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OCCIDENTAL PETROLEUM CORP /DE/  
Form 8-K  
October 16, 2001

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SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

PURSUANT TO SECTION 13 OR 15(D) OF THE  
SECURITIES EXCHANGE ACT OF 1934

DATE OF REPORT (DATE OF EARLIEST EVENT REPORTED) OCTOBER 16, 2001

OCCIDENTAL PETROLEUM CORPORATION  
(Exact name of registrant as specified in its charter)

|   |                                       |   |
|---|---------------------------------------|---|
| DELAWARE<br>(State or other jurisdiction<br>of incorporation) | 1-9210<br>(Commission<br>File Number) | 95-4035997<br>(I.R.S. Employer<br>Identification No.) |
|---|---------------------------------------|---|

|   |                     |
|---|---------------------|
| 10889 WILSHIRE BOULEVARD<br>LOS ANGELES, CALIFORNIA<br>(Address of principal executive offices) | 90024<br>(ZIP code) |
|---|---------------------|

Registrant's telephone number, including area code:  
(310) 208-8800

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Item 9. Regulation FD Disclosure  
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The following is a presentation made by Dr. Ray R. Irani, Chairman and Chief Executive Officer of Occidental Petroleum Corporation, and Stephen I. Chazen, Chief Financial Officer and Executive Vice President - Corporate Development of Occidental.

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Occidental Petroleum Corporation

[graphic omitted]

Dr. Ray R. Irani  
Chairman and Chief Executive Officer

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Stephen I. Chazen  
Chief Financial Officer &  
Executive Vice President - Corporate Development

October 2001

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Outline

- o Strategic Overview
- o Financial Review
- o Operations Review
- o Growth Initiatives
- o Summary

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Business Strategy

- o Focus on large, long-lived oil and gas assets with growth potential
- o Maintain financial discipline; strengthen balance sheet
- o Harvest cash from chemicals

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Oil & Gas Growth Strategy

- o Three-part strategy - no single part dominates
  - > Exploration
    - o Quality of exploration projects defines budget allocations
  - > Seek EOR projects with superior returns
  - > Acquire assets with upside potential at attractive prices & divest assets with limited earnings potential
- o Opportunity & disciplined investment drive business success

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Debt Reduction

|  |             |
|--|-------------|
| Total Debt   |             |
| Pro-Forma Post Altura                                  |             |
| (+ Oxy Permian Debt) ----->                            | \$ 9,175    |
| Net Asset Sales  |             |
| 2000 ----->  | (1,447) (1) |
| 2001 ----->  | (758) (2)   |
| Cash From Operation                                    |             |
| 2000-2001 ----->                                       | (1,841)     |
| Pro-Forma 6/30/01                                      | \$ 5,129    |
| (1) CanOxy, Gulf of Mexico, Netherlands, Durez & Other |             |
| (2) Indonesia, Texas Pipeline & Other                  |             |

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Total Debt

[the following is a tabular representation of graphical materials]

\$ Millions

|                           | 12/31/99 | Pro-Forma<br>Post Altura | 12/31/00 | 6/30/01 | Pro-Forma<br>6/30/01 |
|---------------------------|----------|--------------------------|----------|---------|----------------------|
| Oxy Public Debt           | 4,372    | 5,766                    | 3,541    | 3,536   | 3,536                |
| Other Recourse Debt       | 1,076    | 1,009                    | 915      | 843     | 843                  |
| Permian Non-recourse Debt | --       | 2,400                    | 1,900    | 1,500   | 750                  |
| Total                     | 5,448    | 9,175                    | 6,356    | 5,879   | 5,129                |

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Capitalization

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[the following is a tabular representation of graphical materials]

\$ Millions

|                           | 12/31/99 | Pro-Forma<br>Post Altura | 12/31/00 | 6/30/01 | Pro-Forma<br>6/30/01 |
|---------------------------|----------|--------------------------|----------|---------|----------------------|
| Shareholders' Equity      | 3,523    | 3,748                    | 4,774    | 5,595   | 5,720                |
| Permian Non-recourse Debt | --       | 2,400                    | 1,900    | 1,500   | 750                  |
| Oxy Public Debt           | 5,448    | 6,775                    | 4,456    | 4,379   | 4,379                |
| Total                     | 8,971    | 12,923                   | 11,130   | 11,474  | 10,849               |

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Debt/Capitalization Ratio

[the following is a tabular representation of graphical materials]

\$ Millions

|                           | 12/31/99 | Pro-Forma<br>Post Altura | 12/31/00 | 6/30/01 | Pro-Forma<br>6/30/01 |
|---------------------------|----------|--------------------------|----------|---------|----------------------|
| Debt/Capitalization Ratio | 61%      | 71%                      | 57%      | 51%     | 48%                  |

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Total Debt/Capitalization Ratio

[the following is a tabular representation of graphical materials]

\$ Millions

|                                 | 1995 | 1996 | 1997 | 1998 | 1999 | 2000 | Pro-Forma<br>6/30/01 |
|---------------------------------|------|------|------|------|------|------|----------------------|
| Total Debt/Capitalization Ratio | 68%  | 62%  | 67%  | 66%  | 61%  | 57%  | 48%                  |

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Interest & Preferred Dividends

[the following is a tabular representation of graphical materials]

\$ Millions

|                           | 1995 | 1996 | 1997 | 1998 | 1999 | 2000 |
|---------------------------|------|------|------|------|------|------|
|                           | ---- | ---- | ---- | ---- | ---- | ---- |
| Oxy Public Debt           | 540  | 451  | 407  | 451  | 468  | 368  |
| Permian Non-recourse Debt |      |      |      |      |      | 118  |
| Preferred Dividends       | 93   | 93   | 88   | 17   | 7    |      |
| Capital Trust Preferred   |      |      |      |      | 41   | 40   |
|                           | ---- | ---- | ---- | ---- | ---- | ---- |
| Total                     | 633  | 544  | 495  | 468  | 516  | 526  |

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Oil Companies' Total Debt

|                      | 2001*    | 1997     |
|----------------------|----------|----------|
|                      | ----     | ----     |
| British Petroleum    | \$20,500 | \$ 7,238 |
| Chevron/Texaco       | 14,100   | 13,608   |
| Exxon                | 11,200   | 9,952    |
| Conoco               | 10,800   | 2,272    |
| Phillips             | 9,900    | 6,659    |
| Devon                | 8,500    | 150      |
| Amerada Hess         | 5,300    | 2,127    |
| Oxy                  | 5,000    | 6,378    |
| Anadarko             | 4,800    | 956      |
| Burlington Resources | 4,000    | 1,748    |
| Kerr McGee           | 3,700    | 579      |
| Unocal               | 3,500    | 2,692    |
| Apache               | 2,900    | 1,519    |

\* 2001 second quarter adjusted for subsequent events; numbers rounded to nearest 000.

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Proved Reserves

[the following is a tabular representation of graphical materials]

Billion BOE

|                 | 1997 | 1998 | 1999 | 2000  |
|-----------------|------|------|------|-------|
|                 | ---- | ---- | ---- | ----  |
| Proved Reserves | 1.31 | 1.42 | 1.35 | 2.17* |

\* 66% increase from 1997

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Production

[the following is a tabular representation of graphical materials]

Thousand BOE/Day

|            | 1997 | 1998 | 1999 | 2000 | 2001 Est. |
|------------|------|------|------|------|-----------|
|            | ---- | ---- | ---- | ---- | -----     |
| Production | 395  | 438  | 425  | 461  | 465       |

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1999 Profitability/BOE\*

[the following is a tabular representation of graphical materials]

|     | \$/BOE |
|-----|--------|
|     | ----   |
| OXY | 5.30   |
| APA | 4.55   |
| APC | 3.98   |
| BP  | 3.88   |
| COC | 3.73   |
| XOM | 3.53   |

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|     |      |
|-----|------|
| KMG | 3.48 |
| CHV | 3.03 |
| MRO | 2.92 |
| P   | 2.91 |
| AHC | 2.72 |
| TX  | 2.22 |
| UCL | 1.68 |
| BR  | 0.88 |

\* Exploration and production income (per FAS 69 format) after taxes and before interest expense

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2000 Profitability/BOE\*

[the following is a tabular representation of graphical materials]

|     | \$/BOE |
|-----|--------|
|     | -----  |
| OXY | 11.30  |
| APC | 9.06   |
| APA | 8.92   |
| KMG | 8.76   |
| BP  | 7.94   |
| CHV | 7.50   |
| XOM | 7.04   |
| COC | 7.00   |
| TX  | 6.83   |
| AHC | 6.44   |
| P   | 6.42   |
| MRO | 6.11   |
| UCL | 5.70   |
| BR  | 5.23   |

\* Exploration and production income (per FAS 69 format) after taxes and before interest expense. The Marathon (MRO) results exclude a non-cash charge of approximately \$900 million.

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2001 Profitability/BOE\*

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[the following is a tabular representation of graphical materials]

First Half  
\$/BOE  
-----

|     |   |
|-----|---|
| OXY | 20.91 (includes 5.01 representing California Gas Premium) |
| APC | 16.00   |
| APA | 15.87   |
| BP  | 14.87   |
| BR  | 14.35   |
| KMG | 14.10   |
| MRO | 13.83   |
| XOM | 12.97   |
| COC | 12.52   |
| UCL | 12.17   |
| CHV | 11.98   |
| AHC | 11.85   |
| TX  | 11.84   |
| P   | 11.05   |

\* Exploration and production income before U.S. income taxes and before interest expense

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Costs Per BOE

## Assumptions

- o Chemicals earnings = \$350 million
- o Interest based on current debt level
- o All costs & production based on year-to-date results through 9/30
- o Capital = \$1 billion

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17

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Costs Per BOE

Cash Flow Break-Even

\$/BOE



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|                     |         |
|---------------------|---------|
| Lifting Costs/Other | \$5.82  |
| DD&A                | 4.34    |
| SG&A                | 2.10    |
| Chemicals           | (2.61)  |
| Interest Expense    | 2.28    |
| Dividends           | 2.17    |
| Taxes               | 0.95    |
| Total               | \$15.04 |

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Middle East

[map of Middle East]

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Middle East

[map of Middle East]

20

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Middle East - Arabian Peninsula

[map of Arabian Peninsula]

21

21

Middle East - Arabian Peninsula

[map of Arabian Peninsula]

22

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Middle East - Arabian Peninsula

[map of Arabian Peninsula]

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Saudi Arabia - Core Venture 2

[map of Saudi Arabia]

- o Explore blocks 40-49 in the Red Sea area
- o Develop Midyan & Barqan gas discoveries
- o Construct Midyan & Barqan processing plant
- o Develop petrochemical facility at Yanbu
- o Develop power & desalination projects at Dhuba

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Saudi Arabia - Core Venture 2

[map of Saudi Arabia]

- o Long-term strategic partnership
- o New phase of industrial Saudi development
- o Competitive returns on investment
- o Attractive risk/reward ratio

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Oman

[map of Oman]

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Qatar

[map of Qatar]

- o Second generation EOR will add reserves and production
- o New exploration opportunities

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Yemen

[map of Yemen]

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Abu Dhabi - Dolphin Project

[map of Arabian Gulf Region]

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Ecuador

[map of Northern Ecuador]

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30  
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Horn Mountain

[map of Horn Mountain project in the Gulf of Mexico]

- o 60 miles offshore/
  - > Water depth = 5,400 feet
- o Gross reserves = 150 million BOE
- o On Schedule/under budget
  - > First production (Late 2002)
  - > Peak production (2004)
    - o Oxy net 21,000 BOE/Day

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California Gas Exploration

[map of California gas-producing areas]

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Business Review - U.S.

COMBINED WEIGHTED AVERAGE RETURN ON CAPITAL = 20%  
-----

Elk Hills Acquisition (2/8/98)  
Price = \$3.5 Billion  
-----

Free Cash Flow (After Capital)  
(2/8/98 - 6/30/01)

Altura Acquisition (4/19/00)  
Price = \$3.6 Billion  
-----

Free Cash Flow (After Capital)  
(4/19/00 - 6/30/01)

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\$2.14 Billion  
Return on Capital = 18%

\$992 Million  
Return on Capital = 22%

THUMS Acquisition (4/28/00)  
Price = \$110 Million  
-----  
Free Cash Flow (After Capital)  
(4/28/00 - 6/30/01)  
\$107 Million  
Return on Capital = 89%

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Return on Equity

Ten - Year Trend  
(%)

| 10 Yrs | Average - Years |       |       | Annual | Est. |
|--------|-----------------|-------|-------|--------|------|
|        | 7 Yrs           | 5 Yrs | 3 Yrs | 2000   | 2001 |
| 10.4   | 16.0            | 15.4  | 26.6  | 37.9   | 29.0 |

\* Results are based on reported earnings through 2000 and First Call's average earnings estimate of \$4.18 per share for 2001.

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Return on Equity

[the following is a tabular representation of graphical materials]

|     | 2000<br>(%)<br>---- |
|-----|---------------------|
| APA | 56.4                |
| KMG | 40.8                |
| OXY | 37.9                |
| COC | 37.4                |
| P   | 35.0                |
| UCL | 32.2                |
| AHC | 29.6                |

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|     |      |
|-----|------|
| CHV | 27.5 |
| XOM | 26.4 |
| TX  | 20.4 |
| APC | 20.1 |
| BP  | 19.7 |
| BR  | 19.3 |
| MRO | 9.0  |

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Return on Capital Employed

Ten - Year Trend  
(%)

| 10 Yrs | Average - Years |       |       | Annual | Est. |
|--------|-----------------|-------|-------|--------|------|
|        | 7 Yrs           | 5 Yrs | 3 Yrs | 2000   | 2001 |
| 7.7    | 9.7             | 10.0  | 14.8  | 19.0   | 16.7 |

\* Results are based on reported earnings through 2000 and First Call's average earnings estimate of \$4.18 per share for 2001.

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Return on Capital Employed

[the following is a tabular representation of graphical materials]

|     | 2000<br>(%) |
|-----|-------------|
| XOM | 24.2        |
| COC | 23.1        |
| CHV | 22.8        |
| KMG | 22.0        |
| AHC | 20.0        |
| P   | 19.5        |
| OXY | 19.0        |
| BP  | 17.5        |
| UCL | 16.4        |

|     |      |
|-----|------|
| TX  | 14.6 |
| BR  | 13.3 |
| APA | 13.0 |
| APC | 12.5 |
| MRO | 7.9  |

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Summary

Restructuring Has Worked

- o Stronger competitive position
  - > Improved risk profile
    - o Improved base earnings and cash flow
    - o Improved coverage ratios over wide range of financial results
    - o Improved debt to capitalization ratio
      - \* Lowest absolute debt level since 1985
    - o Low maturities over next several years
  - > Improved liquidity

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Summary

Growth Initiatives

|                                 | First<br>Production<br>----- | Peak<br>Production<br>----- | Peak<br>Production<br>Rate<br>----- |
|---------------------------------|------------------------------|-----------------------------|-------------------------------------|
| Ecuador                         | 1Q/2003                      | 2004                        | 30,000 bd                           |
| Gulf of Mexico<br>Horn Mountain | 4/Q/2002                     | 2004                        | 21,000 bd                           |
| Qatar                           |                              |                             |                                     |
| ISND Phase 2                    | 2002                         | 2004                        | 18,000 bd                           |
| ISSD                            | 2002                         | 2004                        | 7,000 bd                            |
| Saudi Arabia                    |                              |                             |                                     |
| Midyan/Barqan                   | 2003                         | 2004                        | 20 mmcf/d                           |
| Red Sea                         | ?                            | ?                           | ?                                   |
| -----                           |                              |                             |                                     |
| Dolphin Project                 | 2005                         | 2005                        | 500 mmcf/d                          |
| -----                           |                              |                             |                                     |

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Occidental Petroleum Corporation

- o Portions of this presentation are forward-looking and involve risks and uncertainties that could significantly affect expected results. Factors that could cause results to differ materially include, but are not limited to: global commodity pricing fluctuations for oil, gas and chemicals; competitive pricing pressures; higher than expected costs including feedstocks; the supply/demand considerations for Occidental's products; any general economic recession domestically or internationally; and not successfully completing any expansion, capital expenditure or acquisition.
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SIGNATURE

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 hereunto duly authorized.

OCCIDENTAL PETROLEUM CORPORATION  
(Registrant)

DATE: October 16, 2001

S. P. Dominick, Jr.

S. P. Dominick, Jr., Vice President and Controller  
(Chief Accounting and Duly Authorized Officer)