

Occidental Announces 1st Quarter 2021 Results

- Cash flow from continuing operations of \$0.8 billion and cash flow from continuing operations before working capital of \$2.1 billion
- Maintained capital discipline with spending of \$579 million, resulting in free cash flow excluding working capital of \$1.6 billion
- Exceeded guidance midpoint by 17 Mboed with production of 1,117 Mboed from continuing operations
- Continued operational excellence through record drilling and completion efficiencies
- Closed \$0.5 billion of asset sales, including non-core assets in the DJ Basin
- Exceeded pre-tax income guidance for both OxyChem and midstream and marketing segments
- Raised total year pre-tax guidance for OxyChem to \$1.0 billion

HOUSTON — May 10, 2021 — [Occidental](#) (NYSE:OXY) today announced net loss attributable to common stockholders for the first quarter of 2021 of \$346 million, or \$0.36 per diluted share, and an adjusted loss attributable to common stockholders of \$136 million, or \$0.15 per diluted share, compared to a net loss attributable to common stockholders for the fourth quarter of 2020 of \$1.3 billion, or \$1.41 per diluted share, and an adjusted loss attributable to common stockholders of \$610 million, or \$0.65 per diluted share. First quarter after-tax items affecting comparability of \$210 million included \$445 million loss in discontinued operations related to Ecuador and Ghana and \$106 million of charges for non-core expiring domestic onshore undeveloped oil and gas leases, partially offset by \$293 million of net derivative gains and a \$79 million gain on the sale of 11.5 million limited partner units in Western Midstream Partners, LP (WES).

“Our first quarter results are a perfect example of how our ability to consistently deliver strong operational performance has strengthened our financial position. Our commitment to capital discipline contributed to first quarter free cash flow of \$1.6 billion,” said President and Chief

Executive Officer Vicki Hollub. "Occidental is well positioned to continue to use excess cash flows, coupled with asset sales proceeds, to reduce debt and other financial obligations."

QUARTERLY RESULTS

Oil and Gas

Oil and gas pre-tax loss on continuing operations for the first quarter of 2021 was \$62 million, compared to a pre-tax loss of \$1.1 billion for the fourth quarter of 2020. The first quarter results included pre-tax charges of \$135 million associated with non-core expiring domestic onshore oil and gas undeveloped leases and \$40 million of net derivative losses. Excluding items affecting comparability, first quarter of 2021 oil and gas results improved over the fourth quarter of 2020 due to higher commodity prices, partially offset by higher depreciation, depletion and amortization rates and lower volumes. For the first quarter of 2021, average WTI and Brent marker prices were \$57.84 per barrel and \$61.10 per barrel, respectively. Average worldwide realized crude oil prices increased by 37 percent from the prior quarter to \$55.65 per barrel. Average worldwide realized natural gas liquids (NGL) prices increased by 57 percent from the prior quarter to \$23.44 per barrel of oil equivalent (BOE). Average domestic realized gas prices increased by 65 percent from the prior quarter to \$2.56 per Mcf.

Total average global production of 1,117 thousand of barrels of oil equivalent per day (Mboed) for the first quarter exceeded the midpoint of guidance by 17 Mboed. Rockies and Gulf of Mexico exceeded the high end of guidance with production of 296 Mboed and 151 Mboed, respectively. Permian production of 457 Mboed came in at the high end of guidance. International average daily production volumes were 213 Mboed.

OxyChem

Chemical pre-tax income of \$251 million for the first quarter of 2021 exceeded guidance of \$225 million. Compared to the fourth quarter of 2020 pre-tax income of \$192 million, the increase in first quarter of 2021 income was driven primarily by improved pricing across most product lines, partially offset by the unfavorable impact of winter storm Uri in February 2021. The storm temporarily interrupted production and sales across multiple facilities, and increased the cost of raw materials, primarily ethylene and power.

Midstream and Marketing

Midstream and marketing pre-tax income for the first quarter of 2021 was \$282 million, compared to a pre-tax loss of \$90 million for the fourth quarter of 2020. First quarter income included a pre-tax gain of \$102 million on the sale of 11.5 million limited partner units in WES and net derivative gains of \$15 million. Excluding items affecting comparability, first quarter of 2021 midstream and marketing income improved compared to the fourth quarter of 2020, primarily due the timing impact of crude export sales in the marketing business. WES equity income, excluding the pre-tax gain on sale for the first quarter of 2021, was \$91 million. Excluding WES equity income, midstream and marketing's outperformance compared to guidance in the first quarter of 2021 was primarily driven by the marketing business's ability to optimize long-haul gas transportation in the Rockies along with the timing impact of export crude sales.

Supplemental Non-GAAP Measures

This press release refers to adjusted income (loss), cash flow from continuing operations before working capital and free cash flow, supplemental measures not calculated in accordance with generally accepted accounting principles in the United States (GAAP). These non-GAAP financial measures have limitations as analytical tools and should not be considered in isolation or as an alternative to the comparable GAAP financial measures. Definitions of adjusted income (loss) and a reconciliation to net income (loss), along with cash flow from continuing operations before working capital and free cash flow and a reconciliation to the comparable GAAP financial measures, are included in the financial schedules of this press release. Occidental's definition of adjusted income (loss), cash flow from continuing operations before working capital and free cash flow may differ from similarly titled measures provided by other companies in our industry and as a result may not be comparable.

About Occidental

[Occidental](#) is an international energy company with assets in the United States, Middle East, Africa, and Latin America. We are one of the largest oil producers in the U.S., including a leading producer in the Permian and DJ basins, and offshore Gulf of Mexico. Our midstream and marketing segment provides flow assurance and maximizes the value of our oil and gas. Our chemical subsidiary OxyChem manufactures the building blocks for life-enhancing products. Our Oxy Low Carbon Ventures subsidiary is advancing leading-edge technologies and business solutions that economically grow our business while reducing emissions. We are committed to using our global

leadership in carbon management to advance a lower-carbon world. Visit oxy.com for more information.

Forward-Looking Statements

This press release contains “forward-looking statements” within the meaning of the “safe harbor” provisions of the Private Securities Litigation Reform Act of 1995, including but not limited to statements about Occidental’s expectations, beliefs, plans or forecasts. All statements other than statements of historical fact are “forward-looking statements” for purposes of federal and state securities laws, and they include, but are not limited to: any projections of earnings, revenue or other financial items or future financial position or sources of financing; any statements of the plans, strategies and objectives of management for future operations or business strategy; any statements regarding future economic conditions or performance; any statements of belief; and any statements of assumptions underlying any of the foregoing. Words such as “estimate,” “project,” “predict,” “will,” “would,” “should,” “could,” “may,” “might,” “anticipate,” “plan,” “intend,” “believe,” “expect,” “aim,” “goal,” “target,” “objective,” “commit,” “advance,” “likely” or similar expressions that convey the prospective nature of events or outcomes are generally indicative of forward-looking statements. You should not place undue reliance on these forward-looking statements, which speak only as of the date of this press release. Unless legally required, Occidental does not undertake any obligation to update, modify or withdraw any forward-looking statements as a result of new information, future events or otherwise.

Although Occidental believes that the expectations reflected in any of its forward-looking statements are reasonable, actual results may differ from anticipated results, sometimes materially. Factors that could cause results to differ from those projected or assumed in any forward-looking statement include, but are not limited to: the scope and duration of the COVID-19 pandemic and actions taken by governmental authorities and other third parties in response to the pandemic; Occidental’s indebtedness and other payment obligations, including the need to generate sufficient cash flows to fund operations; Occidental’s ability to successfully monetize select assets, repay or refinance debt and the impact of changes in Occidental’s credit ratings; assumptions about energy markets; global and local commodity and commodity-futures pricing fluctuations; supply and demand considerations for, and the prices of, Occidental’s products and services; actions by the Organization of the Petroleum Exporting Countries (OPEC) and non-OPEC oil producing countries; results from operations and competitive conditions; future impairments of our proved and unproved

oil and gas properties or equity investments, or write-downs of productive assets, causing charges to earnings; unexpected changes in costs; availability of capital resources, levels of capital expenditures and contractual obligations; the regulatory approval environment, including Occidental's ability to timely obtain or maintain permits or other governmental approvals, including those necessary for drilling and/or development projects; Occidental's ability to successfully complete, or any material delay of, field developments, expansion projects, capital expenditures, efficiency projects, acquisitions or dispositions; risks associated with acquisitions, mergers and joint ventures, such as difficulties integrating businesses, uncertainty associated with financial projections, projected synergies, restructuring, increased costs and adverse tax consequences; uncertainties and liabilities associated with acquired and divested properties and businesses; uncertainties about the estimated quantities of oil, NGL and natural gas reserves; lower-than-expected production from development projects or acquisitions; Occidental's ability to realize the anticipated benefits from prior or future streamlining actions to reduce fixed costs, simplify or improve processes and improve Occidental's competitiveness; exploration, drilling and other operational risks; disruptions to, capacity constraints in, or other limitations on the pipeline systems that deliver Occidental's oil and natural gas and other processing and transportation considerations; general economic conditions, including slowdowns, domestically or internationally, and volatility in the securities, capital or credit markets; uncertainty from the expected discontinuance of LIBOR and transition to any other interest rate benchmark; governmental actions and political conditions and events; legislative or regulatory changes, including changes relating to hydraulic fracturing or other oil and natural gas operations, retroactive royalty or production tax regimes, deepwater and onshore drilling and permitting regulations, and environmental regulation (including regulations related to climate change); environmental risks and liability under federal, regional, state, provincial, tribal, local and international environmental laws and regulations (including remedial actions); Occidental's ability to recognize intended benefits from its business strategies and initiatives, such as Oxy Low Carbon Ventures or announced greenhouse gas reduction targets; potential liability resulting from pending or future litigation; disruption or interruption of production or manufacturing or facility damage due to accidents, chemical releases, labor unrest, weather, power outages, natural disasters, cyber-attacks or insurgent activity; the creditworthiness and performance of Occidental's counterparties, including financial institutions, operating partners and other parties; failure of risk management; Occidental's ability to retain and hire key personnel; reorganization or restructuring of Occidental's operations; changes in state, federal or international tax rates; and actions by third parties that are beyond Occidental's control.

Additional information concerning these and other factors can be found in Occidental's filings with the U.S. Securities and Exchange Commission, including Occidental's Annual Report on Form 10-K for the year ended December 31, 2020, Quarterly Reports on Form 10-Q and Current Reports on Form 8-K.

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