

Chemicals Free Cash Flow
Reconciliation to Generally Accepted Accounting Principles (GAAP)
(\$ Millions)

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Occidental Petroleum Consolidated Statement of Cash Flows					
Cash flow from operating activities	3,878	5,337	6,353	6,798	10,652
Cash flow from investing activities	(2,428)	(3,161)	(4,383)	(3,128)	(9,457)
Cash flow from financing activities	(821)	(1,187)	(2,819)	(3,045)	(1,382)
Change in cash	<u>629</u>	<u>989</u>	<u>(849)</u>	<u>625</u>	<u>(187)</u>

Chemicals Free Cash Flow

Core results (see reconciliation below)	416	784	906	601	759
Depreciation & amortization expense	260	268	279	304	311
Roundings	-	1	(2)	-	-
Capital expenditures (excluding acquisitions)	(151)	(168)	(248)	(245)	(240)
Free cash flow	<u>525</u>	<u>885</u>	<u>935</u>	<u>660</u>	<u>830</u>

	<u>Core Results</u>	<u>Cash Flow</u>	<u>Capital Spending</u>
3-Year Average (2006-2008)	755	808	244
5-Year Average (2004-2008)	693	767	210

Segment income	416	614	906	601	669
Add: significant items affecting earnings					
Plant closure and impairments	-	-	-	-	90
Hurricane insurance charges	-	11	-	-	-
Write-off of plants	-	159	-	-	-
Core results	<u>416</u>	<u>784</u>	<u>906</u>	<u>601</u>	<u>759</u>

Occidental Petroleum Corporation
Reconciliation to Generally Accepted Accounting Principles (GAAP)
For the Year Ended December 31, 2008

	Reserves - MMBOE			%	Production - MBOE/D			%
	Oil (a)	Gas	BOE (b)		Oil (a)	Gas	BOE (b)	
California	546	975	708		89	235	128	
Permian	973	849	1,115		168	181	198	
Mid-Continent	28	1,329	250		6	171	35	
United States	1,547	3,153	2,073	70%	263	587	361	60%
Latin America								
Colombia	89	8	91		43	-	43	
Argentina	135	150	160		32	21	36	
Bolivia	0	55	9		-	21	4	
Consolidated Subs	225	212	260		75	42	82	
Colombia - MI	(5)	(0)	(5)		(6)	-	(6)	
	220	212	255	8%	69	42	76	13%
Middle East / North Africa								
Oman	128	83	142		23	24	27	
Qatar	150	-	150		47	-	47	
Dolphin	106	1,153	298		21	184	52	
Yemen	28	-	28		21	-	21	
Libya	27	-	27		15	-	15	
Consolidated Subs	440	1,236	646		127	208	162	
Yemen - Comeco	4	-	4		2	-	2	
	444	1,236	650	22%	129	208	164	27%
Worldwide	2,211	4,601	2,978	100%	461	837	601	100%
% of total	74%	26%	100%		77%	23%	100%	
Per Annual Report	Oil (a)	Gas	BOE (b)		Oil (a)	Gas	BOE (b)	
United States	1,547	3,153	2,073		263	587	361	
International	665	1,448	906		202	250	244	
Consolidated Subsidiaries	2,212	4,601	2,979		465	837	605	
Other Interests (c)	(1)	-	(1)		(4)	-	(4)	
Worldwide	2,211	4,601	2,978		461	837	601	

(a) Includes natural gas liquids and condensate.

(b) Natural gas volumes have been converted to BOE based on energy content of six thousand cubic feet to one barrel of oil.

(c) Reflect the minority interest in a Colombian subsidiary, partially offset by Occidental's share of reserves and production from an equity investee in Yemen.

(d) Stated on a net basis and after applicable royalties. Includes reserves related to production-sharing contracts and other economic arrangements.

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.

Occidental Petroleum Corporation
Midstream, Marketing and Other Segment
Reconciliation to Generally Accepted Accounting Principles (GAAP)
(In millions)

	FY 2008	FY 2007
Reported Income	\$ 520	\$ 367
No significant items affecting earnings	-	-
Core Results	\$ 520	\$ 367