

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

	2010		2009	
		Diluted EPS		Diluted EPS
Reported Income	\$ 4,530	\$ 5.56	\$ 2,915	\$ 3.58
Add: significant items affecting earnings				
Asset impairments	275		-	
Rig contract terminations	-		8	
Railcar leases	-		15	
Severance accrual	-		40	
Tax effect of pre-tax adjustments	(100)		(22)	
Benefit from foreign tax credit carry-forwards	(80)		-	
Discontinued operations, net *	39		236	
Core Results	\$ 4,664	\$ 5.72	\$ 3,192	\$ 3.92

* Amount shown after-tax

Average Diluted Common Shares Outstanding	813.8	813.8
---	-------	-------

Occidental Petroleum Corporation
Reconciliation to Generally Accepted Accounting Principles (GAAP)
Return on Capital Employed (%)
(\$ Millions)

	<u>2009</u>	<u>2010</u>
GAAP measure - earnings applicable to common shareholders	2,915	4,530
Interest expense	109	93
Tax effect of interest expense	(38)	(33)
Earnings before tax-effected interest expense	<u>2,986</u>	<u>4,590</u>
GAAP stockholders' equity	29,159	32,484
DEBT		
GAAP debt		
Debt, including current maturities	2,796	5,111
Non-GAAP debt		
Capital lease obligation	25	-
Total debt	<u>2,821</u>	<u>5,111</u>
Total capital employed	31,980	37,595
Return on Capital Employed (%)	9.6	13.2

Occidental Petroleum Corporation
Free Cash Flow
Reconciliation to Generally Accepted Accounting Principles (GAAP)
(\$ Millions)

	Twelve Months <u>2010</u>
Consolidated Statement of Cash Flows	
Cash flow from operating activities	9,349
Cash flow from investing activities	(9,078)
Cash flow from financing activities	<u>1,083</u>
Change in cash	<u><u>1,354</u></u>

Free Cash Flow

Cash flow from operating activities	9,349
Less: operating cash flow from discontinued operations	<u>(210)</u>
Operating cash flow from continuing operations	9,139
Capital spending	(3,940)
Cash dividends paid	(1,159)
Equity method investment dividends	<u>217</u>
Free cash flow from continuing operations	<u><u>4,257</u></u>

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	

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>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>5-Year Average</u>
Revenues	10,949	12,583	17,378	10,984	14,245	13,228
Production costs	1,668	2,011	2,428	2,214	2,622	2,189
Other operating expense	469	516	536	628	655	561
Depreciation, depletion and amortization	1,487	1,754	1,993	2,258	2,668	2,032
Taxes other than income	381	401	569	413	472	447
Charges for impairments	-	58	81	-	275	83
Exploration expenses	289	361	308	254	262	295
Pretax income	6,655	7,482	11,463	5,217	7,291	7,622
Income tax expense	2,705	3,121	4,426	1,972	2,845	3,014
Results of operations	3,950	4,361	7,037	3,245	4,446	4,608
Depreciation, depletion and amortization	1,487	1,754	1,993	2,258	2,668	2,032
Charges for impairments	-	58	81	-	275	83
Gross Cash	5,437	6,173	9,111	5,503	7,389	6,723
Capitalized costs						
Current year	17,375	19,137	24,216	25,228	29,901	23,171
Prior year	13,472	17,375	19,137	24,216	25,228	19,886
Average capitalized costs	15,424	18,256	21,677	24,722	27,565	21,529
5-Year Average	<u>U.S.</u>	<u>International</u>	<u>Total</u>			
Results of operations	2,598	2,010	4,608	(a)		
Depreciation, depletion and amortization	1,131	901	2,032			
Charges for impairments	67	16	83			
Gross Cash	3,795	2,928	6,723	(b)		
Average capitalized costs	15,861	5,668	21,529	(c)		
Net income return on assets (a) / (c)	16%	35%	21%			
Cash flow return on assets (b) / (c)	24%	53%	31%			

Occidental Petroleum Corporation
Free Cash Flow
Reconciliation to Generally Accepted Accounting Principles (GAAP)
(\$ Millions)

	Three Months <u>2011</u>
Consolidated Statement of Cash Flows	
Cash flow from operating activities	2,222
Cash flow from investing activities	(1,741)
Cash flow from financing activities	<u>(959)</u>
Change in cash	<u><u>(478)</u></u>

Free Cash Flow

Cash flow from operating activities	2,222
Capital spending	(1,325)
Cash dividends paid	(310)
Distribution to noncontrolling interest	<u>(121)</u>
Free cash flow from continuing operations	<u><u>466</u></u>

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

	2011		2010	
		Diluted EPS		Diluted EPS
Reported Income	\$ 1,549	\$ 1.90	\$ 1,064	\$ 1.31
Add: significant items affecting earnings				
Libya exploration write-off	35		-	
Gain on sale of Colombia pipeline interest	(22)		-	
Foreign tax	29		-	
Premium on debt extinguishments	163		-	
State income tax charge	33		-	
Tax effect of pre-tax adjustments	(50)		-	
Discontinued operations, net *	(144)		33	
Core Results	\$ 1,593	\$ 1.96	\$ 1,097	\$ 1.35

* Amount shown after-tax

Average Diluted Common Shares Outstanding	813.4	813.5
---	-------	-------

Occidental Petroleum Corporation
Return on Capital Employed (%)
(\$ Millions)

	2011		2010	
	Qtr 1	Annualized	Qtr 1	Annualized
Reconciliation to Generally Accepted Accounting Principles (GAAP)				
GAAP measure - earnings applicable to common shareholders	1,549		1,064	
Interest expense	214		36	
Tax effect of interest expense	(75)		(13)	
Earnings before tax-effected interest expense	<u>1,688</u>		<u>1,087</u>	
GAAP stockholders' equity	33,658		30,037	
DEBT				
GAAP debt				
Debt, including current maturities	4,748		2,569	
Non-GAAP debt				
Capital lease obligation	-		25	
Total debt	<u>4,748</u>		<u>2,594</u>	
Total capital employed	38,406		32,631	
Return on Capital Employed (%)	4.4	17.8	3.4	13.5
Return on Equity (%)	4.7	18.7	3.6	14.4