

Occidental Petroleum Corporation

STEPHEN CHAZEN

President and Chief Executive Officer

– Conference Call –

Second Quarter 2011 Earnings Guidance

July 26, 2011

Los Angeles, California

Thank you Jim.

As we look ahead to the back half of the year:

- At average oil prices of about \$95 WTI, we expect the back half of the year oil and gas production to be as follows:
 - Domestic volumes are expected to increase by about 3,000 – 4,000 BOE per day each month compared to the previous month. This should result in average third quarter production of about 430,000 to 432,000 BOE per day.
 - Latin America volumes should remain comparable to the second quarter.
 - The Middle East region production is expected as follows:
 - Consistent with the second quarter, we expect no production for Libya.

- In Iraq, we still are unable to reliably predict spending levels, which have a related impact in cost recovery barrels.
- In Oman, production is expected to grow from our current gross production of 210,000 BOE per day to a year-end exit rate of 230,000 BOE per day, which should result in about a net 2,000 BOED per quarter growth.
- In Qatar, we expect to gradually regain the production rate lost due to planned maintenance and mechanical issues resulting in about 3,000 BOE per day growth rate each quarter in the second half of the year, compared to the second quarter average.
- In Dolphin and Bahrain, production is expected to be similar to the second quarter levels.
- In Yemen, forecasting of production volumes remains difficult although currently Oxy operated production has been partially restored. We expect the range to be between 23,000 and 27,000 BOED.
- We expect a lifting in Iraq in the third quarter of about 600,000 barrels of oil. Including this lifting, we expect sales volumes to be about 725,000 BOE per day at \$95 WTI.
- A \$5.00 increase in WTI would reduce our production sharing contracts daily volumes by about 3,500 BOE per day.
- Our total year capital expenditures remains at \$6.8 billion, same as the guidance we gave last quarter.

With regard to prices -

- At current market prices, a \$1.00 per barrel change in oil prices impacts quarterly earnings before income taxes by about \$37 million. The average second quarter WTI oil price was \$102.56 per barrel.
- A \$1.00 per barrel change in NGL prices impacts quarterly earnings before income taxes by \$7 million.
- A swing of 50 cents per million BTUs in domestic gas prices has a \$34 million impact on quarterly earnings before income taxes. The current NYMEX gas price is around \$4.40 per MCF.

Additionally -

- We expect exploration expense to be about \$80 million for seismic and drilling for our exploration programs in the third quarter.
- The chemical segment third quarter earnings are expected to moderate to about \$225 million, mostly due to seasonal factors. The third quarter Chemical segment results are expected to reflect continued strong export demand and overall good supply and demand balances across most products offset by some seasonal factors and turnarounds. Historically, the fourth quarter is typically the weakest quarter and generally earnings are about half of the third quarter.
- We expect our combined worldwide tax rate in the third quarter of 2011 to remain at about 38 percent.
- Activity
 - In California, we expect our current drilling program should result in more predictable production growth going forward. The status of permitting is generally unchanged from the

prior quarter. We have obtained enough permits to allow us to prosecute the program at the present pace until year end. However, there remains some uncertainty around future permits, particularly related to injection wells.

- Our overall rig count in the United States has gone from 38 at the end of 2010 to our current rate of 59 and is expected to grow to 74 at the end of the year. This represents a 25 percent growth in total rig count from current levels. The growth will be in Permian, the Williston Basin and South Texas. This program leads to continued production growth next year.

Now we're ready to take your questions.