

Occidental Petroleum Corporation
Reconciliation to Generally Accepted Accounting Principles (GAAP)
For the Twelve Months Ended December 31,
(\$ Millions)

	2011		2010	
		Diluted EPS		Diluted EPS
Reported Income	\$ 6,771	\$ 8.32	\$ 4,530	\$ 5.56
Add: significant items affecting earnings				
Asset impairments	-		275	
Libya exploration write-off	35		-	
Gain on sale of Colombia pipeline interest	(22)		-	
Foreign tax	29		-	
Premium on debt extinguishments	163		-	
Tax effect of pre-tax adjustments	(50)		(100)	
State income tax charge	33		-	
Benefit from foreign tax credit carry-forwards	-		(80)	
Discontinued operations, net *	(131)		39	
Core Results	<u>\$ 6,828</u>	\$ 8.39	<u>\$ 4,664</u>	\$ 5.72

* Amount shown after-tax

Average Diluted Common Shares Outstanding	812.9	813.8
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Occidental Petroleum Corporation
Free Cash Flow
Reconciliation to Generally Accepted Accounting Principles (GAAP)
(\$ Millions)

	Twelve Months <u>2011</u>
Consolidated Statement of Cash Flows	
Cash flow from operating activities	12,281
Cash flow from investing activities	(9,903)
Cash flow from financing activities	<u>(1,175)</u>
Change in cash	<u><u>1,203</u></u>
Free Cash Flow	
Cash flow from operating activities - continuing operations	12,306
Capital spending	<u>(7,518)</u>
Free cash flow before dividends	<u>4,788</u>
Dividends	<u>(1,436)</u>
Free cash flow after dividends	<u><u>3,352</u></u>

Occidental Petroleum Corporation
Return on Capital Employed (ROCE)
Reconciliation to Generally Accepted Accounting Principles (GAAP)

	<u>2010</u>	<u>2011</u>
RETURN ON CAPITAL EMPLOYED (%)	13.2	17.2
GAAP measure - net income attributable to common stock	4,530	6,771
Interest expense	93	284
Tax effect of interest expense	(33)	(99)
Earnings before tax-effected interest expense	<u>4,590</u>	<u>6,956</u>
GAAP stockholders' equity	32,484	37,620
Debt	5,111	5,871
Total capital employed	<u>37,595</u>	<u>43,491</u>
ROCE	13.2	17.2

Occidental Petroleum Corporation
Reconciliation to Generally Accepted Accounting Principles (GAAP)
Costs Incurred - Using Industry Convention of 6:1
F&D Costs

Annual Report Basis	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	Averages		
											3-Year	5-Year	10-Year
Property Acquisition Costs													
Proved Properties	25	163	357	146	1,768	4,888	926	1,830	727	2,278	1,612	2,130	1,311
Unproved Properties	56	29	4	8	398	1,142	119	1,710	103	2,290	1,368	1,073	586
Acquisitions	81	192	361	154	2,166	6,030	1,045	3,540	830	4,568	2,979	3,203	1,897
Exploration Costs	171	134	97	158	255	316	327	334	207	329	290	303	233
Development Costs	918	897	1,080	1,435	1,844	2,426	2,740	4,112	2,779	3,387	3,426	3,089	2,162
	1,089	1,031	1,177	1,593	2,099	2,742	3,067	4,446	2,986	3,716	3,716	3,391	2,395
Costs Incurred	1,170	1,223	1,538	1,747	4,265	8,772	4,112	7,986	3,816	8,284	6,695	6,594	4,291
Reserve replacements													
Improved recovery	143	142	102	120	139	140	254	247	173	259	226	214	172
Purchases of proved reserves	4	68	107	36	139	327	60	210	160	144	171	180	125
Others													
Revisions of previous estimates	21	3	12	49	(12)	12	(95)	(145)	58	(1)	(29)	(34)	(10)
Extensions & discoveries	76	50	147	64	124	34	23	24	92	7	41	36	64
Total Others	97	53	159	113	112	46	(72)	(122)	149	6	11	1	54
	244	263	368	269	390	512	241	335	483	409	409	396	351
Production	173	188	200	207	207	219	208	220	235	273	243	231	213
F&D Costs	\$ 4.80	\$ 4.65	\$ 4.18	\$ 6.51	\$ 10.93	\$ 17.14	\$ 17.04	\$ 23.84	\$ 7.90	\$ 20.25	\$ 16.38	\$ 16.66	\$ 12.22

This schedule reflects the disclosure made in each year's respective annual report -- it has not been restated for DISCO.

Occidental Petroleum Corporation
Reconciliation to Generally Accepted Accounting Principles (GAAP)
Costs Incurred - Using Average Commodity Prices
F&D Costs

Annual Report Basis	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	Averages			
											3-Year	5-Year	10-Year	
Property Acquisition Costs														
Proved Properties	25	163	357	146	1,768	4,888	926	1,830	727	2,278	1,612	2,130	1,311	
Unproved Properties	56	29	4	8	398	1,142	119	1,710	103	2,290	1,368	1,073	586	
Acquisitions	81	192	361	154	2,166	6,030	1,045	3,540	830	4,568	2,979	3,203	1,897	
Exploration Costs	171	134	97	158	255	316	327	334	207	329	290	303	233	
Development Costs	918	897	1,080	1,435	1,844	2,426	2,740	4,112	2,779	3,387	3,426	3,089	2,162	
	1,089	1,031	1,177	1,593	2,099	2,742	3,067	4,446	2,986	3,716	3,716	3,391	2,395	
Costs Incurred	1,170	1,223	1,538	1,747	4,265	8,772	4,112	7,986	3,816	8,284	6,695	6,594	4,291	
Reserve replacements														
Improved recovery	143	135	102	115	136	133	225	220	156	204	194	188	157	
Purchases of proved reserves	4	65	107	36	136	305	59	146	81	124	117	143	106	
Others														
Revisions of previous estimates	20	6	12	43	(13)	13	(89)	(131)	104	10	(6)	(19)	(2)	
Extensions & discoveries	78	47	148	59	114	31	20	18	56	4	26	26	58	
Total Others	98	53	161	102	101	44	(68)	(113)	159	15	20	7	55	
	245	252	370	254	373	482	215	254	396	343	331	338	318	
Production	177	177	200	201	201	206	190	197	202	225	208	204	198	
F&D Costs	\$ 4.77	\$ 4.84	\$ 4.15	\$ 6.88	\$ 11.44	\$ 18.20	\$ 19.09	\$ 31.49	\$ 9.64	\$ 24.18	\$ 20.25	\$ 19.52	\$ 13.48	
WTI	\$ 25.97	\$ 26.08	\$ 31.03	\$ 41.40	\$ 56.56	\$ 66.23	\$ 72.32	\$ 99.65	\$ 61.80	\$ 79.53	\$ 80.33	\$ 75.91	\$ 56.06	
F&D Costs as a % of WTI	18%	19%	13%	17%	20%	27%	26%	32%	16%	30%	25%	26%	24%	

Occidental Petroleum Corporation
Oil & Gas
Return on Assets
Reconciliation to Generally Accepted Accounting Principles (GAAP)
(\$ Millions)

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>5-Year Average</u>
Revenues	12,583	17,378	10,984	14,245	18,419	14,722
Production costs	2,011	2,428	2,214	2,622	3,428	2,541
Other operating expense	516	536	628	655	838	635
Depreciation, depletion and amortization	1,754	1,993	2,258	2,668	3,064	2,347
Taxes other than income	401	569	413	472	590	489
Charges for impairments	58	81	-	275	-	83
Exploration expenses	361	308	254	262	258	289
Pretax income	<u>7,482</u>	<u>11,463</u>	<u>5,217</u>	<u>7,291</u>	<u>10,241</u>	<u>8,339</u>
Income tax expense	<u>3,121</u>	<u>4,426</u>	<u>1,972</u>	<u>2,845</u>	<u>3,834</u>	<u>3,240</u>
Results of operations	<u>4,361</u>	<u>7,037</u>	<u>3,245</u>	<u>4,446</u>	<u>6,407</u>	<u>5,099</u>
Depreciation, depletion and amortization	1,754	1,993	2,258	2,668	3,064	2,347
Charges for impairments	58	81	-	275	-	83
Gross Cash	<u><u>6,173</u></u>	<u><u>9,111</u></u>	<u><u>5,503</u></u>	<u><u>7,389</u></u>	<u><u>9,471</u></u>	<u><u>7,529</u></u>
Capitalized costs						
Current year	19,137	24,216	25,228	29,901	37,490	
Prior year	17,375	19,137	24,216	25,228	29,901	
Average capitalized costs	<u><u>18,256</u></u>	<u><u>21,677</u></u>	<u><u>24,722</u></u>	<u><u>27,565</u></u>	<u><u>33,696</u></u>	<u><u>25,558</u></u>
5-Year Average	<u>U.S.</u>	<u>International</u>	<u>Total</u>			
Results of operations	2,705	2,394	5,099	(a)		
Depreciation, depletion and amortization	1,307	1,040	2,347			
Charges for impairments	67	16	83			
Gross Cash	<u><u>4,079</u></u>	<u><u>3,450</u></u>	<u><u>7,529</u></u>	(b)		
Average capitalized costs	19,151	6,407	25,558	(c)		
Net income return on assets (a) / (c)	14%	37%	20%			
Cash flow return on assets (b) / (c)	21%	54%	29%			