

**Occidental Petroleum Corporation**  
**Reconciliation to Generally Accepted Accounting Principles (GAAP)**  
**For the Twelve Months Ended December 31,**  
**(\$ Millions)**

	2009		2008	
		Diluted EPS		Diluted EPS
Reported Income	\$ 2,915	\$ 3.58	\$ 6,857	\$ 8.34
Add: significant items affecting earnings				
Asset impairments	170		599	
Rig contract terminations	8		58	
Plant closure and impairment	-		90	
Railcar leases	15		-	
Severance accrual	40		-	
Tax effect of pre-tax adjustments	(77)		(238)	
Discontinued operations, net *	12		(18)	
Core Results	\$ 3,083	\$ 3.78	\$ 7,348	\$ 8.94

\* Amount shown after-tax

Average Diluted Common Shares Outstanding	813.8	820.5
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**Chemicals Free Cash Flow**  
**Reconciliation to Generally Accepted Accounting Principles (GAAP)**  
**(\$ Millions)**

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Occidental Petroleum Consolidated Statement of Cash Flows					
Cash flow from operating activities	5,337	6,353	6,798	10,652	5,813
Cash flow from investing activities	(3,161)	(4,383)	(3,128)	(9,457)	(5,327)
Cash flow from financing activities	(1,187)	(2,819)	(3,045)	(1,382)	(1,033)
Change in cash	<u>989</u>	<u>(849)</u>	<u>625</u>	<u>(187)</u>	<u>(547)</u>

**Chemicals Free Cash Flow**

Core results (see reconciliation below)	784	906	601	759	389
Depreciation & amortization expense	268	279	304	311	298
Roundings	1	(2)	-	-	(2)
Capital expenditures (excluding acquisitions)	(168)	(248)	(245)	(240)	(205)
Free cash flow	<u>885</u>	<u>935</u>	<u>660</u>	<u>830</u>	<u>480</u>

	<u>Core Results</u>	<u>Cash Flow</u>	<u>Capital Spending</u>
3-Year Average (2007-2009)	583	657	230
5-Year Average (2005-2009)	688	758	221

Segment income	614	906	601	669	389
Add: significant items affecting earnings					
Plant closure and impairments	-	-	-	90	-
Hurricane insurance charges	11	-	-	-	-
Write-off of plants	159	-	-	-	-
Core results	<u>784</u>	<u>906</u>	<u>601</u>	<u>759</u>	<u>389</u>

**Occidental Petroleum Corporation**  
**Reconciliation to Generally Accepted Accounting Principles (GAAP)**  
**For the Year Ended December 31, 2009**

	<u>United States</u>	<u>Latin America</u>	<u>Middle East North Africa</u>	<u>TOTAL</u>
<b>Capitalized Costs</b>				
Proved properties	24,488	5,743	10,909	41,140
Unproved properties	1,709	-	158	1,867
	<u>26,197</u>	<u>5,743</u>	<u>11,067</u>	<u>43,007</u>
Accumulated DD&A	(7,956)	(2,490)	(4,826)	(15,272)
Capitalized cost	<u><u>18,241</u></u>	<u><u>3,253</u></u>	<u><u>6,241</u></u>	<u><u>27,735</u></u>
<b>Costs Incurred</b>				
Property Acquisition Costs				
Proved Properties	569	-	158	727
Unproved Properties	100	-	3	103
Exploration Costs	131	26	50	207
Development Costs	1,223	560	996	2,779
Cost Incurred	<u><u>2,023</u></u>	<u><u>586</u></u>	<u><u>1,207</u></u>	<u><u>3,816</u></u>
<b>Results of Operations</b>				
Revenues	5,832	1,538	4,195	11,565
Production costs	1,452	409	601	2,462
Taxes other than on income	399	22	-	421
Exploration expenses	156	28	83	267
Other operating expenses	389	116	208	713
Impairment of suspended costs	-	170	-	170
DD&A	1,237	628	823	2,688
Pretax income	<u>2,199</u>	<u>165</u>	<u>2,480</u>	<u>4,844</u>
Income taxes	670	6	1,151	1,827
Results of operations	<u><u>1,529</u></u>	<u><u>159</u></u>	<u><u>1,329</u></u>	<u><u>3,017</u></u>
After-tax Cash				
<b>After-tax income</b>	<b>1,529</b>	<b>159</b>	<b>1,329</b>	<b>3,017</b>
+ DD&A	1,237	628	823	2,688
+ Impairment of suspended costs	-	170	-	170
+ Exploration expense	156	28	83	267
- Costs incurred (development)	(1,223)	(560)	(996)	(2,779)
- Costs incurred (exploration)	(131)	(26)	(50)	(207)
<b>After-tax cash</b>	<u><u>1,568</u></u>	<u><u>399</u></u>	<u><u>1,189</u></u>	<u><u>3,156</u></u>
Return on Average Net Capitalized Costs				
Capitalized costs				
2009	18,241	3,253	6,241	27,735
2008	17,611	3,484	5,886	26,981
Average	17,926	3,369	6,064	27,358
After-tax income	1,529	159	1,329	3,017
<b>Return %</b>	<b>9%</b>	<b>5%</b>	<b>22%</b>	<b>11%</b>