

**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>
<b>Free Cash Flow</b>	
Cash flow from operating activities - continuing operations	12,306
Capital spending	<u>(7,518)</u>
<b>Free cash flow before dividends</b>	<b><u>4,788</u></b>
Dividends	<u>(1,436)</u>
<b>Free cash flow after dividends</b>	<b><u><u>3,352</u></u></b>

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

	<u>2010</u>	<u>2011</u>
<b>RETURN ON CAPITAL EMPLOYED (%)</b>	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>
<b>ROCE</b>	<b>13.2</b>	<b>17.2</b>