

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) July 22, 2003

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

Delaware (State or other jurisdiction of incorporation)	1-9210 (Commission File Number)	95-403597 (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

Item 9. Regulation FD Disclosure and Item 12. Results of Operations and  
Financial Condition

On July 22, 2003, Occidental Petroleum Corporation released information regarding its results of operations for the fiscal period ended June 30, 2003. This Form 8-K is being furnished to report information pursuant to Item 9, Regulation FD Disclosure and Item 12, 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 speeches given by Stephen I. Chazen and Dale R. Laurance is attached to this report as Exhibit 99.2. Investor Relations Supplemental Schedules are attached to this report as Exhibit 99.3.

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: July 21, 2003

S. P. Dominick, Jr.

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

EXHIBIT INDEX

- 99.1 Press release dated July 22, 2003
- 99.2 Full text of speeches given by Stephen I. Chazen and Dale R. Laurance
- 99.3 Investor Relations Supplemental Schedules

=====

[OXY LOGO] NEWS RELEASE OCCIDENTAL PETROLEUM CORPORATION

=====

10889 Wilshire Boulevard, Los Angeles, California 90024 (310) 208-8800

For Immediate Release: July 22, 2003

OCCIDENTAL PETROLEUM ANNOUNCES SECOND QUARTER 2003 RESULTS

-----

LOS ANGELES -- Occidental Petroleum Corporation (NYSE: OXY) announced net income for the second quarter 2003 of \$374 million (\$0.98 per share), compared with \$240 million (\$0.64 per share) for the second quarter 2002.

In announcing the results, Dr. Ray R. Irani, chairman and chief executive officer, said, "Core earnings of \$374 million, or \$0.98 per share, were 55 percent higher than the \$241 million, or \$0.64 per share, the company earned in the second quarter of 2002. Higher oil and gas prices and record production of 544,000 barrels of oil equivalent per day resulted in a 51 percent increase in oil and gas earnings over last year's second quarter. Core earnings of \$807 million, or \$2.12 per share, for the first half of this year were more than double the \$364 million, or \$0.97 per share, the company earned in the comparable period last year."

OIL AND GAS

-----

Oil and gas segment and core earnings were \$637 million for the second quarter 2003, compared with \$421 million for the second quarter 2002. The improvement in the second quarter 2003 earnings reflected approximately \$200 million from higher worldwide crude oil and natural gas prices, increased sales volumes and lower exploration expense. The second quarter 2003 also included \$14 million in after-tax gains on asset sales; partially offset by higher operating costs.

CHEMICALS

-----

Chemical segment and core earnings were \$43 million for the second quarter 2003, compared with \$34 million for the second quarter 2002. The second quarter 2003 results reflected higher sales prices for PVC, chlorine and caustic; partially offset by higher energy and raw material costs and lower sales volumes. The second quarter 2003 included a \$9-million asset-writedown charge and a \$15 million severance charge.

OTHER

-----

Occidental adopted FASB Interpretation No.46, Consolidation of Variable Interest Entities, during the second quarter 2003 and added \$56 million to debt as a result of consolidating its OxyMar joint venture. The debt-to-capitalization ratio was 40 percent at June 30, 2003, the lowest level in over 20 years.

SIX-MONTHS RESULTS

-----

For the first six months of 2003, net income was \$699 million (\$1.84 per share), compared with \$265 million (\$0.71 per share) for the first six months of 2002.

Core earnings were \$807 million for 2003 compared with \$364 million for 2002. See the attached schedule for a reconciliation of net income to core earnings.

-0-

Contacts: Lawrence P. Meriage (media)  
310-443-6562  
Kenneth J. Huffman (investors)  
212-603-8183  
For further analysis of Occidental's quarterly performance, please visit the web site: [www.oxy.com](http://www.oxy.com)

SUMMARY OF SEGMENT NET SALES AND EARNINGS  
(\$ millions, except per-share amounts)

	Second Quarter		Six Months	
	2003	2002	2003	2002
=====				
SEGMENT NET SALES				
Oil and gas	\$ 1,440	\$ 1,165	\$ 2,993	\$ 2,123
Chemical	785	702	1,575	1,267
Other	41	--	69	--
	-----	-----	-----	-----
Net sales	\$ 2,266	\$ 1,867	\$ 4,637	\$ 3,390
=====				
SEGMENT EARNINGS				
Oil and gas	\$ 637	\$ 421	\$ 1,364	\$ 727
Chemical	43	34	78	3
	-----	-----	-----	-----
	680	455	1,442	730
UNALLOCATED CORPORATE ITEMS				
Interest expense, net (a)	(53)	(66)	(177)	(122)
Income taxes (b)	(167)	(101)	(345)	(145)
Trust preferred distributions & other	(11)	(12)	(22)	(23)
Other (c)	(75)	(35)	(131)	(76)
	-----	-----	-----	-----
INCOME FROM CONTINUING OPERATIONS	374	241	767	364
Discontinued operations, net	--	(1)	--	(4)
Cumulative effect of changes in accounting principles, net (d)	--	--	(68)	(95)
	-----	-----	-----	-----
NET INCOME	\$ 374	\$ 240	\$ 699	\$ 265
=====				
BASIC EARNINGS PER COMMON SHARE				
Income from continuing operations	\$ 0.98	\$ 0.64	\$ 2.02	\$ 0.97
Discontinued operations, net	--	--	--	(0.01)
Cumulative effect of changes in accounting principles, net	--	--	(0.18)	(0.25)
	-----	-----	-----	-----
	\$ 0.98	\$ 0.64	\$ 1.84	\$ 0.71
=====				
DILUTED EARNINGS PER COMMON SHARE				
Income from continuing operations	\$ 0.97	\$ 0.63	\$ 1.99	\$ 0.96
Discontinued operations, net	--	--	--	(0.01)
Cumulative effect of changes in accounting principles, net	--	--	(0.18)	(0.25)
	-----	-----	-----	-----
	\$ 0.97	\$ 0.63	\$ 1.81	\$ 0.70
=====				
BASIC SHARES OUTSTANDING	382.6	375.5	380.9	375.1
=====				

See footnotes on following page.

- (a) The six months 2003 amount includes a \$61 million interest charge to repay a \$450-million 6.4-percent senior-notes issue that had ten years of remaining life, but was subject to remarketing on April 1, 2003. The second quarter and six-months 2002 amounts include \$8 million and \$22 million, respectively, of interest income on notes receivable from the Occidental Permian partners. The partnership exercised an option in May 2002 to redeem the sellers' remaining partnership interests in exchange for the outstanding balance on the notes.
- (b) Excludes U.S. federal income tax charges and credits allocated to the segments and foreign taxes. Oil and gas segment earnings include charges of \$8 million in the second quarter of 2003 and credits of \$1 million in the second quarter of 2002. Chemical segment earnings include \$4 million of credits in the second quarter of 2002.

Oil and gas segment earnings for the six months 2003 and 2002 include charges of \$7 million and credits of \$1 million, respectively. Chemical segment earnings included credits of \$8 million for the six months 2002.

- (c) Includes preferred distributions to the Occidental Permian partners. The second quarter and six-months 2002 amounts include \$5 million and \$20 million, respectively. This is essentially offset by the interest income from the Occidental Permian partners discussed in (a) above. The partnership exercised an option in May 2002 to redeem the sellers' remaining partnership interests in exchange for the outstanding balance on the notes.
- (d) Effective January 1, 2003, Occidental implemented SFAS No. 143 - "Accounting for Asset Retirement Obligations." Adoption of this new accounting standard resulted in a cumulative after-tax reduction in net income of \$50 million. Also effective January 1, 2003, Occidental implemented the rescission of EITF 98-10, which precludes mark-to-market accounting for all energy-trading contracts that are not derivatives and fair-value accounting for inventories purchased from third parties. Adoption of this accounting change resulted in a cumulative after-tax reduction in net income of \$18 million. Effective January 1, 2002, Occidental implemented SFAS No. 142 - "Goodwill and Other Intangible Assets." Adoption of this new accounting standard resulted in a cumulative after-tax reduction in net income of \$95 million.

SUMMARY OF OPERATING STATISTICS

	Second Quarter		Six Months	
	2003	2002	2003	2002
NET OIL, GAS AND LIQUIDS PRODUCTION PER DAY				
United States				
Crude Oil and Liquids (MBBL)				
California	81	86	79	88
Permian	151	143	147	141
Horn Mountain	19	--	16	--
Hugoton	3	3	4	3
Total	254	232	246	232
Natural Gas (MMCF)				
California	252	290	257	298
Hugoton	143	150	143	154
Permian	131	125	125	127
Horn Mountain	15	--	10	--
Total	541	565	535	579
Latin America				
Crude Oil (MBBL)				
Colombia	36	42	37	39
Ecuador	18	12	17	13
Total	54	54	54	52
Middle East and Other Eastern Hemisphere				
Crude Oil (MBBL)				
Oman	11	15	12	16
Pakistan	10	9	10	8
Qatar	51	43	49	43
Yemen	35	33	37	40
Total	107	100	108	107
Natural Gas (MMCF)				
Pakistan	77	50	76	50
BARRELS OF OIL EQUIVALENT (MBOE)				
Subtotal consolidated subsidiaries	518	489	510	496
Other interests				
Colombia-minority interest	(5)	(5)	(4)	(5)
Russia-Occidental net interest	30	28	30	27
Yemen-Occidental net interest	1	--	2	--
Total worldwide production	544	512	538	518
CAPITAL EXPENDITURES (millions)				
	\$ 493	\$ 303	\$ 791	\$ 557
DEPRECIATION, DEPLETION AND AMORTIZATION OF ASSETS (millions)				
	\$ 286	\$ 253	\$ 571	\$ 514

## 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 earnings", which excludes those items. This non-GAAP measure is not meant to disassociate those items from management's performance, but rather is meant to provide useful information to investors interested in comparing Occidental's earnings performance between periods. Reported earnings are considered representative of management's performance over the long term. Core earnings is not considered to be an alternative to operating income in accordance with generally accepted accounting principles.

The following table sets forth the core earnings and significant items affecting earnings for each operating segment and corporate:

(\$ millions)	Second Quarter			
	2003	EPS	2002	EPS
=====	=====	=====	=====	=====
TOTAL REPORTED EARNINGS	\$ 374	\$ 0.98	\$ 240	\$ 0.64
Oil and Gas				
Segment Earnings	\$ 637		\$ 421	
No significant items affecting earnings	--		--	
Segment Core Earnings	637		421	
Chemicals				
Segment Earnings	43		34	
No significant items affecting earnings	--		--	
Segment Core Earnings	43		34	
Corporate				
Results	(306)		(215)	
Less:				
Discontinued operations, net*	--		(1)	
TOTAL CORE EARNINGS	\$ 374	\$ 0.98	\$ 241	\$ 0.64
=====	=====	=====	=====	=====

\*These amounts are shown after tax.



## SIGNIFICANT TRANSACTIONS AND EVENTS AFFECTING EARNINGS (continued)

(\$ millions)	Six Months			
	2003	EPS	2002	EPS
=====	=====	=====	=====	=====
TOTAL REPORTED EARNINGS	\$ 699	\$ 1.84	\$ 265	\$ 0.71
=====	=====	=====	=====	=====
Oil and Gas Segment Earnings	\$ 1,364		\$ 727	
No significant items affecting earnings	--		--	
-----	-----		-----	
Segment Core Earnings	1,364		727	
-----	-----		-----	
Chemicals Segment Earnings	78		3	
No significant items affecting earnings	--		--	
-----	-----		-----	
Segment Core Earnings	78		3	
-----	-----		-----	
Corporate Results	(743)		(465)	
Less:				
Debt repayment charge	(61)		--	
Tax effect of pre-tax charge	21		--	
Discontinued operations, net*	--		(4)	
Changes in accounting principles, net*	(68)		(95)	
-----	-----		-----	
TOTAL CORE EARNINGS	\$ 807	\$ 2.12	\$ 364	\$ 0.97
=====	=====	=====	=====	=====

\*These amounts are shown after tax.

ITEMS AFFECTING COMPARABILITY OF CORE EARNINGS BETWEEN PERIODS

(\$ millions)	Second Quarter		Six Months	
	2003	2002	2003	2002
PRE-TAX INCOME / (EXPENSE)				
Oil and Gas				
Gain on sale of GOM assets 1	\$ 14	\$ --	\$ 14	\$ --
Exploration asset write-offs	--	(33)	--	(33)
Chemicals				
Reorganizations/severance	(15)	--	(15)	(14)
Equistar equity results	--	(4)	--	(40)
Chlorine derivatives asset impairment	(9)	--	(9)	--
Corporate				
Environmental remediation	(13)	--	(13)	--
Equity earnings	(15)	--	(38)	--

1 Net of tax.

## OCCIDENTAL PETROLEUM CORPORATION

STEPHEN CHAZEN  
 CHIEF FINANCIAL OFFICER AND  
 EXECUTIVE VICE PRESIDENT - CORPORATE DEVELOPMENT

- CONFERENCE CALL -  
 SECOND QUARTER 2003 EARNINGS ANNOUNCEMENT

JULY 22, 2003  
 Los Angeles, California

Good morning, and thank you for joining us.

If you would like a copy of the press release announcing our second quarter earnings, along with the Investor Relations Supplemental Schedules, you can find them on our website [www.oxy.com](http://www.oxy.com) or through the SEC's EDGAR system.

Reported and core earnings for the second quarter were \$374 million, or \$0.98 per share, compared with \$241 million, or \$0.64 per share in the second quarter of 2002. The improvement was driven mainly by higher energy prices and increased oil and gas production.

- o Oil and gas production for the quarter averaged 544,000 barrels of oil equivalent compared to 512,000 barrels in last year's second quarter. For the first half of this year, worldwide production was up by 4 percent compared to last year - from 518,000 to 538,000 BOE per day.

For the first half of this year, core earnings were \$807 million, or \$2.12 per share compared to \$364 million, or \$0.97 per share, during the first half of 2002.

1

On a segment basis, oil and gas second quarter earnings were \$637 million, compared to \$421 million during the same period a year ago. As I noted earlier, the increase was due primarily to higher prices and increased production.

We recorded an after-tax gain of \$14 million resulting from Apache Corporation exercising its option to purchase Oxy's remaining interest in a subsidiary holding assets in the Continental Shelf in the Gulf of Mexico. Oxy's only remaining interest in the Gulf of Mexico is its one-third interest in the deep water Horn Mountain operation.

Chemical segment earnings were \$43 million compared to second quarter 2002 earnings of \$34 million. Our core chemical business earnings of \$78 million for the first half exceeds last year's first half earnings by \$75 million. Included in the second quarter chemical results was \$15 million in severance expenses resulting from a significant reorganization of our chemical business that was focused on reducing overhead as well as a \$9 million write-off of certain assets at our Niagara Falls chemical plant.

Corporate "Other" includes a \$15 million loss attributable to our equity investments and \$13 million in environmental remediation charges.

The net effect of the gain from the Apache transaction, the severance and environmental charges and the plant write-off was an after-tax charge of \$10 million, or about 3-cents per share.

Cash flow from operations for the first half of the year was approximately \$1.4 billion.

Turning to the balance sheet at the end of the quarter, we increased shareholder equity to \$7.1 billion, or \$382 million higher than at the end of the first quarter. During the first half of the year, shareholder equity

2

increased by a total of \$736 million, an increase of 12 percent above the year-end 2002 level.

Our balance sheet was impacted by the adoption of the new accounting rule known as FIN 46 which applies to variable interest entities. We implemented this rule change a quarter earlier than required which resulted in the consolidation of our ownership interest in the OxyMar VCM plant on our balance sheet. During the quarter we paid off \$105 million in revolving credit and purchased a lease on the La Porte, Louisiana PVC facility for approximately \$180 million. The net effect of the FIN 46 consolidation was that it added \$56 million in public OxyMar bonds to our balance sheet.

Our debt-to-total capitalization was down to 40 percent at the end of the quarter, compared to 41 percent at the end of the first quarter and 43 percent at the end of last year. This brings us within our target range of 35 to 40 percent.

Through year-end, our potential for additional debt reduction is limited to \$44 million because there are no other maturities or callable debt. We have \$454 million in 8.16 percent Trust Preferred Securities callable at par in the fourth quarter, but they're not redeemable until January.

During the quarter both Fitch and Standard & Poor's upgraded our debt rating to BBB+ and Moody's announced they were reviewing our BAA2 credit rating for possible upgrade.

Capital spending for the quarter was \$493 million and \$791 for the first half, including the \$180 million lease buyout and \$44 million for the buyout of chemical railcar leases in the first quarter. Excluding the lease buyouts, we expect total spending for the year to be approximately \$1.4

billion - with oil and gas accounting for about 90 percent of the expenditures.

As we look ahead in the current quarter:

- o We expect oil and gas production to remain at about the same as the second quarter. This could vary slightly due to price-driven adjustments in the volumes under our production sharing contracts in Oman, Qatar, Yemen and THUMS. In addition, our Colombia production is always difficult to forecast. Dale Laurance will have more to say about our oil and gas production outlook.
- o We expect exploration expense for the quarter to be about \$35 million.
- o We see no sign of an upturn in chemical markets since business remains sluggish. We therefore expect third quarter chemical earnings to be in the \$30 to \$45 million range.
- o We expect third quarter interest expense to be approximately \$70 million. That includes the quarterly payment on our Trust Preferred Securities.
- o A \$1.00 per barrel change in oil prices impacts segment quarterly earnings by about \$30 million. The WTI price in the second quarter was \$28.89. A swing of 10-cents per million BTUs in gas prices has a \$5 million impact on quarterly oil and gas earnings. The NYMEX gas price for the second quarter was \$5.83.
- o We expect our tax rate to be in the same range as the 32 percent rate for the second quarter. Let me add that our reported oil and gas earnings are after foreign taxes so the 32 percent rate applies

only to U.S. taxes - with our overall effective tax rate at approximately 45 percent.

- o We currently own approximately 36 million shares of Lyondell Chemical Company. As we look ahead in the quarter, we don't have an estimate for their results, but it appears to us that their markets are weak.

Now I'd like to turn the conference call over to Oxy's president and CEO of the oil and gas segment, Dale Laurance.

OCCIDENTAL PETROLEUM CORPORATION

DALE R. LAURANCE  
PRESIDENT

- CONFERENCE CALL -  
SECOND QUARTER 2003 EARNINGS ANNOUNCEMENT

JULY 22, 2003  
Los Angeles, California

Thank you, Steve.

For the second consecutive quarter, our worldwide oil and natural gas production hit a record high. The 544,000 barrels of oil equivalent per day of production in the second quarter exceeded our record first quarter rate by 12,000 barrels per day. Our average production for the first six months was 538,000 BOE per day and keeps us on track to meet or exceed our forecast of 535,000 BOE per day for the year.

Our domestic operations account for most of the growth. Since acquiring Altura and THUMS in 2000, our domestic oil and gas production through the second quarter has been growing at an average annual rate of 7 percent.

The major increases have come from the Permian Basin and new production from Horn Mountain in the deep water Gulf of Mexico.

Our Permian production is up by 9,000 BOE per day over the first quarter rate, due primarily to the acquisition of additional producing properties in mid-April this year. Our total Permian production for the quarter was 173,000 BOE per day, or 32 percent of our worldwide total.

Our newest operation at Horn Mountain came on stream last December and averaged nearly 22,000 BOE per day in the second quarter.

California accounted for 123,000 BOE per day, or 23 percent of our second quarter worldwide production. As expected, natural gas production from California is declining as we continue to blow down the Elk Hills gas cap, but sound technical work extended the production peak and slowed the decline rate. During the second quarter, our California gas production averaged 252 million cubic feet per day compared to 262 million cubic feet per day in the first quarter and 286 million cubic feet per day in 2002.

Our international production for the quarter of 200,000 BOE per day was 6 percent higher than our 2002 rate. The startup of the new trans-Ecuadorian pipeline later this quarter will add to the rate of increase.

All our oil and gas assets are performing well, and we expect to meet or exceed our production forecast of 535,000 BOE per day for the year.

Thank you, and now we're ready to answer your questions.

-----  
See the "Investor Relations Supplemental Schedules" for the reconciliation of non-GAAP items.  
-----

-----  
Statements in this presentation that contain words such as "will" or "expect", or otherwise relate to the future, are forward-looking and involve risks and uncertainties that could significantly affect expected results. Factors that could cause results to differ materially include, but are not limited to: global commodity pricing fluctuations, and supply/demand considerations, for oil, gas and chemicals; higher-than-expected costs; and not successfully completing (or any material delay in) any expansion, capital expenditure, acquisition, or disposition. Occidental disclaims any obligation to update any forward-looking statements. The United States Securities and Exchange Commission (SEC) permits oil and natural gas companies, in their filings with the SEC, to disclose only proved reserves demonstrated by actual production or conclusive formation tests to be economically producible under existing economic and operating conditions. We use certain terms in this presentation, such as probable, possible and recoverable reserves, that the SEC's guidelines strictly prohibit us from using in filings with the SEC. U.S. investors are urged to consider carefully the disclosure 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.  
-----



## Investor Relations Supplemental Schedules

[OXY LOGO]

OCCIDENTAL PETROLEUM  
2003 Second Quarter  
Net Income (Loss)  
(\$ millions)

	REPORTED INCOME	SIGNIFICANT ITEMS AFFECTING INCOME	CORE EARNINGS
	-----	-----	-----
Oil & Gas	\$ 637		\$ 637
Chemical	43		43
Corporate			
Interest on debt, net	(53)		(53)
Trust pfd distributions & other	(11)		(11)
Other	(75)		(75)
Taxes	(167)		(167)
	-----	-----	-----
NET INCOME	\$ 374	\$ --	\$ 374
	=====	=====	=====
BASIC EARNINGS PER SHARE			
NET INCOME	\$ 0.98		\$ 0.98
	=====		=====

1

## Investor Relations Supplemental Schedules

[OXY LOGO]

OCCIDENTAL PETROLEUM  
2002 Second Quarter  
Net Income (Loss)  
(\$ millions)

	REPORTED INCOME	SIGNIFICANT ITEMS AFFECTING INCOME	CORE EARNINGS
	-----	-----	-----
Oil & Gas	\$ 421		\$ 421
Chemical	34		34
Corporate			
Interest on debt, net	(74)		(74)
Trust pfd distributions & other	(9)		(9)
Other	(30)		(30)
Taxes	(101)		(101)
	-----	-----	-----
Income from continuing operations	241	--	241
Discontinued operations, net	(1)	1 Discontinued operations	--
	-----	-----	-----
NET INCOME	\$ 240	\$ 1	\$ 241
	=====	=====	=====
BASIC EARNINGS PER SHARE			
Income from continuing operations	\$ 0.64		\$ 0.64
Discontinued operations, net	--		--
	-----		-----
NET INCOME (LOSS)	\$ 0.64		\$ 0.64
	=====		=====

2

[OXY LOGO]

OCCIDENTAL PETROLEUM  
2003 First Six Months  
Net Income (Loss)  
(\$ millions)

	REPORTED INCOME	SIGNIFICANT ITEMS AFFECTING INCOME	CORE EARNINGS
	-----	-----	-----
Oil & Gas	\$ 1,364		\$ 1,364
Chemical	78		78
Corporate			
Interest on debt, net	(177)	61 Debt remarket fee	(116)
Trust pfd distributions & other	(22)		(22)
Other	(131)		(131)
Taxes	(345)	(21) Tax effect of adjustments	(366)
	-----	-----	-----
Income from continuing operations	767	40	807
Cumulative effect of accounting changes	(68)	68 Cumulative effect of acct changes	--
	-----	-----	-----
NET INCOME	\$ 699	\$ 108	\$ 807
	=====	=====	=====
 BASIC EARNINGS PER SHARE			
Income from continuing operations	\$ 2.02		\$ 2.12
Cumulative effect of accounting changes	(0.18)		--
	-----	-----	-----
BASIC EARNINGS PER SHARE	\$ 1.84		\$ 2.12
	=====		=====

[OXY LOGO]

OCCIDENTAL PETROLEUM  
2002 First Six Months  
Net Income (Loss)  
(\$ millions)

	REPORTED INCOME	SIGNIFICANT ITEMS AFFECTING INCOME	CORE EARNINGS
	-----	-----	-----
Oil & Gas	\$ 727		\$ 727
Chemical	3		3
Corporate			
Interest on debt, net	(144)		(144)
Trust pfd distributions & other	(21)		(21)
Other	(56)		(56)
Taxes	(145)		(145)
	-----	-----	-----
Income from continuing operations	364	--	364
Discontinued operations, net	(4)	4	--
Cumulative effect of accounting changes	(95)	95	--
	-----	-----	-----
NET INCOME	\$ 265	\$ 99	\$ 364
	=====	=====	=====
BASIC EARNINGS PER SHARE			
Income from continuing operations	\$ 0.97		\$ 0.97
Discontinued operations, net	(0.01)		--
Cumulative effect of accounting changes	(0.25)		--
	-----		-----
NET INCOME (LOSS)	\$ 0.71		\$ 0.97
	=====		=====

[OXY LOGO]

OCCIDENTAL PETROLEUM  
ITEMS AFFECTING COMPARABILITY OF CORE EARNINGS BETWEEN PERIODS

PRE-TAX INCOME / (EXPENSE)	SECOND QUARTER		SIX MONTHS	
	2003	2002	2003	2002
	-----	-----	-----	-----
OIL & GAS				
Exploration asset write-offs	--	(33)	--	(33)
Gain on sale of GOM assets 1	14	--	14	--
CHEMICALS				
Reorganizations / severance	(15)	--	(15)	(14)
Equistar equity earnings	--	(4)	--	(40)
Chlorine derivatives asset impairment	(9)	--	(9)	--
CORPORATE				
Equity earnings	(15)	--	(38)	--
Environmental remediation	(13)	--	(13)	--

1 Amount shown after-tax

[OXY LOGO]

OCCIDENTAL PETROLEUM  
2003 SECOND QUARTER NET INCOME (LOSS)  
REPORTED INCOME COMPARISON

	SECOND QUARTER 2003	FIRST QUARTER 2003	B / (W)
	-----	-----	-----
OIL & GAS	\$ 637	\$ 727	\$ (90)
CHEMICAL	43	35	8
CORPORATE			
INTEREST ON DEBT, NET	(53)	(124)	71
TRUST PFD DISTRIBUTIONS & OTHER	(11)	(11)	--
OTHER	(75)	(56)	(19)
TAXES	(167)	(178)	11
	-----	-----	-----
INCOME FROM CONTINUING OPERATIONS	374	393	(19)
CUMULATIVE EFFECT OF ACCOUNTING CHANGES	--	(68)	68
	-----	-----	-----
NET INCOME	\$ 374	\$ 325	\$ 49
	=====	=====	=====
BASIC EARNINGS PER SHARE	\$ 0.98	\$ 0.86	\$ 0.12
	=====	=====	=====
EFFECTIVE TAX RATE	32%	31%	-1%
	=====	=====	=====

OCCIDENTAL PETROLEUM  
2003 SECOND QUARTER NET INCOME (LOSS)  
CORE EARNINGS COMPARISON

	SECOND QUARTER 2003	FIRST QUARTER 2003	B / (W)
	-----	-----	-----
OIL & GAS	\$ 637	\$ 727	\$ (90)
CHEMICAL	43	35	8
CORPORATE			
INTEREST ON DEBT, NET	(53)	(63)	10
TRUST PFD DISTRIBUTIONS & OTHER	(11)	(11)	--
OTHER	(75)	(56)	(19)
TAXES	(167)	(199)	32
	-----	-----	-----
NET INCOME	\$ 374	\$ 433	\$ (59)
	=====	=====	=====
BASIC EARNINGS PER SHARE	\$ 0.98	\$ 1.14	\$ (0.16)
	=====	=====	=====
EFFECTIVE TAX RATE	32%	31%	-1%
	=====	=====	=====

[OXY LOGO]

OCCIDENTAL PETROLEUM  
OIL & GAS  
CORE EARNINGS VARIANCE ANALYSIS  
(\$ MILLIONS)

2003 2nd Quarter	\$	637
2003 1st Quarter		727
		-----
	\$	(90)
		=====
Price Variance	\$	(133)
Volume Variance		29
Exploration Expense Variance		(1)
All Other		15
		-----
TOTAL VARIANCE	\$	(90)
		=====

=====

OCCIDENTAL PETROLEUM  
CHEMICAL  
CORE EARNINGS VARIANCE ANALYSIS  
(\$ MILLIONS)

2003 2nd Quarter	\$	43
2003 1st Quarter		35
		-----
	\$	8
		=====
Sales Price	\$	32
Sales Volume/Mix		(12)
Operations/Manufacturing		8
All Other		(20)
		-----
TOTAL VARIANCE	\$	8
		=====

[OXY LOGO]

OCCIDENTAL PETROLEUM  
2003 SECOND QUARTER NET INCOME (LOSS)  
REPORTED INCOME COMPARISON

	SECOND QUARTER 2003	SECOND QUARTER 2002	B / (W)
	-----	-----	-----
OIL & GAS	\$ 637	\$ 421	\$ 216
CHEMICAL	43	34	9
CORPORATE			
INTEREST ON DEBT, NET	(53)	(74)	21
TRUST PFD DISTRIBUTIONS & OTHER	(11)	(9)	(2)
OTHER	(75)	(30)	(45)
TAXES	(167)	(101)	(66)
	-----	-----	-----
INCOME FROM CONTINUING OPERATIONS	374	241	133
DISCONTINUED OPERATIONS, NET	--	(1)	1
	-----	-----	-----
NET INCOME	\$ 374	\$ 240	\$ 134
	=====	=====	=====
BASIC EARNINGS PER SHARE	\$ 0.98	\$ 0.64	\$ 0.34
	=====	=====	=====
EFFECTIVE TAX RATE	32%	29%	-3%
	=====	=====	=====

OCCIDENTAL PETROLEUM  
2003 SECOND QUARTER NET INCOME (LOSS)  
CORE EARNINGS COMPARISON

	SECOND QUARTER 2003	SECOND QUARTER 2002	B / (W)
	-----	-----	-----
OIL & GAS	\$ 637	\$ 421	\$ 216
CHEMICAL	43	34	9
CORPORATE			
INTEREST ON DEBT, NET	(53)	(74)	21
TRUST PFD DISTRIBUTIONS & OTHER	(11)	(9)	(2)
OTHER	(75)	(30)	(45)
TAXES	(167)	(101)	(66)
	-----	-----	-----
NET INCOME	\$ 374	\$ 241	\$ 133
	=====	=====	=====
BASIC EARNINGS PER SHARE	\$ 0.98	\$ 0.64	\$ 0.34
	=====	=====	=====
EFFECTIVE TAX RATE	32%	29%	-3%
	=====	=====	=====

[OXY LOGO]

OCCIDENTAL PETROLEUM  
OIL & GAS  
CORE EARNINGS VARIANCE ANALYSIS  
(\$ MILLIONS)

2003 2nd Quarter	\$	637
2002 2nd Quarter		421
		-----
	\$	216
		=====
Price Variance	\$	201
Volume Variance		30
Exploration Expense Variance		30
All Other		(45)
		-----
TOTAL VARIANCE	\$	216
		=====

=====

OCCIDENTAL PETROLEUM  
CHEMICAL  
CORE EARNINGS VARIANCE ANALYSIS  
(\$ MILLIONS)

2003 2nd Quarter	\$	43
2002 2nd Quarter		34
		-----
	\$	9
		=====
Sales Price	\$	130
Sales Volume/Mix		(20)
Operations/Manufacturing		(76) *
All Other		(25)
		-----
TOTAL VARIANCE	\$	9
		=====

\* Higher energy and feedstock costs.



[OXY LOGO]

OCCIDENTAL PETROLEUM  
SUMMARY OF OPERATING STATISTICS  
-----

	SECOND QUARTER		SIX MONTHS	
	2003	2002	2003	2002
NET PRODUCTION PER DAY:				
UNITED STATES				
CRUDE OIL AND LIQUIDS (MBL)				
California	81	86	79	88
Permian	151	143	147	141
Horn Mountain	19	--	16	3
Hugoton	3	3	4	--
TOTAL	----- 254	----- 232	----- 246	----- 232
NATURAL GAS (MMCF)				
California	252	290	257	298
Hugoton	143	150	143	154
Permian	131	125	125	127
Horn Mountain	15	--	10	--
TOTAL	----- 541	----- 565	----- 535	----- 579
LATIN AMERICA				
CRUDE OIL (MBL)				
Colombia	36	42	37	39
Ecuador	18	12	17	13
TOTAL	----- 54	----- 54	----- 54	----- 52
MIDDLE EAST AND OTHER EASTERN HEMISPHERE				
CRUDE OIL (MBL)				
Oman	11	15	12	16
Pakistan	10	9	10	8
Qatar	51	43	49	43
Yemen	35	33	37	40
TOTAL	----- 107	----- 100	----- 108	----- 107
NATURAL GAS (MMCF)				
Pakistan	77	50	76	50
BARRELS OF OIL EQUIVALENT (MBOE)				
-----				
CONSOLIDATED SUBSIDIARIES	518	489	510	496
OTHER INTERESTS				
COLOMBIA - MINORITY INTEREST	(5)	(5)	(4)	(5)
RUSSIA - OCCIDENTAL NET INTEREST	30	28	30	27
YEMEN - OCCIDENTAL NET INTEREST	1	--	2	--
TOTAL WORLDWIDE PRODUCTION (MBOE)	----- 544	----- 512	----- 538	----- 518
	=====	=====	=====	=====

[OXY LOGO]

## SUMMARY OF OPERATING STATISTICS

	SECOND QUARTER		SIX MONTHS	
	2003	2002	2003	2002
OIL & GAS:				
PRICES				
UNITED STATES				
Crude Oil (\$/BBL)	26.89	23.88	29.15	21.35
Natural gas (\$/MCF)	5.46	2.92	4.89	2.64
LATIN AMERICA				
Crude oil (\$/BBL)	25.01	22.78	28.06	20.67
MIDDLE EAST AND OTHER EASTERN HEMISPHERE				
Crude oil (\$/BBL)	25.22	24.27	27.71	22.15
Natural Gas (\$/MCF)	1.91	2.04	1.91	2.28

	SECOND QUARTER		SIX MONTHS	
	2003	2002	2003	2002
Exploration Expense				
Domestic	\$ 20	\$ 44	\$ 45	\$ 54
Latin America	5	7	6	14
Middle East and Other	4	8	6	18
Eastern Hemisphere				
TOTAL	\$ 29	\$ 59	\$ 57	\$ 86

[OXY LOGO]

OCCIDENTAL PETROLEUM  
CHEMICALS  
Volume (M Tons)

MAJOR PRODUCTS	SECOND QUARTER		SIX MONTHS	
	2003	2002	2003	2002
Chlorine	664	735	1,350	1,436
Caustic	719	743	1,356	1,317
Ethylene Dichloride	108	140	239	292
PVC Resins	872	1,151	1,935	2,193

CHEMICALS  
Prices (Index)

MAJOR PRODUCTS	SECOND QUARTER		SIX MONTHS	
	2003	2002	2003	2002
Chlorine	1.81	0.77	1.72	0.64
Caustic	0.87	0.66	0.84	0.79
Ethylene Dichloride	1.17	1.29	1.21	0.94
PVC Resins	0.97	0.70	0.92	0.62

CHLORINE

OXYCHEM COMMENTARY

- o The expected seasonal demand improvement was hindered by Spring weather that was both cooler and wetter than normal. This resulted in a slower than anticipated start to the bleach and water treatment season and reduced construction activity.
- o Pricing improved in the 2nd quarter as the \$70 per ton price increase, announced for April 1st, was implemented where contract terms permitted.
- o Concerns over product availability in the vinyl's chain resulted in demand peaking earlier in 2003 versus previous years. Consequently, chlorine operating rates came under pressure in the 2nd quarter as customers worked down inventories built in the 1st quarter.
- o Chlorine industry operating rates declined approximately 1% in the 2nd quarter versus 1st quarter 2003.

[OXY LOGO]

INFLUENCING FACTORS:

-----  
Demand is expected to pick up in the 3rd quarter as downstream inventories are depleted, but will continue to be impacted by weak overall economic conditions.

CAUSTIC

-----  
OXYCHEM COMMENTARY

- 
- o Demand for caustic soda improved marginally over the 1st quarter led by the seasonal demand for bleach. Volume into the refining and organic markets also showed slight improvement over the prior quarter. Continued improvement is expected through the 3rd quarter.
  - o As a result of higher natural gas pricing in the 1st quarter, U.S. producers announced a \$125 per ton price increase for domestic liquid caustic soda in the 2nd quarter. However, this price increase was only marginally successful due to strong competitive activity and a decline in natural gas pricing from 1st quarter levels. Aggressive pricing from import liquid caustic soda has also adversely impacted the domestic market.

INFLUENCING FACTORS:

-----  
Supply and demand for caustic soda remains precariously balanced. Forecasted improvement in the U.S. manufacturing sector is expected to lead to a gradual upswing in caustic soda demand. Tightening of caustic supply and higher energy costs would provide an incentive for future price increases.

EDC

-----  
OXYCHEM COMMENTARY

- 
- o Strong demand in the 1st quarter led to rising prices and increased inventories throughout the Far East vinyl's chain. Demand began to falter in the 2nd quarter due to the uncertainty associated with Iraq and the SARS outbreak. As a result, prices fell quickly before beginning a slow recovery in mid May.
  - o Recent price improvements have been dampened by reduced VCM production due to scheduled EDC outages in the 2nd quarter. The completion of the outages should lead to price improvement in the 3rd quarter but will be very dependent on downstream PVC demand in China.

[OXY LOGO]

INFLUENCING FACTORS:

-----  
Continued economic recovery in Asia and the U.S. are required for sustainable improvement. China's ability to produce PVC without EDC could hamper growth. Also uncertain is the impact of duties imposed by China on select PVC importers.

PVC/VCM

-----  
OXYCHEM COMMENTARY

- 
- o Sales were weak in the 2nd quarter as end users drew down inventories built in the 1st quarter. Softness in the underlying demand worsened the slowdown.
  - o Resin producers have reduced output in an effort to control inventories. 2nd quarter resin inventories are expected to end at or slightly below beginning year levels. High costs continue to limit incremental production for exports and the spot market.
  - o Capacities still exclude the former Borden Geismar and Addis facilities, which remain idle. With the weakness in the domestic market and the import duties implemented in China, the expectation is that the Addis facility will start up no earlier than the 1st quarter of 2004, if then. There is little indication that the Geismar PVC plant will restart in the near future.
  - o After 1st quarter price increases totaling \$.06/lb, another price increase of \$.02/lb was implemented in April. May prices were flat with April, while June prices dropped \$.01/lb in certain markets. Most producers are supporting an announced \$.02/lb increase for August.
  - o Demand for PVC exports improved slightly in the 2nd quarter due mostly to outages in Asia. After declining initially, prices stabilized at 1st quarter levels of \$650/MT.
  - o Demand for VCM fell as PVC sales declined in North America. VCM sales to Latin America also weakened due to reduced local demand and increased PVC exports from the U.S.
  - o Export VCM prices began the quarter at \$550-\$560/MT and ended the quarter at \$480/MT.

INFLUENCING FACTORS:

-----  
Margins gained through PVC price increases and lower raw material costs are largely offset by volume reductions. Volume and margin improvement is dependant on the strengthening of underlying demand and economic recovery.

[OXY LOGO]

## SUMMARY OF OPERATING STATISTICS

CAPITAL EXPENDITURES (\$MM)	SECOND QUARTER		SIX MONTHS	
	2003	2002	2003	2002
Oil & Gas				
California	\$ 53	\$ 61	\$ 97	\$ 121
Permian	60	44	115	103
Other - U.S.	12	28	26	44
Latin America	30	42	37	51
Middle East and Other Eastern Hemisphere	128	94	233	178
Chemicals	205 1	21	273 2	35
Corporate	5	13	10	25
<b>TOTAL</b>	<b>\$ 493</b>	<b>\$ 303</b>	<b>\$ 791</b>	<b>\$ 557</b>

1 Includes \$180 for buyout of VCM plant lease

2 Includes \$180 for buyout of VCM plant lease and \$44 for buyout of railcar leases

DEPRECIATION, DEPLETION & AMORTIZATION OF ASSETS (\$MM)	SECOND QUARTER		SIX MONTHS	
	2003	2002	2003	2002
Oil & Gas				
Domestic	\$ 158	\$ 147	\$ 323	\$ 296
Latin America	14	9	27	18
Middle East and Other Eastern Hemisphere	62	48	122	101
Chemicals	48	47	92	95
Corporate	4	2	7	4
<b>TOTAL</b>	<b>\$ 286</b>	<b>\$ 253</b>	<b>\$ 571</b>	<b>\$ 514</b>

[OXY LOGO]

OCCIDENTAL PETROLEUM  
CORPORATE  
(\$ millions)

	30-JUN-03 -----	31-DEC-02 -----
CAPITALIZATION		
Oxy Long-Term Debt (including current maturities)	\$ 4,093 1	\$ 4,203
Trust Preferred Securities	454	455
Subsidiary Preferred Stock	75	75
Others	26	26
	-----	-----
TOTAL DEBT	\$ 4,648 =====	\$ 4,759 =====
EQUITY	\$ 7,054 =====	\$ 6,318 =====
Total Debt To Total Capitalization	40% =====	43% =====

1 Includes \$56 million due to the adoption of FIN 46

[OXY LOGO]

Portions of this presentation are "forward-looking statements" as defined by the Private Securities Litigation Reform Act of 1995, and involve risks and uncertainties that could significantly affect expected results. No assurance can be given that the results or statement of expectations or beliefs will be attained. Factors that may cause actual results to differ materially are contained in the March 31, 2002 form 10-K on file with the SEC.