

Occidental Petroleum Corporation

Bank of America Merrill Lynch
2011 Global Energy Conference

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President and Chief Executive Officer



November 15, 2011



First Nine Months 2011 Results – Summary

(\$ in millions, except EPS data)

	<u>9 Mos 2011</u>	<u>9 Mos 2010</u>
• Core Results	\$5,187	\$3,377
• <i>Core EPS (diluted)</i>	<i>\$6.37</i>	<i>\$4.14</i>
• Net Income	\$5,137	\$3,318
• Reported EPS (diluted)	\$6.31	\$4.07
• <i>Oil and Gas production volumes (mboe/d) +3.6%</i>	<i>728</i>	<i>703</i>
• Capital Spending	\$4,969	\$2,580
• <i>Cash Flow from Operations</i>	<i>\$8,638</i>	<i>\$6,744</i>
• ROE – Annualized	19.9%	14.4%
• <i>ROCE – Annualized</i>	<i>17.7%</i>	<i>13.4%</i>

See attached for GAAP reconciliation



What Is Our Philosophy & Strategy?

Overriding Goal is to Maximize Total Shareholder Return

- We believe this can be achieved through a combination of:
- Growing our oil and gas production by 5 to 8% per year on average over the long term;
- Allocating and deploying capital with a focus on achieving well above cost-of-capital returns (ROE and ROCE);
 - Return Targets*
 - Domestic – 15+%
 - International – 20+%
- Consistent dividend growth, that is superior to that of our peers.

Return on Assets

(2006 – 2010)	Net Income Return on Assets
	<u>5 Year Average</u>
U.S.	16%
International	35%
Total E&P	21%

	Cash Flow* Return on Assets
	<u>5 Year Average</u>
U.S.	24%
International	53%
Total E&P	31%

* Net Income + DD&A

Finding & Development Costs per Barrel

	<u>6:1 *</u>	<u>Actual Prices **</u>	<u>F&D Costs as a % of WTI Price</u>
2010	\$20.25	\$24.18	30%
3-Year Average (2008 – 2010)	\$16.38	\$20.25	25%
5-Year Average (2006 – 2010)	\$16.66	\$19.52	26%
10-Year Average (2001 – 2010)	\$12.22	\$13.48	24%

* Oil / Gas Energy Content (Industry convention)

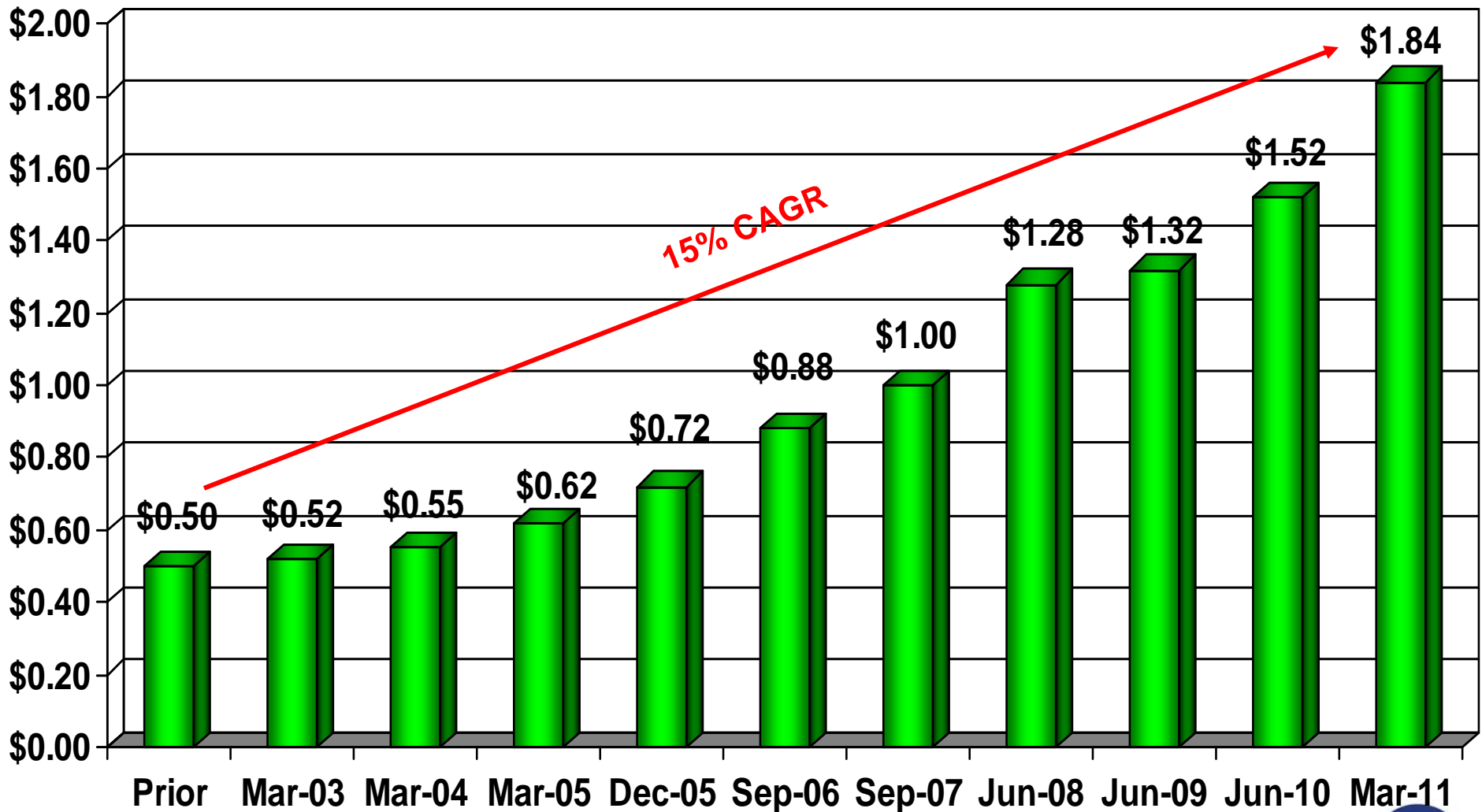
** Gas converted to BOE @ WTI Oil Price / NYMEX Gas Price

Dividend Growth

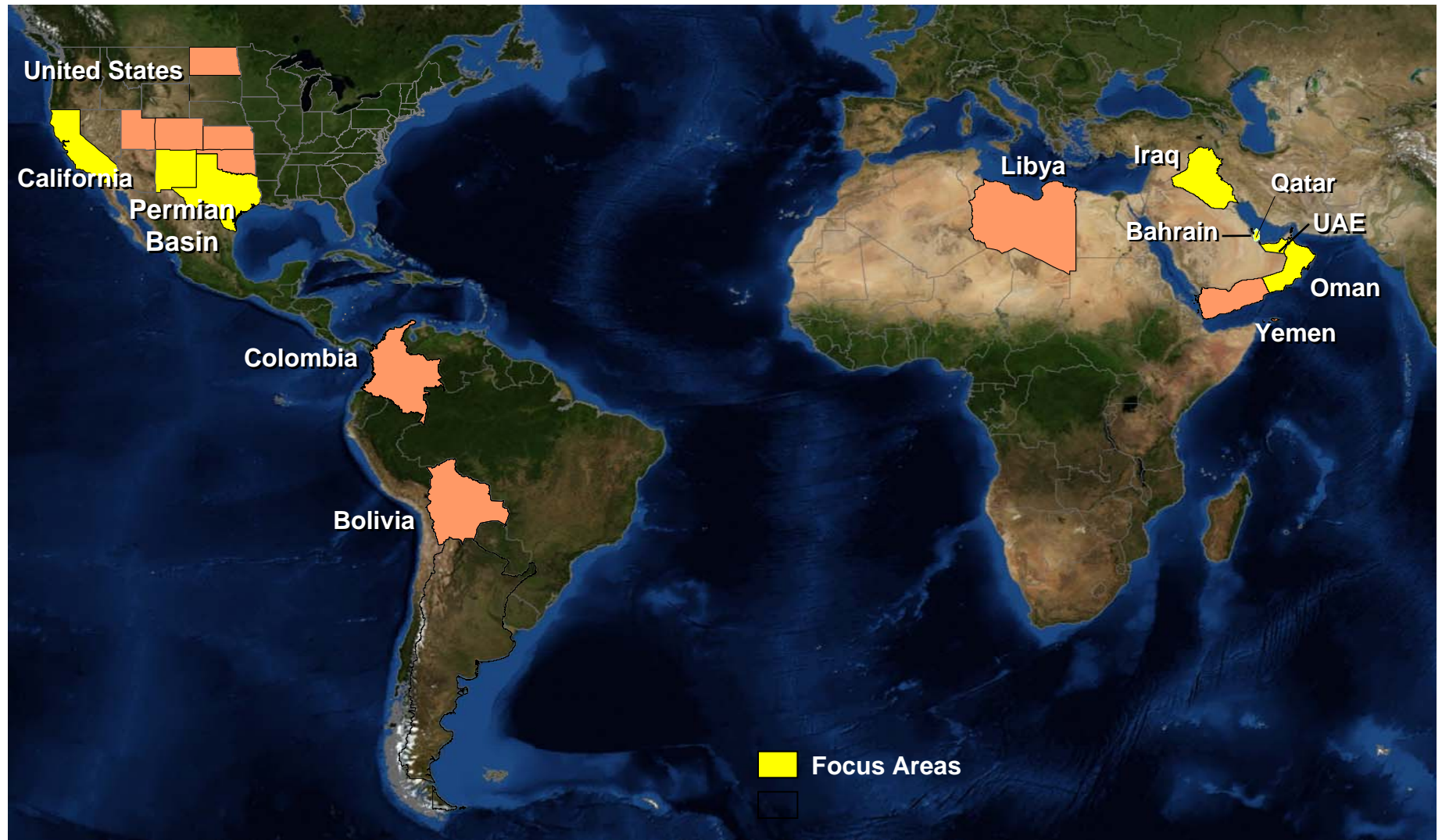
- Our ability to pay dividends is indicated by our free cash flow generation.
- *Free cash flow after interest, taxes and capital spending, but before dividends, acquisitions and debt activity for the first nine months of 2011 was \$3.7 billion.*
- Oxy's annual dividend rate is currently \$1.84 per share or about \$1.1 billion for the nine months of 2011.
- *Oxy has increased its dividends 10 times over the last 9 years, resulting in a compound annual dividend growth rate of 15.6%.*
- In keeping with our philosophy to raise the dividend on a consistent basis, the Board of Directors is expected to consider a dividend increase at the February meeting.

Dividend Growth

Annual dividend increased 21% to \$1.84 per share, effective with the 4/15/11 payment

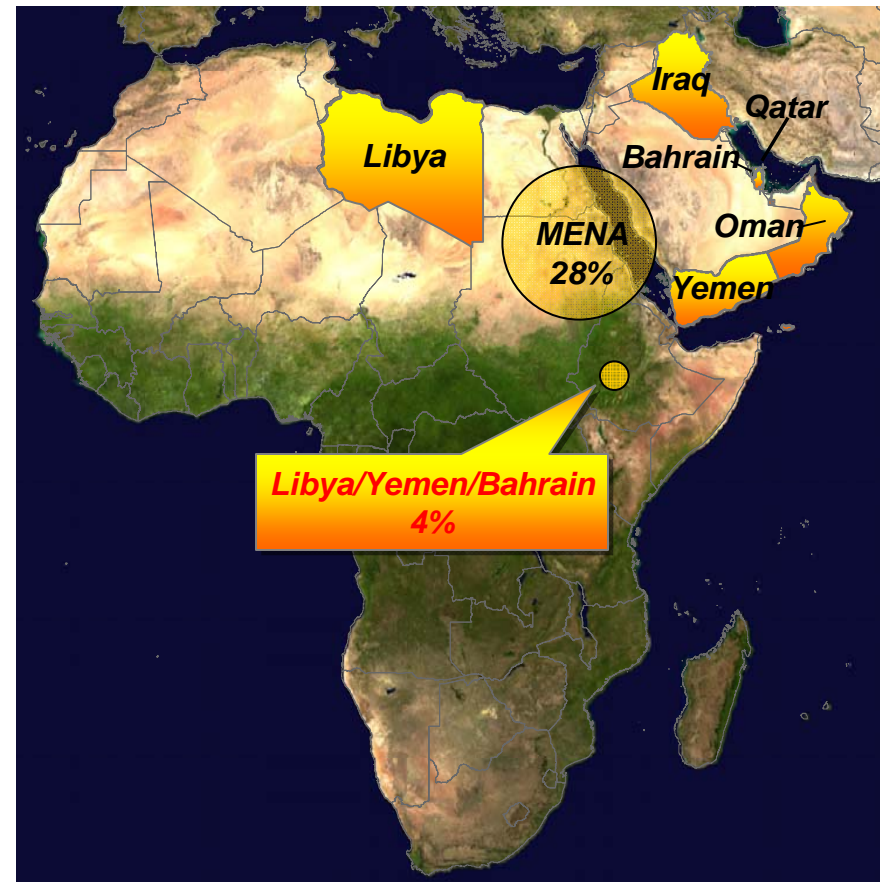
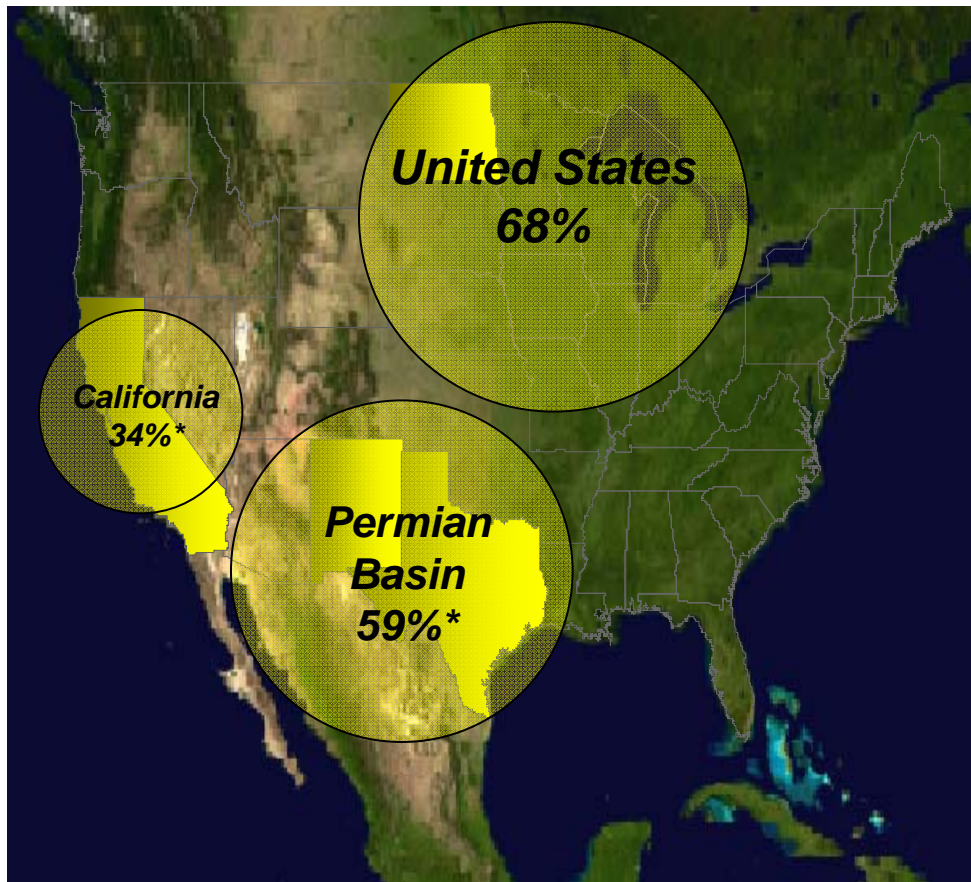


Worldwide Oil & Gas Producing Areas



Geographic Value of Oxy's Oil & Gas Reserves

(Percentage of Oxy total company value)



Note: excludes Argentina as the sale of this asset closed in February 2011; * as a percentage of total US value.

Realized Prices & Differentials

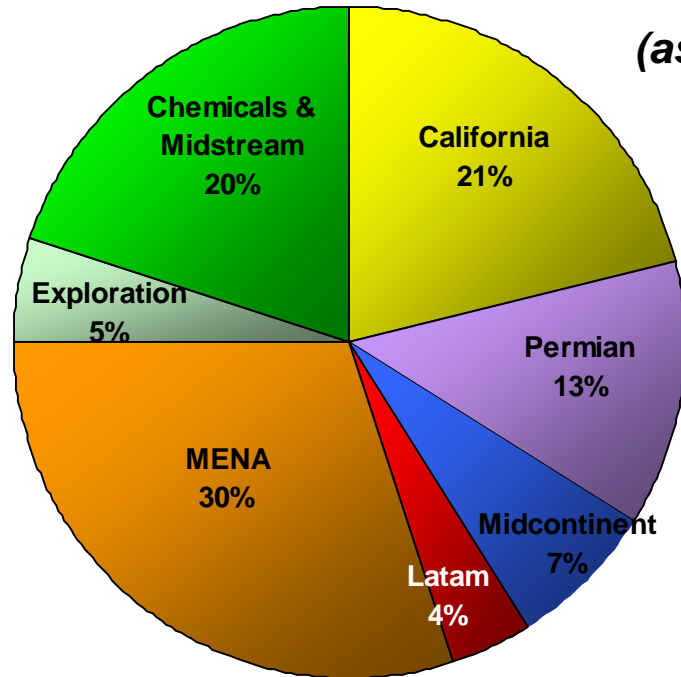
- ***About 60% of Oxy's oil production tracks world oil prices and 40% is indexed to WTI. For example:***
 - ***In California our realized price was 114% of WTI and 91% of Brent in 3Q11.***
 - ***In Oman our average price was 117% of WTI and 93% of Brent.***
- ***Differentials improved in 3Q11, resulting in realized oil prices representing 108% of the average WTI and 87% of the average Brent price.***

Capital Spending – 2011 Outlook

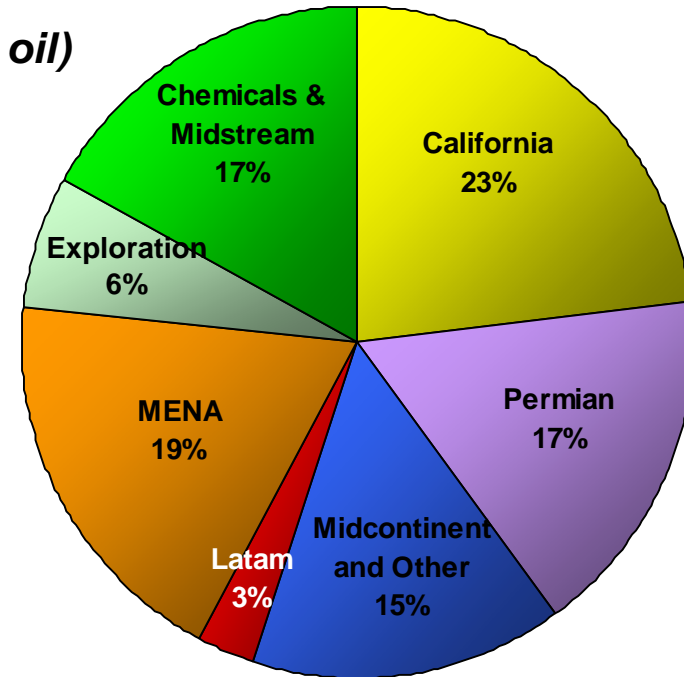
- **We expect capital spending for the total year 2011 to be about \$7.0 billion, compared to the total 2010 capital of \$3.9 billion.**
- **Year to-date capital expenditures by segment were 83% in Oil and Gas, 14% in Midstream and the remainder in Chemicals.**
- **Oxy's share of the Shah Field development capital will be about \$3 billion from 2012 through 2014, in addition to spending of approximately \$1 billion during 2011.**

Capital Spending – 2011E vs. 2010 Actual

- Last year we provided a 2010 - 14 capital budget of \$27.5 billion, with average spending of \$5.5 billion per year
- Excluding capital for Shah project, estimated capital for 2010 - 11 of \$10.4 billion is in the range of that guidance



2010 Capital - \$3.9 Billion
(excluding Argentina)

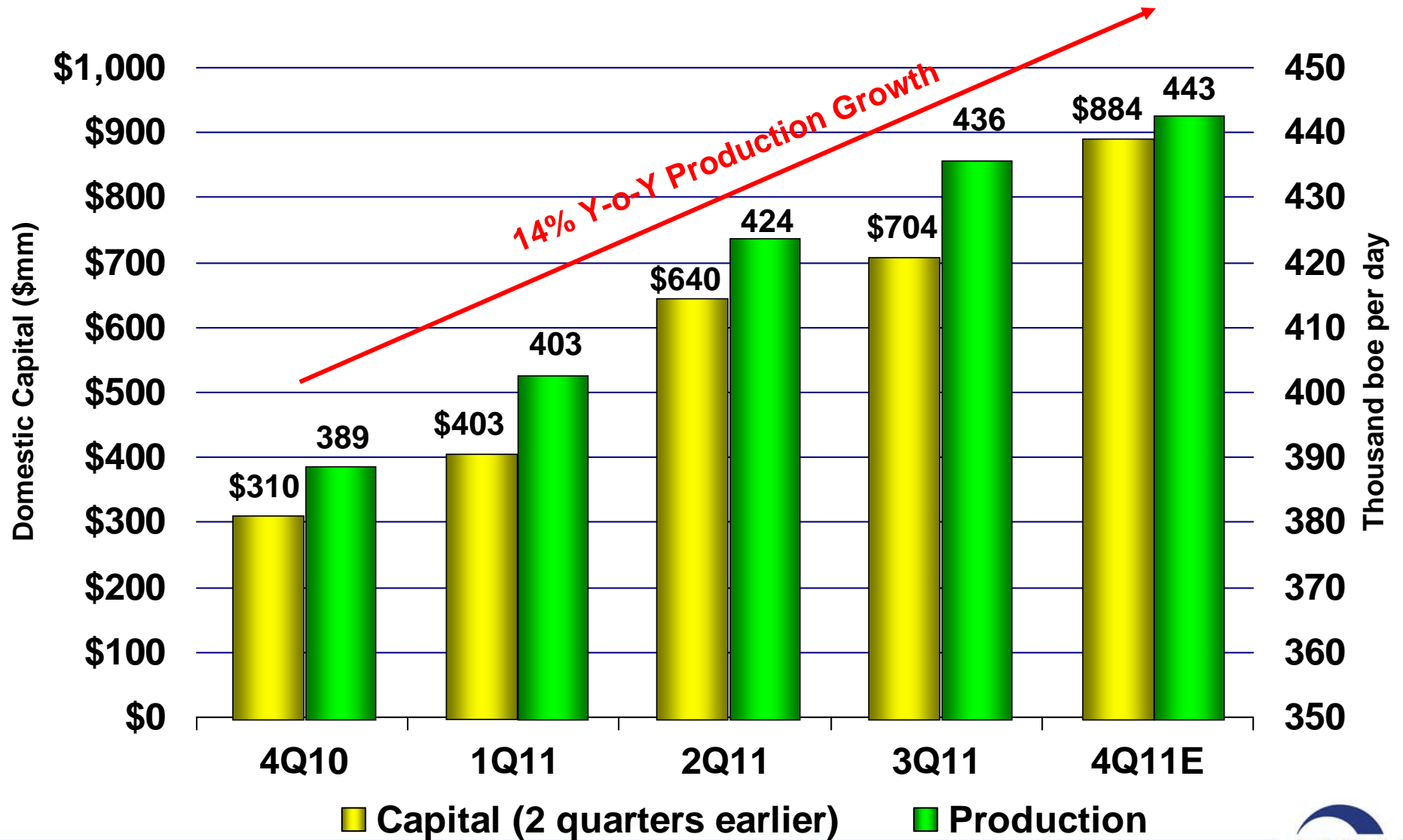


2011E Capital - \$7.0 Billion

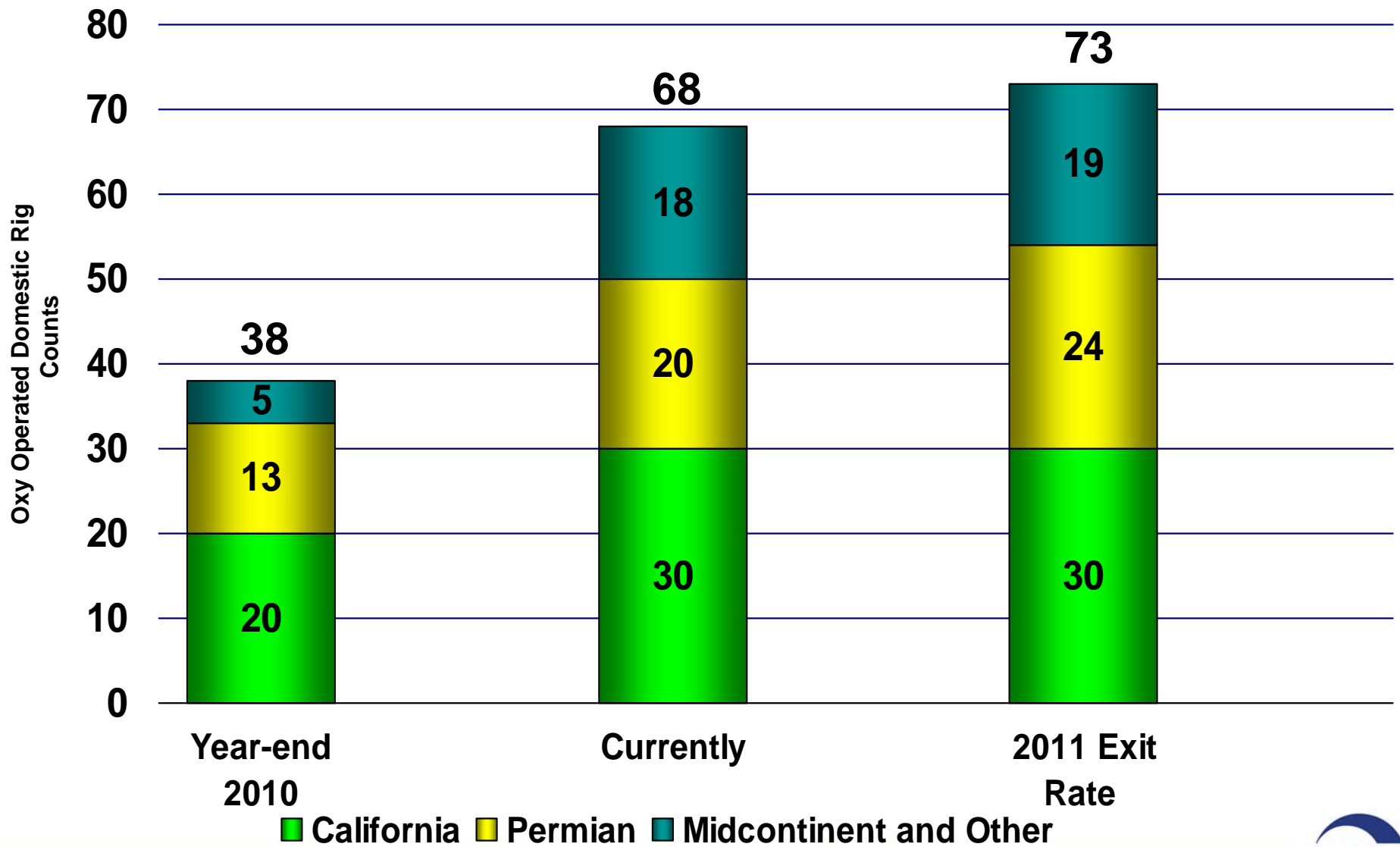
Domestic Oil & Gas Production – 3Q11

- *The impact of our capital program and increase in drilling activity has started to have a visible impact on our domestic oil and gas production volumes.*
- **Compared to 2Q11, our domestic production increased by about 6 mboe/d per month, compared to our guidance of 3 to 4 mboe/d.**
 - *This increase resulted in domestic production of 436 mboe/d for 3Q11, representing ~3% sequential quarterly growth.*
 - *3Q11 domestic production is the highest US total production volume in Oxy's history, reflecting the highest ever volumes for liquids.*
- *On a year-over-year basis, our domestic production volumes have increased by 15%.*
- *We believe our capital program will yield higher production growth and reliability over time.*

US Oil & Gas Capital and Production



Oxy's US Operated Rig Activity



Oil & Gas Production – 4Q11 Outlook

- We expect 4Q11 oil and gas production to be as follows:
 - *Domestic volumes are expected to increase by about 3 to 4 mboe/d per month from the 3Q11 average level of 436 mboe/d.*
 - *This should result in average 4Q11 production of about 442 to 444 mboe/d.*
 - *This would constitute a year-over-year domestic production growth rate exceeding 10% and about a 6% per year production growth rate going forward.*
 - *We expect our 4Q11 international production to be about the same as 3Q11 production, 4% higher than 2Q11, which was the low point of volumes during the year following the situation in Libya.*
 - *At 3Q11-end prices, we expect total production to increase to around 745 mboe/d as a result of the 3 to 4 mboe/d per month coming from domestic production.*
 - *We expect sales volumes to be around 740 mboe/d due to the timing of liftings.*

Oil & Gas Volume Growth Drivers

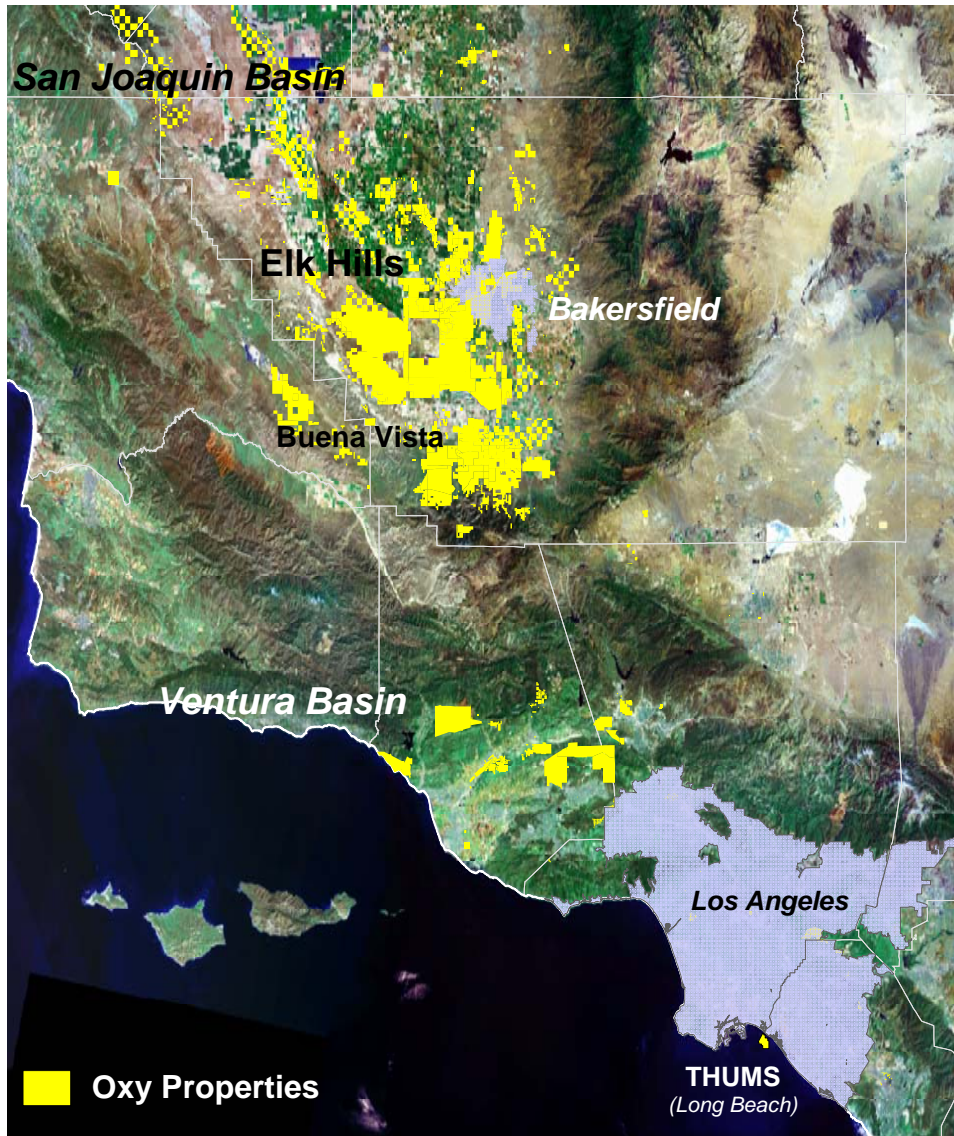
- **Base 5 – 8% Compounded Average Annual Growth**
 - CO₂ in Permian
 - Current California risked prospects
 - Recent domestic properties acquisitions (Williston Basin, South TX gas)
 - Oman
 - Iraq
- **Upside from Existing Holdings**
 - New California conventional and unconventional prospects
 - Permian exploration
 - Rockies
- **Additional opportunities from balance sheet and cash generation**
 - Domestic properties acquisitions
 - New Middle East projects

California Overview



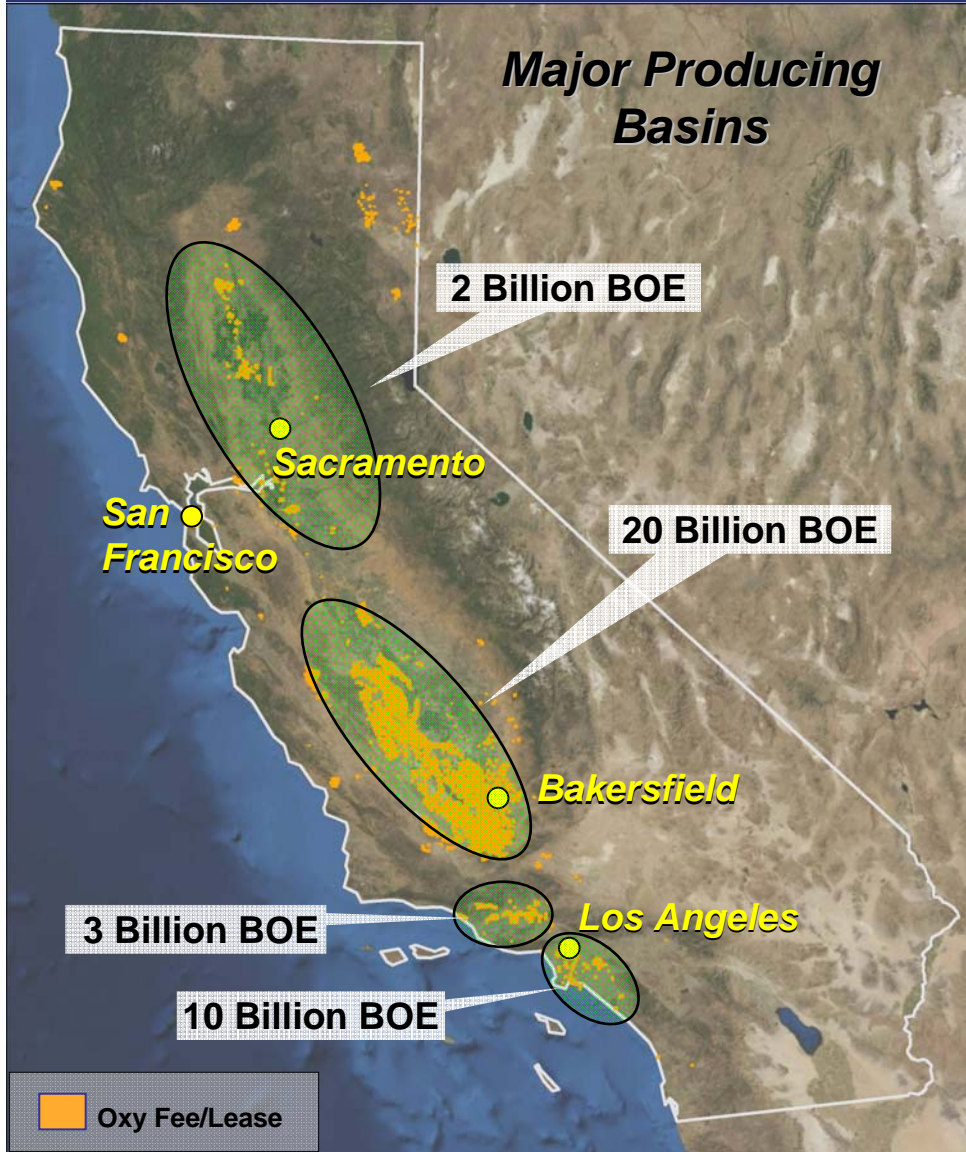
- Largest acreage holder in CA with ~1.6 mm acres, majority of which are net mineral interests.
- ~768 mm BOE of proved reserves at year end 2010, of which 73% are oil.
- 2010 production of 139 mboe/d.
- 78% interest in the Elk Hills Field — the largest producer of gas and NGLs in CA.
- Currently operating 30 drilling rigs in the state.
- Began construction of first new gas processing plant in 2010; plan to start building a second plant in the next two years.

California – 2011 Program Summary



- 2011 Capital program ~\$1.6 billion, up ~80% vs. 2010.
- Plan to drill 500+ new development wells.
- Shifted our drilling to oil wells which we expect to result in higher oil production in 2011.
- Drill ~20 exploration wells in 2011, several of which will be for conventional opportunities.
- *We expect that the exploration activity will, at a minimum, create more unconventional drilling locations.*

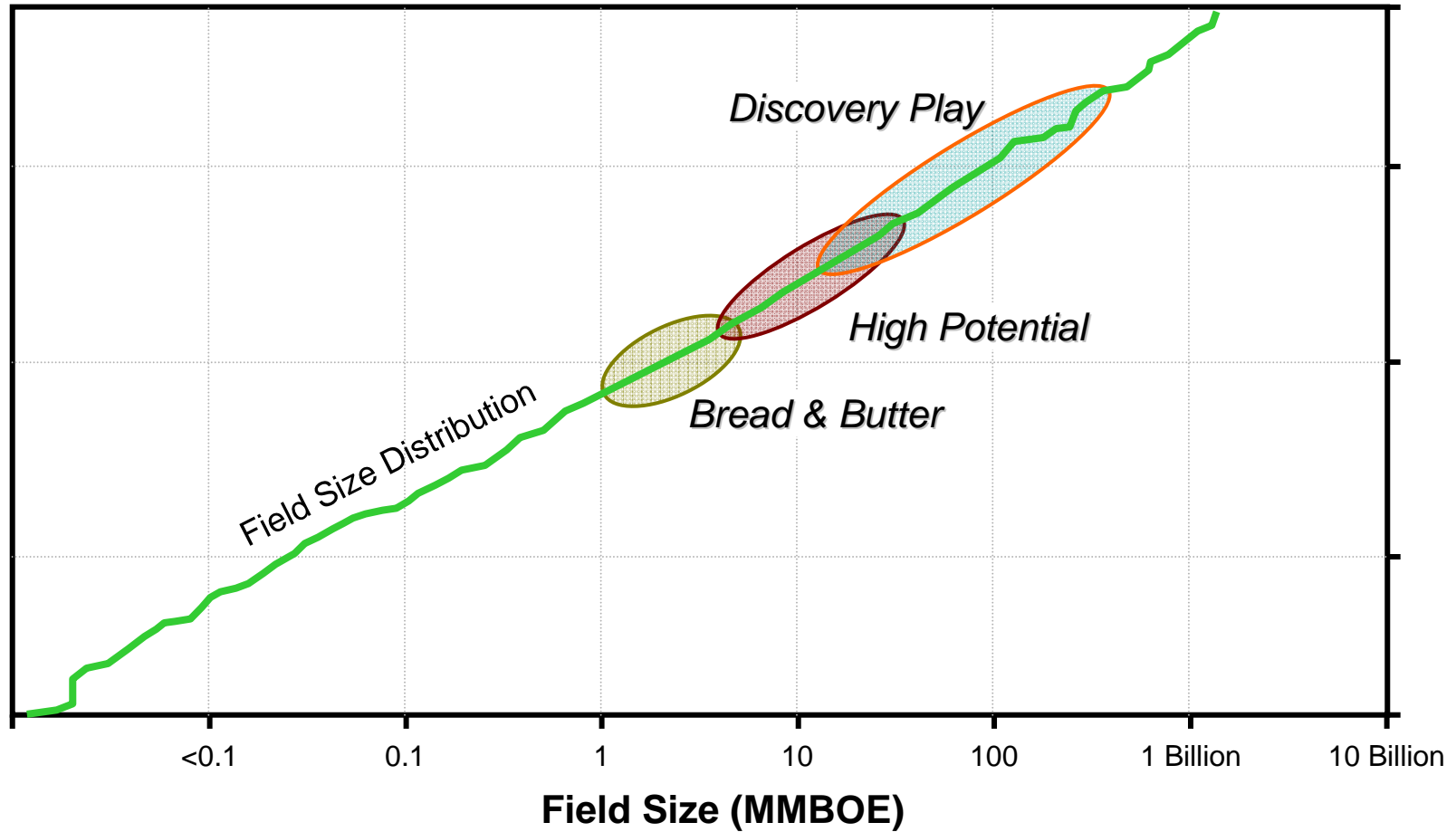
California Conventional Exploration




- **World Class Province**
 - 35+ Billion BOE discovered
 - 5 of top 12 U.S. oil fields
- **Significant Remaining Potential**
 - Large undiscovered resources
 - Multiple play and trap types
- **Underexplored**
- **Oxy**
 - Major producer
 - Largest acreage holder
 - Successful explorer
 - Multi-year prospect inventory

Sources:
California Division of Oil, Gas & Geothermal Resources
Gibson Consulting

California Field Sizes



 *Oxy Play Type and Prospect Exposure*

Sources:
California Division of Oil, Gas & Geothermal Resources
Occidental Estimates

California Unconventional “Shale” Program



- Multi-year inventory of drill sites in CA, many of which are both outside of Elk Hills proper & the Kern County Discovery Area
- Expect to drill 154 shale wells outside Elk Hills proper, and 195 total shale wells including Elk Hills in 2011
- 30-day initial production rate for these wells is between 300 and 400 BOE per day
- For the shale wells outside Elk Hills, ~80% of the BOE production is a combination of black oil and high-value condensate
- Cost of drilling and completing the wells has run ~\$3.5 million per well, which we expect to decline over time

California “Shale” Summary and Play Comparison

- *~870,000 acres are within most prospective “shale” plays;*
- *We have “de-risked” approx. 200,000 acres as viable for “shale”;*
- *Oxy’s average NRI ~95%;*
- **Identified 15 areas to appraise (5 - 10% of total acreage);**
 - Average IP ~ 300 - 400 boepd;
 - 10-acre spacing
- *In 10 years CA “shale” could become Oxy’s largest business unit.*

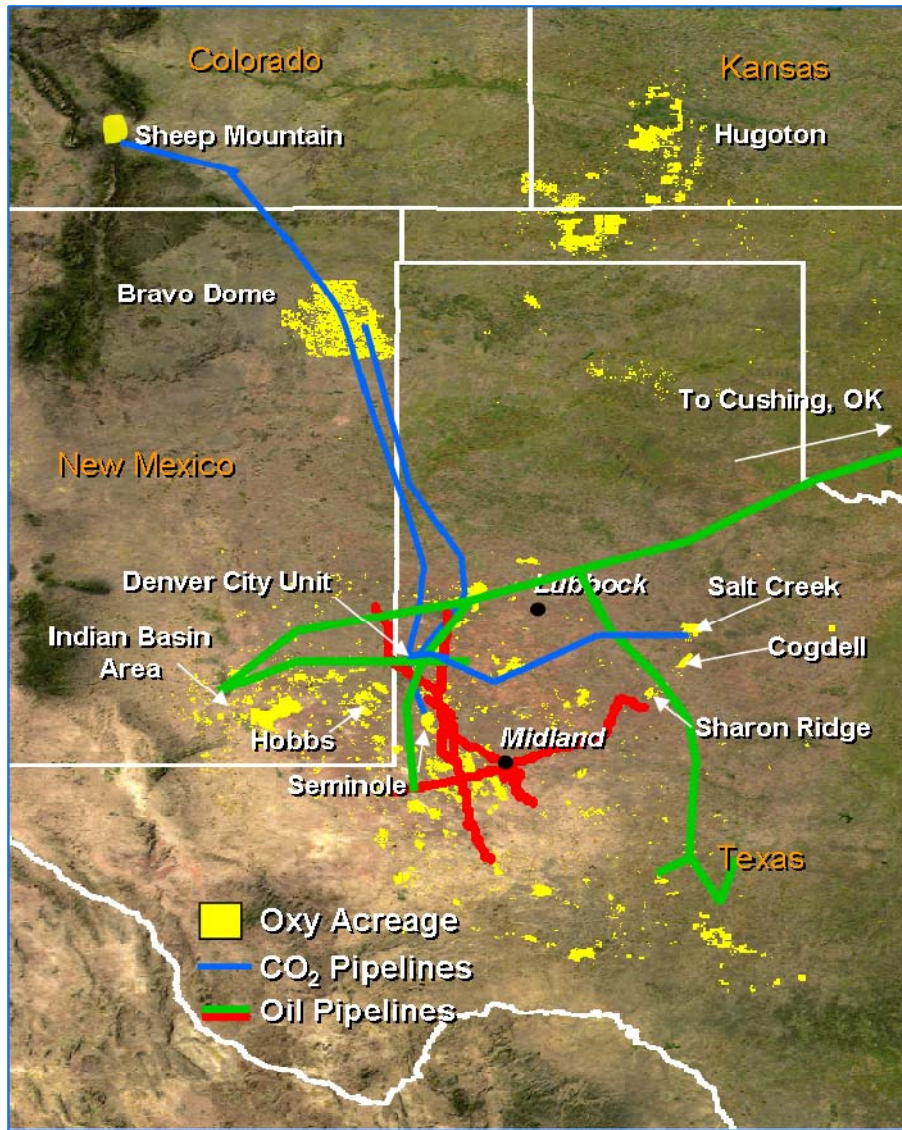
Play	Depth (ft)	Thickness (ft)	Porosity (%)	Permeability (mD)	TOC (%)
CA “Shales”	3,500’ - 16,000’	500’ – 3,500’	5 – 30%	<0.0001 - 2	0.1 – 12%
Bakken	7,000’ - 11,000’	20’ – 100’	3 – 12%	0.05 - 0.5	2 - 18%
Eagle Ford	8,000’ - 14,000’	75’ – 300’	3 – 15%	<0.0001 - .003	0.6 - 7%



California Update

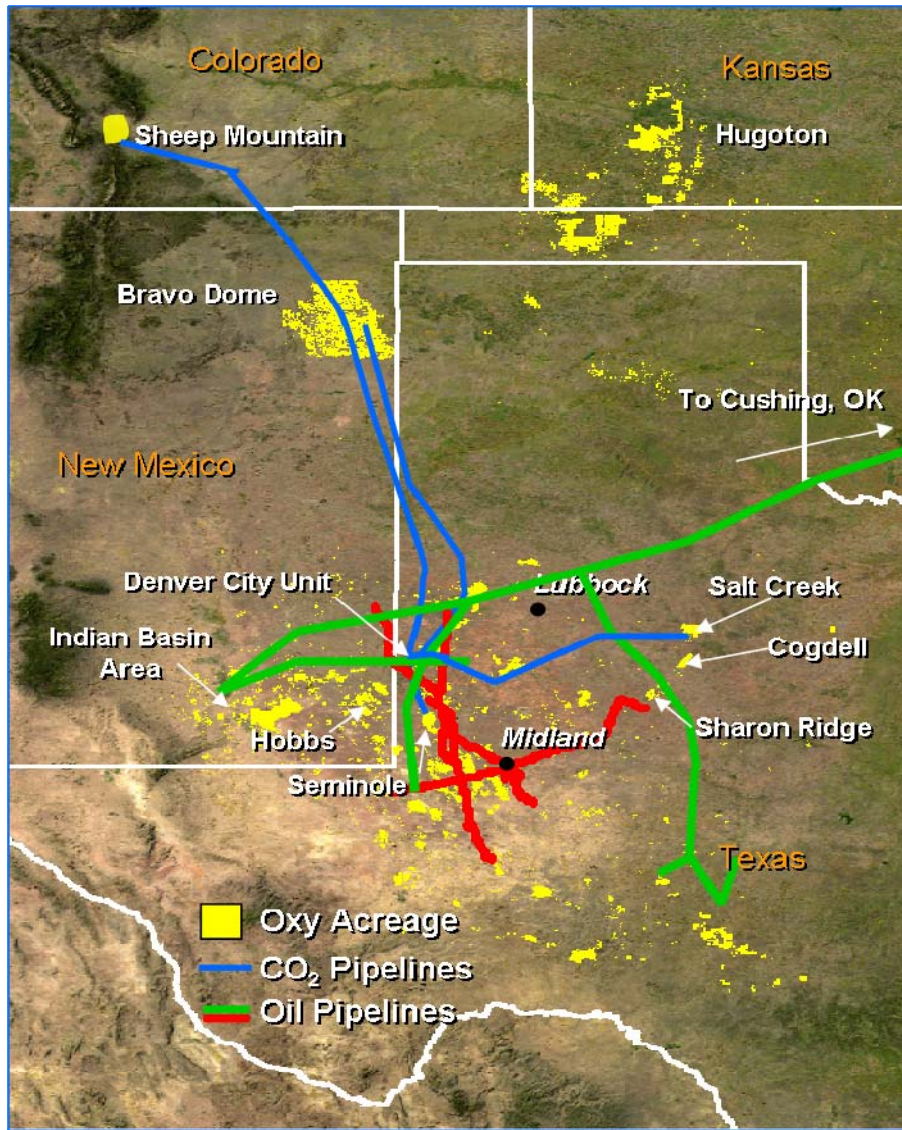
- *We expect to drill and complete a total of 42 shale wells during 4Q11.*
- *We expect to run a 30 rig program in the state during 4Q11.*
- *Our conventional drilling program is progressing somewhat better than planned.*
- *With respect to the recent personnel turnover at the DOGGR, our hope is that the permitting process becomes more transparent, which would make planning our activity levels more predictable.*
- *Improved transparency and a clearing of the substantial backlog of permits should allow for a gradual increase in our activity levels and employment in the state.*

Permian Basin Overview



- Approximately 1.2 billion BOE of proved reserves at year end 2010
- 2010 production of 197,000 boe/d
- Largest oil producer in Permian (~16% share of total)
- Largest operator in Permian (of 1,500+ operators)
- ~66% of Oxy's Permian oil production is from CO₂ related EOR projects
- Have another 2.5 BBOE of likely recoverable resource
- 1.7 bcf/d (0.5 tcf/year) of CO₂
- Ample supply of CO₂ accelerates project implementations

Permian – 2011 Program Summary

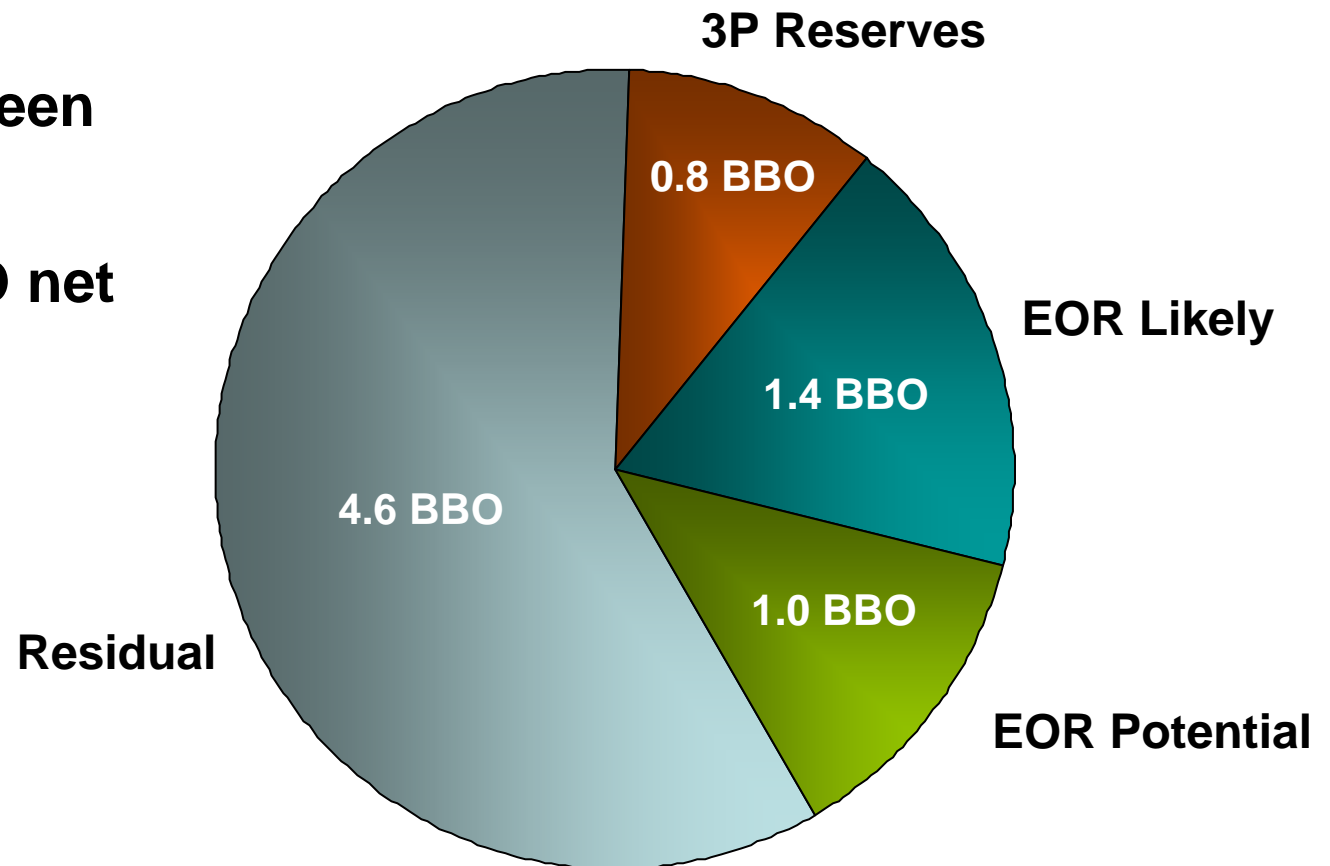


- 2011 Capital program ~\$1 billion
- Plan to drill 300+ wells this year
- Expect to run ~24 rig drilling program by year-end 2011
- Drilling program is front-end loaded to exploit quick production first
- 160+ workover/maintenance rigs operating, and 50% more than a year ago
- Extensive Wolfberry drilling program, as well as Delaware/Bone Springs sands and Avalon Shale

Permian EOR Opportunities

- Permian properties initially had 11.9 BBO net in place
- 4.1 BBO have been produced,
- leaving 7.8 BBO net remaining

7.8 BBO Net Remaining



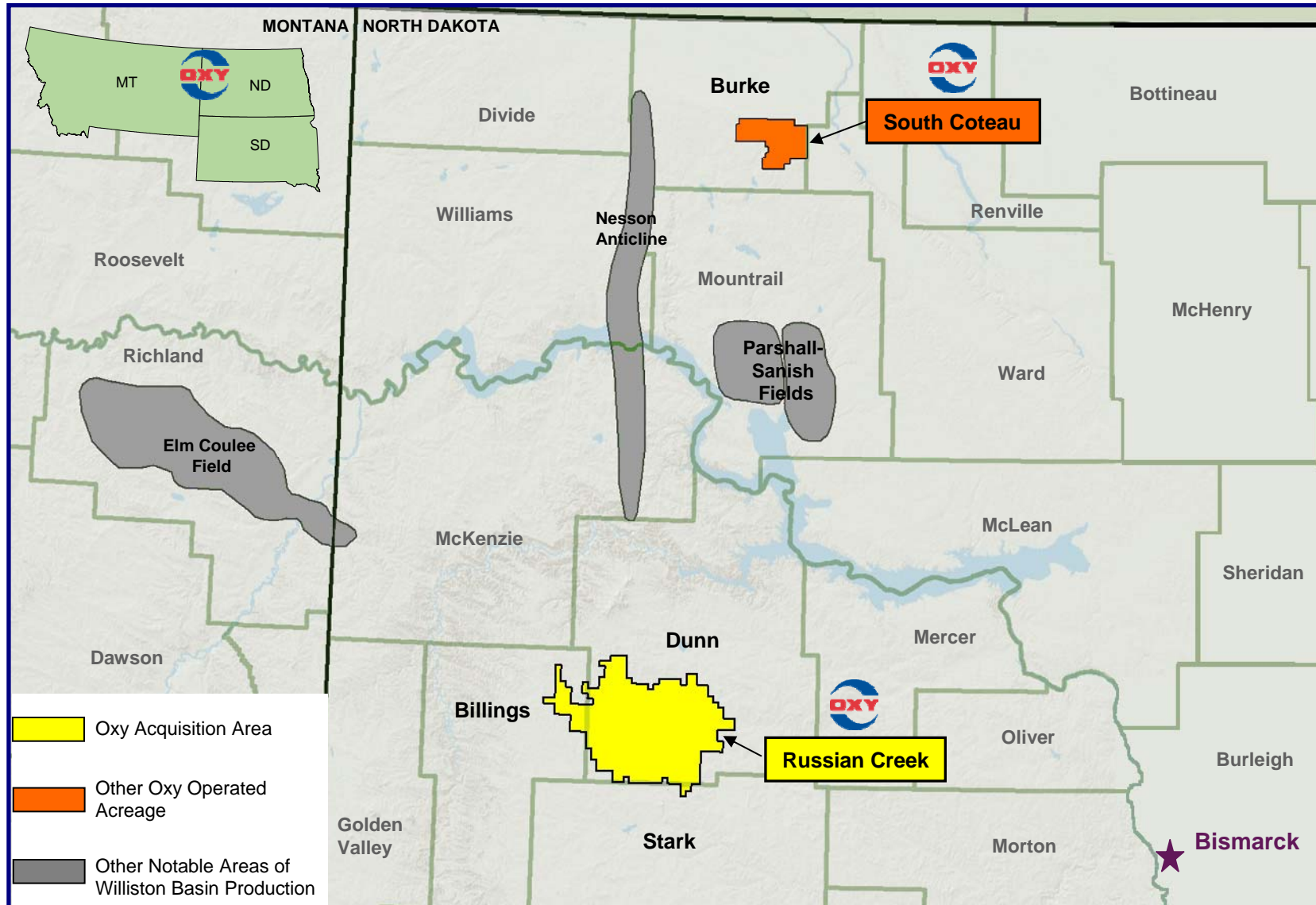
Permian, Midcontinent & Other Update

- ***In the Permian operations:***
 - Our CO₂ flood production is progressing according to plan.
 - We expect our rig count to be about 24 in 4Q11.
 - *Our non-CO₂ operations have stepped up their development program but will not show significant production growth until next year.*
- ***In Williston:***
 - We are pursuing a development program with about 13 rigs expected to be running in 4Q11.
 - *Our production is growing as a result of the development program and we expect the growth to continue.*
- ***Natural gas prices in the US continue to be weak. As a result, we are considering cutting back our pure gas drilling in the Midcontinent and possibly elsewhere.***

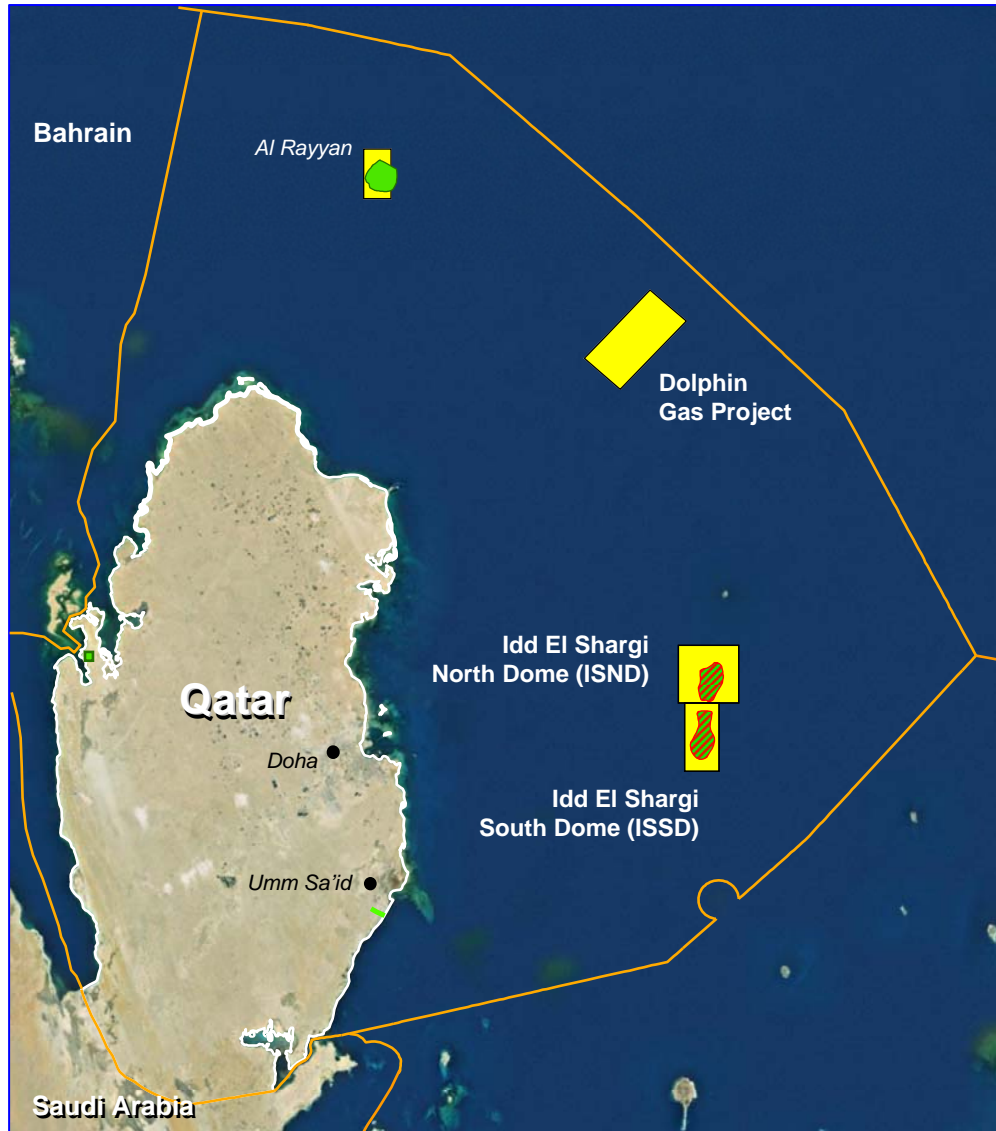
Oxy – North Dakota Assets

- **Acquired ~174,000 contiguous net acres within the southern extents of the ND Bakken and Three Forks Formations.**
- **Operated working interests avg. 63% with avg. NRI of ~83%.**
- **Net risked reserve potential in excess of 250 mboe from the Middle Bakken and Upper Three Forks Formations.**
- **Prospective across entire acreage position for Three Forks and deeper objectives.**
- **We expect to exit the year with production of about 8 - 10 mboe/d.**
- **Oxy expects to grow production in the Williston Basin to at least 30 mboe/d over the next five years.**
 - **Currently running 12 drilling rigs on our Bakken acreage with plans to increase this to 13 rigs by the end of 2011**
 - **Plan to drill ~60 Bakken shale wells during 2011**

Oxy North Dakota – Williston Basin

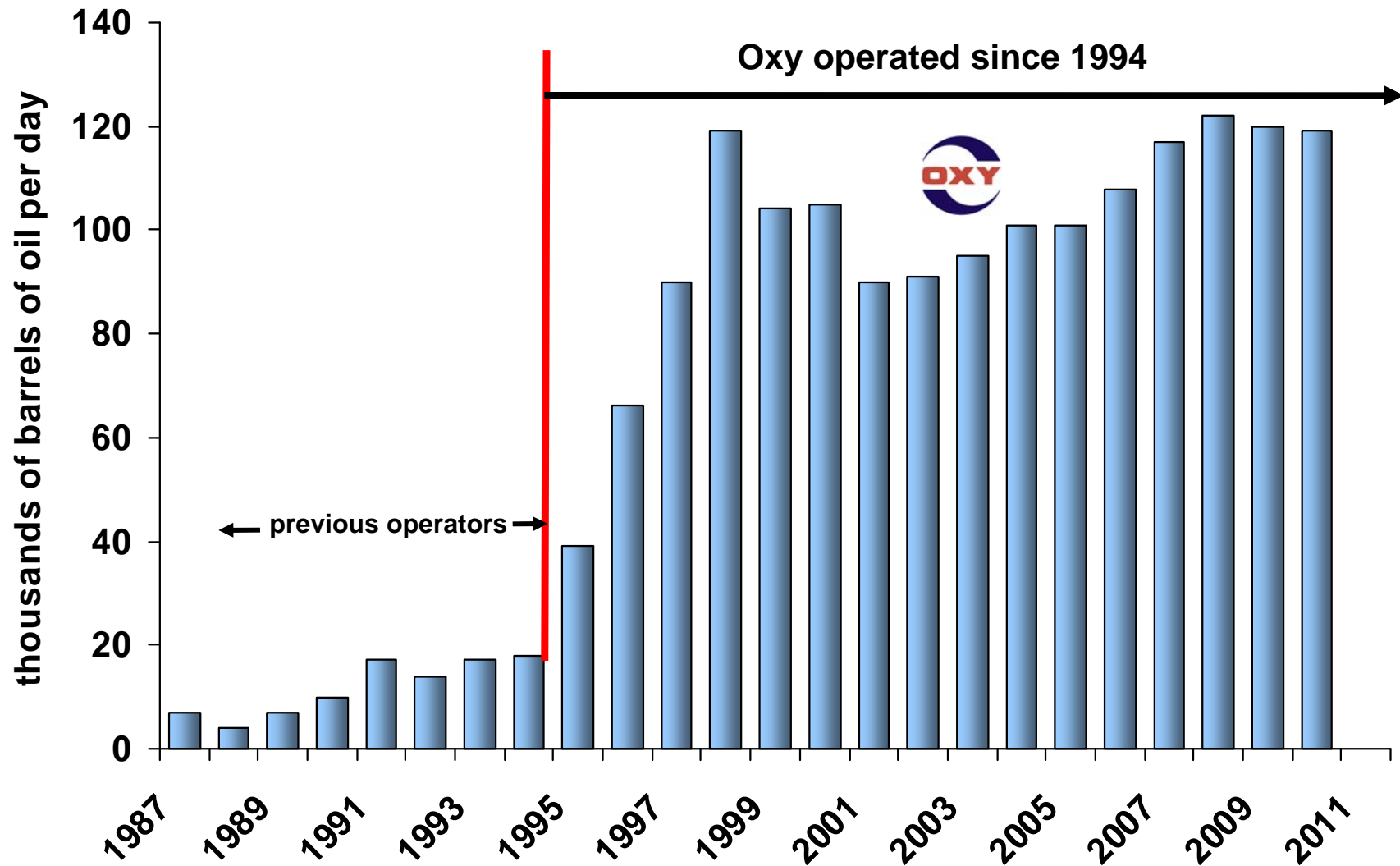


Oxy – Qatar Oil & Gas Fields

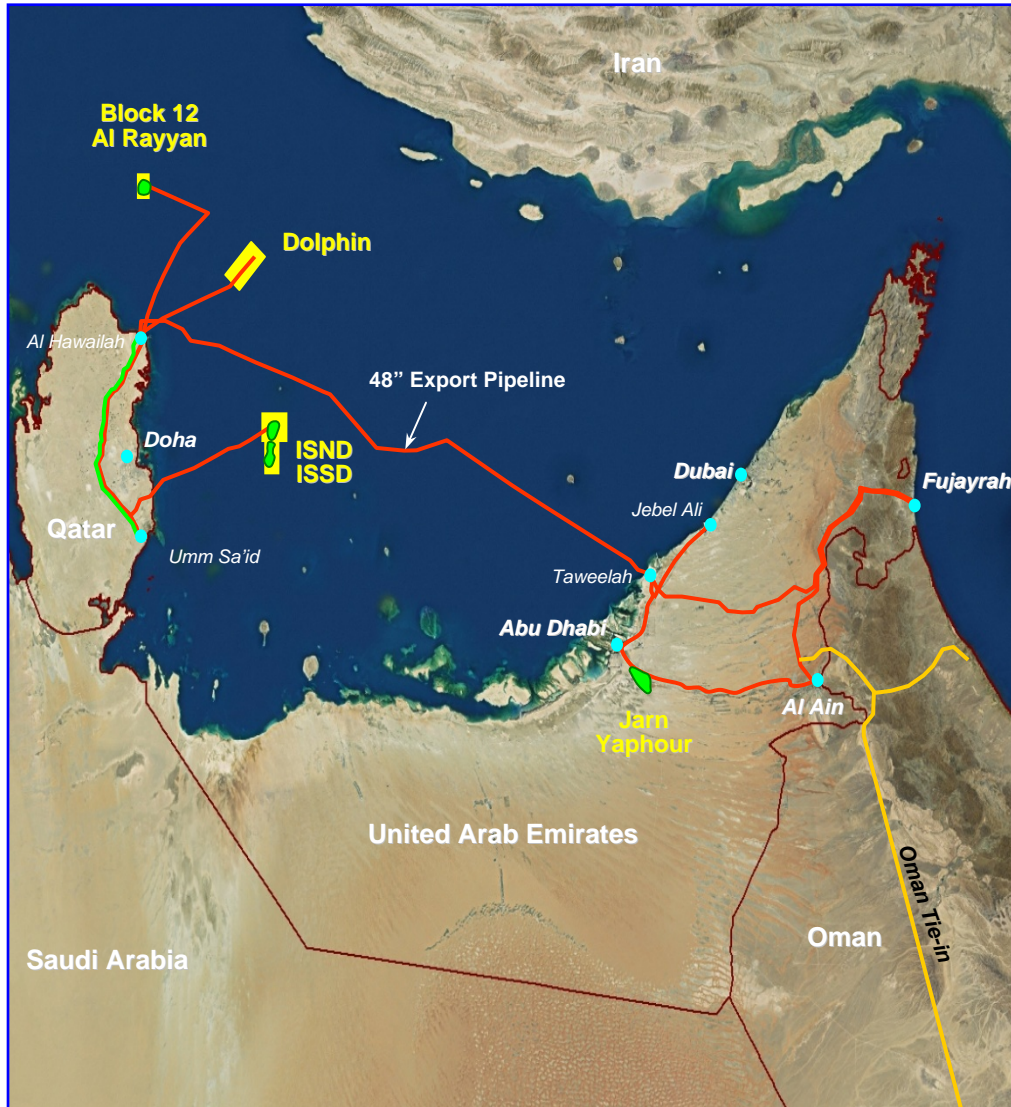


- Idd El Shargi North Dome (ISND) – 4 B bo ROIP
- Idd El Shargi South Dome (ISSD) – 800 MM bo ROIP
- Al Rayyan – 300 MM bo ROIP
- 2010 Gross Production 118 Mbopd, Net 76 Mbopd
- **Priorities:**
 - Maintain production from existing fields
 - Additional activity to increase production later in the 2012 – 2014 period

Oxy – Qatar Gross Oil Production

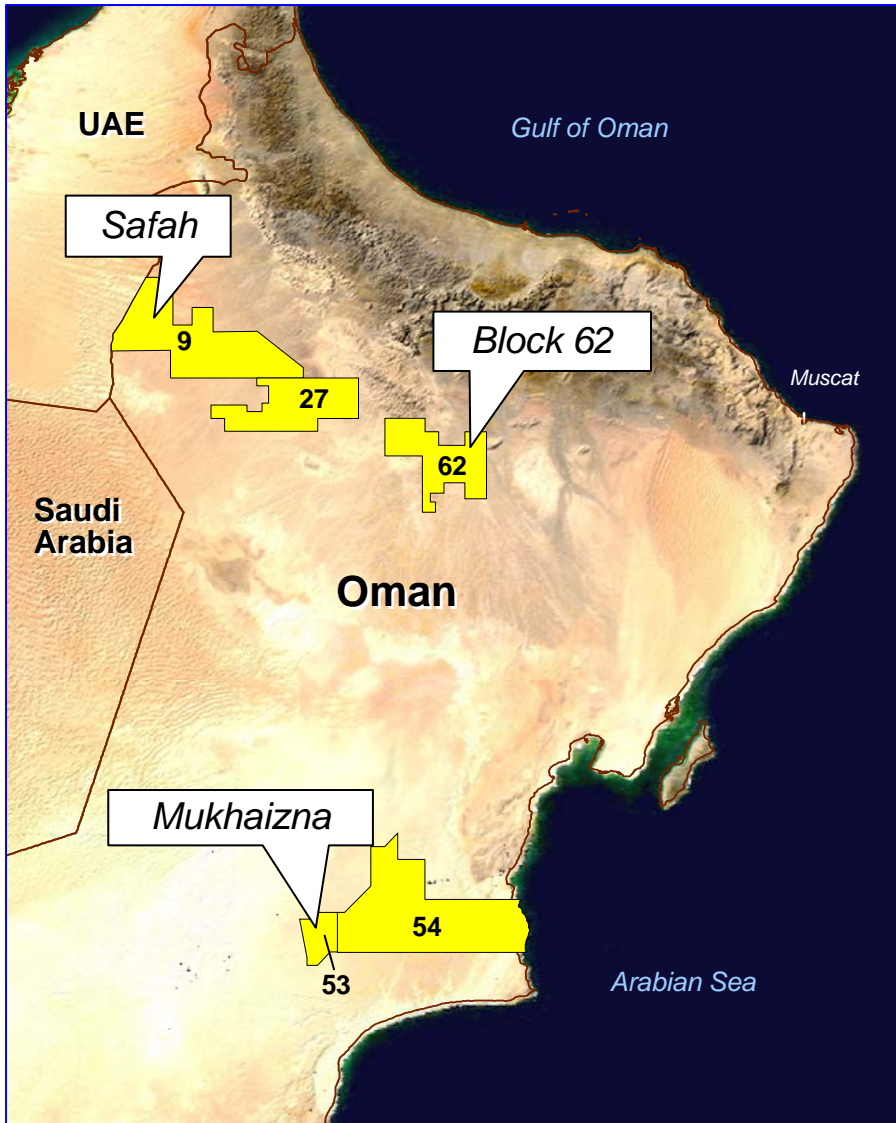


Oxy – Dolphin Project



- Oxy share 24.5%
- Delivering 2.2 Bcfd to UAE and 200 MMcfd to Oman markets
- 2010 Gross production 537 mboepd, Net production 63 mboepd
- Consistently above anticipated gas / liquids production
- Fee income for UAE distribution and 3rd party sales increasing
- Exceptional financial returns

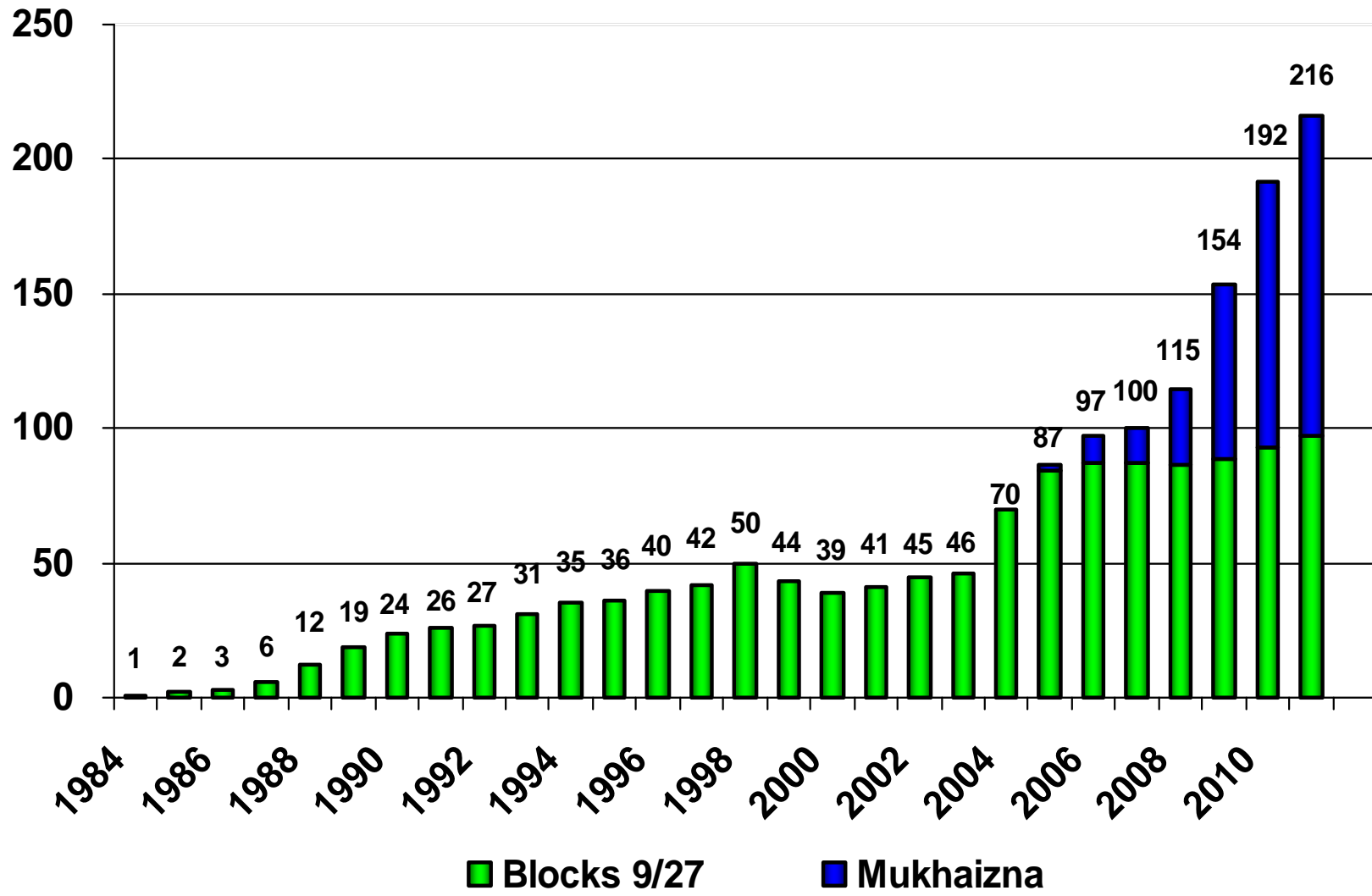
Oxy Oman History



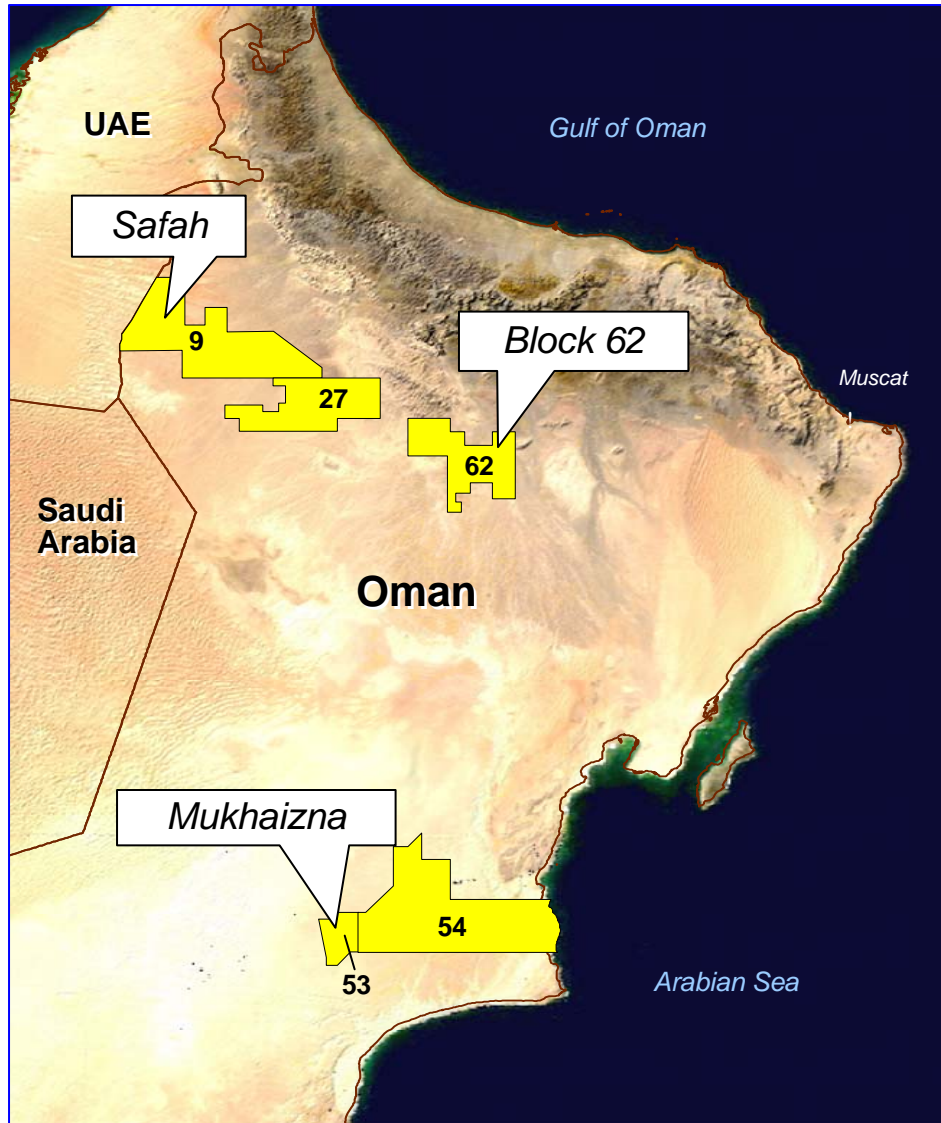
- Oxy commenced operation of the Safah field in 1984
- Approximately 600 wells drilled and 30+ fields discovered in Blocks 9 and 27
- Signed 30-year PSC for the Mukhaizna field in 2005
- Block 62 acquired in 2008, and pursuing exploration and development opportunities
- 2010 Gross production 190 mboepd, Net production 69 mboepd

Oxy Oman Gross Production Growth

Mboepd



Oxy Oman – Mukhaizna Project



- World Class Steam flood project
- 2 B bo ROIP
- Discovered in 1975 in South Central Oman
- Cold production commenced 1992
- Oxy assumed operation September 1, 2005 at 8,500 b/d
- Steam flood commenced May 2007, and had drilled 1,020+ new wells through 2010
- Current Gross Production: ~120,000 b/d
- Target Gross Production: 150,000 b/d

Abu Dhabi – Al Hosn Gas Project (Shah Field)



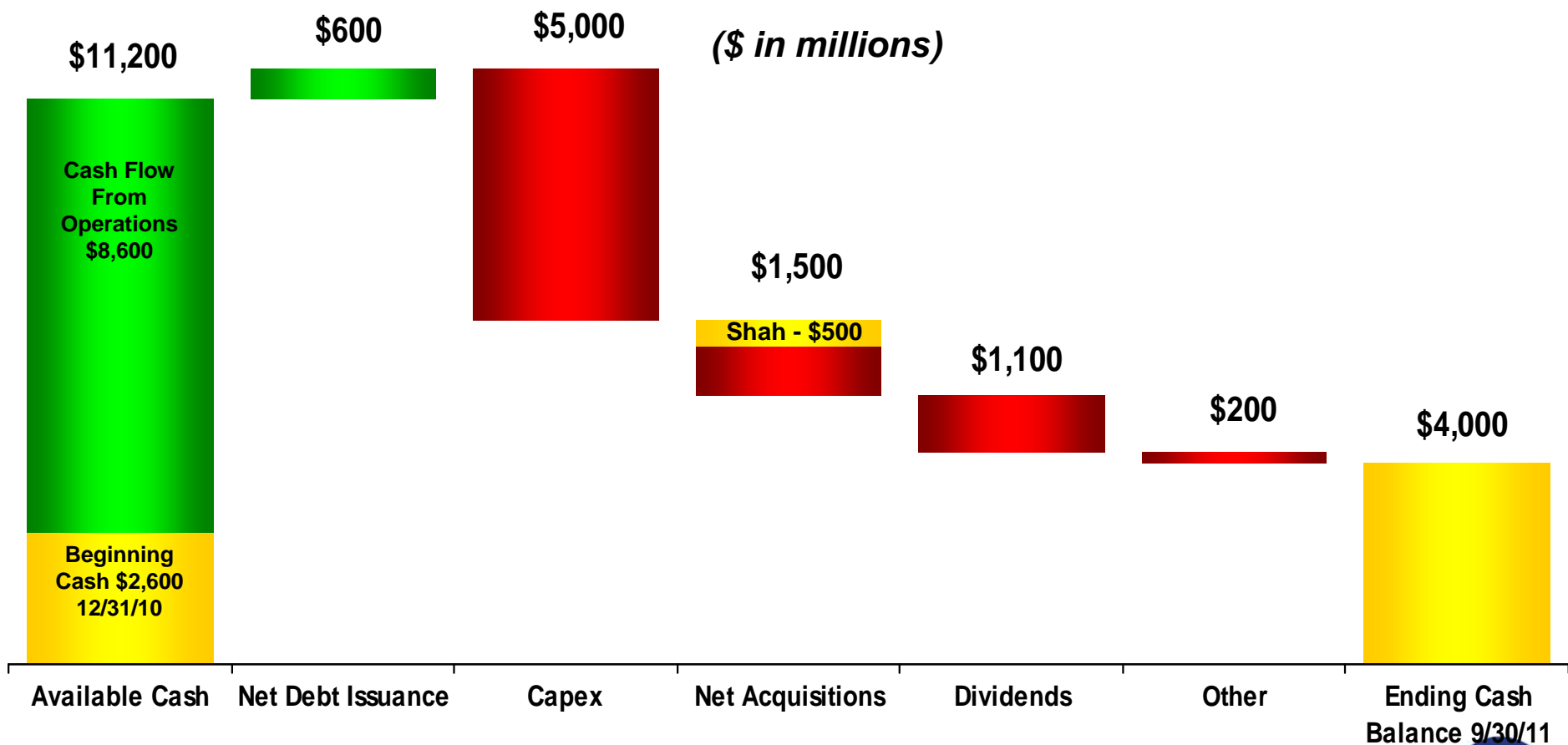
- **Shah Gas Field one of the largest in the Middle East**
- **Oxy holds a 40% participating interest under a 30-year contract**
- **The project involves development of high-sulfur content reservoirs within the Shah field, located onshore ~180 km so. west of AD**
- **Production start-up is scheduled in late 2014**
- **Anticipated to produce ~500 mmcf per day of sales gas – providing net to Oxy in the range of 200 mmcf per day, plus condensate and NGLs of at least 20 mb/d**
- **Capex is estimated to be ~\$10 billion for the project with Oxy's share proportional to its interest**

Cash Flow Priorities

- 1. Base/Maintenance Capital**
- 2. Dividends**
- 3. Growth Capital**
- 4. Acquisitions**
- 5. Share Repurchase**

Summary – YTD 2011 Cash Flow

- *Free cash flow from continuing operations after capex and dividends, but before acquisition and debt activity, was about \$2.6 billion.*



See attached GAAP reconciliation.

Acquisition Strategy

- **Company's *core business* is acquiring assets that can provide future growth through improved recovery.**
 - Foreign contracts
 - Domestic add-ons
 - Small incremental additions to production in short term
- **Generate returns of at least 15% in the US and 20% overseas.**
- **Overall average finding & development costs of less than 25% of selling price.**
- **Even with the additional capital shown, program will generate a significant amount of free cash flow.**
- **Acquisitions are measured against reinvesting in the existing business with the goal of enhancing company value.**
- **Large number of opportunities over 5-year period.**

Oxy – Investment Attributes

- **5 - 8% base annual production growth**
- **Opportunity for additional volume growth**
- **Returns on invested capital significantly in excess of Company's cost of capital**
- **Annual increases in dividends**
- **Significant financial flexibility for opportunities in distressed periods**
- **Conservative financial statements**
- **Committed to generating stock market value which is greater than earnings retained**
- **We believe this will generate top quartile returns for our shareholders**

Creating Shareholder Value

Oxy's Shareholder Equity versus Equity Market Value

A History of Generating Shareholder Value

<i>(\$ in millions)</i>	<u>Change in Equity Market Value</u> Change in Shareholder Equity	<u>Market Value per \$ of Equity Retained</u>
1 – Year	$\frac{\$13,685}{\$3,325}$	4.1
3 – Year	$\frac{\$16,162}{\$9,626}$	1.7
5 – Year	$\frac{\$47,614}{\$17,042}$	2.8
10 – Year	$\frac{\$70,762}{\$27,710}$	2.6

Cautionary Statement

Portions of this presentation contain forward-looking statements and involve risks and uncertainties that could materially affect expected results of operations, liquidity, cash flows and business prospects. Factors that could cause results to differ materially include, but are not limited to: global commodity pricing fluctuations; supply and demand considerations for Occidental's products; general domestic political and regulatory approval conditions; political events; not successfully completing, or any material delay of, any development of new fields, expansion projects, capital expenditures, efficiency-improvement projects, acquisitions or dispositions; potential failure to achieve expected production from existing and future oil and gas development projects; exploration risks such as drilling unsuccessful wells; any general economic recession or slowdown domestically or internationally; higher-than-expected costs; potential liability for remedial actions under existing or future environmental regulations and litigation; potential liability resulting from pending or future litigation; general domestic and international political conditions; potential disruption or interruption of Occidental's production or manufacturing or damage to facilities due to accidents, chemical releases, labor unrest, weather, natural disasters or insurgent activity; failure of risk management; changes in law or regulations; or changes in tax rates. Finding and Development costs calculations inherently compare costs and reserves from separate periods. The United States Securities and Exchange Commission (SEC) permits oil and natural gas companies, in their SEC filings, to disclose only reserves anticipated to be economically producible, as of a given date, by application of development projects to known accumulations. We use certain terms in this presentation, such as resource potential, net risked reserves, de-risked, geologically viable, EUR (expected ultimate recovery), discovery volumes, likely recoverable resources and oil in place, that the SEC's guidelines strictly prohibit us from using in our SEC filings. These terms represent our internal estimates of volumes of oil and gas that are not proved reserves but are potentially recoverable through exploratory drilling or additional drilling or recovery techniques and are not intended to correspond to probable or possible reserves as defined by SEC regulations. By their nature these estimates are more speculative than proved, probable or possible reserves and subject to greater risk they will not be realized. You should not place undue reliance on these forward-looking statements, which speak only as of the date of this presentation. 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 2010 Form 10-K, available through the following toll-free 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. We post or provide links to important information on our website including investor and analyst presentations, certain board committee charters and information that SEC requires companies and certain of its officers and directors to file or furnish. Such information may be found in the "Investor Relations" and "Social Responsibility" portions of the website.



Occidental Petroleum Corporation

