First Quarter 2018 Earnings Conference Call
Occidental Petroleum Corporation
May 9, 2018
Cautionary Statements

Forward-Looking Statements
This presentation contains forward-looking statements based on management’s current expectations relating to Occidental’s operations, liquidity, cash flows, results of operations and business prospects. Words such as “estimate,” “project,” “predict,” “will,” “would,” “should,” “could,” “may,” “might,” “anticipate,” “plan,” “intend,” “believe,” “expect,” “aim,” “goal,” “target,” “objective,” “likely” or similar expressions that convey the prospective nature of events or outcomes generally indicate forward-looking statements. You should not place undue reliance on these forward-looking statements, which speak only as of the date of this presentation. Actual results may differ from anticipated results, sometimes materially, and reported results should not be considered an indication of future performance. Factors that could cause actual results to differ include, but are not limited to: global commodity pricing fluctuations; changes in supply and demand for Occidental’s products; higher-than-expected costs; the regulatory approval environment; not successfully completing, or any material delay of, field developments, expansion projects, capital expenditures, efficiency projects, acquisitions or dispositions; technological developments; uncertainties about the estimated quantities of oil and natural gas reserves; lower-than-expected production from operations, development projects or acquisitions; exploration risks; general economic slowdowns domestically or internationally; political conditions and events; liability under environmental regulations including remedial actions; litigation; disruption or interruption of production or manufacturing or facility damage due to accidents, chemical releases, labor unrest, weather, natural disasters, cyber-attacks or insurgent activity; failures in risk management; and the factors set forth in Part I, Item 1A “Risk Factors” of the 2017 Form 10-K. Unless legally required, Occidental does not undertake any obligation to update any forward-looking statements, as a result of new information, future events or otherwise.

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.
Occidental Petroleum

- 1Q18 Highlights
- Breakeven Plan Progress
- Financial Summary and Guidance
- Permian Resources Update
- Closing Remarks
# First Quarter 2018 Key Takeaways

## Breakeven Plan
- Ahead of schedule
- Added 18 Mboed in Permian Resources

## Strong FCF
- International
- Permian EOR
- Chemicals
- Midstream

## Raised 2018 Guidance
- + 2 Mboed Total Production
- + $100 MM EBIT Chemicals
- + $750 MM EBIT Midstream

---

The image contains a slide titled "First Quarter 2018 Key Takeaways." It lists several key points under different categories:

- **Breakeven Plan**
  - Ahead of schedule
  - Added 18 Mboed in Permian Resources

- **Strong FCF**
  - International
  - Permian EOR
  - Chemicals
  - Midstream

- **Raised 2018 Guidance**
  - + 2 Mboed Total Production
  - + $100 MM EBIT Chemicals
  - + $750 MM EBIT Midstream

Additionally, there is a statement at the bottom of the slide: "Our differentiated approach is creating significant value for our shareholders through cash flow generation with growth."
First Quarter 2018 Highlights

Asset Optimization
• Sold non-strategic interest in Delaware Basin midstream infrastructure for $154 MM

Asset Start-ups
• 4CPe Plant began generating income with ramp-up through 1H18

Improved Realizations
• Firm oil and gas takeaway capacity in excess of growth plans to multiple market centers

Well Productivity Improvement
• Sustained Greater Sand Dunes well results with 16 wells online averaging 30D production rates of 3,100 Boed
• Improved current Barilla Draw development area well performance by 45% from 2017

Low-Breakeven Inventory Additions
• Successfully appraised three new Delaware benches and one new field

Export Facility
• Secured third-party barrels to enhance value of oil export terminal

Capital Efficiency
• Aventine online realizing well-cost savings and reliability of resources
• Increased feet drilled per day in Permian Resources by 19% from 1H17

CO₂-EOR Advancement
• Continued progression in Midland and Delaware Basins with unconventional EOR pilots with CO₂ and miscible hydrocarbon gas

Enhanced Our Portfolio

Increased the Value of our Assets

Advanced Technologies and Operations

Enhanced Our Portfolio

Increased the Value of our Assets

Advanced Technologies and Operations
Oxy’s Unique Value Proposition

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

**Returns Focused Growth**
- 5% – 8+% average production growth in oil & gas
- Above cost-of-capital returns
- Return Targets: Domestic – 15+% International – 20+%  

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

**Returns Focused Growth**

- ROCE Leadership
- Growth within Cash Flow
- Robust, Low-Cost Inventory
- Industry-leading Decline Rate
- Executive Compensation Aligned
Shaping Oxy’s Competitive Advantage

Permian Execution Excellence

Subsurface Technical Excellence
- Basin-leading Wells

Operational Efficiency & Speed
- New Mexico D&C Outperformance

Logistics & Strategic Relationships
- Aventine Logistics Hub

Infrastructure Investment
- Leader in Water Recycling

Production Transport & Realizations
- Oil Terminal & Secure Takeaway

Enhanced Oil Recovery
- Unconventional & CCUS Leadership

Enhanced Recovery

Product Transport & Realizations

Infrastructure Investment

Logistics & Strategic Relationships

Operational Efficiency & Speed

Subsurface Technical Excellence
Exceeding Cash Flow Expectations

**Midstream**

Market and operational improvements:
- Mid to Gulf Coast Differentials
- Export Margin
- Gas, NGLs and Sulfur Margin

<table>
<thead>
<tr>
<th>Breakeven Plan</th>
<th>Annual Target</th>
<th>1Q18</th>
</tr>
</thead>
<tbody>
<tr>
<td>450</td>
<td>800</td>
<td></td>
</tr>
<tr>
<td>300</td>
<td>330</td>
<td></td>
</tr>
</tbody>
</table>

**Chemicals**

Market improvements:
- Improved Caustic Soda pricing
- Improved PVC pricing
- Lower Ethylene input cost

<table>
<thead>
<tr>
<th>Breakeven Plan</th>
<th>Annual Target</th>
<th>1Q18</th>
</tr>
</thead>
<tbody>
<tr>
<td>1,475</td>
<td>1,600</td>
<td></td>
</tr>
<tr>
<td>285</td>
<td>285</td>
<td></td>
</tr>
</tbody>
</table>

**Permian EOR**

Market and operational improvements:
- Production increased 6%
- Oil price improved 21%

<table>
<thead>
<tr>
<th>1Q17</th>
<th>1Q18</th>
</tr>
</thead>
<tbody>
<tr>
<td>850</td>
<td></td>
</tr>
<tr>
<td>430</td>
<td>500</td>
</tr>
<tr>
<td>1,365</td>
<td></td>
</tr>
</tbody>
</table>

---

1\(^{\text{CFO excludes working capital changes}}\)
Occidental Petroleum

- 1Q18 Highlights
- Breakeven Plan Progress
- Financial Summary and Guidance
- Permian Resources Update
- Closing Remarks
Cash Flow Breakeven at Low Oil Prices Achieved in 3Q18

Cash Flow Breakeven at $50:
Dividend + 5% – 8% Production Growth

Cash Flow Neutral at $40:
Dividend with Flat Production

1Q18 Positive Midstream and Chemicals Market Above Plan
Net of Middle East Downtime

1Q18 Annualized CFFO Adjusted to $40 WTI

Chemicals

Midstream & Marketing

Remaining 32 Mboed Permian Resources Production

Cash Flow Neutral at $40 WTI

Increase in Cash Flow at $50 WTI

Cash Flow Breakeven with 5%-8% Growth at $50 WTI

$4.0

$4.1

$4.2

$4.3 Actual

$4.5

$5.7

$5.7

~$120 MM per $1 Change oil price

Growth Capital $1.0

Sustaining Capital $2.1

Sustaining Capital $2.3

Current Dividend $2.4

Current Dividend $2.4

$4.1

$4.2

$4.3 Actual

1Q18 Positive Midstream and Chemicals Market Above Plan
Net of Middle East Downtime

Operating Cash Flow ($ Bn)
Achieving Goals to Cash Flow Breakeven at $50

4CPE Plant contributed to cash flow during 1Q18 and will achieve peak-rate in 3Q18.

Marketing differential averaged $3.12 in 1Q18 surpassing our $2.10 per barrel breakeven plan assumption.

Added 18 Mboed of Permian Resources production sequentially and 48 Mboed since 1Q17 net of ~5 Mboed divestment.

Midstream and Chemicals capitalized on improved market environments.

Annualized Cash Flow From Operations Improvements ($ Bn)

- Achieved since 1Q17
- Breakeven Plan
- Seasonality/Downtime

- SSAU Synergies and ~$50/ton Caustic Soda Realizations Achieved
- 1Q18 Positive Midstream and Chemicals Market Above Plan Net of Middle East Downtime

1 Downtime includes upstream cash flow for Dolphin and Al Hosn.
Occidental Petroleum

- 1Q18 Highlights
- Breakeven Plan Progress
- **Financial Summary and Guidance**
- Permian Resources Update
- Closing Remarks
## 1Q18 Results

<table>
<thead>
<tr>
<th>Category</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total reported production (Boed)</td>
<td>609,000</td>
</tr>
<tr>
<td>Total Permian Resources production (Boed)</td>
<td>177,000</td>
</tr>
<tr>
<td>Reported diluted EPS</td>
<td>$0.92</td>
</tr>
<tr>
<td>Core diluted EPS</td>
<td>$0.92</td>
</tr>
<tr>
<td>1Q18 CFFO before working capital &amp; other</td>
<td>$1.7 Bn</td>
</tr>
<tr>
<td>1Q18 capital expenditures</td>
<td>$1.0 Bn</td>
</tr>
<tr>
<td>Cash balance as of 03/31/18</td>
<td>$1.6 Bn</td>
</tr>
</tbody>
</table>

### 1Q18 Actual versus Guidance Midpoint Reconciliation

<table>
<thead>
<tr>
<th>Category</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Permian Resources execution and well productivity</td>
<td>+6,000</td>
</tr>
<tr>
<td>Al Hosn turnaround efficiency</td>
<td>+7,000</td>
</tr>
<tr>
<td>Successful step-out wells in Colombia</td>
<td></td>
</tr>
<tr>
<td>Turnaround optimizations in Qatar</td>
<td></td>
</tr>
<tr>
<td>PSC impact of higher prices</td>
<td>-2,000</td>
</tr>
<tr>
<td>Total</td>
<td>+11,000</td>
</tr>
</tbody>
</table>
YTD 2018 Cash Flow and Cash Balance Reconciliation

($ in Bn)

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Beginning Cash Balance 1/1/18</td>
<td>$1.7</td>
</tr>
<tr>
<td>CFFO Before Working Capital</td>
<td>$1.7</td>
</tr>
<tr>
<td>Change in Working Capital</td>
<td>($0.7)</td>
</tr>
<tr>
<td>Dividends</td>
<td>($0.6)</td>
</tr>
<tr>
<td>Capital Expenditures</td>
<td>($1.0)</td>
</tr>
<tr>
<td>A&amp;D/Other Investing</td>
<td>$0.1</td>
</tr>
<tr>
<td>Debt/Other Financing</td>
<td>$0.5</td>
</tr>
<tr>
<td>Ending Cash Balance 3/31/18</td>
<td>$1.6</td>
</tr>
</tbody>
</table>
2018 Guidance

Oil & Gas Segment

- FY 2018E Production
  > Total production of 645 – 665 Mboed
  > Permian Resources production of 198 – 210 Mboed
  > International production of 289 – 295 Mboed

- 2Q18E Production
  > Total production of 628 – 648 Mboed
  > Permian Resources production of 188 – 198 Mboed
  > International production of 281 – 290 Mboed
    > Al Hosn Gas production of 66 – 69 Mboed
    > Dolphin production of 42 Mboed
    > Qatar production of 51 – 53 Mboed

- Commodity Price Assumptions
  > 2Q18E - 4Q18E assumes $63 WTI / $67 Brent

Production Costs – FY 2018E

- Domestic Oil & Gas: ~$12.50/ boe

Exploration Expense

- ~$25 MM in 2Q18E
- ~$150 MM in FY 2018E

DD&A – FY 2018E

- Oil & Gas: ~$13.50/ boe
- Chemicals and Midstream: $715 MM

Midstream

- $250 – $300 MM pre-tax income in 2Q18E
  > Midland – MEH spread of $7.00 - $8.00 / bpd
- $900 - $1,100 MM pre-tax income in FY 2018E
  > Midland – MEH spread of $6.00 - $6.75 / bpd

Chemical Segment

- ~$300 MM pre-tax income in 2Q18E
- ~$1,100 MM pre-tax income in FY 2018E

Corporate

- FY 2018E Total Company tax rate: 32%
- FY 2018E Int'l tax rate: 45%
- Interest expense of $90 MM in 2Q18E
Cash Flow Sensitivities in 2Q18

Oil & Gas

> Annualized cash flow changes ~$110 million per ~$1.00 / bbl change in oil prices
  
  • ~$80 million per ~$1.00 / bbl change in WTI prices
  
  • ~$30 million per ~$1.00 / bbl change in Brent prices

> Annualized cash flow changes ~$40 million per ~$0.50 / Mmbtu change in natural gas prices

> Annualized production changes 800 – 1,000 boed per ~$1.00 / bbl change in Brent prices

Chemicals

> Annualized cash flow changes ~$30 million per ~$10 / ton change in realized caustic soda prices

Midstream

> Annualized cash flow changes ~$45 million per ~$0.25 / bbl change in Midland to MEH spread
Occidental Petroleum

• 1Q18 Highlights
• Breakeven Plan Progress
• Financial Summary and Guidance
• Permian Resources Update
• Closing Remarks
Subsurface Technical Excellence – Basin-leading Wells

Sustainable Step Change in Well Results from 2H17 into 1Q18

Productivity

- 1Q18 & 2H17 Peak 30D ~3,100 Boed\(^1\)
- 2 successful appraisal wells in Red Tank field
- Record 2-well pad in 1Q18 Peak 30 Day >10,000 BOED\(^1\) - Wolfcamp XY ~9,700 ft

2H17 & 1Q18 Wells – Peak 30D Production Rates\(^1\)

Wolfcamp XY
- 5 Wells ~7,100’
- 3,622

3rd Bone Spring
- 8 Wells ~8,100’
- 3,421

2nd Bone Spring
- 27 Wells ~6,800’
- 2,883

2H17 - 14 Wells ~6,200’

Q1 2018 - 13 Wells ~7,300’
2016 Average 10 Wells ~5,000’

Q1 2018 - 3 Wells ~9,600’
2H17 - 10 Wells ~7,200’
2016 Average 6 Wells ~4,800’

Notes: \(^1\)Three stream production results.
Breakeven Plan Milestone Achieved in 3Q18

Q1 production exceeded guidance

- New Mexico
  > Greater Sand Dunes delivers more great wells
  > Better productivity shifted artificial lift installations to Q2

- Barilla Draw
  > Recent wells deliver 60 day cum ~45% above 2017

- Delivered production despite Q1 weather impact of 2 MBoepd

Increased Total Year Production Guidance 2 MBoed

Permian Resources Production (MBoed)

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Production (MBoed)</th>
<th>3Q17</th>
<th>4Q17</th>
<th>1Q18</th>
<th>2Q18E</th>
<th>3Q18E</th>
<th>4Q18E</th>
</tr>
</thead>
<tbody>
<tr>
<td>3Q17</td>
<td>139</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4Q17</td>
<td>159</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1Q18</td>
<td>177</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2Q18E</td>
<td>188 - 198</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3Q18E</td>
<td></td>
<td>208 - 220</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4Q18E</td>
<td></td>
<td>220 - 246</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

QoQ Growth:

- 14%
- 11%
- 9%
- 11%
- 9%

Wells Online:

- 28
- 45
- 35
- 55 - 65
- 56 - 62
- 38 - 44

~47% Production Growth

Breakeven Plan Achieved +80 Mboed from 1Q17
Aventine – Strategic Relationships that Secure Supply and Lower Costs

2018 Operating Highlights

> 14 unit trains of frac sand delivered
> 1,400 tons of pipe delivered
> Sandstorm logistics system implemented
> Broke ground on Schlumberger and HCL facility
> Facility directly supports New Mexico operations with contingency support to Texas Delaware

3Q 2016
- Design concept approved

2Q 2017
- Acquired land
- Project officially broke ground

1Q 2018
- Facility operational
- Frac sand transloading
- Sandstorm logistics system
- Sooner Pipe OCTG facility

3Q 2018E
- Schlumberger facility online
- Expected savings of $500 - $750k per well

2019E
- Maintenance support for base production and OpEx reduction
Logistics & Strategic Relationships – Aventine Logistics Hub

Secure Supply

- 240 acres in Eddy County, NM within 20 miles of Greater Sand Dunes and other future development areas
- 30,000 tons of sand storage + transload capacity
- 2 unit train loops with ability to expand to 3 located off major rail line
- Supports 10-12 rigs per year
- Secures availability of critical materials

Lower Costs

- Reduces costs by $500 - $750 k per well
- Reduces spare equipment and personnel needed on location
- Reduction in last mile logistics cost
- Dedicated equipment maintenance facilities
- Sand and OCTG savings start 1Q18, other components fully operational 3Q18
Operational Efficiency & Speed – D&C Outperformance

**New Mexico Feet Drilled per Day**

- **1H17**: 749 feet
- **2H17**: 839 feet
- **1Q18**: 922 feet

23% Increase

**Texas Feet Drilled per Day**

- **1H17**: 776 feet
- **2H17**: 710 feet
- **1Q18**: 906 feet

17% Increase

**Operational Highlights**

- Drilled Lower Spraberry 10,000 ft lateral well in Midland Basin in under 10 days*
- Drilled 2\textsuperscript{nd} Bone Spring 10,000 ft lateral well in New Mexico in under 14 days*
- Drilled 9,600 ft of lateral in 44 hours on the Corral Fly 02-01 22H
- Designed, tested, and implemented ten 10,000 ft wells with 5 ½” casing in 6 ¾” hole
- Increased stages per day in New Mexico 19% from 1H17
- New Mexico frac core averaged 10 stages/day in a month
- Achieved 14 stages per day on the Cedar Canyon 29 Fed 24H, 25H, and 26H.

*Drilling days measured from rig release of the previous well to rig release of the current well, excludes shallow casing set by small rig.*
Committed Oil & Gas Takeaway Ensures Products are Realized in Multiple Markets

> Multi-year firm oil commitments on four, third-party pipelines
  • Total capacity ~470 Mbod to Gulf Coast
  • Retain flexibility on third-party volumes gathered and transported
  • Cactus supplies Corpus Christi Oil Terminal

> 100% owned Centurion Pipeline

> Gas capacity in-basin to receipt points that move gas to multiple markets
  • Provide optionality on gas realizations
  • Additional capacity on Gulf Coast Express expected 4Q19
Occidental Petroleum

- 1Q18 Highlights
- Breakeven Plan Progress
- Financial Summary and Guidance
- Permian Resources Update
- Closing Remarks
Appendix
Appendix Contents

• Peer Metrics
• Social Responsibility, Environment, and Governance
• 2017 Reserves
• Permian Updates
• Chemicals, Midstream and International Updates
Shareholder Distributions Over the Last Three Years (2015–2017)

> Strong history and commitment to shareholder returns
> Confidence in asset capabilities and conservative balance sheet allows us to sustain dividend through cycle
> Improving payout ratio through high-margin growth with leadership in ROCE

Average Shareholder Distribution Yield (%)

- OXY: 4.3%
- Peers: 3.8%, 3.6%, 3.4%, 2.1%, 2.1%, 2.0%, 0.8%, 0.7%

Cumulative Distributions ($Bn)

- OXY: 43
- Peers: 25, 9, 8, 2, 1, 1, 1, 1

Average Shareholder Payout Ratio (%)

- OXY: 64%
- Peers: 52%, 49%, 48%, 38%, 34%, 17%, 15%, 13%

Cumulative Distributions ($) per Share

- OXY: 4.48
- Peers: 3.43, 3.29, 2.52, 1.38, 1.24, 1.00, 0.79, 0.34

1 Source: Company filings and Factset. Shareholder distributions include dividends and share repurchases. Peers 1 – 8 include APC, APA, COP, CVX, EOG, HES, MRO, XOM
<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>
</tr>
</thead>
<tbody>
<tr>
<td>XOM</td>
<td>AA+</td>
<td>Negative</td>
<td>Aaa</td>
<td>Stable</td>
</tr>
<tr>
<td>CVX</td>
<td>AA-</td>
<td>Negative</td>
<td>Aa2</td>
<td>Stable</td>
</tr>
<tr>
<td><strong>OXY</strong></td>
<td><strong>A</strong></td>
<td><strong>Stable</strong></td>
<td><strong>A3</strong></td>
<td><strong>Stable</strong></td>
</tr>
<tr>
<td>EOG</td>
<td>BBB+</td>
<td>Stable</td>
<td>Baa1</td>
<td>Stable</td>
</tr>
<tr>
<td>COP</td>
<td>A-</td>
<td>Stable</td>
<td>Baa1</td>
<td>Stable</td>
</tr>
<tr>
<td>PXD</td>
<td>BBB</td>
<td>Stable</td>
<td>Baa3</td>
<td>Stable</td>
</tr>
<tr>
<td>APA</td>
<td>BBB</td>
<td>Stable</td>
<td>Baa3</td>
<td>Stable</td>
</tr>
<tr>
<td>NBL</td>
<td>BBB</td>
<td>Negative</td>
<td>Baa3</td>
<td>Stable</td>
</tr>
<tr>
<td>DVN</td>
<td>BBB</td>
<td>Stable</td>
<td>Ba1</td>
<td>Stable</td>
</tr>
<tr>
<td>APC</td>
<td>BBB</td>
<td>Stable</td>
<td>Ba1</td>
<td>Stable</td>
</tr>
<tr>
<td>MRO</td>
<td>BBB-</td>
<td>Stable</td>
<td>Ba1</td>
<td>Stable</td>
</tr>
<tr>
<td>HES</td>
<td>BBB-</td>
<td>Stable</td>
<td>Ba1</td>
<td>Stable</td>
</tr>
<tr>
<td>CXO</td>
<td>BBB-</td>
<td>Stable</td>
<td>Ba1</td>
<td>Positive</td>
</tr>
<tr>
<td>CLR</td>
<td>BB+</td>
<td>Stable</td>
<td>Ba3</td>
<td>Positive</td>
</tr>
<tr>
<td>WPX</td>
<td>B+</td>
<td>Stable</td>
<td>B2</td>
<td>Stable</td>
</tr>
<tr>
<td>WLL</td>
<td>BB-</td>
<td>Stable</td>
<td>B3</td>
<td>Positive</td>
</tr>
</tbody>
</table>

Source: Factset, 02/12/2018
### Short-term Incentives

- **15% of CEO annual bonus**¹ is determined by CROCE², with a performance target of 19%

### Long-term Incentives

- **25% of CEO long-term incentive compensation** is determined by CROCE, with a performance target of 20%. CEO long-term incentive is 70% performance-based

---

**Improved alignment with shareholders**

**Consistent with our historical practices**

---

¹ For CEO, 80% of target value is linked to company performance; 20% is based on individual performance.

² CROCE defined as (Net Income + DD&A + After-tax Interest Expense) / Average (Total Debt + Total Equity).
Appendix Contents

• Peer Metrics
• Social Responsibility, Environment, and Governance
• 2017 Reserves
• Permian Updates
• Chemicals, Midstream and International Updates
Stated Goals
In addition to our ongoing efforts to conserve resources and reduce emissions, we have made new commitments to:

• Regularly evaluate our strategy with Board oversight under various lower-carbon scenarios
• Model carbon prices and related financial impacts in capital spending plans for major projects
• Develop new metrics for carbon dioxide and methane emissions to better inform decision-making and enhance transparency
• End routine gas flaring by 2030
• Add an executive compensation metric related to the advancement of CCUS
• Support industry emissions-reductions efforts as part of the American Petroleum Institute-sponsored Environmental Partnership

Report available on the Investors and Social Responsibility sections of Oxy.com
Oxy Safety Culture and Strong Performance

Committed to the highest standards of conduct

Fostering a culture of safety excellence and continuous improvement to achieve a zero-incident safety record, everywhere we operate

Stop Work Authority policy requires employees and contractors to halt production, shut down any equipment or stop any job to prevent an accident or environmental incident

In 2017, Oxy had its best-ever employee safety performance record

<table>
<thead>
<tr>
<th>Year</th>
<th>Incidents and Cases per 100 Workers</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>0.2</td>
</tr>
<tr>
<td>2016</td>
<td>0.25</td>
</tr>
<tr>
<td>2015</td>
<td>0.36</td>
</tr>
<tr>
<td>2014</td>
<td>0.38</td>
</tr>
<tr>
<td>2013</td>
<td>0.3</td>
</tr>
<tr>
<td>2012</td>
<td>0.33</td>
</tr>
</tbody>
</table>
Water Infrastructure Drives Value & Environmental Benefits

• Increasing Recycled Water Usage from ~30% to ~50% in 2018

• Greater Sand Dunes Water Recycling Project
  > 80% of frac water YTD is recycled produced water
  > 5.8 MM bbls recycled since project inception (mid-2016)
  > Savings of $7.8 MM

Greater Sand Dunes Cost Savings Per Barrel*

*Cost structure illustration based on Greater Sand Dunes development area
**Savings calculated using total water recycled of 5.8 MM bbls since project inception (mid-2016) multiplied by the savings of $1.35 ($2.10/bbl to $0.75/bbl)
CO₂ EOR Process

40% of CO₂: Supplied

60% of CO₂: Recycled

<0.1% of CO₂: Flared, Vented or other Emissions

Oil and gas to market

100% of CO₂: Injected

40% of CO₂: Sequestered

60% of CO₂: Produced

INJECTION

PRODUCING RESERVOIR

PRODUCTION
How does CO₂ EOR Work

Physics of Miscible CO₂ EOR at Pore Scale

• Water injection (blue) recovers oil in large pores; leaving trapped oil (red) in small pores
• CO₂ (yellow) dissolves and displaces trapped oil; leaving only heavy ends (brown) in the reservoir
• The process is normally finalized by injecting chase water after the CO₂. Sequestered CO₂ remains permanently trapped in the pore spaces

Pressurized water is used to flood the oil field, creating small fractures in the rocks and releasing oil and gas.

CO₂ is then injected to flood the field to push the released oil and gas up the extraction well.

Approximately 40 percent of the CO₂ is trapped in the areas previously occupied by the oil and gas. Water is used along with CO₂ to more efficiently sweep the full volume of the reservoir.
Appendix Contents

• Peer Metrics
• Social Responsibility, Environment, and Governance
• 2017 Reserves
• Permian Updates
• Chemicals, Midstream and International Updates
2017 Reserve Additions Through Program Execution
200 MMBoe Reserve Additions prior to price revisions

YE 2016 Reserves: 2,406
Production*: (220)
Additions: 357
Acquisitions & Sales: 55
YE 2017 Reserves: 2,598

- 74% Proved Developed
- 75% Liquids

Total Company Reserve Replacement 2017
187% All In
162% Organic

All reserves are in Mmboe. *2017 Production includes South Texas.
Successful Drilling and A&D Programs Leading to Lower F&D Costs

Program Execution Highlights

> Positive total-company performance revisions
> Improved productivity and lower well costs in Permian Resources
> Purchased ~80 MM Boe more barrels than sold in Permian transactions
> Expanded capacity at Al Hosn Gas
> Successful extension of Oman Block 9 contract

F&D Costs (All Sources)*

<table>
<thead>
<tr>
<th>Year</th>
<th>5 Year</th>
<th>3 Year</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$17.96</td>
<td>$17.22</td>
<td>$8.53</td>
</tr>
</tbody>
</table>

F&D Costs (Organic)*

<table>
<thead>
<tr>
<th>Year</th>
<th>5 Year</th>
<th>3 Year</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$18.05</td>
<td>$18.36</td>
<td>$8.34</td>
</tr>
</tbody>
</table>

*Refer to 4th Quarter Earnings Release for definitions of F&D calculations.

Occidental incurred approximately $0.7 Billion to convert proved undeveloped reserves to proved developed reserves.
Appendix Contents

- Peer Metrics
- Social Responsibility, Environment, and Governance
- 2017 Reserves
- Permian Updates
- Chemicals, Midstream and International Updates
Permian Resources 2018 Focused Development

- Appraise 6 new benches
- Additional Unconventional CO₂-EOR pilots
- Logistics hub in New Mexico online
- Logistics solutions in TX Delaware
- First 2.5 mile laterals
- Expanding produced water recycling

Permian Resources 2018 Program

2018 Capital by Type

- D&C 70%
- Facilities 15%
- OBO 10%
- Other 5%

2018 Capex $1.9 B

2018 Well Count

- 180 Development Wells
- 195 Wells Online
- 15 Appraisal Wells

2018 Rig Count

- 11 Development Rigs
- 13 Rigs
- 2 Net Non-op Rigs
Creating Value at the Seminole San Andres Unit

**Increased Production 3,600 Boed or 16%**
- Increased plant inlet volume 32%
- Reduced flaring by 60%
- Implemented surveillance workflows

**Reduced Redrill Capital Costs by 36%**
- Savings utilizing Permian scale
- Implemented Oxy well design
- Operating capability improved efficiency

**Greater than $5/Boe Opex Reduction**
- Optimized Purchased Injectant
- Well Enhancement Execution
- Optimized Resource Deployment

**SSAU Gross Production**
- Jan - Jul 2017 Avg
- Sep-2017
- Dec-2017

**SSAU Redrill Well Cost**
- Prior Operator AFE
- Oxy Planned
- Oxy Actual

**SSAU Redrill Well Productivity**
- Prior Operator AFE
- Oxy Planned
- Oxy Actual

**SSAU Lift Revision Cost**
- Oxy Planned
- Oxy Actual

**Value of Opex Synergies ($MM PV10)**
- Acquired Interest
- Existing Interest

- $1/Boe
- $2/Boe
- $3/Boe
- $4/Boe
- $5/Boe
New Mexico Modular Development Area
Leveraging Permian Scale to Realize Value in Smaller Development Areas

Turkey Track – North Delaware Basin
- Greater than 40% all-in ROR at $50 WTI
- Successful appraisal of 3rd Bone Spring
- Well costs 25% below target costs, $7.7MM per well ~ 10,000’
- Drilled in 20 days

Begin development of 3rd Bone Spring in 2Q18

Similar scale opportunities available in other areas of the Permian Basin

Innovative Development Provides Scale Advantages to Regional Areas
- Multi-bench potential
- Modular Facilities
- Utilizes Basin Synergies
Great Barilla Draw Operating Excellence

Excellent results across multiple fields

- Barilla Draw proper 45% improvement in Wolfcamp A
- First Oxy Hoban well peak 30D of 1,973 Boed
- Successful Wolfcamp C appraisal in Lockridge field with 30D peak of 1,758 Boed
- Continued landing optimization in Red Bull South acreage

Horizontal development improving margins

- Below $5/Boe opex in fields with primarily horizontal wells

Hz Development Yields Low Operating Costs

- Four Greater Barilla Draw fields with all or almost all horizontal development
- Includes ~700 vertical wells

2017 Barilla Draw proper – Wolfcamp A & Hoban Optimized Landing Point Results

- 2018 Average 6 wells ~7,500'
- 2017 Average 8 wells ~6,700'
- Pre-2017 Wolfcamp A Wells Avg. Lateral ~4,700'

Hz Development Yields Low Operating Costs

- Rolling 12 Month Opex/Boe
- Red Bull South: $4.31
- Mentone: $2.36
- Lockridge: $4.15
- Barilla - Birds of Prey Area: $3.92
- Tx Delaware - Total Operated Fields: includes ~700 vertical wells

Hz well count: 62
Avg. Hz well age: ~2 years
- Barilla Draw proper: 11 ~2.5 years
- Hoban: 19 ~1.5 years
- Lockridge: 18 ~3 years
Midland Basin - Merchant

Operating cost < $2.75/Boe

- Horizontal only development
- 10,000 ft wells go-forward
- Centralized facilities and ample water disposal capacity
- Infrastructure in place to increase margins

Two play-leading benches under development

- Landing point optimized flow units
- Strong performance in Wolfcamp A and Wolfcamp B benches
- Wolfcamp B performance +26%

Multi-bench program and operating efficiency create play-leading opex

Successful Development Planning from Inception Leads to Greenfield Operating Cost

- First wells online in 2014
- 57 horizontals online
- Centralized facilities
- No water hauling with truck
- Central compression for gas lift
- Gas lift limits well failures and downhole cost

Wolfcamp B Improvement = two high-return development benches
Permian EOR

Oxy Operated Grass Roots CO$_2$ Flood and Current Development Area

Phased Development Approach

Oxy’s CO$_2$ EOR Capability Can Grow Production of Mature Fields

- ~55% Expected Ultimate Recovery
- Long-lived Reserves
- CO$_2$ flood phase F&D <$4.00 / Boe

Additional Future Development Phases in Main Oil Column (MOC) and Residual Oil Zone (ROZ)

Growing Production at the West Seminole San Andres Unit

WSSAU is an offset field to the acquired operator interest at Seminole San Andres Unit in 2017.
Enhanced Subsurface Characterization

Characterize 3D flow units
Predictive modeling
Life of field development
Utilize expansive data integration

From Appraisal to Permian Leading Well Performance

Appraisal
- Regional Basin Overview - Geologic Understanding
- Geochemistry of Source Rocks through Rock Samples
- Appraisal & Testing of Bench Opportunities
- Reservoir and Completion Evaluation of Development Opportunities through Drilling

Development
- Static Model
  - Geology
  - Geophysics
  - Geochemistry
  - Petrophysics
  - Geomechanics
  - Rock data
  - Fluid data

- Technical Advancements
- Spacing
- Landing
- Stim + Well Design

- Dynamic Model
  - Production rates
  - Pressures
  - Flowback strategy
  - Artificial lift
  - Stimulation design
Multiple 3D Flow Unit Development

Maximize margin, EUR and capital efficiencies

Development with multiple rigs and frac crews

3D Flow unit understanding enables development without vertical interference

Horizontal pressurized “Completed Barriers” to minimize frac hits

Drilled Uncompleted (DUC) “Buffer” eliminates lateral frac to drilling interference

Accelerated and Optimized: Production, Facilities, and EUR

Optimized Sequenced Development (OSD) Accelerates Production Efficiently

Optimized Sequence vs Simultaneous Development
Three Section 2nd Bone Spring Development Example in New Mexico

Facilities Optimization
-2,500 Bopd, -3,600 Bwpd, -250 Mcfpd

Production Acceleration
+2,000 Bopd annual avg production

Boepd

Simultaneous development
Optimized development

2018

Wolfcamp XY - Phase 2

Independent 3D Flow Units

Development Sequence Cross section view

2nd Bone Spring Upper Phase 1

1 2 3 4 5 6

Production Completed Barrier Zipper Frac Zipper Frac DUC "Buffer" Pad Drill
<table>
<thead>
<tr>
<th>Target Formation</th>
<th>Well Name</th>
<th>Lateral Length (ft)</th>
<th>Peak 24 Hr (Boed)</th>
<th>Peak 30 Day (Boed)</th>
<th>Oil (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Brushy Canyon</strong></td>
<td>Federal 23 13H</td>
<td>4,376</td>
<td>899</td>
<td>833</td>
<td>90%</td>
</tr>
<tr>
<td><strong>Avalon</strong></td>
<td>Patton MDP1 18 Fed 23H</td>
<td>4,108</td>
<td>2,008</td>
<td>1,509</td>
<td>76%</td>
</tr>
<tr>
<td><strong>1st BSS</strong></td>
<td>Cedar Canyon 23 2H</td>
<td>4,025</td>
<td>1,428</td>
<td>972</td>
<td>70%</td>
</tr>
<tr>
<td><strong>New</strong></td>
<td>Cedar Canyon 23 Fed Co 6H</td>
<td>7,241</td>
<td>4,518</td>
<td>3,963</td>
<td>75%</td>
</tr>
<tr>
<td><strong>2nd BSS</strong></td>
<td>Sunrise MDP1 8 5 Fed Com 2H</td>
<td>9,857</td>
<td>5,364</td>
<td>3,911</td>
<td>83%</td>
</tr>
<tr>
<td><strong>New</strong></td>
<td>Sunrise MDP1 8 5 Fed Com 6H</td>
<td>9,852</td>
<td>4,966</td>
<td>3,645</td>
<td>80%</td>
</tr>
<tr>
<td><strong>New</strong></td>
<td>Palladium MDP1 7/6 Fed Com 6H</td>
<td>9,852</td>
<td>4,731</td>
<td>3,404</td>
<td>81%</td>
</tr>
<tr>
<td><strong>New</strong></td>
<td>Palladium MDP1 7/6 Fed Com 1H</td>
<td>9,964</td>
<td>3,856</td>
<td>3,280</td>
<td>79%</td>
</tr>
<tr>
<td><strong>Oxy Total 2018 Average</strong></td>
<td></td>
<td></td>
<td><strong>7,342</strong></td>
<td><strong>3,221</strong></td>
<td><strong>2,494</strong></td>
</tr>
<tr>
<td><strong>3rd BSS</strong></td>
<td>Cedar Canyon 21-22 FED Com 32H</td>
<td>9,851</td>
<td>5,834</td>
<td>3,916</td>
<td>68%</td>
</tr>
<tr>
<td><strong>New</strong></td>
<td>Cedar Canyon 23 24 Fed 32H</td>
<td>7,235</td>
<td>6,497</td>
<td>3,693</td>
<td>69%</td>
</tr>
<tr>
<td><strong>New</strong></td>
<td>Cedar Canyon 23 24 Fed Com 34H</td>
<td>7,172</td>
<td>4,876</td>
<td>3,338</td>
<td>73%</td>
</tr>
<tr>
<td><strong>New</strong></td>
<td>Cedar Canyon 21 22 Fed Com 34H</td>
<td>9,820</td>
<td>3,751</td>
<td>3,286</td>
<td>75%</td>
</tr>
<tr>
<td><strong>New</strong></td>
<td>Cedar Canyon 21 22 Fed Com 33H</td>
<td>9,758</td>
<td>3,730</td>
<td>3,192</td>
<td>77%</td>
</tr>
<tr>
<td><strong>Wolfcamp XY</strong></td>
<td>Cedar Canyon 27 28 Fed 44H</td>
<td>9,800</td>
<td>7,439</td>
<td>5,398</td>
<td>76%</td>
</tr>
<tr>
<td><strong>New</strong></td>
<td>Cedar Canyon 27 28 Fed 43H</td>
<td>9,648</td>
<td>6,007</td>
<td>4,351</td>
<td>77%</td>
</tr>
<tr>
<td><strong>Wolfcamp A</strong></td>
<td>Patton 18 Fed 6H</td>
<td>4,394</td>
<td>2,774</td>
<td>2,150</td>
<td>71%</td>
</tr>
<tr>
<td><strong>Wolfcamp A</strong></td>
<td>Calmon 35 Fed 171H</td>
<td>4,453</td>
<td>2,956</td>
<td>2,107</td>
<td>68%</td>
</tr>
<tr>
<td><strong>Wolfcamp A</strong></td>
<td>Janie Conner 204H</td>
<td>4,500</td>
<td>1,980</td>
<td>1,221</td>
<td>78%</td>
</tr>
<tr>
<td><strong>Wolfcamp A</strong></td>
<td>B Banker 226H</td>
<td>4,400</td>
<td>1,874</td>
<td>1,030</td>
<td>76%</td>
</tr>
<tr>
<td><strong>Wolfcamp A</strong></td>
<td>Cedar Canyon 27 10H</td>
<td>4,215</td>
<td>1,645</td>
<td>1,486</td>
<td>73%</td>
</tr>
<tr>
<td><strong>Wolfcamp D</strong></td>
<td>Janie Conner 221H</td>
<td>4,522</td>
<td>2,282</td>
<td>1,809</td>
<td>39%</td>
</tr>
<tr>
<td><strong>Wolfcamp D</strong></td>
<td>Tiger 14 24S 28E 224H</td>
<td>4,376</td>
<td>1,719</td>
<td>1,417</td>
<td>47%</td>
</tr>
</tbody>
</table>

Wells included in table include non-operated wells. Production data is from internal system for operated wells and from operator data and IHS Enerdeq for non-op wells where available.

Wells in blue font were turned to production in 1Q18. All Boe Data is based on two-stream well tests.

Average shown for all benches with at least three wells in 2018.
### Results in Greater Barilla Draw Area Multi-Bench Development

<table>
<thead>
<tr>
<th>Well Name</th>
<th>Lateral Length (ft)</th>
<th>Peak 24 Hr (Boe)</th>
<th>Peak 30 Day (Boe)</th>
<th>Oil (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Collie A East N63H</td>
<td>9,725</td>
<td>1,370</td>
<td>1,155</td>
<td>81%</td>
</tr>
<tr>
<td>Aardvark State 6 2H</td>
<td>4,947</td>
<td>1,254</td>
<td>821</td>
<td>87%</td>
</tr>
<tr>
<td>Roan State 24 #51H</td>
<td>4,514</td>
<td>993</td>
<td>762</td>
<td>83%</td>
</tr>
<tr>
<td>A Herring 94-93-7N 74H</td>
<td>9,751</td>
<td>1,647</td>
<td>1,360</td>
<td>78%</td>
</tr>
<tr>
<td>Big George 180 SW 3H</td>
<td>7,576</td>
<td>759</td>
<td>571</td>
<td>57%</td>
</tr>
<tr>
<td>Morrison, HB 73H</td>
<td>4,927</td>
<td>854</td>
<td>864</td>
<td>75%</td>
</tr>
<tr>
<td>Granada 73H</td>
<td>4,681</td>
<td>3,059</td>
<td>1,973</td>
<td>73%</td>
</tr>
<tr>
<td>Tycoon E-1053H</td>
<td>10,137</td>
<td>2,794</td>
<td>2,014</td>
<td>70%</td>
</tr>
<tr>
<td>Lyda 33-40-1S State 16H</td>
<td>10,164</td>
<td>3,724</td>
<td>3,202</td>
<td>84%</td>
</tr>
<tr>
<td>Janey State 24-25-2N 15H</td>
<td>10,147</td>
<td>2,948</td>
<td>2,736</td>
<td>79%</td>
</tr>
<tr>
<td>Janey State 24-25-1N 16H</td>
<td>10,147</td>
<td>2,996</td>
<td>2,594</td>
<td>83%</td>
</tr>
<tr>
<td>Ryman 14-23-1S 15H</td>
<td>10,182</td>
<td>3,127</td>
<td>2,492</td>
<td>82%</td>
</tr>
<tr>
<td>Oxy Total 2018 Average</td>
<td>8,707</td>
<td>2,337</td>
<td>1,711</td>
<td>79%</td>
</tr>
<tr>
<td>Agate 179-142-3S 25H</td>
<td>7,439</td>
<td>2,088</td>
<td>1,731</td>
<td>73%</td>
</tr>
<tr>
<td>Daytona Unit 1B 2H</td>
<td>6,947</td>
<td>1,897</td>
<td>1,544</td>
<td>79%</td>
</tr>
<tr>
<td>Agate 179 142 2S 21H</td>
<td>7,197</td>
<td>1,941</td>
<td>1,469</td>
<td>80%</td>
</tr>
<tr>
<td>Manhattan 183W 1H</td>
<td>7,092</td>
<td>1,831</td>
<td>1,460</td>
<td>75%</td>
</tr>
<tr>
<td>A Herring 94-93-6N 33H</td>
<td>10,199</td>
<td>2,521</td>
<td>1,758</td>
<td>81%</td>
</tr>
<tr>
<td>Lemur 24 1H</td>
<td>4,251</td>
<td>1,125</td>
<td>937</td>
<td>81%</td>
</tr>
</tbody>
</table>

**Notes:**
- Wells included in table include non-operated wells. Production data is from internal system for operated wells and from operator data and IHS Enerdeq for non-op wells where available.
- Wells in blue font were turned to production in 1Q18. All Boe Data is based on two-stream well tests.
- Average shown for all benches with at least three wells in 2018.

**Legend:**
- **Avalon**
- **1st Bone Spring**
- **2nd Bone Spring**
- **3rd Bone Spring**
- **Hoban**
- **Wolfcamp A**
- **Wolfcamp B**
- **Wolfcamp C**
- **Proven Economic**
- **Delineating**
Permian Resources Delivers Basin Leading Wells for Less Cost

Oxy has 21 of top 50 Permian Wells in Prior 12 Months

Basin Leading Wells with Less Proppant

Note: Data sourced from IHS Enerdeq for the period April 1, 2017 – April 1, 2018. Data for four recent Oxy wells were sourced from internal data as records were not yet available in IHS Enerdeq.
Permian Resources Wells Continue to Improve

**New Mexico Bone Spring**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>AVG Lat Length (ft)</td>
<td>4,169</td>
<td>4,906</td>
<td>5,430</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*Operators Include: Advanced Pet, Bopo, Bta Oil Producers, CVX, CNO, Caza, CDEV, DVN, EOG, LGCY, MRO, MTDR, McEvilain O&G, Mewbourne, Murchison, WPX, XEC, XOM

**Texas Delaware Wolfcamp**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>AVG Lat Length (ft)</td>
<td>4,811</td>
<td>5,789</td>
<td>6,933</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*Operators Include: APC, BHP, CRZO, CVX, CNO, CDEV, EGN, EOG, FANG, HK, Jagged Peak Energy, Mewbourne, MTDR, NBL, RDSA, REN, RSPP, WEX, XOM

**New Mexico Wolfcamp**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>AVG Lat Length (ft)</td>
<td>4,398</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*Operators Include: COP, CNO, CDEV, Caza, DVN, EOG, MRO, MTDR, Mewbourne, WEX, XEC

**Texas Midland Wolfcamp**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>AVG Lat Length (ft)</td>
<td>7,168</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*Operators Include: APA, Broad Oak, CPE, CVX, CNO, Crownquest, ECA, EGN, END, EPE, FANG, LPI, PE, PXD, SM, Sem Opg, Surge Opg, XOM

Top Peers is an average of Peers in the Top 15 based on # of wells online within the respective year with 6 month cumulative production available. Oxy and Peer data sourced from IHS Performance Evaluator, Gas Equivalent calculated at 20:1, solid bars represent oil, grey bars represent gas. *2017 expected is based on internal results and will be updated with public data when available.
New Mexico Well Cost Improvements

Logistics: Project Aventine

Well design: Fluid optimization and produced water recycling

Operating: Reduced Time to Market

Breakeven Plan Sustainability Enhanced by Operating Efficiency and Logistics Savings

New Mexico 2\textsuperscript{nd} Bone Spring 10,000’ Well Cost

<table>
<thead>
<tr>
<th></th>
<th>4Q17 Actual</th>
<th>Market Inflation</th>
<th>Aventine Logistics Savings</th>
<th>Design/Efficiency Improvements</th>
<th>2018 Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Well Cost ($MM)</td>
<td>$9.9</td>
<td>$0.6</td>
<td>($0.8)</td>
<td>($0.8)</td>
<td>$8.9</td>
</tr>
</tbody>
</table>

- Reduction in sand related costs
  - Direct sourcing
  - Last mile logistics
  - Well-site logistics
- Less redundancy in well-site equipment and supervision
- Reduced HCl costs

Note: Well costs include drilling, completion, hookup, flowback, 1\textsuperscript{st} artificial lift, and capitalized overhead. Well design assumes 3-string casing with 2,000#/ft completion.
Operating Capability Reduces Costs

- Full-field development for life-cycle value
- Water-handling reducing surface costs
- Lift optimization reducing downhole failure costs

Permian Resources Opex/Boe

- 38% Improvement

<table>
<thead>
<tr>
<th>Year</th>
<th>Surface</th>
<th>Downhole</th>
<th>Supports</th>
<th>Energy</th>
<th>Other</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>$12.93</td>
<td>$4.00</td>
<td>$12.00</td>
<td>$8.00</td>
<td>$0</td>
</tr>
<tr>
<td>2015</td>
<td>$11.17</td>
<td>$8.00</td>
<td>$11.00</td>
<td>$8.00</td>
<td>$0</td>
</tr>
<tr>
<td>2016</td>
<td>$8.43</td>
<td>$12.00</td>
<td>$8.43</td>
<td>$8.00</td>
<td>$0</td>
</tr>
<tr>
<td>2017</td>
<td>$8.00</td>
<td>$12.00</td>
<td>$8.00</td>
<td>$8.00</td>
<td>$0</td>
</tr>
<tr>
<td>2018E</td>
<td>&lt;$7.00</td>
<td>&lt;$7.00</td>
<td>&lt;$7.00</td>
<td>&lt;$7.00</td>
<td>&lt;$7.00</td>
</tr>
<tr>
<td>4Q18E</td>
<td>&lt;$6.00</td>
<td>&lt;$6.00</td>
<td>&lt;$6.00</td>
<td>&lt;$6.00</td>
<td>&lt;$6.00</td>
</tr>
</tbody>
</table>
Added 750 Horizontal Locations in 2017 with <$50 Breakeven

Exceeded <$50 Inventory Growth Goal

> Added 750 locations in 2017 vs 400 location goal
> Increased <$50 average lateral length from 8,400 ft to 8,500 ft
> Executed 17,000 net acre trades to enable longer laterals and consolidated facilities

17 years of inventory <$50 breakeven with 10 rigs

Note: Breakeven defined as positive NPV 10. Inventory as of 12/31/2017
Added ~30 Rig Years of Activity to <$50 Inventory in 2017

Permian Resources Inventory 2Q17

- Added 750 locations BE <$50
  - ~500 in New Mexico
  - Replaced majority of inventory from divestitures
  - Divestiture impact to locations >$50 only

- Added 3.0 MM ft of horizontal lateral footage to inventory
  - Increased average length from 7,100 ft to 7,600 ft

Note: Breakeven defined as positive NPV 10. Inventory as of 12/31/2017
*4Q 2017 increased lateral length adjustment to normalize current inventory to 7,100’.
Permian EOR

- Seminole San Andres Unit adds low F&D inventory
  - ~1,000 MMBoe at < $6.00 future development cost

- Significant opportunity to improve and grow new inventory
  - Subsurface characterization
  - Operating efficiency
  - Technology

Permian EOR Net Resource Potential

- High-gradable Inventory
- Water Floods + Other Infill Drilling Opportunities
- Additional Conventional Inventory
- Total Identified Barrels

Permian EOR

*Transition Zone and Residual Oil Zone
Note: As of 12/31/2017
Permian Resources

- Significant growth potential in all development areas
- ~650,000 net acres within the Delaware and Midland Basin boundaries
- ~325,000 net acres associated with 11,207 wells in unconventional development inventory
- Additional acreage evaluated in 2017 offset by divested acreage

### Business Area Acreage

| Resources - Unconventional Areas | 1.4 |
| Enhanced Oil Recovery Areas      | 1.1 |

**Oxy Permian Total** ~2.5MM

### Resources Basin Development Areas

<table>
<thead>
<tr>
<th>Basin</th>
<th>Net Acres*</th>
</tr>
</thead>
<tbody>
<tr>
<td>NM Delaware Basin</td>
<td>290,000</td>
</tr>
<tr>
<td>TX Delaware Basin</td>
<td>160,000</td>
</tr>
<tr>
<td>Midland Basin</td>
<td>200,000</td>
</tr>
</tbody>
</table>

**Total** ~650,000

### Other Resources Unconventional Areas

<table>
<thead>
<tr>
<th>Area</th>
<th>Net Acres*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Central Basin Platform</td>
<td>260,000</td>
</tr>
<tr>
<td>New Mexico NW Shelf</td>
<td>150,000</td>
</tr>
<tr>
<td>Continuing Evaluation</td>
<td>340,000</td>
</tr>
</tbody>
</table>

**Total** ~750,000

*Includes surface and minerals. Note: Acreage as of 12/31/2017
Appendix Contents

- Peer Metrics
- Social Responsibility, Environment, and Governance
- 2017 Reserves
- Permian Updates
- Chemicals, Midstream and International Updates
Chemicals Cash Flow Improvement Drivers

JV Ethylene Cracker startup complete

4CPE Plant startup in 4Q17 with ramp-up through 1H18

Capturing margin from improving pricing and operations

Market improvements:
- Improved Caustic Soda pricing
- Improved PVC pricing
- Lower Ethylene input cost

Annualized Chemicals Cash Flow From Operations ($ MM)
Chemicals Free Cash to Significantly Increase with Lower Capital Spending

- **4CPe Plant complete on-time and on-budget**
  > Plant started up in 4Q17

- **4CPe Plant manufactures the feedstock for a climate-friendly, next generation refrigerant to be used in automobiles**
  > Feedstock to be provided to new, world-scale plant in Baton Rouge for production of 1234YF (next generation refrigerant)

- **OxyChem capital spend will be near maintenance levels in 2018**
Market Overview Update

- Major industry consolidation complete
- Caustic soda supply-demand balance continues to improve
- PVC demand improved YoY

Notes: ¹ Chemicals pre-tax earnings excluding special items. ² IHS Domestic Average Spot Caustic Soda Price. ³ Nymex natural gas prices.
Midstream Cash Flow Improvement Drivers

Al Hosn plant debottlenecking: 1Q18 with ramp-up through 3Q18

Oil terminal capacity upgrade: 2H18 – 2019

2H18 Midland to Gulf Coast spread outlook $7.00 - $8.00 versus breakeven plan assumption of $2.10

Notes:¹ Excludes non-cash impacts of mark-to-market on crude contracts.² Al Hosn debottlenecking improvement allocated to Midstream for Breakeven Plan purposes though cash flow generated in both Midstream and Upstream.
Outlook for Midland to Gulf Coast Spreads

Possible pipeline capacity constraints (late 2018/early 2019 pending new project in-service dates)

Pipeline constraints will require rail and truck utilization

Notes:¹ Upper and lower bounds assume ~85-90% Permian pipeline utilization over time.
Leadership in Gulf Coast Crude Exports

Increasing Ingleside export capacity to 750,000 Bopd

> Expanding Ingleside Terminal
  - VLCC loading capability 4Q18
  - Capacity increase 2H19

> Leading Permian Crude Marketer with ~600,000 Bopd

> Largest Permian crude exporter

Oxy Ingleside – The Premier Crude Export Terminal

> Expansion underway for VLCC loading arms, tankage and piping
> Increasing capacity 2.5x to 750,000 Bopd with 6.8 MMbbls of storage
> New Permian pipeline supply anticipated 2H19
2017 International Highlights and 2018 Plan

> 2017 production of 298 MBoed generated over $1 Bn of free cash flow at ~$55 Brent

> Pipeline of potential short and long-cycle projects

> Best international HES performance in Oxy history

**2017 Milestones**

- Record Al Hosn Gas production of 71 Mboed achieved via plant optimization
- Milestones of 1 Bn barrels of oil produced in Oman and record gross production from the La Cira Infantas field in Colombia
- Extended Block 9 and signed Block 30 which brings Oman acreage to 2.3 Million
- Step-out wells in Oman and Colombia added 50 MM barrels of net resource

**2018 Plan**

- Al Hosn Gas Plant debottlenecking increases capacity by 11% for $10 MM of capital. Peak-rate of ~83 MBoed will be reached in 3Q18.
- Sanction TECA Steamflood in Colombia after 2017 pilot
- Continue step-out program in Oman and Colombia
Complex, Major Project Capability

Industry-leading execution performance

Compared to industry average of >20% capital overruns and 9 months delay

Recent Major Projects Delivered On-time and On-budget

Domestic Projects
- Ingleside, TX – Ethylene Cracker
- Ingleside, TX – Oil Terminal
- Geismar, LA – 4CPe Plant

International Projects
- UAE – Al Hosn Gas
- Oman – Block 62 Gas Plant
Al Hosn Gas – Project Execution and Operational Excellence

- World-class, state-of-the-art sour-gas project delivered on-time and on-budget
- Production and throughput continues to improve with operational excellence
- Modifications will occur during turnaround beginning in 1Q18 and ending in 2Q18
- Minimal capital will be required