

Occidental Petroleum Corporation

DR. RAY R. IRANI
Chairman and Chief Executive Officer

– Conference Call –
Third Quarter 2009 Earnings Announcement

October 22, 2009
Los Angeles, California

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

This morning I will give you brief highlights of a few of the positive developments at Oxy during the last quarter. Steve Chazen will provide financial highlights and details shortly.

Our worldwide oil and gas production for the 2009 third quarter was nearly 7-percent higher than the third quarter last year. A significant portion of the domestic increase is from our new discovery in Kern County, California, which we announced last quarter. In the new discovery area, we currently have gross production of approximately 26,000 BOE per day, which is 8,700 BOE per day more than we reported to you last quarter. We continue to be excited about Oxy's growth potential in California.

In the third quarter we also achieved production growth in the Middle East region, mainly from our operations in Oman and the Dolphin Project. We continue to see opportunity in the Middle East, and it is a region in which we expect further growth.

In the next few weeks, we will launch a joint operating company to manage the development and production of the Bahrain Field. As you know, with Bahrain's national oil company and Mubadala of Abu Dhabi, we are teaming to dramatically increase the field's oil production from 30,000 to over 100,000 barrels per day. Gas production is also expected to increase 50 percent to 2.5 BCF during the term of the contract. Oxy's net proved reserve additions over the life of the project are estimated to be 450 million BOE.

And, as announced last week, Oxy is part of an Eni-led consortium that has been awarded the license for development of the giant Zubair oil field in Iraq. Iraq holds the world's second-largest reserves of oil with about 115 billion barrels – second only to Saudi Arabia. Iraqi officials have said that they plan to increase the country's oil production from the current level of approximately 2.2 million barrels a day to as much as 12 million BOPD. We are now one of the few companies on the ground floor of this world-class opportunity.

The Zubair field has significant proved reserves estimated at more than 4.2 billion barrels and current production of 195,000 barrels of oil per day.

Development of Zubair will be a multi-year, multi-phased project with production expected to reach a plateau of more than a million barrels per day in the next six years. We expect Oxy's net share of peak production from the field to be approximately 90,000 barrels per day.

Zubair will give us the opportunity to learn – evaluating each phase of the project – and give us the insight to effectively evaluate future developments in Iraq.

We hope to expand our position and continue our involvement in Iraq while meeting our standards for security and rate of return.

I'll now turn the call over to Steve Chazen to give you our third quarter and year-to-date financial results in greater detail.

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