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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.
2016 Performance Exceeded Expectations

- Overall Permian CAGR 10%
  > Base management
  > Well productivity improvement
- Improved F&D 25%
  > Increasing EURs
  > Focused development synergies
- Reduced operating expense 27%
  > Water management
  > Reducing well failures
- Improved well costs by 33%
  > Oxy Drilling Dynamics
  > Integrated section development

*Includes improved recovery, extensions, and discoveries related to capital program, no revisions or acquisitions
Permian Basin Key Takeaways

• 2.5 million net acres in the Permian Basin
  > 650,000 net acres within the Delaware and Midland basins

• Increased unconventional horizontal drilling locations by 37% to 11,650
  > Average lateral length up 20% to ~7,100 ft
  > Locations with breakeven < $50 WTI up over 100% by ~1,250 locations

• Permian Resources potential production CAGR of 30+% from Focused Development Areas

• Permian EOR opportunities include 870 MMBOE reserves (16+ years R/P) with estimated future development costs <$6.00/BOE
  > Operating Expense reduced 17% from 2014 to $17.18/BOE

• Opportunities to maximize net present value of cash flows
Oxy Permian

• Largest operated position in the Permian

• Exceptional subsurface characterization

• Proven value based development approach

• Improving through unique technology advancements

• 68% 4Q16 oil production

### Oxy Permian Business Overview

<table>
<thead>
<tr>
<th>Resource Type</th>
<th>Acres</th>
<th>Operated Wells</th>
<th>2016 Net Oil Production</th>
</tr>
</thead>
<tbody>
<tr>
<td>Resources – Unconventional Areas</td>
<td>1.4</td>
<td>5,150</td>
<td>124</td>
</tr>
<tr>
<td>Enhanced Oil Recovery Areas</td>
<td>1.1</td>
<td>19,310</td>
<td>145</td>
</tr>
</tbody>
</table>

**Oxy Permian Total**

<table>
<thead>
<tr>
<th>Total Acres</th>
<th>Operated Wells</th>
<th>2016 Net Production</th>
</tr>
</thead>
<tbody>
<tr>
<td>2.5MM</td>
<td>24,460</td>
<td>269</td>
</tr>
</tbody>
</table>

### Permian Basin Industry Production

- **Oxy Permian**
  - Largest operated position in the Permian
  - Exceptional subsurface characterization
  - Proven value based development approach
  - Improving through unique technology advancements
  - 68% 4Q16 oil production

*Gross Oxy operated wells including producers and injectors, and idle wells.
**Source: Wood Mackenzie 2016 production, 3/2/17, company NWI% production rates, operators shown represent ~85% of Permian Basin daily production
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
Permian EOR provides stable, free cash flow with minimal base decline.

~2B Bbls Identified Undeveloped Resource

Note: Estimated future project costs.
Full Cycle Value

- Unmatched acreage + infrastructure
- Resources – Dynamic Development
- EOR – Reservoir Management
- Subsurface excellence
- People, innovation & entrepreneurial culture
Permian Resources

- **Acreage and Inventory Update**
- **Problems Solved**
- **Problem Solving Now**
Permian Resources

Significant acreage & growth potential in all development areas

~650,000 net acres within the Delaware and Midland Basin boundaries

~300,000 net acres associated with 11,650 wells in unconventional development inventory

### Business Area Acreage

| Resources – Unconventional Areas | 1.4 |
| Enhanced Oil Recovery Areas     | 1.1 |
| **Oxy Permian Total**           | **2.5MM** |

### Resources Basin Development Areas

- NM Delaware Basin: 290,000
- TX Delaware Basin: 150,000
- Midland Basin: 210,000
- Total: ~650,000

### Other Resources Unconventional Areas

- Central Basin Platform: 215,000
- New Mexico NW Shelf: 150,000
- Emerging Unconventional: 50,000
- Continuing Evaluation: 335,000
- Total: ~750,000

*Includes surface and minerals*
<table>
<thead>
<tr>
<th>Asset</th>
<th>Portfolio Role</th>
<th>Upside Potential</th>
</tr>
</thead>
<tbody>
<tr>
<td>Southeast New Mexico</td>
<td>High return, low capital intensity for near-term growth and cash recycle</td>
<td>Acreage improvement for longer laterals and facilities optimization for multi-bench bench development</td>
</tr>
<tr>
<td>Greater Barilla Draw</td>
<td>High return, deep inventory of drill locations, complete infrastructure position</td>
<td>Continued full cycle cost improvement through operational and subsurface synergies from large acreage position</td>
</tr>
<tr>
<td>North New Mexico</td>
<td>High confidence step-out development areas, replenishment source for high quality inventory</td>
<td>Acreage improvement for longer laterals and development scale. Appraise and delineate additional benches</td>
</tr>
<tr>
<td>East Midland Basin</td>
<td>De-risked multi-bench play with mature infrastructure for flexible short-cycle growth</td>
<td>Continued acreage improvement to create synergies of large development area</td>
</tr>
<tr>
<td>West Midland Basin</td>
<td>Long-term growth potential on large contiguous acreage position with significant flexibility</td>
<td>Technology applications and OBO intelligence to lower project breakeven price</td>
</tr>
<tr>
<td>Central Basin Platform</td>
<td>Conventional low-decline development for long-term growth</td>
<td>Apply unconventional operational capabilities and EOR expertise to maximize recovery</td>
</tr>
</tbody>
</table>
Improved Permian Resources Horizontal Inventory from 4Q2015

- Added 1,250 locations BE < $50
- Added 3,150 total locations
- Increased average length from 5,950’ to 7,100’
- Traded 10,000 net acres to enable longer lateral and consolidated facilities
- 14 years of inventory <$50 breakeven at a 10 rig development pace

Locations within 300,000 of 650,000 net acres in Basin Development Areas

*Breakeven values based on NPV10.
New Mexico Acreage is Being De-Risked by the Industry

Source: IHS Enerdeq

*Wells where Oxy is a non-op working interest partner which provides access to all technical data.
Permian Resources 2017 Focused Development

- Contiguous Acreage
- Multi-bench
- Capable Infrastructure
- Valuable Growth
# Outstanding Results in Greater Sand Dunes Area Multi-Bench Development

## Recent Well Results

<table>
<thead>
<tr>
<th>Target Formation</th>
<th>Well Name</th>
<th>Lateral Length (ft)</th>
<th>Peak 24 Hr (BOEPD)</th>
<th>Peak 30 Day (BOEPD)</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>James 29 38H</td>
<td>4,730</td>
<td>1,132</td>
<td>1,115</td>
<td>79%</td>
</tr>
<tr>
<td><strong>1st Bone Spring</strong></td>
<td>Evaluating</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>2nd Bone Spring</strong></td>
<td>Cedar Canyon 22 5H</td>
<td>4,468</td>
<td>3,292</td>
<td>2,711</td>
<td>80%</td>
</tr>
<tr>
<td></td>
<td>Cedar Canyon 21 5H</td>
<td>4,513</td>
<td>2,681</td>
<td>2,164</td>
<td>81%</td>
</tr>
<tr>
<td></td>
<td>Cedar Canyon 27 5H</td>
<td>4,192</td>
<td>2,524</td>
<td>1,939</td>
<td>82%</td>
</tr>
<tr>
<td></td>
<td>Cedar Canyon 22 6Y</td>
<td>4,691</td>
<td>2,390</td>
<td>1,883</td>
<td>81%</td>
</tr>
<tr>
<td></td>
<td>Cedar Canyon 23 4H</td>
<td>7,091</td>
<td>2,311</td>
<td>2,036</td>
<td>82%</td>
</tr>
<tr>
<td></td>
<td>Cedar Canyon 23 5H</td>
<td>7,097</td>
<td>2,820</td>
<td>1,874</td>
<td>82%</td>
</tr>
<tr>
<td><strong>3rd Bone Spring</strong></td>
<td>Cedar Canyon 22-15 31H</td>
<td>5,868</td>
<td>2,236</td>
<td>1,893</td>
<td>74%</td>
</tr>
<tr>
<td></td>
<td>Cedar Canyon 22-15 32H</td>
<td>5,868</td>
<td>2,231</td>
<td>1,852</td>
<td>75%</td>
</tr>
<tr>
<td><strong>Wolfcamp XY</strong></td>
<td>Patton 18 6H</td>
<td>4,401</td>
<td>2,774</td>
<td>2,150</td>
<td>71%</td>
</tr>
<tr>
<td></td>
<td>Cedar Canyon 16 33H</td>
<td>4,418</td>
<td>2,397</td>
<td>2,049</td>
<td>71%</td>
</tr>
<tr>
<td></td>
<td>Cedar Canyon 16 34H</td>
<td>4,235</td>
<td>2,287</td>
<td>1,967</td>
<td>70%</td>
</tr>
<tr>
<td><strong>Wolfcamp A</strong></td>
<td>Owl Draw 22 W1AP 1H</td>
<td>4,215</td>
<td>1,107</td>
<td>893</td>
<td>71%</td>
</tr>
<tr>
<td></td>
<td>Goldenchild 6 1H</td>
<td>6,615</td>
<td>1,128</td>
<td>937</td>
<td>64%</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>
<tr>
<td></td>
<td>Janie Conner 221H</td>
<td>4,522</td>
<td>1,809</td>
<td>47%</td>
<td></td>
</tr>
</tbody>
</table>

Note: Wells included in table include non-operated wells. Production data is from internal system for operated wells and from operator data from non-op wells. Wells in blue font were turned to production in 4Q 16.
### Recent Well Results

<table>
<thead>
<tr>
<th>Target Formation</th>
<th>Well Name</th>
<th>Lateral Length (ft)</th>
<th>Peak 24 Hr (BOEPD)</th>
<th>Peak 30 Day (BOEPD)</th>
<th>Oil (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Avalon</strong></td>
<td>Evaluating</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>1st Bone Spring</strong></td>
<td>Evaluating</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>2nd Bone Spring</strong></td>
<td>Roan State 24 #51H</td>
<td>4,514</td>
<td>993</td>
<td>762</td>
<td>83%</td>
</tr>
<tr>
<td></td>
<td>Aardvark State 6 2H</td>
<td>4,947</td>
<td>1,254</td>
<td>821</td>
<td>87%</td>
</tr>
<tr>
<td><strong>3rd Bone Spring</strong></td>
<td>Big George 180 SW 3H</td>
<td>7,576</td>
<td>759</td>
<td>571</td>
<td>57%</td>
</tr>
<tr>
<td><strong>Wolfcamp A</strong></td>
<td>Buzzard State Unit #16H</td>
<td>7,700</td>
<td>2,050</td>
<td>1,822</td>
<td>74%</td>
</tr>
<tr>
<td></td>
<td>Peck State 258 #6H</td>
<td>4,212</td>
<td>2,244</td>
<td>1,791</td>
<td>82%</td>
</tr>
<tr>
<td></td>
<td>Buzzard State Unit #15H</td>
<td>7,598</td>
<td>2,019</td>
<td>1,764</td>
<td>73%</td>
</tr>
<tr>
<td></td>
<td>Lenox 2 #5H</td>
<td>4,721</td>
<td>2,425</td>
<td>1,506</td>
<td>71%</td>
</tr>
<tr>
<td></td>
<td>Eagle State 28 #13H</td>
<td>4,250</td>
<td>1,958</td>
<td>1,505</td>
<td>69%</td>
</tr>
<tr>
<td><strong>Wolfcamp DF</strong></td>
<td>Oppenheimer 188 1H</td>
<td>4,500</td>
<td>2,451</td>
<td>1,907</td>
<td>82%</td>
</tr>
<tr>
<td></td>
<td>Nyala Unit 9B #3H</td>
<td>6,575</td>
<td>1,535</td>
<td>1,247</td>
<td>83%</td>
</tr>
<tr>
<td></td>
<td>Oppenheimer 188 2H</td>
<td>4,776</td>
<td>1,547</td>
<td>1,340</td>
<td>82%</td>
</tr>
<tr>
<td></td>
<td>Teller 186 1H</td>
<td>4,681</td>
<td>1,707</td>
<td>1,263</td>
<td>81%</td>
</tr>
<tr>
<td><strong>Wolfcamp B</strong></td>
<td>Manhattan 183W 1H</td>
<td>7,044</td>
<td>1,954</td>
<td>NA</td>
<td>73%</td>
</tr>
<tr>
<td></td>
<td>Daytona Unit 1B 2H</td>
<td>6,947</td>
<td>1,897</td>
<td>1,544</td>
<td>79%</td>
</tr>
<tr>
<td></td>
<td>Black Bear State 11 NE #3H</td>
<td>6,935</td>
<td>1,215</td>
<td>1,124</td>
<td>85%</td>
</tr>
<tr>
<td></td>
<td>Iron Mike 40 SE 2H</td>
<td>7,376</td>
<td>1,703</td>
<td>1,416</td>
<td>76%</td>
</tr>
<tr>
<td><strong>Wolfcamp C</strong></td>
<td>Lemur 24 1H</td>
<td>4,251</td>
<td>1,125</td>
<td>937</td>
<td>81%</td>
</tr>
</tbody>
</table>

*Note: Wells included in table include non-operated wells. Production data is from internal system for operated wells and from operator data for non-op wells. Well highlighted in blue is most recent well put online by Oxy from newly acquired acquisition area.*
Growth Potential of 30+% from Focused Development Areas

- Top-tier well performance
- Deep inventory for range of activity
- Infrastructure to support growth
- Core development areas drive capital efficient growth
- 2017 Capital of $1.0 to $1.4 Bn

*Includes estimated net non-operated rigs
Permian Resources

• Acreage and Inventory Update
• Problems Solved
• Problem Solving Now
Problems Solved in the Permian – Adding It All Up

- Cost structure dramatically driven lower since 2014
- Value Drivers:
  > Subsurface Characterization
  > Stimulation Design
  > Customized Technology
  > Development Planning
  > Infrastructure
  > Oxy Drilling Dynamics
  > Integrated Planning
  > Base Management

Permian Resources Development Costs Per BOE

- Development Planning
- Infrastructure
- Customized Technology
- Subsurface Characterization
- Stimulation Design

2014

- Cost: $6 - $12

2017E

Permian Resources Operating Costs Per BOE

- Development Planning
- Infrastructure
- Surveillance
- Base Management

2014

- Cost: $7 - $9

2017E

- Cost: $7 - $9
Subsurface Characterization Adds Value

- **Problem**: Subsurface uncertainties & unknowns to predict resource potential
  - Sweet spots
  - Frac barriers
  - Landing zones

- **Solutions**: Customized subsurface characterization & expertise
  - Seismic integration
  - Data acquisition
  - Models

- Maximize and capture resource potential

Landing + Stimulation + Spacing Optimization
Subsurface Characterization Adds Value

- **Problem**: Subsurface discontinuity differentiates stimulation impacts
  - Oil left behind
  - Frac interference
  - Landing zones

- **Solutions**: Customized subsurface stimulation modeling
  - Calibrated stimulation design
  - Maximized stimulated rock volume
  - Technical type curves

- Maximize economic recovery
Customized Technical Excellence Adds Value

- 150% Improved productivity
- Best Bone Spring wells in Eddy Co, NM
- Results continue to improve

2nd Bone Spring Optimization Results

- ~150% 6 month cumulative production improvement from old design

Play Leading Bone Spring Oil Results

Average normalized 30-day oil peak rate
2016 Bone Spring wells, Eddy Co., New Mexico

Source: IHS Enerdez and Oxy Internal. Peers listed alphabetically: Bopco, CVX, Cimarex, CXO, DVN, EOG, Mewbourne, WPX. Data normalized to 5,000 ft equivalent.
Customized Technical Excellence Adds Value

Other custom solutions:
- Drilling wellbore design
- Facilities
- Flowback process
- Artificial lift
- Operating maintenance

Technology Staircase - Setting The Bar Higher
Development Planning Adds Value

- **Problem**: Potential destruction of future value as a result of unknowns
  - Multi-bench potential
  - Frac barriers
  - Productivity drivers
  - External timing constraints

- **Solutions**: Modular field development plans to account for uncertainty and enable dynamic development

- Maximize value through reduction in capital spend waste and capture of more reserves

---

**Development Phases – Appraisal to Development**

- **Modular blocks to manage uncertainties, select development pace and debottleneck**

- **Aerially - Multiple Development Units**
  - Unique & likewise areas
  - Land ownership
  - Surface regulations
  - Maturity (e.g. common landing zones)

- **Vertically – Multiple Development Phases**
  1. Proven
  2. Delineating
Oxy Drilling Dynamics Adds Value

- **Problem**: Inefficient use of rig energy resulting in slow and higher cost drilling
  - Downhole tool failures
  - Wellbore quality
- **Solutions**: Oxy Drilling Dynamics
  - Proprietary Oxy MSE equation
  - Reduced drilling days
  - Fewer tool failures
  - Precision landing
- Maximize value through better time to market and precision landing

**Execution**

**Step Changing Performance**

**Identify**

**Understand**

**Engineer**

**Implement**

Real Time Monitoring from Anywhere

Drilling Days 7,500’ Lateral (Rig Release to Rig Release)

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Days</th>
<th>Rate of Penetration (ft/hr)</th>
<th>Improvement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Quarter 1-16</td>
<td>31</td>
<td>30%</td>
<td></td>
</tr>
<tr>
<td>Quarter 4-16</td>
<td>22</td>
<td>28%</td>
<td></td>
</tr>
<tr>
<td>Quarter 4-16</td>
<td>16</td>
<td>25%</td>
<td></td>
</tr>
<tr>
<td>Best Well</td>
<td>12</td>
<td>12%</td>
<td></td>
</tr>
</tbody>
</table>

*BHA = bottom hole assembly*
Integrating Planning Adds Value

**Problem:** Delay in production and cash flows due to complex operations and planning

- Multiple unaligned schedules

**Solutions:** Implemented Integrated Master Schedule

- Optimized sequence of events reducing “flat time”

- Maximize Value through better time to market and securing pricing and supply of services

- Implementation resulted in 5,000 production days above the baseline plan.

- 2017 additions to process
  - Increased granularity of well prep, clean-out, and pre-spud activities
  - Focus on efficient resources utilization

Execution
Surveillance and Base Management Adds Value

- Oxy operates 24,460 wells in the Permian Basin
- Company operated production of 235 Mboepd (EOR and Unconventional)
- Long-term operability is critical
  - Well design
  - Drilling quality wells
  - Artificial lift optimization
  - Mechanical integrity
- Oxy finds significant value upside in base optimization
- Oxy can operate large base at low opex
  - Offset fixed costs of high well count with operational expertise

Peers (alphabetical) include: APA, COP, CPR, CVX, CXO, EOG, FANG, LPI, MPI, MTD, PE, RSP, XOM. Source: IHS Enerdeq
Problems Solved in the Permian – Adding It All Up

- Cost structure dramatically driven lower since 2014

- Value Drivers:
  - Subsurface Characterization
  - Stimulation Design
  - Customized Technology
  - Development Planning
  - Infrastructure
  - Oxy Drilling Dynamics
  - Integrated Planning
  - Base Management

Permian Resources Development Costs Per BOE

- Subsurface Characterization
- Stimulation Design
- Development Planning
- Infrastructure
- Customized Technology
- Development Cost

2014: $6 - $12
2017E:

Permian Resources Operating Costs Per BOE

- Development Planning
- Infrastructure
- Surveillance
- Base Management
- Operating Cost

2014: $7 - $9
2017E:
Permian Resources

• Acreage and Inventory Update
• Problems Solved
• Problem Solving Now
Lower Breakeven Cost Through Innovative Problem Solving

Innovation expected to offset cost inflation and move more locations to lower breakevens.

*Breakeven values based on NPV10 Locations within 300,000 of 650,000 net acres in Basin Development Areas.
Solving Permian Problems Now

- **Single Location Sequenced Laterals - SL2**
  - Single vertical well bore producing from multiple zones
  - Reduce section development cost
  - Initial studies and development began mid-2015 with pilot currently underway
  - Potential cost impact per well of $0.5 - $1.0 mm

- **Subsurface characterization update with data analytics**
  - Identify production drivers
  - High-grade inventory and improve field development plans

- **Oxy Drilling Dynamics update with analytics**
  - Better wells faster

- **Logistics Hubs**
  - Integrated partnerships with service contractors
  - Protect margins
Appendix
Key Messages
Overriding Goal is to Maximize Total Shareholder Return

*We believe this can be achieved through a combination of:*

- Consistent, annual dividend growth
- Value growth through oil and gas development that meets the following targets:
  - Above cost-of-capital returns (ROE and ROCE)
  - Return Targets*
    - Domestic – 15+%
    - International – 20+%
  - Target growth rates of 5% to 8% average per year over the long-term
- Maintaining a strong balance sheet

*Assumes moderate product prices*
Cash Flow Priorities Favor Dividends

1. Base/Maintenance Capital
2. Dividends
3. Growth Capital
4. Acquisitions
5. Share Repurchases

Subject to Returns and Market Conditions
## 2016 Highlights

**Low-cost Production Growth Exceeds Target**

**Capital Program Under $3 billion Target**

**Strong Balance Sheet and Ample Liquidity**

**Permian Basin Acquisitions Adds Development Flexibility and Cost Synergies**

<p>| | | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Production Growth</strong></td>
<td>7%</td>
<td>13%</td>
<td></td>
</tr>
<tr>
<td>FY 2016</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Reserve Replacement Ratio</strong></td>
<td>189%</td>
<td>290%</td>
<td></td>
</tr>
<tr>
<td>Permian Resources</td>
<td></td>
<td>Permian Resources</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Program F&amp;D</td>
<td>Operating Costs Reduction</td>
</tr>
<tr>
<td></td>
<td></td>
<td>$9.00</td>
<td>25%</td>
</tr>
<tr>
<td><strong>Total Company All-Sources F&amp;D</strong></td>
<td>$9.65</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Permian Resources</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Focused Businesses

OxyChem

High FCF, moderate growth business

Midstream

Integrated infrastructure and marketing business to maximize realizations

Oil and Gas Core Areas

United States
- Leading position in the Permian
- Permian Resources is a growth driver

Latin America
- Highest margin operations in Colombia
- Opportunities for moderate growth with partners

Middle East Region
- Focus areas – Oman, Qatar, and UAE
- Opportunities for growth with partner countries
Growing the Greater Barilla Draw Area

Q4 Acquisition Highlights

- Increased acreage position to 100,000 net acres & 5,000+ horizontal locations
- Capability to deploy 3 rigs in 2017 and 5+ rigs in 2018+ on acquisition acreage
- Scale allows for operational and subsurface synergies
- Operatorship adds immediate value
  - Lower well costs
  - Better productivity
  - Operating capability
- Unconstrained high value growth capability

Oxy Operating adds over $600mm of expected future NPV10 to the Greater Barilla Draw Area

*Note: Assumes 5-6 wells per zone per section and future upside potential with downspacing
**Note: NPV10 calculation assumes a modest 3 rig pace with $500K/well cost improvement, $0.50 / boe opex improvement and 10% well productivity improvement from the prior operator.
Operating Highlights
Production Growth Exceeded Guidance

Total Company Production*
(MBOED)

~7% Growth Y/Y

<table>
<thead>
<tr>
<th>Year</th>
<th>Total Company Production</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>565</td>
</tr>
<tr>
<td>2016</td>
<td>602</td>
</tr>
</tbody>
</table>

Permian Resources Production
(MBOED)

~13% Growth Y/Y

<table>
<thead>
<tr>
<th>Year</th>
<th>Permian Resources Production</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>110</td>
</tr>
<tr>
<td>2016</td>
<td>124</td>
</tr>
</tbody>
</table>

* Ongoing operations; excludes Piceance, Iraq and Bahrain production volumes
2016 Accomplishments - Total Spend per BOE Achieved Target

Total Spend per BOE = Capital Spending* + G&A + All Operating Costs / Global Oil & Gas Sales Volumes

- Internal performance metric to focus on operational efficiency, especially in consideration of the sharp decline in commodity prices
- Significant portion of management and employees incentive compensation is directly aligned with this performance metric
- Focuses on efficiency, improved margins, and free cash flow generation
- Designed to help manage reduction in overall spending while rewarding production growth

Total Spend per BOE

2014: ~$62.00
2015: $40.00
2016: $28.37

54% Decrease from 2014

*Excludes cost of acquisitions
2016 Reserve Additions Through Reservoir Performance

~505 MMBOE Reserve Additions prior to price revisions

<table>
<thead>
<tr>
<th>Details</th>
<th>2016 Additions</th>
</tr>
</thead>
<tbody>
<tr>
<td>All In</td>
<td>189%</td>
</tr>
<tr>
<td>Organic</td>
<td>150%</td>
</tr>
</tbody>
</table>

### Reserve Replace ment

<table>
<thead>
<tr>
<th>YE 2015 Reserves (Mmboe)</th>
<th>Production* (Mmboe)</th>
<th>Additions (Mmboe)</th>
<th>Acquisitions &amp; Sales (Mmboe)</th>
<th>YE 2016 Reserves (Mmboe)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2,200</td>
<td>(231)</td>
<td>346</td>
<td>91</td>
<td>2,406</td>
</tr>
</tbody>
</table>

**Notes:**
- All reserves are in Mmboe.
- *2016 production includes Bahrain and Iraq.
Improved productivity and lower well costs in Permian Resources drive improved profitability

- Pre-tax margins > 50% at $50 / bbl oil prices

Permian Resources Cost Structure

- Development Cost
- Opex
- G&A
- Production Taxes
- Cash Costs

$16 - $19 / boe
Lower Well Costs Are Sustainable Through Design and Performance Gains

- Design and efficiency to secure well costs
- Improving well costs despite increasing stimulation designs

> Total Permian Resources reduced cost / 1,000 ft of lateral by 30% from 2015 to $1.07 MM

**Oxy New Mexico 2nd Bone Spring Well Cost Improvement**

<table>
<thead>
<tr>
<th>Year</th>
<th>Design</th>
<th>Performance</th>
<th>Market</th>
<th>Current</th>
<th>Design</th>
<th>Additional Performance</th>
<th>Market</th>
<th>2017 Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>1Q15</td>
<td>$8.5</td>
<td>-$1.9</td>
<td>-$0.5</td>
<td>$6.6</td>
<td>$0.0</td>
<td>-$0.9</td>
<td>+$0.2</td>
<td>$5.9</td>
</tr>
</tbody>
</table>

- 1,100 lbs/ft sand
- 16 frac stages
- 75,000 bbl Hybrid

- 1,700 lbs/ft sand
- 19 frac stages
- 165,000 bbl SW

**2017 Focus Areas**
- Reduction of drilling non productive time through focused development
- Improve execution of new stimulation designs
- Flowback management
- Produced water utilization for frac

Note: Well cost analysis based on New Mexico 2nd Bone Spring 4,500 type well. Costs include drilling, completion, hookup, initial flow-back, artificial lift, and capitalized overhead.
Permian EOR

Significant inventory in 10-year plan

Geographically diverse

100 active CO₂ + water floods covering multiple horizons

2 BBOE of identified net resource potential

870 net MMBOE at < $6.00 Future Development Cost

Permian EOR

Net Resource Potential

Permian EOR Acreage

Delaware Basin

Central Basin Platform

Midland Basin

*Note: TZ/ROZ – Transition Zone and Residual Oil Zone
2016 Accomplishments in EOR Business

Opex Reduction

- 17% Reduction 2014-2016

Capital Efficiency

- 12% Reduction Y/Y

Reservoir Management

- 12% Reduction Y/Y 2014-2016

2017 Capital Outlook

CO₂ Floods / Expansions
- $195MM

TZ / ROZ Projects
- $50MM

Gas Processing Capacity
- $50MM

Water Flood and Infill Drilling
- $30MM

Non-operated + Maintenance
- $135MM
Access to Multiple Markets Through Midstream Investments

- Ample takeaway capacity to reach multiple markets and to drive improved price realizations
- Blending capabilities allow for optimization
**Infrastructure Adds Value – Greater Sand Dunes**

**2016 Highlights**

- **Produced Water Re-cycling Facility**
  - 36,000 bwpd treatment

- **Frac Water Storage**
  - 2 MMbw storage capacity

- **Integrated SWD System**
  - 100+ mi. of pipeline
  - 90+ Mbwpd injection capacity

**2016+ Development Area**

- 11 Centralized Tank Batteries
- 4 Disposal Wells
- 2 Compressor Stations
- 2 Frac Ponds

**2017 Highlights**

- **Oil Pipeline with expansion capability**
  - 30+ mi of pipeline
  - 90+ Mbopd capacity

- **Gas Compression add**
  - 50+ MMcfpd

- **Gas Processing Connections**
  - 4 x 3rd party gas processing connections in area

**2017+ Development Area**

- 34 Centralized Tank Batteries
- 15 Disposal Wells
- 2 Compressor Stations
- 2 Frac Ponds
Midstream: Improving Cash Flows and Market Access

**Business Segments**

- **Gas Plants:** Natural gas and CO₂ gathering, compression and processing systems to control upstream costs
- **Pipelines - Domestic:** Take-away capacity via common carrier oil pipeline and storage systems, including Centurion pipeline, CO₂ source fields and pipeline systems
- **Pipelines - Foreign:** Stable free cash flow from Dolphin natural gas pipeline
- **Power Generation:** Lower cost electricity through power and steam generating facilities
- **Marketing & Trading:** Market production at highest realizations; includes Ingleside export facility

**2017 Impact**

- Free cash flow expected to improve $150 - $200+ MM due to better marketing economics and ramp up of Ingleside oil storage and export facility
- Ample takeaway capacity and new outlet for Permian oil production
• Ingleside Ethylene Cracker commercial operation in Q1 2017
  > All systems turned over for commissioning

• 50/50 JV with Mexichem in Corpus Christi, TX
  > $1.5 Billion for a 1.2 Billion lb/yr cracker, pipeline to Markham, TX and storage
  > 20-year supply agreement with Mexichem

• OxyChem capital spend will continue to decline in 2017
  > Capital spend for cracker will be reduced from $160 mm in 2016 to $35 mm in 2017
  > Growth business spending in 2017 will also include capital for an expansion to a plant in Geismar, LA to produce climate-friendly refrigerants (4CPe)
Basic Chemical Market Dynamics Are Shifting

**Spot Domestic Caustic Soda Price***
*Low end of price range as reported by IHS

- Caustic soda prices reversed their multi-year trend of steady decline in mid-2016
- Global caustic soda demand forecasted to outstrip capacity increases again in 2017
  > European mercury technology conversion/closure deadline December 2017
- Higher energy prices will erode some of the impact of higher caustic soda prices

**North American Chlor-Alkali Capacity Share**

- Major industry consolidation is complete after several years of M&A activity
- Protracted poor financial performance in the industry is improving market discipline
**Oman**

- Improved Reservoir Surveillance
- Infill and shallow drilling programs
- 2016 Total Spend per Barrel reduced by 24%

**Oman - Mukhaizna Gross Production (Mbopd)**

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**Qatar**

- Next Generation Drilling Platforms
  - Sustainable savings
  - No lift barge needed
  - Local Construction
  - Flexibility of installation

**Qatar**

- Well Cost reduced by 30%

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Colombia

- Improved subsurface reservoir characterization
- Focused Workover and Drilling Campaign
- New Well Costs reduced by 35%
- 2016 Total Spend per barrel reduced by 25%
- Started a thermal recovery pilot of the Teca heavy oil field, encouraging initial production results

Colombia – LCI Gross Production (Mbopd)

*LCI = La Cira Infantas

Increased gross production by 5 MBOPD in 4 months
Al Hosn Gas

- Optimized plant to deliver more capacity
- Completed operational trials
- Minimal capital was required

Al Hosn Gas

Increased Plant Capacity to 110%

2017 production expected to be >70 MBOED net
2017 Capital Plan Will Deliver 4% to 7% Production Growth

Flexible Capital Program
($ in billions)

- **Domestic**
  - Increased Permian Resources drilling in SE New Mexico and Greater Barilla Draw
  - Short cycle development allows for flexibility to respond to oil price volatility

- **International**
  - Spending levels in Middle East will be flat

- **Chemicals**
  - Includes project for manufacturing next-generation, climate-friendly refrigerants; expected completion by YE 2017

- **Midstream**
  - Crude gathering system and intermediate transportation to support SE New Mexico growth
• Improved market conditions, project start-ups and lower capital should increase free cash flow generation in 2017

<table>
<thead>
<tr>
<th></th>
<th>2017 vs 2016 FCF Improvement</th>
</tr>
</thead>
<tbody>
<tr>
<td>International O&amp;G</td>
<td>~$400 MM</td>
</tr>
<tr>
<td>Midstream</td>
<td>$150 - $200 MM</td>
</tr>
<tr>
<td>Chemicals</td>
<td>~$400 MM</td>
</tr>
<tr>
<td>Total</td>
<td>$950 - $1,000 MM</td>
</tr>
</tbody>
</table>
• **Improved product prices**
  > Annualized cash flow changes ~$100 million for a ~$1.00 / barrel change in oil prices
  > Annualized cash flow changes ~$45 million for a ~$0.50 / Mmbtu change in natural gas prices

• **Improved chemicals performance**
  > Annualized cash flow changes ~$30 million for a ~$10 / ton change in caustic soda prices
  > Start-up of ethylene cracker

• **Additional sources of liquidity in 2017 - 2018 of ~$2 billion including:**
  > Anticipated tax refund of ~$700 million in 1H17
  > Monetization of non-strategic corporate assets
  > Portfolio management & optimization
1Q17 and FY 2017 Guidance Summary

**Oil & Gas Segment**
- FY 2017E Total Production
  - 625,000 – 645,000 BOED
  - Permian Resources production of 140,000 – 150,000 BOED
- 1Q17E Production
  - Total production of 590,000 – 595,000 BOED
  - Permian EOR production flat
  - Permian Resources production of 127,000 – 132,000 BOED
  - International production impacted by ~15,000 BOED for turnarounds, PSCs and quota compliance

**Production Costs – FY 2017E**
- Domestic Oil & Gas: ~$13.00 / BOE

**Exploration Expense**
- ~$25 mm in 1Q17E

**DD&A – FY 2017E**
- Oil & Gas: ~$15.00 / BOE
- Chemicals and Midstream: $685 mm

**Midstream**
- ($60) – ($70) mm pre-tax loss in 1Q17E

**Chemical Segment**
- ~$150 mm pre-tax income in 1Q17E

**Corporate**
- FY 2017E Domestic tax rate: 36%
- FY 2017E Int'l tax rate: 55%
- Interest expense of $80 mm in 1Q17E
• Total production grew 13% year-over-year to 124 MBOED

• Increased activity in 4Q 2016
  > 16 wells online in 4Q16 vs. 9 in 3Q16
  > Added 7 top tier performing wells in Greater Sand Dunes

• 1Q17 program: increase in activity expected in 1Q17
  > 2 rigs added in January 2017
  > 6 operated rigs drilling primarily development wells
  > Expect to drill 26 wells and put online 21 wells in 1Q17

• 2017 program: expect 117 wells online
  > Program will be focused in Greater Sand Dunes and Greater Barilla Draw, with 2-3 rigs in each on average