



For Immediate Release: January 29, 2009

Occidental Petroleum Announces Fourth Quarter 2008 Results

LOS ANGELES, January 29, 2009 -- Occidental Petroleum Corporation (NYSE: OXY) announced net income of \$443 million (\$0.55 per diluted share) for the fourth quarter of 2008, compared with \$1.452 billion (\$1.74 per diluted share) for the fourth quarter of 2007. Core results for the fourth quarter of 2008 were \$957 million (\$1.18 per diluted share), compared with \$1.464 billion (\$1.76 per diluted share) for the fourth quarter of 2007. Core results for 2008 excluded after-tax charges of \$514 million (\$0.63 per diluted share).

Net income for the twelve months of 2008 was \$6.857 billion (\$8.35 per diluted share), compared with \$5.400 billion (\$6.44 per diluted share) for the twelve months of 2007. Core results were \$7.348 billion (\$8.95 per diluted share) for the twelve months of 2008, compared with \$4.405 billion (\$5.25 per diluted share) for 2007. See the attached schedule for a reconciliation of net income to core results.

In announcing the results, Dr. Ray R. Irani, Chairman and Chief Executive Officer, said, "In spite of a difficult fourth quarter, 2008 was a very strong year for Occidental with full year earnings being the highest in Oxy's history. In addition, our production grew by 5.4 percent from 2007 reaching 601,000 BOE per day.

"We are investing for the future growth of the company, despite volatile commodity prices, while maintaining a discipline of investing only in projects that we believe give us good return on capital employed. In the fourth quarter, we completed the acquisition of the remainder of Plains Exploration's interests in the Permian and Piceance Basins. We announced the signing of a preliminary agreement to develop the Jarn Yaphour and Ramhan oil and gas fields in the Emirate of Abu

Dhabi and the signing of an exploration and production sharing agreement to develop existing gas fields in Northern Oman. Additionally, earlier this month we were selected from among several international companies to develop oil and gas reserves in the Kingdom of Bahrain.

"The current oil and gas industry cost structure is higher than what the current product prices can support. In order to protect our returns, we are announcing a 2009 capital program of \$3.5 billion. We believe that with this level of capital, we will achieve our targeted returns in the current price environment as well as grow our production volumes in 2009, 2010 and beyond."

QUARTERLY RESULTS

Oil and Gas

Oil and gas segment earnings were \$339 million for the fourth quarter of 2008, compared with \$2.461 billion for the same period in 2007. The fourth quarter of 2008 core results were \$996 million after excluding pre-tax losses of \$599 million relating to the impairment of assets and \$58 million for rig termination costs. The \$1.465 billion decrease in the fourth quarter of 2008 core results was due to lower crude oil and natural gas prices, higher operating expenses, DD&A rates and exploration expense.

For the fourth quarter of 2008, daily oil and gas sales volumes averaged 620,000 barrels of oil equivalent (BOE), compared with 590,000 BOE per day in the fourth quarter of 2007. The increase includes 22,000 BOE per day from the Dolphin Project, 14,000 BOE per day domestically and 6,000 BOE per day from Oman, offset by 12,000 BOE per day lower production in Libya as a result of the new contract terms.

Oxy's realized price for worldwide crude oil was \$53.52 per barrel for the fourth quarter of 2008, compared with \$80.30 per barrel for the fourth quarter of 2007. Domestic realized gas prices dropped from \$6.77 per MCF in the fourth quarter of 2007 to \$4.67 per MCF for the fourth quarter of 2008.

Chemicals

Chemical segment earnings for the fourth quarter of 2008 were \$127 million, compared with \$94 million for the same period in 2007. The fourth quarter of 2008 core results were \$217 million after excluding a \$90 million pre-tax loss related to plant closure and impairments. The improvement in the fourth quarter of 2008 results reflect higher caustic soda margins, partially offset by lower volumes for chlorine, caustic soda and polyvinyl chloride.

Midstream, Marketing and Other

Midstream segment earnings were \$170 million for the fourth quarter of 2008, compared with \$138 million for the fourth quarter of 2007. Earnings for the fourth quarter of 2008 reflect higher margins in crude oil marketing, higher pipeline income from Dolphin and lower NGL margins in gas processing.

TWELVE-MONTH RESULTS

Oil and Gas

Oil and gas segment earnings were \$10.651 billion for the twelve months of 2008, compared with \$7.957 billion for the same period of 2007. Oil and gas core results were \$11.308 billion for the twelve months of 2008 after excluding the fourth quarter impairments and rig termination costs described above, compared to 2007 core results of \$7.369 billion. The \$3.939 billion increase in the 2008 core results reflected \$3.980 billion from higher crude oil and natural gas prices and \$639 million from increased oil and gas production, offset by higher operating expenses and increased DD&A rates.

Daily oil and gas sales volumes for the year were 601,000 BOE per day for 2008, compared with 570,000 BOE per day for the same 2007 period. The 5.4 percent increase was largely the result of 39,000 BOE per day from the Dolphin project, offset by a reduction of 7,000 BOE per day in Libya, as a result of the new contract.

Oxy's realized price for worldwide crude oil was \$88.26 per barrel for the twelve months of 2008, compared with \$64.77 per barrel for the twelve months of 2007. Domestic realized gas

prices increased from \$6.53 per MCF in the twelve months of 2007 to \$8.03 per MCF in the twelve months of 2008.

Chemicals

Chemical segment earnings were \$669 million for the twelve months of 2008 compared with \$601 million in 2007. The 2008 core results were \$759 million after excluding the fourth quarter charge for the plant closure and impairments mentioned above. The improvement in 2008 is due primarily to higher caustic soda margins, partially offset by lower volumes in chlorine, caustic soda and polyvinyl chloride.

Midstream, Marketing and Other

Midstream segment earnings were \$520 million for the twelve months of 2008, compared with \$367 million for the same period in 2007. The improvement in 2008 reflected higher pipeline income from Dolphin and higher margins in gas processing.

About Oxy

Occidental Petroleum Corporation is an international oil and gas exploration and production company with operations in the United States, Middle East/North Africa and Latin America regions. Oxy is the fourth largest U.S. oil and gas company, based on equity market capitalization. Oxy's wholly owned subsidiary, OxyChem, manufactures and markets chlor-alkali products and vinyls. Occidental is committed to safeguarding the environment, protecting the safety and health of employees and neighboring communities and upholding high standards of social responsibility in all of the company's worldwide operations.

Forward-Looking Statements

Statements in this release that contain words such as "will," "expect" or "estimate," or otherwise relate to the future, are forward-looking and involve risks and uncertainties that could significantly affect expected results. Factors that could cause actual results to differ materially include, but are not limited to: global commodity price fluctuations and supply/demand considerations for oil, gas and chemicals; exploration risks, such as drilling of unsuccessful wells; higher-than-expected costs; political risk; operational interruptions; changes in tax rates and not successfully completing (or any material delay in) any expansions, capital projects, acquisitions, or dispositions. You should not place undue reliance on these forward-looking statements which speak only as of the date of this release. 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 Form 10-K, available through the following toll-free telephone 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.

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For further analysis of Occidental's quarterly performance, please visit the web site:
www.oxy.com

SUMMARY OF SEGMENT NET SALES AND EARNINGS

(Millions, except per-share amounts)	Fourth Quarter		Twelve Months	
	2008	2007	2008	2007
SEGMENT NET SALES				
Oil and Gas	\$ 2,746	\$ 4,122	\$18,187	\$13,304
Chemical	1,005	1,134	5,112	4,664
Midstream, Marketing and Other	394	413	1,598	1,388
Eliminations and other	(124)	(152)	(680)	(572)
Net sales	\$ 4,021	\$ 5,517	\$24,217	\$18,784
SEGMENT EARNINGS				
Oil and Gas (a)	\$ 339	\$ 2,461	\$10,651	\$ 7,957
Chemical (b)	127	94	669	601
Midstream, Marketing and Other	170	138	520	367
	636	2,693	11,840	8,925
Unallocated Corporate Items				
Interest expense, net (c)	(16)	(13)	(26)	(199)
Income taxes	(118)	(1,057)	(4,629)	(3,507)
Other (d)	(54)	(175)	(346)	(141)
Income from Continuing Operations	448	1,448	6,839	5,078
Discontinued operations, net (e)	(5)	4	18	322
NET INCOME	\$ 443	\$ 1,452	\$ 6,857	\$ 5,400
BASIC EARNINGS PER COMMON SHARE				
Income from continuing operations	\$ 0.55	\$ 1.75	\$ 8.37	\$ 6.08
Discontinued operations, net (e)	--	--	0.02	0.39
	\$ 0.55	\$ 1.75	\$ 8.39	\$ 6.47
DILUTED EARNINGS PER COMMON SHARE				
Income from continuing operations	\$ 0.55	\$ 1.74	\$ 8.33	\$ 6.05
Discontinued operations, net (e)	--	--	0.02	0.39
	\$ 0.55	\$ 1.74	\$ 8.35	\$ 6.44
AVERAGE COMMON SHARES OUTSTANDING				
BASIC	810.3	828.4	817.6	834.9
DILUTED	811.6	833.1	820.8	839.1

See footnotes on following page.

- (a) **Oil and Gas** - The fourth quarter of 2008 includes \$599 million charges for asset impairments and a \$58 million charge for the termination of rig contracts. The twelve months of 2007 included a gain of \$412 million from the sale of Occidental's Russian joint venture interests, a \$112 million gain resulting from the resolution of certain legal disputes, a \$103 million gain on the sale of exploration properties, partially offset by \$74 million in charges for exploration impairments, and a \$35 million gain from the sale of oil and gas interest.
- (b) **Chemical** - The fourth quarter of 2008 includes a \$90 million charge for plant closure and impairments.
- (c) **Interest Expense, net** - The twelve months of 2007 included \$167 million of interest charges for the purchase of various debt issues in the open market.
- (d) **Unallocated Corporate Items - Other** - The twelve months of 2007 included a \$326 million gain from the sale of Lyondell shares, a \$47 million charge for plant closure and related environmental remediation reserve, and a \$25 million severance accrual.
- (e) **Discontinued Operations, net** - In 2008, Occidental received payment from Ecuador for tax refunds. In 2007, Occidental completed an exchange of oil and gas interests in Horn Mountain with BP p.l.c. (BP) for oil and gas interests in the Permian Basin and a gas processing plant in Texas. Occidental also sold its oil and gas interests in Pakistan to BP.

SUMMARY OF CAPITAL EXPENDITURES AND DD&A EXPENSE

(\$ millions)	Fourth Quarter		Twelve Months	
	2008	2007	2008	2007
CAPITAL EXPENDITURES	\$ 1,594	\$ 946	\$ 4,664	\$ 3,360
DEPRECIATION, DEPLETION AND AMORTIZATION OF ASSETS	\$ 753	\$ 639	\$ 2,710	\$ 2,379

ITEMS AFFECTING COMPARABILITY OF CORE EARNINGS BETWEEN PERIODS

Income/(Expense)	Fourth Quarter		Twelve Months	
	2008	2007	2008	2007
Foreign exchange gains and (losses)*	\$ 88	\$ 5	\$ 91	\$ (18)

*Amounts shown after tax.

SUMMARY OF OPERATING STATISTICS - SALES

	Fourth Quarter		Twelve Months	
	2008	2007	2008	2007
NET OIL, GAS AND LIQUIDS				
SALES PER DAY				
United States				
Crude Oil and Liquids (MBBL)				
California	97	88	89	89
Permian	167	170	168	167
Midcontinent and Rockies	9	4	6	4
Total	273	262	263	260
Natural Gas (MMCF)				
California	221	250	235	254
Permian	188	180	181	186
Midcontinent and Rockies	187	148	171	153
Total	596	578	587	593
Latin America				
Crude Oil (MBBL)				
Argentina	32	31	32	32
Colombia	45	41	43	42
Total	77	72	75	74
Natural Gas (MMCF)				
Argentina	24	19	21	22
Bolivia	21	22	21	18
Total	45	41	42	40
Middle East/North Africa				
Crude Oil and Liquids (MBBL)				
Oman	27	20	23	20
Dolphin	23	14	21	4
Qatar	48	52	47	48
Yemen	20	22	21	25
Libya	10	22	15	22
Total	128	130	127	119
Natural Gas (MMCF)				
Oman	23	30	24	30
Dolphin	209	133	184	51
Total	232	163	208	81
Barrels of Oil Equivalent (MBOE)				
Subtotal consolidated subsidiaries	624	594	605	573
Colombia-minority interest	(6)	(6)	(6)	(5)
Yemen-Occidental net interest	2	2	2	2
Total Worldwide Sales - MBOE	620	590	601	570

SUMMARY OF OPERATING STATISTICS - PRODUCTION

	Fourth Quarter		Twelve Months	
	2008	2007	2008	2007
NET OIL, GAS AND LIQUIDS				
PRODUCTION PER DAY				
United States				
Crude Oil and Liquids (MBBL)	273	262	263	260
Natural Gas (MMCF)	596	578	587	593
Latin America				
Crude Oil (MBBL)				
Argentina	38	32	34	33
Colombia	45	41	44	42
Total	83	73	78	75
Natural Gas (MMCF)	45	41	42	40
Middle East/North Africa				
Crude Oil and Liquids (MBBL)				
Oman	28	20	23	19
Dolphin	22	14	20	5
Qatar	48	51	47	47
Yemen	20	22	21	25
Libya	8	20	15	21
Total	126	127	126	117
Natural Gas (MMCF)	232	163	208	81
Barrels of Oil Equivalent (MBOE)				
Subtotal consolidated subsidiaries	627	592	607	571
Colombia-minority interest	(6)	(6)	(6)	(6)
Yemen-Occidental net interest	2	2	2	2
Total Worldwide Production -				
MBOE	623	588	603	567

SIGNIFICANT TRANSACTIONS AND EVENTS AFFECTING EARNINGS

Occidental's results of operations often include the effects of significant transactions and events affecting earnings that vary widely and unpredictably in nature, timing and amount. Therefore, management uses a measure called "core results," which excludes those items. This non-GAAP measure is not meant to disassociate those items from management's performance, but rather is meant to provide useful information to investors interested in comparing Occidental's earnings performance between periods. Reported earnings are considered representative of management's performance over the long term. Core results is not considered to be an alternative to operating income in accordance with generally accepted accounting principles.

SIGNIFICANT TRANSACTIONS AND EVENTS AFFECTING EARNINGS

	Fourth Quarter			
(\$ millions, except per-share amounts)	2008	Diluted EPS	2007	Diluted EPS
TOTAL REPORTED EARNINGS	\$ 443	\$ 0.55	\$ 1,452	\$ 1.74
Oil and Gas				
Segment Earnings	\$ 339		\$ 2,461	
Add:				
Asset impairments	599		--	
Rig contract terminations	58		--	
Segment Core Results	996		2,461	
Chemicals				
Segment Earnings	127		94	
Add:				
Plant closure and Impairments	90		--	
Segment Core Results	217		94	
Midstream, Marketing and Other				
Segment Earnings	170		138	
Add:				
No significant items affecting earnings	--		--	
Segment Core Results	170		138	
Total Segment Core Results	1,383		2,693	
Corporate				
Corporate Results --				
Non Segment*	(193)		(1,241)	
Add:				
Severance Accrual	--		25	
Tax effect of pre-tax adjustments	(238)		(9)	
Discontinued operations, net**	5		(4)	
Corporate Core Results --				
Non Segment	(426)		(1,229)	
TOTAL CORE RESULTS	\$ 957	\$ 1.18	\$ 1,464	\$ 1.76

*Interest expense, income taxes, G&A expense and other.

**Amounts shown after tax.

SIGNIFICANT TRANSACTIONS AND EVENTS AFFECTING EARNINGS (continued)

Twelve Months

(\$ millions, except per-share amounts)	2008	Diluted EPS	2007	Diluted EPS
=====	=====	=====	=====	=====
TOTAL REPORTED EARNINGS	\$ 6,857	\$ 8.35	\$ 5,400	\$ 6.44
=====	=====	=====	=====	=====
Oil and Gas				
Segment Earnings	\$10,651		\$ 7,957	
Add:				
Russia joint venture**	--		(412)	
Legal settlements**	--		(112)	
Asset impairments	599		74	
Gain on sale of oil and gas interests			(35)	
Sale of exploration properties	--		(103)	
Rig contract terminations	58		--	
	-----		-----	
Segment Core Results	11,308		7,369	
	-----		-----	
Chemicals				
Segment Earnings	669		601	
Add:				
Plant closure and Impairments	90		--	
	-----		-----	
Segment Core Results	759		601	
	-----		-----	
Midstream, Marketing and Other				
Segment Earnings	520		367	
Add:				
No significant items affecting earnings	--		--	
	-----		-----	
Segment Core Results	520		367	
	-----		-----	
Total Segment Core Results	12,587		8,337	
	-----		-----	
Corporate				
Corporate Results --				
Non Segment*	(4,983)		(3,525)	
Add:				
Debt purchase expense	--		167	
Facility closure	--		47	
Gain on sale of Lyondell shares	--		(326)	
Severance accrual	--		25	
Tax effect of pre-tax adjustments	(238)		2	
Discontinued operations, net**	(18)		(322)	
	-----		-----	
Corporate Core Results --				
Non Segment	(5,239)		(3,932)	
	-----		-----	
TOTAL CORE RESULTS	\$ 7,348	\$ 8.95	\$ 4,405	\$ 5.25
=====	=====	=====	=====	=====

*Interest expense, income taxes, G&A expense and other.

**Amounts shown after tax.