
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 29, 2010

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 29, 2010, Occidental Petroleum Corporation released information regarding its results of operations for the three months ended March 31, 2010. 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 speeches given by Dr. Ray R. Irani and Stephen I. Chazen are 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 is attached to this report as Exhibit 99.5.

Section 8 – Other Events

Item 8.01. Other Events

On January 28, 2010, Occidental Petroleum Corporation announced income from continuing operations of \$1.1 billion (\$1.32 per diluted share) for the first quarter of 2010, compared with \$371 million (\$0.45 per diluted share) for the first quarter of 2009.

QUARTERLY RESULTS

Oil and Gas

Oil and gas segment earnings were \$1.8 billion for the first quarter of 2010, compared with \$545 million for the same period in 2009. The increase in the first quarter of 2010 results was due to higher crude oil and natural gas prices and higher volumes.

For the first quarter of 2010, daily oil and gas sales volumes averaged 726,000 barrels of oil equivalent (BOE), compared with 713,000 BOE in the first quarter of 2009. Volumes increased in the Middle East/North Africa and California and were partially offset by decreases in Latin America. The Middle East/North Africa increase included new production from the Bahrain start-up and increased production from the Mukhaizna field in Oman. Latin America volumes dropped in Argentina due to a labor strike. Production was negatively impacted in the Middle East/North Africa, Long Beach and Colombia due to higher oil prices affecting our production sharing and similar contracts by 38,000 BOE per day. Underlying daily production volumes were 743,000 BOE in the first quarter of 2010 compared to 711,000 BOE in the first quarter of 2009, largely reflecting the Bahrain production.

Oxy's realized price for worldwide crude oil was \$71.88 per barrel for the first quarter of 2010, compared with \$39.29 per barrel for the first quarter of 2009. Domestic realized gas prices rose from \$3.54 per MCF in the first quarter of 2009 to \$5.62 per MCF for the first quarter of 2010.

Chemicals

Chemical segment earnings for the first quarter of 2010 were \$30 million, compared with \$169 million for the same period in 2009. The first quarter 2010 results reflect the continued weakness in the domestic market, particularly in the housing and construction sectors, and the significant margin erosion that was experienced through 2009 that carried into 2010.

Midstream, Marketing and Other

Midstream segment earnings were \$94 million for the first quarter of 2010, compared with \$14 million for the first quarter of 2009. Earnings for the first quarter of 2010 reflect higher margins in the marketing and trading businesses, improved prices in the gas processing business, and higher pipeline income from Dolphin.

Forward-Looking Statements

Statements in this report that contain words such as “will,” “should,” “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; exploration risks, such as drilling of unsuccessful wells; not successfully completing any expansions, field development, capital projects, acquisitions, or dispositions; higher-than-expected costs; political risk; 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

(\$ millions, except per-share amounts)	First Quarter	
	2010	2009
SEGMENT NET SALES		
Oil and Gas	\$ 3,646	\$ 2,137
Chemical	956	792
Midstream, Marketing and Other	369	228
Eliminations	(200)	(84)
Net Sales	<u>\$ 4,771</u>	<u>\$ 3,073</u>
SEGMENT EARNINGS		
Oil and Gas (a)	\$ 1,819	\$ 545
Chemical	30	169
Midstream, Marketing and Other	94	14
	<u>1,943</u>	<u>728</u>
Unallocated Corporate Items		
Interest expense, net	(36)	(20)
Income taxes	(729)	(241)
Other (b)	(107)	(96)
Income from Continuing Operations (a)	<u>1,071</u>	<u>371</u>
Discontinued operations, net	(7)	(3)
NET INCOME (a)	<u>\$ 1,064</u>	<u>\$ 368</u>
BASIC EARNINGS PER COMMON SHARE		
Income from continuing operations	\$ 1.32	\$ 0.45
Discontinued operations, net	(0.01)	-
	<u>\$ 1.31</u>	<u>\$ 0.45</u>
DILUTED EARNINGS PER COMMON SHARE		
Income from continuing operations	\$ 1.32	\$ 0.45
Discontinued operations, net	(0.01)	-
	<u>\$ 1.31</u>	<u>\$ 0.45</u>
AVERAGE BASIC COMMON SHARES OUTSTANDING		
BASIC	812.1	810.7
DILUTED	<u>813.5</u>	<u>813.3</u>

(a) **Net Income** - Net income and income from continuing operations represent amounts attributable to Common Stock, after deducting non-controlling interest of \$24 million and \$9 million for the first quarter of 2010 and 2009, respectively. Oil and gas segment earnings are presented net of these non-controlling interest amounts.

(b) **Unallocated Corporate Items - Other** - The first quarter of 2009 includes pre-tax charges of \$32 million related to severance and \$15 million for railcar leases.

SUMMARY OF CAPITAL EXPENDITURES AND DD&A EXPENSE

(\$ millions)	First Quarter	
	2010	2009
CAPITAL EXPENDITURES	\$ 848	\$ 1,071
DEPRECIATION, DEPLETION AND AMORTIZATION OF ASSETS	\$ 874	\$ 786

ITEMS AFFECTING COMPARABILITY OF CORE EARNINGS BETWEEN PERIODS

Income / (Expense) (\$ millions)	First Quarter	
	2010	2009
Foreign exchange gains and (losses) *	\$ (5)	\$ 37

* Amounts shown after tax.

SUMMARY OF OPERATING STATISTICS - SALES

	First Quarter	
	2010	2009
NET OIL, GAS AND LIQUIDS SALES PER DAY		
United States		
Crude Oil and Liquids (MBBL)		
California	94	97
Permian	160	166
Midcontinent Gas	17	13
Total	271	276
Natural Gas (MMCF)		
California	295	216
Permian	125	124
Midcontinent Gas	255	280
Total	675	620
Latin America		
Crude Oil (MBBL)		
Argentina	36	45
Colombia	33	41
Total	69	86
Natural Gas (MMCF)		
Argentina	31	33
Bolivia	12	15
Total	43	48
Middle East / North Africa		
Crude Oil and Liquids (MBBL)		
Bahrain	2	-
Dolphin	23	23
Libya	4	6
Oman	56	46
Qatar	74	75
Yemen	33	42
Total	192	192
Natural Gas (MMCF)		
Bahrain	166	-
Dolphin	228	233
Oman	52	53
Total	446	286
Barrels of Oil Equivalent (MBOE)		
Total Sales - MBOE	726	713

SUMMARY OF OPERATING STATISTICS - PRODUCTION

	First Quarter	
	2010	2009
NET OIL, GAS AND LIQUIDS PRODUCTION		
PER DAY		
United States		
Crude Oil and Liquids (MBBL)	271	276
Natural Gas (MMCF)	675	620
Latin America		
Crude Oil (MBBL)		
Argentina	37	39
Colombia	34	42
Total	71	81
Natural Gas (MMCF)		
	43	48
Middle East / North Africa		
Crude Oil and Liquids (MBBL)		
Bahrain	3	-
Dolphin	23	24
Libya	14	9
Oman	57	45
Qatar	75	79
Yemen	35	38
Total	207	195
Natural Gas (MMCF)		
	446	286
Barrels of Oil Equivalent (MBOE)		
Total Worldwide Production - MBOE	743	711

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.

(\$ millions, except per-share amounts)	2010	Diluted EPS	2009	First Quarter Diluted EPS
TOTAL REPORTED EARNINGS	\$ 1,064	\$ 1.31	\$ 368	\$ 0.45
Oil and Gas				
Segment Earnings	\$ 1,819		\$ 545	
Add:				
Rig contract terminations	-		8	
Segment Core Results	<u>1,819</u>		<u>553</u>	
Chemicals				
Segment Earnings	30		169	
Add:				
No significant items affecting earnings	-		-	
Segment Core Results	<u>30</u>		<u>169</u>	
Midstream, Marketing and Other				
Segment Earnings	94		14	
Add:				
No significant items affecting earnings	-		-	
Segment Core Results	<u>94</u>		<u>14</u>	
Total Segment Core Results	<u>1,943</u>		<u>736</u>	
Corporate				
Corporate Results --				
Non Segment *	(879)		(360)	
Add:				
Severance accrual	-		32	
Railcar leases	-		15	
Tax effect of pre-tax adjustments	-		(19)	
Discontinued operations, net **	<u>7</u>		<u>3</u>	
Corporate Core Results - Non Segment	<u>(872)</u>		<u>(329)</u>	
TOTAL CORE RESULTS	<u>\$ 1,071</u>	<u>\$ 1.32</u>	<u>\$ 407</u>	<u>\$ 0.50</u>

* Interest expense, income taxes, G&A expense and other.

** 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 29, 2010.
- 99.2 Full text of speeches given by Dr. Ray R. Irani and 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 29, 2010

/s/ ROY PINECI

Roy Pineci, Vice President, Controller
and Principal Accounting Officer

EXHIBIT INDEX

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For Immediate Release: April 29, 2010

Occidental Petroleum Announces First Quarter 2010 Results

- Q1 2010 income from continuing operations \$1.1 billion (\$1.32 per diluted share)
- 189-percent increase in year-over-year income from continuing operations
- Year-over-year production growth of 4.5 percent to 743,000 BOE per day

LOS ANGELES, April 29, 2010 -- Occidental Petroleum Corporation (NYSE: OXY) announced income from continuing operations of \$1.1 billion (\$1.32 per diluted share) for the first quarter of 2010, compared with \$371 million (\$0.45 per diluted share) for the first quarter of 2009.

In announcing the results, Dr. Ray R. Irani, Chairman and Chief Executive Officer, said, "We continue to see progressive growth in Occidental's quarterly net income into 2010. The first quarter 2010 income from continuing operations of \$1.1 billion was a 189-percent increase over the same period of 2009 and reflects strengthening of worldwide product prices and higher volumes. The first quarter 2010 production was 743,000 BOE per day, a 4.5 percent increase from the first quarter of 2009 despite losing 38,000 BOE per day from the effect of production sharing and similar contracts. The first quarter 2010 results generated cash flow from operating activities of \$2.2 billion. Free cash flow after capital spending and dividends was \$1.1 billion.

"We are looking forward to our May 19 meeting with the financial community in New York City, where we will discuss exciting opportunities for Occidental's future growth."

QUARTERLY RESULTS

Oil and Gas

Oil and gas segment earnings were \$1.8 billion for the first quarter of 2010, compared with \$545 million for the same period in 2009. The increase in the first quarter of 2010 results was due to higher crude oil and natural gas prices and higher volumes.

For the first quarter of 2010, daily oil and gas sales volumes averaged 726,000 barrels of oil equivalent (BOE), compared with 713,000 BOE in the first quarter of 2009. Volumes increased in the Middle East/North Africa and California and were partially

offset by decreases in Latin America. The Middle East/North Africa increase included new production from the Bahrain start-up and increased production from the Mukhaizna field in Oman. Latin America volumes dropped in Argentina due to a labor strike. Production was negatively impacted in the Middle East/North Africa, Long Beach and Colombia due to higher oil prices affecting our production sharing and similar contracts by 38,000 BOE per day. Underlying daily production volumes were 743,000 BOE in the first quarter of 2010 compared to 711,000 BOE in the first quarter of 2009, largely reflecting the Bahrain production.

Oxy's realized price for worldwide crude oil was \$71.88 per barrel for the first quarter of 2010, compared with \$39.29 per barrel for the first quarter of 2009. Domestic realized gas prices rose from \$3.54 per MCF in the first quarter of 2009 to \$5.62 per MCF for the first quarter of 2010.

Chemicals

Chemical segment earnings for the first quarter of 2010 were \$30 million, compared with \$169 million for the same period in 2009. The first quarter 2010 results reflect the continued weakness in the domestic market, particularly in the housing and construction sectors, and the significant margin erosion that was experienced through 2009 that carried into 2010.

Midstream, Marketing and Other

Midstream segment earnings were \$94 million for the first quarter of 2010, compared with \$14 million for the first quarter of 2009. Earnings for the first quarter of 2010 reflect higher margins in the marketing and trading businesses, improved prices in the gas processing business, and higher pipeline income from Dolphin.

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

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risks, such as drilling of unsuccessful wells; not successfully completing any expansions, field development, capital projects, acquisitions, or dispositions; higher-than-expected costs; political risk; 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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chris_stavros@oxy.com
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

(\$ millions, except per-share amounts)	First Quarter	
	2010	2009
SEGMENT NET SALES		
Oil and Gas	\$ 3,646	\$ 2,137
Chemical	956	792
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Income from Continuing Operations (a)	1,071	371
Discontinued operations, net	(7)	(3)
NET INCOME (a)	\$ 1,064	\$ 368
BASIC EARNINGS PER COMMON SHARE		
Income from continuing operations	\$ 1.32	\$ 0.45
Discontinued operations, net	(0.01)	-
	\$ 1.31	\$ 0.45
DILUTED EARNINGS PER COMMON SHARE		
Income from continuing operations	\$ 1.32	\$ 0.45
Discontinued operations, net	(0.01)	-
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AVERAGE BASIC COMMON SHARES OUTSTANDING		
BASIC	812.1	810.7
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(a) **Net Income** - Net income and income from continuing operations represent amounts attributable to Common Stock, after deducting non-controlling interest of \$24 million and \$9 million for the first quarter of 2010 and 2009, respectively. Oil and gas segment earnings are presented net of these non-controlling interest amounts.

(b) **Unallocated Corporate Items - Other** - The first quarter of 2009 includes pre-tax charges of \$32 million related to severance and \$15 million for railcar leases.

SUMMARY OF CAPITAL EXPENDITURES AND DD&A EXPENSE

(\$ millions)	First Quarter	
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CAPITAL EXPENDITURES	\$ 848	\$ 1,071
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	First Quarter	
	2010	2009
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Crude Oil and Liquids (MBBL)		
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Midcontinent Gas	17	13
Total	271	276
Natural Gas (MMCF)		
California	295	216
Permian	125	124
Midcontinent Gas	255	280
Total	675	620
Latin America		
Crude Oil (MBBL)		
Argentina	36	45
Colombia	33	41
Total	69	86
Natural Gas (MMCF)		
Argentina	31	33
Bolivia	12	15
Total	43	48
Middle East / North Africa		
Crude Oil and Liquids (MBBL)		
Bahrain	2	-
Dolphin	23	23
Libya	4	6
Oman	56	46
Qatar	74	75
Yemen	33	42
Total	192	192
Natural Gas (MMCF)		
Bahrain	166	-
Dolphin	228	233
Oman	52	53
Total	446	286
Barrels of Oil Equivalent (MBOE)		
Total Sales - MBOE	726	713

SUMMARY OF OPERATING STATISTICS - PRODUCTION

	First Quarter	
	2010	2009
NET OIL, GAS AND LIQUIDS PRODUCTION		
PER DAY		
United States		
Crude Oil and Liquids (MBBL)	271	276
Natural Gas (MMCF)	675	620
Latin America		
Crude Oil (MBBL)		
Argentina	37	39
Colombia	34	42
Total	71	81
Natural Gas (MMCF)	43	48
Middle East / North Africa		
Crude Oil and Liquids (MBBL)		
Bahrain	3	-
Dolphin	23	24
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Oman	57	45
Qatar	75	79
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Total	207	195
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Barrels of Oil Equivalent (MBOE)		
Total Worldwide Production - MBOE	743	711

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.

(\$ millions, except per-share amounts)	2010	Diluted EPS	2009	First Quarter Diluted EPS
TOTAL REPORTED EARNINGS	\$ 1,064	\$ 1.31	\$ 368	\$ 0.45
Oil and Gas				
Segment Earnings	\$ 1,819		\$ 545	
Add:				
Rig contract terminations	-		8	
Segment Core Results	<u>1,819</u>		<u>553</u>	
Chemicals				
Segment Earnings	30		169	
Add:				
No significant items affecting earnings	-		-	
Segment Core Results	<u>30</u>		<u>169</u>	
Midstream, Marketing and Other				
Segment Earnings	94		14	
Add:				
No significant items affecting earnings	-		-	
Segment Core Results	<u>94</u>		<u>14</u>	
Total Segment Core Results	<u>1,943</u>		<u>736</u>	
Corporate				
Corporate Results --				
Non Segment *	(879)		(360)	
Add:				
Severance accrual	-		32	
Railcar leases	-		15	
Tax effect of pre-tax adjustments	-		(19)	
Discontinued operations, net **	<u>7</u>		<u>3</u>	
Corporate Core Results - Non Segment	<u>(872)</u>		<u>(329)</u>	
TOTAL CORE RESULTS	<u>\$ 1,071</u>	<u>\$ 1.32</u>	<u>\$ 407</u>	<u>\$ 0.50</u>

* Interest expense, income taxes, G&A expense and other.

** Amounts shown after tax.

Occidental Petroleum Corporation

DR. RAY R. IRANI
Chairman and Chief Executive Officer

-Conference Call-
First Quarter 2010 Earnings Announcement

April 29, 2010
Los Angeles, California

Thank you, Chris. Good morning, ladies and gentlemen.

Steve Chazen will provide details on our financial results for the first quarter of 2010 in a moment. But first, I want to give you a brief preview of our meeting with all of you in the financial analyst community in New York on May 19th.

Both Steve and I will present at the meeting, as will our senior executives responsible for: international oil and gas operations; U.S. oil and gas operations; California oil and gas operations; and worldwide exploration.

We will give you details on developments in numerous key areas of our operations which we know are of keen interest to you. Among the areas we will cover:

- We will provide you a multi-year production outlook and build-up from our asset base which will provide considerable detail about the continued growth of the company.
- We will outline significant and exciting new opportunities in California – including both conventional and unconventional prospects in the State.

- We will present details on our continuing growth and success in Oxy's existing Middle East production and insight into new project potential.
- We will provide you our anticipated capital spending program over the next five years.

My colleagues and I look forward to meeting with you in three weeks to give you a thorough presentation on these and the numerous other outstanding growth areas at Oxy.

I'll now turn the call over to Steve Chazen for the details on our first quarter performance.

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Occidental Petroleum Corporation

STEPHEN CHAZEN
President and Chief Financial Officer

– Conference Call –
First Quarter 2010 Earnings Announcement

April 29, 2010
Los Angeles, California

Thank you Ray.

Net income was \$1.1 billion or \$1.31 per diluted share in the first quarter of 2010, compared to \$368 million or \$0.45 per diluted share in the first quarter of 2009. The first quarter 2010 income from continuing operations and core income were \$1.32 per diluted share. The 2009 first quarter core income was \$0.50 per diluted share.

For comparability purposes, all of our prior period volumes, as well as volume based statistics, such as operating costs per barrel, are being stated on a pretax basis as we previously discussed with you. See the Investor Relations Supplemental Schedules for the previous 5-year and the 2009 quarterly sales volumes presented on a pretax basis.

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

Oil and gas first quarter 2010 core earnings were \$1.8 billion, compared to \$553 million for the first quarter of 2009. The improvement in 2010 was driven by significantly higher commodity prices and higher volumes. Realized crude oil prices increased 83 percent in 2010 and

domestic natural gas prices improved 59 percent from the first quarter of 2009. Partially offsetting these gains were higher operating expenses, largely resulting from fully expensing CO₂ costs in 2010, higher DD&A rates and the effects of foreign exchange. Year-over-year production was negatively impacted by 38,000 BOE per day in the Middle East/North Africa, Long Beach and Colombia, as a result of higher oil prices affecting our production sharing and similar contracts.

Oil and gas first quarter 2010 core earnings of \$1.8 billion, was essentially the same as the fourth quarter of 2009.

- Compared to the fourth quarter of 2009, the 2010 first quarter earnings reflected higher crude oil and natural gas prices partially offset by increased DD&A rates, the effect of fully expensing CO₂ costs in 2010, lower total volumes resulting from two fewer days in the first quarter 2010 and the timing of liftings I will discuss shortly. Occidental's average realized crude oil price in the 2010 first quarter was \$71.88 per barrel, an increase of about 3 ½ percent from the \$69.39 per barrel in the fourth quarter of 2009. Oxy's domestic average realized gas price for the quarter was \$5.62 per mcf, compared with \$4.37 per mcf for the fourth quarter of 2009.
- Worldwide oil and gas production for the first quarter of 2010 was 743,000 barrels of oil equivalent per day, an increase of over 3 ½ percent, compared with 717,000 BOE per day in the fourth quarter of last year.
 - Daily volumes increased in Bahrain by 2,000 barrels of oil and 126 million cubic feet of gas. Our domestic operations added 5,000 BOE largely in the Kern County discovery area.

- Partially offsetting these increases were 5,000 BOE per day of lower volumes resulting from the Dolphin gas plant maintenance, which shut-in 50% of the production for approximately two weeks.
- Sales volumes for the first quarter of 2010 were 726,000 BOE per day, compared with 722,000 BOE per day in the fourth quarter of last year. Sales volumes were lower than the production volumes I just mentioned due to the timing of liftings of 13,000 BOE per day in the Middle East/North Africa and Latin America, of which 11,000 BOE per day were in Libya. See the Investor Relations Supplemental Schedules for net sales volumes per day and net production volumes per day by asset.
- Exploration expense was \$56 million in the quarter.
- Oil and gas cash production costs, excluding production and property taxes, were \$10.05 a barrel for the first quarter of 2010, compared to last year's twelve-month costs of \$9.37 a barrel. The increase reflects \$0.32 a barrel higher CO₂ costs, due to our decision to expense 100% of CO₂ injected beginning in 2010, and higher field support operations and maintenance costs.
- Taxes – other than on income were \$1.82 per barrel for the first quarter of 2010 compared to \$1.60 per barrel for all of 2009. These costs, which are sensitive to product prices, reflect the effect of higher crude oil and gas prices in 2010.
- As a result of the factors discussed above, the first quarter of 2010, compared to the fourth quarter of 2009 benefitted by \$174 million from higher prices, \$43 million lower exploration expense and \$62 million of lower cash operating costs and G&A expense. These

gains were offset by the effect of lower liftings of \$102 million, the effect of two fewer sales days of \$77 million, higher DD&A rates of \$69 million and higher CO₂ costs of \$25 million.

Chemical segment earnings for the first quarter of 2010 were \$30 million, compared with \$33 million for the fourth quarter of 2009. The first quarter 2010 results reflect the continued weakness in the domestic market, particularly in the housing and construction sectors, and the significant margin erosion that was experienced through 2009 that carried into the first quarter of 2010.

Midstream segment earnings for the first quarter of 2010 were \$94 million, compared to \$81 million in the fourth quarter of 2009. The increase in earnings was due to improved margins in the marketing and trading business, partially offset by lower pipeline income from Dolphin resulting from the two-week partial shutdown of the gas plant for maintenance. Phibro's earnings for the first quarter of 2010 were not significant.

The worldwide effective tax rate was 41 percent for the first quarter of 2010.

Capital spending for the first quarter of 2010 was about \$850 million. Capital expenditures by segment were 80 percent in Oil and Gas, 15 percent in Midstream with the remainder in Chemicals. The spending run rate will increase through the year as we ramp up in California, Bahrain and Iraq. Our total year forecast has been increased by \$200 million to \$4.5 billion.

Cash flow from operations for the first quarter of 2010 was \$2.2 billion. We used \$850 million of the company's cash flow to fund capital expenditures, \$250 million on acquisitions and \$50 million on foreign contract commitments. These items amounted to \$1.2 billion of cash use. We expect property acquisition activity to continue during this quarter. We

also used \$270 million to pay dividends and \$225 million to retire debt. These and other net cash flows increased our \$1.2 billion cash balance at the end of last year by \$700 million to \$1.9 billion at March 31. First quarter free cash flow after capital spending and dividends but before acquisition activity and debt retirements was about \$1.1 billion.

The weighted average basic shares outstanding for the three months of 2010 were 812.1 million and the weighted average diluted shares outstanding were 813.5 million.

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

- We expect oil and gas sales volumes to be in the range of 750,000 to 760,000 BOE/day at about current oil prices, with production slightly above these levels.
- Production volume increases in the second quarter are expected to come from the following sources:
 - Domestically, the Kern County discovery area is expected to show modest improvement during the second quarter. The production continues to be constrained by a lack of additional processing capacity. More significant increases are expected to occur late in the second quarter, when we add the skid mounted gas processing facilities. We are continuing with drilling and have completed a number of wells. We have sufficient completed wells to fill the entire capacity of the skid mounted processing facilities. Our oil production is also constrained by the lack of gas processing capacity, since these wells also produce natural gas.
 - The Midcontinent Gas region where we are currently drilling shallow oil wells is also expected to show production growth.

- In the Middle East, increases are expected in the Oman Mukhaizna field and in Dolphin where the first quarter plant maintenance down-time is not expected to repeat.
- In Latin America, assuming no labor related stoppages, increases are expected in Argentina, where the current run rate is about 2,000 BOE per day higher than the first quarter, which was negatively affected by a short strike. The Argentine provincial legislature passed enabling legislation in the first quarter that will allow a 10-year extension for hydrocarbon concessions. We are now negotiating the specific contract terms of a 10-year extension of our concession.

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. The average first quarter WTI oil price was \$78.71 per barrel.
- A swing of 50-cents per million BTUs in domestic gas prices has a \$31 million impact on quarterly earnings before income taxes. The current NYMEX gas price is around \$4.00 per MCF.

Additionally –

- We expect exploration expense to be about \$80 million for seismic and drilling for our exploration programs.
- For the chemical segment, demand for caustic soda and vinyls is expected to continue to improve in both the United States and the international markets. Improving caustic soda pricing and low natural gas prices will contribute to margin improvement. The

chemical segment is expected to provide about \$80 million of earnings in the second quarter.

- We expect our combined worldwide tax rate in the second quarter of 2010 to be about 42 percent depending on the split between domestic and foreign sourced income. Our first quarter U.S. and foreign tax rates are included in the “Investor Relations Supplemental Schedule.”
- 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.

We will provide additional details at the May 19 meeting with the financial community in New York City. We request that you limit your questions today specifically to the quarter results as opposed to strategic matters such as Iraq, Bahrain, and California operations, which will be discussed in detail at the meeting.

Investor Relations Supplemental Schedules



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

	<u>1Q 2010</u>	<u>1Q 2009</u>
Reported Net Income	\$1,064	\$368
EPS - Diluted	\$1.31	\$0.45
Core Results	\$1,071	\$407
EPS - Diluted	\$1.32	\$0.50
Total Worldwide Sales Volumes (mboe/day)	726	713
Total Worldwide Crude Oil Realizations (\$/BBL)	\$71.88	\$39.29
Domestic Natural Gas Realizations (\$/MCF)	\$5.62	\$3.54
Wtd. Average Basic Shares O/S (mm)	812.1	810.7
Wtd. Average Diluted Shares O/S (mm)	813.5	813.3
Shares Outstanding (mm)	812.2	810.6
Cash Flow from Operations	\$ 2,200	\$ 800



OCCIDENTAL PETROLEUM
2010 First Quarter
Net Income (Loss)
(\$ millions)

	Reported Income	Significant Items Affecting Income	Core Results
Oil & Gas	\$ 1,819		\$ 1,819
Chemical	30		30
Midstream, marketing and other	94		94
Corporate			
Interest expense, net	(36)		(36)
Other	(107)		(107)
Taxes	(729)		(729)
Income from continuing operations	1,071	-	1,071
Discontinued operations, net of tax	(7)	7	-
Net Income	\$ 1,064	\$ 7	\$ 1,071
Basic Earnings Per Common Share			
Income from continuing operations	\$ 1.32		
Discontinued operations, net	(0.01)		
Net Income	\$ 1.31		\$ 1.32
Diluted Earnings Per Common Share			
Income from continuing operations	\$ 1.32		
Discontinued operations, net	(0.01)		
Net Income	\$ 1.31		\$ 1.32



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

	Reported Income	Significant Items Affecting Income		Core Results
Oil & Gas	\$ 545	8	Rig contract terminations	\$ 553
Chemical	169			169
Midstream, marketing and other	14			14
Corporate				
Interest expense, net	(20)			(20)
Other	(96)	32 15	Severance 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
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	
	2010	2009
Foreign Exchange Gains & (Losses) *	(5)	37

*Amounts shown after-tax



OCCIDENTAL PETROLEUM
Worldwide Effective Tax Rate

	QUARTERLY		
	2010 QTR 1	2009 QTR 4	2009 QTR 1
REPORTED INCOME			
Oil & Gas	1,819	1,643	545
Chemicals	30	33	169
Midstream, marketing and other	94	81	14
Corporate & other	(143)	(141)	(116)
Pre-tax income	<u>1,800</u>	<u>1,616</u>	<u>612</u>
Income tax expense			
Federal and state	307	338	12
Foreign	422	335	229
Total	<u>729</u>	<u>673</u>	<u>241</u>
Income from continuing operations	<u>1,071</u>	<u>943</u>	<u>371</u>
Worldwide effective tax rate	41%	42%	39%
	2010	2009	2009
	QTR 1	QTR 4	QTR 1
CORE RESULTS			
Oil & Gas	1,819	1,813	553
Chemicals	30	33	169
Midstream, marketing and other	94	81	14
Corporate & other	(143)	(141)	(69)
Pre-tax income	<u>1,800</u>	<u>1,786</u>	<u>667</u>
Income tax expense			
Federal and state	307	338	31
Foreign	422	390	229
Total	<u>729</u>	<u>728</u>	<u>260</u>
Core results	<u>1,071</u>	<u>1,058</u>	<u>407</u>
Worldwide effective tax rate	41%	41%	39%

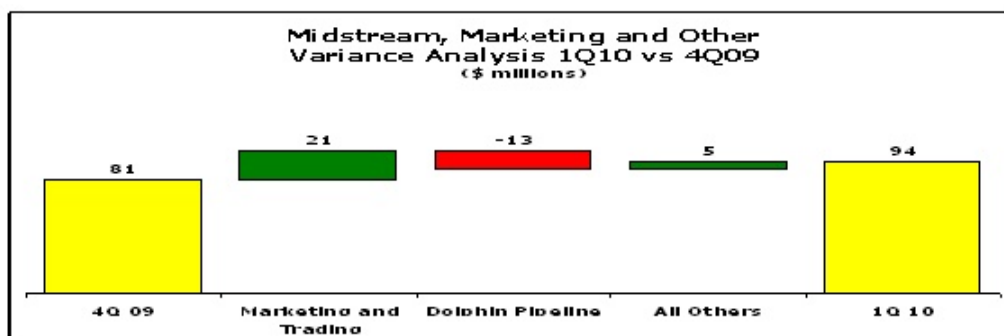
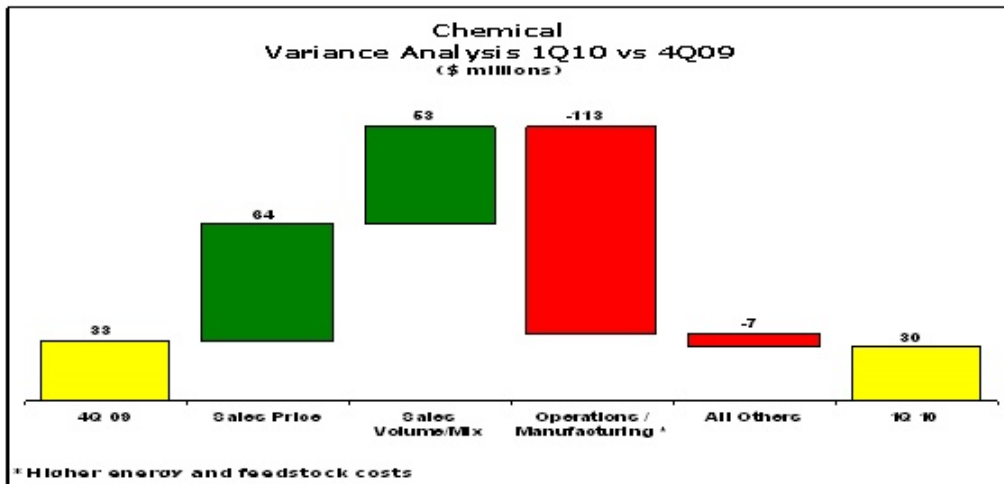
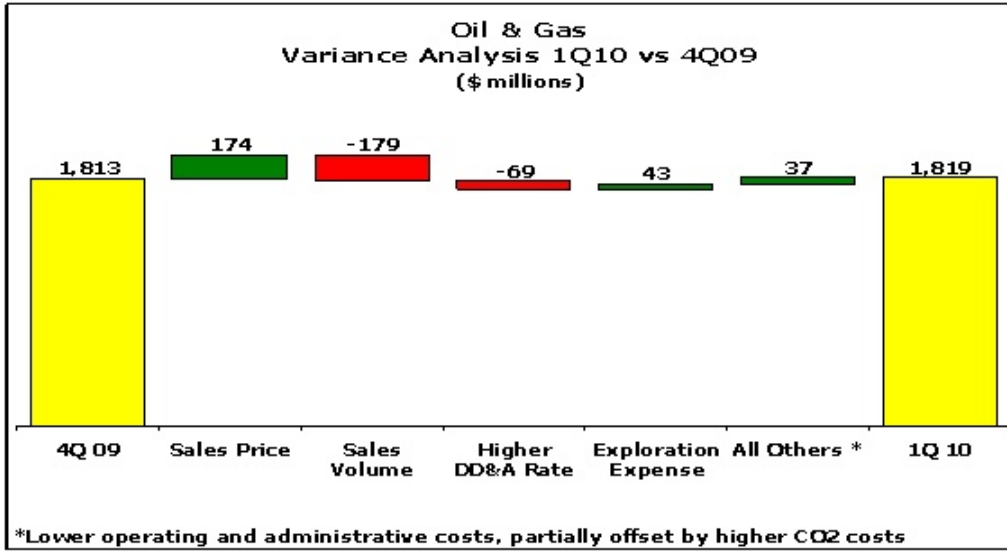


OCCIDENTAL PETROLEUM
2010 First Quarter Net Income (Loss)
Reported Income Comparison

	First Quarter 2010	Fourth Quarter 2009	B / (W)
Oil & Gas	\$ 1,819	\$ 1,643	\$ 176
Chemical	30	33	(3)
Midstream, marketing and other	94	81	13
Corporate			
Interest expense, net	(36)	(33)	(3)
Other	(107)	(108)	1
Taxes	(729)	(673)	(56)
Income from continuing operations	1,071	943	128
Discontinued operations, net	(7)	(5)	(2)
Net Income	<u>\$ 1,064</u>	<u>\$ 938</u>	<u>\$ 126</u>
Earnings Per Common Share			
Basic	\$ 1.31	\$ 1.15	\$ 0.16
Diluted	\$ 1.31	\$ 1.15	\$ 0.16
Worldwide Effective Tax Rate	<u>41%</u>	<u>42%</u>	<u>1%</u>

OCCIDENTAL PETROLEUM
2010 First Quarter Net Income (Loss)
Core Results Comparison

	First Quarter 2010	Fourth Quarter 2009	B / (W)
Oil & Gas	\$ 1,819	\$ 1,813	\$ 6
Chemical	30	33	(3)
Midstream, marketing and other	94	81	13
Corporate			
Interest expense, net	(36)	(33)	(3)
Other	(107)	(108)	1
Taxes	(729)	(728)	(1)
Core Results	<u>\$ 1,071</u>	<u>\$ 1,058</u>	<u>\$ 13</u>
Core Results Per Common Share			
Basic	\$ 1.32	\$ 1.30	\$ 0.02
Diluted	\$ 1.32	\$ 1.30	\$ 0.02
Worldwide Effective Tax Rate	<u>41%</u>	<u>41%</u>	<u>0%</u>



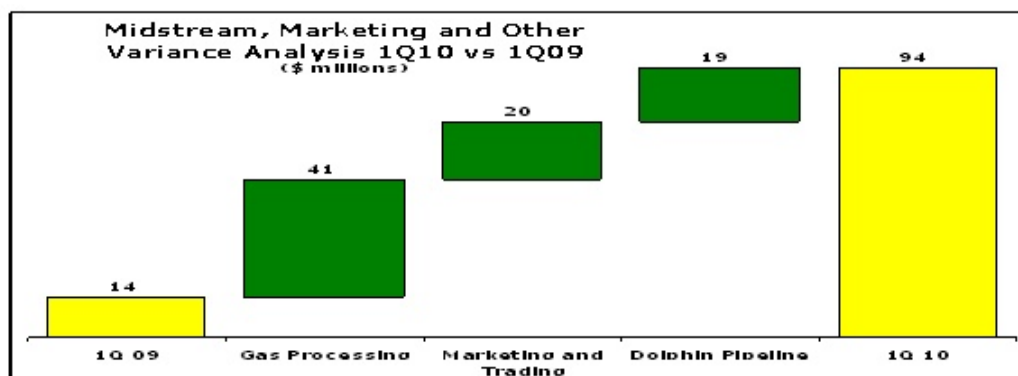
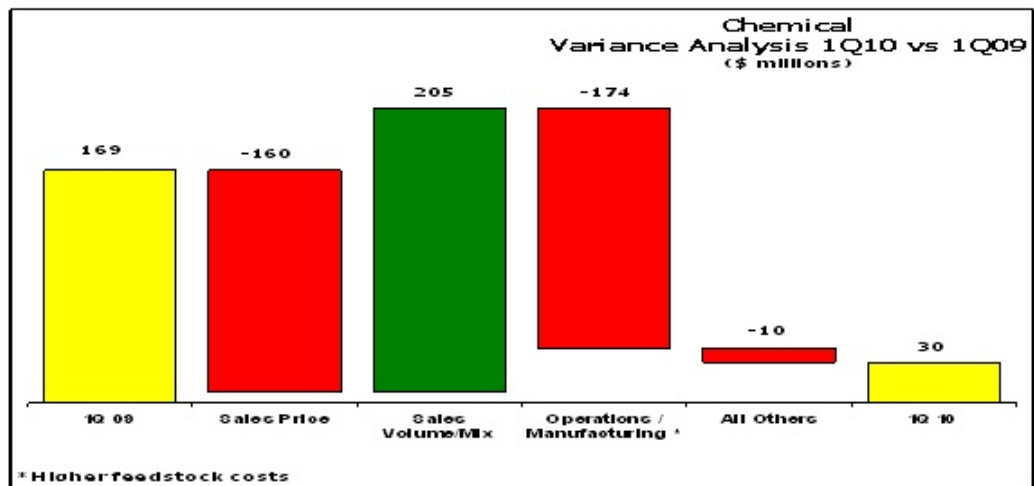
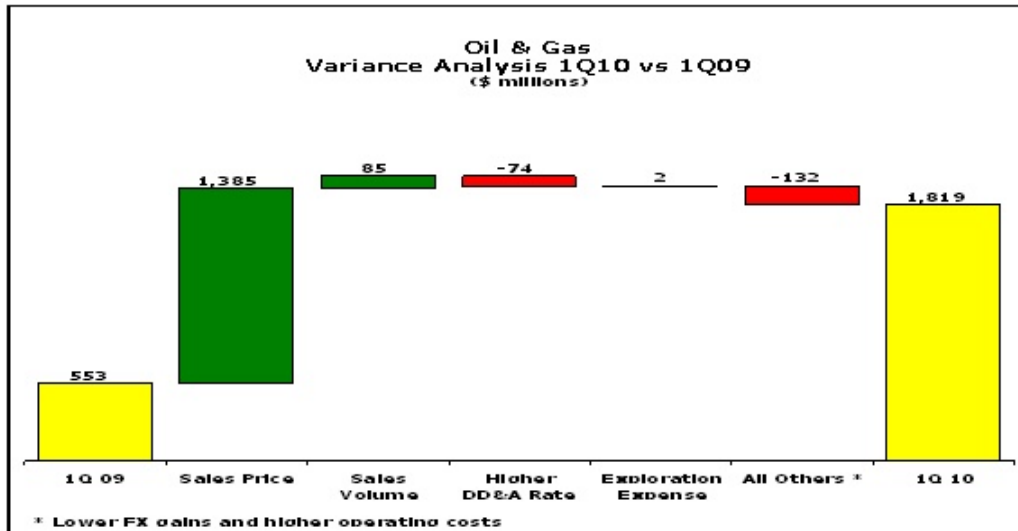


OCCIDENTAL PETROLEUM
2010 First Quarter Net Income (Loss)
Reported Income Comparison

	First Quarter 2010	First Quarter 2009	B / (W)
Oil & Gas	\$ 1,819	\$ 545	\$ 1,274
Chemical	30	169	(139)
Midstream, marketing and other	94	14	80
Corporate			
Interest expense, net	(36)	(20)	(16)
Other	(107)	(96)	(11)
Taxes	(729)	(241)	(488)
Income from continuing operations	1,071	371	700
Discontinued operations, net	(7)	(3)	(4)
Net Income	<u>\$ 1,064</u>	<u>\$ 368</u>	<u>\$ 696</u>
Earnings Per Common Share			
Basic	\$ 1.31	\$ 0.45	\$ 0.86
Diluted	\$ 1.31	\$ 0.45	\$ 0.86
Worldwide Effective Tax Rate	<u>41%</u>	<u>39%</u>	<u>-2%</u>

OCCIDENTAL PETROLEUM
2010 First Quarter Net Income (Loss)
Core Results Comparison

	First Quarter 2010	First Quarter 2009	B / (W)
Oil & Gas	\$ 1,819	\$ 553	\$ 1,266
Chemical	30	169	(139)
Midstream, marketing and other	94	14	80
Corporate			
Interest expense, net	(36)	(20)	(16)
Other	(107)	(49)	(58)
Taxes	(729)	(260)	(469)
Core Results	<u>\$ 1,071</u>	<u>\$ 407</u>	<u>\$ 664</u>
Core Results Per Common Share			
Basic	\$ 1.32	\$ 0.50	\$ 0.82
Diluted	\$ 1.32	\$ 0.50	\$ 0.82
Worldwide Effective Tax Rate	<u>41%</u>	<u>39%</u>	<u>-2%</u>





**OCCIDENTAL PETROLEUM
SUMMARY OF OPERATING STATISTICS**

	First Quarter	
	2010	2009
NET SALES VOLUMES PER DAY:		
United States		
Crude Oil and Liquids (MBBL)		
California	94	97
Permian	160	166
Midcontinent Gas	17	13
Total	271	276
Natural Gas (MMCF)		
California	295	216
Permian	125	124
Midcontinent Gas	255	280
Total	675	620
Latin America		
Crude Oil (MBBL)		
Argentina	36	45
Colombia	33	41
Total	69	86
Natural Gas (MMCF)		
Argentina	31	33
Bolivia	12	15
Total	43	48
Middle East / North Africa		
Crude Oil and Liquids (MBBL)		
Bahrain	2	-
Dolphin	23	23
Libya	4	6
Oman	56	46
Qatar	74	75
Yemen	33	42
Total	192	192
Natural Gas (MMCF)		
Bahrain	166	-
Dolphin	228	233
Oman	52	53
Total	446	286
Barrels of Oil Equivalent (MBOE)	726	713



OCCIDENTAL PETROLEUM
SUMMARY OF OPERATING STATISTICS

	First Quarter	
	2010	2009
NET PRODUCTION PER DAY:		
United States		
Crude Oil and Liquids (MBBL)	271	276
Natural Gas (MMCF)	675	620
Latin America		
Crude Oil (MBBL)		
	Argentina	37
	Colombia	34
	Total	71
	Natural Gas (MMCF)	43
Middle East / North Africa		
Crude Oil and Liquids (MBBL)		
	Bahrain	3
	Dolphin	23
	Libya	14
	Oman	57
	Qatar	75
	Yemen	35
	Total	207
	Natural Gas (MMCF)	446
	Barrels of Oil Equivalent (MBOE)	743
	2009	711



**OCCIDENTAL PETROLEUM
SUMMARY OF OPERATING STATISTICS**

	First Quarter	
	2010	2009
<u>OIL & GAS:</u>		
PRICES		
United States		
Crude Oil (\$/BBL)	73.08	37.66
Natural gas (\$/MCF)	5.62	3.54
Latin America		
Crude Oil (\$/BBL)	61.00	39.59
Natural Gas (\$/MCF)	3.34	3.50
Middle East / North Africa		
Crude Oil (\$/BBL)	74.96	41.55
Total Worldwide		
Crude Oil (\$/BBL)	71.88	39.29
Natural Gas (\$/MCF)	3.69	2.90
Exploration Expense		
United States	\$ 30	\$ 27
Latin America	1	2
Middle East / North Africa	25	29
TOTAL REPORTED	\$ 56	\$ 58



**OCCIDENTAL PETROLEUM
SUMMARY OF OPERATING STATISTICS**

Capital Expenditures (\$MM)	First Quarter	
	2010	2009
Oil & Gas		
California	\$ 149	\$ 156
Permian	73	189
Midcontinent Gas	37	56
Latin America	103	190
Middle East / North Africa	263	272
Exploration	57	48
Chemicals	30	31
Midstream, marketing and other	124	122
Corporate	12	7
TOTAL	\$ 848	\$ 1,071

Depreciation, Depletion & Amortization of Assets (\$MM)	First Quarter	
	2010	2009
Oil & Gas		
Domestic	\$ 351	\$ 311
Latin America	142	168
Middle East / North Africa	259	208
Chemicals	80	71
Midstream, marketing and other	37	23
Corporate	5	5
TOTAL	\$ 874	\$ 786



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

	31-Mar-10	31-Dec-09
CAPITALIZATION		
Long-Term Debt (including current maturities)	\$ 2,569	\$ 2,796
Others	25	25
Total Debt	\$ 2,594	\$ 2,821
EQUITY		
Total Debt To Total Capitalization	8%	9%



**OCCIDENTAL PETROLEUM
SUMMARY OF OPERATING STATISTICS**

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
SALES VOLUMES PER DAY:					
United States					
Crude Oil and Liquids (MBBL)					
California	76	86	89	89	93
Permian	158	161	163	164	164
Midcontinent Gas	6	9	8	10	14
Total	240	256	260	263	271
Natural Gas (MMCF)					
California	242	256	254	235	250
Permian	111	117	112	116	125
Midcontinent Gas	192	215	227	236	260
Total	545	588	593	587	635
Latin America					
Crude Oil (MBBL)					
Argentina	-	33	32	32	37
Colombia	32	33	37	37	39
Total	32	66	69	69	76
Natural Gas (MMCF)					
Argentina	-	17	22	21	30
Bolivia	-	17	18	21	16
Total	-	34	40	42	46
Middle East / North Africa					
Crude Oil and Liquids (MBBL)					
Oman	27	28	31	34	50
Dolphin	-	-	5	26	25
Qatar	71	73	81	80	79
Yemen	39	40	37	32	35
Libya	8	23	22	19	12
Bahrain	-	-	-	-	-
Total	145	164	176	191	201
Natural Gas (MMCF)					
Oman	70	67	67	53	49
Dolphin	-	-	67	231	257
Bahrain	-	-	-	-	10
Total	70	67	134	284	316
Barrels of Oil Equivalent (MBOE)	519	601	633	675	714

*This schedule reflects what production volumes would have been for the prior 5 years if all production had been represented on a pre-tax basis and Permian gas properties as part of Midcontinent Gas



**OCCIDENTAL PETROLEUM
SUMMARY OF OPERATING STATISTICS**

SALES VOLUMES PER DAY:		2009				Total
		Qtr 1	Qtr 2	Qtr 3	Qtr 4	
United States						
Crude Oil and Liquids (MBBL)						
	California	97	90	92	92	93
	Permian	166	163	162	164	164
	Midcontinent Gas	13	14	15	15	14
	Total	276	267	269	271	271
Natural Gas (MMCF)						
	California	216	232	269	282	250
	Permian	124	124	133	122	125
	Midcontinent Gas	280	265	251	241	260
	Total	620	621	653	645	635
Latin America						
Crude Oil (MBBL)						
	Argentina	45	37	30	37	37
	Colombia	41	42	39	36	39
	Total	86	79	69	73	76
Natural Gas (MMCF)						
	Argentina	33	30	27	30	30
	Bolivia	15	19	18	12	16
	Total	48	49	45	42	46
Middle East/North Africa						
Crude Oil and Liquids (MBBL)						
	Oman	46	49	50	54	50
	Dolphin	23	29	26	26	25
	Qatar	75	82	77	80	79
	Yemen	42	32	34	32	35
	Libya	6	14	9	15	12
	Bahrain	-	-	-	1	-
	Total	192	206	196	208	201
Natural Gas (MMCF)						
	Oman	53	50	48	42	49
	Dolphin	233	282	258	256	257
	Bahrain	-	-	-	40	10
	Total	286	332	306	338	316
Barrels of Oil Equivalent (MBOE)		713	719	702	722	714

*This schedule reflects what production volumes would have been for the 4 quarters of 2009 if all production had been represented on a pre-tax basis and Permian gas properties as part of Midcontinent Gas



First Quarter 2010 Earnings Conference Call

April 29, 2010

Oxy



- *Core Results - \$1.1 Billion vs. \$407 Million in 1Q09*
 - *Core EPS \$1.32 (diluted) vs. \$0.50 in 1Q09.*
- Net Income - \$1.1 Billion vs. \$368 Million in 1Q09
 - EPS \$1.31 (diluted) vs. \$0.45 in 1Q09.
 - For comparability purposes, all prior period volumes, and volume based statistics, such as operating costs per barrel, are being stated on a pretax basis as we previously discussed.

First Quarter 2010 Earnings - Oil & Gas Segment Variance Analysis - 1Q10 vs. 1Q09



- **Core Results for 1Q10 of \$1.819 B vs. \$553 mm in 1Q09**
 - Results reflect significantly higher commodity prices and higher volumes, partially offset by fully expensing CO₂ costs in 2010, and higher DD&A rates.



First Quarter 2010 Earnings - Oil & Gas Segment Variance Analysis - 1Q10 vs. 4Q09



- **Core Results for 1Q10 of \$1.819 B vs. \$1.813 B in 4Q09**
 - Similar sequential results reflect higher oil and natural gas prices, partially offset by increased DD&A rates, the effect of fully expensing CO₂, and lower total volumes.



*All Others include: Lower operating and administrative costs, partially offset by higher CO₂ costs.

First Quarter 2010 Earnings - Oil & Gas Segment



	<u>1Q10</u>	<u>4Q09</u>
Reported Segment Earnings (\$ mm)	\$1,819	\$1,643
WTI Oil Price (\$/bbl)	\$78.71	\$76.19
NYMEX Gas Price (\$/mcf)	\$5.39	\$4.29

Oxy's Realized Prices

<i>Worldwide Oil (\$/bbl)</i>	<i>\$71.88</i>	<i>\$69.39</i>
<i>US Natural Gas (\$/mcf)</i>	<i>\$5.62</i>	<i>\$4.37</i>

First Quarter 2010 Earnings - Oil & Gas Segment Variance Analysis - 1Q10 vs. 4Q09



- | | <u>1Q10</u> | <u>4Q09</u> |
|--|-------------|-------------|
| • Oil and Gas Production Volumes (mboe/d) | 743 | 717 |
| – <i>sequential increase of over 3.5%.</i> | | |
| • Sequential production volume increase includes: | | |
| – In Bahrain, daily volume increases of 2,000 bbl of oil and 126 mmcf of gas; | | |
| – Domestic operations + 5 mboe/d largely in the Kern County discovery area; | | |
| – Partially offsetting these increases were 5 mboe/d of lower volumes resulting from the Dolphin gas plant maintenance, which shut-in 50% of the production for approximately two weeks. | | |

First Quarter 2010 Earnings - Oil & Gas Segment Variance Analysis - 1Q10 vs. 4Q09



	<u>1Q10</u>	<u>4Q09</u>
• Oil and Gas Sales Volumes (mboe/d)	726	722
• Sales volumes were lower than the production volumes due to the timing of liftings of 13 mboe/d in the Middle East/North Africa and Latin America, of which 11 mboe/d were in Libya.		
• Exploration expense was \$56 million in 1Q10.		
• Oil and gas cash production costs, excluding production and property taxes, were \$10.05 a boe for 1Q10, compared to last year's twelve-month costs of \$9.37 a boe. The increase reflects \$0.32 a boe higher CO ₂ costs, due to our decision to expense 100% of CO ₂ injected beginning in 2010, and higher field support operations and maintenance costs.		
• Taxes - other than on income were \$1.82 per boe for 1Q10 compared to \$1.60 per boe for all of 2009. These costs, which are sensitive to product prices, reflect the effect of higher crude oil and gas prices in 2010.		

First Quarter 2010 Earnings - Oil & Gas Segment Variance Analysis - 1Q10 vs. 4Q09

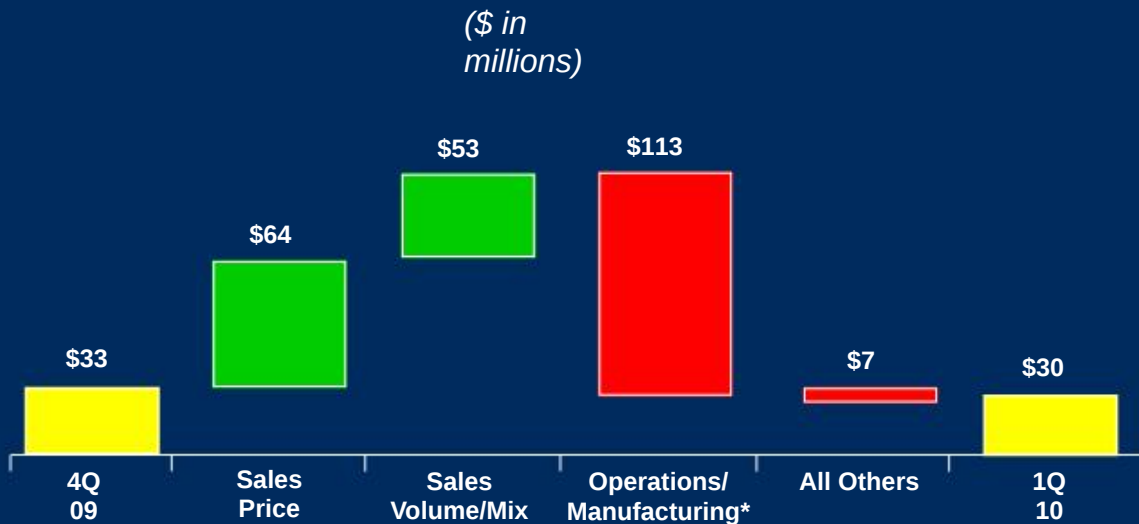


- As a result of the factors discussed above, 1Q10, compared to 4Q09 benefitted by:
 - \$174 million from higher prices;
 - \$43 million lower exploration expense and,
 - \$62 million of lower cash operating costs and G&A expense.
- These gains were offset by:
 - the effect of lower liftings of \$102 million;
 - the effect of two fewer sales days of \$77 million;
 - higher DD&A rates of \$69 million and,
 - higher CO₂ costs of \$25 million.

First Quarter 2010 Earnings - Chemical Segment Variance Analysis - 1Q10 vs. 4Q09



- **Core Results for 1Q10 of \$30 mm vs. \$33 mm in 4Q09**
 - Reflects the continued weakness in domestic markets, particularly in the housing and construction sectors, and the significant margin erosion that was experienced through 2009 that carried into 1Q10.



*Higher energy and feedstock costs.

First Quarter 2010 Earnings - Midstream Segment Variance Analysis - 1Q10 vs. 4Q09



- **Core Results for 1Q10 of \$94 mm vs. \$81 mm in 4Q09**
 - Increase in earnings was due to improved margins in the marketing and trading business, partially offset by lower pipeline income from Dolphin from the two-week partial shutdown of the gas plant for maintenance.
 - Phibro's earnings for 1Q10 were not significant.

(\$ in millions)



First Quarter 2010 Earnings - Capital Spending

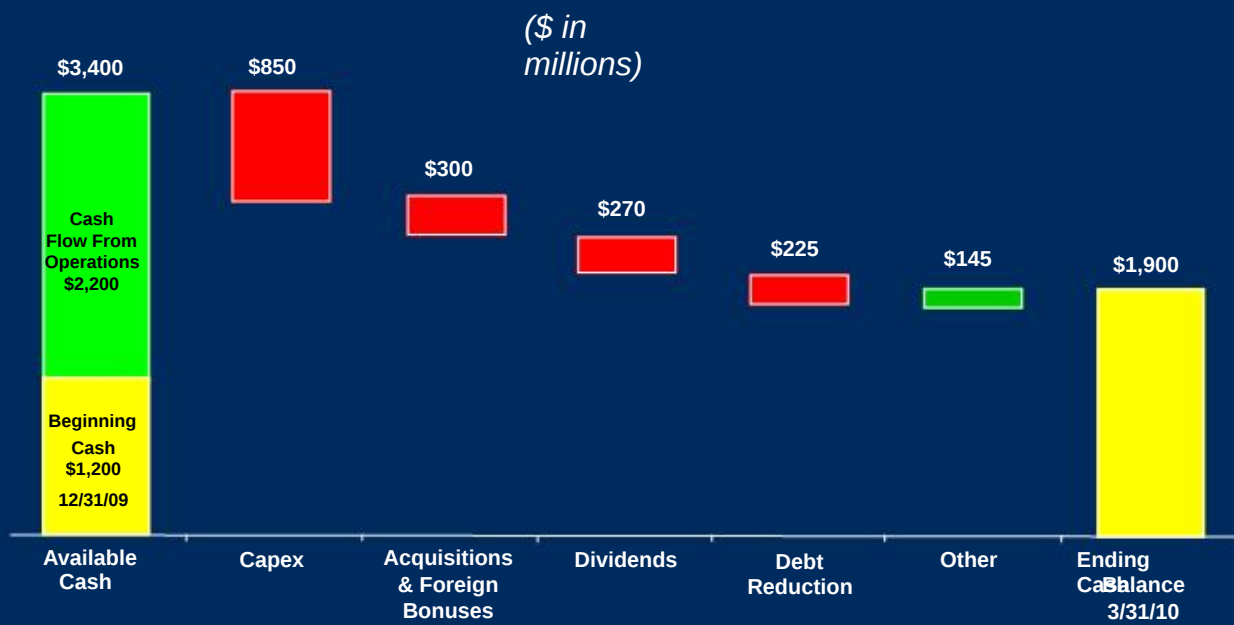


- Capital spending for the first quarter of 2010 was about \$850 million.
 - Capital expenditures by segment were 80 percent in Oil and Gas, 15 percent in Midstream with the remainder in Chemicals.
 - The spending run rate will increase through the year as we ramp up in California, Bahrain and Iraq.
 - Our total year forecast for capital spending has been increased by \$200 million to \$4.5 billion.

First Quarter 2010 Earnings - 2010 YTD Cash Flow



– Free Cash Flow for 1Q10 after capex and dividends but before acquisitions and debt reduction was about \$1.1 billion.



First Quarter 2010 Earnings - Shares Outstanding and Debt



Shares Outstanding (mm)	<u>1Q10</u>	<u>3/31/10</u>
Weighted Average Basic	812.1	
Weighted Average Diluted	813.5	
Basic Shares Outstanding		812.2
Diluted Shares Outstanding		813.6
	<u>3/31/10</u>	<u>12/31/09</u>
Debt/Capital	8%	9%

First Quarter 2010 Earnings - Oil and Gas Production - 2Q10 Outlook



- We expect oil and gas sales volumes to be in the range of 750 to 760 mboe/d at about current oil prices, with production slightly above these levels.
- Production volume increases in 2Q10 are expected from the following sources:
 - Domestically, the Kern County discovery area is expected to show modest improvement during 2Q10.
 - The production continues to be constrained by a lack of additional processing capacity.
 - More significant increases are expected late in 2Q10, when we add the skid mounted gas processing facilities.
 - We are continuing with drilling and have completed a number of wells.
 - We have sufficient completed wells to fill the entire capacity of the skid mounted processing facilities.
 - Our oil production is also constrained by the lack of gas processing capacity, since these wells also produce natural gas.
 - The Midcontinent Gas region where we are currently drilling shallow oil wells is also expected to show production growth.

First Quarter 2010 Earnings - Oil and Gas Production - 2Q10 Outlook



- In the Middle East, increases are expected in the Oman Mukhaizna field and in Dolphin where the plant maintenance down-time in 1Q10 is not expected to repeat.
- In Latin America, assuming no labor related stoppages, increases are expected in Argentina, where the current run rate is about 2 mboe/d higher than 1Q10, which was negatively affected by a short strike.
 - The Argentine provincial legislature passed enabling legislation in the first quarter that will allow a 10-year extension for hydrocarbon concessions.
 - We are now negotiating the specific contract terms of a 10-year extension of our concession.

First Quarter 2010 Earnings - 2Q10 Outlook



- 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 swing of \$0.50 per mm BTU in domestic gas prices has a \$31 mm impact on quarterly pretax income; the current NYMEX gas price is around \$4 p/mcf.
- We expect 2Q10 exploration expense to be about \$80 mm for seismic and drilling for our exploration programs.

First Quarter 2010 Earnings - 2Q10 Outlook



- For the Chemical segment:
 - Demand for caustic soda and vinyls is expected to continue to improve in both the US and the international markets.
 - Improving caustic soda pricing and low natural gas prices will contribute to margin improvement.
 - The Chemical segment is expected to provide about \$80 mm of earnings in 2Q10.
- We expect our combined worldwide tax rate in 2Q10 to be about 42 percent depending on the split between domestic and foreign sourced income.



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; operational interruptions; changes in tax rates; exploration risks, such as drilling of unsuccessful wells; and commodity trading risks. 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.