

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

| <b>Reconciliation - Diluted Earnings Per Share</b> | <u>Three Months Ended December 31,</u> |                | <u>Year Ended December 31,</u> |                |
|--|--|----------------|--------------------------------|----------------|
|  | <u>2018</u>                            | <u>2017</u>    | <u>2018</u>                    | <u>2017</u>    |
| <b>Reported Diluted Earnings Per Share (GAAP)</b>  | <b>\$ 0.93</b>                         | <b>\$ 0.65</b> | <b>\$ 5.39</b>                 | <b>\$ 1.70</b> |
| Less: After-Tax Non-Core Adjustments               |  |                |                                |                |
| Oil & Gas  |  |                |                                |                |
| Domestic   | \$ -                                   | \$ (0.29)      | \$ -                           | \$ 0.20        |
| Foreign  | (0.29)                                 | 0.01           | (0.55)                         | 0.01           |
| Exploration  | -                                      | -              | -                              | -              |
| Chemical   | -                                      | -              | -                              | -              |
| Midstream and Marketing                            | -                                      | (0.10)         | 0.93                           | (0.02)         |
| Corporate  |  |                |                                |                |
| Interest   | -                                      | -              | -                              | -              |
| Other  | -                                      | -              | -                              | -              |
| Taxes  | -                                      | 0.62           | -                              | 0.62           |
| Total After-Tax Non-Core Adjustments               | \$ (0.29)                              | \$ 0.24        | \$ 0.38                        | \$ 0.81        |
| <b>Core Diluted Earnings Per Share (Non-GAAP)</b>  | <b>\$ 1.22</b>                         | <b>\$ 0.41</b> | <b>\$ 5.01</b>                 | <b>\$ 0.89</b> |
| Average Diluted Shares Outstanding (millions)      | <u>755.4</u>                           | <u>766.4</u>   | <u>763.3</u>                   | <u>765.9</u>   |
| Change in Core EPS 2018 v 2017                     |  |                | \$ 4.12                        |                |
| <b>% Change in Core EPS 2018 v 2017</b>            |  |                | <b><u>463%</u></b>             |                |

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)**

|  | 2018               | 2017             | 2002-2016        |
|--|--------------------|------------------|------------------|
| <b>Return on Capital Employed (ROCE)</b>                             |                    |                  |                  |
| Net Income   | \$ 4,131           | \$ 1,311         | \$ 2,916         |
| Interest and debt expense, net                                       | 389                | 357              | 217              |
| Interest income  | (33)               | (33)             | (46)             |
| Income tax   | (75)               | (113)            | (60)             |
| <b>Net Income before after-tax net interest expense</b>              | <b>A \$ 4,412</b>  | <b>\$ 1,522</b>  | <b>\$ 3,027</b>  |
| Long-term debt, net at December 31, 2018                             | \$ 10,317          |                  |                  |
| Total stockholder's equity at December 31, 2018                      | 21,330             |                  |                  |
| Total debt and stockholder's equity at December 31, 2018             | \$ 31,647          |                  |                  |
| Long-term debt, net at December 31, 2017                             | \$ 9,828           | \$ 9,828         |                  |
| Total stockholder's equity at December 31, 2017                      | 20,572             | 20,572           |                  |
| Total debt and stockholder's equity at December 31, 2017             | \$ 30,400          | \$ 30,400        |                  |
| Long-term debt, net at December 31, 2016                             |                    | \$ 9,819         |                  |
| Total stockholder's equity at December 31, 2017                      |                    | 21,497           |                  |
| Total debt and stockholder's equity at December 31, 2016             |                    | \$ 31,316        |                  |
| Average long-term debt, net 2001-2016                                |                    |                  | \$ 5,122         |
| Average total stockholder's equity 2001-2016                         |                    |                  | 23,702           |
| Average total debt and stockholder's equity 2001-2016                |                    |                  | \$ 28,824        |
| <b>Average capital employed</b>                                      | <b>B \$ 31,024</b> | <b>\$ 30,858</b> | <b>\$ 28,824</b> |
| <b>ROCE</b>  | <b>A/B 14%</b>     | <b>5%</b>        | <b>11%</b>       |
| <b>Cash Return on Capital Employed (CROCE)</b>                       |                    |                  |                  |
| Net Income before after-tax net interest expense                     | \$ 4,412           | \$ 1,522         | \$ 3,027         |
| Depreciation, depletion and amortization expense (DD&A)              | 3,977              | 4,002            | 2,882            |
| <b>Net income before after-tax net interest expense and DD&amp;A</b> | <b>C \$ 8,389</b>  | <b>\$ 5,524</b>  | <b>\$ 5,909</b>  |
| <b>CROCE</b>   | <b>C/B 27%</b>     | <b>18%</b>       | <b>21%</b>       |

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 depreciation, depletion and amortization expense to net income. These definitions may differ from the definition used by other companies. Management believes that ROCE and CROCE are 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**  
**Production from Ongoing Operations**  
**Reconciliation to Generally Accepted Accounting Principles (GAAP)**  
**(Thousands of Barrels of Oil Equivalent per Day - MBOED)**

|   | <u>2018</u>       | <u>2017</u> |
|---|-------------------|-------------|
| Total Reported Production                             | 658               | 602         |
| Less: Operations Sold or Exited                       | -                 | (8)         |
| Total Production from Ongoing Operations              | <u>658</u>        | <u>594</u>  |
| Change in Production from Ongoing Operations          | 64                |             |
| <b>% Change in Production from Ongoing Operations</b> | <u><b>11%</b></u> |             |

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

|   | <u>2018</u>          | <u>2017</u>     |
|---|----------------------|-----------------|
| Cash Flow from Operations before Working Capital                      | \$ 8,113             | \$ 4,674        |
| Add: Working Capital  | <u>(444)</u>         | <u>187</u>      |
| Net Cash Provided by Operating Activities per Statements of Cash Flow | <u>\$ 7,669</u>      | <u>\$ 4,861</u> |
| <br>  |                      |                 |
| Change in Cash Flow from Operations before Working Capital            | \$ 3,439             |                 |
| <b>% Change in Cash Flow from Operations before Working Capital</b>   | <u><b>74%</b></u>    |                 |
| <br>  |                      |                 |
| Cash Flow from Operations - Domestic                                  | (A) \$ 5,366         |                 |
| Less: Capital Expenditures - Domestic                                 | (B) <u>4,098</u>     |                 |
| Free Cash Flow - Domestic   | <u>\$ 1,268</u>      |                 |
| <br>  |                      |                 |
| Cash Flow from Operations - International                             | (A) \$ 2,303         |                 |
| Less: Capital Expenditures - International                            | (B) <u>877</u>       |                 |
| Free Cash Flow - International  | <u>\$ 1,426</u>      |                 |
| <br>  |                      |                 |
| Net Cash Provided by Operating Activities per Statements of Cash Flow | Σ(A) <u>\$ 7,669</u> |                 |
| Capital Expenditures per Statements of Cash Flow                      | Σ(B) <u>\$ 4,975</u> |                 |

**Occidental Petroleum Corporation**  
**Finding and Development Cost and Reserves Replacement Ratio - Worldwide**

| <b>WORLDWIDE</b>                               |               | <b>2016</b>     | <b>2017</b>     | <b>2018</b>     | <b>3-Year Avg</b> |
|--|---------------|-----------------|-----------------|-----------------|-------------------|
| <b>Reserves Replacement (MBOE)</b>             |               |                 |                 |                 |                   |
| Revisions                                      | (A)           | 159             | 151             | 56              | 122               |
| Improved Recovery                              |               | 185             | 201             | 294             | 227               |
| Extensions and Discoveries                     |               | 2               | 5               | 7               | 5                 |
| Organic with Revisions                         | (B)           | 346             | 357             | 357             | 353               |
| Organic without Revisions                      | (C)=(B)-(A)   | 187             | 206             | 301             | 231               |
| Purchases                                      |               | 137             | 99              | 54              | 97                |
| Sales  | (D)           | (46)            | (44)            | (17)            | (36)              |
| Total Reserve Additions                        | (E)           | 437             | 412             | 394             | 414               |
| Production                                     | (F)           | 231             | 220             | 240             | 230               |
| <b>Costs Incurred (\$ millions)</b>            |               |                 |                 |                 |                   |
| Property acquisition costs                     | (G)           | \$ 2,429        | \$ 913          | \$ 480          | \$ 1,274          |
| Exploration costs                              |               | 71              | 256             | 282             | 203               |
| Development costs                              |               | 2,162           | 2,720           | 4,288           | 3,057             |
| Total Organic Costs                            | (H)           | 2,233           | 2,976           | 4,570           | 3,260             |
| <b>Total Costs Incurred</b>                    | (I)=(G)+(H)   | <b>\$ 4,662</b> | <b>\$ 3,889</b> | <b>\$ 5,050</b> | <b>\$ 4,534</b>   |
| <b>Finding &amp; Development Costs per BOE</b> |               |                 |                 |                 |                   |
| Organic  | (H)/(B)       | \$ 6.45         | \$ 8.34         | \$ 12.80        | \$ 9.23           |
| Program Additions                              | (H)/(C)       | \$ 11.94        | \$ 14.45        | \$ 15.18        | \$ 14.09          |
| All-In   | (I)/[(E)-(D)] | \$ 9.65         | \$ 8.53         | \$ 12.29        | \$ 10.07          |
| <b>Reserve Replacement Ratio</b>               |               |                 |                 |                 |                   |
| Organic  | (B)/(F)       | 150%            | 162%            | 149%            | 153%              |
| All-In   | (E)/(F)       | 189%            | 187%            | 164%            | 180%              |

Finding and development cost (F&D) and reserves replacement ratio are non-GAAP measures that Occidental believes are widely used in our industry, as well as by analysts and investors, to measure and evaluate the cost of replacing annual production and adding proved reserves. Occidental's definitions of these non-GAAP measures may differ from similarly titled measures provided by other companies and as a result may not be comparable. F&D Cost – All-In is calculated by dividing total costs incurred for the year as defined by GAAP by the sum of proved reserve revisions, improved recovery, extensions and discoveries and purchases of minerals in place for the year. F&D Cost – Organic is F&D Cost – All-In excluding both the property acquisition costs and purchases of minerals in place, and F&D – Program Additions further excludes reserve revisions. Reserves Replacement – All-In is calculated by dividing the sum of proved reserve revisions, improved recovery, extensions and discoveries and purchases and sales of minerals in place for the year by current year production. Reserves Replacement – Organic is Reserves Replacement – All-In, excluding purchases and sales of minerals in place for the year.

**Occidental Petroleum Corporation**  
**Finding and Development Cost and Reserves Replacement Ratio - United States**

| <b>UNITED STATES</b>                           |               | <b>2016</b>     | <b>2017</b>     | <b>2018</b>     | <b>3-Year Avg</b> |
|--|---------------|-----------------|-----------------|-----------------|-------------------|
| <b>Reserves Replacement (MBOE)</b>             |               |                 |                 |                 |                   |
| Revisions                                      | (A)           | (92)            | 109             | 18              | 12                |
| Improved Recovery                              |               | 165             | 149             | 237             | 184               |
| Extensions and Discoveries                     |               | -               | -               | -               | -                 |
| Organic with Revisions                         | (B)           | 73              | 258             | 255             | 195               |
| Organic without Revisions                      | (C)=(B)-(A)   | 165             | 149             | 237             | 184               |
| Purchases                                      |               | 137             | 99              | 54              | 97                |
| Sales  | (D)           | (18)            | (44)            | (17)            | (26)              |
| Total Reserve Additions                        | (E)           | 192             | 313             | 292             | 266               |
| Production                                     | (F)           | 110             | 111             | 136             | 119               |
| <b>Costs Incurred (\$ millions)</b>            |               |                 |                 |                 |                   |
| Property acquisition costs                     | (G)           | \$ 2,062        | \$ 912          | \$ 474          | \$ 1,149          |
| Exploration costs                              |               | 13              | 163             | 196             | 124               |
| Development costs                              |               | 1,417           | 1,981           | 3,387           | 2,262             |
| Total Organic Costs                            | (H)           | 1,430           | 2,144           | 3,583           | 2,386             |
| <b>Total Costs Incurred</b>                    | (I)=(G)+(H)   | <b>\$ 3,492</b> | <b>\$ 3,056</b> | <b>\$ 4,057</b> | <b>\$ 3,535</b>   |
| <b>Finding &amp; Development Costs per BOE</b> |               |                 |                 |                 |                   |
| Organic  | (H)/(B)       | \$ 19.59        | \$ 8.31         | \$ 14.05        | \$ 12.21          |
| Program Additions                              | (H)/(C)       | \$ 8.67         | \$ 14.39        | \$ 15.12        | \$ 12.99          |
| All-In   | (I)/[(E)-(D)] | \$ 16.63        | \$ 8.56         | \$ 13.13        | \$ 12.11          |
| <b>Reserve Replacement Ratio</b>               |               |                 |                 |                 |                   |
| Organic  | (B)/(F)       | 66%             | 232%            | 188%            | 164%              |
| All-In   | (E)/(F)       | 175%            | 282%            | 215%            | 223%              |

Finding and development cost (F&D) and reserves replacement ratio are non-GAAP measures that Occidental believes are widely used in our industry, as well as by analysts and investors, to measure and evaluate the cost of replacing annual production and adding proved reserves. Occidental's definitions of these non-GAAP measures may differ from similarly titled measures provided by other companies and as a result may not be comparable. F&D Cost – All-In is calculated by dividing total costs incurred for the year as defined by GAAP by the sum of proved reserve revisions, improved recovery, extensions and discoveries and purchases of minerals in place for the year. F&D Cost – Organic is F&D Cost – All-In excluding both the property acquisition costs and purchases of minerals in place, and F&D – Program Additions further excludes reserve revisions. Reserves Replacement – All-In is calculated by dividing the sum of proved reserve revisions, improved recovery, extensions and discoveries and purchases and sales of minerals in place for the year by current year production. Reserves Replacement – Organic is Reserves Replacement – All-In, excluding purchases and sales of minerals in place for the year.