Oxy Permian Tour
Driving Value in the Permian
September 20, 2017
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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.
Agenda

• Introduction

• Value Based Development – Sand Dunes

• Solving Permian Problems

• Q&A
Permian Resources

• Introduction
• Value Based Development
• Solving Permian Problems
Pathway to Cash Flow Breakeven at Low Oil Prices

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

Cash Flow Neutral at $40:
Dividend with Flat Production

<table>
<thead>
<tr>
<th>Component</th>
<th>Cash Flow Breakeven at $50</th>
<th>Cash Flow Neutral at $40</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017 CFFO Adjusted to $40 WTI</td>
<td>$3.3</td>
<td></td>
</tr>
<tr>
<td>Chemicals</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Midstream &amp; Marketing</td>
<td>$3.5</td>
<td></td>
</tr>
<tr>
<td>71 Mboed Permian Resources</td>
<td>$3.7</td>
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</tr>
<tr>
<td>Other Improvements</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash Flow Breakeven at $50 WTI</td>
<td>$4.3</td>
<td>$4.5</td>
</tr>
<tr>
<td>Increase in Cash Flow at $50 WTI</td>
<td>$5.7</td>
<td>$5.7</td>
</tr>
<tr>
<td>Sustaining Capital</td>
<td>$1.0</td>
<td>$1.0</td>
</tr>
<tr>
<td>Growth Capital</td>
<td>$2.3</td>
<td>$2.3</td>
</tr>
<tr>
<td>Current Dividend</td>
<td>$2.4</td>
<td>$2.4</td>
</tr>
<tr>
<td>$120 MM per $1 Change in WTI</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
### Oxy Permian

#### Position
- 302,000 net acres associated with 11,325 wells in unconventional inventory
- Largest oil producer in the Permian Basin

#### Scale
- 10k mi² 3D seismic
- 130k mi² 2D seismic
- 24.5k gross operated wells
- 10k gross OBO wells

#### 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>Area</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>150,000</td>
</tr>
<tr>
<td>Midland Basin*</td>
<td>210,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>~650,000</td>
</tr>
</tbody>
</table>

#### 2Q Permian Resources Transactions**

| (13,000) |

#### Updated Resources Basin Acreage

| ~637,000 |

#### Other Resources Unconventional Areas

<table>
<thead>
<tr>
<th>Area</th>
<th>Net Acres*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Central Basin Platform</td>
<td>215,000</td>
</tr>
<tr>
<td>New Mexico NW Shelf</td>
<td>150,000</td>
</tr>
<tr>
<td>Emerging Unconventional</td>
<td>50,000</td>
</tr>
<tr>
<td>Continuing Evaluation</td>
<td>335,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>~750,000</td>
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</tbody>
</table>

*Includes surface and minerals.

**Adjustment for transactions of 13,000 net acres announced 6/19/2017 where Oxy divested non-strategic acreage in Andrews, Martin and Pecos Counties and added incremental acreage in a new development area in Glasscock County.
Shaping Competitive Advantage

- Scale + Position
- Value Based Development
- Organizational Capability
- Technology + Innovation

Resources – Dynamic Development
EOR – Reservoir Management

Advantage:

- Enhanced Recovery
- Field Development Planning + Execution
- Subsurface Technical Excellence
- Operational Efficiency & Speed
- Reservoir Management
Permian Resources

- Introduction
- Value Based Development
- Solving Permian Problems
Oxy’s Competitive Advantage in Permian Unconventional

Value Based Development System
- Subsurface Characterization
- Vision Well
- 3D Modular Development
- Development Scenarios
- Portfolio Decisions
- Manufacturing Blueprint

Organization Designed for Integrated Development
- Automation and Data Capture
- System Integration
- Data Analytics
- Hands-Free Operations

Leadership in Full Cycle Returns
Subsurface Characterization Adds Value

- Extensive subsurface characterization & expertise
  - Seismic integration
  - Data acquisition
  - Models
- Customized designs based on unique subsurface attributes
  - Sweet spots
  - Frac barriers
  - Landing zones
- Capture resource potential at the highest value
Challenging the Vision Well Adds Value

- Discover recipe for play-leading wells
- Apply data analytics to identify production drivers
  > Subsurface
  > Completion Design
  > Choke and lift optimization
- Design the system to test hypothesis
- Implement and confirm results
- Continue to push expectations
Customized Vision Wells Increase Well Productivity

**2nd Bone Spring Landing and Frac Optimization**

- **Middle Carbonate**
- **Frac wing half length**
- **Frac height**
- **Carbonate Barrier**
- **Interference**
- **Oil Left behind**
- **440’ per section**
- **6 Wells per section**

**2nd Bone Spring Productivity Improvement**

- **2nd BS Carbonate – Recent 7,500’**
- **2nd BS No Carbonate – 4,500’**
- **2nd BS Carbonate – 4,500’**

Cumulative Oil Production Mbo

Normalized Day

*Normalized to 4,500 ft*
Modular Development Adds Value

• Maximize value through optimizing pace and sequencing
• Identify Uncertainties:
  > Variability of production results
  > Rate of improvement
• Recognize Current Limitations
  > Existing infrastructure capacity and water network
  > Land position
• Realize full cycle returns through modular field development plans

- Mature land position
- Bench delineation
- Advanced BLM permitting
- Fewer unknowns
Modular Development Adds Value

• Maximize value through optimizing pace and sequencing

• Identify Uncertainties:
  > Variability of production results
  > Rate of improvement

• Recognize Current Limitations
  > Existing infrastructure capacity and water network
  > Land position

• Realize full cycle returns through modular field development plans

- Land unitization complete
- Appraisal wells complete
- Optimized well designs
- Infrastructure sized for plan
- New technologies implementable
- Detailed operations blueprint
Modular Development Adds Value

- Maximize value through optimizing pace and sequencing
- Identify Uncertainties:
  - Variability of production results
  - Rate of improvement
- Recognize Current Limitations
  - Existing infrastructure capacity and water network
  - Land position
- Realize full cycle returns through modular field development plans

- Land core-up completed
- Learnings from other development units applied
- Vision wells maximizing value
- Infrastructure optimized
Optimizing Development Scenarios Adds Value

**Oxy’s Competitive Advantage**

- Scale + Position
- Value Based Development
- Organizational Capability
- Integrated Technology

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Optimized Pace + Sequencing = Leadership in Full Cycle Returns
Permian Resources

- Introduction
- Value Based Development
- Solving Permian Problems
Solving Permian Problems Now

• Data Analytics
  > Driving value @ the Bit
  > Driving value @ the Reservoir
  > Driving value @ the Well
  > Driving value @ Field Development

• Subsurface Characterization with Data Analytics
  > Identify production drivers
  > High-grade inventory and improve field development plans

• Oxy Drilling Dynamics with Analytics
  > Better wells faster

• Logistics Hubs
  > Integrated partnerships with service contractors
  > Protect margins
Permian Resources Wells Continue to Improve

Top Peers is average of Peers in the Top 15 based on # of wells online in 2016 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

New Mexico Bone Spring

- AVG Lat Length (ft) 4,169 4,937 5,174 ~6,000 4,849
- Top Peers 2016

New Mexico Wolfcamp

- AVG Lat Length (ft) 4,576 ~6,700 5,158

Texas Delaware Wolfcamp

- AVG Lat Length (ft) 4,807 5,418 ~7,500 5,938

- Operators Include: APA, APC, BHP, CDEV, CXO, EOG, FANG, HK, Mewbourne, MTDR, RDSA, REN, RSPP, WPX, XEC

Midland Basin Wolfcamp

- AVG Lat Length (ft) 6,700 7,457 7,467 ~8,200 7,907

- Operators Include: APA, CVX, CXO, ECA, EGN, END, EPE, FANG, LPI, PE, Permian Rscs, PXD, RSPP, SM, XOM

*Operators Include: Bopco, Bta Oil Producers, CVX, CXO, DVN, EOG, Fasken Oil And Ranch, GMT, LGCY, Mewbourne, MTDR, Regeneration Energy, WPX, XEC, XOM
Achieving Plan Through Value-based Approach

Multi-Year Permian Resources Growth

- STX Sale Re-invested 13 rigs at exit
- 30% 3-yr CAGR
- 20% 3-yr CAGR
- 6 Base rig count*
- 8 Upside rig count*

Current trajectory of 30% CAGR

- Exit 2Q with 11 operated rigs
  > 26 wells online in 2Q17
- Exit 2017 with 11 company operated rigs, 2 net non-op rigs
  > Avg lateral length 7,400 in 1H17 to 7,900 in 2H17
  > 2017 wells online ~130
- Shifting activity to New Mexico
  > 5 NM rigs in 2H 2017
  > 7+ NM rigs in 2018+
  > 1 net non-op rig in 2018+

*Includes estimated net non-operated rigs
Added 400 Hz Locations <$50 Breakeven

**16 years of inventory <$50 breakeven with 10 rigs**

**Breakeven defined as positive NPV 10**

Reached <$50 inventory additions goal since 4Q16

- + 400 locations YTD
- + 3.5 MM feet of total horizontal lateral
- Increased <$50 average length from 8,400' to 8,600'
- Cost and well performance improvements are sustainable
- Executed 7,000 net acres of trades to enable longer laterals
- Evaluated ~15,000 net acres of new development areas
Added ~20 Rig Years of Activity to <$50 Inventory

Permian Resources Inventory 2Q17

- + 400 locations BE <$50
- > ~300 in New Mexico
- > Replaced inventory from divestitures
- + 3.0 MM ft of horizontal lateral footage to inventory
- > Increased average length from 7,100 ft to 7,500 ft

*2Q 2017 increased lateral length adjustment to normalize current inventory to 7,100’.
**Breakeven defined as positive NPV 10
Permian Resources Capital Intensity Improves through 2019

<table>
<thead>
<tr>
<th>Year</th>
<th>Facilities Reduction</th>
<th>Subsurface Characterization</th>
<th>Longer Laterals</th>
<th>2018</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015 &amp; 2016 Avg</td>
<td></td>
<td></td>
<td></td>
<td>$54MM</td>
<td>$42MM</td>
</tr>
<tr>
<td>2017</td>
<td></td>
<td></td>
<td></td>
<td>$33MM</td>
<td>$27MM – $23MM</td>
</tr>
</tbody>
</table>

- **2017 to 2019 – Value-based Development reduces capital intensity**
  - Facilities, infrastructure and other** 23% to <15% of capital budget
  - New Mexico wells ~30% to ~55% of total well count
  - Effective lateral length from 7,700 ft to 8,600 ft for wells drilled

- **Future intensity improvement opportunities**
  - Well productivity
  - Additional capital efficiency
  - SL2 in secondary benches
  - Maintenance & logistics hub
  - Water recycling

*10% improvement in well productivity or capital costs reduces capital intensity by $2MM*

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*Calculated using estimated total year capex (drilling, completions, hookup, facilities, infrastructure, capital workovers, maintenance, seismic). Annual wedge represents the new production added in each year from the capital program (excludes base production)

** Other capex includes seismic, science, and maintenance capex.
The Permian Drives Oxy’s Value Proposition

Permian Resources
Improving top tier margins with recent operational and technical breakthroughs.

~11,650 Undeveloped Drilling Locations

Permian EOR provides stable, free cash flow with minimal base decline.

~2B Bbls Identified Undeveloped Resource

Development Cost  Opex  G&A  Production Taxes  Cash Costs

Permian Resources

-$6 - $12/BOE  $6 - $12/BOE  $16 - $19/BOE

Permian EOR

-$6 - $10/BOE  $18 - $25/BOE

Note: Estimated future project costs.
Seminole-San Andres Further Strengthens Our Leading Position in EOR

- Seminole-San Andres is now our largest operated CO₂ project in the Permian
  - San Andres reservoir is world-class
  - Oxy now operates 34 CO₂ projects in the Permian Basin
- Scale in the Permian provides operating cost savings and production reliability opportunities:
  - **Base case savings** ($5/Boe): improved well maintenance, automation, and commercial scale for supply chain and logistics
  - **Target savings** ($7/Boe): improved plant reliability
  - **Upside savings** ($10/Boe): asset performance at parity with our Denver Unit
- Additional opportunities: D&C cost improvement, plant expansion to accelerate growth, and re-drill and ROZ potential

*Source: 2014 Oil & Gas Journal, EOR Survey, adjusted for recent Oxy EOR acquisition*
Permian EOR

- Proven Leader in Maximizing Recovery Across the Permian

- Seminole San Andres Unit adds low F&D inventory
  > ~100 MMboe at < $6.00 future development cost

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

*Transition Zone and Residual Oil Zone