

## Supplemental Oil and Gas Information (Unaudited)

The following tables set forth Occidental's net interests in quantities of proved developed and undeveloped reserves of oil and condensate, NGLs and natural gas and changes in such quantities. Reserves are stated after applicable royalties. Estimated reserves include Occidental's economic interests under production sharing contracts (PSCs) and other similar economic arrangements.

Effective beginning the year ended December 31, 2009, the U.S. Securities and Exchange Commission (SEC) and the Financial Accounting Standards Board modified certain disclosure requirements for oil and gas properties. Occidental adopted these requirements as of December 31, 2009. As a result, proved oil, NGLs and gas reserves are now calculated using the unweighted arithmetic average of the first-day-of-the-month price for each month within the year instead of the year-end market price. For the 2011, 2010 and 2009 disclosures, the West Texas Intermediate oil prices used were \$96.19 per barrel, \$79.43 per barrel and \$61.18 per barrel, respectively. The Henry Hub gas prices used for the 2011, 2010 and 2009 disclosures were \$4.04 per MMBtu, \$4.39 per MMBtu and \$3.99 per MMBtu, respectively. Occidental does not have any reserves from non-traditional sources. The adoption of the new requirements did not have a material effect on Occidental's proved reserves.

Prior to December 31, 2009, Occidental's production volumes and reserves had been reported as a mix of pre-tax and after-tax volumes while its revenues reflected pre-tax sales. This difference was caused by Occidental's PSCs in the Middle East/North Africa where production is immediately taken and sold to pay the local income tax. Occidental had historically reported these volumes as additional revenues and income taxes but not additional production and reserves. To simplify Occidental's reporting and to conform with industry practice, Occidental included these volumes in its reserves as of December 31, 2009. Beginning in 2010, Occidental's production volumes match revenues reported. For ease of comparison, prior year data for daily production volumes and for results per unit of production computations are shown using pre-tax amounts.

## Oil Reserves

In millions of barrels (MMbbl)

	United States	Latin America <sup>(a,b)</sup>	Middle East/ North Africa <sup>(c)</sup>	Total
<b>PROVED DEVELOPED AND UNDEVELOPED RESERVES</b>				
<b>Balance at December 31, 2008</b>	1,355	89	383	1,827
Revisions of previous estimates	35	(4)	97	128
Improved recovery	47	25	51	123
Extensions and discoveries	16	2	—	18
Purchases of proved reserves	13	—	11	24
Sales of proved reserves	—	—	—	—
Production	(81)	(17)	(48)	(146)
<b>Balance at December 31, 2009</b>	1,385	95	494	1,974
Revisions of previous estimates	—	2	(34)	(32)
Improved recovery	82	9	42	133
Extensions and discoveries	1	—	—	1
Purchases of proved reserves	72	—	30	102
Sales of proved reserves <sup>(d)</sup>	—	(3)	—	(3)
Production	(80)	(13)	(70)	(163)
<b>Balance at December 31, 2010</b>	1,460	90	462	2,012
Revisions of previous estimates	(71)	(3)	(60)	(134)
Improved recovery	135	16	50	201
Extensions and discoveries	8	4	3	15
Purchases of proved reserves	78	—	—	78
Sales of proved reserves	—	—	—	—
Production	(84)	(11)	(69)	(164)
<b>Balance at December 31, 2011</b>	1,526	96	386	2,008
<b>PROVED DEVELOPED RESERVES</b>				
December 31, 2008	1,070	62	284	1,416
December 31, 2009	1,131	71	378	1,580
December 31, 2010	1,126	69	366	1,561
<b>December 31, 2011 <sup>(e)</sup></b>	1,146	69	317	1,532
<b>PROVED UNDEVELOPED RESERVES</b>				
December 31, 2008	285	27	99	411
December 31, 2009	254	24	116	394
December 31, 2010	334	21	96	451
<b>December 31, 2011 <sup>(f)</sup></b>	380	27	69	476

(a) Proved reserves as of December 31, 2009 and 2008 include proved oil reserves related to the noncontrolling interest of a Colombian subsidiary. On December 31, 2010, Occidental restructured its Colombian operations to take a direct working interest in the related assets. As a result, the December 31, 2010 and 2011 proved reserves amounts exclude the noncontrolling interest.

(b) Excludes proved oil reserves from the Argentine operations sold in February 2011 and classified as discontinued operations of 166 MMbbl, 108 MMbbl and 135 MMbbl as of December 31, 2010, 2009 and 2008, respectively. The Argentine proved developed and proved undeveloped reserves were 91 MMbbl and 75 MMbbl, 58 MMbbl and 50 MMbbl and 62 MMbbl and 73 MMbbl as of December 31, 2010, 2009 and 2008, respectively.

(c) Proved reserve amounts relate to PSCs and other similar economic arrangements.

(d) Represents the change to no longer include the Colombian noncontrolling interest.

(e) Approximately 10 percent of the proved developed reserves at December 31, 2011 are nonproducing, the majority of which are located in the United States and Libya.

(f) The amount of Occidental's proved undeveloped reserves that are not expected to be developed within five years from the date initially recorded was de minimis.

## NGL Reserves

In millions of barrels (MMbbl)

	United States	Latin America	Middle East/ North Africa <sup>(a)</sup>	Total
<b>PROVED DEVELOPED AND UNDEVELOPED RESERVES</b>				
<b>Balance at December 31, 2008</b>	192	—	61	253
Revisions of previous estimates	23	—	11	34
Improved recovery	9	—	—	9
Extensions and discoveries	13	—	—	13
Purchases of proved reserves	2	—	—	2
Sales of proved reserves	—	—	—	—
Production	(18)	—	(4)	(22)
<b>Balance at December 31, 2009</b>	221	—	68	289
Revisions of previous estimates	8	—	(2)	6
Improved recovery	16	—	—	16
Extensions and discoveries	—	—	—	—
Purchases of proved reserves	11	—	—	11
Sales of proved reserves	—	—	—	—
Production	(19)	—	(5)	(24)
<b>Balance at December 31, 2010</b>	<b>237</b>	<b>—</b>	<b>61</b>	<b>298</b>
Revisions of previous estimates	—	—	(2)	(2)
Improved recovery	10	—	—	10
Extensions and discoveries	1	—	—	1
Purchases of proved reserves	2	—	—	2
Sales of proved reserves	—	—	—	—
Production	(25)	—	(4)	(29)
<b>Balance at December 31, 2011</b>	<b>225</b>	<b>—</b>	<b>55</b>	<b>280</b>
<b>PROVED DEVELOPED RESERVES</b>				
December 31, 2008	139	—	61	200
December 31, 2009	155	—	68	223
December 31, 2010	163	—	61	224
<b>December 31, 2011 <sup>(b)</sup></b>	<b>165</b>	<b>—</b>	<b>55</b>	<b>220</b>
<b>PROVED UNDEVELOPED RESERVES</b>				
December 31, 2008	53	—	—	53
December 31, 2009	66	—	—	66
December 31, 2010	74	—	—	74
<b>December 31, 2011 <sup>(c)</sup></b>	<b>60</b>	<b>—</b>	<b>—</b>	<b>60</b>

(a) Proved reserve amounts relate to PSCs and other similar economic arrangements.

(b) Approximately 6 percent of the proved developed reserves at December 31, 2011 are nonproducing, the majority of which are located in the United States and Libya.

(c) The amount of Occidental's proved undeveloped reserves that are not expected to be developed within five years from the date initially recorded was de minimis.

## Gas Reserves

In billions of cubic feet (Bcf)

	United States	Latin America <sup>(a)</sup>	Middle East/ North Africa <sup>(b)</sup>	Total
<b>PROVED DEVELOPED AND UNDEVELOPED RESERVES</b>				
<b>Balance at December 31, 2008</b>	3,153	63	1,236	4,452
Revisions of previous estimates	(688)	(6)	281	(413)
Improved recovery	137	2	11	150
Extensions and discoveries	362	—	—	362
Purchases of proved reserves	67	—	736	803
Sales of proved reserves	—	—	—	—
Production	(232)	(6)	(89)	(327)
<b>Balance at December 31, 2009</b>	2,799	53	2,175	5,027
Revisions of previous estimates	(55)	(1)	(60)	(116)
Improved recovery	344	10	87	441
Extensions and discoveries	7	—	12	19
Purchases of proved reserves	186	—	—	186
Sales of proved reserves	—	—	—	—
Production	(247)	(6)	(166)	(419)
<b>Balance at December 31, 2010</b>	3,034	56	2,048	5,138
Revisions of previous estimates	(369)	(19)	(78)	(466)
Improved recovery	222	2	95	319
Extensions and discoveries	35	—	16	51
Purchases of proved reserves	728	—	—	728
Sales of proved reserves	—	—	—	—
Production	(285)	(6)	(156)	(447)
<b>Balance at December 31, 2011</b>	3,365	33	1,925	5,323
<b>PROVED DEVELOPED RESERVES</b>				
December 31, 2008	1,866	60	1,206	3,132
December 31, 2009	1,931	51	1,759	3,741
December 31, 2010	2,007	50	1,665	3,722
<b>December 31, 2011 <sup>(c)</sup></b>	2,365	32	1,555	3,952
<b>PROVED UNDEVELOPED RESERVES</b>				
December 31, 2008	1,287	3	30	1,320
December 31, 2009	868	2	416	1,286
December 31, 2010	1,027	6	383	1,416
<b>December 31, 2011 <sup>(d)</sup></b>	1,000	1	370	1,371

(a) Excludes proved natural gas reserves from the Argentine operations sold in February 2011 and classified as discontinued operations of 182 Bcf, 130 Bcf and 149 Bcf as of December 31, 2010, 2009 and 2008, respectively. The Argentine proved developed and proved undeveloped reserves were 108 Bcf and 74 Bcf, 74 Bcf and 56 Bcf and 82 Bcf and 67 Bcf as of December 31, 2010, 2009 and 2008, respectively.

(b) Proved reserve amounts relate to PSCs and other similar economic arrangements.

(c) Approximately 2 percent of the proved developed reserves at December 31, 2011 are nonproducing, the majority of which are located in the United States.

(d) The amount of Occidental's proved undeveloped reserves that are not expected to be developed within five years from the date initially recorded was de minimis.

## Total Reserves

In millions of BOE (MMBOE) <sup>(a)</sup>

	United States	Latin America <sup>(b,c)</sup>	Middle East/ North Africa <sup>(d)</sup>	Total
<b>PROVED DEVELOPED AND UNDEVELOPED RESERVES</b>				
<b>Balance at December 31, 2008</b>	2,073	99	650	2,822
Revisions of previous estimates	(57)	(5)	154	92
Improved recovery	78	26	53	157
Extensions and discoveries	89	2	—	91
Purchases of proved reserves	26	—	134	160
Sales of proved reserves	—	—	—	—
Production	(137)	(18)	(67)	(222)
<b>Balance at December 31, 2009</b>	2,072	104	924	3,100
Revisions of previous estimates	(1)	2	(46)	(45)
Improved recovery	156	11	57	224
Extensions and discoveries	2	—	2	4
Purchases of proved reserves	114	—	30	144
Sales of proved reserves <sup>(e)</sup>	—	(3)	—	(3)
Production	(140)	(14)	(103)	(257)
<b>Balance at December 31, 2010</b>	<b>2,203</b>	<b>100</b>	<b>864</b>	<b>3,167</b>
Revisions of previous estimates	(132)	(7)	(75)	(214)
Improved recovery	182	16	66	264
Extensions and discoveries	15	4	6	25
Purchases of proved reserves	201	—	—	201
Sales of proved reserves	—	—	—	—
Production	(156)	(12)	(99)	(267)
<b>Balance at December 31, 2011</b>	<b>2,313</b>	<b>101</b>	<b>762</b>	<b>3,176</b>
<b>PROVED DEVELOPED RESERVES</b>				
December 31, 2008	1,520	71	546	2,137
December 31, 2009	1,608	80	739	2,427
December 31, 2010	1,624	78	705	2,407
<b>December 31, 2011 <sup>(f)</sup></b>	<b>1,707</b>	<b>74</b>	<b>631</b>	<b>2,412</b>
<b>PROVED UNDEVELOPED RESERVES</b>				
December 31, 2008	553	28	104	685
December 31, 2009	464	24	185	673
December 31, 2010	579	22	159	760
<b>December 31, 2011 <sup>(g)</sup></b>	<b>606</b>	<b>27</b>	<b>131</b>	<b>764</b>

(a) Natural gas volumes have been converted to barrels of oil equivalent (BOE) based on energy content of six thousand cubic feet (Mcf) of gas to one barrel of oil. Barrels of oil equivalence does not necessarily result in price equivalence. The price of natural gas on a barrel of oil equivalent basis is currently substantially lower than the corresponding price for oil and has been similarly lower over the recent past.

(b) Proved reserves as of December 31, 2009 and 2008 include proved oil reserves related to the noncontrolling interest of a Colombian subsidiary.

(c) Excludes proved reserves from the Argentine operations sold in February 2011 and classified as discontinued operations of 196 MMBOE, 130 MMBOE and 160 MMBOE as of December 31, 2010, 2009 and 2008, respectively. The Argentine proved developed and proved undeveloped reserves were 109 MMBOE and 87 MMBOE, 70 MMBOE and 60 MMBOE and 76 MMBOE and 84 MMBOE as of December 31, 2010, 2009 and 2008, respectively.

(d) Proved reserve amounts relate to PSCs and other similar economic arrangements.

(e) Represents the change to no longer include the Colombian noncontrolling interest.

(f) Approximately 7 percent of the proved developed reserves at December 31, 2011 are nonproducing, the majority of which are located in the United States and Libya.

(g) The amount of Occidental's proved undeveloped reserves that are not expected to be developed within five years from the date initially recorded was de minimis.

Capitalized costs relating to oil and gas producing activities and related accumulated DD&A were as follows:

In millions	United States	Latin America <sup>(a)</sup>	Middle East/ North Africa	Total
<b>DECEMBER 31, 2011</b>				
Proved properties	\$ 36,123	\$ 1,861	\$ 13,839	\$ 51,823
Unproved properties <sup>(b)</sup>	4,675	—	184	4,859
<b>Total capitalized costs <sup>(c)</sup></b>	<b>40,798</b>	<b>1,861</b>	<b>14,023</b>	<b>56,682</b>
Accumulated depreciation, depletion and amortization	(11,063)	(951)	(7,178)	(19,192)
<b>Net capitalized costs</b>	<b>\$ 29,735</b>	<b>\$ 910</b>	<b>\$ 6,845</b>	<b>\$ 37,490</b>
<b>DECEMBER 31, 2010</b>				
Proved properties	\$ 28,516	\$ 1,816	\$ 12,231	\$ 42,563
Unproved properties <sup>(b)</sup>	3,474	5	190	3,669
<b>Total capitalized costs <sup>(c)</sup></b>	<b>31,990</b>	<b>1,821</b>	<b>12,421</b>	<b>46,232</b>
Accumulated depreciation, depletion and amortization	(9,321)	(1,050)	(5,960)	(16,331)
<b>Net capitalized costs</b>	<b>\$ 22,669</b>	<b>\$ 771</b>	<b>\$ 6,461</b>	<b>\$ 29,901</b>
<b>DECEMBER 31, 2009</b>				
Proved properties	\$ 24,488	\$ 1,900	\$ 10,909	\$ 37,297
Unproved properties <sup>(b)</sup>	1,709	—	158	1,867
<b>Total capitalized costs <sup>(c)</sup></b>	<b>26,197</b>	<b>1,900</b>	<b>11,067</b>	<b>39,164</b>
Accumulated depreciation, depletion and amortization	(7,956)	(1,154)	(4,826)	(13,936)
<b>Net capitalized costs</b>	<b>\$ 18,241</b>	<b>\$ 746</b>	<b>\$ 6,241</b>	<b>\$ 25,228</b>

(a) Includes net capitalized cost of \$31 million as of December 31, 2009, related to the noncontrolling interest in a Colombian subsidiary. Excludes Argentine capitalized costs of \$2.6 billion and \$2.5 billion as of December 31, 2010 and 2009, respectively.

(b) The 2011, 2010 and 2009 amounts primarily consist of Midcontinent and Other, Permian, California and Libya.

(c) Includes costs related to leases, exploration costs, lease and well equipment, other equipment, capitalized interest, asset retirement obligations and other costs.

Costs incurred in oil and gas property acquisition, exploration and development activities, whether capitalized or expensed, were as follows:

In millions	United States	Latin America <sup>(a)</sup>	Middle East/ North Africa	Total
<b>FOR THE YEAR ENDED DECEMBER 31, 2011</b>				
Property acquisition costs				
Proved properties	\$ 3,185	\$ —	\$ —	\$ 3,185
Unproved properties	1,311	—	32	1,343
Exploration costs	400	33	87	520
Development costs	4,100	214	1,495	5,809
<b>Costs incurred</b>	<b>\$ 8,996</b>	<b>\$ 247</b>	<b>\$ 1,614</b>	<b>\$ 10,857</b>
<b>FOR THE YEAR ENDED DECEMBER 31, 2010</b>				
Property acquisition costs				
Proved properties	\$ 2,084	\$ —	\$ 63	\$ 2,147
Unproved properties	2,290	—	—	2,290
Exploration costs	177	13	126	316
Development costs	1,674	178	1,231	3,083
<b>Costs incurred</b>	<b>\$ 6,225</b>	<b>\$ 191</b>	<b>\$ 1,420</b>	<b>\$ 7,836</b>
<b>FOR THE YEAR ENDED DECEMBER 31, 2009</b>				
Property acquisition costs				
Proved properties	\$ 569	\$ —	\$ 158	\$ 727
Unproved properties	100	—	3	103
Exploration costs	131	4	50	185
Development costs	1,223	229	996	2,448
<b>Costs incurred</b>	<b>\$ 2,023</b>	<b>\$ 233</b>	<b>\$ 1,207</b>	<b>\$ 3,463</b>

(a) Includes exploration and development costs of \$2 million and \$5 million and \$0 and \$13 million in 2010 and 2009, respectively, related to the noncontrolling interest in a Colombian subsidiary. The 2010 and 2009 amounts exclude Argentine costs incurred of \$448 million and \$353 million, respectively.

Occidental's oil and gas producing activities for continuing operations, which exclude items such as asset dispositions, corporate overhead, interest and royalties, were as follows:

In millions	United States	Latin America <sup>(a,b)</sup>	Middle East/ North Africa	Total
<b>FOR THE YEAR ENDED DECEMBER 31, 2011</b>				
Revenues <sup>(c)</sup>	\$ 9,933	\$ 1,113	\$ 7,373	\$ 18,419
Production costs <sup>(d)</sup>	2,338	172	918	3,428
Other operating expenses	584	37	217	838
Depreciation, depletion and amortization	1,754	90	1,220	3,064
Taxes other than on income	567	23	—	590
Exploration expenses	200	2	56	258
<b>Pretax income</b>	<b>4,490</b>	<b>789</b>	<b>4,962</b>	<b>10,241</b>
Income tax expense <sup>(e)</sup>	1,419	270	2,145	3,834
<b>Results of operations</b>	<b>\$ 3,071</b>	<b>\$ 519</b>	<b>\$ 2,817</b>	<b>\$ 6,407</b>
<b>FOR THE YEAR ENDED DECEMBER 31, 2010</b>				
Revenues <sup>(c)</sup>	\$ 7,578	\$ 1,046	\$ 5,621	\$ 14,245
Production costs <sup>(d)</sup>	1,757	167	698	2,622
Other operating expenses	432	15	208	655
Depreciation, depletion and amortization	1,412	122	1,134	2,668
Taxes other than on income	454	18	—	472
Charges for impairments	275	—	—	275
Exploration expenses	158	7	97	262
<b>Pretax income</b>	<b>3,090</b>	<b>717</b>	<b>3,484</b>	<b>7,291</b>
Income tax expense <sup>(e)</sup>	929	227	1,689	2,845
<b>Results of operations</b>	<b>\$ 2,161</b>	<b>\$ 490</b>	<b>\$ 1,795</b>	<b>\$ 4,446</b>
<b>FOR THE YEAR ENDED DECEMBER 31, 2009</b>				
Revenues <sup>(c)</sup>	\$ 5,832	\$ 957	\$ 4,195	\$ 10,984
Production costs <sup>(d)</sup>	1,452	161	601	2,214
Other operating expenses	389	31	208	628
Depreciation, depletion and amortization	1,237	198	823	2,258
Taxes other than on income	399	14	—	413
Exploration expenses	156	15	83	254
<b>Pretax income</b>	<b>2,199</b>	<b>538</b>	<b>2,480</b>	<b>5,217</b>
Income tax expense <sup>(e)</sup>	594	151	1,227	1,972
<b>Results of operations</b>	<b>\$ 1,605</b>	<b>\$ 387</b>	<b>\$ 1,253</b>	<b>\$ 3,245</b>

(a) Includes revenues of \$129 million and \$118 million, production costs of \$17 million and \$17 million, and results of operations of \$72 million and \$49 million in 2010 and 2009, respectively, related to the noncontrolling interest in a Colombian subsidiary.

(b) Excludes amounts from the Argentine operations sold in February 2011 and classified as discontinued operations.

(c) Revenues from net production exclude royalty payments and other adjustments.

(d) Production costs are the costs incurred in lifting the oil and gas to the surface and include gathering, treating, primary processing, field storage and insurance on proved properties, but do not include DD&A, royalties, income taxes, interest, general and administrative and other expenses.

(e) United States federal income taxes reflect certain expenses related to oil and gas activities allocated for United States income tax purposes only, including allocated interest and corporate overhead.

## RESULTS PER UNIT OF PRODUCTION FOR CONTINUING OPERATIONS

	United States	Latin America <sup>(a,b)</sup>	Middle East/ North Africa	Total <sup>(c)</sup>
<b>FOR THE YEAR ENDED DECEMBER 31, 2011</b>				
Revenues from net production barrel of oil equivalent (\$/bbl.) <sup>(d,e)</sup>	\$ 63.56	\$ 94.19	\$ 74.58	\$ 68.99
Production costs	14.96	14.56	9.29	12.84
Other operating expenses	3.74	3.13	2.20	3.14
Depreciation, depletion and amortization	11.22	7.62	12.34	11.48
Taxes other than on income	3.63	1.95	—	2.21
Exploration expenses	1.28	0.17	0.57	0.97
<b>Pretax income</b>	<b>28.73</b>	<b>66.76</b>	<b>50.18</b>	<b>38.35</b>
Income tax expense <sup>(f)</sup>	9.08	22.85	21.70	14.36
<b>Results of operations</b>	<b>\$ 19.65</b>	<b>\$ 43.91</b>	<b>\$ 28.48</b>	<b>\$ 23.99</b>
<b>FOR THE YEAR ENDED DECEMBER 31, 2010</b>				
Revenues from net production barrel of oil equivalent (\$/bbl.) <sup>(d,e)</sup>	\$ 54.14	\$ 73.31	\$ 54.49	\$ 55.35
Production costs	12.55	11.70	6.77	10.19
Other operating expenses	3.09	1.05	2.02	2.55
Depreciation, depletion and amortization	10.09	8.55	10.99	10.37
Taxes other than on income	3.24	1.26	—	1.83
Charges for impairments	1.96	—	—	1.07
Exploration expenses	1.13	0.49	0.94	1.02
<b>Pretax income</b>	<b>22.08</b>	<b>50.26</b>	<b>33.77</b>	<b>28.32</b>
Income tax expense <sup>(f)</sup>	6.64	15.91	16.37	11.05
<b>Results of operations</b>	<b>\$ 15.44</b>	<b>\$ 34.35</b>	<b>\$ 17.40</b>	<b>\$ 17.27</b>
<b>FOR THE YEAR ENDED DECEMBER 31, 2009</b>				
Revenues from net production barrel of oil equivalent (\$/bbl.) <sup>(d,e)</sup>	\$ 42.47	\$ 54.65	\$ 45.40	\$ 44.43
Production costs	10.57	9.19	6.50	8.95
Other operating expenses	2.83	1.77	2.25	2.54
Depreciation, depletion and amortization	9.01	11.31	8.91	9.13
Taxes other than on income	2.91	0.80	—	1.67
Exploration expenses	1.14	0.86	0.90	1.03
<b>Pretax income</b>	<b>16.01</b>	<b>30.72</b>	<b>26.84</b>	<b>21.11</b>
Income tax expense <sup>(f)</sup>	4.33	8.62	13.28	7.98
<b>Results of operations</b>	<b>\$ 11.68</b>	<b>\$ 22.10</b>	<b>\$ 13.56</b>	<b>\$ 13.13</b>

(a) Includes the noncontrolling interest in a Colombian subsidiary for 2010 and 2009.

(b) Excludes amounts from the Argentine operations sold in February 2011 and classified as discontinued operations.

(c) Results per unit of production is calculated using the volumes produced from continuing operations.

(d) Natural gas volumes have been converted to BOE based on energy content of six thousand cubic feet (Mcf) of gas to one barrel of oil. Barrels of oil equivalence does not necessarily result in price equivalence. The price of natural gas on a barrel of oil equivalent basis is currently substantially lower than the corresponding price for oil and has been similarly lower over the recent past.

(e) Revenues from net production exclude royalty payments and other adjustments.

(f) United States federal income taxes reflect certain expenses related to oil and gas activities allocated for United States income tax purposes only, including allocated interest and corporate overhead.

## STANDARDIZED MEASURE, INCLUDING YEAR-TO-YEAR CHANGES THEREIN, OF DISCOUNTED FUTURE NET CASH FLOWS

For purposes of the following disclosures, future cash flows were computed by applying to Occidental's proved oil and gas reserves the unweighted arithmetic average of the first-day-of-the-month price for each month within the years ended December 31, 2011, 2010 and 2009, respectively (unless prices were defined by contractual arrangements) and exclude escalations based upon future conditions. The realized prices used to calculate future cash flows vary by producing area and market conditions. Future operating and capital costs were forecast using the current cost environment applied to expectations of future operating and development activities. Future income tax expenses were computed by applying, generally, year-end statutory tax rates (adjusted for permanent differences, tax credits, allowances and foreign income repatriation considerations) to the estimated net future pre-tax cash flows. The discount was computed by application of a 10-percent discount factor. The calculations assumed the continuation of existing economic, operating and contractual conditions at each of December 31, 2011, 2010 and 2009. Such assumptions, which are required by regulation, have not always proven accurate in the past. Other valid assumptions would give rise to substantially different results.

## Standardized Measure of Discounted Future Net Cash Flows

In millions

	United States	Latin America <sup>(a)</sup>	Middle East/ North Africa	Total
<b>AT DECEMBER 31, 2011</b>				
Future cash inflows	\$ 171,456	\$ 8,494	\$ 43,715	\$ 223,665
Future costs				
Production costs and other operating expenses	(69,404)	(2,807)	(8,926)	(81,137)
Development costs <sup>(b)</sup>	(13,660)	(689)	(3,407)	(17,756)
Future income tax expense	(26,175)	(1,579)	(15,374)	(43,128)
<b>Future net cash flows</b>	<b>62,217</b>	<b>3,419</b>	<b>16,008</b>	<b>81,644</b>
Ten percent discount factor	(32,835)	(1,415)	(5,127)	(39,377)
<b>Standardized measure of discounted future net cash flows</b>	<b>\$ 29,382</b>	<b>\$ 2,004</b>	<b>\$ 10,881</b>	<b>\$ 42,267</b>
<b>AT DECEMBER 31, 2010</b>				
Future cash inflows	\$ 133,080	\$ 6,833	\$ 39,156	\$ 179,069
Future costs				
Production costs and other operating expenses	(54,362)	(2,828)	(9,228)	(66,418)
Development costs <sup>(b)</sup>	(9,820)	(458)	(3,743)	(14,021)
Future income tax expense	(20,319)	(1,036)	(12,585)	(33,940)
<b>Future net cash flows</b>	<b>48,579</b>	<b>2,511</b>	<b>13,600</b>	<b>64,690</b>
Ten percent discount factor	(26,481)	(1,044)	(4,428)	(31,953)
<b>Standardized measure of discounted future net cash flows</b>	<b>\$ 22,098</b>	<b>\$ 1,467</b>	<b>\$ 9,172</b>	<b>\$ 32,737</b>
<b>AT DECEMBER 31, 2009</b>				
Future cash inflows	\$ 96,997	\$ 5,439	\$ 32,344	\$ 134,780
Future costs				
Production costs and other operating expenses	(42,352)	(2,261)	(7,605)	(52,218)
Development costs <sup>(b)</sup>	(7,895)	(386)	(3,305)	(11,586)
Future income tax expense	(13,386)	(677)	(10,010)	(24,073)
<b>Future net cash flows</b>	<b>33,364</b>	<b>2,115</b>	<b>11,424</b>	<b>46,903</b>
Ten percent discount factor	(18,348)	(701)	(4,009)	(23,058)
	15,016	1,414	7,415	23,845
Less: net cash flows attributable to noncontrolling interests	—	(89)	—	(89)
<b>Standardized measure of discounted future net cash flows</b>	<b>\$ 15,016</b>	<b>\$ 1,325</b>	<b>\$ 7,415</b>	<b>\$ 23,756</b>

(a) Excludes Argentine future net cash flows of \$1.7 billion and \$1.2 billion as of December 31, 2010 and 2009, respectively.

(b) Includes asset retirement costs.

## Changes in the Standardized Measure of Discounted Future Net Cash Flows From Proved Reserve Quantities

In millions

For the years ended December 31,

	2011	2010	2009
<b>Beginning of year</b>	<b>\$ 32,737</b>	<b>\$ 23,756</b>	<b>\$ 15,482</b>
Sales and transfers of oil and gas produced, net of production costs and other operating expenses	(15,243)	(11,698)	(7,535)
Net change in prices received per barrel, net of production costs and other operating expenses	20,325	15,507	16,295
Extensions, discoveries and improved recovery, net of future production and development costs	6,152	4,485	3,537
Change in estimated future development costs	(5,668)	(2,747)	(1,281)
Revisions of quantity estimates	(3,518)	(626)	3,624
Development costs incurred during the period	5,797	3,101	2,483
Accretion of discount	4,014	2,843	1,833
Net change in income taxes	(4,776)	(4,663)	(9,528)
Purchases and sales of reserves in place, net	3,220	1,871	325
Changes in production rates and other	(773)	908	(1,479)
<b>Net change</b>	<b>9,530</b>	<b>8,981</b>	<b>8,274</b>
<b>End of year</b>	<b>\$ 42,267</b>	<b>\$ 32,737</b>	<b>\$ 23,756</b>

## Average Sales Prices

The following table sets forth, for each of the three years in the period ended December 31, 2011, Occidental's approximate average sales prices for continuing operations.

	United States	Latin America <sup>(a)</sup>	Middle East/ North Africa	Total
<b>2011</b>				
Oil – Average sales price (\$/bbl.)	\$ 92.80	\$ 97.16	\$ 104.34	\$ 97.92
NGLs– Average sales price (\$/bbl.)	\$ 59.10	\$ –	\$ 32.09	\$ 55.53
Gas – Average sales price (\$/mcf.)	\$ 4.06	\$ 10.11	\$ 0.81	\$ 3.01
<b>2010</b>				
Oil – Average sales price (\$/bbl.)	\$ 73.79	\$ 75.29	\$ 76.67	\$ 75.16
NGLs– Average sales price (\$/bbl.)	\$ 48.86	\$ –	\$ 30.64	\$ 45.08
Gas – Average sales price (\$/mcf.)	\$ 4.53	\$ 7.73	\$ 0.82	\$ 3.11
<b>2009</b>				
Oil – Average sales price (\$/bbl.)	\$ 56.74	\$ 55.89	\$ 58.75	\$ 57.31
NGLs– Average sales price (\$/bbl.)	\$ 37.26	\$ –	\$ 21.88	\$ 34.27
Gas – Average sales price (\$/mcf.)	\$ 3.46	\$ 5.70	\$ 1.00	\$ 2.83

(a) Excludes average sales prices from Argentine operations sold in February 2011 and classified as discontinued operations and for 2010 and 2009 includes the noncontrolling interest in a Colombian subsidiary.

## Net Productive and Dry — Exploratory and Development Wells Completed

The following table sets forth, for each of the three years in the period ended December 31, 2011, Occidental's net productive and dry—exploratory and development wells completed.

	United States	Latin America <sup>(a)</sup>	Middle East/ North Africa	Total
<b>2011</b>				
Oil – Exploratory	17.7	1.8	2.6	22.1
Development	834.0	57.9	189.3	1,081.2
Gas – Exploratory	3.2	–	2.5	5.7
Development	143.1	–	1.1	144.2
Dry – Exploratory	13.0	–	1.4	14.4
Development	9.3	–	1.2	10.5
<b>2010</b>				
Oil – Exploratory	8.4	0.9	1.8	11.1
Development	406.6	42.3	121.3	570.2
Gas – Exploratory	–	–	5.0	5.0
Development	93.3	–	4.6	97.9
Dry – Exploratory	17.3	0.8	2.8	20.9
Development	10.0	–	0.4	10.4
<b>2009</b>				
Oil – Exploratory	5.5	–	0.7	6.2
Development	224.3	61.7	105.3	391.3
Gas – Exploratory	–	–	–	–
Development	14.5	–	2.0	16.5
Dry – Exploratory	13.7	–	2.9	16.6
Development	1.8	0.7	0.7	3.2

(a) Excludes for all years presented the exploratory and development wells completed by Argentine operations sold in February 2011 and classified as discontinued operations and for 2010 and 2009 includes the noncontrolling interest in a Colombian subsidiary.

## Productive Oil and Gas Wells

The following table sets forth, as of December 31, 2011, Occidental's productive oil and gas wells (both producing and capable of production).

Wells at December 31, 2011 <sup>(a)</sup>	United States	Latin America	Middle East/ North Africa	Total
Oil – Gross <sup>(b)</sup>	31,538 (1,426)	1,277 (–)	2,201 (570)	35,016 (1,996)
Net <sup>(c)</sup>	21,052 (1,101)	633 (–)	1,196 (274)	22,881 (1,375)
Gas – Gross <sup>(b)</sup>	6,933 (1,388)	29 (–)	120 (1)	7,082 (1,389)
Net <sup>(c)</sup>	5,470 (1,012)	27 (–)	62 (1)	5,559 (1,013)

(a) The numbers in parentheses indicate the number of wells with multiple completions.

(b) The total number of wells in which interests are owned.

(c) The sum of fractional interests.

## Participation in Exploratory and Development Wells Being Drilled

The following table sets forth, as of December 31, 2011, Occidental's participation in exploratory and development wells being drilled.

Wells at December 31, 2011	United States	Latin America	Middle East/ North Africa	Total
Exploratory and development wells				
– Gross	280	7	37	324
– Net	180	4	19	203

At December 31, 2011, Occidental was participating in 190 pressure-maintenance projects, mostly waterfloods, in the United States, 8 in Latin America and 26 in the Middle East/North Africa.

## Oil and Gas Acreage

The following table sets forth, as of December 31, 2011, Occidental's holdings of developed and undeveloped oil and gas acreage.

Thousands of acres at December 31, 2011	United States <sup>(a)</sup>	Latin America	Middle East/ North Africa	Total
Developed <sup>(b)</sup>				
– Gross <sup>(c)</sup>	7,873	120	1,214	9,207
– Net <sup>(d)</sup>	4,646	83	551	5,280
Undeveloped <sup>(e)</sup>				
– Gross <sup>(c)</sup>	5,817	485	18,418	24,720
– Net <sup>(d)</sup>	2,748	364	16,453	19,565

(a) Includes approximately 1.7 million acres in California, the vast majority of which are net fee mineral interests.

(b) Acres spaced or assigned to productive wells.

(c) Total acres in which interests are held.

(d) Sum of the fractional interests owned based on working interests, or interests under PSCs and other economic arrangements.

(e) Acres on which wells have not been drilled or completed to a point that would permit the production of commercial quantities of oil and gas, regardless of whether the acreage contains proved reserves.

Occidental's investment in developed and undeveloped acreage comprises numerous concessions, blocks and leases. The terms and conditions under which Occidental maintains exploration or production rights to the acreage are property-specific, contractually defined and vary significantly from property to property. Work programs are designed to ensure that the exploration potential of any property is fully evaluated before expiration. In some instances, Occidental may elect to relinquish acreage in advance of the contractual expiration date if the evaluation process is complete and there is not a business basis for extension. In cases where additional time may be required to fully evaluate acreage, Occidental has generally been successful in obtaining extensions. Scheduled lease and concession expirations for undeveloped acreage over the next three years are not expected to have a material adverse impact on Occidental.

## Oil, NGLs and Natural Gas Production and Sales Volumes Per Day

The following tables set forth the production and sales volumes of oil, NGLs and natural gas per day for each of the three years in the period ended December 31, 2011. The differences between the production and sales volumes per day are generally due to the timing of shipments at Occidental's international locations where product is loaded onto tankers.

Production per Day	2011	2010	2009
<b>United States</b>			
Oil (MBBL)			
California	80	76	76
Permian	134	136	141
Midcontinent and Other	16	7	6
TOTAL	230	219	223
NGLs (MBBL)			
California	15	16	17
Permian	38	29	27
Midcontinent and Other	16	7	4
TOTAL	69	52	48
Natural gas (MMCF)			
California	260	280	250
Permian	157	199	199
Midcontinent and Other	365	198	186
TOTAL	782	677	635
<b>Latin America <sup>(a)</sup></b>			
Oil (MBBL) — Colombia <sup>(b)</sup>	29	37	45
Natural gas (MMCF) — Bolivia	15	16	16
<b>Middle East/North Africa</b>			
Oil (MBBL)			
Bahrain	4	3	—
Dolphin	9	11	15
Iraq	7	3	—
Libya	4	12	10
Oman	67	62	50
Qatar	73	76	79
Yemen	27	31	34
TOTAL	191	198	188
NGLs (MBBL)			
Dolphin	10	13	11
Libya	—	1	1
TOTAL	10	14	12
Natural gas (MMCF)			
Bahrain	173	169	10
Dolphin	199	236	257
Oman	54	48	49
TOTAL	426	453	316
<b>Total Production (MBOE) <sup>(a,c)</sup></b>	<b>733</b>	<b>711</b>	<b>677</b>

(See footnotes following the Sales Volumes per Day table)

Sales Volumes per Day	2011	2010	2009
<b>United States</b>			
Oil (MBBL)	230	219	223
NGLs (MBBL)	69	52	48
Natural gas (MMCF)	782	677	635
<b>Latin America <sup>(a)</sup></b>			
Oil (MBBL) — Colombia <sup>(b)</sup>	29	36	45
Natural gas (MMCF) — Bolivia	15	16	16
<b>Middle East/North Africa</b>			
Oil (MBBL)			
Bahrain	4	3	—
Dolphin	9	12	14
Iraq	3	—	—
Libya	4	12	12
Oman	69	61	50
Qatar	73	76	79
Yemen	27	30	35
TOTAL	189	194	190
NGLs (MBBL)			
Dolphin	10	12	11
Libya	—	1	—
TOTAL	10	13	11
Natural gas (MMCF)	426	453	316
<b>Total Sales Volumes (MBOE) <sup>(a,c)</sup></b>	<b>731</b>	<b>705</b>	<b>678</b>

(a) For all periods presented, excludes volumes from the Argentine operations sold in February 2011 and classified as discontinued operations.

(b) Includes production volumes per day of 5 mbbbl and 6 mbbbl for the years ended December 31, 2010 and 2009, respectively, related to the noncontrolling interest in a Colombian subsidiary. Includes sales volumes per day of 4 mbbbl and 6 mbbbl for the years ended December 31, 2010 and 2009, respectively, related to the noncontrolling interest in a Colombian subsidiary.

(c) Natural gas volumes have been converted to BOE based on energy content of six Mcf of gas to one barrel of oil. Barrels of oil equivalence does not necessarily result in price equivalence. The price of natural gas on a barrel of oil equivalent basis is currently substantially lower than the corresponding price for oil and has been similarly lower over the recent past.

## Schedule II – Valuation and Qualifying Accounts

In millions

Occidental Petroleum Corporation  
and Subsidiaries

	Balance at Beginning of Period	Additions		Deductions <sup>(a)</sup>	Balance at End of Period
		Charged to Costs and Expenses	Charged to Other Accounts		
<b>2011</b>					
Allowance for doubtful accounts	\$ 19	\$ —	\$ —	\$ (3)	\$ 16
Environmental	\$ 366	\$ 53	\$ 14	\$ (73)	\$ 360
Litigation, tax and other reserves	193	37	—	(32)	198
	<u>\$ 559</u>	<u>\$ 90</u>	<u>\$ 14</u>	<u>\$ (105)</u>	<u>\$ 558 <sup>(b)</sup></u>
<b>2010</b>					
Allowance for doubtful accounts	\$ 30	\$ (9)	\$ —	\$ (2)	\$ 19
Environmental	\$ 403	\$ 26	\$ 3	\$ (66)	\$ 366
Litigation, tax and other reserves	226	20	6	(59)	193
	<u>\$ 629</u>	<u>\$ 46</u>	<u>\$ 9</u>	<u>\$ (125)</u>	<u>\$ 559 <sup>(b)</sup></u>
<b>2009</b>					
Allowance for doubtful accounts	\$ 34	\$ 4	\$ —	\$ (8)	\$ 30
Environmental	\$ 439	\$ 26	\$ 4	\$ (66)	\$ 403
Litigation, tax and other reserves	288	3	(6)	(59)	226
	<u>\$ 727</u>	<u>\$ 29</u>	<u>\$ (2)</u>	<u>\$ (125)</u>	<u>\$ 629 <sup>(b)</sup></u>

**Note:** The amounts presented represent continuing operations.

(a) Primarily represents payments.

(b) Of these amounts, \$100 million, \$102 million and \$112 million in 2011, 2010 and 2009, respectively, are classified as current.