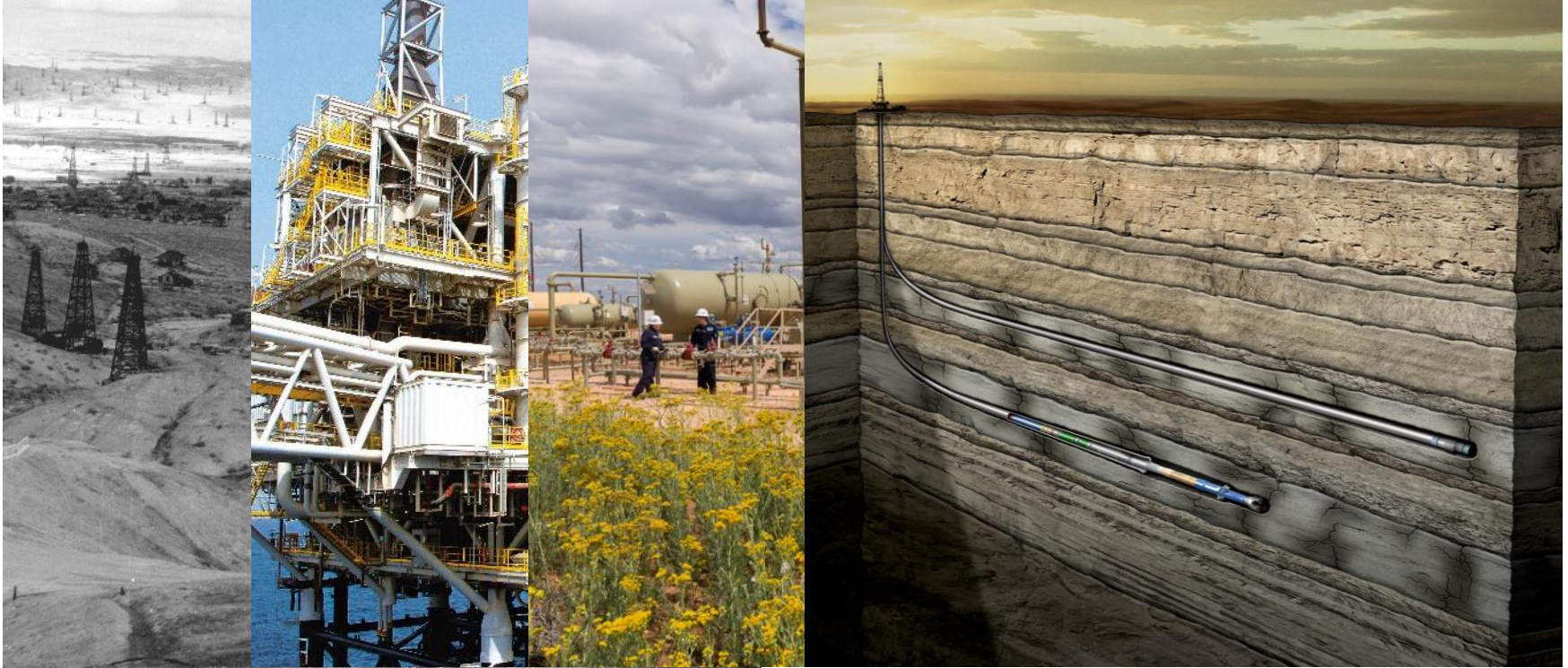


Occidental Petroleum: Technology Update

Vicki Hollub, President and CEO, Occidental Petroleum
June 23, 2017, IPAA Mid-year Conference



Innovation in the Oil Field



Differentiated Value-based Approach

- More Oil
- Less Cost
- Better Inventory

Creating shareholder value over the long-term

- Culture of innovative technology and process
 - Subsurface characterization
 - Integrated development planning
 - Oxy Drilling Dynamics
 - Innovative facility designs
 - Long-term base management
 - Enhanced reservoir recovery
- Early adoption of external trends
 - Big data, analytics, and mobile workforce
 - Multi-lateral wells (SL2)
 - Crude export facility
- Innovative cost efficiency strategies
 - Logistic and Maintenance hubs
 - OBO portfolio and investments



Oil and Gas Core Areas

Focused Businesses

OxyChem

High free cash flow, moderate growth business

Midstream

Integrated infrastructure and marketing business to maximize realizations

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

- Focus areas – Oman, Qatar, and UAE
- Opportunities for growth with partner countries

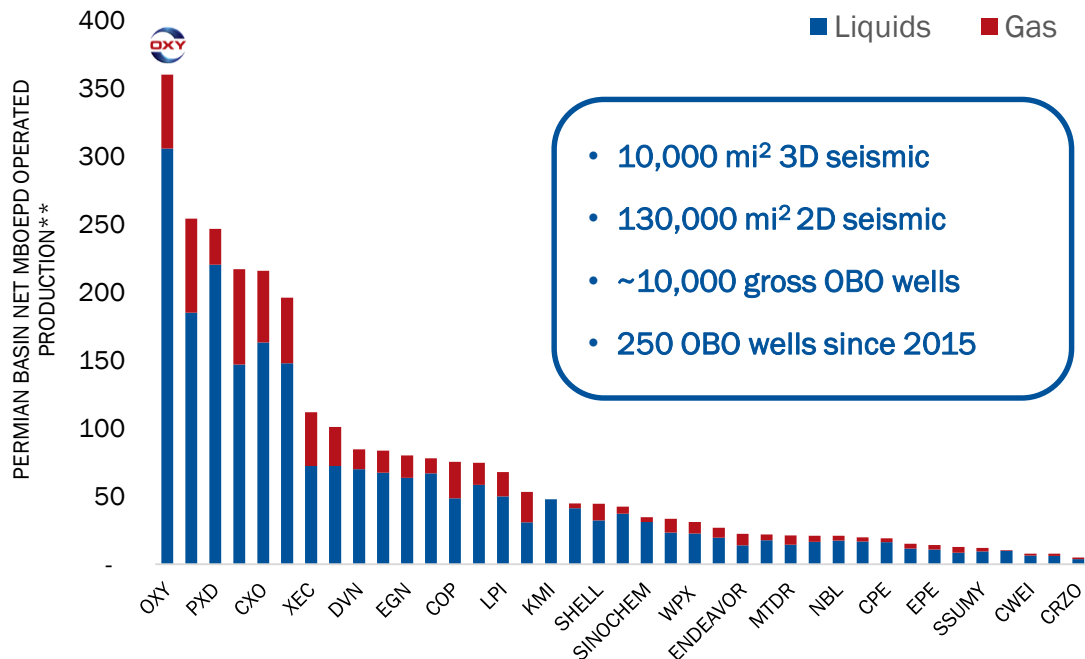


Occidental in the Permian Basin

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

Occidental Permian Business Overview	Net Acres	Operated Wells*	2016 Net Production Mboed
• Resources – Unconventional Areas	1.4	5,150	124
• Enhanced Oil Recovery Areas	1.1	19,310	145
Occidental Permian Total	2.5MM	24,460	269

Permian Basin Industry 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



Permian Basin Highlights

2016 Oil and Gas Performance

Permian Resources

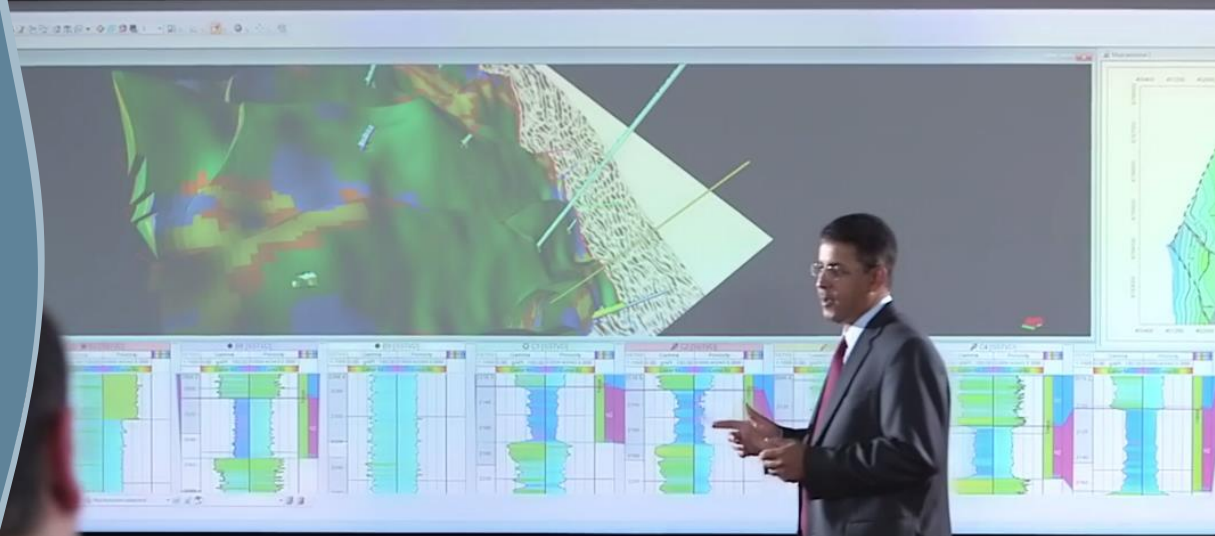
- Growth-oriented unconventional opportunities with approximately 1.4 million net acres
- Fastest-growing asset with over 11,650 drilling locations in its horizontal drilling inventory focused in Midland and Delaware basins; average lateral length increased 20% to approximately 7,100 feet
- Production averaged 124,000 BOE per day, a 13% increase from 2015
- Reserve replacement rate of approximately 290%; finding and development costs at historic low of \$9.00 per BOE

Permian EOR

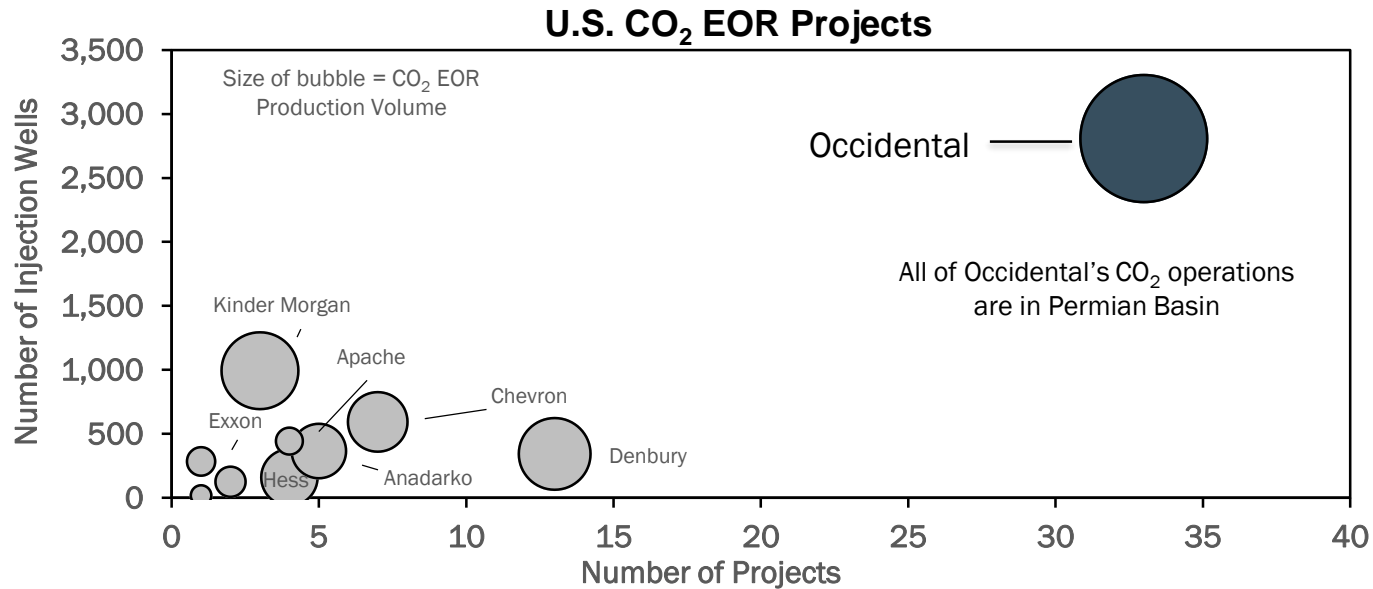
- Utilizes enhanced oil recovery techniques such as CO₂ floods and waterfloods with approximately 1.1 million net acres
- Production averaged 145,000 BOE per day
- Nearly three-quarters of production comes from fields that actively employ CO₂ flooding
- Injects approximately 2.0 billion cubic feet of CO₂ per day into oil reservoirs, making Occidental the largest CO₂ injector in the Permian Basin and among the largest globally



Technology as a Competitive Advantage



Occidental – World Leader in CO₂ EOR



- Inject >2.0 billion cubic feet a day
- Operate 31 CO₂ EOR projects
- Largest handler of CO₂ in Permian

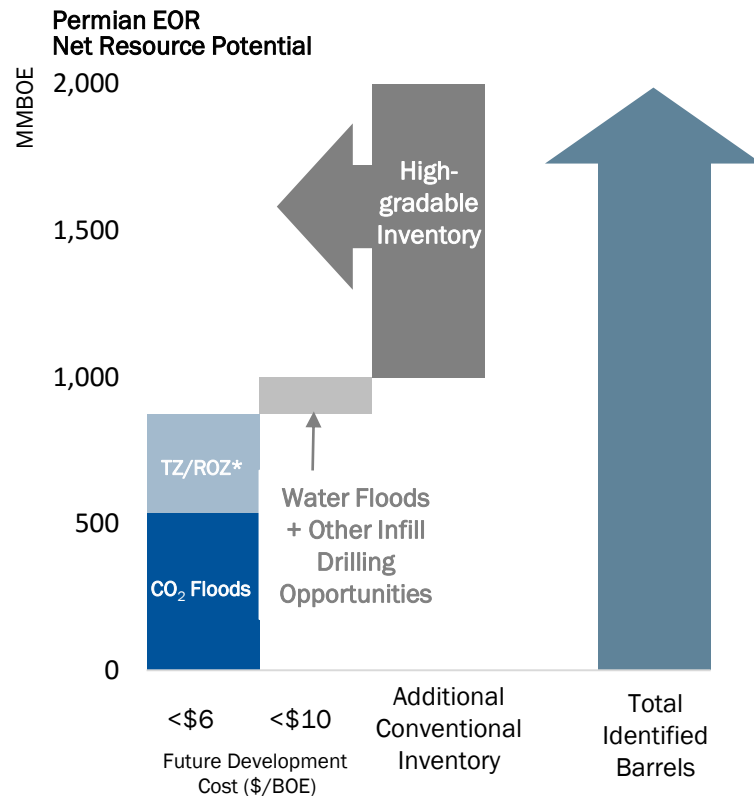
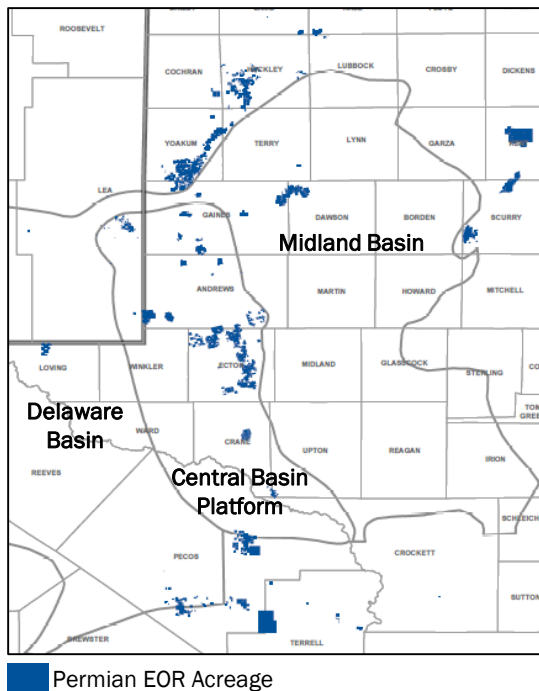


Permian EOR

2 BBOE of identified net resource potential

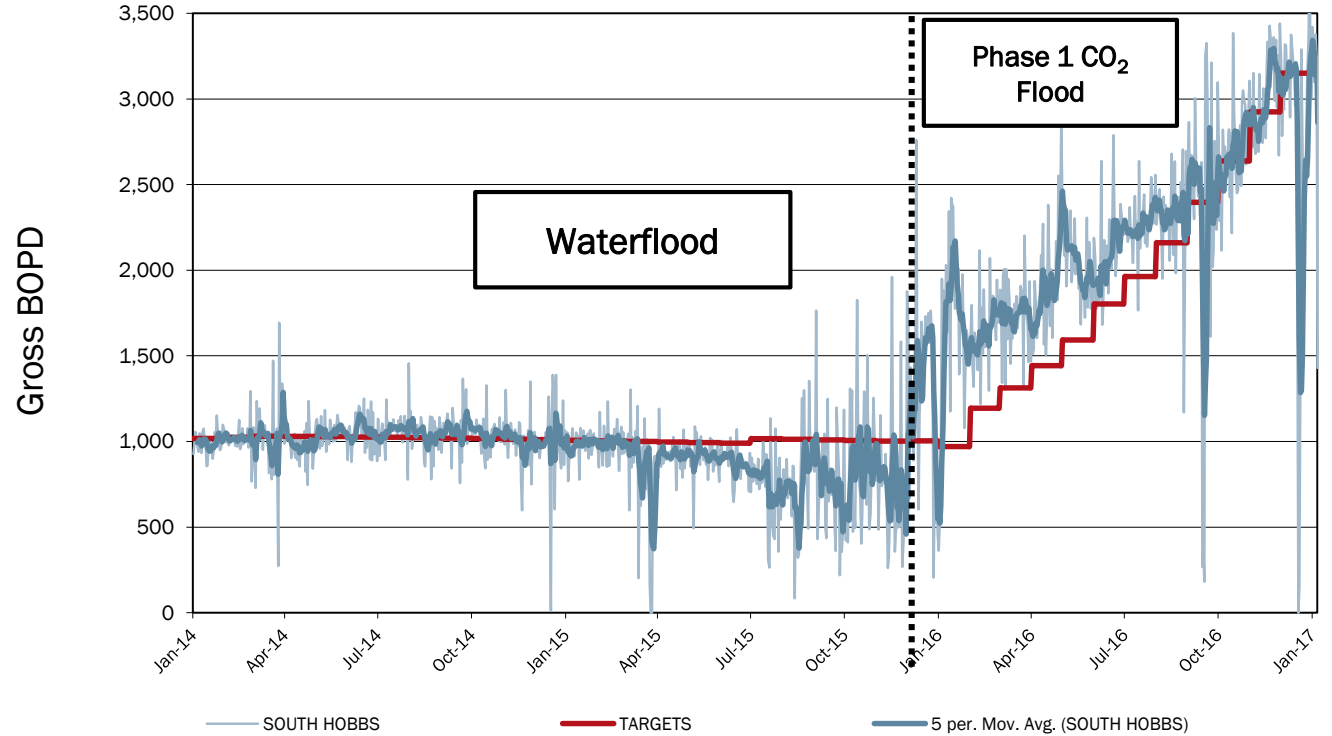
870 net MMBOE at < \$6.00 Future Development Cost

Proven Leader in Maximizing Recovery Across the Permian



*Note: TZ/ROZ – Transition Zone and Residual Oil Zone

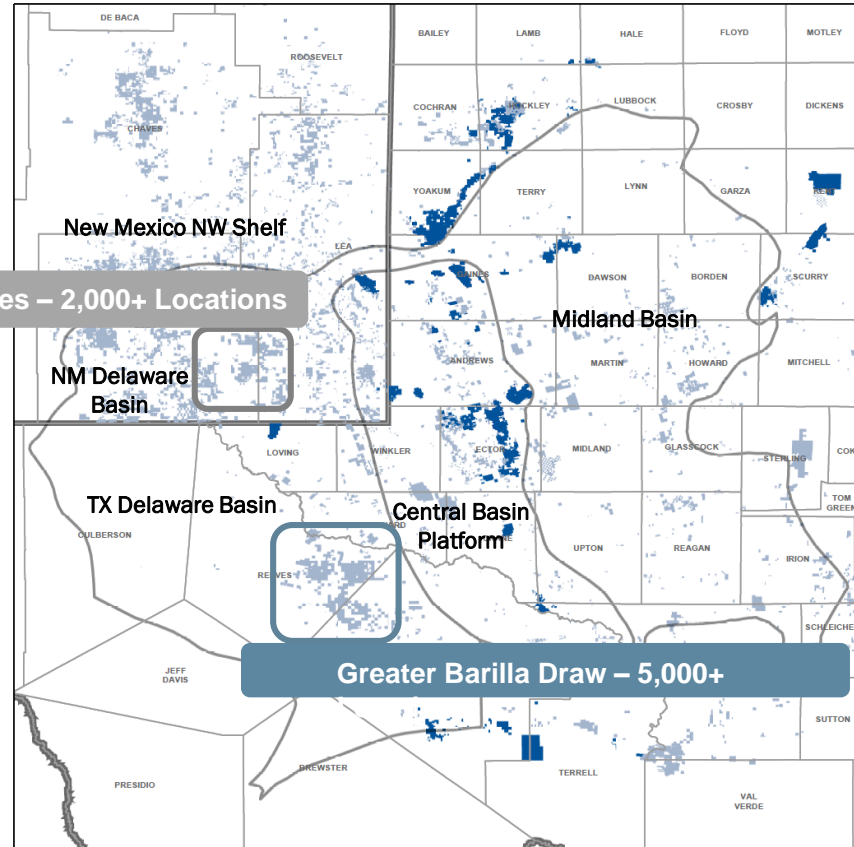
South Hobbs Unit Production and CO₂ Forecast



Permian Resources

- Contiguous Acreage
- Multi-bench
- Capable Infrastructure
- Valuable Growth

Greater Sand Dunes – 2,000+ Locations



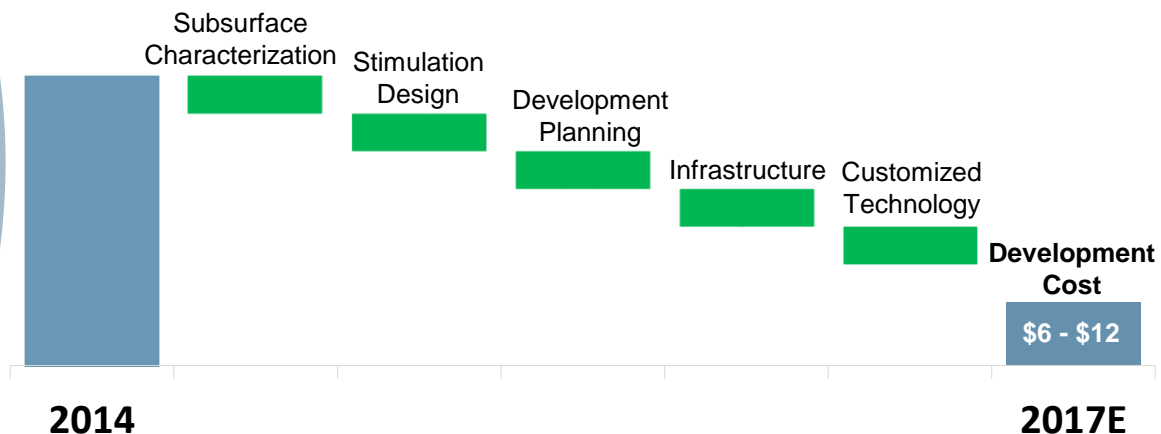
Permian Resources Acreage Permian EOR Acreage



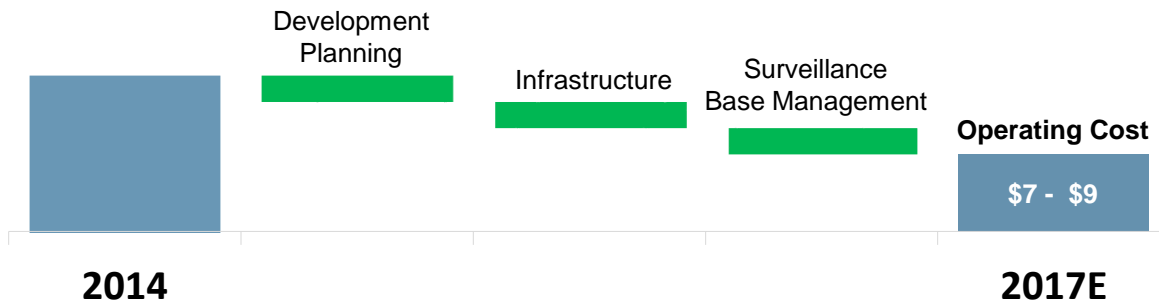
Role of Technology

- 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



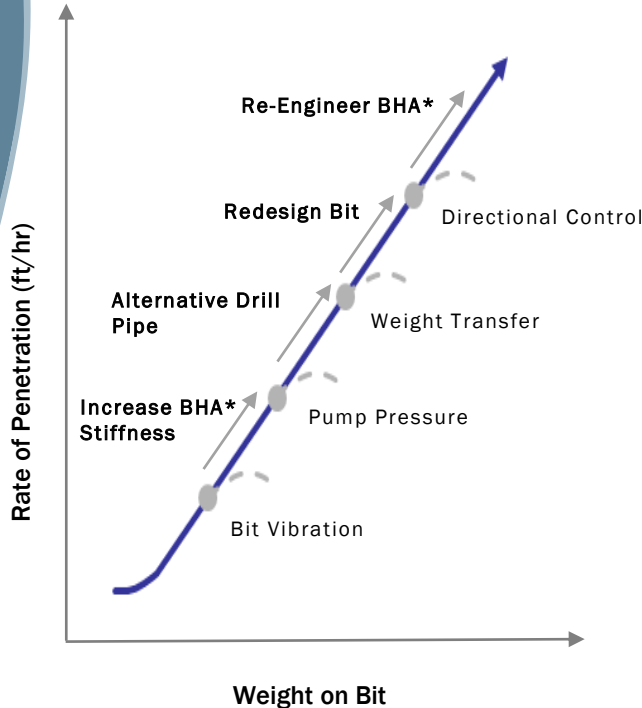
Permian Resources Operating Costs Per BOE



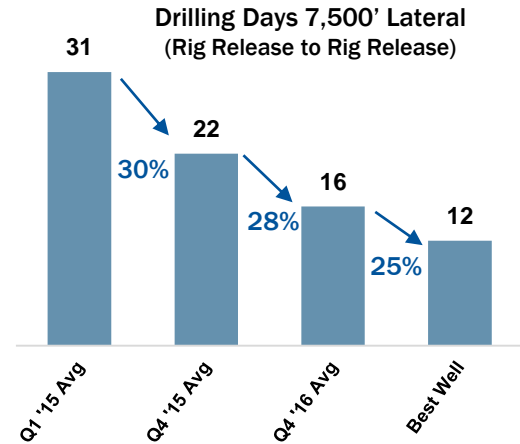
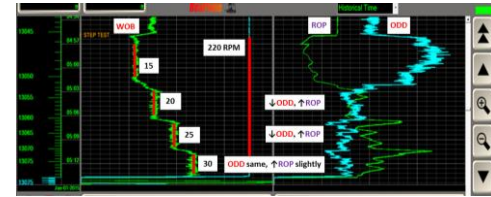
Oxy Drilling Dynamics Adds Value

- **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

Step-changing Performance



Real Time Monitoring from Anywhere



*BHA = bottom hole assembly



Single-location Sequenced Lateral (SL2) Lower Costs

SL2 Potentially Lowers Secondary Bench BE by \$5:

- > Lowers well cost by \$0.5 - \$1.0MM
- > Reduces operating costs by over 50%
- > Sequencing increases facilities utilization
- > One artificial lift system saves \$0.2MM per lateral

Project Timeline:

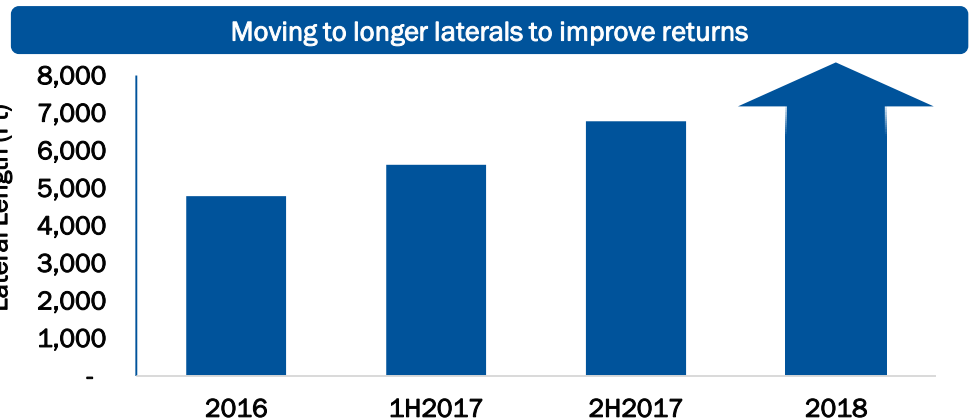
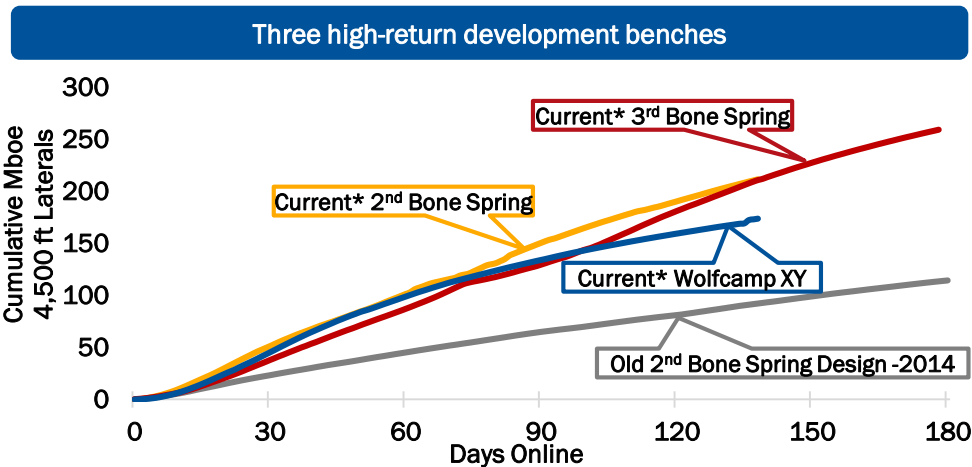
- > Project chartered in 2015, design and lab test in 2016
- > First installation completed in December 2016
- > Barilla Draw - Betty Lou 1016H, WCA & 2nd BS
- > 2017+ wells designed for future SL2 capability



Greater Sand Dunes

- Currently three play-leading benches under development
 - > Modular development
 - > Area appraisal continues to add new benches / flow-units
- Longer laterals
- Reducing secondary bench breakeven prices by ~\$10
 - > Facilities saves ~\$800k per well
 - > SL2 saves >\$500k per well
 - > OPEX reduction up to 50%

Value-based Development Increases Returns



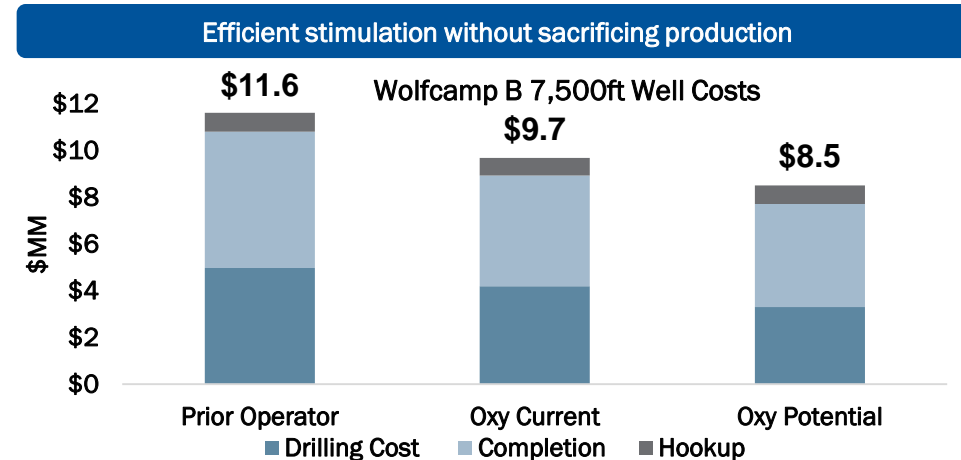
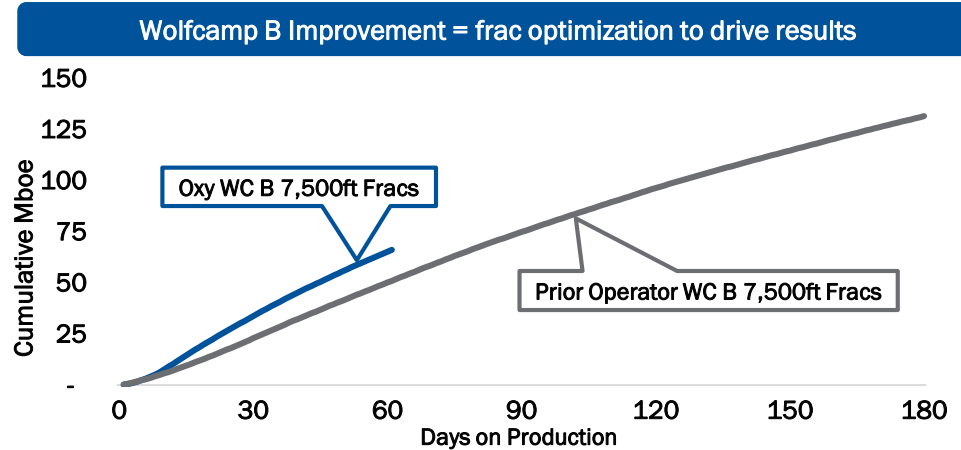
*Current represents wells online 3Q16 – 1Q17



Greater Barilla Draw

- Red Bull South active and improving
 - > 2 rigs currently operating
 - > 3 wells drilled and 3 wells online since acquisition date
 - > Record Peak 24hr WC B 7,500ft at 1,954 boed
 - > 23% lower completion costs
 - > Updating plan from 7,500 ft to 10,000 ft laterals
- Currently 3 rigs in Greater Barilla Draw
 - > 2 additional rigs in 2Q17

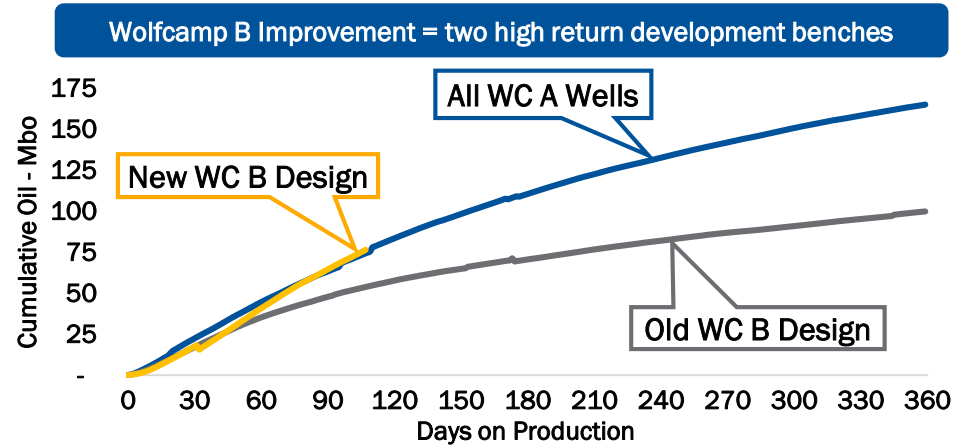
Value-based Development Increases Returns



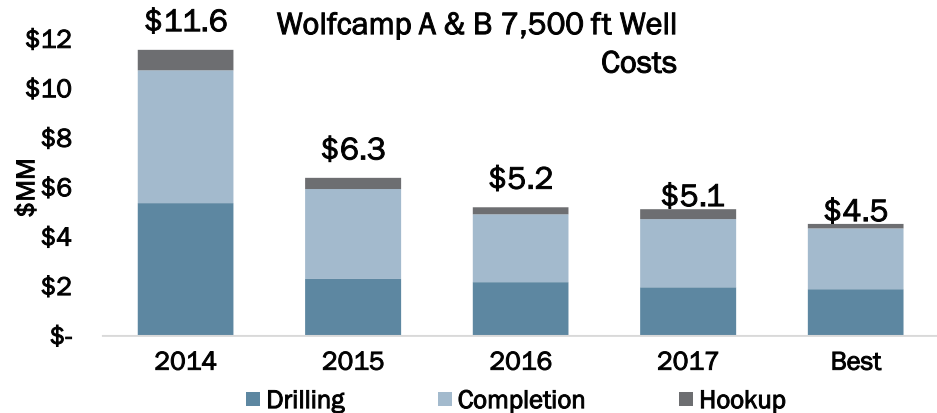
Midland Basin - Merchant

- Currently two play-leading benches under development
 - > Landing point optimized flow units
 - > Wolfcamp B performance +42%
 - > Oil cut from 61% to 77%+
- 2017 lateral length ~ 8,700ft
- Two benches now < \$40 BE
 - > Pad D&C saves ~\$900k per well

Value-based Development Increases Returns



Continuous well cost improvement yielding high returns



Logistic & Maintenance Hub Underway

- Secures supply availability
- \$500 – \$750k savings per well
 - > Below market cost of supply will offset potential service cost inflation
 - > Reduces last mile logistics costs
- Mutually beneficial partnerships

- *Strategically located in New Mexico*
- *244 acres*
- *3 unit train loop*
- *30,000 tons of sand storage*
- *Supports 10-12 rigs/year*
- *Operational in early 2018*

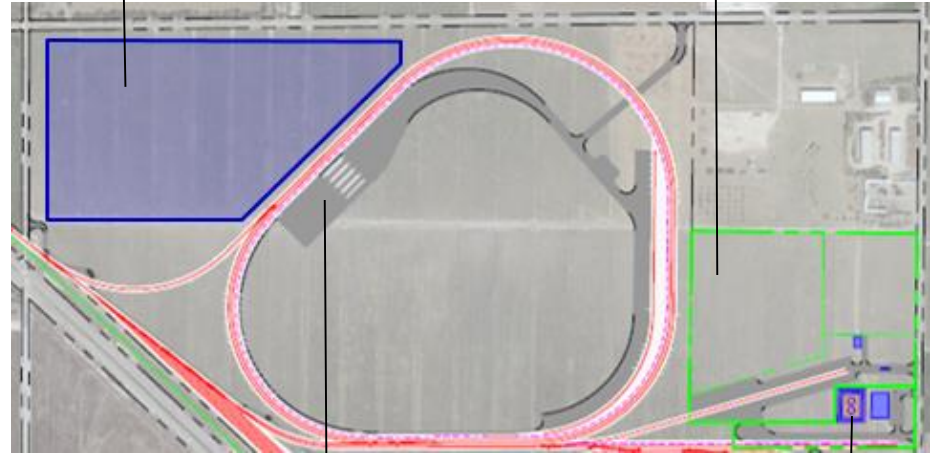
Value Chain Partnerships Lower Costs

Service company yard

- Maintenance
- Stimulation & Cement
- Service directional tools

OCTG Laydown Yard

- ~20 railcar spots
- Dedicated truck entry/exit
- Staging, returns, reclamation



Sand Transload and Storage

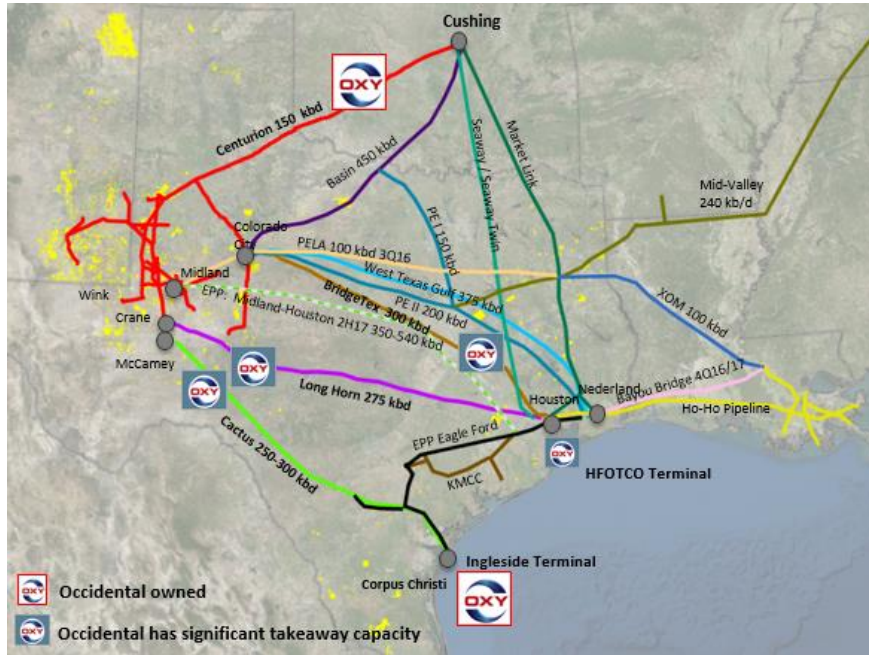
- 6 Silos
- 3 Unit train loops
- Transload capacity

OxyChem Acid Facility

- Transload, storage, and dilution of HCl for fracs
- ~20 rail transload capacity



Technology-leading Infrastructure



Full-cycle Value

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

Shaping Competitive Advantage



Protecting our License to Operate



Q&A



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