

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

	Six Months Ended	
	June 30,	
	<u>2017</u>	<u>2016</u>
CONDENSED STATEMENTS OF CASH FLOWS		
Net Income	\$ 624	\$ (61)
Depreciation, depletion and amortization of assets	1,931	2,172
Deferred income tax provision	(24)	76
Asset impairments and other non-cash charges	(449)	(430)
Operating cash flow before working capital	<u>2,082</u>	<u>1,757</u>
Working capital changes	(306)	(511)
Other, net	729	(304)
Operating cash flow from continuing operations	<u>2,505</u>	<u>942</u>
Capital expenditures - reported	(1,492)	(1,247)
Cracker JV investment contributions	(39)	(97)
Capital expenditures, net	<u>(1,531)</u>	<u>(1,344)</u>
Payment for purchases of assets and businesses	(377)	(34)
Sales of assets and equity investments, net	609	260
Changes in capital accrual	(35)	(209)
Other investing activities	(28)	(7)
Investing cash flow from continuing operations	<u>(1,362)</u>	<u>(1,334)</u>
Cash dividends	(1,168)	(1,149)
Purchase of treasury stock	(6)	(15)
Proceeds from long-term debt	-	2,718
Payment of long-term debt	-	(2,710)
Other financing activities	16	29
Financing cash flow from continuing operations	<u>(1,158)</u>	<u>(1,127)</u>
Cash flow from discontinued operations	-	876
Decrease in cash	<u>(15)</u>	<u>(643)</u>
Cash, cash equivalents and restricted cash beginning of the period	<u>2,233</u>	<u>4,394</u>
Cash, cash equivalents and restricted cash end of the period	<u>2,218</u>	<u>3,751</u>

Occidental Petroleum Consolidated Statement of Cash Flows

Cash flow from operating activities		
-continuing operations	2,505	942
-discontinued operations	-	876
Cash flow from investing activities		
-continuing operations	(1,362)	(1,334)
Cash flow from financing activities		
-continuing operations	<u>(1,158)</u>	<u>66</u>
Change in cash	<u>(15)</u>	<u>550</u>
Cash and cash equivalents - beginning of period	<u>2,233</u>	<u>3,201</u>
Cash and cash equivalents - end of period	<u>\$ 2,218</u>	<u>\$ 3,751</u>

Occidental Petroleum Corporation
Earnings Per Share
Reconciliation to Generally Accepted Accounting Principles (GAAP)
(\$/share)

Reconciliation - Diluted Earnings Per Share	<u>Three Months Ended June 30,</u>		<u>Six Months Ended June 30,</u>	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Reported Diluted Earnings Per Share	\$ 0.66	\$ (0.18)	\$ 0.81	\$ (0.08)
Less: After-Tax Non-Core Adjustments				
Oil & Gas				
Domestic	\$ 0.43	\$ -	\$ 0.43	\$ 0.02
Foreign	\$ -	\$ -	\$ -	\$ -
Exploration	\$ -	\$ -	\$ -	\$ -
Chemical	\$ -	\$ -	\$ -	\$ 0.07
Midstream and Marketing	\$ 0.08	\$ -	\$ 0.07	\$ -
Corporate				
Interest	\$ -	\$ -	\$ -	\$ -
Other	\$ -	\$ -	\$ -	\$ (0.10)
Taxes	\$ -	\$ -	\$ -	\$ 0.10
Discontinued Operations	\$ -	\$ -	\$ -	\$ 0.57
Total After-Tax Non-Core Adjustments	<u>\$ 0.51</u>	<u>\$ -</u>	<u>\$ 0.50</u>	<u>\$ 0.66</u>
Core Diluted Earnings Per Share	<u>\$ 0.15</u>	<u>\$ (0.18)</u>	<u>\$ 0.31</u>	<u>\$ (0.74)</u>
Average Diluted Shares Outstanding (millions)	<u>765.9</u>	<u>763.6</u>	<u>765.5</u>	<u>763.5</u>

The difference between reported average diluted shares outstanding and core average diluted shares outstanding is immaterial and does not impact the calculation of core earnings per share. As such, core earnings per share is calculated as core earning (loss) divided by reported average diluted shares outstanding.