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Occidental Petroleum Corporation
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Vicki Hollub
Chief Executive Officer
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Use of non-GAAP Financial Information

This presentation includes non-GAAP financial measures. You can find the reconciliations to comparable GAAP financial measures on the “Investors” section of our website at www.oxy.com/investors.
Occidental Petroleum

- Value Proposition
- Quality Assets
- Differentiated Value-Based Approach
Oxy’s Value Proposition

Upside in rising oil price environment and downside protection during falling oil price environment

Focus on value-based growth

Top quartile returns

**Consistent Dividend Growth**
- Growing dividend with strong yield
- Value protection in down cycle
- Promotes capital allocation discipline

**Moderate Value-Based Growth**
- 5 – 8% average production growth through oil & gas development
- Above cost-of-capital returns (ROE and ROCE)
- Return Targets*: Domestic – 15+% International – 20+%  

**Strong Balance Sheet**
- Maintain ample cash balance and additional sources of liquidity
- Low debt-to-capital ratio
- Income-producing assets

*Return targets based on moderate commodity prices.
Delivering Consistent Dividend Growth

2002 – 2016: Oxy dividend CAGR 14% vs S&P CAGR 7%

Note: Dividends paid as per the Record Date
Dividend yield should revert close to historical levels as we execute plan to a lower cash flow breakeven.
Cash Flow Priorities Favor Dividends

Dividends promote capital allocation discipline

1. Base/Maintenance Capital
2. Dividends
3. Growth Capital
4. Acquisitions
5. Share Repurchases

Subject to Returns and Market Conditions
Value Growth - Annual ROCE for Oxy vs. Average of Competitors

*Competitors ROCE based on public information represents a simple average of APA, APC, COP, CVX, DVN, EOG, HES, MRO and XOM
Value Growth - Multi-year Returns Focused Portfolio Optimization

Set to generate both returns to shareholders and value-based growth

Divested assets that did not generate competitive corporate returns or free cash flow
Investing in assets with higher cash margin and lower capital intensity
Lower relative returns drove decision to divest of South Texas Gas properties
Proceeds to be re-deployed in Permian Resources

* Cash Flow Breakeven after Dividend and Growth Capital
Value Growth

Focus on value-driven growth - Top quartile returns

Positioned to return to double digit returns

*Calculated based on public information and on a consistent basis

Companies listed alphabetically: APA, APC, COP, CVX, CXO, DVN, EOG, HES, MRO, PXD, XOM
Value Growth: Significantly Reduced Development Cost

2016 F&D (Organic) $/Boe*

<table>
<thead>
<tr>
<th>Competitor Peers*</th>
<th>Value Growth:  Significantly Reduced Development Cost</th>
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<tbody>
<tr>
<td>1</td>
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</tr>
<tr>
<td>2</td>
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<td>6.86</td>
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<tr>
<td>8</td>
<td>6.51</td>
</tr>
<tr>
<td>OXY</td>
<td>6.45</td>
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</table>

*Competitor Peers listed alphabetically: APC, CVX, CXO, DVN, EOG, HES, MRO, PXD. F&D calculated on a consistent basis from publicly available information.
Value Growth - Production Growth Since 2013

Ongoing Total Company Production CAGR 10%*

Permian Resources 25% CAGR

*Pro forma for ongoing operations (excludes operations sold or exited)
Strong Balance Sheet – Net Debt-to-Capital

Source: Net Debt-to-Capital for 03/31/2017, Factset, 05/26/17
## Strong Balance Sheet - Oxy Credit Ratings Vs. Peers

<table>
<thead>
<tr>
<th>Company</th>
<th>S&amp;P Ratings</th>
<th>S&amp;P Outlook</th>
<th>Moody’s Ratings</th>
<th>Moody’s Outlook</th>
<th>New Issue Indications (10-year)</th>
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<tbody>
<tr>
<td>XOM</td>
<td>AA+</td>
<td>Negative</td>
<td>Aaa</td>
<td>Negative</td>
<td>2.95%</td>
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<td>CVX</td>
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<tr>
<td>OXY</td>
<td>A</td>
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<td>A3</td>
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<tr>
<td>EOG</td>
<td>BBB+</td>
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<td>Baa1</td>
<td>Stable</td>
<td>3.35%</td>
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<tr>
<td>COP</td>
<td>A-</td>
<td>Stable</td>
<td>Baa2</td>
<td>Positive</td>
<td>3.35%</td>
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<tr>
<td>PXD</td>
<td>BBB</td>
<td>Stable</td>
<td>Baa2</td>
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<td>3.55%</td>
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<tr>
<td>APA</td>
<td>BBB</td>
<td>Stable</td>
<td>Baa3</td>
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<td>3.65%</td>
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<tr>
<td>NBL</td>
<td>BBB</td>
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<td>Baa3</td>
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<td>3.75%</td>
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<tr>
<td>DVN</td>
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<tr>
<td>APC</td>
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<tr>
<td>MRO</td>
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<td>Ba1</td>
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<tr>
<td>HES</td>
<td>BBB-</td>
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<td>Ba1</td>
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<tr>
<td>CXO</td>
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<td>Ba2</td>
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<tr>
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<td>WPX</td>
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<td>WLL</td>
<td>BB-</td>
<td>Stable</td>
<td>B3</td>
<td>Positive</td>
<td>7.75%</td>
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</table>
Successful Value Proposition

Consistent Dividend Growth
- Oxy dividend CAGR doubled S&P CAGR since 2002
- Highest yield vs. US peers
- Historical dividend yield of 2.85%

Moderate Value-Based Growth
- Averaged better than 5% production growth
- Upper quartile ROCE
- Portfolio optimization complete for stronger future returns

Strong Balance Sheet
- 1Q17 cash balance of $1.5 Bn
- Received tax refund of $750 million during 2Q17
- Low debt-to-capital ratio
- Historical net debt-to-capital ratio of 11%
- “A” level credit rating from Moody’s, S&P and Fitch
## Unique Investment Proposition

### Large Integrated Majors

<table>
<thead>
<tr>
<th>Company</th>
<th>Market Cap ($Bn)</th>
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<tbody>
<tr>
<td>XOM</td>
<td>$346</td>
</tr>
<tr>
<td>RDS</td>
<td>$226</td>
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<tr>
<td>CVX</td>
<td>$198</td>
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<tr>
<td>TOT</td>
<td>$118</td>
</tr>
<tr>
<td>BP</td>
<td>$93</td>
</tr>
<tr>
<td>ENI</td>
<td>$52</td>
</tr>
</tbody>
</table>

**Characteristics**
- Low or no growth
- Higher returns
- Stronger Balance Sheet
- Lower risk
- Free cash flow
- Consistent dividend growth

### Independent E&Ps

<table>
<thead>
<tr>
<th>Company</th>
<th>Market Cap ($Bn)</th>
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</thead>
<tbody>
<tr>
<td>COP</td>
<td>$56</td>
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<tr>
<td>EOG</td>
<td>$53</td>
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<td>APC</td>
<td>$29</td>
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<tr>
<td>PXD</td>
<td>$29</td>
</tr>
<tr>
<td>DVN</td>
<td>$19</td>
</tr>
<tr>
<td>APA</td>
<td>$18</td>
</tr>
</tbody>
</table>

**Characteristics**
- Generally higher growth
- Lower returns
- Weaker Balance Sheet
- Higher risk
- Little or no free cash flow
- Little or no dividends
- Moved from gassy to oily

**Oxy Uniquely Positioned**

- **$47 Bn Market Cap**

Source: Factset, 5/26/2017
Occidental Petroleum

• Value Proposition

• Quality Assets

• Differentiated Value-Based Approach
Focused Businesses with Scale

Oil & Gas
High-return, low decline, long life, moderate growth, low-cost inventory

OxyChem
High FCF, high returns

Midstream
Infrastructure and marketing to maximize realizations and complement oil & gas business

Oil and Gas Core Areas
66% Oil | 13% NGL | 21% Gas

United States
- Leading position in the Permian Basin
- Permian Resources is a growth driver
- Permian EOR is stable, low-decline with free cash flow

Latin America
- Highest margin operations in Colombia
- Opportunities for moderate growth with partners

Middle East
- Focus areas – Oman, Qatar, and UAE
- Opportunities for growth with partner countries
- Low-decline, long term contracts, stable operations with free cash flow
Colombia: Discovered giant Cano Limon field in the early 1980’s. Several contracts that currently range from 6 years up to the economic life of field.

Oman: Assisted with the discovery and started development of Safah Field in 1982. A 15 year contract extension was signed for Block 9 this year. Blocks 27 and 53 expire in 2035. Block 62 expires in 2028.

Dolphin: Premier transborder pipeline delivering gas from Qatar to Abu Dhabi and Oman. Agreement was initiated in 2007 for a 25 year term.

Al Hosn: 30 year joint venture with the Abu Dhabi National Oil Company, (“ADNOC”) began in 2011 to develop the giant sour gas field in Abu Dhabi. Largest ultra sour gas plant in the world. Al Hosn is a class mega-project.
Largest Operator in the Permian Basin

Advantages Through Scale
- 10,000 mi² 3D seismic
- 130,000 mi² 2D seismic
- ~10,000 gross OBO wells
- 250 OBO wells since 2015

PERIMIAN BASIN NET MBOEPD OPERATED PRODUCTION*

*Source: Wood Mackenzie 2016 production, 3/2/17, company NWI% production rates, operators shown represent ~85% of Permian Basin daily production
Permian Resources

Significant acreage & growth potential in all development areas

~650,000 net acres within the Delaware and Midland Basin boundaries

~300,000 net acres associated with 11,650 wells in unconventional development inventory

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Business Area Acreage

| Resources – Unconventional Areas | 1.4 |
| Enhanced Oil Recovery Areas      | 1.1 |
| **Oxy Permian Total**            | 2.5MM |

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Resources Basin Development Areas

<table>
<thead>
<tr>
<th>NET ACRES*</th>
</tr>
</thead>
<tbody>
<tr>
<td>NM Delaware Basin</td>
</tr>
<tr>
<td>TX Delaware Basin</td>
</tr>
<tr>
<td>Midland Basin</td>
</tr>
<tr>
<td><strong>Total</strong></td>
</tr>
</tbody>
</table>

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Other Resources Unconventional Areas

<table>
<thead>
<tr>
<th>NET ACRES*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Central Basin Platform</td>
</tr>
<tr>
<td>New Mexico NW Shelf</td>
</tr>
<tr>
<td>Emerging Unconventional</td>
</tr>
<tr>
<td>Continuing Evaluation</td>
</tr>
<tr>
<td><strong>Total</strong></td>
</tr>
</tbody>
</table>

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*Includes surface and minerals

*Oxy Permian Total 2.5MM

Net Acres**

NM Delaware Basin
TX Delaware Basin
Midland Basin
Central Basin Platform
New Mexico NW Shelf

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*Includes surface and minerals
Improved Permian Resources Horizontal Inventory from 4Q2015

Locations within 300,000 of 650,000 net acres in Basin Development Areas

- Added 1,250 locations BE < $50
- Added 3,150 total locations
- Increased average length from 5,950’ to 7,100’
- Traded 10,000 net acres to enable longer lateral and consolidated facilities
- 14 years of inventory <$50 breakeven with 10 rigs

*Breakeven values based on NPV10.
Permian EOR

Proven Leader in Maximizing Recovery Across the Permian

Significant inventory in 10-year plan

Geographically diverse

100 active CO₂ + water floods covering multiple horizons

2 BBOE of identified net resource potential

870 net MMBOE at < $6.00 Future Development Cost

Permian EOR Net Resource Potential

Permian EOR Acreage

Delaware Basin

Central Basin Platform

Midland Basin

*Note: TZ/ROZ – Transition Zone and Residual Oil Zone
OxyChem Generates Industry Leading Chemicals Margins

EBITDA Margin

- **OxyChem**: 24% (1Q 2017) vs. 23% (2015–2016 FY Average)
- **Peer 1**: 14% (1Q 2017) vs. 15% (2015–2016 FY Average)
- **Peer 2**: 20% (1Q 2017) vs. 20% (2015–2016 FY Average)

Peers: WLK and OLN
**Midstream: Improving Cash Flows and Market Access**

**Businesses**

**Gas Plants:** Natural gas and CO₂ gathering, compression and processing systems to control upstream costs

**Pipelines - Domestic:** Take-away capacity via common carrier oil pipeline and storage systems, including Centurion pipeline, CO₂ source fields and pipeline systems

**Pipelines - Foreign:** Stable free cash flow from Dolphin natural gas pipeline

**Power Generation:** Lower cost electricity through power and steam generating facilities

**Marketing & Trading:** market production at highest realizations; includes Ingleside export facility

**2017 Impact**

- Free cash flow expected to improve $150 - $200+ MM due to better marketing economics and ramp up of Ingleside oil storage and export facility
- Ample takeaway capacity and new outlet for Permian oil production
Occidental Petroleum

• Value Proposition

• Quality Assets

• Differentiated Value-Based Approach
Our Pathway to Cashflow Breakeven: Dividend + Growth

Executing a plan to fund a growing dividend and 5% – 8% growth at $50 WTI.

Pathway:

> Grow high margin production with low capital intensity
> Continue to invest in low decline, free cash flow businesses at low cost
> Accelerate cash flows from the tail of the portfolio to fund production growth
> Advance value-based development approach with technology

Milestones:

> 80 Mboed of production growth
> Ample options to self-fund growth
  • ~$2.2Bn = South Texas, tax refund, PAGP
  • +“Win-win” Trades, Partnerships, Sales

Accelerators:

> Improving conditions in Midstream and Chemicals and commodity prices
Our Pathway to Cash Flow Breakeven at $50 WTI

**Pathway Drivers:**

- Permian Resources high-margin growth to accelerate value proposition of consistent dividend plus moderate production growth
- Enables organization to continue to drive down breakeven oil price, replenish reserves, and innovate our capabilities
Upon plan execution, Oxy can fund dividend and sustain production from operating cash flows. WTI Oil Price:

<table>
<thead>
<tr>
<th>Annual cash flow sensitivities (Bn)</th>
<th>$40</th>
<th>$50</th>
<th>$60</th>
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<tbody>
<tr>
<td><strong>Cash Flow Priorities:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1) Base/Maintenance Capital</td>
<td>$2.1</td>
<td>$2.3</td>
<td>$2.5</td>
</tr>
<tr>
<td>2) Dividends (current)</td>
<td>$2.3</td>
<td>$2.3</td>
<td>$2.3</td>
</tr>
<tr>
<td>3) Growth Capital + Options</td>
<td>$0</td>
<td>$1.0</td>
<td>$1.0+</td>
</tr>
<tr>
<td><strong>Cash Outflows</strong></td>
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<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>$4.4</td>
<td>$5.6</td>
<td>$5.8+</td>
</tr>
<tr>
<td><strong>Cash Inflows</strong>*</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>$4.4</td>
<td>$5.6</td>
<td>$6.8</td>
</tr>
<tr>
<td><strong>Production Growth</strong></td>
<td>Flat</td>
<td>5% - 8%</td>
<td>5% - 8%</td>
</tr>
</tbody>
</table>

*Annualized cash flow changes ~$120 million for a ~$1.00 / barrel change in oil prices upon plan execution.
Differentiated Value-Based Approach

- More Oil
- Less Cost
- Better Inventory

Creating shareholder value over the long-term

- **Culture of innovative technology and process**
  - Subsurface characterization
  - Integrated development planning
  - Oxy Drilling Dynamics
  - Innovative facility designs
  - Long-term base management
  - Enhanced reservoir recovery

- **Early adoption of external trends**
  - Big data, analytics, and mobile workforce
  - Multi-lateral wells (SL2)
  - Crude export facility

- **Innovative cost efficiency strategies**
  - Logistic and Maintenance hubs
  - OBO portfolio and investments
Technology Is Key To Further Cost Reduction

SL2 Potentially Lowers Secondary Bench BE by $5:

> Lowers well cost by $0.5 - $1.0MM
> Reduces operating costs by over 50%
> Sequencing increases facilities utilization
> One artificial lift system saves $0.2MM per lateral

Project Timeline:

> Project chartered in 2015, design and lab test in 2016
> First installation completed in December 2016
> Barilla Draw - Betty Lou 1016H, WCA & 2nd BS
> 2017+ wells designed for future SL2 capability
Logistic & Maintenance Hub Underway

• Secures supply availability
• $500 – $750k savings per well
  > Below market cost of supply will offset potential service cost inflation
  > Reduces last mile logistics costs
• Mutually beneficial partnerships

  • Strategically located in New Mexico
  • 244 acres
  • 3 unit train loop
  • 30,000 tons of sand storage
  • Supports 10-12 rigs/year
  • Operational in early 2018

Value Chain Partnerships Lower Costs

Service company yard
• Maintenance
• Stimulation & Cement
• Service directional tools

OCTG Laydown Yard
• ~20 railcar spots
• Dedicated truck entry/exit
• Staging, returns, reclamation

Sand Transload and Storage
• 6 Silos
• 3 Unit train loops
• Transload capacity

OxyChem Acid Facility
• Transload, storage, and dilution of HCl for fracs
• ~20 rail transload capacity
Occidental Petroleum

• Value Proposition
  - We’ve done what we said we would do and will repeat that success
• Quality Assets
  - Recent portfolio upgrade provides highest quality assets in the industry and they are designed to support a strong dividend with value growth:
    > Low decline, low capital intensity, long life reserves
    > Short cycle, high growth, high rates of return
• Strategy is consistent with value proposition
• Highly engaged workforce will execute strategy and exceed expectations

Differentiated Value-Based Approach
Oil & Gas Segment

- FY 2017E Total Production
  - 595,000 – 615,000 boed
  - Permian Resources production of 140,000 – 150,000 boed

- 2Q17E Production
  - Total production of 580,000 – 595,000 boed
  - Permian EOR production flat
  - Permian Resources production of 135,000 – 140,000 boed
  - Modest impact of OPEC quota constraints and volume effects under PSC contracts due to higher oil prices.

Production Costs – FY 2017E
- Domestic Oil & Gas: ~$14.00 / boe

Exploration Expense
- ~$30 MM in 2Q17E

DD&A – FY 2017E
- Oil & Gas: ~$15.00 / boe
- Chemicals and Midstream: $685 MM

Midstream
- $5 – $15 MM pre-tax income in 2Q17E

Chemical Segment
- ~$200 MM pre-tax income in 2Q17E

Corporate
- FY 2017E Domestic tax rate: 36%
- FY 2017E Int'l tax rate: 55%
- Interest expense of $85 MM in 2Q17E
Cash Flow Improvements Expected in 2017

• Improved product prices
  > Annualized cash flow changes ~$100 million for a ~$1.00 / barrel change in oil prices
  > Annualized cash flow changes ~$45 million for a ~$0.50 / Mmbtu change in natural gas prices

• Improved chemicals performance
  > Annualized cash flow changes ~$30 million for a ~$10 / ton change in caustic soda prices
  > Start-up of ethylene cracker

• Additional sources of liquidity in 2017 - 2018 of ~$2.2+ billion including:
  > Received tax refund of ~$750 million in 2Q17
  > Monetized South Texas gas properties for ~$600 million in 1Q17
  > Monetization of non-strategic corporate assets
  > Portfolio management & optimization
Total production grew 5% from Q4 16 to 129 Mboed
  > Oil production up 7% from Q4 16 to 78 Mbod

Increased activity in 1Q 2017
  > Exited Q1 with 7 rigs
  > 21 wells online in 1Q17 vs. 16 in 4Q16
  > Added 5 top tier performing wells in Greater Sand Dunes

2017 program: increase in activity expected in 2Q17
  > 2 rigs to be added in Q2 in Greater Barilla Draw Area
  > Expect to drill 28 wells and put online 26 wells in 2Q17

2017 program: expect 120+ operated wells online
  > Increased activity will be focused in Greater Sand Dunes and Greater Barilla Draw.
Operating Cash Flow ($ Bn)

- Current: $4.2
- Annualized: $4.4
- Midstream & Marketing: $4.7
- 80 Mboed Production: $5.6
- Plan Achieved at $50: $5.6
- Sustaining and Growth Capital: $3.3
- Current Dividend: $2.3

Chemicals Drivers:
- Full-year benefit of current basic chemicals pricing environment
- Full-year benefit of Ethylene Cracker
- Full-year benefit of 4CPE Refrigerant Plant

Our Pathway to Cash Flow Breakeven at $50 WTI – Chemicals
Our Pathway to Cash Flow Breakeven at $50 WTI – Midstream

Operating Cash Flow ($ Bn)

- Current Annualized: $4.2
- Chemicals: $4.4
- Midstream & Marketing: $4.7
- 80 Mboed Production
- Sustaining and Growth Capital: $3.3
- Plan Achieved at $50: $5.6

Midstream & Marketing Drivers:
- Improved Midland to Gulf Coast differentials
- Full-year benefit of Ingleside Export Facility
- Al Hosn Midstream improvement

$50/bbl
Our Pathway to Cash Flow Breakeven at $50 WTI – Oil & Gas

**Oil & Gas Drivers:**
- Over 2,500 locations with NPV10 breakevens under $50 WTI
- Cash margins of $30 per barrel

- **Current Annualized**
- **Chemicals**
- **Midstream & Marketing**
- **80 Mboed Production**
- **Plan Achieved at $50**

- **$50/bbl**
- **$4.4**
- **$4.7**
- **+$0.9**
- **$5.6**
Reducing Domestic Opex Through High Margin Growth Barrels

Asset Area Opex Ranges

- **$2 - $4** Permian Resources Growth Opex / boe
- **$5 - $20** Permian Resources Legacy Opex / boe
- **$15 - $20** Permian EOR Opex / boe

**Domestic Production Mix**

- **Growth**
  - 2017
  - 2018+
  - Growing

- **Legacy**
  - 2017
  - 2018+
  - Declining

- **EOR**
  - Flat
  - 2017
  - 2018+

**Total Domestic Opex / boe**

- ~$14/boe
- 2017
- 2018+
Dividend yield should revert close to historical levels as we execute plan to a lower cash flow breakeven.
Spot Domestic Caustic Soda Price*
* Low end of price range as reported by IHS

- Caustic soda prices reversed their multi-year trend of steady decline in mid-2016
- Global caustic soda demand forecasted to outstrip capacity increases again in 2017
  - European mercury technology conversion/closure deadline December 2017
- Higher energy prices will erode some of the impact of higher caustic soda prices

North American Chlor-Alkali Capacity Share

- Major industry consolidation is complete after several years of M&A activity
- Protracted poor financial performance in the industry is improving market discipline