Occidental Petroleum Corporation

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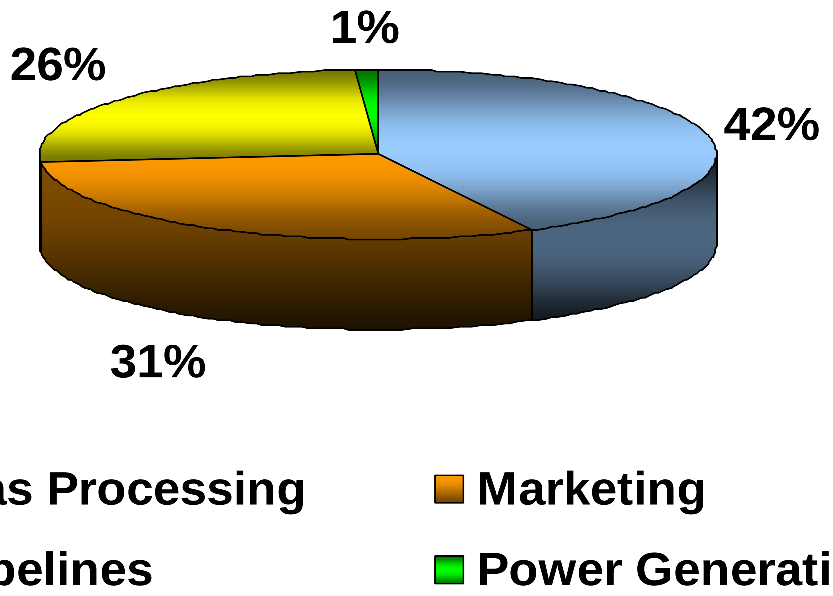
Agenda

- Midstream & Chemicals
- Production Forecast
- Capital Forecast
- Acquisition Strategy
- Asset Return Results
- Cash Flow Priorities
- Investment Attributes

Midstream Overview

Midstream 3-Year Average EBIT

2007 - 2009



- **3-Year Average EBIT was $374 Million**
- **2009 EBIT was $235 Million**
- **$3.8 Billion net PP&E and investments**
- **Significant and growing fee income**

Midstream Lines of Business

Gas Processing

- Located near our domestic producing operations
- Processes both Oxy and third-party gas
- Spread between natural gas and NGL prices drives business

Marketing & Trading

- Maximizes value of company's production
  - Spread in pricing between various grades of crude oil drives business
- Gas storage arbitrage
- Gas storage capacity of 30.5 BCF
- Phibro is long a basket of commodities

Midstream Lines of Business

Pipelines

- Oxy owns 2,760 miles of oil pipeline in Permian Basin and Oklahoma
- 22% ownership of Plains All American Pipeline, G.P.
- 24.5% ownership of Dolphin Pipeline
- Fee-based business

Power Generation

- Oxy power and steam generation facilities at our Louisiana and Texas chemical sites
- 50% ownership in a power generation facility at Elk Hills
- Spread between natural gas price and electricity price drives business

Midstream 5-Year Outlook

EBIT Growth to $1 Billion Annually by 2014

- Increased pipeline fees
- Addition of Phibro
- Increased gas and CO_2 plant capacity
- Bolt-on acquisitions likely

Chemicals Overview

- 5-Year Average EBIT was $688 Million
- $ 389 Million EBIT in 2009
- $ 2.6 Billion Net PP&E
- Focus on Chlorovinyls
- Major Factor in its Industry
- Earnings are Volatile

See attached for GAAP reconciliation

Major Market End Uses for OxyChem Products

Chlorovinyls

- **Building Materials / Automotive Products**
- **Pulp & Paper / Aluminum Production**
- **Water Treatment / Disinfection**
- **Medical Products**
- **Fertilizers / Ag Feed**

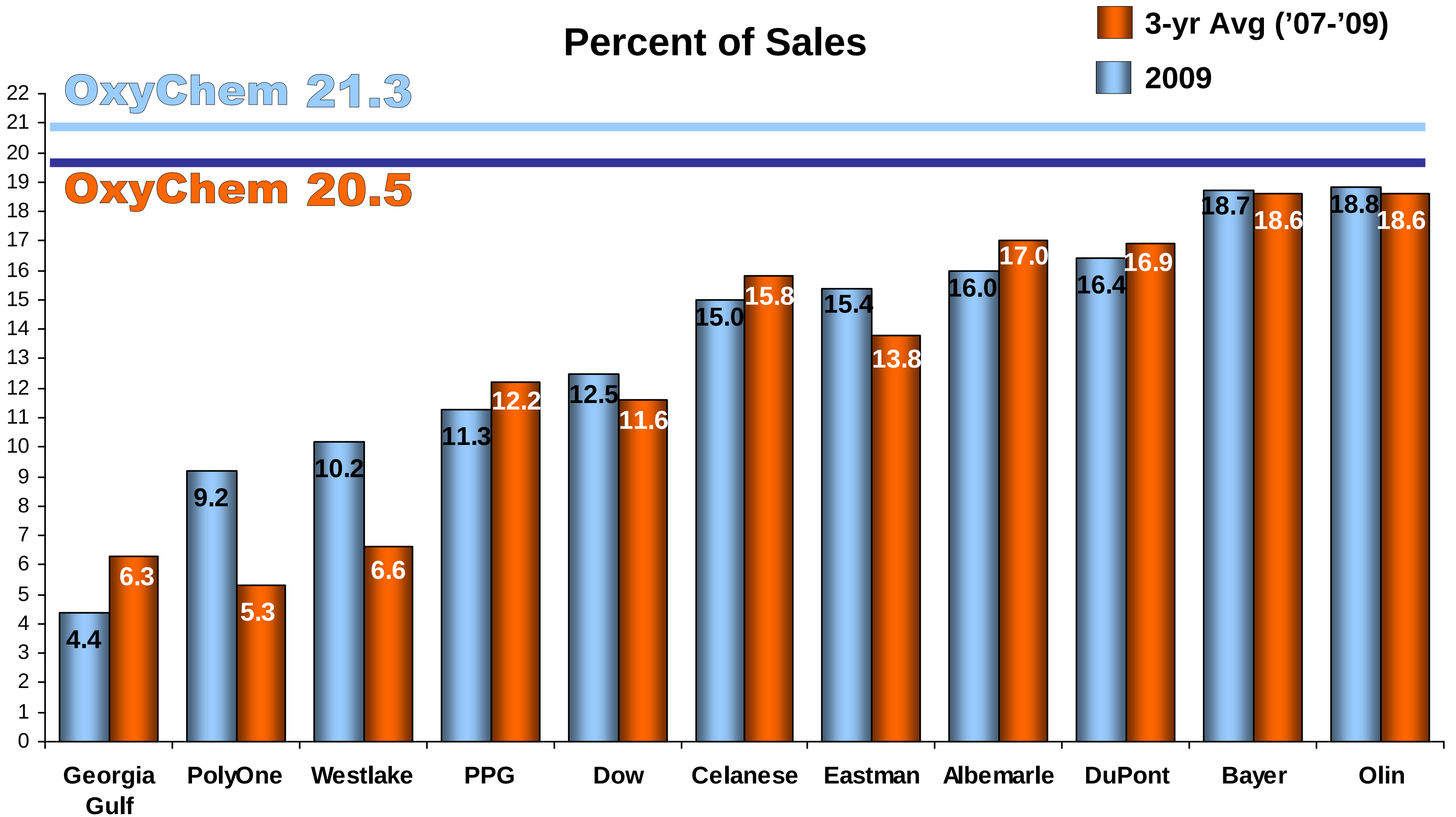
Other Products *

- **Soaps / Detergents / Paint Pigments**
- **Ice Melting / Dust Control / Oil Field Services**

** Other Products Accounted for 12% of Sales & 16% of Earnings in 2009*

Chemical Companies Comparison

EBITDA



See attached for GAAP reconciliation

Chemicals 5-Year Outlook

- **Expect average annual EBIT of $700 Million over next five years**
- **Opportunity for small bolt-on acquisitions**

E&P Business Drivers

- **Volume Growth**
- **Capital Expenditures**
- **Acquisitions**
- **Return Targets**

Volume Growth Drivers

- **Base 5 – 8% Growth**
  - **CO_2 in Permian**
  - **Current California risked prospects**
  - **Rockies gas**
  - **Bahrain**
  - **Oman**
  - **Iraq**
- **Upside from Existing Holdings**
  - **New California conventional and unconventional prospects**
  - **Permian exploration**
  - **Rockies gas**
  - **Argentina**
- **Additional opportunities from balance sheet and cash generation**
  - **Domestic properties acquisitions**
  - **New Middle East projects**

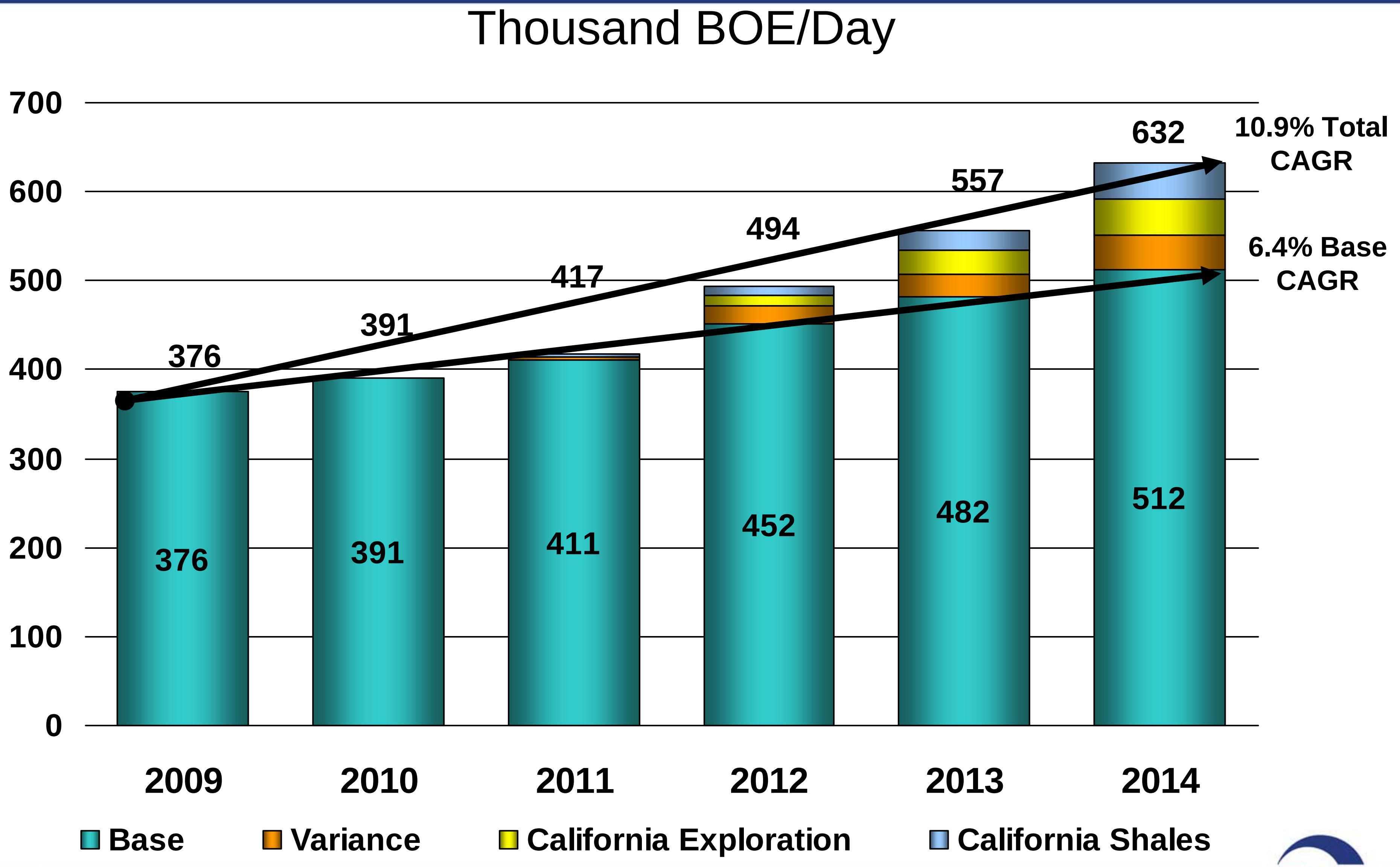
Major Potential Drivers of Production and Profitability

- **California Non-conventional**
  - 870,000 potential acres with virtually no royalties
  - EUR of 400 – 700 MBOE per well
  - Modest F&D
  - Modest success built into production wedge
- **California Conventional**
  - 50 prospect inventory and growing
  - Low F&D
  - Considerable success so far
  - Only two or three moderate exploration successes built into production wedge

Major Potential Drivers of Production and Profitability

- **Rockies Gas**
  - 3.8 TCFE potential
  - Base uses $6.00 gas in 2014
  - Upside case is $7.00 gas in 2014
- **Permian CO_2**
  - 3 billion net barrels in resource from Oxy operated only
  - Possibly more CO_2 available over the 5-year period
  - Probable better response by 2013-14

U.S. Production Outlook



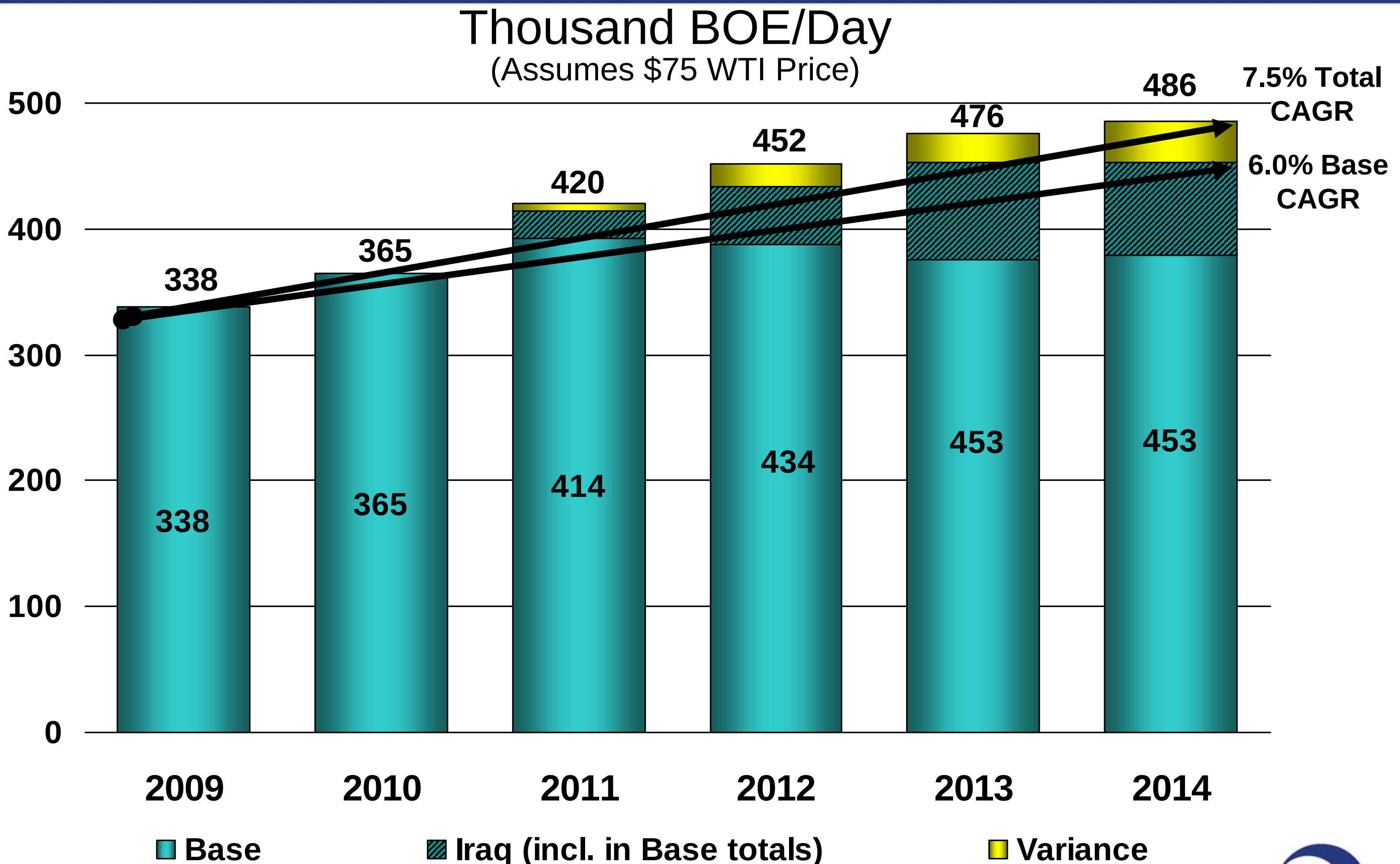
Major Potential Drivers of Production and Profitability

- **Bahrain**
  - **Base case shows steady but not aggressive progress**
  - **Possible better oil results by 2014**
- **Oman**
  - **Base shows only modest growth of Oman gas markets**
  - **Likely better growth by 2014**
- **Libya**
  - **Little progress assumed**
  - **Possible need by the government for better production growth by end of the period**

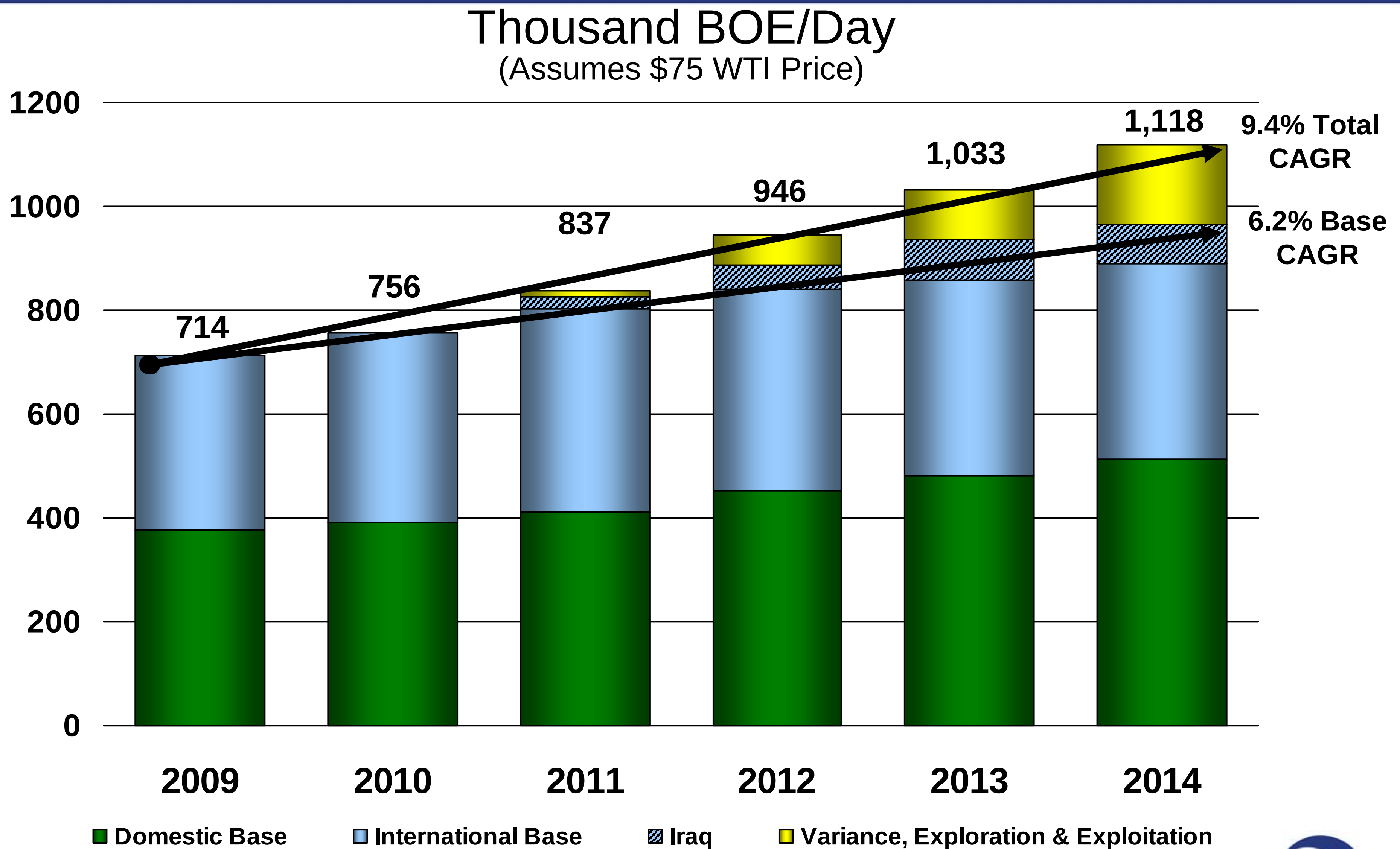
Major Potential Drivers of Production and Profitability

- **Argentina**
  - **Modest base case shown**
  - **Potential is very high**
- **Iraq**
  - **Field is capable of outperforming our estimates**

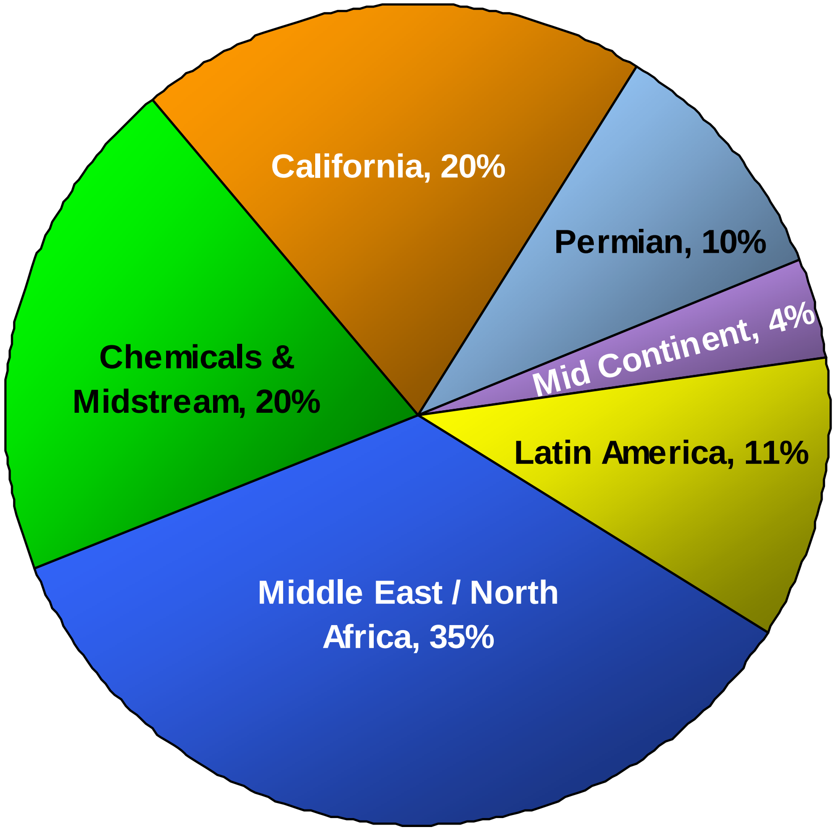
International Production Outlook



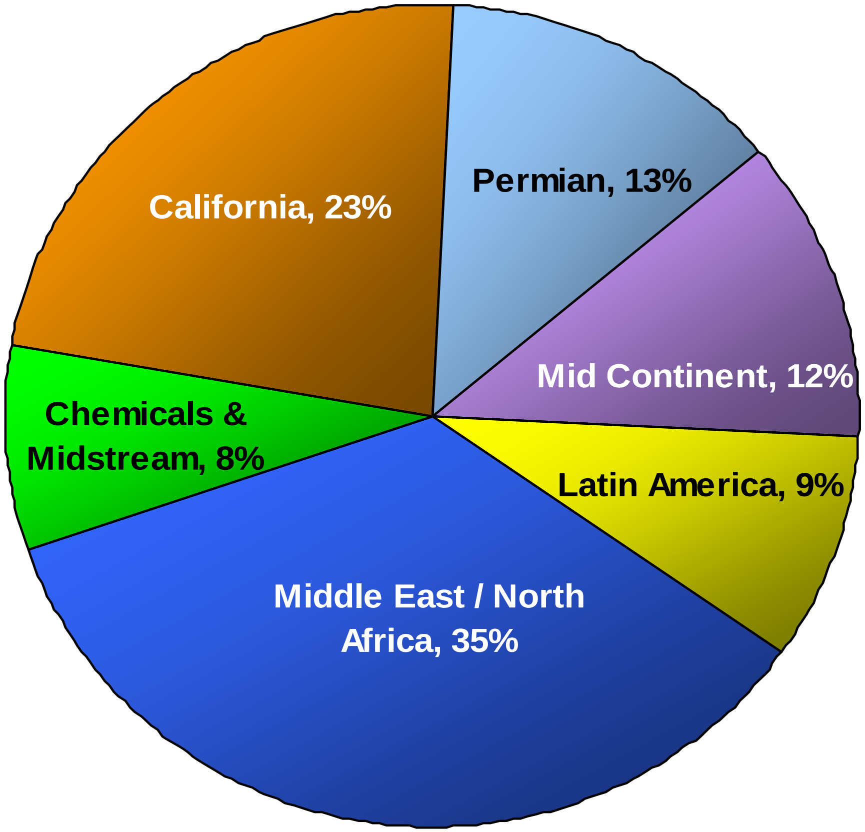
Worldwide Production Outlook



Capital



2010 Capital - $4.5 Billion



2010 – 2014 Capital - $27.5 Billion

International share will remain at 45% of Capital Program

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 U.S. and 20% internationally
- 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
- Large number of opportunities over 5-year period

Sources of Acquisitions

- **Permian**
  - **1,500+ Operators; 75,000+ Royalty owners**
- **California**
  - **Large acreage holders**
- **Other U.S.**
  - **Small investments in emerging plays**
- **Foreign**
  - **Additional foreign contracts**

Reserves Replacement

Million BOE

	Improved Recovery	Acquisitions	Others	Total	Reserve Replace %	Worldwide Production
2005	128	139	104	371	220%	169
2006	137	325	51	513	259%	198
2007	254	60	(72)	242	116%	208
2008	247	210	(121)	336	153%	220
2009	173	160	150	483	206%	235
3-Year Avg.	225	143	(14)	354	160%	221
5-Year Avg.	188	179	22	389	189%	206

Acquisitions

	Investment in Acquisitions ($ Million)	Reserves Immediately Added from Acquisition (MMBOE)	Improved Recovery (MMBOE)
2005	$ 1,807	139	128
2006	$ 4,463	325	137
2007	$ 1,103	60	254
2008	$ 3,202	210	247
2009	$ 703	160	173

See attached for GAAP reconciliation

Return on Assets

	Net Income Return on Assets 5 Year Average
U.S.	19%
International	24%
Total E&P	21%

	Cash Flow* Return on Assets 5 Year Average
U.S.	27%
International	41%
Total E&P	31%

* Net Income + DD&A

See attached for GAAP reconciliation

Finding & Development Costs per Barrel

	6:1 *	Actual Prices **	F&D Costs as a % of WTI Price
2009	$ 7.90	$ 9.64	16%
3-Year Average (2007 – 2009)	$15.04	$18.40	24%
5-Year Average (2005 – 2009)	$14.77	$16.84	24%
10-Year Average (2000 – 2009)	$ 9.15	$ 9.82	19%

* Oil / Gas Energy Content (Industry convention)
** Gas converted to BOE @ WTI Oil Price / NYMEX Gas Price

See attached for GAAP reconciliation

Cash Flow Priorities

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

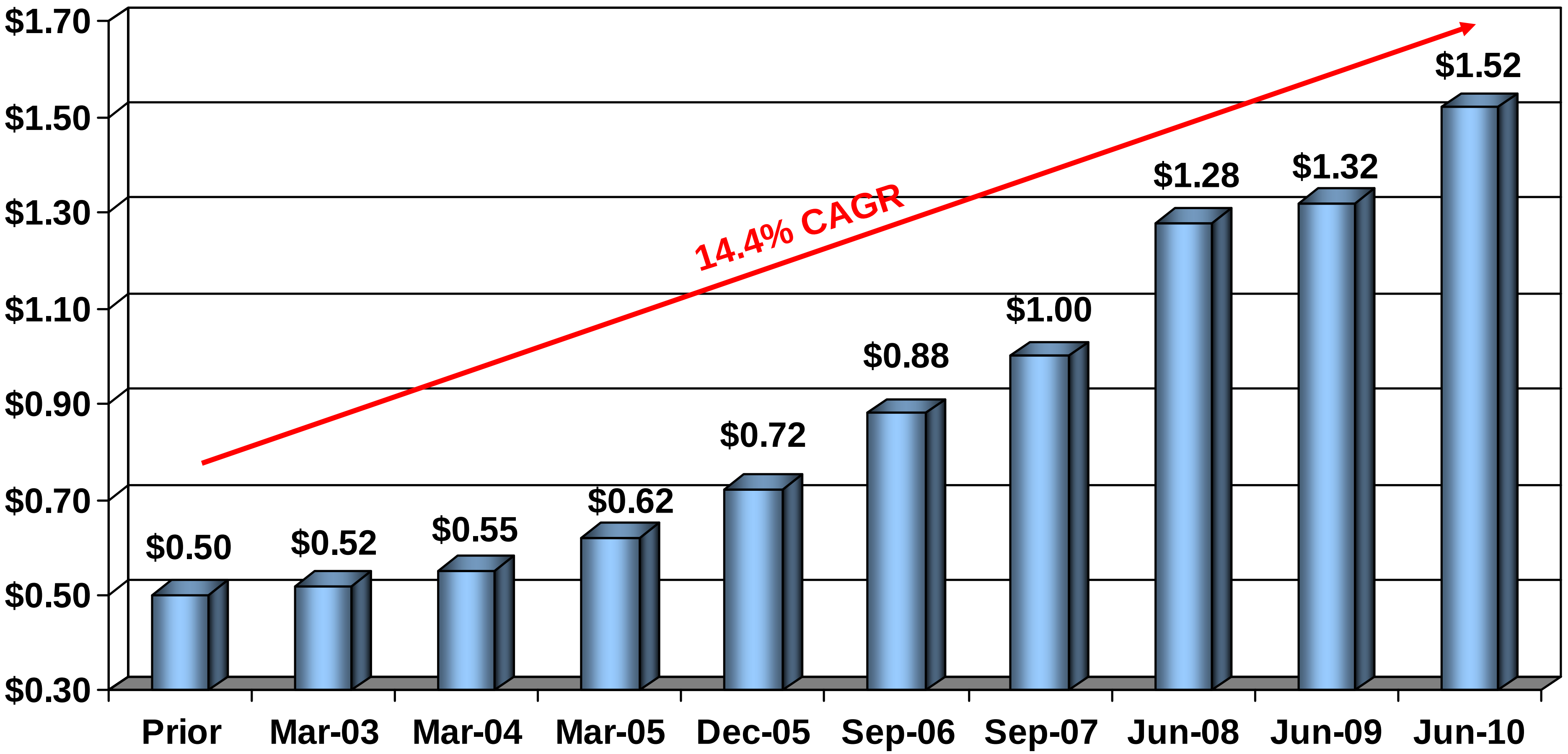
Capital Spending Program

- Base Oil & Gas capital historically running at $2.5 billion
- As production increases, the base capital will grow

($ in Billions)

Oil & Gas and Midstream Capital	2010	2010-2014 Cumulative
Growth Capital	$ 1.8	$ 11.2
Base Capital	2.5	15.0
Total Oil & Gas and Midstream Capital	$ 4.3	$ 26.2

Dividends


$1.70
$1.50
$1.30
$1.10
$0.90
$0.70
$0.50
$0.30
14.4% CAGR
$0.50
$0.52
$0.55
$0.62
$0.72
$0.88
$1.00
$1.28
$1.32
$1.52
Prior
Mar-03
Mar-04
Mar-05
Dec-05
Sep-06
Sep-07
Jun-08
Jun-09
Jun-10

Conservative Accounting

Company	Proved Developed Reserves / Total Proved Reserves	Unproved Properties plus Goodwill / Net Capitalized Costs plus Goodwill
OXY	77.3%	6.7%
A	54.4%	10.0%
B	59.2%	21.6%
C	69.1%	8.2%
D	70.5%	39.3%
E	70.3%	40.5%
F	61.4%	13.6%
G	70.7%	21.9%
H	70.1%	22.6%
I	67.3%	3.4%
J	56.6%	21.0%

Capital Program Effectiveness

(Equity Market Value Created per $1 Change in Shareholders' Equity*)

Company	Five years ended 12/31/09	Ten Years ended 12/31/09
OXY	$2.67	$2.57
A	$2.28	$2.53
B	$1.67	$1.31
C	$1.38	$1.63
D	$1.38	$1.29
E	$1.06	$1.13
F	$0.75	$1.28
G	$0.60	$0.83
H	$0.25	$0.66
I	($0.60)	$0.87
J	($1.15)	($0.24)

* Impairments greater than 5% of Shareholders' Equity have been added back to Shareholders' Equity.

Investment Attributes

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