

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>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Reported Diluted Earnings Per Share (GAAP)	\$ 0.84	\$ 1.10	\$ 1.68	\$ 2.02
Less: After-Tax Non-Core Adjustments				
Oil & Gas				
Domestic	\$ -	\$ -	\$ -	\$ -
Foreign	-	-	-	-
Exploration	-	-	-	-
Chemical	-	-	-	-
Midstream and Marketing	-	-	-	-
Corporate	-	-	-	-
Interest	(0.06)	-	(0.06)	-
Other	(0.07)	-	(0.06)	-
Taxes	-	-	-	-
Total After-Tax Non-Core Adjustments	\$ (0.13)	\$ -	\$ (0.12)	\$ -
Core Diluted Earnings Per Share (Non-GAAP)	\$ 0.97	\$ 1.10	\$ 1.80	\$ 2.02
Average Diluted Shares Outstanding (millions)	<u>749.5</u>	<u>767.4</u>	<u>750.0</u>	<u>767.2</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 income divided by reported average diluted shares outstanding.

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

	<u>Six Months Ended</u> <u>June 30,</u> <u>2019</u>	<u>Year Ended</u> <u>December 31,</u> <u>2019</u>
Return on Capital Employed (ROCE)		
Net Income	\$ 1,266	\$ 4,131
Interest and debt expense, net	251	389
Interest income	(25)	(33)
Income tax	(47)	(75)
Net Income plus after-tax net interest expense	\$ 1,445	\$ 4,412
Net income plus after-tax net interest expense (annualized)	\$ 2,890	\$ 4,412
Long-term debt, net at December 31, 2017		\$ 9,828
Total stockholder's equity at December 31, 2017		20,572
Total debt and stockholder's equity at December 31, 2017		\$ 30,400
Long-term debt, net at December 31, 2018	\$ 10,317	\$ 10,317
Total stockholder's equity at December 31, 2018	21,330	21,330
Total debt and stockholder's equity at December 31, 2018	\$ 31,647	\$ 31,647
Long-term debt, net at March 31, 2019	\$ 10,271	
Total stockholder's equity at March 31, 2019	21,347	
Total debt and stockholder's equity at March 31, 2019	\$ 31,618	
Average long-term debt, net 2001-2016		
Average total stockholder's equity 2001-2016		
Average total debt and stockholder's equity 2001-2016		
Average capital employed	\$ 31,633	\$ 31,024
ROCE (ANNUALIZED)	9%	14%
Cash Return on Capital Employed (CROCE)		
Net Income plus after-tax net interest expense	\$ 1,445	\$ 4,412
Depreciation, depletion and amortization (DD&A)	2,004	3,977
Net Income plus after-tax net interest expense and DD&A	\$ 3,449	\$ 8,389
Net income plus after-tax net interest expense and DD&A (annualized)	6,898	8,389
CROCE	22%	27%

ROCE is defined by Occidental as net income plus after-tax net interest expense divided by average total debt plus stockholders' equity. CROCE is ROCE that adds back DD&A. This definition may differ from the definition used by other companies. Management believes that ROCE and CROCE useful to investors as a performance measure when comparing our profitability and the efficiency with which management has employed capital over time relative to other companies. ROCE and CROCE are not considered to be an alternative to net income reported in accordance with GAAP.

Occidental Petroleum Corporation
Cash Flow from Operations
Reconciliation to Generally Accepted Accounting Principles (GAAP)
(\$ millions)

	Three months ended June 30, 2019	Six months ended June 30, 2019
Cash Flow from Operations before Working Capital	\$ 1,771	\$ 3,603
Add: Working Capital	242	(642)
Net Cash Provided by Operating Activities per Statements of Cash Flow	<u>\$ 2,013</u>	<u>\$ 2,961</u>