Occidental Petroleum Corporation (NYSE:OXY) announced today that at year-end 2016, the company's preliminary worldwide proved reserves totaled 2.4 billion barrels of oil equivalent (BOE) compared to 2.2 billion BOE at the end of 2015. In 2016, the company had proved reserve additions from all sources of 437 million BOE, compared to production of 231 million BOE, for a reserves replacement ratio of nearly 190 percent.

Preliminary domestic proved reserves totaled 1.4 billion BOE compared to 1.3 billion BOE at the end of 2015. In 2016, Occidental’s domestic operations had proved reserves additions from all sources of 192 million BOE, compared to production of 110 million BOE, for a reserves replacement ratio of 175 percent.

"We have had an exceptionally strong year for reserves with almost 190 percent reserve replacement at a finding and development cost of $9.65 per BOE company-wide. Domestically, we replaced about 210 percent of our Permian Basin production with Permian Resources replacing 290 percent of its production. The 2016 reserves program additions for Permian Resources came in at historically low finding and development costs of less than $9.00 per BOE. We expect continued improvement in 2017 based on this trend," said President and Chief Executive Officer, Vicki Hollub.

As of December 31, 2016, the company's proved reserves consisted of 56 percent oil, 17 percent NGL and 27 percent gas. Of the total proved reserves, approximately 56 percent is in the United States and 44 percent in international locations. Approximately 77 percent of the proved reserves are developed and 23 percent are undeveloped. Total company revisions were net positive 159 million BOE, which included 68 million BOE of negative revisions related to price. Total company proved additions, excluding revisions, were 278 million BOE.

About Occidental Petroleum

Occidental Petroleum Corporation is an international oil and gas exploration and production company with operations in the United States, Middle East and Latin America. Headquartered in Houston, Occidental is one of the largest U.S. oil and gas companies, based on equity market capitalization. Occidental’s midstream and marketing segment gathers, processes, transports, stores, purchases and markets hydrocarbons and other commodities. The company’s wholly owned subsidiary OxyChem manufactures and markets basic chemicals and vinyls. Occidental posts or provides links to important information on its website at www.oxy.com.

Non-GAAP Measures

This press release and the accompanying attachments refer to “finding and development cost” (F&D Cost) and “reserves replacement,” which are non-GAAP measures that Occidental believes are widely used in our industry, as well as by analysts and investors, to measure and evaluate the cost of replacing annual production and adding proved reserves. Occidental’s definitions of these non-GAAP measures may differ from similarly titled measures provided by other companies and as a result may not be comparable. F&D Cost – All-In is calculated by dividing total costs incurred for the year as defined by GAAP by the sum of proved reserve revisions, improved recovery, extensions and discoveries and purchases of minerals in place for the year. F&D Cost – Organic is F&D Cost – All-In excluding both the property acquisition costs and purchases of minerals in place, and F&D – Program Additions further excludes reserve revisions. Reserves Replacement – All-In is calculated by dividing the sum of proved reserve revisions, improved recovery, extensions and discoveries and purchases and sales of minerals in place for the year by current year production. Reserves Replacement – Organic is Reserves Replacement – All-In, excluding purchases and sales of minerals in place for the year.

Forward-Looking Statements

Portions of this press release 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; uncertainties about the estimated quantities of oil and natural gas reserves; 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,” “might,” “anticipate,” “plan,” “intend,” “believe,” “expect,” “aim,” “goal,” “target,” “objective,” “likely” or similar expressions that convey the 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 release. 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 the 2015 Form 10-K.

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