 2008 earnings per share amounts reflect the adoption on January 1, 2009 of FSP No. EITF 03-06-1 dealing with participating securities.

SUMMARY OF CAPITAL EXPENDITURES AND DD&A EXPENSE

(\$ millions)	First Quarter	
	2009	2008
CAPITAL EXPENDITURES	\$ 1,071	\$ 833
DEPRECIATION, DEPLETION AND AMORTIZATION OF ASSETS	\$ 786	\$ 653

ITEMS AFFECTING COMPARABILITY OF CORE EARNINGS BETWEEN PERIODS

Income/(Expense) (\$ millions)	First Quarter	
	2009	2008
FOREIGN EXCHANGE GAINS AND (LOSSES)*	\$ 37	\$ (1)

*Amounts shown after tax.

SUMMARY OF OPERATING STATISTICS

	First Quarter	
	2009	2008
NET OIL, GAS AND LIQUIDS		
SALES VOLUMES PER DAY		
United States		
Crude Oil and Liquids (MBBL)		
California	97	87
Permian	169	170
Mid-Continent and Rockies	10	4
Total	276	261
Natural Gas (MMCF)		
California	216	245
Permian	194	177
Mid-Continent and Rockies	210	158
Total	620	580
Latin America		
Crude Oil (MBBL)		
Argentina	45	37
Colombia	47	42
Total	92	79
Natural Gas (MMCF)		
Argentina	33	22
Bolivia	15	21
Total	48	43
Middle East/North Africa		
Crude Oil and Liquids (MBBL)		
Oman	35	20
Dolphin	20	22
Qatar	47	46
Yemen	31	25
Libya	5	17
Total	138	130
Natural Gas (MMCF)		
Oman	24	23
Dolphin	205	200
Total	229	223
Barrels of Oil Equivalent (MBOE)		
Subtotal consolidated subsidiaries	656	611
Colombia non-controlled interest	(6)	(6)
Yemen-Occidental net interest	4	2
Total Worldwide Sales Volumes (MBOE)	654	607

SUMMARY OF OPERATING STATISTICS - PRODUCTION

	First Quarter	
	2009	2008
NET OIL, GAS AND LIQUIDS		
PRODUCTION PER DAY		
United States		
Crude Oil and Liquids (MBBL)	276	261
Natural Gas (MMCF)	620	580
Latin America		
Crude Oil (MBBL)		
Argentina	39	36
Colombia	48	42
Total	87	78
Natural Gas (MMCF)	48	43
Middle East/North Africa		
Crude Oil and Liquids (MBBL)		
Oman	34	20
Dolphin	21	22
Qatar	51	46
Yemen	28	25
Libya	8	22
Total	142	135
Natural Gas (MMCF)	229	223
Barrels of Oil Equivalent (MBOE)		
Subtotal consolidated subsidiaries	655	615
Colombia non-controlled interest	(6)	(6)
Yemen-Occidental net interest	3	2
Total Worldwide Production - (MBOE)	652	611

SIGNIFICANT TRANSACTIONS AND EVENTS AFFECTING EARNINGS

Occidental's results of operations often include the effects of significant transactions and events affecting earnings that vary widely and unpredictably in nature, timing and amount. Therefore, management uses a measure called "core results," which excludes those items. This non-GAAP measure is not meant to disassociate those items from management's performance, but rather is meant to provide useful information to investors interested in comparing Occidental's earnings performance between periods. Reported earnings are considered representative of management's performance over the long term. Core results is not considered to be an alternative to operating income in accordance with generally accepted accounting principles.

SIGNIFICANT TRANSACTIONS AND EVENTS AFFECTING EARNINGS (continued)

(\$ millions, except per-share amounts)				First Quarter
	2009	Diluted EPS	2008	Diluted EPS
TOTAL REPORTED EARNINGS *	\$ 368	\$ 0.45	\$ 1,846	\$ 2.22
Oil and Gas				
Segment Earnings*	\$ 545		\$ 2,888	
Add:				
Rig terminations	8		—	
Segment Core Results	<u>553</u>		<u>2,888</u>	
Chemicals				
Segment Earnings	169		179	
Add:				
No significant items affecting earnings	—		—	
Segment Core Results	<u>169</u>		<u>179</u>	
Midstream, marketing and other				
Segment Earnings	14		123	
Add:				
No significant items affecting earnings	—		—	
Segment Core Results	<u>14</u>		<u>123</u>	
Total Segment Core Results	<u>736</u>		<u>3,190</u>	
Corporate				
Corporate Results — Non Segment**	(360)		(1,344)	
Add:				
Severance accrual	32		—	
Railcar leases	15		—	
Tax effect of pre-tax adjustments	(19)		—	
Discontinued operations, net***	3		(27)	
Corporate Core Results — Non Segment	<u>(329)</u>		<u>(1,371)</u>	
TOTAL CORE RESULTS	\$ 407	\$ 0.50	\$ 1,819	\$ 2.19

*Represents amounts attributable to common stock, after deducting non-controlling interest of \$9 million and \$29 million for the first quarter 2009 and 2008, respectively.

**Interest expense, income taxes, G&A expense and other, and non-core items.

***Amounts shown after tax.

Occidental Petroleum Corporation**STEPHEN CHAZEN**
President and Chief Financial Officer**– Conference Call –**
First Quarter 2009 Earnings Announcement*April 23, 2009*
Los Angeles, California

Thank you Chris.

Net income for the quarter was \$368 million, or \$0.45 per diluted share, compared to \$1.8 billion, or \$2.22 per diluted share in the first quarter of 2008. The 2009 first quarter net income includes after-tax non-core charges of \$39 million, including \$21 million for severance, \$10 million for railcar leases, \$5 million for rig termination costs and \$3 million for discontinued operations. Core results were \$407 million, or \$0.50 per diluted share in the first quarter of 2009, compared to \$1.8 billion, or \$2.19 per diluted share in the first quarter of 2008.

Here's the segment breakdown for the **first quarter**.

Oil and gas first quarter 2009 segment earnings were \$545 million. After excluding the rig termination costs, the first quarter 2009 core results were \$553 million, compared to \$2.9 billion for the first quarter of 2008.

- The \$2.3 billion decrease in the first quarter of 2009 earnings was due to lower crude oil and natural gas prices and higher DD&A

rates. Occidental's average realized crude oil price in the 2009 first quarter was \$39.29 per barrel, a decrease of 55 percent from the \$86.75 per barrel in the comparable period of 2008. Oxy's domestic average realized gas price for the quarter was \$3.54 per mcf, compared with \$8.15 per mcf for the first quarter of 2008.

- Worldwide oil and gas sales volumes for the first quarter of 2009 were 654,000 barrels of oil equivalent per day, an increase of nearly 8 percent, compared with 607,000 BOE per day in the first quarter of last year. The increase includes 22,000 BOE per day from domestic operations, 15,000 BOE per day from Oman and 10,000 BOE per day from Argentina. About half of the domestic volume increase was attributable to 2008 acquisitions.
- The Middle East/North Africa included higher production sharing volumes net of the change in Libya contract terms, of 10,000 BOE per day.
- The first quarter of 2009 oil and gas sales volumes were 34,000 BOE per day higher than the fourth quarter of 2008 volumes.
- Exploration expense was \$58 million in the quarter. Over the course of a little over a year, Occidental has drilled 35 wells seeking non-traditional hydrocarbon bearing zones in California. Of these wells, 13 are commercial and 12 are currently being evaluated. Four of these wells currently account for approximately 28 million cubic feet of gas and 3,000 barrels of liquids of gross daily production. While it is too early to speculate on the ultimate reserves and production associated with this activity, it is progressing nicely. We will continue to invest in this program despite weak gas prices since we currently believe that total costs

(Finding and developing and lifting) will be less than \$10.00 per BOE. We expect to drill approximately 20 exploration wells in California this year. Occidental holds approximately 1.1 million acres of net fee minerals and leasehold in California which have been acquired mostly in the last few years to exploit these opportunities.

- Oil and gas cash production costs, excluding production and property taxes, were \$10.48 a barrel for the three months of 2009, a 13.6 percent decline from last year's twelve-month costs of \$12.13 a barrel. This decline is due to lower workover, maintenance and utilities costs and the effect of higher production sharing volumes. These lower costs are in line with our fourth quarter guidance where we indicated we are actively renegotiating our supplier contracts and laying down rigs.
- Taxes – other than on income were \$1.71 per barrel for the first quarter of 2009 compared to \$2.62 per barrel for all of 2008. These costs, which are sensitive to product prices, reflect lower crude oil and gas prices in the 2009 first quarter.

Chemical segment earnings for the first quarter of 2009 were \$169 million, compared to our guidance of \$100 million. The higher earnings were attributable primarily to higher caustic soda margins. Chemicals earned \$179 million in last year's first quarter.

Midstream segment earnings for the first quarter of 2009 were \$14 million, compared to \$123 million in the first quarter of 2008. The decline in earnings was due to significantly lower NGL realized prices in the gas processing business and negative mark to market adjustments in crude oil marketing.

Non-core adjustments for the first quarter of 2009 included a \$32 million pre-tax charge for severance. We do not expect to record any material additional amounts in 2009. Additionally, we recorded a \$15 million pre-tax charge related to railcar sub-leases to Lyondell, which are being restructured as a result of Lyondell entering into bankruptcy.

The worldwide effective tax rate was 39 percent for the first quarter of 2009, compared with our guidance of 46 percent. The decrease in rate reflects tax benefits resulting from the relinquishment of international exploration contracts. Occidental generally records no tax benefit on foreign expensed exploration until the project is relinquished.

Capital spending for the first quarter of 2009 was \$1.1 billion. As I mentioned in the fourth quarter guidance, our capital run rate in the first quarter of 2009 is greater than the \$3.5 billion total year level and will decline throughout the year. We expect that the second quarter capital will be in line with a \$3.5 billion annual run rate.

Cash flow from operations for the three months of 2009 was about \$1.3 billion, before working capital changes. We used about \$500 million for payments related to higher capital spending and other operating expenses during the fourth quarter of 2008 which were accrued at yearend. We used \$1.2 billion of the company's cash flow to fund capital expenditures and acquisition costs and \$260 million to pay dividends. Based on our annual capital spending forecast, we expect our second quarter capital run rate to drop by about \$300 million. The higher first quarter 2009 capital run rate, the payments related to the fourth quarter 2008 capital and other net cash outflows decreased our \$1.8 billion cash balance at the end of last year by \$700 million to \$1.1 billion at March 31.

The weighted average basic shares outstanding for the three months were 811.8 million and the weighted average diluted shares outstanding were 814.4 million.

As we look ahead in the **current quarter**:

- We expect oil and gas production sales volumes to be in the range of 640,000 to 660,000 BOE per day during the second quarter, at about current oil prices. This volume range reflects increases in Dolphin, Oman and Qatar.

With regard to **prices** - -

- At current market prices, a \$1.00 per barrel change in oil prices impacts oil and gas quarterly earnings before income taxes by about \$36 million.
- A swing of 50-cents per million BTUs in domestic gas prices has a \$20 million impact on quarterly earnings before income taxes. While current NYMEX gas price is around \$3.70, prices in the Permian and California are currently about \$3.00, while Rockies gas is in the \$2.50 range.

Additionally -

- We expect exploration expense to be about \$60 million for seismic and drilling for our exploration programs.
- We expect chemical segment earnings for the second quarter to be \$100 million. Weakness in the global alumina and pulp & paper markets are expected to result in reduced demand and margins for caustic soda. Domestically, weak construction and housing markets are expected to continue to reduce demand levels for vinyl.

- We expect our combined worldwide tax rate in the second quarter of 2009, to be about 43 percent at current oil prices. Our first quarter U.S. and foreign tax rates are included in the “Investor Relations Supplemental Schedule.”
- We continue to negotiate cost reductions across all areas including, but not limited to, drilling rigs, service rigs, drilling services, artificial lift, maintenance, repair and operations (MRO), chemicals and oil country tubular goods (OCTG). On average, in the current price environment, we expect a 20% to 25% reduction across all areas from the peak 2008 levels. The attached chart indicates the range of reductions we are realizing across the broader categories and may not reflect the trend across the entire industry.
- The effect of these reductions is not yet in the first quarter run rate. We have realized about one third of the reductions that we need to achieve in the current price environment. We expect the full effect to be realized over the balance of the year and into 2010. These cost reductions impact both capital spending and operating costs.
- Copies of the press release announcing our first quarter earnings and the Investor Relations Supplemental Schedules are available on our website at www.oxy.com or through the SEC’s EDGAR system.

Now we’re ready to take your questions.



**Investor Relations Supplemental Schedules
Summary
(\$ Millions)**

	<u>1Q 2009</u>	<u>1Q 2008</u>
Reported Net Income	\$368	\$1,846
EPS - Diluted	\$0.45	\$2.22
Core Results	\$407	\$1,819
EPS - Diluted	\$0.50	\$2.19
Total Worldwide Sales Volumes (mboe/day)	654	607
Total Worldwide Crude Oil Realizations (\$/BBL)	\$39.29	\$86.75
Domestic Natural Gas Realizations (\$/MCF)	\$3.54	\$8.15
Wtd. Average Basic Shares O/S (mm)	811.8	825.5
Wtd. Average Diluted Shares O/S (mm)	814.4	829.8
Shares Outstanding (mm)	810.6	820.7
Operating		
Cash Flow Before Working Capital	\$1,300	\$2,700
Working Capital Changes	(500)	—
Cash Flow Before Working Capital	<u>800</u>	<u>2,700</u>



OCCIDENTAL PETROLEUM
2009 First Quarter
Net Income (Loss)
(\$ millions)

	Reported Income	Significant Items Affecting Income	Core Results
Oil & Gas	\$ 545	\$ 8 Rig terminations	\$ 553
Chemical	169		169
Midstream, marketing and other	14		14
Corporate			
Interest expense, net	(20)		(20)
Other	(96)	32 Severance 15 Railcar leases	(49)
Taxes	(241)	(19) Tax effect of adjustments	(260)
Income from continuing operations	371	36	407
Discontinued operations, net of tax	(3)	3 Discontinued operations, net	—
Net Income	\$ 368	\$ 39	\$ 407
Basic Earnings Per Common Share			
Income from continuing operations	\$ 0.45		
Discontinued operations, net	—		
Net Income	<u>\$ 0.45</u>		<u>\$ 0.50</u>
Diluted Earnings Per Common Share			
Income from continuing operations	\$ 0.45		
Discontinued operations, net	—		
Net Income	<u>\$ 0.45</u>		<u>\$ 0.50</u>



OCCIDENTAL PETROLEUM
2008 First Quarter
Net Income (Loss)
(\$ millions)

	Reported Income	Significant Items Affecting Income	Core Results
Oil & Gas	\$ 2,888		\$ 2,888
Chemical	179		179
Midstream, marketing and other	123		123
Corporate			
Interest expense, net	—		—
Other	(77)		(77)
Taxes	(1,294)		(1,294)
Income from continuing operations	1,819	—	1,819
Discontinued operations, net of tax	27	(27)	—
Net Income	\$ 1,846	\$ (27)	\$ 1,819
Basic Earnings Per Common Share			
Income from continuing operations	\$ 2.21		
Discontinued operations, net	0.03		
Net Income	\$ 2.24		\$ 2.20
Diluted Earnings Per Common Share			
Income from continuing operations	\$ 2.19		
Discontinued operations, net	0.03		
Net Income	\$ 2.22		\$ 2.19



OCCIDENTAL PETROLEUM
Items Affecting Comparability of Core Results Between Periods

The item(s) below are included in core results and are shown in this table because they affect the comparability between periods.

Pre-tax Income / (Expense)	First Quarter	
	2009	2008
Corporate Foreign Exchange Gains & (Losses)	37	(1)



OCCIDENTAL PETROLEUM
Worldwide Effective Tax Rate

	QUARTERLY		
	2009 QTR 1	2008 QTR 4	2008 QTR 1
REPORTED INCOME			
Oil & Gas (a)	545	339	2,888
Chemicals	169	127	179
Midstream, marketing and other	14	170	123
Corporate & other	(116)	(70)	(77)
Pre-tax income	612	566	3,113
Income tax expense			
Federal and state	12	65	606
Foreign (a)	229	53	688
Total	241	118	1,294
Income from continuing operations	371	448	1,819
Worldwide effective tax rate	39%	21%	42%
	2009 QTR 1	2008 QTR 4	2008 QTR 1
CORE RESULTS			
Oil & Gas (a)	553	996	2,888
Chemicals	169	217	179
Midstream, marketing and other	14	170	123
Corporate & other	(69)	(70)	(77)
Pre-tax income	667	1,313	3,113
Income tax expense			
Federal and state	31	131	606
Foreign (a)	229	225	688
Total	260	356	1,294
Core results	407	957	1,819
Worldwide effective tax rate	39%	27%	42%

(a) Revenues and income tax expense include taxes owed by Occidental but paid by governmental entities on its behalf. Oil and gas pre-tax income includes the following revenue amounts by periods.

2009 QTR 1	2008 QTR 4	2008 QTR 1
202	250	488

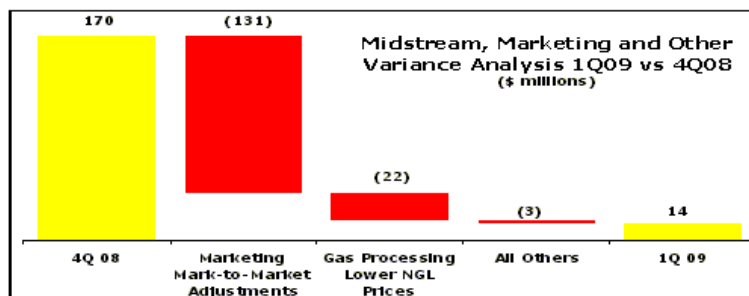
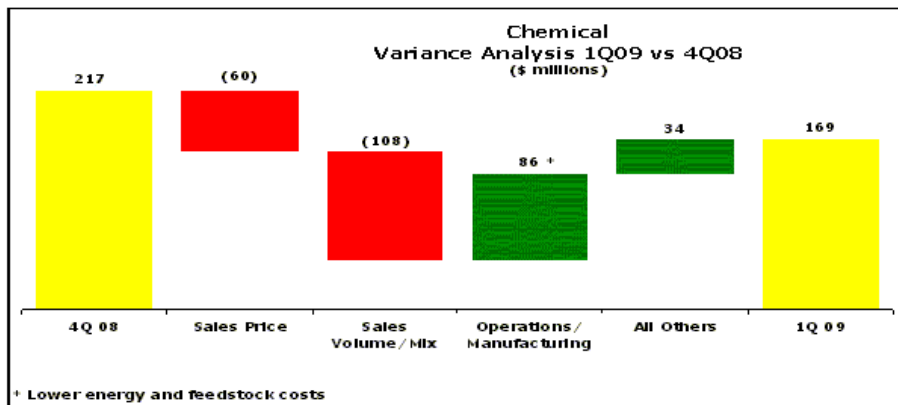
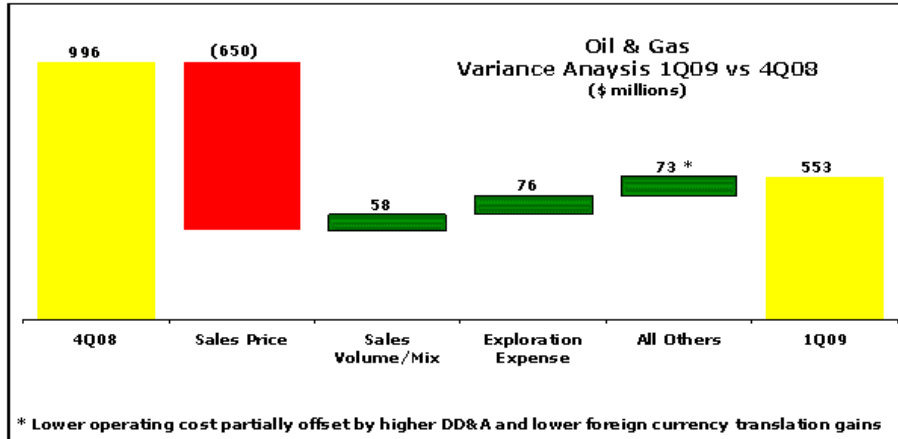


OCCIDENTAL PETROLEUM
2009 First Quarter Net Income (Loss)
Reported Income Comparison

	First Quarter 2009	Fourth Quarter 2008	B / (W)
Oil & Gas	\$ 545	\$ 339	\$ 206
Chemical	169	127	42
Midstream, marketing and other	14	170	(156)
Corporate			
Interest expense, net	(20)	(16)	(4)
Other	(96)	(54)	(42)
Taxes	(241)	(118)	(123)
Income from continuing operations	371	448	(77)
Discontinued operations, net	(3)	(5)	2
Net Income	<u>\$ 368</u>	<u>\$ 443</u>	<u>\$ (75)</u>
Earnings Per Common Share			
Basic	\$ 0.45	\$ 0.55	\$ (0.10)
Diluted	\$ 0.45	\$ 0.55	\$ (0.10)
Worldwide Effective Tax Rate	<u>39%</u>	<u>21%</u>	<u>-19%</u>

OCCIDENTAL PETROLEUM
2009 First Quarter Net Income (Loss)
Core Results Comparison

	First Quarter 2009	Fourth Quarter 2008	B / (W)
Oil & Gas	\$ 553	\$ 996	\$ (443)
Chemical	169	217	(48)
Midstream, marketing and other	14	170	(156)
Corporate			
Interest expense, net	(20)	(16)	(4)
Other	(49)	(54)	5
Taxes	(260)	(356)	96
Core Results	<u>\$ 407</u>	<u>\$ 957</u>	<u>\$ (550)</u>
Core Results Per Common Share			
Basic	\$ 0.50	\$ 1.18	\$ (0.68)
Diluted	\$ 0.50	\$ 1.18	\$ (0.68)
Worldwide Effective Tax Rate	<u>39%</u>	<u>27%</u>	<u>-12%</u>



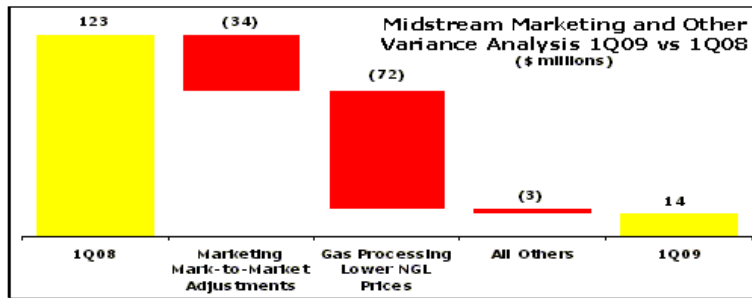
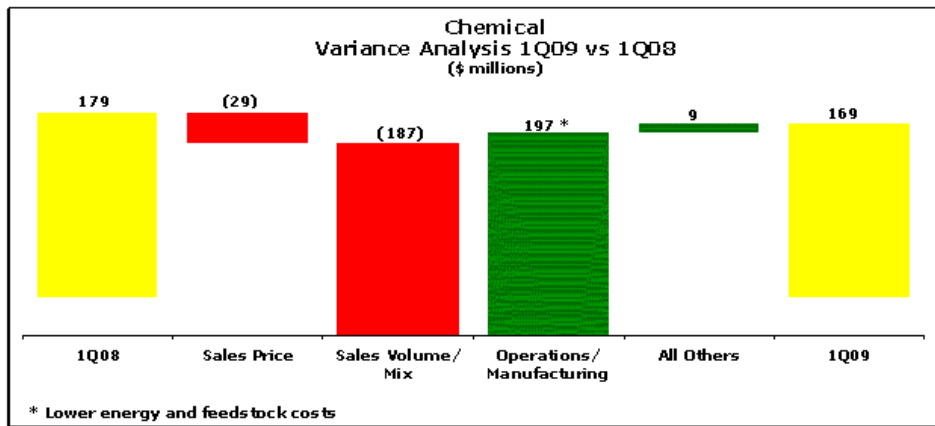
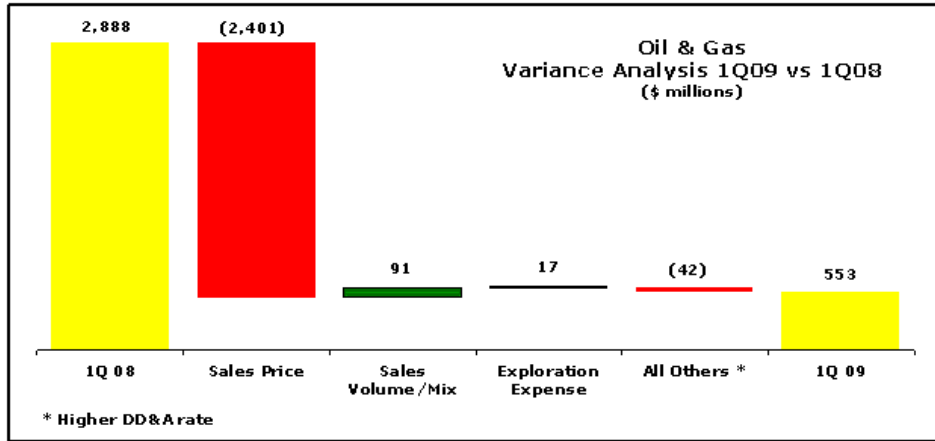


OCCIDENTAL PETROLEUM
2009 First Quarter Net Income (Loss)
Reported Income Comparison

	First Quarter 2009	First Quarter 2008	B / (W)
Oil & Gas	\$ 545	\$ 2,888	\$ (2,343)
Chemical	169	179	(10)
Midstream, marketing and other	14	123	(109)
Corporate			
Interest expense, net	(20)	—	(20)
Other	(96)	(77)	(19)
Taxes	(241)	(1,294)	1,053
Income from continuing operations	371	1,819	(1,448)
Discontinued operations, net	(3)	27	(30)
Net Income	<u>\$ 368</u>	<u>\$ 1,846</u>	<u>\$ (1,478)</u>
Earnings Per Common Share			
Basic	\$ 0.45	\$ 2.24	\$ (1.79)
Diluted	\$ 0.45	\$ 2.22	\$ (1.77)
Worldwide Effective Tax Rate	<u>39%</u>	<u>42%</u>	<u>3%</u>

OCCIDENTAL PETROLEUM
2009 First Quarter Net Income (Loss)
Core Results Comparison

	First Quarter 2009	First Quarter 2008	B / (W)
Oil & Gas	\$ 553	\$ 2,888	\$ (2,335)
Chemical	169	179	(10)
Midstream, marketing and other	14	123	(109)
Corporate			
Interest expense, net	(20)	—	(20)
Other	(49)	(77)	28
Taxes	(260)	(1,294)	1,034
Core Results	<u>\$ 407</u>	<u>\$ 1,819</u>	<u>\$ (1,412)</u>
Core Results Per Common Share			
Basic	\$ 0.50	\$ 2.20	\$ (1.70)
Diluted	\$ 0.50	\$ 2.19	\$ (1.69)
Worldwide Effective Tax Rate	<u>39%</u>	<u>42%</u>	<u>3%</u>





OCCIDENTAL PETROLEUM
SUMMARY OF OPERATING STATISTICS

		First Quarter	
		<u>2009</u>	<u>2008</u>
NET SALES VOLUMES PER DAY:			
United States			
Crude Oil and Liquids (MBBL)			
	California	97	87
	Permian	169	170
	Midcontinent and Rockies	10	4
	Total	<u>276</u>	<u>261</u>
Natural Gas (MMCF)			
	California	216	245
	Midcontinent and Rockies	210	158
	Permian	194	177
	Total	<u>620</u>	<u>580</u>
Latin America			
Crude Oil (MBBL)			
	Argentina	45	37
	Colombia	47	42
	Total	<u>92</u>	<u>79</u>
Natural Gas (MMCF)			
	Argentina	33	22
	Bolivia	15	21
	Total	<u>48</u>	<u>43</u>
Middle East / North Africa			
Crude Oil (MBBL)			
	Oman	35	20
	Dolphin	20	22
	Qatar	47	46
	Yemen	31	25
	Libya	5	17
	Total	<u>138</u>	<u>130</u>
Natural Gas (MMCF)			
	Oman	24	23
	Dolphin	205	200
	Total	<u>229</u>	<u>223</u>
Barrels of Oil Equivalent (MBOE)			
Subtotal consolidated subsidiaries		656	611
Other interests			
	Colombia - minority interest	(6)	(6)
	Yemen - Occidental net interest	4	2
Total worldwide sales volumes - MBOE		<u><u>654</u></u>	<u><u>607</u></u>



OCCIDENTAL PETROLEUM
SUMMARY OF OPERATING STATISTICS

	First Quarter	
	2009	2008
NET PRODUCTION PER DAY:		
United States		
Crude Oil and Liquids (MBBL)	276	261
Natural Gas (MMCF)	620	580
Latin America		
Crude Oil (MBBL)		
	Argentina	39
	Colombia	48
	Total	87
Natural Gas (MMCF)	48	43
Middle East / North Africa		
Crude Oil (MBBL)		
	Oman	34
	Dolphin	21
	Qatar	51
	Yemen	28
	Libya	8
	Total	142
Natural Gas (MMCF)	229	223
Barrels of Oil Equivalent (MBOE)		
Subtotal consolidated subsidiaries	655	615
Other interests		
Colombia - minority interest	(6)	(6)
Yemen - Occidental net interest	3	2
Total worldwide production - MBOE	652	611



OCCIDENTAL PETROLEUM
SUMMARY OF OPERATING STATISTICS

<u>OIL & GAS:</u>	First Quarter	
PRICES	2009	2008
United States		
Crude Oil (\$/BBL)	37.66	90.21
Natural gas (\$/MCF)	3.54	8.15
Latin America		
Crude Oil (\$/BBL)	39.59	67.26
Natural Gas (\$/MCF)	3.50	3.80
Middle East / North Africa		
Crude Oil (\$/BBL)	41.55	93.37
Total Worldwide		
Crude Oil (\$/BBL)	39.29	86.75
Natural Gas (\$/MCF)	2.90	6.05
	First Quarter	
	2009	2008
Exploration Expense		
Domestic	\$ 27	\$ 7
Latin America	2	15
Middle East / North Africa	28	40
Other Eastern Hemisphere	1	12
TOTAL REPORTED	\$ 58	\$ 74



OCCIDENTAL PETROLEUM
SUMMARY OF OPERATING STATISTICS

Capital Expenditures (\$MM)	First Quarter	
	2009	2008
Oil & Gas		
California	\$ 156	\$ 160
Permian	189	73
Other - U.S.	56	46
Latin America	190	157
Middle East / North Africa	272	244
Exploration	48	39
Chemicals	31	50
Midstream, marketing and other	122	61
Corporate	7	3
TOTAL	\$ 1,071	\$ 833
	First Quarter	
	2009	2008
Depreciation, Depletion & Amortization of Assets (\$MM)		
Oil & Gas		
Domestic	\$ 311	\$ 255
Latin America	168	105
Middle East / North Africa	208	190
Chemicals	71	82
Midstream, marketing and other	23	17
Corporate	5	4
TOTAL	\$ 786	\$ 653



**OCCIDENTAL PETROLEUM
CORPORATE
(\$ millions)**

	31-Mar-09	31-Dec-08
CAPITALIZATION		
Long-Term Debt (including current maturities)	\$ 2,740	\$ 2,740
Notes Payable	—	7
Others	25	25
Total Debt	\$ 2,765	\$ 2,772
EQUITY		
Total Debt To Total Capitalization	9%	9%



First Quarter 2009
Earnings Conference Call
April 23, 2009

Oxy



First Quarter 2009 Earnings – Highlights

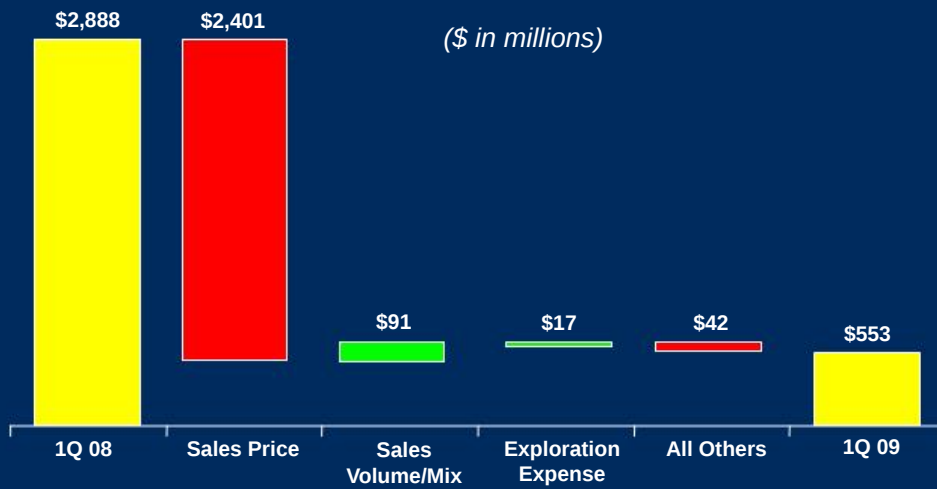


- *Core Results - \$407 Million vs. \$1.8 Billion in 1Q08*
 - *Core EPS \$0.50 (diluted) vs. \$2.19 in 1Q08.*
- Net Income - \$368 Million vs. \$1.8 Billion in 1Q08
 - EPS \$0.45 (diluted) vs. \$2.22 in 1Q08.
- Net Income for 1Q09 includes after-tax non-core charges of \$39 mm consisting of:
 - \$21 mm for severance;
 - \$10 mm for railcar leases;
 - \$5 mm for rig termination costs, and;
 - \$3 mm for discontinued operations.

First Quarter 2009 Earnings – Oil & Gas Segment Variance Analysis – 1Q09 vs. 1Q08



- **Core Results for 1Q09 of \$553 Million vs. \$2.9 B in 1Q08**
 - Excludes rig termination costs.



*All Others include: Higher DD&A rate.

First Quarter 2009 Earnings – Oil & Gas Segment



	<u>1Q09</u>	<u>1Q08</u>
Reported Segment Earnings (\$ mm)	\$545	\$2,888
WTI Oil Price (\$/bbl)	\$43.08	\$97.90
NYMEX Gas Price (\$/mcf)	\$5.08	\$7.94

Oxy's Realized Prices

<i>Worldwide Oil (\$/bbl)</i>	<i>\$39.29</i>	<i>\$86.75</i>
<i>US Natural Gas (\$/mcf)</i>	<i>\$3.54</i>	<i>\$8.15</i>

First Quarter 2009 Earnings – Oil & Gas Segment



	<u>1Q09</u>	<u>1Q08</u>
• Oil and Gas Sales Volumes (mboe/d)	654	607
• <i>+ 7.7% year-over-year</i>		
• Year-over-year sales volume increase includes:		
• + 22 mboe/d from US operations (roughly half attributable to acquisitions in 2008);		
• + 15 mboe/d from Oman;		
• + 10 mboe/d from Argentina.		
• Middle East/North Africa included higher PSC volumes net of the change in Libya contract terms, of 10 mboe/d.		
• Sales volumes in 1Q09 increased by 34 mboe/d vs. 4Q08, or 5.5%.		
• Exploration expense was \$58 mm in 1Q09.		

First Quarter 2009 Earnings – Oil & Gas Segment



California Exploration

- Oxy has drilled 35 wells seeking non-traditional hydrocarbon bearing zones in CA over the course of a little over a year.
 - Of these wells, 13 are commercial and 12 are currently being evaluated.
 - Four of these wells currently account for approximately 28 mmcf/d feet of gas and 3 mb/d of gross liquids production.
- While too early to speculate on the ultimate reserves and production tied to this activity, it is progressing nicely.
- We will continue to invest in this program despite weak natural gas prices as we currently believe that total costs (F&D and lifting) will be less than \$10 per boe.
- We expect to drill approximately 20 exploration wells in CA this year.
- Oxy holds approximately 1.1 mm acres of net fee minerals and leasehold in CA which have been acquired mostly in the last few years to exploit these opportunities.

First Quarter 2009 Earnings – Oil & Gas Segment

Cash Production Costs and Taxes



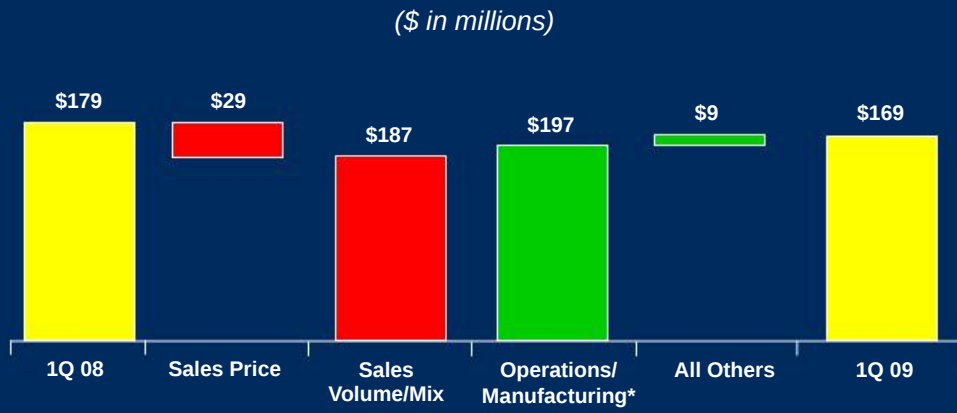
- Oil and gas cash production costs, excluding production and property taxes, were \$10.48 per boe in 1Q09.
 - *This represents a 13.6% decline from 2008 full-year costs of \$12.13 per boe.*
 - This decline is due to lower workover, maintenance and utilities costs, and the effect of higher PSC volumes.
 - These lower costs are in line with our 4Q08 guidance where we indicated we are actively renegotiating our supplier contracts and laying down rigs.
- Taxes – other than on income were \$1.71 per boe for 1Q09 vs. \$2.62 per boe for all of 2008.
 - These costs, which are sensitive to product prices, reflect lower crude oil and gas prices during 1Q09.

First Quarter 2009 Earnings – Chemical Segment Variance Analysis – 1Q09 vs. 1Q08



- **Core Results for 1Q09 of \$169 Million**

- Higher than our earlier guidance of \$100 mm due to higher caustic soda margins.

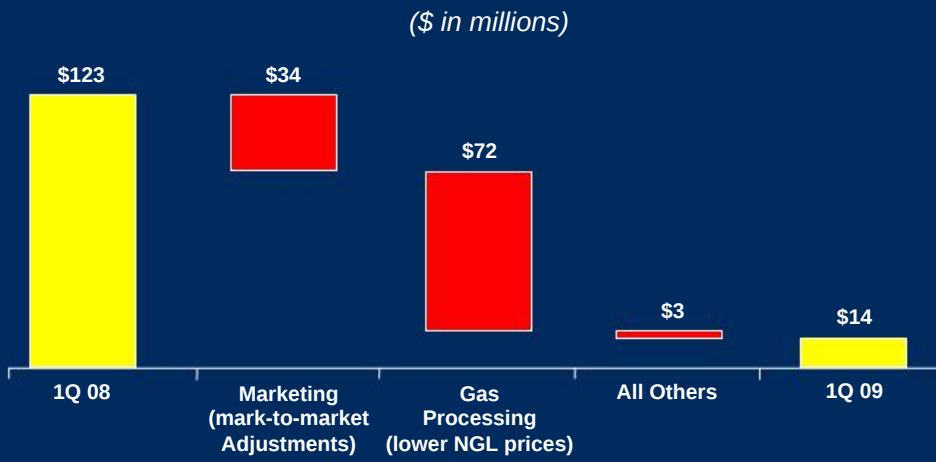


*Lower energy and feedstock costs.

First Quarter 2009 Earnings – Midstream Segment Variance Analysis – 1Q09 vs. 1Q08



- **Core Results for 1Q09 of \$14 mm vs. \$123 mm in 1Q08**
 - Decline due to significantly lower NGL realized prices in the gas processing business, and negative mark-to-market adjustments in crude oil marketing.



First Quarter 2009 Earnings – Non-core Adjustments, Taxes and Capital Spending

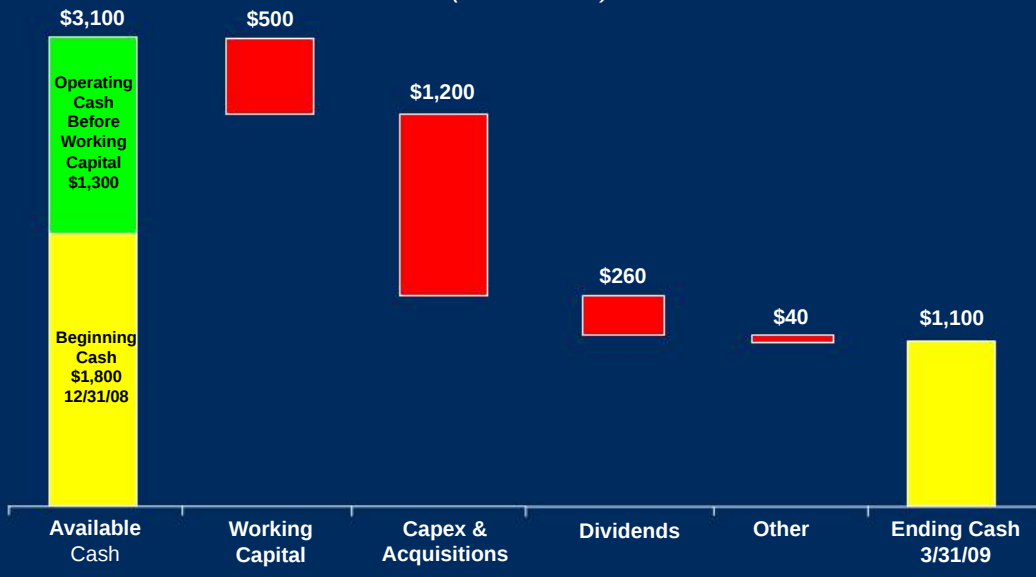


- Non-core adjustments for 1Q09 included:
 - \$32 mm pre-tax severance charge;
 - We do not expect to record any material additional severance charges in 2009.
 - \$15 mm pre-tax charge related to railcar sub-leases to Lyondell, which are being restructured as a result of Lyondell entering into bankruptcy.
- Worldwide effective tax rate was 39% in 1Q09 vs. our guidance of 46%
 - Decrease in rate reflects tax benefits from the relinquishment of international exploration contracts;
 - Oxy generally records no tax benefit on foreign expensed exploration until the project is relinquished.
- Capital spending was \$1.1 B in 1Q09
 - As noted on our 4Q08 conference call, our capital run rate in 1Q09 is greater than the \$3.5 B full year level, and will decline throughout 2009;
 - We expect our 2Q09 capital run rate to drop by about \$300 mm, and that this rate will be in line with the \$3.5 B annual run rate.

First Quarter 2009 Earnings – 2009 YTD Cash Flow



(\$ in millions)



First Quarter 2009 Earnings – Shares Outstanding



Shares Outstanding (mm)	<u>1Q09</u>	<u>3/31/09</u>
Weighted Average Basic	811.8	
Weighted Average Diluted	814.4	
Basic Shares Outstanding		811.7
Diluted Shares Outstanding		814.4



- We expect oil and gas production sales volumes to be in the range of 640 to 660 mboe/d in 2Q09 at current oil prices.
 - This volume range reflects increases in Dolphin, Oman, and Qatar.
- Commodity Price Sensitivity - Earnings
 - At current market prices, a \$1.00 per barrel change in oil prices impacts oil and gas quarterly earnings before income taxes by about \$36 mm;
 - A change of \$0.50 per mMBTU in domestic gas prices has a \$20 mm impact on quarterly earnings before income taxes;
 - Although current NYMEX gas price is around \$3.70 per mMBTU, gas prices in the Permian and California are currently about \$3.00 per mMBTU, while Rockies gas is in the \$2.50 per mMBTU range.
- We expect 2Q09 exploration expense to be about \$60 mm for seismic and drilling for our exploration programs.



- We expect 2Q09 Chemical earnings to be \$100 mm.
 - Weakness in the global alumina and pulp & paper markets are expected to result in reduced demand and margins for caustic soda;
 - Domestically, weak construction and housing markets are expected to continue to reduce demand levels for vinyl.
- We expect our combined worldwide tax rate to be about 43% in 2Q09, at current oil prices.

First Quarter 2009 Earnings – Change In Contract Terms



- We continue to negotiate cost reductions across all areas including, but not limited to, drilling rigs, service rigs, drilling services, artificial lift, MRO, chemicals and OCTG.
 - On average, in the current price environment, we expect a 20% to 25% reduction across all areas from the 2008 peak levels.
 - The effect of these reductions is not yet in the 1Q09 run rate.
 - We have realized about one third of the reductions that we need to achieve in the current price environment, and we expect the full effect to be realized over the balance of 2009 and into 2010.
 - These cost reductions impact both capital spending and operating costs.

<u>Category</u>	<u>Reduction from Peak 2008 Level</u>
Drilling	15 – 30%
Completion & Workover	15 – 20%
Production Equipment & Chemicals	15 – 25%
Oilfield Materials	20 – 40%
Field Operations	15 – 25%



FORWARD-LOOKING STATEMENTS FOR EARNINGS RELEASE PRESENTATION MATERIALS

Statements in this release that contain words such as "will," "expect" or "estimate," or otherwise relate to the future, are forward-looking and involve risks and uncertainties that could significantly affect expected results. Factors that could cause actual results to differ materially include, but are not limited to: global commodity price fluctuations and supply/demand considerations for oil, gas and chemicals; not successfully completing (or any material delay in) any expansions, field development, capital projects, acquisitions, or dispositions; higher-than-expected costs; political risk; operational interruptions; changes in tax rates and exploration risks, such as drilling of unsuccessful wells. You should not place undue reliance on these forward-looking statements which speak only as of the date of this release. Unless legally required, Occidental does not undertake any obligation to update any forward-looking statements as a result of new information, future events or otherwise. U.S. investors are urged to consider carefully the disclosures in our Form 10-K, available through the following toll-free telephone number, 1-888-OXYPETE (1-888-699-7383) or on the Internet at <http://www.oxy.com>. You also can obtain a copy from the SEC by calling 1-800-SEC-0330.