Occidental Petroleum Talks Up Record 2008 Performance and Growth

LOS ANGELES, May 1, 2009 (GLOBE NEWSWIRE) — Occidental Petroleum Corporation (NYSE:OXY) Chairman and Chief Executive Officer Dr. Ray R. Irani reported on the company's record 2008 financial and operational achievements at Oxy's annual stockholders' meeting today in Santa Monica, California.

"Notably in 2008, we achieved record earnings of $6.9 billion --the highest in our 88-year history and a 27-percent increase over the 2007 result," Dr. Irani announced. Oxy's net income has increased 166 percent over the past five years.

Among additional 2008 financial highlights, the company achieved return on equity (ROE) of 27 percent, and a year-end debt-to-capitalization ratio of 9 percent -- among the lowest of the major oil and gas companies, and significantly lower than the average for all U.S. industrial companies. Oxy finished 2008 with cash of $1.8 billion and very little net debt while stockholders' equity increased 20 percent. Since year-end 2004, Oxy has reduced its debt by 29 percent while stockholders' equity has grown by 158 percent.

"These achievements underscore the effectiveness of our ongoing business strategy with its continual focus on building stockholder value. With our commitment to strict financial management --limiting risk and leverage -- Oxy has proven to be well positioned for success, even in these challenging economic times," said Dr. Irani.

On April 30, Oxy's Board of Directors declared an increase in the company's annual dividend to stockholders of $.04, to an annual rate of $1.32 per share of common stock, Dr. Irani announced. Oxy has raised the dividend every year since 2002. This increase is the company's eighth over the period, during which Oxy's dividend has risen 164 percent. The company has paid quarterly dividends continuously since 1975.

Oxy continues to lead its proxy peer group in total stockholder return, based on stock price appreciation plus dividend reinvestment. Since 2006, Oxy has delivered stockholder return of approximately 60 percent, outperforming the S&P 500 Index as well as its industry peer group.

Worldwide oil and natural gas production increased by 5.4 percent in 2008, averaging 601,000 barrels of oil equivalent (BOE) per day. The company continues to earn more income per barrel than its competitors. In 2008, for the 10th consecutive year, Oxy led its industry peers in operating income per BOE, with more than $31 per barrel.

In 2008, Oxy replaced 152 percent of its production, including the effect of price

changes from the previous year. Oxy's proved reserve additions over the past three years total 1.1 billion barrels of oil equivalent, for an average replacement rate of 173 percent. By consistently replacing more than 100 percent of its production, Oxy is an industry leader in reserve replacement.

Stockholders also received updates on significant 2008 activities in Oxy's core oil and gas producing regions. "Today we have a focused strategy with 60 percent of our production coming from the United States, 27 percent coming from the Middle East and 13 percent coming from Latin America. This approach has been profitable and rewarding," said Dr. Irani.

Among the 2008 developments in the United States, Oxy completed two purchases totaling $2.7 billion for interests in the Permian Basin of southwest Texas and southeast New Mexico and the Piceance Basin of Colorado. The acquisitions provided 26,500 BOE per day net to Oxy at the time of purchase.

In addition, Oxy entered into an agreement to develop a hydrocarbon gas processing plant and related pipeline infrastructure in West Texas. The project, which broke ground in March 2009, will provide an environmentally advantageous process for the use of carbon dioxide to increase U.S. oil and natural gas production. It is expected to help boost Oxy's production in the area by a minimum of 50,000 barrels per day within the next five years.

Oxy also engaged in several transactions in 2008 with its partners in the Middle East/North Africa, a key growth region for the company. These included a preliminary agreement with the Abu Dhabi National Oil Company to develop two fields in the Emirate of Abu Dhabi; an Exploration and Production Sharing Agreement with Mubadala Development Company to develop four existing gas fields and explore for new discoveries in the Sultanate of Oman; and initial work with Bahrain Petroleum Company to further explore three blocks offshore Bahrain.

Most recently, Oxy was selected as the winning bidder to work with the National Oil and Gas Authority of Bahrain to further develop the onshore Bahrain Field. Oxy signed a definitive agreement with the Kingdom of Bahrain on April 26 and final approval by the Bahraini Parliament is expected in the near future.

Dr. Irani also reported to stockholders that OxyChem, the company's highly efficient chemical segment, achieved 11-percent earnings growth in 2008 -- with total earnings of $669 million. Chemical-reported earnings accounted for about 6 percent of Oxy's total segment earnings last year.

At the Annual Meeting, the stockholders reelected the Board of Directors for a term expiring in 2010, ratified the selection of KPMG LLP as the independent auditors for 2009 and approved the amendment of the Restated Certificate of Incorporation to permit the holders of at least 25 percent of the outstanding common stock to call a special meeting. A stockholder proposal with respect to a report on host country laws did not pass.

Looking ahead, Dr. Irani said: "We believe Oxy is well positioned to succeed in

today's volatile business environment. As we look to the future, we will build on Oxy's strengths in order to continue to deliver performance, growth and value."

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