

Occidental Petroleum Corporation

DR. RAY R. IRANI
Chairman and Chief Executive Officer

– Conference Call –
Second Quarter 2009 Earnings Announcement

July 23, 2009
Los Angeles, California

Thank you, Chris, and good morning ladies and gentlemen. Thank you for joining us today.

After yesterday's market close, we announced a significant discovery of oil and gas reserves in Kern County, California. We believe it to be the largest new oil and gas discovery made in the state in more than 35 years.

This new field discovery, within the outlined area of the six wells we have drilled to date, contains 150 million to 250 million gross barrels equivalent of oil and gas reserves. We believe it is probable that there are additional reserves outside the outlined area. Mr. Steve Chazen will give you more details about this exciting program later on.

It is also possible that there are similar accumulations elsewhere in Oxy's 1.1 million-acre net leasehold and fee mineral holdings in California.

Let me share with you how we got to our current exciting and rewarding position.

Oxy has been a California oil and gas producer for more than 50 years. Our most significant expansion was in 1998, with our acquisition of the Elk Hills field from the U.S. government.

When Elk Hills was acquired by Oxy in 1998 it had approximately 425 million BOE of proved reserves. Since then, it has produced more than 364 million BOE. Yet – as a result of the technology applied by Oxy over the past 11 years –we have actually been able to increase its proved reserves to more than 491 million BOE today. The total production and proved reserves since Oxy acquired the Elk Hills field is approaching one billion BOE.

In the years immediately following the Elk Hills acquisition, we purchased THUMS, our operation in Long Beach Harbor, followed by our acquisition of a number of additional California properties. Those include oil and gas assets from Vintage Petroleum, Plains, Tidelands in Long Beach near THUMS, as well as other properties.

Oxy's current combined California assets include more than 7,500 active wells located in 90 fields spanning 600 miles. They are currently producing approximately 130,000 BOE per day, 71 percent of which is oil, and at year-end 2008 had approximately 708 million BOE of proved reserves. California represents approximately 20 percent of Oxy's worldwide production.

Oxy is currently the third-largest oil producer in California and the largest natural gas producer. We see additional potential in our California holdings by our applying current technologies and the newest thinking to exploration and production. We have invested in California exploration accordingly, and we expect this activity to continue for the next five to ten years.

Oxy's California and U.S. exploration and production program is part of an overall effort to build a pipeline of growth projects in keeping with our long-term strategy for increasing stockholder value. In addition, we continue to grow in our other core regions.

Oxy's presence and production in the Middle East – currently producing approximately 186,000 BOE per day or 29 percent of our total production – continues to expand.

In recent months we have signed new agreements in Bahrain, Abu Dhabi and Oman, where we have an agreement to develop four gas fields in a newly formed contract area. First production at those assets is expected in the near future.

Also in Oman, production at the Mukhaizna oil field, where we have a large-scale steam flood project, is meeting its targets and growing. We are on pace to achieve an exit rate of 80,000 barrels per day at the close of 2009.

I'll now turn the call over to Steve Chazen to give you our second quarter financial results and other details.

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