

Occidental Petroleum Corporation

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Chairman and Chief Executive Officer

-Conference Call-
Fourth Quarter 2008 Earnings Announcement

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Los Angeles, California

Thank you, Chris. Good morning, ladies and gentlemen.

Last year was an interesting year.

Oxy achieved solid results in 2008, including record earnings of \$6.9 billion, an increase of 27 percent from 2007.

However, 2008 was in fact three years in one for our industry. Collectively, we experienced solid growth in the first part of the year, followed by unprecedented record-high oil prices, and finally a collapse of those prices as the global economy went into recession.

Today, I will focus on how we plan to manage and grow the business in the future, even though the current economy and low oil and gas prices make it challenging.

First, I want to mention a few developments from 2008 that will be key to Oxy's continued success. Our growth in 2008 is indicative of our future.

Oxy's worldwide production increased 5.4 percent over 2007, reaching 601,000 BOE per day. Even more significant was the growth in our oil and gas reserves. We estimate that we replaced approximately 200 percent of our production in 2008, without taking into account the effect of price changes from 2007 to 2008, with the majority coming through organic growth. You will receive

more information about Oxy's reserves replacement when our 2008 numbers are finalized.

We ended the year with cash on hand of \$1.8 billion and very little net debt. And in the past 12 months, we have capitalized on some key opportunities to strengthen our position and achieve further growth.

In the fourth quarter of 2008, we signed an Exploration and Production Sharing Agreement with Oman to develop four medium-sized gas fields and to explore for potential new discoveries. We expect the existing fields to reach production of 10,000 BOE per day, net to Oxy.

We have also continued production growth at the giant Mukhaizna oil field in south-central Oman, where we have a major steam flood project for enhanced oil recovery, one of our technological strengths. As of year-end 2008, gross daily production was over six times higher than the production rate in September 2005, when Oxy assumed operation of the field.

In the third quarter we signed a preliminary agreement with the Abu Dhabi National Oil Company to appraise and develop two medium-sized oil and gas fields in Abu Dhabi. Oxy will operate both fields and will hold a 100-percent interest in the concessions. When fully operational, we expect these two projects in Abu Dhabi to produce 20,000 BOE per day.

Additionally, you may have seen the recent media reports that Bahrain National Oil and Gas Authority has selected Oxy as the winner of the very competitive bid process to develop oil and gas assets in the Kingdom. Our respective teams are now finalizing the relevant technical and financial agreements. Various Bahrain agencies have already approved Oxy as the winning bidder for the project and we hope to have the completed agreement approved by the Bahrain Parliament before year-end.

Our strong balance sheet has also enabled additional growth of Oxy's reserves in the Permian Basin, Mid-Continent and California. We intend to continue acquiring additional desirable assets as they become available in the U.S. at more attractive prices.

In 2008, we spent about \$4.7 billion on capital expenditures. This year we plan to spend approximately \$3.5 billion on projects that will allow us continued growth while protecting our targeted financial returns. We maintain a firm policy of pursuing only those opportunities which meet our standards for return on capital employed and complement our existing assets. The ongoing turbulence in the global economy only reinforces the logic of our selectivity in considering potential transactions.

Even with reduced spending, we are confident that we will grow our production in excess of 5 percent both this year and next, much of that growth from our international projects, including those I discussed earlier.

We are also currently focusing on increasing our operational efficiency throughout the company. We are reducing key cost areas including overhead, external purchasing and outside services. Steve Chazen will give you additional details in a moment.

The coming months will be challenging for all businesses in all industries. However, in good economic times and bad, Oxy is well-positioned to succeed. Oxy will continue to maintain a low-risk, low-leverage profile and a consistent focus on building stockholder value. With our concentration on core areas, growth in production and reserves, our efficient operations and our strong balance sheet, we are confident in our ability to achieve sustained growth and solid profitability.

I'll now turn the call over to Steve Chazen.

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