

OCCIDENTAL PETROLEUM CORP /DE/

Form 10-Q

August 04, 2015

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended June 30, 2015

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission file number 1-9210

OCCIDENTAL PETROLEUM CORPORATION

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of
incorporation or organization)

95-4035997

(I.R.S. Employer
Identification No.)

5 Greenway Plaza, Suite 110

Houston, Texas

(Address of principal executive offices)

77046

(Zip Code)

(713) 215-7000

(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate website, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. (See definition of "accelerated filer", "large accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act):

Large Accelerated Filer Accelerated Filer Non-Accelerated Filer Smaller Reporting Company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act)

Yes No

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Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

| Class | Outstanding at June 30, 2015 |
|------------------------------|------------------------------|
| Common stock \$.20 par value | 763,951,136 |

OCCIDENTAL PETROLEUM CORPORATION AND SUBSIDIARIES

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PART I FINANCIAL INFORMATION

Item 1. Financial Statements (unaudited)

OCCIDENTAL PETROLEUM CORPORATION AND SUBSIDIARIES
CONSOLIDATED CONDENSED BALANCE SHEETS
JUNE 30, 2015 AND DECEMBER 31, 2014
(Amounts in millions)

| | 2015 | 2014 |
|---|----------|----------|
| ASSETS | | |
| CURRENT ASSETS | | |
| Cash and cash equivalents | \$2,756 | \$3,789 |
| Restricted cash | 2,382 | 4,019 |
| Trade receivables, net | 3,973 | 4,206 |
| Inventories | 1,120 | 1,052 |
| Other current assets | 777 | 807 |
| Total current assets | 11,008 | 13,873 |
| INVESTMENTS | | |
| Investment in unconsolidated entities | 1,330 | 1,171 |
| Available for sale investment | 432 | 394 |
| Total investments | 1,762 | 1,565 |
| PROPERTY, PLANT AND EQUIPMENT, net of accumulated depreciation, depletion and amortization of \$36,897 at June 30, 2015 and \$34,785 at December 31, 2014 | 40,478 | 39,730 |
| LONG-TERM RECEIVABLES AND OTHER ASSETS, NET | 1,121 | 1,091 |
| TOTAL ASSETS | \$54,369 | \$56,259 |

The accompanying notes are an integral part of these consolidated financial statements.

OCCIDENTAL PETROLEUM CORPORATION AND SUBSIDIARIES
CONSOLIDATED CONDENSED BALANCE SHEETS
JUNE 30, 2015 AND DECEMBER 31, 2014
(Amounts in millions except share amounts)

| | 2015 | | 2014 |
|---|----------|---|----------|
| LIABILITIES AND STOCKHOLDERS' EQUITY | | | |
| CURRENT LIABILITIES | | | |
| Current maturities of long-term debt | \$1,450 | | \$— |
| Accounts payable | 4,145 | | 5,229 |
| Accrued liabilities | 2,230 | | 2,601 |
| Domestic and foreign income taxes | — | | 414 |
| Total current liabilities | 7,825 | | 8,244 |
| | | | |
| LONG-TERM DEBT, NET | 6,880 | | 6,838 |
| | | | |
| DEFERRED CREDITS AND OTHER LIABILITIES | | | |
| Deferred domestic and foreign income taxes | 3,153 | | 3,015 |
| Other | 3,209 | | 3,203 |
| | 6,362 | | 6,218 |
| | | | |
| STOCKHOLDERS' EQUITY | | | |
| Common stock, at par value (890,872,794 shares at June 30, 2015 and 890,557,537 shares December 31, 2014) | 178 | | 178 |
| Treasury stock (127,471,658 shares at June 30, 2015 and 119,951,199 shares at December 31, 2014) | (9,107 |) | (8,528 |
| | | |) |
| Additional paid-in capital | 7,651 | | 7,599 |
| Retained earnings | 34,896 | | 36,067 |
| Accumulated other comprehensive loss | (316 |) | (357 |
| | | |) |
| Total stockholders' equity | 33,302 | | 34,959 |
| | | | |
| TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY | \$54,369 | | \$56,259 |

The accompanying notes are an integral part of these consolidated financial statements.

OCCIDENTAL PETROLEUM CORPORATION AND SUBSIDIARIES
CONSOLIDATED CONDENSED STATEMENTS OF OPERATIONS
FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2015 AND 2014
(Amounts in millions, except per-share amounts)

| | Three months ended June 30 | | Six months ended June 30 | | |
|---|-------------------------------|----------------|-----------------------------|------------------|---|
| | 2015 | 2014 | 2015 | 2014 | |
| REVENUES AND OTHER INCOME | | | | | |
| Net sales | \$3,469 | \$5,133 | \$6,558 | \$10,101 | |
| Interest, dividends and other income | 26 | 47 | 57 | 77 | |
| Gain (loss) on sale of assets, net | 19 | 525 | (5 |) 525 | |
| | 3,514 | 5,705 | 6,610 | 10,703 | |
| COSTS AND OTHER DEDUCTIONS | | | | | |
| Cost of sales | 1,480 | 1,691 | 3,037 | 3,334 | |
| Selling, general and administrative and other operating expenses | 347 | 429 | 658 | 746 | |
| Depreciation, depletion and amortization | 1,116 | 1,024 | 2,145 | 2,001 | |
| Asset impairments and related items | — | 471 | 324 | 471 | |
| Taxes other than on income | 107 | 144 | 214 | 295 | |
| Exploration expense | 10 | 39 | 18 | 63 | |
| Interest and debt expense, net | 8 | 20 | 38 | 42 | |
| | 3,068 | 3,818 | 6,434 | 6,952 | |
| Income before income taxes and other items | 446 | 1,887 | 176 | 3,751 | |
| Provision for domestic and foreign income taxes | (324 |) (809 |) (305 |) (1,603 | |
| Income from equity investments | 58 | 83 | 94 | 150 | |
| Income (loss) from continuing operations | 180 | 1,161 | (35 |) 2,298 | |
| Discontinued operations, net | (4 |) 273 | (7 |) 528 | |
| Net income (loss) | 176 | 1,434 | (42 |) 2,826 | |
| Less: Net income attributable to noncontrolling interest | — | (3 |) — | (5 |) |
| NET INCOME (LOSS) ATTRIBUTABLE TO COMMON STOCK | \$176 | \$1,431 | \$(42 |) \$2,821 | |
| BASIC EARNINGS PER COMMON SHARE (attributable to common stock) | | | | | |
| Income (loss) from continuing operations | \$0.23 | \$1.48 | \$(0.04 |) \$2.91 | |
| Discontinued operations, net | — | 0.35 | (0.01 |) 0.67 | |
| BASIC EARNINGS PER COMMON SHARE | \$0.23 | \$1.83 | \$(0.05 |) \$3.58 | |
| DILUTED EARNINGS PER COMMON SHARE (attributable to common stock) | | | | | |
| Income (loss) from continuing operations | \$0.23 | \$1.47 | \$(0.04 |) \$2.91 | |
| Discontinued operations, net | — | 0.35 | (0.01 |) 0.67 | |
| DILUTED EARNINGS PER COMMON SHARE | \$0.23 | \$1.82 | \$(0.05 |) \$3.58 | |
| DIVIDENDS PER COMMON SHARE | \$0.75 | \$0.72 | \$1.47 | \$1.44 | |

The accompanying notes are an integral part of these consolidated financial statements.

OCCIDENTAL PETROLEUM CORPORATION AND SUBSIDIARIES
CONSOLIDATED CONDENSED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2015 AND 2014
(Amounts in millions)

| | Three months ended June 30 | | Six months ended June 30 | |
|---|-------------------------------|---------|-----------------------------|-----------|
| | 2015 | 2014 | 2015 | 2014 |
| Net income (loss) attributable to common stock | \$176 | \$1,431 | \$(42) |) \$2,821 |
| Other comprehensive income (loss) items: | | | | |
| Foreign currency translation loss | — | — | (1) |) — |
| Unrealized (loss) gain on available for sale investment | (112) |) — | 38 | — |
| Unrealized loss on derivatives ^(a) | — | — | — | (5) |
| Pension and postretirement gain ^(b) | 2 | 5 | 4 | 9 |
| Reclassification to income of realized loss on derivatives ^(c) | — | — | — | 8 |
| Other comprehensive (loss) income, net of tax ^(d) | (110) |) 5 | 41 | 12 |
| Comprehensive income (loss) | \$66 | \$1,436 | \$(1) |) \$2,833 |

(a) Net of tax of \$3 for the six months ended June 30, 2014.

(b) Net of tax of \$(1) and \$(3) for the three months ended June 30, 2015 and 2014, respectively, and \$(2) and \$(5) for the six months ended June 30, 2015 and 2014.

(c) Net of tax of \$(5) for the six months ended June 30, 2014.

(d) There were no other comprehensive income (loss) items related to noncontrolling interests in the three and six months ended 2015 and 2014, respectively.

The accompanying notes are an integral part of these consolidated financial statements.

OCCIDENTAL PETROLEUM CORPORATION AND SUBSIDIARIES
CONSOLIDATED CONDENSED STATEMENTS OF CASH FLOWS
FOR THE SIX MONTHS ENDED JUNE 30, 2015 AND 2014
(Amounts in millions)

| | 2015 | | 2014 |
|--|---------|---|---------|
| CASH FLOW FROM OPERATING ACTIVITIES | | | |
| Net income (loss) | \$(42 |) | \$2,826 |
| Adjustments to reconcile net (loss) income to net cash provided by operating activities: | | | |
| Discontinued operations, net | 7 | | (528 |
| Depreciation, depletion and amortization of assets | 2,145 | | 2,001 |
| Deferred income tax provision (benefit) | 139 | | (57 |
| Other noncash charges to income | 145 | | 143 |
| Asset impairments and related items | 236 | | 471 |
| Loss (gain) on sale of assets, net | 5 | | (525 |
| Dry hole expenses | 3 | | 33 |
| Changes in operating assets and liabilities, net | (954 |) | (48 |
| Other operating, net | (307 |) | — |
| Operating cash flow from continuing operations | 1,377 | | 4,316 |
| Operating cash flow from discontinued operations | (11 |) | 1,248 |
| Net cash provided by operating activities | 1,366 | | 5,564 |
| CASH FLOW FROM INVESTING ACTIVITIES | | | |
| Capital expenditures | (3,065 |) | (3,924 |
| Change in capital accrual | (585 |) | — |
| Payments for purchases of assets and businesses | (43 |) | (307 |
| Sale of assets, net | 58 | | 1,371 |
| Other, net | (254 |) | (186 |
| Investing cash flow from continuing operations | (3,889 |) | (3,046 |
| Investing cash flow from discontinued operations | — | | (1,042 |
| Net cash used by investing activities | (3,889 |) | (4,088 |
| CASH FLOW FROM FINANCING ACTIVITIES | | | |
| Change in restricted cash | 1,637 | | — |
| Payment of long-term debt | — | | (107 |
| Proceeds from long-term debt, net | 1,478 | | — |
| Proceeds from issuance of common stock | 23 | | 16 |
| Purchases of treasury stock | (536 |) | (1,576 |
| Cash dividends paid | (1,113 |) | (1,084 |
| Contributions from noncontrolling interest | — | | 272 |
| Other, net | 1 | | 1 |
| Net cash provided (used by) financing activities | 1,490 | | (2,478 |
| Decrease in cash and cash equivalents | (1,033 |) | (1,002 |
| Cash and cash equivalents — beginning of period | 3,789 | | 3,393 |
| Cash and cash equivalents — end of period | \$2,756 | | \$2,391 |

The accompanying notes are an integral part of these consolidated financial statements.

OCCIDENTAL PETROLEUM CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED CONDENSED FINANCIAL STATEMENTS
JUNE 30, 2015

1. General

In these unaudited consolidated condensed financial statements, "Occidental" means Occidental Petroleum Corporation, a Delaware corporation (OPC), or OPC and one or more entities in which it owns a controlling interest (subsidiaries). Occidental has made its disclosures in accordance with United States generally accepted accounting principles (GAAP) as they apply to interim reporting, and condensed or omitted, as permitted by the Securities and Exchange Commission's rules and regulations, certain information and disclosures normally included in consolidated financial statements and the notes. These unaudited consolidated condensed financial statements should be read in conjunction with the audited consolidated financial statements and the notes thereto in Occidental's Annual Report on Form 10-K for the year ended December 31, 2014.

In the opinion of Occidental's management, the accompanying unaudited consolidated condensed financial statements contain all adjustments (consisting of normal recurring adjustments) necessary to fairly present Occidental's consolidated financial position as of June 30, 2015, and the consolidated statements of operations, comprehensive income and cash flows for the three and six months ended June 30, 2015 and 2014, as applicable. The income and cash flows for the periods ended June 30, 2015 and 2014 are not necessarily indicative of the income or cash flows to be expected for the full year.

As a result of the spin-off of California Resources Corporation (California Resources), the statements of operations and cash flows related to California Resources have been treated as discontinued operations for the three and six months ended June 30, 2014. The assets and liabilities of California Resources were removed from Occidental's consolidated balance sheet as of November 30, 2014. See Note 2, Asset Acquisitions, Dispositions and Other, for additional information.

2. Asset Acquisitions, Dispositions and Other

In June 2015, Occidental issued \$1.5 billion of debt that was comprised of \$750 million of 3.50-percent senior unsecured notes due 2025 and \$750 million of 4.625-percent senior unsecured notes due 2045. Occidental received net proceeds of approximately \$1.48 billion. Interest on the notes will be payable semi-annually in arrears in June and December of each year for both series of notes, beginning on December 15, 2015.

On November 30, 2014, the spin-off of Occidental's California oil and gas operations and related assets was completed through the distribution of 81.3 percent of the outstanding shares of common stock of California Resources to holders of Occidental common stock, creating an independent, publicly traded company. In connection with the spin-off, California Resources distributed to Occidental \$4.95 billion in restricted cash and \$1.15 billion in unrestricted cash. As indicated by a private letter ruling from the United States Internal Revenue Service (IRS), the \$4.95 billion distribution must be used solely to pay dividends, repurchase common stock, repay debt, or a combination of the foregoing, within 18 months following the distribution. At June 30, 2015, the remaining balance of the restricted cash distribution was \$2.4 billion and was presented as "Restricted cash" on the consolidated balance sheet. Occidental retained 71.5 million shares of California Resources. See Note 9, Fair Value Measurements, for additional information.

Sales and other operating revenues and income from discontinued operations related to California Resources for the three and six months ended June 30, 2014 were as follows (in millions):

| | Three months ended June 30 | Six months ended June 30 |
|--|-------------------------------|-----------------------------|
| Sales and other operating revenue from discontinued operations | \$1,141 | \$2,261 |
| Income from discontinued operations before-tax | \$422 | \$812 |
| Income tax expense | (148 |) (286 |
| Income from discontinued operations | \$274 | \$526 |

3. Accounting and Disclosure Changes

In July 2015, the Financial Accounting Standards Board (FASB) voted to defer the effective date of the new revenue recognition standard to interim and annual periods beginning after December 15, 2017. Under the new rules, an entity will recognize revenue when it transfers promised goods or services to customers in an amount that reflects what it expects to receive in exchange for the goods and services. The rules also require more detailed disclosures related to the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers. The rules are not expected to have a significant impact on Occidental's financial statements upon adoption.

In May 2015, the FASB issued rules modifying how entities measure certain investments at net asset value as well as how they are categorized within the fair value hierarchy. The new rules remove the requirement to categorize within the fair value hierarchy all investments for which fair value is measured using the net asset value per share. The update also removes the requirement for certain disclosures for all investments that are eligible to be measured at fair value using the net asset value per share practice, and instead requires it for only those investments the entity elects to measure as such. The rules become effective for fiscal years, and for interim periods, beginning after December 15, 2015. The rules will not have a significant impact on Occidental's financial statements.

In April 2015, the FASB issued rules simplifying the presentation of debt issuance costs. The new rules require that debt issuance costs related to a recognized debt liability be presented in the balance sheet as a direct deduction from the carrying amount of that debt liability, consistent with debt discounts. The rules become effective for fiscal years, and for interim periods, beginning after December 15, 2015. The rules will not have a significant impact on Occidental's financial statements.

In February 2015, the FASB issued rules modifying how an entity should evaluate certain legal entities for consolidation. The modifications change how limited partnerships and similar legal entities are evaluated, eliminate the presumption that a general partner should consolidate limited partnerships, change the consolidation analysis for reporting entities that are involved with variable interest entities, and change the scope exception for certain legal entities, among other things. The rules become effective for fiscal years, and for interim periods, beginning after December 15, 2015. The rules are not expected to have an impact on Occidental's financial statements upon adoption.

In January 2015, the FASB issued rules that eliminate from GAAP the concept of an extraordinary item. The presentation and disclosure guidance for items that are unusual in nature or occur infrequently will be retained and expanded to include items that are both unusual in nature and infrequently occurring. The rules do not impact Occidental's financial statements upon adoption.

4. Supplemental Cash Flow Information

Occidental paid United States federal, state and foreign income taxes of \$0.6 billion and \$1.7 billion during the six months ended June 30, 2015 and 2014, respectively. Interest paid totaled \$108 million and \$110 million for the six months ended June 30, 2015 and 2014, respectively.

5. Inventories

A portion of inventories is valued under the LIFO method. The valuation of LIFO inventory for interim periods is based on Occidental's estimates of year-end inventory levels and costs. Inventories as of June 30, 2015 and December 31, 2014 consisted of the following (in millions):

| | 2015 | 2014 |
|------------------------|---------|---------|
| Raw materials | \$74 | \$71 |
| Materials and supplies | 638 | 585 |
| Finished goods | 497 | 485 |
| | 1,209 | 1,141 |
| Revaluation to LIFO | (89) | (89) |
| Total | \$1,120 | \$1,052 |

6. Environmental Liabilities and Expenditures

Occidental's operations are subject to stringent federal, state, local and foreign laws and regulations related to improving or maintaining environmental quality.

The laws that require or address environmental remediation, including the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA) and similar federal, state, local and foreign laws, may apply retroactively and regardless of fault, the legality of the original activities or the current ownership or control of sites. OPC or certain of its subsidiaries participate in or actively monitor a range of remedial activities and government or private proceedings under these laws with respect to alleged past practices at operating, closed and third-party sites. Remedial activities may include one or more of the following: investigation involving sampling, modeling, risk assessment or monitoring; cleanup measures including removal, treatment or disposal of hazardous substances; or operation and maintenance of remedial systems. Government or private proceedings seek funding or performance of remediation and, in some cases, compensation for alleged property damage, punitive damages, civil penalties, injunctive relief and government oversight costs.

As of June 30, 2015, Occidental participated in or monitored remedial activities or proceedings at 147 sites. The following table presents Occidental's environmental remediation reserves as of June 30, 2015, the current portion which is included in accrued liabilities (\$79 million) and the remainder in deferred credits and other liabilities — other (\$237 million). The reserves are grouped as environmental remediation sites listed or proposed for listing by the United States Environmental Protection Agency on the CERCLA National Priorities List (NPL sites) and three categories of non-NPL sites — third-party sites, Occidental-operated sites and closed or non-operated Occidental sites.

| | Number of Sites | Reserve Balance (in millions) |
|---|-----------------|----------------------------------|
| NPL sites | 32 | \$22 |
| Third-party sites | 65 | 92 |
| Occidental-operated sites | 18 | 108 |
| Closed or non-operated Occidental sites | 32 | 94 |
| Total | 147 | \$316 |

As of June 30, 2015, Occidental's environmental reserves exceeded \$10 million each at 11 of the 147 sites described above, and 102 of the sites each had reserves of \$1 million or less. Based on current estimates, Occidental expects to expend funds corresponding to approximately half of the current environmental reserves at the sites described above

over the next three to four years and the balance at these sites over the subsequent 10 or more years. Occidental believes its range of reasonably possible additional losses beyond those liabilities recorded for environmental remediation at these sites could be up to \$395 million. The status of Occidental's involvement with the sites and related significant assumptions has not changed materially since December 31, 2014. For additional

information regarding environmental matters, refer to Note 7, Lawsuits, Claims, Commitments and Contingencies, for additional information.

7. Lawsuits, Claims, Commitments and Contingencies

OPC or certain of its subsidiaries are involved, in the normal course of business, in lawsuits, claims and other legal proceedings that seek, among other things, compensation for alleged personal injury, breach of contract, property damage or other losses, punitive damages, civil penalties, or injunctive or declaratory relief. OPC or certain of its subsidiaries also are involved in proceedings under CERCLA and similar federal, state, local and foreign environmental laws. These environmental proceedings seek funding or performance of remediation and, in some cases, compensation for alleged property damage, punitive damages, civil penalties and injunctive relief. Usually OPC or such subsidiaries are among many companies in these environmental proceedings and have to date been successful in sharing response costs with other financially sound companies. Further, some lawsuits, claims and legal proceedings involve acquired or disposed assets with respect to which a third party or Occidental retains liability or indemnifies the other party for conditions that existed prior to the transaction.

Occidental has entered into a written settlement agreement with the State of New Jersey (the State) to resolve claims asserted by the State against Occidental arising from Occidental's acquisition of Diamond Shamrock Chemicals Company (DSCC) and historic operations of DSCC's Lister Avenue Plant. In December 2014, the settlement was approved by the court. Under the settlement agreement (State Settlement) Occidental agreed to pay the State \$190 million and, under certain circumstances, perform or fund future work on behalf of the State along a portion of the Passaic River. Occidental made payments related to this settlement of \$70 million, \$60 million and \$60 million in February, April and June 2015, respectively. When Occidental acquired the stock of DSCC in 1986, Maxus Energy Corporation, a subsidiary of YPF S.A. (Maxus), retained liability for the Lister Avenue Plant, which is part of the Diamond Alkali Superfund Site, as well as other sites. Maxus is also obligated to indemnify Occidental for the State of New Jersey settlement. Occidental is pursuing Maxus to recover the settlement costs. The State Settlement does not cover any potential Occidental share of costs associated with the Environmental Protection Agency's proposed clean-up plan of the Passaic River announced in April 2014. Maxus is also responsible for federal clean-up or other costs associated with the Lister Avenue Plant and the Diamond Alkali Superfund Site.

Occidental accrues reserves for outstanding lawsuits, claims and proceedings when it is probable that a liability has been incurred and the liability can be reasonably estimated. Occidental has disclosed its reserve balances for environmental matters. Reserve balances for other matters as of June 30, 2015 and December 31, 2014 were not material to Occidental's consolidated balance sheets. Occidental also evaluates the amount of reasonably possible losses that it could incur as a result of the matters mentioned above. Occidental has disclosed its range of reasonably possible additional losses for sites where it is a participant in environmental remediation. Occidental believes that other reasonably possible losses that it could incur in excess of reserves accrued on the balance sheet would not be material to its consolidated financial position or results of operations.

During the course of its operations, Occidental is subject to audit by tax authorities for varying periods in various federal, state, local and foreign tax jurisdictions. Although taxable years through 2009 for United States federal income tax purposes have been audited by the IRS pursuant to its Compliance Assurance Program, subsequent taxable years are currently under review. Additionally, in December 2012, Occidental filed United States federal refund claims for tax years 2008 and 2009, which are subject to IRS review. Taxable years from 2000 through the current year remain subject to examination by foreign and state government tax authorities in certain jurisdictions. In certain of these jurisdictions, tax authorities are in various stages of auditing Occidental's income taxes. During the course of tax audits, disputes have arisen and other disputes may arise as to facts and matters of law. Occidental believes that the resolution of outstanding tax matters would not have a material adverse effect on its consolidated financial position or results of operations.

OPC, its subsidiaries or both have indemnified various parties against specified liabilities those parties might incur in the future in connection with purchases and other transactions that they have entered into with Occidental. These indemnities usually are contingent upon the other party incurring liabilities that reach specified thresholds. As of June 30, 2015, Occidental is not aware of circumstances that it believes would reasonably be expected to lead to indemnity claims that would result in payments materially in excess of reserves.

8. Retirement and Post-retirement Benefit Plans

The following tables set forth the components of the net periodic benefit costs for Occidental's defined benefit pension and post-retirement benefit plans for the three and six months ended June 30, 2015 and 2014 (in millions):

| Three months ended June 30 | 2015 | | 2014 | |
|--------------------------------|-----------------|-------------------------|-----------------|-------------------------|
| Net Periodic Benefit Costs | Pension Benefit | Post-retirement Benefit | Pension Benefit | Post-retirement Benefit |
| Service cost | \$2 | \$7 | \$3 | \$6 |
| Interest cost | 5 | 10 | 6 | 12 |
| Expected return on plan assets | (7 |) — | (9 |) — |
| Recognized actuarial loss | 2 | 7 | 2 | 6 |
| Total | \$2 | \$24 | \$2 | \$24 |

| Six months ended June 30 | 2015 | | 2014 | |
|--------------------------------|-----------------|-------------------------|-----------------|-------------------------|
| Net Periodic Benefit Costs | Pension Benefit | Post-retirement Benefit | Pension Benefit | Post-retirement Benefit |
| Service cost | \$4 | \$14 | \$6 | \$12 |
| Interest cost | 10 | 20 | 12 | 24 |
| Expected return on plan assets | (14 |) — | (17 |) — |
| Recognized actuarial loss | 4 | 14 | 3 | 12 |
| Total | \$4 | \$48 | \$4 | \$48 |

Occidental contributed approximately zero and \$2 million to its defined benefit pension plans in the three-months ended June 30, 2015 and 2014, respectively. Occidental contributed approximately \$5 million and \$3 million in the six-months ended June 30, 2015 and 2014, respectively.

9. Fair Value Measurements

Occidental has categorized its assets and liabilities that are measured at fair value in a three-level fair value hierarchy, based on the inputs to the valuation techniques: Level 1 — using quoted prices in active markets for the assets or liabilities; Level 2 — using observable inputs other than quoted prices for the assets or liabilities; and Level 3 — using unobservable inputs. Transfers between levels, if any, are recognized at the end of each reporting period.

Fair Values — Recurring

Occidental primarily applies the market approach for recurring fair value measurements, maximizes its use of observable inputs and minimizes its use of unobservable inputs. Occidental utilizes the mid-point between bid and ask prices for valuing the majority of its assets and liabilities measured and reported at fair value. In addition to using market data, Occidental makes assumptions in valuing its assets and liabilities, including assumptions about the risks inherent in the inputs to the valuation technique. For assets and liabilities carried at fair value, Occidental measures fair value using the following methods:

Ø Occidental values exchange-cleared commodity derivatives using closing prices provided by the exchange as of the balance sheet date. Those derivatives are classified as Level 1. Over-the-Counter (OTC) bilateral financial commodity contracts, foreign exchange contracts, options and physical commodity forward purchase and sale contracts are generally classified as Level 2 and are generally valued using quotations provided by brokers or industry-standard models that consider various inputs, including quoted forward prices for commodities, time value, volatility factors, credit risk and current market and contractual prices for the underlying instruments, as well as other relevant economic measures. Substantially all of these inputs are observable in the marketplace throughout the

full term of the instrument, and can be derived from observable data or are supported by observable prices at which transactions are executed in the marketplace.

Ø Occidental values commodity derivatives based on a market approach that considers various assumptions, including quoted forward commodity prices and market yield curves. The assumptions used include inputs

that are generally unobservable in the marketplace, or are observable but have been adjusted based upon various assumptions and the fair value is designated as Level 3 within the valuation hierarchy.

Occidental values its available for sale investment in California Resources based on the closing share price of California Resources' common stock as of the balance sheet date. This investment is classified as Level 1. At June 30, 2015, Occidental had approximately 71.5 million shares of common stock of California Resources, which are recorded as a \$432 million available for sale investment.

Occidental generally uses an income approach to measure fair value when observable inputs are unavailable. This approach utilizes management's judgments regarding expectations of projected cash flows, and discounts those cash flows using a risk-adjusted discount rate.

The following tables provide fair value measurement information for such assets and liabilities that are measured on a recurring basis as of June 30, 2015 and December 31, 2014 (in millions):

Fair Value Measurements at June 30, 2015:

| Description | Level 1 | Level 2 | Level 3 | Netting and Collateral | Total Fair Value |
|-------------------------------|---------|---------|---------|------------------------|------------------|
| Assets: | | | | | |
| Commodity derivatives | \$ 139 | \$ 35 | \$— | \$(139) | \$ 35 |
| Available for sale investment | \$432 | \$— | \$— | \$— | \$432 |
| Liabilities: | | | | | |
| Commodity derivatives | \$ 130 | \$162 | \$— | \$(127) | \$165 |

Fair Value Measurements at December 31, 2014:

| Description | Level 1 | Level 2 | Level 3 | Netting and Collateral | Total Fair Value |
|-------------------------------|---------|---------|---------|------------------------|------------------|
| Assets: | | | | | |
| Commodity derivatives | \$712 | \$127 | \$— | \$(742) | \$97 |
| Available for sale investment | \$394 | \$— | \$— | \$— | \$394 |
| Liabilities: | | | | | |
| Commodity derivatives | \$750 | \$246 | \$— | \$(756) | \$240 |

Fair Values — Nonrecurring

During the three months ended June 30, 2015 and 2014 and the six months ended June 30, 2014, Occidental did not have any assets or liabilities measured at fair value on a non-recurring basis. As a result of lower commodity prices during the first quarter 2015, Occidental recognized approximately \$160 million in pre-tax impairment charges related to proved domestic oil and gas properties.

Other Financial Instruments

The carrying amounts of cash and cash equivalents and other on-balance-sheet financial instruments, other than long term fixed-rate debt, approximate fair value. The cost, if any, to terminate Occidental's off-balance-sheet financial instruments is not significant. Occidental estimates the fair value of fixed-rate debt based on the quoted market prices for those instruments or on quoted market yields for similarly rated debt instruments, taking into account such instruments' maturities. The estimated fair value of Occidental's debt as of June 30, 2015 and December 31, 2014 was \$8.6 billion and \$7.0 billion, respectively, and its carrying value net of unamortized discount as of June 30, 2015 and December 31, 2014 was \$8.3 billion and \$6.8 billion, respectively. The majority of Occidental's debt is classified as Level 1, with \$68 million classified as Level 2.

10. Derivatives

Derivatives are carried at fair value and on a net basis when a legal right of offset exists with the same counterparty. Occidental applies hedge accounting when transactions meet specified criteria for cash-flow hedge treatment and management elects and documents such treatment. Otherwise, any fair value gains or losses are recognized in earnings in the current period.

Occidental uses a variety of derivative instruments, including cash-flow hedges and derivative instruments not designated as hedging instruments, to obtain average prices for the relevant production month and to improve realized prices for oil and gas. Occidental only occasionally hedges its oil and gas production, and, when it does, the volumes are usually insignificant.

Cash-Flow Hedges

Occidental's marketing and trading operations, from time to time, store natural gas purchased from third parties at Occidental's North American leased storage facilities. Derivative instruments are used to fix margins on the future sales of the stored volumes through February 2016. As of June 30, 2015, Occidental had approximately 9 billion cubic feet of natural gas held in storage, and had cash-flow hedges for the forecast sale, to be settled by physical delivery, of approximately 3 billion cubic feet of stored natural gas. As of December 31, 2014, Occidental did not have any cash-flow hedges.

Occidental's after-tax gains and losses recognized in, and reclassified to income from, Accumulated Other Comprehensive Income (AOCI) for derivative instruments classified as cash-flow hedges for the three and six months ended June 30, 2015 and 2014, and the ending AOCI balances for each period, were not material. The gains and losses reclassified to income were recognized in net sales, and the amount of the ineffective portion of cash-flow hedges was immaterial for the three and six months ended June 30, 2015 and 2014.

Derivatives Not Designated as Hedging Instruments

The following table summarizes Occidental's net volumes of outstanding commodity derivatives contracts not designated as hedging instruments, including both financial and physical derivative contracts as of June 30, 2015 and December 31, 2014:

| Commodity | Net Outstanding Position | |
|-------------------------------------|--------------------------|-------|
| | Long / (Short) | |
| | 2015 | 2014 |
| Oil (million barrels) | 76 | (9) |
| Natural gas (billion cubic feet) | (33) | (32) |
| Carbon dioxide (billion cubic feet) | 612 | 621 |

The volumes in the table above exclude contracts tied to index prices, for which the fair value, if any, is minimal at any point in time. These excluded contracts do not expose Occidental to price risk because the contract prices fluctuate with index prices.

Occidental fulfills short positions through its own production or by third-party purchase contracts. Subsequent to June 30, 2015, Occidental entered into purchase contracts for a substantial portion of the short positions outstanding at quarter end and has sufficient production capacity and the ability to enter into additional purchase contracts to satisfy the remaining positions.

Approximately \$45 million of net gains from derivatives not designated as hedging instruments and \$72 million of net gains were recognized in net sales for the three months ended June 30, 2015 and 2014, respectively. Approximately \$44 million of net losses from derivatives not designated as hedging instruments and \$84 million of net gains were recognized in net sales or the six months ended June 30, 2015 and 2014, respectively.

Fair Value of Derivatives

The following table presents the gross and net fair values of Occidental's outstanding derivatives as of June 30, 2015 and December 31, 2014 (in millions):

| June 30, 2015 | Asset Derivatives | | Liability Derivatives | |
|--|---|------------|--|------------|
| | Balance Sheet Location | Fair Value | Balance Sheet Location | Fair Value |
| Derivatives not designated as hedging instruments ^(a) | | | | |
| Commodity contracts | Other current assets | 166 | Accrued liabilities | 159 |
| | Long-term receivables and other assets, net | 8 | Deferred credits and other liabilities | 133 |
| | | 174 | | 292 |
| Total gross fair value | | 174 | | 292 |
| Less: counterparty netting and cash collateral ^(b,d) | | (139) | | (127) |
| Total net fair value of derivatives | | \$35 | | \$165 |
| | | | | |
| December 31, 2014 | Asset Derivatives | | Liability Derivatives | |
| | Balance Sheet Location | Fair Value | Balance Sheet Location | Fair Value |
| Derivatives not designated as hedging instruments ^(a) | | | | |
| Commodity contracts | Other current assets | 828 | Accrued liabilities | 886 |
| | Long-term receivables and other assets, net | 11 | Deferred credits and other liabilities | 110 |
| | | 839 | | 996 |
| Total gross fair value | | 839 | | 996 |
| Less: counterparty netting and cash collateral ^(c,d) | | (742) | | (756) |
| Total net fair value of derivatives | | \$97 | | \$240 |

(a) Fair values are presented at gross amounts, including when the derivatives are subject to master netting arrangements and presented on a net basis in the consolidated balance sheets.

(b) As of June 30, 2015, collateral received of \$15 million has been netted against the derivative assets and collateral paid of \$3 million has been netted against derivative liabilities.

(c) As of December 31, 2014, no collateral was received against the derivative assets and collateral paid of \$8 million has been netted against derivative liabilities.

(d) Select clearinghouses and brokers require Occidental to post an initial margin deposit. Collateral, mainly for initial margin, of \$7 million and \$44 million deposited by Occidental has not been reflected in these derivative fair value tables as of June 30, 2015 and December 31, 2014, respectively. This collateral is included in other current assets in the consolidated balance sheets as of June 30, 2015 and December 31, 2014, respectively.

See Note 9, Fair Value Measurements, for fair value measurement disclosures on derivatives.

Credit Risk

A large portion of Occidental's derivative transaction volume is executed through the over-the-counter market. Occidental is subject to counterparty credit risk to the extent the counterparty to the derivatives is unable to meet its settlement commitments. Occidental manages this credit risk by selecting counterparties that it believes to be

financially strong, by spreading the credit risk among many such counterparties, by entering into master netting arrangements with the counterparties and by requiring collateral, as appropriate. Occidental actively monitors the creditworthiness of each counterparty and records valuation adjustments to reflect counterparty risk, if necessary. Occidental executes the rest of its derivative transactions in the exchange-traded market, which are subject to minimal credit risk as a significant portion of these transactions is settled on a daily margin basis with select clearinghouses and brokers.

Certain of Occidental's OTC derivative instruments contain credit-risk-contingent features, primarily tied to credit ratings for Occidental or its counterparties, which may affect the amount of collateral that each would need to post. As of June 30, 2015 and December 31, 2014, Occidental had a net liability of zero and \$4 million, respectively, which is net of collateral posted of zero and \$3 million, respectively. Occidental believes that if it had received a one-notch reduction in its credit ratings, it would not have resulted in a material change in its collateral-posting requirements as of June 30, 2015 and December 31, 2014.

11. Industry Segments

Occidental conducts its operations through three segments: (1) oil and gas; (2) chemical; and (3) midstream and marketing. The oil and gas segment explores for, develops and produces oil and condensate, natural gas liquids (NGLs) and natural gas. The chemical segment mainly manufactures and markets basic chemicals and vinyls. The midstream and marketing segment gathers, processes, transports, stores, purchases and markets oil, condensate, NGLs, natural gas, carbon dioxide (CO₂) and power. It also trades around its assets, including transportation and storage capacity, and trades oil, NGLs, gas and power. Additionally, the midstream and marketing segment invests in entities that conduct similar activities.

Earnings of industry segments generally exclude income taxes, interest income, interest expense, environmental remediation expenses, unallocated corporate expenses and discontinued operations, but include gains and losses from dispositions of segment and geographic assets and income from the segments' equity investments. Intersegment sales eliminate upon consolidation and are generally made at prices approximating those that the selling entity would be able to obtain in third-party transactions.

The following tables present Occidental's industry segments (in millions):

| | Oil and Gas | Chemical | Midstream and Marketing | Corporate and Eliminations | Total |
|--|-------------------|----------------------|-------------------------------|----------------------------------|----------|
| Three months ended June 30, 2015 | | | | | |
| Net sales | \$2,342 | \$1,030 | \$294 | \$(197) | \$3,469 |
| Pre-tax operating profit (loss) | \$355 | \$136 | \$87 | \$(74) ^(b) | \$504 |
| Income taxes | — | — | — | (324) ^(c) | (324) |
| Discontinued operations, net | — | — | — | (4) | (4) |
| Net income (loss) attributable to common stock | \$355 | \$136 | \$87 | \$(402) | \$176 |
| Three months ended June 30, 2014 | | | | | |
| Net sales | \$3,703 | \$1,242 | \$440 | \$(252) | \$5,133 |
| Pre-tax operating profit (loss) | \$1,767 | \$133 | \$211 | \$(141) ^(b) | \$1,970 |
| Income taxes | — | — | — | (809) ^(c) | (809) |
| Discontinued operations, net | — | — | — | 273 | 273 |
| Net income attributable to noncontrolling interest | — | — | (3) | — | (3) |
| Net income (loss) attributable to common stock | \$1,767 | \$133 | \$208 | \$(677) | \$1,431 |
| Six months ended June 30, 2015 | | | | | |
| Net sales | \$4,351 | \$2,030 | \$491 | \$(314) | \$6,558 |
| Pre-tax operating profit (loss) | \$89 | ^(a) \$275 | \$72 | \$(166) ^(a,b) | \$270 |
| Income taxes | — | — | — | (305) ^(c) | (305) |
| Discontinued operations, net | — | — | — | (7) | (7) |
| Net income (loss) attributable to common stock | \$89 | \$275 | \$72 | \$(478) | \$(42) |
| Six months ended June 30, 2014 | | | | | |
| Net sales | \$7,305 | \$2,462 | \$780 | \$(446) | \$10,101 |
| Pre-tax operating profit (loss) | \$3,486 | \$269 | \$375 | \$(229) ^(b) | \$3,901 |
| Income taxes | — | — | — | (1,603) ^(c) | (1,603) |
| Discontinued operations, net | — | — | — | 528 | 528 |
| Net income attributable to noncontrolling interest | — | — | (5) | — | (5) |
| Net income (loss) attributable to common stock | \$3,486 | \$269 | \$370 | \$(1,304) | \$2,821 |

(a) Includes pre-tax charges of \$310 million for the impairment of certain domestic and international oil and gas assets and other items and \$14 million of other corporate items.

(b) Includes unallocated net interest expense, administration expense, environmental remediation and other pre-tax items.

(c) Includes all foreign and domestic income taxes from continuing operations.

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12. Earnings Per Share

Occidental's instruments containing rights to nonforfeitable dividends granted in stock-based awards are considered participating securities prior to vesting and, therefore, net income allocated to these participating securities has been deducted from earnings in computing basic and diluted EPS under the two-class method.

Basic EPS was computed by dividing net income attributable to common stock, net of income allocated to participating securities, by the weighted-average number of common shares outstanding during each period, net of treasury shares and including vested but unissued shares and share units. The computation of diluted EPS reflects the additional dilutive effect of stock options and unvested stock awards.

The following table presents the calculation of basic and diluted EPS for the three and six months ended June 30, 2015 and 2014 (in millions, except per-share amounts):

| | Three months ended June 30 | | Six months ended June 30 | |
|---|-------------------------------|---------|-----------------------------|---------|
| | 2015 | 2014 | 2015 | 2014 |
| Basic EPS | | | | |
| Income (loss) from continuing operations | 180 | \$1,161 | \$(35) | \$2,298 |
| Less: Income from continuing operations attributable to noncontrolling interest | — | (3) | — | (5) |
| Income (loss) from continuing operations attributable to common stock | 180 | 1,158 | (35) | 2,293 |
| Discontinued operations, net | (4) | 273 | (7) | 528 |
| Net income (loss) | 176 | 1,431 | (42) | 2,821 |
| Less: Net income allocated to participating securities | — | (3) | — | (4) |
| Net income (loss), net of participating securities | 176 | 1,428 | (42) | 2,817 |
| Weighted average number of basic shares | 766.4 | 782.6 | 768.0 | 786.9 |
| Basic EPS | \$0.23 | \$1.83 | \$(0.05) | \$3.58 |
| Diluted EPS | | | | |
| Net income (loss), net of participating securities | \$176 | \$1,428 | \$(42) | \$2,817 |
| Weighted average number of basic shares | 766.4 | 782.6 | 768.0 | 786.9 |
| Dilutive effect of potentially dilutive securities | 0.2 | 0.3 | — | 0.3 |
| Total diluted weighted average common shares | 766.6 | 782.9 | 768.0 | 787.2 |
| Diluted EPS | \$0.23 | \$1.82 | \$(0.05) | \$3.58 |

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

In this report, "Occidental" means Occidental Petroleum Corporation (OPC), or OPC and one or more entities in which it owns a controlling interest (subsidiaries). Portions of this report contain forward-looking statements and involve risks and uncertainties that could materially affect expected results of operations, liquidity, cash flows and business prospects. Actual results may differ from anticipated results, sometimes materially, and reported results should not be considered an indication of future performance. Factors that could cause results to differ include, but are not limited to: global commodity pricing fluctuations; supply and demand considerations for Occidental's products; higher-than-expected costs; the regulatory approval environment; reorganization or restructuring of Occidental's operations; not successfully completing, or any material delay of, field developments, expansion projects, capital expenditures, efficiency projects, acquisitions or dispositions; lower-than-expected production from development projects or acquisitions; exploration risks; general economic slowdowns domestically or internationally; political conditions and events; liability under environmental regulations including remedial actions; litigation; disruption or interruption of production or manufacturing or facility damage due to accidents, chemical releases, labor unrest, weather, natural disasters, cyber attacks or insurgent activity; failure of risk management; changes in law or regulations; or changes in tax rates. Words such as "estimate," "project," "predict," "will," "would," "should," "could," "may," "anticipate," "plan," "intend," "believe," "expect," "aim," "goal," "target," "objective," "likely" or similar expressions that convey a prospective nature of events or outcomes generally indicate forward-looking statements. You should not place undue reliance on these forward-looking statements, which speak only as of the date of this report. Unless legally required, Occidental does not undertake any obligation to update any forward-looking statements, as a result of new information, future events or otherwise. Material risks that may affect Occidental's results of operations and financial position appear in Part I, Item 1A "Risk Factors" of Occidental's Annual Report on Form 10-K for the year ended December 31, 2014 (the 2014 Form 10-K).

Consolidated Results of Operations

Occidental reported net income of \$176 million for the second quarter of 2015 on net sales of \$3.5 billion, compared to net income of \$1.4 billion on net sales of \$5.1 billion for the same period of 2014. Diluted earnings per share were \$0.23 and \$1.82 for the second quarters of 2015 and 2014, respectively. Occidental reported a net loss of \$42 million for the first six months of 2015 on net sales of \$6.6 billion, compared to net income of \$2.8 billion on net sales of \$10.1 billion for the same period of 2014. Diluted loss per share was \$0.05 for the first six months of 2015, compared to earnings per share of \$3.58 for the same period of 2014.

The decrease in net income (loss) for the three and six months ended June 30, 2015 from a year earlier reflect significantly lower realized crude oil prices and to a lesser extent lower realized NGLs and gas prices, partially offset by higher crude oil volumes.

Selected Statements of Operations Items

Net sales decreased for the three and six months ended June 30, 2015, compared to the same periods of 2014, due to significantly lower realized prices for all oil and gas commodities, and to a lesser extent, lower sales prices on most products for the chemical business, which was partially offset by higher crude oil volumes.

Cost of sales for the three and six months ended June 30, 2015, compared to the same periods in 2014, reflected lower raw material and energy costs for the chemical business. Asset impairments and related items for the six months ended June 30, 2015 reflected first quarter impairment charges of Occidental's South Texas Eagle Ford non-operated properties that are no longer being developed and remaining investments in Yemen due to the collapse of the country's government, as well as mark-to-market losses on a CO₂ derivative contract. Asset impairments for the three and six months ended June 30, 2014 reflected a \$471 million second quarter impairment charge for domestic non-producing

acreage. The decrease in selling, general and administrative and other operating expense for the three and six months ended June 30, 2015, compared to the same periods of 2014, reflected lower compensation expenses, primarily due the decline in Occidental stock price, environmental remediation costs and technology costs, due to fewer computer hardware projects. The increase in depreciation, depletion and amortization (DD&A) expense for the three and six months ended June 30, 2015, compared to the same periods of 2014, reflected higher oil and gas sales volumes, partially offset by lower DD&A rates. Taxes other than on income for the three and six months ended June 30, 2015, compared to the same periods of 2014, reflected lower production taxes, which are mostly tied to oil and gas prices.

The decrease in the provision for domestic and foreign income taxes for the three and six months ended June 30, 2015, compared to the same periods of 2014, was due to lower pre-tax income in 2015 compared to 2014.

Selected Analysis of Financial Position

See “Liquidity and Capital Resources” for a discussion about the changes in cash and cash equivalents and restricted cash.

The decrease in trade receivables, net, at June 30, 2015, compared to December 31, 2014, was due to the significant decline in oil and gas realized prices for all products. The increase in the available for sale investment reflected the increase in fair value of the investment as of June 30, 2015, compared to December 31, 2014. The increase in property, plant and equipment, net, reflected capital expenditures of \$3.1 billion, partially offset by DD&A, asset sales and impairments.

Current maturities of long-term debt at June 30, 2015 is comprised of \$700 million 2.5-percent senior notes due February 2016 and \$750 million 4.125-percent senior notes due June 2016. The decrease in accounts payable at June 30, 2015, compared to December 31, 2014, was due to the payments on the higher capital and operating expenses accrued at year-end 2014, which was paid in the first half of 2015. The decrease in accrued liabilities at June 30, 2015 reflected the first quarter payments for compensation-related costs and ad valorem taxes as well as the settlement payments related to the State of New Jersey litigation. The decrease in domestic and foreign income taxes payable at June 30, 2015 is primarily due to the current year domestic loss position. The decrease in stockholders' equity was mainly due to dividend payments and treasury share purchases.

Segment Operations

Occidental conducts its operations through three segments: (1) oil and gas; (2) chemical; and (3) midstream and marketing. The oil and gas segment explores for, develops and produces oil and condensate, NGLs and natural gas. The chemical segment mainly manufactures and markets basic chemicals and vinyls. The midstream and marketing segment gathers, processes, transports, stores, purchases and markets oil, condensate, NGLs, natural gas, CO₂ and power. It also trades around its assets, including transportation and storage capacity, and trades oil, NGLs, gas and other commodities. Additionally, the midstream and marketing segment invests in entities that conduct similar activities.

The following table sets forth the sales and earnings of each operating segment and corporate items for the three and six months ended June 30, 2015 and 2014 (in millions):

| | Three months ended | | Six months ended June | |
|---|--------------------|---------|-----------------------|-----------|
| | June 30 2015 | 2014 | 30 2015 | 2014 |
| Net Sales ^(a) | | | | |
| Oil and Gas | \$2,342 | \$3,703 | \$4,351 | \$7,305 |
| Chemical | 1,030 | 1,242 | 2,030 | 2,462 |
| Midstream and Marketing | 294 | 440 | 491 | 780 |
| Eliminations | (197 |) (252 |) (314 |) (446 |
| | \$3,469 | \$5,133 | \$6,558 | \$10,101 |
| Segment Earnings ^(b) | | | | |
| Oil and Gas | \$355 | \$1,767 | \$89 | \$3,486 |
| Chemical | 136 | 133 | 275 | 269 |
| Midstream and Marketing ^(c) | 87 | 208 | 72 | 370 |
| | 578 | 2,108 | 436 | 4,125 |
| Unallocated Corporate Items ^(b) | | | | |
| Interest expense, net | (7 |) (18 |) (35 |) (38 |
| Income taxes | (324 |) (809 |) (305 |) (1,603 |
| Other expense, net | (67 |) (123 |) (131 |) (191 |
| Income (loss) from continuing operations ^(c) | 180 | 1,158 | (35 |) 2,293 |
| Discontinued operations, net | (4 |) 273 | (7 |) 528 |
| Net income (loss) attributable to common stock ^(c) | \$176 | \$1,431 | \$(42 |) \$2,821 |

(a) Intersegment sales eliminate upon consolidation and are generally made at prices approximating those that the selling entity would be able to obtain in third-party transactions.

(b) Refer to "Significant Transactions and Events Affecting Earnings," "Oil and Gas Segment," "Chemical Segment," "Midstream and Marketing Segment" and "Corporate" discussions that follow.

(c) Represents amounts attributable to common stock shown after deducting a noncontrolling interest amount of \$3 million and \$5 million for the three and six months ended June 30, 2014, respectively.

Significant Transactions and Events Affecting Earnings

The following table sets forth significant transactions and events affecting Occidental's earnings that vary widely and unpredictably in nature, timing and amount for the three and six months ended June 30, 2015 and 2014 (in millions):

| | Three months ended June 30 | | Six months ended June 30 | |
|---|-------------------------------|---------------|-----------------------------|---------------|
| | 2015 | 2014 | 2015 | 2014 |
| Oil and Gas | | | | |
| Hugoton sale gain and adjustments | \$ (1) | \$ 535 | \$ (1) | \$ 535 |
| Asset impairments and related items - Domestic | 14 | (471) | (250) | (471) |
| Asset impairments and related items - International | (1) | — | (47) | — |
| Asset sales gain | 19 | — | 6 | — |
| Total Oil and Gas | \$ 31 | \$ 64 | \$ (292) | \$ 64 |
| Chemical | | | | |
| No significant items affecting earnings | \$ — | \$ — | \$ — | \$ — |
| Total Chemical | \$ — | \$ — | \$ — | \$ — |
| Midstream and Marketing | | | | |
| Asset Impairments and related items | \$ 3 | \$ 78 | \$ (7) | \$ 144 |
| Total Midstream and Marketing | \$ 3 | \$ 78 | \$ (7) | \$ 144 |
| Corporate | | | | |
| Asset sales loss | \$ — | \$ — | \$ (11) | \$ — |
| Spin-off costs and related items | (6) | (16) | (20) | (16) |
| Tax effect of pre-tax adjustments | (13) | (50) | 99 | (76) |
| Discontinued operations, net* | (4) | 273 | (7) | 528 |
| Total Corporate | \$ (23) | \$ 207 | \$ 61 | \$ 436 |
| Total | \$ 11 | \$ 349 | \$ (238) | \$ 644 |

*Amounts shown after tax.

Worldwide Effective Tax Rate

The following table sets forth the calculation of the worldwide effective tax rate for income from continuing operations for the three and six months ended June 30, 2015 and 2014 (in millions):

| | Three months ended June 30 | | Six months ended June 30 | |
|-------------------------------------|-------------------------------|----------|--------------------------|----------|
| | 2015 | 2014 | 2015 | 2014 |
| Oil and Gas earnings | \$ 355 | \$ 1,767 | \$ 89 | \$ 3,486 |
| Chemical earnings | 136 | 133 | 275 | 269 |
| Midstream and Marketing earnings | 87 | 208 | 72 | 370 |
| Unallocated corporate items | (74) | (141) | (166) | (229) |
| Pre-tax income | 504 | 1,967 | 270 | 3,896 |
| Income tax expense (benefit) | | | | |
| Federal and state | (47) | 278 | (172) | 519 |

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| | | | | | |
|---|-------|---------|--------|-----------|---|
| Foreign | 371 | 531 | 477 | 1,084 | |
| Total | 324 | 809 | 305 | 1,603 | |
| Income (loss) from continuing operations ^(a) | \$180 | \$1,158 | \$(35) |) \$2,293 | |
| Worldwide effective tax rate | 64 | % 41 | % 113 | % 41 | % |

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(a) Represents amounts attributed to income from continuing operations after deducting a noncontrolling interest amount of \$3 million and \$5 million for the three and six months ended June 30, 2014, respectively.

Occidental's worldwide effective income tax rate of 113% for the six months ended June 30, 2015 is higher than the effective income tax rate for the same period of 2014 as a result of a domestic loss in the oil and gas segment, in comparison to foreign pre-tax income, which is subject to a higher statutory rate in foreign jurisdictions.

Oil and Gas Segment

The following tables set forth the production and sales volumes of oil, NGLs and natural gas per day for the three and six months ended June 30, 2015 and 2014. The differences between the production and sales volumes per day are generally due to the timing of shipments at Occidental's international locations where the product is loaded onto tankers.

| Production per Day | Three months ended June 30 | | Six months ended June 30 | |
|---|-------------------------------|------|-----------------------------|------|
| | 2015 | 2014 | 2015 | 2014 |
| Oil (MBBL) | | | | |
| United States ^(a) | 205 | 179 | 201 | 175 |
| Middle East/North Africa | 188 | 174 | 189 | 169 |
| Latin America | 40 | 19 | 39 | 24 |
| NGLs (MBBL) | | | | |
| United States ^(a) | 55 | 53 | 55 | 54 |
| Middle East/North Africa | 12 | 7 | 11 | 7 |
| Natural Gas (MMCF) | | | | |
| United States ^(a) | 437 | 459 | 441 | 460 |
| Middle East/North Africa | 498 | 420 | 488 | 412 |
| Latin America | 10 | 12 | 11 | 12 |
| Total production (MBOE) ^(a,b) | 658 | 580 | 652 | 576 |
| | | | | |
| Sales Volumes per Day | Three months ended June 30 | | Six months ended June 30 | |
| | 2015 | 2014 | 2015 | 2014 |
| Oil (MBBL) | | | | |
| United States ^(a) | 205 | 179 | 201 | 175 |
| Middle East/North Africa | 192 | 168 | 188 | 160 |
| Latin America | 35 | 24 | 35 | 28 |
| NGLs (MBBL) | | | | |
| United States ^(a) | 55 | 53 | 55 | 54 |
| Middle East/North Africa | 12 | 7 | 11 | 7 |
| Natural Gas (MMCF) | | | | |
| United States ^(a) | 437 | 459 | 441 | 460 |
| Middle East/North Africa | 498 | 420 | 488 | 412 |
| Latin America | 10 | 12 | 11 | 12 |
| Total sales volumes (MBOE) ^(a,b) | 657 | 579 | 647 | 571 |

Note: MBBL represents thousand barrels. MMCF represents million cubic feet.

(a) Excluding Hugoton daily production and sales volumes of 2 MBBL of oil, 1 MBBL of NGLs and 16 MMCF of gas for the three months ended June 30, 2014, and 4 MBBL of oil, 2 MBBL of NGLs and 34 MMCF of gas for the six months ended June 30, 2014.

(b) Natural gas volumes have been converted to barrels of oil equivalent (BOE) based on energy content of six thousand cubic feet (MCF) of gas to one barrel of oil. Barrels of oil equivalence does not necessarily result in price equivalence. The price of natural gas on a BOE basis is currently substantially lower than the corresponding price for oil and has been similarly lower for a number of years. For example, for the six months ended June 30, 2015 the average prices of West Texas Intermediate (WTI) oil and New York Mercantile Exchange (NYMEX) natural gas were \$53.29 per barrel and \$2.90 per MCF, respectively, resulting in an oil-to-gas ratio of over 18 to 1.

The following tables present information about Occidental's average realized prices and index prices for the three and six months ended June 30, 2015 and 2014:

| | Three months ended | | Six months ended June | |
|--|----------------------------|----------|--------------------------|----------|
| | June 30 2015 | 2014 | 30 2015 | 2014 |
| Average Realized Prices | | | | |
| Oil (\$/BBL) | | | | |
| United States | \$52.64 | \$93.70 | \$48.25 | \$93.14 |
| Middle East/North Africa | \$56.48 | \$105.15 | \$55.27 | \$104.91 |
| Latin America | \$55.19 | \$101.30 | \$51.43 | \$99.73 |
| Total Worldwide | \$54.55 | \$99.30 | \$51.60 | \$98.73 |
| NGLs (\$/BBL) | | | | |
| United States | \$17.32 | \$42.17 | \$17.32 | \$42.12 |
| Middle East/North Africa | \$21.38 | \$32.00 | \$21.46 | \$34.94 |
| Total Worldwide | \$18.06 | \$40.98 | \$18.01 | \$41.34 |
| Natural Gas (\$/MCF) | | | | |
| United States | \$2.09 | \$4.15 | \$2.29 | \$4.28 |
| Latin America | \$5.49 | \$10.99 | \$4.98 | \$10.90 |
| Total Worldwide | \$1.48 | \$2.68 | \$1.57 | \$2.79 |
| Average Index Prices | | | | |
| WTI oil (\$/BBL) | \$57.94 | \$102.99 | \$53.29 | \$100.84 |
| Brent oil (\$/BBL) | \$63.50 | \$109.77 | \$59.33 | \$108.83 |
| NYMEX gas (\$/MCF) | \$2.73 | \$4.55 | \$2.90 | \$4.61 |
| Average Realized Prices as Percentage of Average Index Prices | | | | |
| | Three months ended June 30 | | Six months ended June 30 | |
| | 2015 | 2014 | 2015 | 2014 |
| Worldwide oil as a percentage of average WTI | 94 | % 96 | % 97 | % 98 |
| Worldwide oil as a percentage of average Brent | 86 | % 90 | % 87 | % 91 |
| Worldwide NGLs as a percentage of average WTI | 31 | % 40 | % 34 | % 41 |
| Domestic natural gas as a percentage of average NYMEX | 77 | % 91 | % 79 | % 93 |

Oil and gas segment earnings were \$355 million for the second quarter of 2015, compared with \$1.8 billion segment earnings for the second quarter of 2014. The decrease in earnings reflected significantly lower commodity prices for all products, especially crude oil, partially offset by higher crude oil volumes and lower DD&A rates.

For the second quarter of 2015, total company average daily oil and gas production volumes increased by 78,000 BOE to 658,000 BOE from 580,000 BOE in the second quarter of 2014 for continuing operations. Domestic average daily production increased by 25,000 BOE to 333,000 BOE in the current quarter with the majority of the increase coming from oil production, which grew by 26,000 barrels to 205,000 barrels per day, with all of the increase coming from Occidental's Permian Resources business unit. The increase in domestic oil production was partially offset by lower oil and natural gas production in the Midcontinent and other regions. International average daily production increased to 325,000 BOE in the second quarter of 2015 from 272,000 BOE in second quarter of 2014. The increase in international production is mainly due to operational improvements and the commencement of production from the Al Hosn Gas Project.

Worldwide commodity prices for the second quarter of 2015 improved modestly from the first quarter of 2015, but were still significantly lower than the second quarter of 2014. The average quarterly WTI and Brent marker prices decreased to \$57.94 per barrel and \$63.50 per barrel, respectively, in the second quarter of 2015, compared to \$102.99

per barrel and \$109.77 per barrel for the second quarter of 2014, respectively. Worldwide realized crude oil prices declined by 45 percent to \$54.55 per barrel for the second quarter of 2015, compared to \$99.30 per barrel in the second quarter of 2014. Worldwide realized NGL prices decreased by 56 percent to \$18.06 per barrel in the

second quarter of 2015, compared to \$40.98 per barrel in the second quarter of 2014. Domestic realized natural gas prices decreased by 50 percent in the second quarter of 2015 to \$2.09 per MCF, compared to \$4.15 per MCF in the second quarter of 2014.

Oil and gas segment earnings were \$89 million for the first six months of 2015, compared with \$3.5 billion for the same period of 2014. The decrease in earnings reflected significantly lower commodity prices for all products, especially crude oil, partially offset by higher crude oil volumes and lower DD&A rates.

Oil and gas production volumes for the first six months of 2015 averaged 652,000 BOE per day, compared with 576,000 BOE per day for the first six months of 2014, excluding Hugoton production. Domestic daily production averaged 330,000 BOE and 305,000 BOE for the first six months of 2015 and 2014, respectively. Average domestic oil production increased by 26,000 barrels per day in the first six months of 2015 compared to the first six months of 2014 with all of the increase coming from Occidental's Permian Resources business unit. Average international daily production volumes increased to 322,000 BOE for the first six months of 2015 from 271,000 BOE for the first six months of 2014. Worldwide average daily sales volumes were 647,000 BOE in the first six months of 2015, compared with 571,000 BOE for 2014. Sales volumes were lower than production volumes due to the timing of liftings in Middle East/North Africa.

Worldwide realized crude oil prices fell by 48 percent to \$51.60 per barrel for the first six months of 2015, compared with \$98.73 per barrel for the first six months of 2014. Worldwide realized NGL prices fell by 56 percent to \$18.01 per barrel for the first six months of 2015, compared with \$41.34 per barrel for the first six months of 2014. Domestic realized gas prices decreased by 46 percent to \$2.29 per MCF for the first six months of 2015, compared to \$4.28 per MCF for the first six months of 2014.

Chemical Segment

Chemical segment earnings for the three and six months ended June 30, 2015 were \$136 million and \$275 million, respectively, compared to \$133 million and \$269 million for the same periods of 2014, respectively. The higher earnings in 2015 compared to the same periods in 2014 reflected lower ethylene and energy costs partially offset by lower prices and volumes for most product lines.

Midstream and Marketing Segment

Midstream and marketing earnings were \$87 million for the three months ended June 30, 2015, compared with income of \$208 million for the same period of 2014. Midstream and marketing earnings were \$72 million for the six months ended June 30, 2015, compared with income of \$370 million for the same period of 2014. The decrease in quarterly and six month earnings year over year is due to the winding down of Phibro commodity trading operations, lower domestic gas plant results due to the decline in NGL prices, reduced pipeline income as a result of lower Dolphin pipeline third party gas sales, the impact from Occidental's reduced ownership in Plains GP Holdings after the fourth quarter 2014 sale of a portion of its interest, and extended planned outages in power generation facilities.

Liquidity and Capital Resources

At June 30, 2015, Occidental had \$2.8 billion and \$2.4 billion in unrestricted and restricted cash, respectively. Income and cash flows are largely dependent on the oil and gas segment's realized prices, sales volumes and operating costs. Occidental funds its operating needs and planned capital expenditures, dividends and any debt payments from cash on hand and cash generated from operations. Occidental, from time to time, may access and has accessed debt markets for general corporate purposes, including acquisitions.

As a result of the tax-free status of the spin-off of California Resources, Occidental's use of restricted cash is limited to the payment of dividends, repayment of debt or share repurchases. To retain the tax-free status of the spin-off, the restricted cash must be used for these purposes within 18 months from the date of distribution.

Net cash provided by operating activities from was \$1.4 billion for the six months ended June 30, 2015, compared to \$5.6 billion for the same period in 2014 which includes \$1.2 billion in operating cash flows from discontinued operations. Operating cash flows were negatively impacted by significantly lower realized prices for all oil and natural gas commodities, partially offset by higher crude oil volumes. The usage of working capital of approximately \$950 million was a result of lower realized prices that impacted receivable collections and payments related to higher capital and operating spending accrued in the fourth quarter of 2014 and paid in 2015. The impact of the chemical and the midstream and marketing segments on overall cash flows is typically less significant than the impact of the oil and gas segment because the chemical and midstream and marketing segments are significantly smaller.

Occidental's net cash used by investing activities was \$3.9 billion for the first six months of 2015, compared to \$4.1 billion for the same period of 2014, which included \$1.0 billion in investing cash flows used by discontinued operations. Capital expenditures for the first six months of 2015 were \$3.1 billion of which \$2.7 billion was for the oil and gas segment. The change in capital accrual for the six months ended June 30, 2015 reflected amounts paid in the first half of 2015 related to capital expenditures incurred and accrued in the fourth quarter of 2014.

Occidental's net cash provided by financing activities was \$1.5 billion for the first six months of 2015, compared to net cash used by financing activities of \$2.5 billion for the same period of 2014. The \$1.6 billion decrease in restricted cash was due to \$0.5 billion in purchases of treasury stock and \$1.1 billion used to pay dividends. Occidental issued senior notes in the second quarter of 2015 resulting in net proceeds of approximately \$1.48 billion. See Note 2, Asset Acquisitions, Dispositions, and Other.

As of June 30, 2015, Occidental was in compliance with all covenants of its financing agreements and had substantial capacity for additional unsecured borrowings, the payment of cash dividends and other distributions on, or acquisitions of, Occidental stock.

Environmental Liabilities and Expenditures

Occidental's operations are subject to stringent federal, state, local and foreign laws and regulations related to improving or maintaining environmental quality. Occidental's environmental compliance costs have generally increased over time and are expected to rise in the future. Occidental factors environmental expenditures for its operations into its business planning process as an integral part of producing quality products responsive to market demand.

The laws that require or address environmental remediation, including CERCLA and similar federal, state, local and foreign laws, may apply retroactively and regardless of fault, the legality of the original activities or the current ownership or control of sites. OPC or certain of its subsidiaries participate in or actively monitor a range of remedial activities and government or private proceedings under these laws with respect to alleged past practices at operating,

closed and third-party sites. Remedial activities may include one or more of the following: investigation involving sampling, modeling, risk assessment or monitoring; cleanup measures including removal, treatment or disposal of hazardous substances; or operation and maintenance of remedial systems. Government or private proceedings seek funding or performance of remediation and, in some cases, compensation for alleged property damage, punitive damages, civil penalties, injunctive relief and government oversight costs.

Refer to Note 6, Environmental Liabilities and Expenditures, in the Notes to the Consolidated Condensed Financial Statements in Part I Item 1 of this Form 10-Q and to the Environmental Liabilities and Expenditures section of Management's Discussion and Analysis of Financial Condition and Results of Operations in Occidental's Annual

Report on Form 10-K for the year ended December 31, 2014 for additional information regarding Occidental's environmental expenditures.

Lawsuits, Claims, Commitments and Contingencies

Occidental accrues reserves for outstanding lawsuits, claims and proceedings when it is probable that a liability has been incurred and the liability can be reasonably estimated. Occidental has disclosed its reserve balances for environmental matters. Reserve balances for other matters as of June 30, 2015 and December 31, 2014 were not material to Occidental's consolidated balance sheets. Occidental also evaluates the amount of reasonably possible losses that it could incur as a result of the matters mentioned above. Occidental has disclosed its range of reasonably possible additional losses for sites where it is a participant in environmental remediation. Occidental believes that other reasonably possible losses that it could incur in excess of reserves accrued on the balance sheet would not be material to its consolidated financial position or results of operations. For further information, see Note 7, Lawsuits, Claims, Commitments and Contingencies, in the Notes to Consolidated Condensed Financial Statements in Part I Item 1 of this Form 10-Q.

Recently Adopted Accounting and Disclosure Changes

See Note 3, Accounting and Disclosure Changes, in the Notes to Condensed Consolidated Financial Statements in Part I Item 1 of this Form 10-Q.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

For the three and six months ended June 30, 2015, there were no material changes in the information required to be provided under Item 305 of Regulation S-K included under Item 7A, "Quantitative and Qualitative Disclosures About Market Risk" in the 2014 Form 10-K.

Item 4. Controls and Procedures

Occidental's President and Chief Executive Officer and its Senior Vice President and Chief Financial Officer supervised and participated in Occidental's evaluation of its disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934) as of the end of the period covered by this report. Based upon that evaluation, Occidental's President and Chief Executive Officer and Senior Vice President and Chief Financial Officer concluded that Occidental's disclosure controls and procedures were effective as of June 30, 2015.

There has been no change in Occidental's internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Securities Exchange Act of 1934) during the first six months of 2015 that has materially affected, or is reasonably likely to materially affect, Occidental's internal control over financial reporting.

PART II OTHER INFORMATION

Item 1. Legal Proceedings

For information regarding legal proceedings, see Note 7, Lawsuits, Claims, Commitments and Contingencies in the Notes to Condensed Consolidated Financial Statements, in Part I Item 1 of this Form 10-Q, and Part I Item 3, "Legal Proceedings" in the 2014 Form 10-K.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

Share Repurchase Activities

Occidental's share repurchase activities for the three and six months ended June 30, 2015, were as follows:

| Period | Total Number of Shares Purchased | Average Price Paid per Share | Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs | Maximum Number of Shares that May Yet be Purchased Under the Plans or Programs ^(a) |
|---------------------|----------------------------------|------------------------------|--|---|
| First Quarter 2015 | 2,750,835 | (b) \$75.07 | 2,650,000 | |
| April 1 - 30, 2015 | — | \$— | — | |
| May 1 - 31, 2015 | 1,533,000 | \$76.94 | 1,533,000 | |
| June 1 - 30, 2015 | 3,236,624 | \$78.58 | 3,236,624 | |
| Second Quarter 2015 | 4,769,624 | \$78.05 | 4,769,624 | |
| Total | 7,520,459 | \$76.96 | 7,419,624 | 63,756,544 |

Represents the total number of shares remaining at June 30, 2015 under Occidental's share repurchase program of (a) 185 million shares. The program was initially announced in 2005. The program does not obligate Occidental to acquire any specific number of shares and may be discontinued at any time.

(b) Includes purchases from the trustee of Occidental's defined contribution savings plan that are not part of publicly announced plans or programs.

Item 6. Exhibits

- 4.1* Indenture, dated as of August 18, 2011, between Occidental and The Bank of New York Mellon Trust Company, N.A. (filed as Exhibit 4.1 to the Current Report on Form 8-K of Occidental dated August 15, 2011 (date of earliest event reported), filed August 19, 2011, File No. 1-9210).
- 4.2* Officers' Certificate of Occidental Petroleum Corporation dated June 23, 2015 establishing the 3.500% Senior Notes due 2025 and the 4.625% Senior Notes due 2045 (filed as Exhibit 4.2 to the Current Report on Form 8-K of Occidental dated June 18, 2015 (date of earliest event reported), filed June 23, 2015, File No. 1-9210).
- 4.3* Form of 3.500% Senior Notes due 2025 (included as Exhibit A to Exhibit 4.2) (filed as Exhibit 4.3 to the Current Report on Form 8-K of Occidental dated June 18, 2015 (date of earliest event reported), filed June 23, 2015, File No. 1-9210).
- 4.4* Form of 4.625% Senior Notes due 2045 (included as Exhibit B to Exhibit 4.2) (filed as Exhibit 4.4 to the Current Report on Form 8-K of Occidental dated June 18, 2015 (date of earliest event reported), filed June 23, 2015, File No. 1-9210).
- 10.1 Form of Occidental Petroleum Corporation 2015 Long-Term Incentive Plan Common Stock Unit Award For Non-Employee Directors Grant Agreement.
- 10.2 Form of Occidental Petroleum Corporation 2015 Long-Term Incentive Plan Common Stock Award For Non-Employee Directors Grant Agreement.
- 10.3 Separation Agreement by and between Occidental Petroleum Corporation and W.C.W (Willie) Chiang, dated June 10, 2015.
- 10.4 Occidental Petroleum Corporation 2015 Long-Term Incentive Plan Form of Notice of Grant of Restricted Stock Unit Incentive Award.
- 10.5 Occidental Petroleum Corporation 2015 Long-Term Incentive Plan Form of Notice of Grant of Performance Retention Incentive Award.
- 10.6 Occidental Petroleum Corporation 2015 Long-Term Incentive Plan Form of Notice of Grant of Return on Assets Incentive Award (MENA).
- 10.7 Occidental Petroleum Corporation 2015 Long-Term Incentive Plan Form of Notice of Grant of Return on Assets Incentive Award (Total).
- 10.8 Occidental Petroleum Corporation 2015 Long-Term Incentive Plan Form of Notice of Grant of Return on Capital Employed Incentive Award.
- 10.9 Occidental Petroleum Corporation 2015 Long-Term Incentive Plan Form of Notice of Grant of Total Shareholder Return Incentive Award.
- 10.10 Occidental Petroleum Corporation 2015 Long-Term Incentive Plan Notice of Grant of Return on Capital Employed Incentive Award for Stephen I. Chazen.
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- 12 Statement regarding the computation of total enterprise ratios of earnings to fixed charges for the three months ended June 30, 2015 and 2014, and for each of the five years in the period ended December 31, 2014.
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- 101.SCH XBRL Taxonomy Extension Schema Document.
- 101.CAL XBRL Taxonomy Extension Calculation Linkbase Document.
- 101.LAB XBRL Taxonomy Extension Label Linkbase Document.
- 101.PRE XBRL Taxonomy Extension Presentation Linkbase Document.
- 101.DEF XBRL Taxonomy Extension Definition Linkbase Document.

* Incorporated herein by reference

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

OCCIDENTAL PETROLEUM CORPORATION

DATE: August 4, 2015

/s/ Jennifer M. Kirk
Jennifer M. Kirk
Vice President, Controller and
Principal Accounting Officer

EXHIBIT INDEX
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