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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) JANUARY 24, 2005

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.)
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10889 WILSHIRE BOULEVARD LOS ANGELES, CALIFORNIA (Address of principal executive offices)	90024 (ZIP code)
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Registrant's telephone number, including area code:
(310) 208-8800

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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 January 24, 2005, Occidental Petroleum Corporation released information regarding its results of operations for the fiscal period ended December 31, 2004. 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.

SECTION 8 - OTHER EVENTS

Item 8.01. Other Events

On January 24, 2005, Occidental Petroleum Corporation announced net income for the fourth quarter 2004 of \$665 million (\$1.67 per share), compared with \$382 million (\$0.99 per share) for the fourth quarter 2003. On January 5, 2005, Occidental issued a press release announcing that the comparability of fourth quarter 2004 earnings to prior quarters would be affected by a number of charges and a tax credit. These items have resulted in net charges totaling approximately \$69 million (\$0.17 per share). Record earnings of \$2.491 billion (\$6.30 per share) for the twelve months of 2004 were 58 percent higher than the \$1.527 billion (\$3.98 per share) the company earned in 2003.

Oil and Gas

Oil and gas segment earnings were \$977 million for the fourth quarter 2004, compared with \$640 million for the fourth quarter 2003, an increase of 53 percent. The improvement in the fourth quarter 2004 earnings reflected higher worldwide crude oil and natural gas prices, partially offset by higher exploration expenses and higher operating costs. Oil and gas earnings of \$3.544 billion for the twelve months were the highest in the company's history and were 33 percent higher than the \$2.664 billion of 2003.

Chemicals

Chemical segment earnings were \$130 million for the fourth quarter 2004 compared with \$72 million for the fourth quarter 2003, an increase of 81 percent. The improvement in the fourth quarter 2004 was due to higher sales prices in all major products, partially offset by higher ethylene and energy costs. The fourth quarter 2004 also included the previously announced \$12 million charge to write-off certain production facilities. Chemical earnings of \$412 million for the twelve months 2004 were 87 percent higher than the \$220 million of 2003.

Earnings from an equity investment are based on a preliminary estimate of their earnings.

See the attached schedules for a reconciliation of net income to core earnings for the fourth quarter and twelve months.

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 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; political risk; 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.

SUMMARY OF SEGMENT NET SALES AND EARNINGS

(\$ millions, except per-share amounts)	Fourth Quarter		Twelve Months	
	2004	2003	2004	2003
=====	=====	=====	=====	=====
SEGMENT NET SALES				
Oil and gas	\$ 2,073	\$ 1,530	\$ 7,582	\$ 6,003
Chemical	985	790	3,675	3,092
Other	24	30	111	145
-----	-----	-----	-----	-----
Net sales	\$ 3,082	\$ 2,350	\$ 11,368	\$ 9,240
=====	=====	=====	=====	=====
SEGMENT EARNINGS				
Oil and gas	\$ 977	\$ 640	\$ 3,544	\$ 2,664
Chemical	130	72	412	220
-----	-----	-----	-----	-----
	1,107	712	3,956	2,884
UNALLOCATED CORPORATE ITEMS				
Interest expense, net (a)-- debt and trust preferred distributions	(53)	(63)	(240)	(333)
Income taxes (b)	(218)	(157)	(895)	(666)
Other	(139)	(109)	(292)	(284)
-----	-----	-----	-----	-----
Income from continuing operations	697	383	2,529	1,601
Discontinued operations, net (c)	(32)	(1)	(38)	(6)
Cumulative effect of changes in accounting principles, net	--	--	--	(68)
-----	-----	-----	-----	-----
NET INCOME	\$ 665	\$ 382	\$ 2,491	\$ 1,527
=====	=====	=====	=====	=====
BASIC EARNINGS PER COMMON SHARE				
Income from continuing operations	\$ 1.75	\$ 0.99	\$ 6.40	\$ 4.17
Discontinued operations, net	(0.08)	--	(0.10)	(0.01)
Cumulative effect of changes in accounting principles, net	--	--	--	(0.18)
-----	-----	-----	-----	-----
	\$ 1.67	\$ 0.99	\$ 6.30	\$ 3.98
=====	=====	=====	=====	=====
DILUTED EARNINGS PER COMMON SHARE				
Income from continuing operations	\$ 1.72	\$ 0.97	\$ 6.31	\$ 4.12
Discontinued operations, net	(0.08)	--	(0.10)	(0.01)
Cumulative effect of changes in accounting principles, net	--	--	--	(0.18)
-----	-----	-----	-----	-----
	\$ 1.64	\$ 0.97	\$ 6.21	\$ 3.93
=====	=====	=====	=====	=====
AVERAGE BASIC COMMON SHARES OUTSTANDING	399.1	387.7	395.6	383.9
=====	=====	=====	=====	=====

See footnotes on following page.

- (a) The fourth quarter 2004 includes a \$1 million pre-tax interest charge to purchase in the open market and retire \$32 million of Occidental's senior notes. The twelve months 2004 also includes \$16 million pre-tax interest charges to redeem or repurchase various debt issues during the year. The twelve months 2003 includes a \$61 million pre-tax interest charge to repay a \$450 million 6.4 percent senior notes issue that had ten years of remaining life, but was subject to re-marketing on April 1, 2003.
- (b) The twelve months 2004 includes a \$27 million credit related to a fourth quarter settlement and a \$20 million credit related to a first quarter settlement of issues with the Internal Revenue Service. The twelve months 2004 also reflected a lower U.S. income tax rate resulting from the crediting of foreign income taxes.
- (c) The fourth quarter 2004 includes a \$32 million, net of tax, charge reported as discontinued operations to reflect Occidental's decision to exit the specialty vinyls resins chemical business. Details of the charge are as follows:

	Fourth Quarter	Twelve Months
	-----	-----
Pre-tax charge	\$ (51)	\$ (61)
Tax benefit	19	23
	-----	-----
	\$ (32)	\$ (38)
	=====	=====

SUMMARY OF CAPITAL EXPENDITURES AND DD&A EXPENSE

(\$ millions)	Fourth Quarter		Twelve Months	
	2004	2003	2004	2003
=====	=====	=====	=====	=====
CAPITAL EXPENDITURES	\$ 573	\$ 449	\$ 1,843	\$ 1,600
DEPRECIATION, DEPLETION AND AMORTIZATION OF ASSETS	\$ 333	\$ 311	\$ 1,303	\$ 1,175
=====	=====	=====	=====	=====

SUMMARY OF OPERATING STATISTICS

	Fourth Quarter		Twelve Months	
	2004	2003	2004	2003
NET OIL, GAS AND LIQUIDS PRODUCTION PER DAY				
United States				
Crude oil and liquids (MBBL)				
California	81	82	78	81
Permian	152	152	154	150
Horn Mountain	13	25	19	21
Hugoton	3	4	3	4
Total	249	263	254	256
Natural Gas (MMCF)				
California	242	246	237	252
Hugoton	125	130	127	138
Permian	125	133	130	129
Horn Mountain	7	16	13	13
Total	499	525	507	532
Latin America				
Crude oil (MBBL)				
Colombia	37	44	37	37
Ecuador	44	39	46	25
Total	81	83	83	62
Middle East				
Crude oil (MBBL)				
Oman	13	12	13	12
Qatar	48	40	45	45
Yemen	30	33	32	35
Total	91	85	90	92
Natural Gas (MMCF)				
Oman	66	--	55	--
Other Eastern Hemisphere				
Crude oil (MBBL)				
Pakistan	6	9	7	9
Natural Gas (MMCF)				
Pakistan	79	72	75	74
BARRELS OF OIL EQUIVALENT (MBOE)				
Subtotal consolidated subsidiaries	534	540	540	520
Other Interests				
Colombia-minority interest	(5)	(7)	(4)	(5)
Russia-Occidental net interest	27	30	29	30
Yemen-Occidental net interest	2	2	1	2
TOTAL WORLDWIDE PRODUCTION (MBOE)	558	565	566	547

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, except per-share amounts)	Fourth Quarter			
	2004	EPS	2003	EPS
TOTAL REPORTED EARNINGS	\$ 665	\$ 1.67	\$ 382	\$ 0.99
OIL AND GAS				
Segment Earnings	\$ 977		\$ 640	
No significant items affecting earnings	--		--	
Segment Core Earnings	977		640	
CHEMICALS				
Segment Earnings	130		72	
No significant items affecting earnings	--		--	
Segment Core Earnings	130		72	
CORPORATE				
Results	(442)		(330)	
Less:				
IRS settlements	27		--	
Discontinued operations, net*	(32)		(1)	
TOTAL CORE EARNINGS	\$ 670	\$ 1.68	\$ 383	\$ 0.99

* These amounts are shown after-tax.

SIGNIFICANT TRANSACTIONS AND EVENTS AFFECTING EARNINGS (CONTINUED)

(\$ millions, except per-share amounts)	Twelve Months			
	2004	EPS	2003	EPS
TOTAL REPORTED EARNINGS	\$ 2,491	\$ 6.30	\$ 1,527	\$ 3.98
OIL AND GAS				
Segment Earnings	\$ 3,544		\$ 2,664	
No significant items affecting earnings	--		--	
Segment Core Earnings	3,544		2,664	
CHEMICALS				
Segment Earnings	412		220	
No significant items affecting earnings	--		--	
Segment Core Earnings	412		220	
CORPORATE				
Results	(1,465)		(1,357)	
Less:				
6.4% senior note remarket fee	--		(61)	
Trust preferred redemption charge	(11)		--	
IRS settlements	47		--	
Tax effect of pre-tax adjustments	4		21	
Discontinued operations, net*	(38)		(6)	
Changes in accounting principles, net*	--		(68)	
TOTAL CORE EARNINGS	\$ 2,489	\$ 6.29	\$ 1,641	\$ 4.27

* These amounts are shown after-tax.

ITEMS AFFECTING COMPARABILITY OF CORE EARNINGS BETWEEN PERIODS

(\$ millions)	Fourth Quarter		Twelve Months	
	2004	2003	2004	2003
PRE-TAX INCOME / (EXPENSE)				
OIL AND GAS				
Insurance and litigation reserves	\$ (6)	\$ --	\$ (6)	\$ --
Property tax refund	--	38	--	38
Gain on sale of GOM assets (a)	--	--	--	14
CHEMICALS				
Production process write-off	(12)	--	(12)	--
Insurance reserves	(2)	--	(2)	--
Reorganizations/severance	--	--	--	(15)
Chlorine derivatives asset impairment	--	--	--	(9)
CORPORATE				
Environmental remediation	(59)	(50)	(59)	(63)
Equity earnings	9	(16)	22	(58)
Insurance and litigation reserves	(31)	--	(31)	--
Interest expense - early debt extinguishments - 2004/ consolidation of variable interest entity - 2003	(1)	--	(6)	6

(a) Net of tax.

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: January 24, 2005

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 January 24, 2005.
- 99.2 Full text of speeches given by Dr. Ray R. Irani and Stephen I. Chazen
- 99.3 Investor Relations Supplemental Schedules

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[OXY LOGO] NEWS RELEASE OCCIDENTAL PETROLEUM CORPORATION

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

For Immediate Release: January 24, 2005

OCCIDENTAL PETROLEUM ANNOUNCES RECORD 2004 RESULTS

LOS ANGELES -- Occidental Petroleum Corporation (NYSE:OXY) announced net income for the fourth quarter 2004 of \$665 million (\$1.67 per share), compared with \$382 million (\$0.99 per share) for the fourth quarter 2003. On January 5, 2005, Occidental issued a press release announcing that the comparability of fourth quarter 2004 earnings to prior quarters would be affected by a number of charges and a tax credit. These items have resulted in net charges totaling approximately \$69 million (\$0.17 per share). Record earnings of \$2.491 billion (\$6.30 per share) for the twelve months of 2004 were 58 percent higher than the \$1.527 billion (\$3.98 per share) the company earned in 2003.

In announcing the results, Dr. Ray R. Irani, chairman and chief executive officer, said, "Our strong fourth quarter performance helped push net income for 2004 to a record high of nearly \$2.5 billion, or \$6.30 per share. Our success in increasing oil and natural gas production by 3.5 percent for the year to an average of 566,000 barrels of oil equivalent per day allowed us to maximize the benefits from robust oil and gas prices. In addition, our chemicals business had its best year since 1997. The strong performance of our business units allowed us to continue to strengthen our balance sheet by reducing our debt-to-capitalization ratio to 27 percent, the lowest in the company's history."

OIL AND GAS

Oil and gas segment earnings were \$977 million for the fourth quarter 2004, compared with \$640 million for the fourth quarter 2003, an increase of 53 percent. The improvement in the fourth quarter 2004 earnings reflected higher worldwide crude oil and natural gas prices, partially offset by higher exploration expenses and higher operating costs. Oil and gas earnings of \$3.544 billion for the twelve months were the highest in the company's history and were 33 percent higher than the \$2.664 billion of 2003.

CHEMICALS

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Earnings from an equity investment are based on a preliminary estimate of their earnings.

See the attached schedules for a reconciliation of net income to core earnings for the fourth quarter and twelve months.

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

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 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; political risk; 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.

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Qatar	48	40	45	45
Yemen	30	33	32	35
Total	91	85	90	92
Natural Gas (MMCF)				
Oman	66	--	55	--
Other Eastern Hemisphere				
Crude oil (MBBL)				
Pakistan	6	9	7	9
Natural Gas (MMCF)				
Pakistan	79	72	75	74
BARRELS OF OIL EQUIVALENT (MBOE)				
Subtotal consolidated subsidiaries	534	540	540	520
Other Interests				
Colombia-minority interest	(5)	(7)	(4)	(5)
Russia-Occidental net interest	27	30	29	30
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TOTAL WORLDWIDE PRODUCTION (MBOE)	558	565	566	547

SIGNIFICANT TRANSACTIONS AND EVENTS AFFECTING EARNINGS

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

(\$ millions, except per-share amounts)	Fourth Quarter			
	2004	EPS	2003	EPS
TOTAL REPORTED EARNINGS	\$ 665	\$ 1.67	\$ 382	\$ 0.99
OIL AND GAS				
Segment Earnings	\$ 977		\$ 640	
No significant items affecting earnings	--		--	
Segment Core Earnings	977		640	
CHEMICALS				
Segment Earnings	130		72	
No significant items affecting earnings	--		--	
Segment Core Earnings	130		72	
CORPORATE				
Results	(442)		(330)	
Less:				
IRS settlements	27		--	
Discontinued operations, net*	(32)		(1)	
TOTAL CORE EARNINGS	\$ 670	\$ 1.68	\$ 383	\$ 0.99

* These amounts are shown after-tax.

SIGNIFICANT TRANSACTIONS AND EVENTS AFFECTING EARNINGS (CONTINUED)

(\$ millions, except per-share amounts)	Twelve Months			
	2004	EPS	2003	EPS
TOTAL REPORTED EARNINGS	\$ 2,491	\$ 6.30	\$ 1,527	\$ 3.98
OIL AND GAS				
Segment Earnings	\$ 3,544		\$ 2,664	
No significant items affecting earnings	--		--	
Segment Core Earnings	3,544		2,664	
CHEMICALS				
Segment Earnings	412		220	
No significant items affecting earnings	--		--	
Segment Core Earnings	412		220	
CORPORATE				
Results	(1,465)		(1,357)	
Less:				
6.4% senior note remarket fee	--		(61)	
Trust preferred redemption charge	(11)		--	
IRS settlements	47		--	
Tax effect of pre-tax adjustments	4		21	
Discontinued operations, net*	(38)		(6)	
Changes in accounting principles, net*	--		(68)	
TOTAL CORE EARNINGS	\$ 2,489	\$ 6.29	\$ 1,641	\$ 4.27

* These amounts are shown after-tax.

ITEMS AFFECTING COMPARABILITY OF CORE EARNINGS BETWEEN PERIODS

(\$ millions)	Fourth Quarter		Twelve Months	
	2004	2003	2004	2003
PRE-TAX INCOME / (EXPENSE)				
OIL AND GAS				
Insurance and litigation reserves	\$ (6)	\$ --	\$ (6)	\$ --
Property tax refund	--	38	--	38
Gain on sale of GOM assets (a)	--	--	--	14
CHEMICALS				
Production process write-off	(12)	--	(12)	--
Insurance reserves	(2)	--	(2)	--
Reorganizations/severance	--	--	--	(15)
Chlorine derivatives asset impairment	--	--	--	(9)
CORPORATE				
Environmental remediation	(59)	(50)	(59)	(63)
Equity earnings	9	(16)	22	(58)
Insurance and litigation reserves	(31)	--	(31)	--
Interest expense - early debt extinguishments - 2004/ consolidation of variable interest entity - 2003	(1)	--	(6)	6

(a) Net of tax.

OCCIDENTAL PETROLEUM CORPORATION

DR. RAY R. IRANI
CHAIRMAN AND CHIEF EXECUTIVE OFFICER

- CONFERENCE CALL -
FOURTH QUARTER 2004 EARNINGS ANNOUNCEMENT

JANUARY 24, 2005
Los Angeles, California

Good morning and thank you for joining us.

As Steve Chazen will tell you in some detail shortly, our fourth quarter results helped push our net income for the year to a record high level of \$2.5 billion. Our results were driven by record oil and gas earnings and the strongest performance of our chemicals business in the last 7 years.

Our average oil and gas production for the year increased to 566,000 barrels of oil equivalent per day, up 3.5 percent from 2003. Over the last five years our production has increased by 23 percent for an average annual growth rate of 4.6 percent. Our success in increasing production has allowed us to reap the benefits of last year's strong energy price environment which saw oil prices rise to an all-time high.

As we look ahead in 2005, we have a number of projects under way which we believe will allow us to achieve a year-end 2005 exit rate for oil and gas production in the range of 600,000 BOE per day.

The average production rate for the year will depend on the timing and impact of various events, including: U.S. asset acquisitions currently under evaluation, our potential return to Libya, the results of our development programs and the price of oil.

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As we jump ahead to 2006, we see the Dolphin project moving forward on schedule with first gas expected late that year. We expect to have long-term contracts in place for 2 billion cubic feet per day, and we're optimistic about expanding beyond that volume.

In the chemicals business, continuing improvement in margins for our core chlorine - caustic soda and vinyl chloride monomer businesses, along with higher volumes, contributed to 2004 being the strongest year since 1997.

We expect 2005 and 2006 to be excellent years for our chemicals business. Barring a downturn in the general economy, we believe this business has the potential to produce free cash flow in both 2005 and 2006 in excess of the almost \$500 million that was generated in 2004.

Lastly, our balance sheet is the strongest it's been in the modern history of the company. Our debt-to-capitalization ratio at year-end was 27 percent, 10 percent lower than at the end of 2003. Stockholders equity is at a record high of \$10.5 billion. We ended the year with \$1.4 billion in cash on hand, and we expect to continue generating a significant amount of free cash flow in 2005 to support our growth initiatives. Overall, we believe 2005 has the potential to be another outstanding year.

I'll now turn the call over to Steve Chazen who will discuss the details of Occidental's record performance.

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OCCIDENTAL PETROLEUM CORPORATION

STEPHEN CHAZEN
SENIOR EXECUTIVE VICE PRESIDENT AND CHIEF FINANCIAL OFFICER

- CONFERENCE CALL -
FOURTH QUARTER 2004 EARNINGS ANNOUNCEMENT

JANUARY 24, 2005
Los Angeles, California

Thank you, Ray.

Net income for the quarter was \$665 million, or \$1.67 per share, compared to \$382 million, or \$0.99 per share in the fourth quarter of 2003. Earlier this month, we issued a press release estimating several items that would affect the comparability of fourth quarter earnings with prior quarters. The actual after-tax charges totaled \$69 million, or \$0.17 per share. Without these items, our fourth quarter earnings would have been \$734 million, or \$1.84 per share. I won't repeat the list of items we noted in the press release, but I'll answer any questions you have at the end of this presentation.

On a segment basis, oil and gas fourth quarter earnings were \$977 million, compared to \$640 million for the fourth quarter of 2003. The following factors accounted for the variation in oil and gas earnings between these quarters.

- o Higher worldwide oil and gas price realizations added \$496 million of earnings over the comparable period in 2003.
- o The average price of West Texas Intermediate crude oil for the fourth quarter was \$48.28 per barrel compared to Occidental's net realized price of \$39.11. The average fourth quarter price for WTI

was \$17.10 per barrel higher in 2004 than in the fourth quarter of 2003, while Occidental's average realized oil price in the fourth quarter of 2004 was \$11.71 per barrel higher than in the comparable period in 2003. The change in the differential between the average price of WTI and Occidental's realized price was primarily due to a significant increase in the volume of sour crude oil in global markets. Approximately 70 percent of Occidental's crude would be classified as sour.

- o Exploration expense of \$88 million in the quarter was \$43 million more than the fourth quarter of 2003, which was in line with our guidance.

Oil and gas segment earnings for the year were a record \$3.5 billion compared to \$2.7 billion in 2003. The improvement was mainly the result of higher combined oil and gas prices.

Oil and gas production for the year averaged 566,000 barrels of oil equivalent per day - which was 3.5 percent higher than 2003. We lost an average of approximately 21,000 BOE per day of production for a period of 46 days due to the downtime at Horn Mountain caused by Hurricane Ivan. This reduced our annual worldwide production by an average of approximately 2,600 BOE per day. In the fourth quarter, we lost an average of 6,000 barrels per day.

Chemical segment earnings for the fourth quarter 2004 were \$130 million compared to \$72 million in the fourth quarter of 2003.

The primary factors that accounted for the improvement in our fourth quarter 2004 chemical earnings compared to the 2003 fourth quarter were stronger prices resulting in higher margins for our core chloralkali business, particularly for caustic soda.

The typical seasonal slowdown in this business in the fourth quarter did not occur until December. Seasonal factors typically result in demand weakness in the fourth and first quarters.

For the entire year, core earnings of \$412 million for the chemical segment were \$192 million higher than the 2003 level of \$220 million.

For the year 2004, our consolidated net income of \$2.5 billion was 63 percent higher than the \$1.5 billion for 2003. On a per share basis, we earned \$6.30 in 2004 compared to \$3.98 per share in 2003. Our core earnings of \$2.5 billion in 2004 were 52 percent higher than our 2003 core earnings of \$1.6 billion.

Cash flow from operations for the year was approximately \$3.9 billion. This figure was lowered by the \$360 million reduction of debt-like obligations during the second quarter by discontinuing the sale of interests in our accounts receivables. Excluding this item, our total cash from operations in 2004 was \$4.2 billion, compared to approximately \$3.1 billion in 2003.

Interest expense was \$53 million during the fourth quarter 2004, compared to \$63 million in the 2003 fourth quarter. Annual interest expense was \$240 million, including debt repayment charges of \$17 million. By comparison, our 2003 base interest expense, excluding debt repayment fees, was \$272 million.

Turning to the year-end 2004 balance sheet, we increased shareholder equity to \$10.5 billion, or \$2.5 billion higher than the year-end 2003 level. At the same time, we reduced total debt to \$3.9 billion from \$4.6 billion at the end of 2003. In addition, we reduced other debt items by \$565 million, including the \$360 million in receivables. At the end of 2004, our debt-to-total-capitalization ratio was down to 27 percent, compared to 37 percent at

the end of 2003. As Ray said earlier, we ended the year with approximately \$1.4 billion of cash in hand.

Capital spending for the quarter was \$573 million and \$1.8 billion for the year. Oil and gas accounted for 89 percent of the annual total. We expect 2005 capital expenditures to increase to approximately \$2.1 billion in 2005, including expenditures for the Dolphin project.

We expect capital expenditures for US oil and gas development to increase by about 10 percent - to approximately \$650 million.

In the Middle East, our capital expenditures, excluding the Dolphin project, are expected to decline by about 11 percent to \$550 million. Of that \$550 million, approximately \$400 million will be invested in Qatar, mainly for the completion of the redevelopment project in the North Dome field. Last year, we invested approximately \$450 million in Qatar.

We expect our net investment in Dolphin to increase from \$153 million in 2004 to approximately \$540 million this year. With the completion of our major development project in Ecuador, our capital expenditures in Latin America are expected to decline from \$180 million in 2004 to an estimated \$80 million this year.

We expect exploration capital expenditures for 2005 to increase by approximately \$20 million - to around \$120 million. This is in addition to the approximately \$100 million of seismic, G&G, etc. that we will expense as it is incurred. This is in line with 2004.

Our 2005 capital expenditures for our chemicals business is expected to remain at around \$150 million.

As we look ahead in the current quarter:

- o In 2005, we intend to change the way we report our segment results. The two operating segments will be shown before the

effect of US and foreign income taxes. All income taxes will be shown under the category of "Corporate - Other Expense." We have been providing a supplemental schedule in 2004 that shows the effect of this change, but we will be changing our segment income reporting in 2005. Prior period results will be shown on a comparable basis. Our combined worldwide tax rate in the first quarter should be in the range of 40 to 42 percent.

- o If oil prices remain in the \$40 per barrel range, we expect first quarter oil and gas production to be somewhat higher than the fourth quarter. As we have discussed before, high oil prices do impact the volumes from our production-sharing contracts in Oman, Qatar, Yemen and Long Beach. In this product price range for this quarter, each dollar change in the price of oil per barrel changes production by approximately 1,000 barrels per day.
- o Our 2004 fourth quarter DD&A expense totaled \$333 million, of which approximately \$267 million was for oil and gas. During the current quarter, we expect the DD&A expense for oil and gas to increase by \$35 million and chemicals to be about the same.
- o We expect exploration expense for the quarter to be about \$50 million.
- o We expect chemical segment earnings to be about \$150 million, compared to the \$130 million in the fourth quarter of 2004. This outlook is based on current conditions with high energy prices and continued strengthening of caustic realizations. 2004 saw the CMAI contract average price for diaphragm grade caustic soda rise from \$115 per ton for the first quarter to approximately \$300 per ton in the fourth quarter. In the first quarter 2005, the estimated

CMAI average price is \$310 per ton. Our current annual production of caustic soda is just over 3 million tons. These results should remain about the same as in the first quarter throughout the year if business conditions remain unchanged and energy prices don't spike.

- o We expect interest expense to be about \$51 million in the first quarter and \$204 million for the year.
- o Our equity earnings from our 41 million shares of Lyondell that are recorded in corporate "Other" are preliminary. Lyondell has not yet reported its results.
- o A \$1.00 per barrel change in oil prices impacts oil and gas quarterly earnings by about \$29 million before the impact of income taxes. The WTI price in the fourth quarter was \$48.28 per barrel.

Over the last year there has been a change in the differential between WTI and the crude produced under our production-sharing agreements.

For example, in the case of one of our PSCs, the differential historically had been around \$4 per barrel. In the fourth quarter 2004 our realized price fell by \$1.30 per barrel compared to the third quarter while the price of WTI increased by \$4.41 per barrel. This change in the historical pattern of differentials makes forecasting realized prices difficult.

- o A swing of 25-cents per million BTUs in gas prices has a \$10 million impact on quarterly earnings before income taxes. The NYMEX gas price for the fourth quarter was \$5.79 per thousand cubic feet. Our realized fourth quarter domestic gas price averaged

\$5.65 per thousand cubic feet. We expect our realized price for the first quarter to be approximately \$5.70 per thousand cubic feet.

We are continuing to focus on generating top quartile returns on equity and capital employed - and we are meeting those objectives.

For the year 2004, our return on equity exceeded 27 percent and the three-year average from 2002 through 2004 was about 20 percent. During that same three-year period our equity grew by 66 percent - from \$6.3 billion to \$10.5 billion.

Our return on capital employed for 2004 was nearly 20 percent and the three-year average was about 15 percent.

Copies of the press release announcing our fourth quarter earnings and the Investor Relations Supplemental Schedules are available on our website www.oxy.com or through the SEC's EDGAR system.

Now we're ready to take 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", "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 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; political risk; 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-OXPETE (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
2004 Fourth Quarter
Net Income (Loss)
(\$ millions)

	REPORTED INCOME	SIGNIFICANT ITEMS AFFECTING INCOME	CORE EARNINGS
	-----	-----	-----
Oil & Gas	\$ 977		\$ 977
Chemical	130		130
Corporate			
Interest expense, net - debt and trust preferred distributions	(53)		(53)
Other	(139)		(139)
Taxes	(218)	(27) IRS settlements	(245)
	-----	-----	-----
INCOME FROM CONTINUING OPERATIONS	697	(27)	670
Discontinued operations, net of tax	(32)	32 Discontinued operations, net	--
	-----	-----	-----
NET INCOME	\$ 665	\$ 5	\$ 670
	=====	=====	=====
BASIC EARNINGS PER COMMON SHARE			
Income from continuing operations	\$ 1.75		\$ 1.68
Discontinued operations, net of tax	(0.08)		--
	-----	-----	-----
Net Income	\$ 1.67		\$ 1.68
	=====		=====

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Investor Relations Supplemental Schedules
[OXY LOGO]OCCIDENTAL PETROLEUM
2003 Fourth Quarter
Net Income (Loss)
(\$ millions)

	REPORTED INCOME	SIGNIFICANT ITEMS AFFECTING INCOME	CORE EARNINGS
	-----	-----	-----
Oil & Gas	\$ 640		\$ 640
Chemical	72		72
Corporate			
Interest expense, net - debt and trust preferred distributions	(63)		(63)
Other	(109)		(109)
Taxes	(157)		(157)
	-----	-----	-----
INCOME FROM CONTINUING OPERATIONS	383	--	383
Discontinued operations, net of tax	(1)	1 Discontinued operations, net	--
	-----	-----	-----
NET INCOME	\$ 382	\$ 1	\$ 383
	=====	=====	=====
BASIC EARNINGS PER COMMON SHARE	\$ 0.99		\$ 0.99
	=====		=====

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OCCIDENTAL PETROLEUM
 2004 Twelve Months
 Net Income (Loss)
 (\$ millions)

	REPORTED INCOME	SIGNIFICANT ITEMS AFFECTING INCOME		CORE EARNINGS
	-----	-----		-----
Oil & Gas	\$ 3,544			\$ 3,544
Chemical	412			412
Corporate				
Interest expense, net - debt and trust preferred distributions	(240)	11	Trust pfd redemption charge	(229)
Other	(292)			(292)
Taxes	(895)	(47)	IRS settlements	(946)
		(4)	Tax effect of adjustments	
	-----	-----		-----
INCOME FROM CONTINUING OPERATIONS	\$ 2,529	\$ (40)		\$ 2,489
Discontinued operations, net of tax	(38)	38	Discontinued operations, net	--
	-----	-----		-----
NET INCOME	\$ 2,491	\$ (2)		\$ 2,489
	=====	=====		=====
BASIC EARNINGS PER COMMON SHARE				
Income from continuing operations	\$ 6.40			\$ 6.29
Discontinued operations, net of tax	(0.10)			--
	-----			-----
Net Income	\$ 6.30			\$ 6.29
	=====			=====

Investor Relations Supplemental Schedules
 [OXY LOGO]

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

	REPORTED INCOME	SIGNIFICANT ITEMS AFFECTING INCOME		CORE EARNINGS
	-----	-----		-----
Oil & Gas	\$ 2,664			\$ 2,664
Chemical	220			220
Corporate				
Interest expense, net - debt and trust preferred distributions	(333)	61	Debt repayment fee	(272)
Other	(284)			(284)
Taxes	(666)	(21)	Tax effect of adjustments	(687)
	-----	-----		-----
Income from continuing operations	1,601	40		1,641
Discontinued operations, net	(6)	6	Discontinued operations, net	--
Cumulative effect of accounting changes, net	(68)	68	Cumulative effect of acct changes, net	--
	-----	-----		-----
NET INCOME	\$ 1,527	\$ 114		\$ 1,641
	=====	=====		=====
BASIC EARNINGS PER COMMON SHARE				
Income from continuing operations	\$ 4.17			\$ 4.27
Discontinued operations	(0.01)			--
Cumulative effect of accounting changes	(0.18)			--
	-----			-----
	\$ 3.98			\$ 4.27
	=====			=====

OCCIDENTAL PETROLEUM
 Items Affecting Comparability of Core Earnings Between Periods

PRE-TAX INCOME / (EXPENSE)	FOURTH QUARTER		TWELVE MONTHS	
	2004	2003	2004	2003
OIL & GAS				
Gain on sale of GOM assets (a)	--	--	--	14
Property tax refund	--	38	--	38
Insurance and litigation reserves	(6)	--	(6)	--
CHEMICALS				
Reorganizations / severance	--	--	--	(15)
Chlorine derivatives asset impairment	--	--	--	(9)
Production process write-off	(12)	--	(12)	--
Insurance reserves	(2)	--	(2)	--
CORPORATE				
Equity earnings	9	(16)	22	(58)
Environmental remediation	(59)	(50)	(59)	(63)
Insurance and litigation reserves	(31)	--	(31)	--
Interest expense - early debt extinguishments - 2004 / consolidation of variable interest entity - 2003	(1)	--	(6)	6

(a) Amount shown after-tax

OCCIDENTAL PETROLEUM
WORLDWIDE EFFECTIVE TAX RATE

REPORTED INCOME	QUARTERLY			YEAR TO-DATE	
	2004 QTR 4	2004 QTR 3	2003 QTR 4	2004 12 MONTHS	2003 12 MONTHS
Oil & Gas (a)	1,186	1,221	793	4,311	3,228
Chemicals	125	141	67	414	224
Corporate & other	(192)	(108)	(172)	(532)	(620)
Pre-tax income	1,119	1,254	688	4,193	2,832
Income tax expense					
Federal and state	216	278	153	901	673
Foreign (included in segments) (a)	206	217	152	763	558
Total	422	495	305	1,664	1,231
Income from continuing operations	697	759	383	2,529	1,601
WORLDWIDE EFFECTIVE TAX RATE	38%	39%	44%	40%	43%

CORE INCOME	2004	2004	2003	2004	2003
	QTR 4	QTR 3	QTR 4	12 MONTHS	12 MONTHS
Oil & Gas (a)	1,186	1,221	793	4,311	3,228
Chemicals	125	141	67	414	224
Corporate & other	(192)	(108)	(172)	(521)	(559)
Pre-tax income	1,119	1,254	688	4,204	2,893
Income tax expense					
Federal and state	243	278	153	952	694
Foreign (included in segments) (a)	206	217	152	763	558
Total	449	495	305	1,715	1,252
Income from continuing operations	670	759	383	2,489	1,641
WORLDWIDE EFFECTIVE TAX RATE	40%	39%	44%	41%	43%

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

2004	2004	2003	2004	2003
QTR 4	QTR 3	QTR 4	12 MONTHS	12 MONTHS
143	149	102	525	397

OCCIDENTAL PETROLEUM
2004 Fourth Quarter Net Income (Loss)
Reported Income Comparison

	FOURTH QUARTER 2004	THIRD QUARTER 2004	B / (W)
	-----	-----	-----
Oil & Gas	\$ 977	\$ 1,003	\$ (26)
Chemical	130	139	(9)
Corporate			
Interest expense, net - debt and trust preferred distributions	(53)	(59)	6
Other	(139)	(49)	(90)
Taxes	(218)	(275)	57
	-----	-----	-----
Income from continuing operations	697	759	(62)
Discontinued operations, net	(32)	(1)	(31)
	-----	-----	-----
Net Income	\$ 665	\$ 758	\$ (93)
	=====	=====	=====
Basic Earnings Per Common Share			
Income from continuing operations	\$ 1.75	\$ 1.91	\$ (0.16)
Discontinued operations, net	(0.08)	--	\$ (0.08)
	-----	-----	-----
Net Income	\$ 1.67	\$ 1.91	\$ (0.24)
	=====	=====	=====
Worldwide Effective Tax Rate	38%	39%	1%
	=====	=====	=====

OCCIDENTAL PETROLEUM
2004 Fourth Quarter Net Income (Loss)
Core Earnings Comparison

	FOURTH QUARTER 2004	THIRD QUARTER 2004	B / (W)
	-----	-----	-----
Oil & Gas	\$ 977	\$ 1,003	\$ (26)
Chemical	130	139	(9)
Corporate			
Interest expense, net - debt and trust preferred distributions	(53)	(59)	6
Other	(139)	(49)	(90)
Taxes	(245)	(275)	30
	-----	-----	-----
Net Income	\$ 670	\$ 759	\$ (89)
	=====	=====	=====
Basic Earnings Per Common Share	\$ 1.68	\$ 1.92	\$ (0.24)
	=====	=====	=====
Worldwide Effective Tax Rate	40%	39%	-1%
	=====	=====	=====

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

2004 4th Quarter	\$	977
2004 3rd Quarter		1,003

	\$	(26)
		=====
Price Variance	\$	36
Volume/Mix Variance		(3)
Exploration Expense Variance		(51)
All Others		(8)

TOTAL VARIANCE	\$	(26)
		=====

=====

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

2004 4th Quarter	\$	130
2004 3rd Quarter		139

	\$	(9)
		=====
Sales Price	\$	74
Sales Volume/Mix		(8)
Operations/Manufacturing		(62) *
All Others		(13)

TOTAL VARIANCE	\$	(9)
		=====

* Higher energy, feedstock costs and other manufacturing costs

OCCIDENTAL PETROLEUM
2004 Fourth Quarter Net Income (Loss)
Reported Income Comparison

	FOURTH QUARTER 2004	THIRD QUARTER 2004	B / (W)
	-----	-----	-----
Oil & Gas	\$ 977	\$ 640	\$ 337
Chemical	130	72	58
Corporate			
Interest expense, net - debt and trust preferred distributions	(53)	(63)	10
Other	(139)	(109)	(30)
Taxes	(218)	(157)	(61)
	-----	-----	-----
Income from continuing operations	697	383	314
Discontinued operations, net	(32)	(1)	(31)
	-----	-----	-----
Net Income	\$ 665	\$ 382	\$ 283
	=====	=====	=====
Basic Earnings Per Common Share			
Income from continuing operations	\$ 1.75	\$ 0.99	\$ 0.76
Discontinued operations, net	(0.08)	--	\$ (0.08)
	-----	-----	-----
Net Income	\$ 1.67	\$ 0.99	\$ 0.68
	=====	=====	=====
Worldwide Effective Tax Rate	38%	44%	6%
	=====	=====	=====

OCCIDENTAL PETROLEUM
2004 Fourth Quarter Net Income (Loss)
Core Earnings Comparison

	FOURTH QUARTER 2004	THIRD QUARTER 2004	B / (W)
	-----	-----	-----
Oil & Gas	\$ 977	\$ 640	\$ 337
Chemical	130	72	58
Corporate			
Interest expense, net - debt and trust preferred distributions	(53)	(63)	10
Other	(139)	(109)	(30)
Taxes	(245)	(157)	(88)
	-----	-----	-----
Net Income	\$ 670	\$ 383	\$ 287
	=====	=====	=====
Basic Earnings Per Common Share	\$ 1.68	\$ 0.99	\$ 0.69
	=====	=====	=====
Worldwide Effective Tax Rate	40%	44%	4%
	=====	=====	=====

2004 4th Quarter	\$	977
2003 4th Quarter		640

	\$	337
		=====
Price Variance	\$	496
Volume/Mix Variance		(31)
Exploration Expense Variance		(43)
All Others		(85)

TOTAL VARIANCE	\$	337
		=====

=====

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

2004 4th Quarter	\$	130
2003 4th Quarter		72

	\$	58
		=====
Sales Price	\$	182
Sales Volume/Mix		(3)
Operations/Manufacturing		(116) *
All Others		(5)

TOTAL VARIANCE	\$	58
		=====

* Higher energy, feedstock costs and other manufacturing costs

OCCIDENTAL PETROLEUM
SUMMARY OF OPERATING STATISTICS

	FOURTH QUARTER		TWELVE MONTHS	
	2004	2003	2004	2003
NET PRODUCTION PER DAY:				
United States				
Crude Oil and Liquids (MBL)				
California	81	82	78	81
Permian	152	152	154	150
Horn Mountain	13	25	19	21
Hugoton	3	4	3	4
TOTAL	249	263	254	256
Natural Gas (MMCF)				
California	242	246	237	252
Hugoton	125	130	127	138
Permian	125	133	130	129
Horn Mountain	7	16	13	13
TOTAL	499	525	507	532
Latin America				
Crude Oil (MBL)				
Colombia	37	44	37	37
Ecuador	44	39	46	25
TOTAL	81	83	83	62
Middle East				
Crude Oil (MBL)				
Oman	13	12	13	12
Qatar	48	40	45	45
Yemen	30	33	32	35
TOTAL	91	85	90	92
Natural Gas (MMCF)				
Oman	66	--	55	-
Other Eastern Hemisphere				
Crude Oil (MBL)				
Pakistan	6	9	7	9
Natural Gas (MMCF)				
Pakistan	79	72	75	74
Barrels of Oil Equivalent (MBOE)				

Subtotal consolidated subsidiaries	534	540	540	520
Other interests				
Colombia - minority interest	(5)	(7)	(4)	(5)
Russia - Occidental net interest	27	30	29	30
Yemen - Occidental net interest	2	2	1	2
TOTAL	558	565	566	547
=====				

OCCIDENTAL PETROLEUM
SUMMARY OF OPERATING STATISTICS

	FOURTH QUARTER		TWELVE MONTHS	
	2004	2003	2004	2003
OIL & GAS:				

PRICES				
UNITED STATES				
Crude Oil (\$/BBL)	42.76	28.47	37.72	28.74

Natural gas (\$/MCF)	5.65	4.42	5.35	4.81
LATIN AMERICA				
Crude Oil (\$/BBL)	36.47	27.05	33.09	27.21
MIDDLE EAST				
Crude Oil (\$/BBL)	37.44	28.57	34.88	27.81
Natural Gas (\$/MCF)	0.96	--	0.97	--
OTHER EASTERN HEMISPHERE				
Crude Oil (\$/BBL)	37.09	26.98	33.13	26.61
Natural Gas (\$/MCF)	2.01	2.25	2.25	2.04
TOTAL WORLDWIDE				
Crude Oil (\$/BBL)	39.11	27.40	35.09	27.25
Natural Gas (\$/MCF)	4.68	4.13	4.56	4.45

	FOURTH QUARTER		TWELVE MONTHS	
	2004	2003	2004	2003
EXPLORATION EXPENSE				
Domestic	\$ 53	\$ 32	\$ 136	\$ 102
Latin America	19	4	23	12
Middle East	1	2	16	14
Other Eastern Hemisphere	15	7	44	11
TOTAL	\$ 88	\$ 45	\$ 219	\$ 139

OCCIDENTAL PETROLEUM
 CHEMICALS
 Volume (M Tons, except PVC Resins)

MAJOR PRODUCTS	FOURTH QUARTER		TWELVE MONTHS	
	2004	2003	2004	2003
Chlorine	716	702	2,892	2,733
Caustic	763	711	3,109	2,764
Ethylene Dichloride	134	172	458	546
PVC Resins (millions of pounds)	1,003	1,010	4,208	3,954

CHEMICALS
 Prices (Index)

MAJOR PRODUCTS	FOURTH QUARTER		TWELVE MONTHS	
	2004	2003	2004	2003
Chlorine	2.36	1.65	2.05	1.72
Caustic	1.18	0.80	0.84	0.84
Ethylene Dichloride	1.75	1.10	1.56	1.16
PVC Resins	1.20	0.86	1.08	0.89

1987 through 1990 average price = 1.00

CHLORINE

OXYCHEM COMMENTARY

- o As contract terms permitted, OxyChem fully implemented the \$20 per ton price increase announced in the 3rd quarter.
- o OxyChem announced an additional \$20 per ton increase to be effective December 1 to most accounts. Other U.S. chlor-alkali producers announced similar increases. Market conditions are expected to remain favorable for the successful implementation of the announced price increase.
- o 1st quarter operating rates are expected to remain at capacity as the seasonal demand for downstream products improves.
- o Order control programs for chlorine are still in effect and are expected to remain so through the 1st quarter for OxyChem and other U.S. producers.

INFLUENCING FACTORS:

The normal seasonal decline in demand has made it easier to avoid customer shutdowns. The availability of spot chlorine indicates a further balancing of supply and

demand. However, spot chlorine remains limited and pricing is at or above current contract levels. Increased chlorine consumption into downstream derivatives in the 1st quarter is expected to tighten the supply/demand balance.

CAUSTIC

OXYCHEM COMMENTARY

- o Caustic soda sales remained strong in the 4th quarter and consistent with

3rd quarter volumes fueled by demand in the alumina, organic and refining markets. Sales into the bleach market did experience the customary seasonal decline.

- o OxyChem successfully implemented in the 4th quarter the \$110 DST price increase announced in the 3rd quarter. An additional increase of \$50 DST was announced November 1st. Market conditions are expected to remain favorable for the successful implementation of the announced price increase in the 1st quarter of 2005.
- o U.S. Gulf Coast producers settled the alumina pricing for the first half of 2005 at \$325 DMT FOB U.S. Gulf Coast. This represents a \$211 DMT premium over the second half of 2004 and a \$50 DMT premium over that of Asian producers' pricing for the first half of 2005.
- o Order control programs for liquid caustic soda remained in effect through the 4th quarter and are expected to continue into 2005.

INFLUENCING FACTORS:

The supply/demand balance projected for the 1st quarter is expected to lend support for future price increases. Continuing improvement in the U.S. manufacturing sector will keep liquid caustic soda demand in line with supply.

EDC

OXYCHEM COMMENTARY

- o EDC pricing continued in an upward trend through mid-November when PVC pricing moderated in China.
- o Despite a balanced to tight supply/demand balance, EDC pricing moderated to mid-3rd quarter levels, maintaining the gap between EDC and PVC prices.
- o Scheduled VCM outages in December coupled with seasonally lower PVC demand in Asia reduced the need for EDC late in the 4th quarter.

INFLUENCING FACTORS:

The supply/demand balance for EDC in Asia is expected to tighten late in the 1st quarter after the Chinese New Year period in February. Improved demand for EDC and its downstream vinyl derivatives is also expected to result in increased EDC pricing. Chlorine availability within the U.S. for EDC production will tighten as seasonal demand for chlorine increases.

PVC/VCM

OXYCHEM COMMENTARY

-
- o OxyChem's 4th quarter operating rate fell to 90% from a 3rd quarter average of 95% due to scheduled 4th quarter outages at three PVC plants.
 - o A strong domestic and export market in the 4th quarter resulted in increased operating rates for PVC and minimal inventory build by producers as they tried to prepare for the seasonal spring surge in demand.
 - o Strong PVC demand and low operating rates at Pemex kept the VCM supply/demand balance tight. PVC production was interrupted at one Latin American producer due to VCM availability.
 - o Westlake has restarted the Geismar VCM and PVC plants at reduced rates. It is expected that the plants will be brought up to a 50% operating rate in 2005. The Shintech Addis facility remains idle and is not expected to restart in 2005.
 - o Domestic PVC resin prices were flat in October, increased \$0.01 per pound in November and another \$0.02 per pound in December.
 - o PVC resin export prices weakened in December but closed the quarter at \$870 - \$920 per metric ton CFR Southeast Asia. Normal seasonal decline in PVC demand was experienced in December.
 - o Spot VCM export prices to Latin America closed the 4th quarter at \$810 - \$820 per metric ton FOB U.S. Gulf Coast. VCM shipments to Asia did not occur due to high freight rates in the range of \$200 per metric ton.
 - o Additional price increase for January has been announced for domestic PVC resin of \$0.02 per pound.

INFLUENCING FACTORS:

Favorable domestic demand along with a seasonal rebound in the export market and moderation of energy costs will result in improved margins for the first half of 2005.

OCCIDENTAL PETROLEUM
SUMMARY OF OPERATING STATISTICS

CAPITAL EXPENDITURES (\$MM)	FOURTH QUARTER		TWELVE MONTHS	
	2004	2003	2004	2003
Oil & Gas				
California	\$ 84	\$ 73	\$ 315	\$ 228
Permian	83	78	289	265
Other - U.S.	25	10	55	47
Latin America	57	51	180	118
Middle East	218	180	768	556
Other Eastern Hemisphere	14	9	42	23
Chemicals	60	44	155	344 (a)
Corporate	32	4	39	19
TOTAL	\$ 573	\$ 449	\$ 1,843	\$ 1,600

(a) Includes \$180 million for the buyout of a VCM plant lease and \$44 million for buyout of railcar leases

DEPRECIATION, DEPLETION & AMORTIZATION OF ASSETS (\$MM)	FOURTH QUARTER		TWELVE MONTHS	
	2004	2003	2004	2003
Oil & Gas				
Domestic	\$ 156	\$ 158	\$ 622	\$ 639
Latin America	24	19	96	61
Middle East	75	59	276	209
Other Eastern Hemisphere	12	15	47	48
Chemicals	61	56	243	203
Corporate	5	4	19	15
TOTAL	\$ 333	\$ 311	\$ 1,303	\$ 1,175

OCCIDENTAL PETROLEUM
 CORPORATE
 (\$ millions)

	31-DEC-04 -----	31-DEC-03 -----
CAPITALIZATION		
Oxy Long-Term Debt (including current maturities)	\$ 3,804	\$ 4,016
Trust Preferred Securities	--	453
Subsidiary Preferred Stock	75	75
Others	26	26
	-----	-----
TOTAL DEBT	\$ 3,905 =====	\$ 4,570 =====
EQUITY		
	\$ 10,473 =====	\$ 7,929 =====
Total Debt To Total Capitalization	27% =====	37% =====

RETURN ON CAPITAL EMPLOYED (ROCE)
 Reconciliation to Generally Accepted Accounting Principles (GAAP)
 (\$ Millions)

	2004	ANNUAL AVERAGE 2002 - 2004
	-----	-----
GAAP measure - earnings applicable to common shareholders	\$ 2,491	\$ 1,669
Interest expense (see detail below)	239	272
Tax effect of interest expense	(84)	(95)
	-----	-----
Earnings before tax-effected interest expense	\$ 2,646	\$ 1,846
	=====	=====
GAAP stockholders' equity	\$ 10,473	\$ 8,240
Debt		
GAAP debt		
Debt, including current maturities	3,804	4,008
Non-GAAP debt		
Capital lease obligation	26	26
Subsidiary preferred stock	75	75
Trust preferred securities	--	303
	-----	-----
Total debt	\$ 3,905	\$ 4,411
Total capital employed	\$ 14,378	\$ 12,651
ROCE	19.7%	14.6%

Statements in this presentation 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 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; political risk; 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.