

Occidental Petroleum Corporation

DR. RAY R. IRANI
Chairman and Chief Executive Officer

-Conference Call-
Fourth Quarter 2009 Earnings Announcement

January 28, 2010
Los Angeles, California

Thank you, Chris. Good morning, ladies and gentlemen.

2009 was an interesting year that tested strategic and execution capabilities across the U.S. oil and gas industry. We believe that Oxy passed last year's test with an A+. We achieved solid financial results in a challenging environment.

In a few minutes, Steve Chazen will provide details on our financial results for the fourth quarter and full year of 2009. But first, I want to mention some highlights and key developments of the past year that we believe are integral to Oxy's continued success in 2010 and beyond.

Notably, in 2009 we were able to grow our worldwide production 7-percent year-over-year while not increasing our net debt to capitalization ratio. This brought us to the highest annual production volume in our history – 645,000 BOE per day. We expect a similar increase in oil and gas production both this year and next while continuing to focus on operational efficiency.

Also noteworthy, during the next two weeks we will be announcing the official results of our 2009 production replacement. The results look very favorable. We expect to announce that the 2009 reserve replacement ratio is about 200 percent.

In 2009 we maintained our "A" debt rating across all ratings agencies. And we continued to build our pipeline of exciting opportunities, which gives

us confidence that our production increases from continuing operations of about 5 to 8 percent annually over the last five years will again be an achievable target for the next five years.

These results are attributable to consistent execution of our long-term financial strategy, as well as a successful companywide initiative to reduce costs.

We aggressively managed our oil and gas production costs in 2009's volatile commodity price environment, reducing our oil and gas production costs per BOE by 15 percent, excluding production and property taxes. We ended the year with cash on hand of \$1.2 billion, very little debt and one of the strongest balance sheets in the industry.

During the past 12 months, we capitalized on some key opportunities to strengthen our position and achieve further growth.

In the United States, we announced a significant discovery of oil and gas reserves in Kern County, California, with initial estimated reserves of 150 to 250 million gross barrels of oil equivalent. Steve will give you an update on its continued production growth in his upcoming comments.

We also made numerous acquisitions of properties adjacent to our key operations in Texas and California, and expanded other areas of our core business.

In our chemical segment, we acquired Dow Chemical Company's calcium chloride operations. Calcium chloride is a premium salt with a variety of beneficial applications, including ice control on roads and sidewalks. Our product line has an approximately 65 percent share of the North American calcium chloride market.

There were also significant, positive developments in the Middle East.

In Bahrain, we are partnering with Mubadala of Abu Dhabi on a project to redevelop the Bahrain Field. Field operations began on December 1st. We

expect to increase oil production from the Bahrain Field to about three times its current level of production, to reach 100,000 barrels of oil equivalent per day within seven years, and increase gas production by more than 65 percent to approximately 2.5 billion cubic feet per day.

It was announced in the fourth quarter that Oxy, partnering with a consortium led by Eni, was awarded a license for development of the Zubair Field in Iraq. Last Friday we announced the signing of the contract with the government of Iraq. We expect Zubair to reach production of approximately 1.2 million barrels of oil per day within the next six years.

Solid production growth continued at the giant Mukhaizna oilfield in south-central Oman, where we have a major steam flood project for enhanced oil recovery. As of year-end 2009, gross daily production was over 10 times higher than the production rate in September 2005, when Oxy assumed operation of the field.

Looking ahead to our 2010 capital expenditures, we plan to increase CAPEX approximately 19 percent from the \$3.6 billion spent in 2009 to about \$4.3 billion, for projects that will stimulate our continued growth while maintaining our targeted financial returns.

Our 2009 results confirm that Oxy is well positioned to succeed in the volatile business climate that has presented significant challenges to our industry and to the global economy. We plan to maintain a low-risk, low-leverage profile and a consistent focus on building stockholder value.

With our concentration on core areas, growth in production and reserves, efficient operations and strong balance sheet, we are confident in our ability to continue achieving sustained growth and delivering solid profitability.

I'll now turn the call over to Steve Chazen.

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