



For Immediate Release: April 28, 2011

## Occidental Petroleum Announces First Quarter of 2011 Income

- Q1 2011 core income of \$1.96 per diluted share (net income \$1.90 per diluted share)
- Year-over-year production growth over 4 percent to 730,000 BOE per day

LOS ANGELES, April 28, 2011 -- Occidental Petroleum Corporation (NYSE:OXY) announced core income of \$1.6 billion (\$1.96 per diluted share) for the first quarter of 2011, compared with \$1.1 billion (\$1.35 per diluted share) for the first quarter of 2010. Net income for the first quarter of 2011 was \$1.5 billion (\$1.90 per diluted share), compared with \$1.1 billion (\$1.31 per diluted share) for the first quarter of 2010.

In announcing the results, Dr. Ray R. Irani, Chairman and Chief Executive Officer, said, "The first quarter of 2011 core income of \$1.6 billion was 45-percent higher than the first quarter of 2010. Our oil and gas production for the first quarter of 2011 increased over 4 percent, as compared to the first quarter of 2010, to 730,000 BOE per day."

### **QUARTERLY RESULTS**

#### **Oil and Gas**

Oil and gas segment earnings were \$2.5 billion for the first quarter of 2011, compared with \$1.9 billion for the same period in 2010. The increase in the first quarter of 2011 results was due to higher crude oil prices and higher sales volumes in the Middle East, partially offset by higher operating costs and DD&A rates.

For the first quarter of 2011, daily oil and gas production volumes averaged 730,000 barrels of oil equivalent (BOE), compared with 701,000 BOE in the first quarter of 2010. Volumes increased over 4 percent, primarily in domestic gas and NGL production and Middle East/North Africa crude oil volumes. The domestic gas increase was from the new acquisition in South Texas, which closed in the first quarter of 2011. The Middle East/North Africa increase included new production from Iraq and higher volumes from the Mukhaizna field in Oman.

As a result of higher year-over-year average oil prices affecting production sharing and similar contracts, production was negatively impacted in the Middle

East/North Africa, Long Beach and Colombia by 12,000 BOE per day. Dolphin and Elk Hills volumes were also lower from planned maintenance and production shut-downs in the first quarter of 2011.

Daily sales volumes increased over 6 percent from 685,000 BOE per day in the first quarter of 2010 to 728,000 BOE per day in the first quarter of 2011.

Oxy's realized price for worldwide crude oil was \$92.14 per barrel for the first quarter of 2011, compared with \$74.09 per barrel for the first quarter of 2010. Worldwide realized NGL prices rose from \$47.48 per barrel in the first quarter of 2010 to \$52.64 per barrel in the first quarter of 2011. Domestic realized gas prices dropped from \$5.62 per Mcf in the first quarter of 2010 to \$4.21 per Mcf for the first quarter of 2011.

### **Chemicals**

Chemical segment earnings for the first quarter 2011 were \$219 million, compared with \$30 million for the same period in 2010. The first quarter of 2011 results reflect strong export sales, higher margins resulting from improved supply/demand balances across most products, including calcium chloride, and lower energy costs.

### **Midstream, Marketing and Other**

Midstream segment earnings were \$114 million for the first quarter of 2011, compared with \$94 million for the first quarter of 2010. Earnings for the first quarter of 2011 reflect increased income from the pipeline business, higher margins in the marketing and trading business, partially offset by lower margins in the gas processing business.

### **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**

Portions of this press release contain forward-looking statements and involve risks and uncertainties that could materially affect expected results of operations, liquidity, cash flows and business prospects. Factors that could cause results to differ materially include, but are not limited to: global commodity pricing fluctuations; international political conditions; supply and demand considerations for Occidental's products; not successfully

completing, or any material delay of, any development of new fields, expansion projects, capital expenditures, efficiency-improvement projects, acquisitions or dispositions; potential failure to achieve expected production from existing and future oil and gas development projects or acquisitions; exploration risks such as drilling unsuccessful wells; any general economic recession or slowdown domestically or internationally; higher-than-expected costs; potential liability for remedial actions under existing or future environmental regulations and litigation; potential liability resulting from pending or future litigation; general domestic and international political conditions; potential disruption or interruption of Occidental's production or manufacturing or damage to facilities due to accidents, chemical releases, labor unrest, weather, natural disasters, political events or insurgent activity; failure of risk management; changes in laws or regulations; or changes in tax rates. Words such as "estimate," "project," "predict," "will," "would," "should," "could," "may," "might," "anticipate," "plan," "intend," "believe," "expect," "aim," "goal," "target," "objective," "likely" or similar expressions that convey the uncertainty of future events or outcomes generally indicate forward-looking statements. You should not place undue reliance on these forward-looking statements, which speak only as of the date of this press 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. Material risks that may affect Occidental's results of operations and financial position appear in Part 1, Item 1A "Risk Factors" of the 2010 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](http://www.oxy.com)

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**SUMMARY OF SEGMENT NET SALES AND EARNINGS**


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(\$ millions, except per-share amounts)	First Quarter	
	2011	2010
<b>SEGMENT NET SALES</b>		
Oil and Gas	\$ 4,367	\$ 3,491
Chemical	1,165	956
Midstream, Marketing and Other	412	369
Eliminations	(218)	(200)
<b>Net Sales</b>	<b>\$ 5,726</b>	<b>\$ 4,616</b>
<b>SEGMENT EARNINGS</b>		
Oil and Gas (a), (b)	\$ 2,468	\$ 1,861
Chemical	219	30
Midstream, Marketing and Other	114	94
	<b>2,801</b>	<b>1,985</b>
<b>Unallocated Corporate Items</b>		
Interest expense, net (c)	(214)	(35)
Income taxes (d)	(1,054)	(746)
Other	(128)	(107)
<b>Income from Continuing Operations (a)</b>	<b>1,405</b>	<b>1,097</b>
Discontinued operations, net (e)	144	(33)
<b>NET INCOME (a)</b>	<b>\$ 1,549</b>	<b>\$ 1,064</b>
<b>BASIC EARNINGS PER COMMON SHARE</b>		
Income from continuing operations	\$ 1.72	\$ 1.35
Discontinued operations, net	0.18	(0.04)
	<b>\$ 1.90</b>	<b>\$ 1.31</b>
<b>DILUTED EARNINGS PER COMMON SHARE</b>		
Income from continuing operations	\$ 1.72	\$ 1.35
Discontinued operations, net	0.18	(0.04)
	<b>\$ 1.90</b>	<b>\$ 1.31</b>
<b>AVERAGE BASIC COMMON SHARES OUTSTANDING</b>		
BASIC	812.6	812.1
DILUTED	813.4	813.5

(a) **Net Income** - Represent amounts attributable to Common Stock, after deducting non-controlling interest of \$24 million for the first quarter of 2010.

(b) **Oil and Gas** - The first quarter of 2011 includes pre-tax charges of \$35 million related to exploration write-offs in Libya and \$29 million related to Colombia net worth tax. Also, included in the 2011 first quarter results is a pre-tax gain for sale of an interest in the Colombia pipeline of \$22 million.

(c) **Unallocated Corporate Items - Interest Expense, net** - The first quarter of 2011 includes a pre-tax charge of \$163 million related to the premium on debt extinguishment.

(d) **Unallocated Corporate Items - Taxes** - The first quarter of 2011 includes a net \$21 million charge for out of period state income taxes.

(e) **Discontinued Operations, net** - The first quarter of 2011 includes a \$144 million after-tax gain from the sale of the Argentina operations.

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**SUMMARY OF CAPITAL EXPENDITURES AND DD&A EXPENSE**

(\$ millions)	First Quarter	
	2011	2010
<b>CAPITAL EXPENDITURES</b>	<b>\$ 1,325</b>	<b>\$ 768</b>
<b>DEPRECIATION, DEPLETION AND AMORTIZATION OF ASSETS</b>	<b>\$ 890</b>	<b>\$ 763</b>

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**SUMMARY OF OPERATING STATISTICS - PRODUCTION**

	First Quarter	
	2011	2010
<b>NET OIL, GAS AND LIQUIDS PRODUCTION</b>		
<b>PER DAY</b>		
<b>United States</b>		
Crude Oil (MBBL)		
California	77	77
Permian	132	137
Midcontinent and other	13	7
Total	222	221
NGL (MBBL)		
California	14	17
Permian	37	27
Midcontinent and other	8	6
Total	59	50
Natural Gas (MMCF)		
California	242	295
Permian	165	198
Midcontinent and other	327	182
Total	734	675
<b>Latin America</b>		
Crude Oil (MBBL)		
Colombia	31	34
Natural Gas (MMCF)		
Bolivia	16	12
<b>Middle East / North Africa</b>		
Crude Oil (MBBL)		
Bahrain	4	3
Dolphin	9	11
Iraq	9	-
Libya	15	13
Oman	67	57
Qatar	75	75
Yemen	33	35
Total	212	194
NGL (MBBL)		
Dolphin	10	12
Libya	1	1
Total	11	13
Natural Gas (MMCF)		
Bahrain	173	166
Dolphin	196	228
Oman	50	52
Total	419	446
<b>Barrels of Oil Equivalent (MBOE)</b>	<b>730</b>	<b>701</b>

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**SUMMARY OF OPERATING STATISTICS - SALES**

	First Quarter	
	2011	2010
<b>NET OIL, GAS AND LIQUIDS SALES PER DAY</b>		
<b>United States</b>		
Crude Oil (MBBL)	222	221
NGL (MBBL)	59	50
Natural Gas (MMCF)	734	675
<b>Latin America</b>		
Crude Oil (MBBL)		
Colombia	33	33
Natural Gas (MMCF)	16	12
<b>Middle East / North Africa</b>		
Crude Oil (MBBL)		
Bahrain	4	2
Dolphin	9	11
Iraq	-	-
Libya	15	4
Oman	71	56
Qatar	76	74
Yemen	34	33
Total	209	180
NGL (MBBL)		
Dolphin	10	12
Natural Gas (MMCF)	419	446
<b>Barrels of Oil Equivalent (MBOE)</b>	<b>728</b>	<b>685</b>

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**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.

(\$ millions, except per-share amounts)	First Quarter			
	2011	Diluted EPS	2010	Diluted EPS
<b>TOTAL REPORTED EARNINGS</b>	<u>\$ 1,549</u>	<u>\$ 1.90</u>	<u>\$ 1,064</u>	<u>\$ 1.31</u>
<b>Oil and Gas</b>				
Segment Earnings	\$ 2,468		\$ 1,861	
Add:				
Libya exploration write-off	35		-	
Gain on sale of Colombia pipeline interest	(22)		-	
Foreign tax	29		-	
Segment Core Results	<u>2,510</u>		<u>1,861</u>	
<b>Chemicals</b>				
Segment Earnings	219		30	
Add:				
No significant items affecting earnings	-		-	
Segment Core Results	<u>219</u>		<u>30</u>	
<b>Midstream, Marketing and Other</b>				
Segment Earnings	114		94	
Add:				
No significant items affecting earnings	-		-	
Segment Core Results	<u>114</u>		<u>94</u>	
<b>Total Segment Core Results</b>	<u>2,843</u>		<u>1,985</u>	
<b>Corporate</b>				
Corporate Results --				
Non Segment *	(1,252)		(921)	
Add:				
Premium on debt extinguishments	163		-	
State income tax charge	33		-	
Tax effect of adjustments	(50)		-	
Discontinued operations, net **	(144)		33	
Corporate Core Results - Non Segment	<u>(1,250)</u>		<u>(888)</u>	
<b>TOTAL CORE RESULTS</b>	<u>\$ 1,593</u>	<u>\$ 1.96</u>	<u>\$ 1,097</u>	<u>\$ 1.35</u>

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

\*\* Amounts shown after tax.