OCCIDENTAL PETROLEUM CORP /DE/
Form 424B3
December 22, 2005
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FILED PURSUANT TO RULE 424 (B)(3)

REGISTRATION NO. 333-129721

Vintage Petroleum, Inc.

To the Stockholders of Vintage Petroleum, Inc.:

You are cordially invited to attend a special meeting of the stockholders of Vintage Petroleum, Inc., which will be held on January 26, 2006, at 10 a.m. local time. The special meeting will be held at 110 W. Seventh Street, 28th Floor, Tulsa, Oklahoma 74119.

At the special meeting, you will be asked to adopt the Agreement and Plan of Merger, dated as of October 13, 2005, among Vintage Petroleum, Inc., Occidental Petroleum Corporation, and a wholly owned subsidiary of Occidental.

Pursuant to the terms of the merger agreement, Vintage will merge with and into a wholly owned subsidiary of Occidental, with the subsidiary as the surviving entity. As a result of the merger, the separate corporate existence of Vintage will cease. In the merger, Occidental will acquire all of the shares of Vintage common stock and the holders of Vintage common stock will receive 0.42 of a share of Occidental common stock plus $20 in cash for each share of Vintage common stock, and cash in lieu of fractional shares, if any. Occidental common stock is traded on the New York Stock Exchange under the symbol OXY. On December 16, 2005, Occidental common stock closed at $80.85 per share.

We strongly encourage you to read the accompanying document, which provides detailed information about the merger, the terms of the merger agreement and the merger consideration. **Please see Risk Factors beginning on page 24 to read about factors relating to the merger which you should consider.**

The Vintage board of directors has unanimously adopted the merger agreement as being in the best interests of Vintage stockholders and recommends that you vote to adopt the merger agreement.

The affirmative vote of the holders of at least a majority of the outstanding shares of Vintage common stock is required to adopt the merger agreement. Accordingly, your vote is important no matter how large or small your holdings may be. Whether or not you plan to attend the special meeting, you are urged to complete, sign and promptly return the enclosed proxy card to assure that your shares will be voted at the special meeting. If you attend the special meeting, you may vote in person if you wish, and your proxy will not be used.

December 20, 2005 Charles C. Stephenson, Jr.

Chairman of the Board, President and

Chief Executive Officer

Vintage Petroleum, Inc.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or passed upon the adequacy or accuracy of this document. Any representation to the contrary is a criminal offense.

This document is dated December 20, 2005 and is expected to be first mailed to Vintage stockholders on or about December 23, 2005.

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Vintage Petroleum, Inc.

110 West Seventh Street

Tulsa, Oklahoma 74119

NOTICE OF SPECIAL MEETING OF STOCKHOLDERS

TO OUR STOCKHOLDERS:

A Special Meeting of Stockholders of Vintage Petroleum, Inc. will be held at 110 W. Seventh Street, 28th Floor, Tulsa, Oklahoma 74119, on January 26, 2006, at 10 a.m. local time for the following purpose:

To consider and vote on a proposal to adopt the Agreement and Plan of Merger among Occidental Petroleum Corporation, Vintage Petroleum, Inc. and Occidental Transaction 1, LLC dated as of October 13, 2005, providing for the merger of Vintage into Occidental Transaction 1, LLC, a wholly owned subsidiary of Occidental Petroleum Corporation.

To approve adjournments or postponements of the special meeting, if necessary, to permit further solicitation of proxies if there are not sufficient votes at the time of the special meeting to adopt the merger agreement.

To transact any other business as may properly be brought before the special meeting or any adjournment or postponement of the special meeting.

At this time, the Vintage board of directors is unaware of any matters, other than those set forth above, that may properly come before the special meeting.

If you were a stockholder of record at the close of business on November 30, 2005, you may vote at the meeting or at any postponement or adjournment of the meeting.

YOUR BOARD OF DIRECTORS HAS DETERMINED THAT THE MERGER IS IN THE BEST INTERESTS OF VINTAGE PETROLEUM, INC. AND ITS STOCKHOLDERS AND UNANIMOUSLY RECOMMENDS THAT YOU VOTE FOR ADOPTION OF THE AGREEMENT AND PLAN OF MERGER.

In connection with the proposed merger, you may exercise dissenters rights as provided in the Delaware General Corporation Law. If you meet all the requirements of this law, and follow all of its required procedures, you may receive cash in the amount equal to the fair value, as determined by mutual agreement between you and Occidental Transaction 1, LLC, or if there is no agreement, by appraisal of your shares of Vintage Petroleum, Inc. common stock as of the day before the merger. The procedure for exercising your dissenters rights is summarized under the heading Appraisal Rights in the attached document. The relevant provisions of the Delaware General Corporation Law on dissenters rights are attached to this document as Appendix D.

BY ORDER OF THE BOARD OF DIRECTORS

William C. Barnes

Secretary

December 20, 2005

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REFERENCE TO ADDITIONAL INFORMATION

This document incorporates important business and financial information about Vintage and Occidental from documents that are not included in or delivered with this document. This information is available to you without charge upon your written or oral request. You can obtain documents related to Vintage and Occidental that are incorporated by reference in this document, without charge, through the Securities and Exchange Commission website at http://www.sec.gov or by requesting them in writing or by telephone from the appropriate company.

Vintage Petroleum, Inc.	Occidental Petroleum Corporation
Attn: Investor Relations	Attn: Publications Department
110 West Seventh Street	10889 Wilshire Boulevard
Tulsa, Oklahoma 74119	Los Angeles, California 90024
(918) 592 0101	(310) 208 8800
www.vintagepetroleum.com	**www.oxy.com**

(All website addresses given in this document are for information only and are not intended

to be an active link or to incorporate any website information into this document.)

Please note that copies of the documents provided to you will not include exhibits, unless the exhibits are specifically incorporated by reference into the documents or this document.

In order to receive timely delivery of requested documents in advance of the special meeting, you should make your request no later than January 19, 2006.

See Where You Can Find More Information beginning on page 83.

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IMPORTANT NOTICE

Whether or not you plan to attend the special meeting in person, you are urged to read the attached document carefully and then sign, date and return the accompanying proxy card in the enclosed postage-prepaid envelope or submit a proxy by telephone or the Internet by following the instructions on the accompanying proxy card. If you later desire to revoke your proxy for any reason, you may do so in the manner set forth in the attached document.

If you have questions, you may contact Vintage s proxy solicitor:

MORROW & CO., INC.

470 West Avenue

Stamford, CT 06902

E-mail: VPI.info@morrowco.com

Call Collect: (203) 658-9400

STOCKHOLDERS PLEASE CALL: (800) 607-0088

Banks and Brokerage Firms, Please Call: (800) 654-2468

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QUESTIONS AND ANSWERS ABOUT THE VINTAGE PETROLEUM, INC.

SPECIAL MEETING AND THE MERGER

The following are some of the questions that you, as a stockholder of Vintage, may have and answers to those questions. These questions and answers, as well as the following summary, are not meant to be a substitute for the information contained in the remainder of this document, and this information is qualified in its entirety by the more detailed descriptions and explanations contained elsewhere in this document. We urge you to read this document in its entirety prior to making any decision as to your Vintage common stock.

Q1: Why are these proxy materials being sent to Vintage stockholders?

A1: This document is being provided by, and the enclosed proxy card is solicited by and on behalf of, the Vintage board of directors for use at the special meeting of Vintage stockholders.

Q2: When and where is the Vintage special meeting?

A2: The Vintage special meeting is scheduled to be held at 10 a.m., local time, on January 26, 2006 at 110 W. Seventh Street, 28th Floor, Tulsa, Oklahoma 74119, unless it is postponed or adjourned.

Q3: What is the purpose of the Vintage special meeting? What am I voting on?

A3: The purpose of the special meeting is to consider and vote upon the adoption of the Agreement and Plan of Merger, dated as of October 13, 2005 (referred to in this document as the merger agreement or the plan of merger), between Occidental Petroleum Corporation, its wholly owned subsidiary and Vintage.

Q4: Who are the parties to the merger?

A4: The parties to the merger are Occidental, its wholly owned subsidiary and Vintage.

Q5: Who is entitled to vote at the Vintage special meeting?

A5: Vintage stockholders of record at the close of business on November 30, 2005, the record date for the Vintage special meeting, are entitled to receive notice of and to vote on matters that come before the special meeting and any adjournments or postponements of the special meeting. However, a Vintage stockholder may only vote his or her shares if he or she is present in person or is represented by proxy at the Vintage special meeting.

Q6: How do I vote?

A6: After carefully reading and considering the information contained in this document, please fill out, sign and date the proxy card, and then mail your signed proxy card in the enclosed envelope as soon as possible so that your shares may be voted at the special meeting. You may also vote your shares online via the Internet or by telephone according to the instructions on the proxy card. Alternatively, a Vintage stockholder may attend the Vintage special meeting and vote in person. For detailed information please see The Special Meeting of Vintage Stockholders on page 26.

Q7: How many votes do I have?

A7: Each share of Vintage common stock that you own as of the record date entitles you to one vote. As of the close of business on November 30, 2005, there were 67,214,748 outstanding shares of Vintage common stock. As of that date, 17.8% of the outstanding shares of Vintage common stock was held by directors and executive officers of Vintage and their respective affiliates.

Q8: What constitutes a quorum at the Vintage special meeting?

A8: The presence of the holders of a majority of the shares entitled to vote at the Vintage special meeting constitutes a quorum. Presence may be in person or by proxy. You will be considered part of the quorum if you return a signed and dated proxy card, or if you are present in person at the special meeting.

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Abstentions and shares voted by a bank or broker holding shares for a beneficial owner are counted as present and entitled to vote for purposes of determining a quorum.

Q9: If I hold shares of Vintage common stock pursuant to the Vintage 401(k) Plan, will I be able to vote?

A9: Yes. You should instruct the 401(k) plan trustee how to vote the shares allocated to your plan account, following the instructions contained in the voting instructions card that the plan administrator provides to you.

Q10: What vote is required to adopt the plan of merger? What is the effect of not voting?

A10: The affirmative vote of the holders of at least a majority of the outstanding shares of Vintage common stock is required to adopt the plan of merger. No vote of the stockholders of Occidental is required to adopt the plan of merger.

Because the affirmative vote required to adopt the plan of merger is based upon the total number of outstanding shares of Vintage common stock, the failure to submit a proxy (or to vote in person at the special meeting) or the abstention from voting by a stockholder will have the same effect as a vote against adoption of the plan of merger.

Q11: If my shares are held in street name, will my broker automatically vote my shares for me?

A11: No. Your broker cannot vote your shares without instructions from you. If your shares are held in street name, you should instruct your broker as to how to vote your shares, following the instructions contained in the voting instructions card that your broker provides to you. Without instructions, your shares will not be voted, which will have the same effect as if you voted against adoption of the merger agreement.

Q12: What is the recommendation of the Vintage board of directors?

A12: The Vintage board of directors recommends a vote **FOR** adoption of the plan of merger.

Q13: What if I return my proxy card but do not mark it to show how I am voting?

A13: If your proxy card is signed and returned without specifying your choice, your shares will be voted **FOR** the adoption of the plan of merger according to the recommendation of the Vintage board of directors.

Q14: Can I change my vote *after* I have mailed my signed proxy card?

A14: Yes. You can change your vote by revoking your proxy at any time before it is exercised at the Vintage special meeting. You can revoke your proxy in one of the following ways:

notify Vintage s Corporate Secretary in writing before the special meeting that you are revoking your proxy,

submit another proxy by mail, internet or telephone with a later date, or vote in person at the special meeting.

If your shares of Vintage common stock are held by a broker as nominee, you must follow your broker s procedures for changing your instruction to your broker on how to vote.

Q15: As a holder of Vintage common stock, what will I receive in the merger?

A15: For each share of Vintage common stock you own, you will have the right to receive 0.42 of a share of Occidental Petroleum Corporation common stock plus $20 in cash.

Q16: What regulatory requirements must be satisfied to complete the merger?

A16: On November 21, 2005, Occidental and Vintage were granted early termination with respect to the waiting period under the Hart-Scott-Rodino Antitrust Improvements Act, or HSR Act. Occidental and/or Vintage

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may be required to obtain certain other state and foreign regulatory approvals, including that of the Argentinean antitrust commission. However, Occidental and Vintage do not expect such approvals to delay closing or payment of the consideration.

Q17: What are the tax consequences of the merger to me?

A17: The merger is intended to qualify as a reorganization for U.S. federal income tax purposes. In connection with the merger, McKee Nelson LLP will deliver to Occidental, and Conner & Winters, LLP will deliver to Vintage, an opinion that the merger will qualify as a reorganization for U.S. federal income tax purposes. Provided that the merger qualifies as a reorganization for such purposes, you may recognize gain, but you will not recognize loss, upon the exchange of your shares of Vintage common stock for shares of Occidental common stock and cash. If the sum of the fair market value of the Occidental common stock and the amount of cash you receive in exchange for your shares of Vintage common stock exceeds the adjusted basis of your shares of Vintage common stock, you will recognize taxable gain equal to the lesser of the amount of such excess or the amount of cash you receive in the exchange. Generally, any gain recognized upon the exchange will be capital gain, and any such capital gain will be long-term capital gain if you have established a holding period of more than one year for your shares of Vintage common stock. Depending on certain facts specific to you, any gain could instead be characterized as ordinary dividend income. For a more complete description of the material U.S. federal income tax consequences of the merger, see The Merger Material United States Federal Income Tax Consequences beginning on page 49. The tax consequences of the merger to you may depend on your own situation. In addition, you may be subject to state, local or foreign tax laws that are not addressed in this document. You should consult your own tax advisor for a full understanding of the tax consequences to you of the merger.

Q18: What risks should I consider before I vote on the merger?

A18: We encourage you to read carefully the detailed information about the merger contained in this document, including the section entitled Risk Factors beginning on page 24.

Q19: When do you expect to merge?

A19: We are working to complete the merger in the first quarter of 2006. Among other things, prior to closing, we must obtain the approval of Vintage s stockholders at the special meeting. We cannot assure you as to whether all the conditions to the merger will be met nor can we predict the exact timing. It is possible we will not complete the merger.

Q20: Do I have appraisal rights if I object to the merger?

A20: Yes. As a holder of Vintage common stock, you are entitled to appraisal rights under the Delaware General Corporation law in connection with the merger if you meet certain conditions, which conditions are described in this document under the section entitled Appraisal Rights beginning on page 79.

Q21: Whom should I contact with questions about the merger or to obtain additional copies of this document?

A21: Morrow & Co., Inc.
470 West Avenue
Stamford, CT 06902
E-mail: VPI.info@morrowco.com
Call Collect: (203) 658-9400
Stockholders please call: (800) 607-0088
Banks and Brokerage Firms, please call: (800) 654-2468

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SUMMARY

This summary highlights selected information about the merger in this document and does not contain all of the information that may be important to you. You should carefully read this entire document and the other documents to which this document refers for a more complete understanding of the matter being considered at the special meeting. See Where You Can Find More Information beginning on page 83. Unless we have stated otherwise, all references in this document to Vintage are to Vintage Petroleum, Inc., all references to Occidental are to Occidental Petroleum Corporation, all references to Merger Sub are to Occidental Transaction 1, LLC, and all references to the plan of merger or the merger agreement are to the Agreement and Plan of Merger, dated as of October 13, 2005, among Occidental, Merger Sub and Vintage, a copy of which is attached as Appendix A to this document. In this document, we often refer to the combined company, which means, following the merger, Occidental and its subsidiaries, including Vintage.

The Companies (Page 66)

Occidental Petroleum Corp.

10889 Wilshire Boulevard

Los Angeles, California 90024

(310) 208-8800

Occidental Petroleum Corporation began in the 1920s as a small California oil and gas company and reincorporated in Delaware in 1986. Occidental s principal businesses consist of two industry segments. The oil and gas segment explores for, develops, produces and markets crude oil and natural gas. The chemical segment manufactures and markets basic chemicals, vinyls and performance chemicals.

Vintage Petroleum, Inc.

110 West Seventh Street

Tulsa, Oklahoma 74119

(918) 592-0101

Vintage Petroleum, Inc. was established as a private company in 1983 with a strategy of acquiring producing oil and gas properties that had the potential to expand reserves and production through subsequent exploitation. Core oil and gas producing areas were established in East Texas, the Gulf Coast, and the Mid-Continent regions, with the West Coast area added in 1992. Beginning in 1995, Vintage expanded internationally and currently has international core areas in Argentina, Bolivia and Yemen. Vintage became a public company traded on the New York Stock Exchange in August 1990.

The Merger; Consideration (Pages 28, 55)

We propose a merger in which Vintage will merge with and into Merger Sub, a wholly-owned subsidiary of Occidental. As a result of the merger, Vintage will cease to exist as a separate corporation. When we complete the merger, you will be entitled to receive 0.42 of a share of Occidental common stock plus $20.00 cash for each share of Vintage common stock you own. Immediately after the merger, former Vintage stockholders are expected to own approximately 6.6% of the outstanding shares of Occidental common stock based on shares outstanding as of November 30, 2005 (without giving effect to shares of Occidental common stock held by Vintage stockholders prior to the merger or Occidental s announced intention to repurchase 9 million shares of its common stock). We expect to complete the merger in the first quarter of 2006.

Do not send your Vintage stock certificates in the envelope provided for returning your proxy card. The stock certificates should only be forwarded to the exchange agent with the letter of transmittal you will receive shortly after the merger is consummated.

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The Vintage board of directors recommends that you adopt the plan of merger (Page 32)

After careful consideration, the Vintage board of directors unanimously adopted the plan of merger. The Vintage board of directors recommends that holders of Vintage common stock vote **FOR** the adoption of the plan of merger.

The affirmative vote of the holders of at least a majority of the outstanding shares of Vintage common stock is required to adopt the plan of merger. No vote of Occidental stockholders is required (or will be sought) in connection with the merger.

In the course of evaluating the merger, the Vintage board of directors consulted with Vintage senior management and Vintage s legal and financial advisors and considered a number of strategic, financial and other considerations referred to under The Merger Vintage s Reasons for the Merger on page 30.

Opinions of Vintage s financial advisors (Page 33)

Credit Suisse First Boston LLC. In connection with the merger, Credit Suisse First Boston LLC, or Credit Suisse First Boston, financial advisor to the Vintage board of directors, delivered a written opinion, dated October 13, 2005, to the Vintage board of directors as to the fairness, from a financial point of view and as of the date of the opinion, of the merger consideration. The full text of Credit Suisse First Boston s written opinion is attached to this document as Appendix B. We encourage you to read this opinion carefully in its entirety for a description of the procedures followed, assumptions made, matters considered and limitations on the scope of review undertaken. **Credit Suisse First Boston s opinion was provided to the Vintage board of directors in connection with its evaluation of the merger consideration, does not address any other aspect of the proposed merger and does not constitute a recommendation to any stockholder as to how such stockholder should vote or act with respect to any matter relating to the merger.**

Lehman Brothers Inc. In connection with the merger, Lehman Brothers Inc., or Lehman Brothers, financial advisor to the Vintage board of directors, delivered a written opinion, dated October 13, 2005, to the Vintage board of directors as to the fairness, from a financial point of view and as of the date of the opinion, of the merger consideration. The full text of Lehman Brothers written opinion is attached to this document as Appendix C. We encourage you to read this opinion carefully in its entirety for a description of the procedures followed, assumptions made, matters considered and limitations on the scope of review undertaken. **Lehman Brothers opinion was provided to the Vintage board of directors in connection with its evaluation of the merger consideration, does not address any other aspect of the proposed merger and does not constitute a recommendation to any stockholder as to how such stockholder should vote or act with respect to any matter relating to the merger.**

Vintage s directors and executive officers have interests in the merger that may differ from, or are in addition to, your interests in the merger (Page 68)

You should be aware that some of the directors and executive officers of Vintage have interests in the merger that may be different from, or are in addition to, the interests of Vintage stockholders. These interests include, but are not limited to, benefits payable to certain executive officers as a result of the consummation of the merger and the indemnification of former Vintage officers and directors by Occidental.

Material United States federal income tax considerations **(Page 49)**

The merger is intended to qualify as a reorganization for U.S. federal income tax purposes. In connection with the merger, McKee Nelson LLP will deliver to Occidental, and Conner & Winters, LLP will deliver to Vintage, an opinion that the merger will qualify as a reorganization for U.S. federal income tax purposes. Provided that the merger qualifies as a reorganization for such purposes, you may recognize gain, but you will not recognize loss, upon the exchange of your shares of Vintage common stock for shares of Occidental common stock and cash. If the sum of the fair market value of the Occidental common stock and the amount of cash you receive in exchange for your shares of Vintage common stock exceeds the adjusted basis of your shares of Vintage common stock, you will recognize taxable gain equal to the lesser of the amount of such excess or the amount of cash you receive in the exchange. Generally, any gain recognized upon the exchange will be capital gain, and any such capital gain will be long-term capital gain if you have established a holding period of more than one year for your shares of Vintage common stock. Depending on certain facts specific to you, any gain could instead be characterized as ordinary dividend income. For a more complete description of the material U.S. federal income tax consequences of the merger, see The Merger Material United States Federal Income Tax Consequences beginning on page 49. The tax consequences of the merger to you may depend on your own situation. In addition, you may be subject to state, local or foreign tax laws that are not addressed in this document. **You should consult your own tax advisor for a full understanding of the tax consequences to you of the merger.**

Procedures for exchange of Vintage common stock for the merger consideration (Page 55)

Holders of Vintage share certificates will be required to surrender those share certificates before they will be issued the merger consideration to which they are entitled in the merger. After the effective time of the merger and prior to the surrender of such share certificates, the share certificates will be deemed to represent that number of shares of Occidental common stock and cash that the holder is entitled to receive in the merger.

Following the merger, you will be entitled to receive dividends Occidental pays on Occidental common stock (Page 55)

After the merger, when, as and if declared by Occidental s board of directors, you will receive any dividends Occidental pays on its common stock.

Accounting treatment (Page 52)

The merger will be accounted for as an acquisition of Vintage by Occidental under the purchase method of accounting in accordance with U.S. generally accepted accounting principles.

In order to complete the merger, we must first satisfy certain regulatory requirements (Page 52)

On November 21, 2005, Occidental and Vintage were granted early termination with respect to the waiting period under the HSR Act. Occidental and/or Vintage may be required to obtain certain other state and foreign regulatory approvals, including that of the Argentinean antitrust commission. However, Occidental and Vintage do not expect such approvals to delay closing or payment of the consideration.

Vintage stockholders may have appraisal rights (Page 79)

Under Delaware law, you may have the right to dissent from the merger and to have the appraised fair value of your shares of Vintage common stock paid to you in cash. You will have the right to seek appraisal of the value of your Vintage shares and be paid the appraised value if you (1) notify Vintage, before the vote is taken, by written notice of your intention to demand payment for the shares if the proposed merger is effectuated, (2) do not vote in favor of the merger, (3) submit your Vintage stock certificates to Vintage by the date set forth in the dissenters notice, and (4) otherwise comply with the provisions governing appraisal rights under Delaware law.

If you dissent from the merger and the conditions outlined above are met, your shares of Vintage common stock will not be exchanged for shares of Occidental common stock and cash in the merger, and your only right will be to receive the fair value of your shares as determined by mutual agreement between you and the Merger Sub or by appraisal if you and the Merger Sub are unable to agree. The appraised value **may be more or less**

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than the consideration you would receive under the terms of the merger agreement. You should be aware that submitting a signed proxy card without indicating a vote with respect to the merger will be deemed a vote FOR the merger and a waiver of your appraisal rights. A vote against the merger does not dispense with the other requirements to request an appraisal under Delaware law.

The merger agreement (Page 54)

The merger agreement is described beginning on page 54. The merger agreement also is attached as Appendix A to this document. We urge you to read the merger agreement in its entirety because it contains important provisions governing the terms and conditions of the merger.

Acquisition proposals (Page 61)

Subject to specified legal and fiduciary exceptions, the merger agreement provides that neither Vintage nor any of its subsidiaries nor any of its or its subsidiaries officers or directors will, and Vintage will cause its employees, agents and representatives, including any financial advisor, attorney or accountant retained by it, not to, directly or indirectly:

- initiate, solicit, encourage or otherwise facilitate any inquiries or the making of any proposal or offer, which we refer to as an acquisition proposal, with respect to:
  - a merger, reorganization, share exchange, consolidation or similar transaction involving Vintage or any of its subsidiaries;
  - any purchase of all or 15% or more of the assets of Vintage or any of its subsidiaries; or
  - any purchase of more than 15% of the outstanding equity securities of Vintage or any of its subsidiaries;
- engage in any negotiations concerning, or provide any confidential information or data to, or have any discussion with, any person relating to an acquisition proposal, or otherwise facilitate any effort or attempt to make or implement an acquisition proposal.

Conditions to consummation of the merger (Page 62)

The completion of the merger depends on a number of conditions being met, including:

- adoption of the merger agreement by Vintage stockholders;

authorization for listing on the New York Stock Exchange, or NYSE, of the shares of Occidental common stock that are to be issued to Vintage stockholders upon completion of the merger;

receipt of required regulatory approvals, including expiration or early termination of the waiting period under the HSR Act;

effectiveness of the registration statement, of which this proxy statement-prospectus forms a part, under the Securities Act, and no stop order suspending the effectiveness of the registration statement having been issued and no proceedings for that purpose having been initiated or threatened by the SEC;

absence of any order, injunction, decree, statute, rule, regulation or judgment issued or enacted by any governmental entity or other legal restraint or prohibition preventing the consummation of the merger or any of the other transactions contemplated by the merger agreement;

receipt by each party of the opinion of its counsel, in form and substance reasonably satisfactory to it, that the merger will be treated for U.S. federal income tax purposes as a reorganization under Section 368(a) of the Internal Revenue Code, or the Code, and that each of Vintage and Occidental will be a party to that reorganization within the meaning of Section 368(b) of the Code;

accuracy of the representations and warranties of the other party in all material respects as of October 13, 2005, and except to the extent those representations and warranties speak as of an earlier date, as of the closing date of the merger as though made on the closing date; provided, however, that those representations and warranties will be deemed to be true and correct, unless the failure or failures of those representations and warranties to be true and correct would have or would be reasonably likely to have a material adverse effect on the party making the representation; and

performance by each party in all material respects of all obligations required to be performed by it under the merger agreement at or prior to the closing date.

We may decide not to complete the merger (Page 64)

Vintage and Occidental can agree at any time prior to the effective time of the merger to terminate the merger agreement and abandon the merger, whether before or after approval by the stockholders of Vintage. Also, either of the parties can decide, without the consent of the other, not to complete the merger in a number of other situations, including:

failure to complete the merger by March 1, 2006, unless the failure of the closing to occur by this date arises out of a material breach of its obligations under the merger agreement by the party seeking to terminate the merger;

breach by the other party of any representation, warranty, covenant or agreement made in the merger agreement, or any such representation or warranty becoming untrue after the execution of the merger agreement, if the breach is of the sort that would permit the terminating party not to complete the merger and the breach is not cured within 30 days of the notice of the breach;

failure of the Vintage stockholders to adopt the plan of merger; or

any order permanently restraining, enjoining or otherwise prohibiting consummation of the merger becomes final and non-appealable.

Occidental can additionally decide to terminate the merger agreement without Vintage s consent if Vintage has breached its obligations under the merger agreement relating to acquisition proposals, or the board of directors of Vintage has withdrawn or adversely modified its recommendation of the plan of merger or failed to reconfirm its recommendation within five business days after a request by Occidental to do so.

Under some circumstances, Vintage will be required to pay a termination fee to Occidental if the merger agreement is terminated (Page 65)

Under specified conditions, Vintage may owe to Occidental a termination fee in the amount of $75,000,000 if the merger agreement is terminated. The merger agreement requires Vintage to pay the termination fee to Occidental if Occidental terminates the merger agreement because the board of directors of Vintage has withdrawn or adversely modified or changed its recommendation of the plan of merger or failed to reconfirm its recommendation of the plan of merger within five business days after a written request by Occidental to do so or Vintage has breached its obligations under the merger agreement relating to acquisition proposals other than a failure to obtain the consent of the Vintage stockholders.

Comparison of stockholder rights (Page 73)

The conversion of your shares of Vintage common stock into the right to receive shares of Occidental common stock in the merger will result in differences between your rights as a Vintage stockholder, which are governed by the Delaware General Corporation Law and Vintage s certificate of incorporation and bylaws, and your rights as an Occidental stockholder, which are governed by the Delaware General Corporation Law and Occidental s certificate of incorporation and bylaws.

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SELECTED HISTORICAL FINANCIAL DATA OF OCCIDENTAL

The following statements of operations and cash flow data for each of the five years in the period ended December 31, 2004, and the balance sheet data as of December 31, 2004, 2003, 2002, 2001 and 2000 have been derived from Occidental s audited consolidated financial statements or other consolidated financial information contained in its Annual Report on Form 10-K for the fiscal year ended December 31, 2004, which is incorporated into this document by reference.

The statements of operations and cash flow data for each of the nine-month periods ended September 30, 2005 and 2004, and the balance sheet data as of September 30, 2005 have been derived from Occidental s unaudited consolidated financial statements contained in Occidental s Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2005, which is incorporated into this document by reference. The balance sheet data as of September 30, 2004 have been derived from Occidental s unaudited consolidated financial statements contained in Occidental s Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2004, which has not been incorporated into this document by reference.

You should read this selected historical financial data together with the financial statements that are incorporated by reference in this document and their accompanying notes and management s discussion and analysis of operations and financial condition of Occidental contained in such reports.

	Nine Months Ended September 30, (Unaudited)		Year Ended December 31,				
	2005	2004	2004	2003	2002	2001	2000
	(Dollar amounts in millions, except per share amounts)						
RESULTS OF OPERATIONS							
Net sales	$ 10,878	$ 8,286	$ 11,368	$ 9,240	$ 7,247	$ 8,012	$ 8,399
Income from continuing operations	$ 4,124	$ 1,832	$ 2,606	$ 1,601	$ 1,181	$ 1,182	$ 1,559
Net income	$ 4,129	$ 1,826	$ 2,568	$ 1,527	$ 989	$ 1,154	$ 1,570
Earnings applicable to common stock	$ 4,129	$ 1,826	$ 2,568	$ 1,527	$ 989	$ 1,154	$ 1,571
Basic earnings per common share from continuing operations	$ 10.25	$ 4.65	$ 6.59	$ 4.17	$ 3.14	$ 3.17	$ 4.23
Basic earnings per common share	$ 10.26	$ 4.63	$ 6.49	$ 3.98	$ 2.63	$ 3.10	$ 4.26
Diluted earnings per common share	$ 10.11	$ 4.57	$ 6.40	$ 3.93	$ 2.61	$ 3.09	$ 4.26
FINANCIAL POSITION							
Total assets	$ 25,097	$ 20,376	$ 21,391	$ 18,168	$ 16,548	$ 17,850	$ 19,414
Long-term debt, net	$ 2,896	$ 3,809	$ 3,345	$ 3,993	$ 3,997	$ 4,065	$ 5,185
Trust preferred securities	$	$	$	$ 453	$ 455	$ 463	$ 473
Common stockholders equity	$ 13,909	$ 9,778	$ 10,550	$ 7,929	$ 6,318	$ 5,634	$ 4,774
CASH FLOW							
Cash provided by operating activities	$ 3,763	$ 2,711	$ 3,878	$ 3,074	$ 2,100	$ 2,566	$ 2,348
Capital expenditures	$ (1,661)	$ (1,270)	$ (1,843)	$ (1,600)	$ (1,234)	$ (1,305)	$ (887)
Cash (used) provided by all other investing activities, net	$ (831)	$ (476)	$ (445)	$ (421)	$ (462)	$ 654	$ (2,157)
DIVIDENDS PER COMMON SHARE	$ 0.93	$ 0.825	$ 1.10	$ 1.04	$ 1.00	$ 1.00	$ 1.00
BASIC SHARES OUTSTANDING (thousands)	402,388	394,079	395,580	383,943	376,190	372,119	368,750

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SELECTED HISTORICAL FINANCIAL DATA OF VINTAGE

The following statements of operations and cash flow data for each of the three years ended December 31, 2004, and the balance sheet data as of December 31, 2004 and 2003 have been derived from Vintage s audited consolidated financial statements contained in its Annual Report on Form 10-K for the fiscal year ended December 31, 2004, which is incorporated into this document by reference. The statements of operations and cash flow data for the years ended December 31, 2001 and 2000 and the balance sheet data as of December 31, 2002, 2001 and 2000 have been derived from Vintage s audited consolidated financial statements for such years, which have not been incorporated into this document by reference. The statements of operations data and cash flow data reflect the presentation of Vintage s operations in Trinidad, Canada and Ecuador as discontinued operations for all periods. Certain amounts in the audited statements of operations and cash flow data for the years ended December 31, 2001 and 2000, were reclassified to conform to this segregation of continuing operations and discontinued operations in the table below.

The statements of operations and cash flow data for each of the nine-month periods ended September 30, 2005 and 2004, and the balance sheet data as of September 30, 2005 have been derived from Vintage s unaudited consolidated financial statements contained in Vintage s Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2005, which is incorporated into this document by reference. The balance sheet data as of September 30, 2004 have been derived from Vintage s unaudited consolidated financial statements contained in Vintage s Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2004, which has not been incorporated into this document by reference.

You should read this selected historical financial data together with the financial statements that are incorporated by reference in this document and their accompanying notes and management s discussion and analysis of operations and financial condition of Vintage contained in such reports.

	Nine Months Ended September 30, (Unaudited)		Year Ended December 31,				
	2005	**2004**	**2004**	**2003**	**2002**	**2001**	**2000**
	(Dollar amounts in thousands, except per share amounts)						
RESULTS OF OPERATIONS							
Total revenues	$ 772,227	$ 545,684	$ 778,180	$ 614,747	$ 518,978	$ 723,535	$ 778,014
Income from continuing operations before cumulative effect of changes in accounting principles	$ 151,118	$ 80,473	$ 125,441	$ 59,494	$ 34,971	$ 159,572	$ 170,974
Net income (loss)	$ 161,861	$ 83,559	$ 332,592	$ (240,907)	$ (143,664)	$ 133,507	$ 195,893
Income per share from continuing operations before cumulative effect of changes in accounting principles:							
Basic	$ 2.27	$ 1.24	$ 1.93	$ 0.93	$ 0.55	$ 2.53	$ 2.73
Diluted	$ 2.24	$ 1.23	$ 1.91	$ 0.92	$ 0.55	$ 2.49	$ 2.67
Income (loss) per share:							
Basic	$ 2.43	$ 1.29	$ 5.11	$ (3.76)	$ (2.27)	$ 2.12	$ 3.13
Diluted	$ 2.40	$ 1.28	$ 5.06	$ (3.74)	$ (2.26)	$ 2.09	$ 3.06

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	Nine Months Ended September 30, (Unaudited)		Year Ended December 31,				
	2005	2004	2004	2003	2002	2001	2000
	(Dollar amounts in thousands, except per share amounts)						
FINANCIAL POSITION							
Total assets	$ 1,875,804	$ 1,680,362	$ 1,644,892	$ 1,454,259	$ 1,775,804	$ 2,107,902	$ 1,352,002
Long-term debt	$ 549,953	$ 676,547	$ 549,949	$ 699,943	$ 883,180	$ 1,010,673	$ 464,229
Common Stockholders equity	$ 810,159	$ 483,534	$ 683,678	$ 422,486	$ 570,992	$ 729,443	$ 624,857
CASH FLOW							
Cash provided by operating activities	$ 360,221	$ 256,214	$ 352,306	$ 233,833	$ 240,869	$ 295,685	$ 395,687
Capital expenditures	$ (281,833)	$ (161,670)	$ (309,786)	$ (144,775)	$ (64,211)	$ (187,883)	$ (214,805)
Purchase of companies, net of cash acquired	$	$ (26,757)	$ (26,757)	$	$	$ (478,158)	$ (46,199)
Proceeds from sales	$ 4,213	$ 67	$ 242,150	$ 146,088	$ 62,468	$ 39,800	$ 998
Cash provided (used) by all other investing activities, net	$ (30,706)	$ (21,331)	$ (3,396)	$ (9,802)	$ (69,629)	$ (84,139)	$ (17,309)
DIVIDENDS PER COMMON SHARE	$ 0.16	$ 0.15	$ 0.20	$ 0.18	$ 0.16	$ 0.14	$ 0.14
BASIC SHARES OUTSTANDING (thousands)	66,651	64,786	65,046	64,022	63,219	63,023	62,644

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UNAUDITED COMPARATIVE PER SHARE DATA FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2005 AND THE YEAR ENDED DECEMBER 31, 2004

The following table summarizes unaudited per share information for Occidental and Vintage on a historical basis, a pro forma combined basis for Occidental and an equivalent pro forma combined basis for Vintage. It has been assumed for purposes of the pro forma financial information provided below that for the year ended December 31, 2004 and for the nine months ended September 30, 2005, the merger was completed on January 1, 2004 for income statement purposes, and on December 31, 2004 and September 30, 2005, respectively, for balance sheet purposes. The following information should be read in conjunction with the audited consolidated financial statements of Occidental and Vintage at and for the year ended December 31, 2004, which are incorporated by reference into this document, and the unaudited consolidated financial statements of Occidental and Vintage at and for the nine-month period ended September 30, 2005, which are incorporated by reference into this document. The following pro forma information has been prepared in accordance with the rules and regulations of the Securities and Exchange Commission and accordingly includes the effects of purchase accounting. It does not reflect cost savings, synergies, changes to Vintage s hedging program or certain other adjustments that may result from the merger with Vintage. In addition, the pro forma per share amounts do not include the effect of Occidental s announced intention to repurchase 9 million shares of Occidental common stock. This information is presented for illustrative purposes only and is not necessarily indicative of the operating results or financial position that would have occurred if the merger had been completed as of the dates indicated, nor is it necessarily indicative of the future operating results or financial position of the combined company.

The historical book value per share is computed by dividing total stockholders equity by the number of common shares outstanding at the end of the period. The pro forma earnings per share of the combined company is computed by dividing the pro forma net income available to holders of the combined company s common stock by the pro forma weighted average number of shares outstanding for the periods presented. The pro forma combined book value per share is computed by dividing total pro forma stockholders equity by the pro forma number of common shares outstanding at the end of the period presented. Vintage equivalent pro forma combined per share amounts are calculated by multiplying the pro forma combined per share amounts by 0.42, the number of shares of Occidental common stock that would be exchanged for each share of Vintage common stock in the merger. The Vintage equivalent per share amounts do not include the benefits of the cash component of the merger.

	Nine Months Ended September 30, 2005	Year Ended December 31, 2004
Occidental Historical		
Historical per common share:		
Income per share from continuing operations		
Basic	$ 10.25	$ 6.59
Diluted	$ 10.10	$ 6.50
Cash dividends declared per common share	$ 0.93	$ 1.10
Book value per share at end of period	$ 34.60	$ 26.59
Vintage Historical		
Historical per common share:		
Income per share from continuing operations		
Basic	$ 2.27	$ 1.93
Diluted	$ 2.24	$ 1.91
Cash dividends declared per common share	$ 0.16	$ 0.20
Book value per share at end of period	$ 12.09	$ 10.36

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	Nine Months Ended September 30, 2005	Year Ended December 31, 2004
Occidental Pro Forma Combined		
Unaudited pro forma per Occidental common share:		
Income per share from continuing operations		
Basic	$ 9.72	$ 6.17
Diluted	$ 9.59	$ 6.09
Cash dividends declared per common share	$ 0.93	$ 1.10
Book value per share at end of period	$ 37.15	
Vintage Pro Forma Equivalents		
Unaudited pro forma per Vintage common share:		
Income per share from continuing operations		
Basic	$ 4.08	$ 2.59
Diluted	$ 4.03	$ 2.56
Cash dividends declared per common share	$ 0.39	$ 0.46
Book value per share at end of period	$ 15.60	

COMPARATIVE MARKET DATA

Occidental common stock is listed on the NYSE under the symbol OXY. The Vintage common stock is listed on the NYSE under the symbol VPI. The following table presents trading information for Occidental and Vintage common stock on October 12, 2005, the last trading day before the public announcement of the execution of the merger agreement, and December 16, 2005, the latest practicable trading day before the date of this document. You should read the information presented below in conjunction with Comparative Per Share Market Price Data and Dividend Information on page 23.

	Occidental Common Stock			Vintage Common Stock		
	High	Low	Close	High	Low	Close
October 12, 2005	$ 79.30	$ 76.73	$ 76.95	$ 40.75	$ 38.63	$ 38.96
December 16, 2005	$ 83.92	$ 80.85	$ 80.85	$ 54.64	$ 53.41	$ 53.50

For illustrative purposes, the following table provides Vintage equivalent per share information on each of the relevant dates. Vintage equivalent per share amounts are calculated by multiplying Occidental per share amounts by the exchange ratio of 0.42 and adding $20 per share.

	Occidental Common Stock			Vintage Equivalent Per Share		
	High	Low	Close	High	Low	Close
October 12, 2005	$ 79.30	$ 76.73	$ 76.95	$ 53.31	$ 52.23	$ 52.32
December 16, 2005	$ 83.92	$ 80.85	$ 80.85	$ 55.25	$ 53.96	$ 53.96

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UNAUDITED PRO FORMA CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The following unaudited pro forma condensed consolidated financial statements are based on the historical financial statements of Occidental and Vintage, adjusted to reflect the proposed acquisition of Vintage by Occidental. The historical financial information for Occidental and Vintage was derived from their respective Annual and Quarterly Reports on Form 10-K and 10-Q, for the year ended December 31, 2004 and for the nine months ended September 30, 2005, respectively, which are incorporated by reference into this document. The following pro forma information has been prepared in accordance with the rules and regulations of the Securities and Exchange Commission and accordingly includes the effects of purchase accounting resulting from the proposed acquisition. It does not include cost savings, synergies, changes to Vintage s hedging program or certain other adjustments that may result from the proposed acquisition of Vintage. In addition, the pro forma financial statements and the pro forma per share amounts do not include the effect of Occidental s announced intention to repurchase 9 million shares of Occidental common stock. The unaudited pro forma condensed consolidated balance sheet as of September 30, 2005 reflects the acquisition as if it had occurred as of that date. The unaudited pro forma condensed consolidated statements of income for the year ended December 31, 2004 and the nine months ended September 30, 2005 reflect the acquisition as if it had occurred on January 1, 2004. The unaudited pro forma condensed consolidated financial statements are not necessarily indicative of the operating results or financial position of Occidental that would have occurred if the acquisition had been completed as of the dates indicated, nor are they necessarily indicative of the future operating results or financial position of the combined company.

A preliminary allocation of the purchase price has been made to major categories of assets and liabilities in the accompanying unaudited pro forma condensed consolidated financial statements based on currently available information. The actual final purchase price allocation and the resulting effect on income from operations may differ from the pro forma amounts included herein. These pro forma adjustments represent Occidental s preliminary determination of purchase accounting adjustments and are based on available information and certain assumptions that Occidental believes to be reasonable. More information about assets, liabilities and oil and gas reserves, as of the closing date, will become available when the merger is completed. Currently the purchase price to be allocated to certain assets of Vintage, principally to its property, plant and equipment including components of such assets, is stated on a preliminary basis, pending additional information to complete the required analyses. For example, Occidental may sell certain properties acquired from Vintage. The final determination of the values to be assigned to these assets and any related liabilities will be finalized after the acquisition has been completed and Occidental has better market information about these assets. In addition, the properties of Vintage that Occidental intends to keep need to be further evaluated with respect to their existing reserves to determine their fair values. Occidental also has not made a final determination of all the liabilities that may be attributable to the proposed transaction, such as site closure and transaction costs, as well as the fair values of all existing liabilities, including any contingent liabilities, or those that may arise due to the transaction. Occidental expects to finalize its allocation of the purchase price as soon after the completion of the proposed acquisition as practicable. Consequently, the amounts reflected in the pro forma financial information are subject to change.

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Unaudited Pro Forma Condensed Consolidated Statement of Income

For the nine months ended September 30, 2005 ($ in millions, except per-share amounts)	Occidental Historical	Vintage Historical	Pro forma Adjustments	Notes	Occidental Pro forma
Revenues					
Net Sales	$ 10,878	$ 772	$		$ 11,650
Interest, Dividends and Other Income	120				120
Gains on Dispositions of Assets, net	870				870
	11,868	**772**			**12,640**
Costs & Other Deductions					
Cost of Sales	4,993	379	161	(a)	5,533
Selling, General and Administrative and Other Operating Expenses	1,143	91			1,234
Environmental Remediation	29				29
Exploration Expense	213	30			243
Interest and Debt Expense, net	232	35	(5)	(b)	262
	6,610	**535**	**156**		**7,301**
Income before Taxes and Other Items	**5,258**	**237**	**(156)**		**5,339**
Provision for Domestic and Foreign Income and Other Taxes	1,256	86	(62)	(c)	1,280
Minority Interest	44				44
Income from Equity Investments	(166)				(166)
Income from Continuing Operations	**$ 4,124**	**$ 151**	**$ (94)**		**$ 4,181**
Basic Earnings per Common Share					
Income from Continuing Operations	10.25				9.72
Diluted Earnings per Common Share					
Income from Continuing Operations	10.10				9.59
Basic Shares	402.4		27.9		430.3
Diluted Shares	408.3		27.9		436.2

(a) Reflects the additional depreciation, depletion and amortization expense to be recognized based on a preliminary purchase price allocation to reflect the Vintage property, plant and equipment at estimated fair value.
(b) Reflects the amortization of the adjustment to reflect the Vintage long-term debt at estimated fair value.
(c) Reflects additional income tax benefit calculated by applying prevailing statutory tax rates by jurisdiction to the pro forma adjustments.

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Unaudited Pro Forma Condensed Consolidated Statement of Income

For the year ended December 31, 2004 ($ in millions, except per-share amounts)	Occidental Historical	Vintage Historical	Pro forma Adjustments	Notes	Occidental Pro forma
Revenues					
Net Sales	$ 11,368	$ 778	$		$ 12,146
Interest, Dividends and Other Income	144				144
Gains on Dispositions of Assets, net	1				1
	11,513	**778**			**12,291**
Costs & Other Deductions					
Cost of Sales	4,509	294			4,803
Selling, General and Administrative and Other Operating Expenses	1,008	92			1,100
Depreciation, Depletion & Amortization	1,303	103	202	(a)	1,608
Environmental Remediation	59				59
Exploration Expense	219	32			251
Interest and Debt Expense, net	260	62	(6)	(b)	316
	7,358	**583**	**196**		**8,137**
Income before Taxes and Other Items	**4,155**	**195**	**(196)**		**4,154**
Provision for Domestic and Foreign Income and Other Taxes	1,708	69	(79)	(c)	1,698
Minority Interest	75				75
Income from Equity Investments	(113)				(113)
Gain on Lyondell Stock Issuance	(121)				(121)
Income from Continuing Operations	**$ 2,606**	**$ 126**	**$ (117)**		**$ 2,615**
Basic Earnings per Common Share					
Income from Continuing Operations	6.59				6.17
Diluted Earnings per Common Share					
Income from Continuing Operations	6.50				6.09
Basic Shares	395.6		27.9		423.5
Diluted Shares	401.1		27.9		429.0

(a) Reflects the additional depreciation, depletion and amortization expense to be recognized based on a preliminary purchase price allocation to reflect the Vintage property, plant and equipment at estimated fair value.
(b) Reflects the amortization of the adjustment to reflect the Vintage long-term debt at estimated fair value.
(c) Reflects additional income tax benefit calculated by applying prevailing statutory tax rates by jurisdiction to the pro forma adjustments.

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Unaudited Pro Forma Condensed Consolidated Balance Sheet

As of September 30, 2005 ($ in millions)	Occidental Historical	Vintage Historical	Pro forma Adjustments	Notes	Occidental Pro forma
Current Assets					
Cash and Cash Equivalents	$ 1,716	$ 181	$ (1,431)	(d)	$ 466
Receivables, net	3,393	141			3,534
Other Current Assets	783	59			842
Total Current Assets	5,892	381	(1,431)		4,842
Long Term Assets					
Property, Plant and Equipment, net of Accumulated Depreciation, Depletion and Amortization	17,134	1,433	4,603	(e)	23,170
Other Assets	2,071	62			2,133
	25,097	**1,876**	**3,172**		**30,145**
Current Liabilities					
Accounts Payable and Accrued Liabilities	4,063	271	50	(f)	4,384
Other Current Liabilities	506	25			531
Total Current Liabilities	4,569	296	50		4,915
Long Term Debt, net of Current Maturities and Unamortized Discount	2,896	550	38	(g)	3,484
Deferred and Other Domestic and Foreign Income Taxes	843	88	1,833	(h)	2,764
Other Deferred Credits and Other Liabilities	2,550	132			2,682
Minority Interest	330				330
Stockholders Equity					
Additional Paid-in Capital	4,883		2,061	(i)	6,944
Retained Earnings	9,419				9,419
Other Equity	(393)	810	(810)	(j)	(393)
	13,909	810	1,251		15,970
	$ 25,097	**$ 1,876**	**$ 3,172**		**$ 30,145**

(d) Reflects the cash purchase price component of the acquisition of approximately $1.33 billion and the cash settlement of Vintage stock incentive awards of approximately $101 million.

(e) Reflects the preliminary purchase price allocation to record the Vintage property, plant and equipment at estimated fair value.

(f) Reflects the estimated severance liability for Vintage employees, in accordance with the terms of the merger agreement and other benefit arrangements agreed upon by Vintage and Occidental, and other transaction-related costs.

(g) Reflects the adjustment to reflect Vintage s long-term debt at estimated fair value.

(h)

Reflects the additional deferred tax liability resulting from the preliminary allocation of the purchase price to Vintage s assets and liabilities. The deferred tax liability is recognized due to the difference between the purchase price allocated to Vintage s assets and liabilities and the tax basis of these assets and liabilities. As part of the preliminary purchase price allocation, the acquired assets and liabilities have been adjusted from historical cost to fair value on the pro forma financial statements while the tax basis in these assets and liabilities has been carried over from Vintage to Occidental. This resulted in the recognition of a deferred tax liability at the date of acquisition for the difference between the new book basis and tax basis carried over.

(i) Reflects issuance of Occidental shares for the stock component of the purchase price.

(j) Reflects the elimination of the historical equity of Vintage.

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The following unaudited pro forma consolidated information for oil and gas producing activities is derived from information contained in Occidental and Vintage s respective Annual and Quarterly Reports on Form 10-K and 10-Q, for the year ended December 31, 2004 and for the nine months ended September 30, 2005, respectively, which are incorporated by reference into this document. However, this information is not necessarily indicative of what Occidental s reserves, production and other related information would have been at the dates or for the periods presented nor is it necessarily indicative of future reserves, production or other related information. The following tables summarize the pro forma consolidated estimated proved reserves of Occidental as of December 31, 2004, giving effect to the acquisition of Vintage as if such acquisition had occurred as of that date and the pro forma consolidated average daily production for the nine months ended September 30, 2005, giving effect to the acquisition of Vintage as if such acquisition had occurred on January 1, 2005. The following information should be read in conjunction with the audited consolidated financial statements of Occidental and Vintage contained in their Annual Reports on Form 10-K for the fiscal year ended December 31, 2004, and the unaudited consolidated financial statements of Occidental and Vintage contained in their Quarterly Reports on Form 10-Q for the nine months ended September 30, 2005, all of which are incorporated by reference into this document.

Historical and Pro forma Oil and Gas Proved Reserves

As of December 31, 2004

(Oil in millions of barrels; natural gas in billions of cubic feet; BOE in millions of barrels of oil equivalent)

	Occidental Historical			Vintage Historical			Occidental Pro forma		
	Oil(a)	Gas	BOE(b)	Oil(a)	Gas	BOE(b)	Oil(a)	Gas	BOE(b)
Reserves									
United States	1,494	2,101	1,844	91	281	138	1,585	2,382	1,982
Latin America	171		171	200	559	293	371	559	464
Middle East	322	768	450	6		6	328	768	456
Other Eastern Hemisphere	6	106	24				6	106	24
Consolidated Subsidiaries	1,993	2,975	2,489(c)	297	840	437(c)	2,290	3,815	2,926(c)
Other Interests (d)	43		43				43		43

(a) Includes natural gas liquids and condensate.

(b) Natural gas volumes have been converted to a barrel of oil equivalent (BOE) based on energy content of 6,000 cubic feet (one thousand cubic feet is referred to as an McF) of gas to one barrel of oil.

(c) Stated on a net basis and after applicable royalties. Includes reserves related to production-sharing contracts and other economic arrangements. Occidental s proved reserves from production-sharing contracts in the Middle East and from other economic arrangements in the United States were 450 million and 90 million BOE, respectively.

(d) Includes Occidental s share of reserves from equity investees in Russia and Yemen, partially offset by minority interests for a Colombian affiliate.

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Historical and Pro forma Oil and Gas Average Daily Production

For the nine months ended September 30, 2005

(Oil in thousands of barrels per day; natural gas in millions of cubic feet per day; BOE in thousands of barrels of oil equivalent per day)

	Occidental Historical			Vintage Historical			Occidental Pro forma		
	Oil(a)	Gas	BOE(b)	Oil(a)	Gas	BOE(b)	Oil(a)	Gas	BOE(b)
United States	248	547	339	18	78	31	266	625	370
Latin America	77		77	34	37	40	111	37	117
Middle East	93	51	102	4		4	97	51	106
Other Eastern Hemisphere	5	77	18				5	77	18
Consolidated Subsidiaries	423	675	536	56	115	75	479	790	611
Other Interests (c)	23	15	25				23	15	25
Total Worldwide	446	690	561	56	115	75	502	805	636

(a) Includes natural gas liquids and condensate.
(b) Natural gas volumes have been converted to a BOE based on energy content of 6,000 cubic feet (one thousand cubic feet is referred to as an McF) of gas to one barrel of oil.
(c) Includes Occidental s share of production from equity investees in Russia and Yemen, partially offset by minority interests for a Colombian affiliate.

Oil Reserves (in millions of barrels)

	Occidental Historical						Occidental Pro forma					
	United States	Latin America	Middle East	Eastern Hemisphere and Other	Consolidated Subsidiaries Total	Other Interests	United States	Latin America	Middle East	Eastern Hemisphere and Other	Consolidated Subsidiaries Total	Other Interests
Balance at December 31, 2003	1,500	152	326	12	1,990	48	1,587	351	329	16	2,283	48
Revisions of previous estimates	(4)	(4)	16	(3)	5	5	(1)	(12)	17	(3)	1	5
Improved recovery	72	6	10		88	1	72	6	10		88	1
Extensions and discoveries	9	18	3		30	2	10	30	6		46	2
Purchase of proved reserves	10	29			39	(4)	16	36			52	(4)
Sales of proved										(3)	(3)	

reserves												
Production	(93)	(30)	(33)	(3)	(159)	(9)	(99)	(40)	(34)	(4)	(177)	(9)
Balance at December 31, 2004	1,494	171	322	6	1,993	43	1,585	371	328	6	2,290	43
Proved Developed Reserves at December 31, 2004	1,260	151	208	6	1,625	37	1,342	263	213	6	1,824	37

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Gas (in billions of cubic feet)

	Occidental Historical						Occidental Pro forma					
	United States	Latin America	Middle East	Eastern Hemisphere and Other	Consolidated Subsidiaries Total	Other Interests	United States	Latin America	Middle East	Eastern Hemisphere and Other	Consolidated Subsidiaries Total	Other Interests
Balance at December 31, 2003	1,826		654	105	2,585	9	2,114	572	654	171	3,511	9
Revisions of previous estimates	94		134	13	241	(9)	87	3	134	17	241	(9)
Improved recovery	180			5	185		180			5	185	
Extensions and discoveries	181			10	191		194	1		16	211	
Purchase of proved reserves	7				7		24				24	
Sales of proved reserves	(1)				(1)		(1)			(62)	(63)	
Production	(186)		(20)	(27)	(233)		(216)	(17)	(20)	(41)	(294)	
Balance at December 31, 2004	2,101		768	106	2,975		2,382	559	768	106	3,815	
Proved Developed Reserves at December 31, 2004	1,644		100	95	1,839		1,884	323	100	95	2,402	

The following table summarizes the pro forma consolidated estimated standardized measure of discounted future net cash flows as of December 31, 2004, giving effect to the proposed acquisition of Vintage as if such acquisition had occurred as of December 31, 2004. The following information should be read in conjunction with the audited consolidated financial statements of Occidental and Vintage included in their Annual Reports on Form 10-K for the year ended December 31, 2004, which are incorporated by reference into this document.

Historical and Pro Forma Standardized Measure of Discounted Cash Flows

At December 31, 2004

($ in millions)

	Occidental Historical		Vintage Historical		-	Occidental Pro forma	
	Consolidated Subsidiaries	Other Interests	Consolidated Subsidiaries	Other Interests	-	Consolidated Subsidiaries	Other Interests

	Total	(a)	Total		Total	(a)
Future cash flows	$ 84,914	$ 959	$ 11,468		$ 96,382	$ 959
Future costs						
Production costs and other operating expenses (b)	(34,235)	(633)	(3,543)		(37,778)	(633)
Development costs	(3,850)	(55)	(948)		(4,798)	(55)
Future net cash flows before income tax	46,829	271	6,977		53,806	271
Future income tax expense	(12,826)	40	(2,329)		(15,155)	40
Future net cash flows	34,003	311	4,648		38,651	311
Ten percent discount factor	(17,963)	(59)	(2,174)		(20,137)	(59)
Standardized measure	$ 16,040	$ 252	$ 2,474		$ 18,514	$ 252

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(a) Includes the future net cash flows applicable to Occidental s equity investees in Russia and Yemen, partially offset by minority interests in a Colombian affiliate.
(b) Includes dismantlement and abandonment costs.

Historical and Pro Forma Standardized Measure of Discounted Cash Flows

At December 31, 2004

($ in millions)

	Occidental Historical						**Occidental Pro forma**					
	Consolidated Subsidiaries						**Consolidated Subsidiaries**					
	United States	**Latin America**	**Middle East**	**Eastern Hemisphere and Other**	**Total**	**Other Interests(a)**	**United States**	**Latin America**	**Middle East**	**Eastern Hemisphere and Other**	**Total**	**Other Interests(a)**
Future cash flows	$ 67,273	$ 5,161	$ 12,042	$ 438	$ 84,914	$ 959	$ 72,184	$ 11,506	$ 12,254	$ 438	$ 96,382	$ 959
Future costs												
Production costs and other operating expenses (b)	(28,518)	(2,334)	(3,236)	(147)	(34,235)	(633)	(30,346)	(4,012)	(3,273)	(147)	(37,778)	(633)
Development costs	(2,214)	(185)	(1,421)	(30)	(3,850)	(55)	(2,540)	(778)	(1,450)	(30)	(4,798)	(55)
Future net cash flows before income tax	36,541	2,642	7,385	261	46,829	271	39,298	6,716	7,531	261	53,806	271
Future income tax expense	(11,751)	(986)		(89)	(12,826)	40	(12,716)	(2,322)	(28)	(89)	(15,155)	40
Future net cash flows	24,790	1,656	7,385	172	34,003	311	26,582	4,394	7,503	172	38,651	311
Ten percent discount factor	(14,104)	(443)	(3,389)	(27)	(17,963)	(59)	(14,892)	(1,810)	(3,408)	(27)	(20,137)	(59)
Standardized measure	$ 10,686	$ 1,213	$ 3,996	$ 145	$ 16,040	$ 252	$ 11,690	$ 2,584	$ 4,095	$ 145	$ 18,514	$ 252

(a) Includes the future net cash flows applicable to Occidental s equity investees in Russia and Yemen, partially offset by minority interests in a Colombian affiliate.
(b) Includes dismantlement and abandonment costs.

Future cash flows were computed by applying year-end prices to the companies share of estimated annual future production from proved oil and gas reserves, net of royalties. Future development and production costs were computed by applying year-end costs to be incurred in producing and further developing the proved reserves. In addition, future production costs include the effect of the Argentine oil export tax discussed in Note 1 of the consolidated financial statements of Vintage in its 2004 Form 10-K, through February 2007, the term limited by law. Future income tax expenses were computed by applying, generally, year-end statutory tax rates (adjusted for permanent differences, tax credits, allowances and foreign income repatriation considerations) to the estimated net future pre-tax cash flows. The discount was computed by application of a 10 percent discount factor. The calculations assumed the continuation of existing economic, operating and contractual conditions at December 31, 2004. However, such arbitrary assumptions have not necessarily proven to be the case in the past. Other assumptions of equal validity would give rise to substantially different results. The year-end prices used to calculate future cash flows vary by producing area and market conditions. The West Texas Intermediate oil price used was $43.45 per barrel and the Henry Hub gas price used for 2004 was

$6.03/MMBtu.

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The following tables summarize Occidental s pro forma consolidated costs incurred in oil and gas property acquisition, exploration and development activities, whether capitalized or expensed, for the year ended December 31, 2004, giving effect to the acquisition of Vintage by Occidental as if such acquisition had occurred as of January 1, 2004. The following information should be read in conjunction with the audited consolidated financial statements of Occidental and Vintage included in their Annual Reports on Form 10-K for the year ended December 31, 2004, which are incorporated by reference into this document.

Historical and Pro Forma Costs Incurred for the Year Ended December 31, 2004

($ in millions)

	Occidental Historical		Vintage Historical		Occidental Pro forma	
	Consolidated Subsidiaries Total	Other Interests(b)	Consolidated Subsidiaries Total	Other Interests	Consolidated Subsidiaries Total	Other Interests(b)
Property Acquisition Costs						
Proved Properties	$ 158	$ (12)	$ 111		$ 269	$ (12)
Unproved Properties	8		10		18	
Exploration Costs	158		48		206	
Development Costs	1,438	11	180		1,618	11
Asset Retirement Costs	25	(1)	11		36	(1)
Cost Incurred (a, b)	$ 1,787	$ (2)	$ 360		$ 2,147	$ (2)

(a) Excludes capitalized CO_2 of $54 million in 2004.

(b) Includes equity investees costs in Russia and Yemen, partially offset by minority interests in a Colombian affiliate.

Historical and Pro Forma Costs Incurred for the Year Ended December 31, 2004

($ in millions)

	Occidental Historical						Occidental Pro forma					
	United States	Latin America	Middle East	Eastern Hemi-sphere and Other	Consol-idated Subsi-diaries Total	Other Interests(b)	United States	Latin America	Middle East	Eastern Hemi-sphere and Other	Consoli-dated Subsi-diaries Total	Other Interests(b)
Property Acquisition Costs												
Proved Properties	$ 43	$ 94	$ 21	$	$ 158	$ (12)	$ 119	$ 129	$ 21	$	$ 269	$ (12)
Unproved Properties	4			4	8		14			4	18	
Exploration Costs	31	47	28	52	158		66	51	32	57	206	
Development Costs	568	144	715	11	1,438	11	629	233	745	11	1,618	11
Asset Retirement Costs	13	12			25	(1)	21	14	1		36	(1)

Cost Incurred (a, b)	$ 659	$ 297	$ 764	$ 67	$ 1,787	$ (2)	$ 849	$ 427	$ 799	$ 72	$ 2,147	$ (2)

(a) Excludes capitalized CO_2 of $54 million in 2004.

(b) Includes equity investees costs in Russia and Yemen, partially offset by minority interests in a Colombian affiliate.

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COMPARATIVE PER SHARE MARKET PRICE DATA AND DIVIDEND INFORMATION

The table below sets forth, for the calendar quarters indicated, the high and low sales prices per share reported on the NYSE composite transactions reporting system and the dividends declared on Occidental common stock and on Vintage common stock.

	Occidental Common Stock			Vintage Common Stock		
	High	**Low**	**Dividends**	**High**	**Low**	**Dividends**
2003						
First Quarter	$ 30.74	$ 27.17	$ 0.26	$ 11.46	$ 9.00	$ 0.040
Second Quarter	$ 34.40	$ 29.55	$ 0.26	$ 12.34	$ 9.10	$ 0.045
Third Quarter	$ 35.84	$ 30.64	$ 0.26	$ 12.10	$ 10.51	$ 0.045
Fourth Quarter	$ 42.98	$ 34.70	$ 0.26	$ 12.93	$ 10.14	$ 0.045
2004						
First Quarter	$ 47.22	$ 41.95	$ 0.275	$ 15.60	$ 11.52	$ 0.045
Second Quarter	$ 49.72	$ 43.54	$ 0.275	$ 17.58	$ 13.61	$ 0.050
Third Quarter	$ 56.46	$ 47.76	$ 0.275	$ 20.53	$ 15.11	$ 0.050
Fourth Quarter	$ 60.75	$ 53.94	$ 0.275	$ 24.50	$ 19.10	$ 0.050
2005						
First Quarter	$ 74.89	$ 54.17	$ 0.31	$ 35.67	$ 20.56	$ 0.050
Second Quarter	$ 80.99	$ 64.05	$ 0.31	$ 33.98	$ 24.75	$ 0.055
Third Quarter	$ 89.80	$ 77.47	$ 0.31	$ 46.20	$ 30.44	$ 0.055
Fourth Quarter (through December 16, 2005)	$ 86.85	$ 68.80	$ 0.36	$ 54.99	$ 36.39	$ 0.055

On December 16, 2005, the latest practicable trading day, the last sale price per share of Occidental common stock was $80.85 and the last sale price per share of Vintage common stock was $53.50, in each case on the NYSE composite transactions reporting system.

On December 5, 2005, Vintage declared a regular quarterly cash dividend of $0.055 per share payable on January 5, 2006 to stockholders of record at December 22, 2005.

We urge you to obtain current market quotations before you make your decision regarding the merger. Because the exchange ratio will not be adjusted for changes in the market value of the stock of either company, the market value of the shares of Occidental common stock that holders of Vintage common stock will receive if the merger is consummated may vary significantly from the market value of such shares on the date of the merger agreement, this document or the date of the special meeting of the stockholders of Vintage.

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RISK FACTORS

By voting in favor of adoption of the plan of merger, you will be choosing to invest in the combined company s common stock. An investment in the combined company s common stock involves risks. In addition to the other information included in this document, including the matters addressed in Cautionary Statement Regarding Forward-Looking Statements beginning on page 82, the discussions of various risks included in Vintage s and Occidental s annual reports on 10-K for the year ended December 31, 2004 and all of the information included in the documents we have incorporated by reference, you should carefully consider the matters described below in determining whether to vote for adoption of the plan of merger.

Risks Related to the Merger

The market value of shares of Occidental common stock that Vintage stockholders receive in the merger will vary as a result of the fixed exchange ratio and possible stock price fluctuations.

The merger consideration consists in part of a fixed exchange ratio that will not be adjusted as a result of any increase or decrease in the price of either shares of Occidental common stock or shares of Vintage common stock. The price of shares of Occidental common stock at the time the merger is completed may be higher or lower than their price on the date of this document or on the date of the Vintage special meeting of stockholders. Changes in business, operations or prospects of Occidental or Vintage, market assessments of the benefits of the merger and of the likelihood that the merger will be completed, regulatory considerations, oil and gas prices, general market and economic conditions, and other factors may affect the prices of shares of Occidental common stock or shares of Vintage common stock. Most of these factors are beyond the control of Occidental or Vintage.

Because the merger will be completed only after the Vintage special meeting of stockholders is held, there is no way to be sure that the price of the shares of Occidental common stock now, or on the date of the special meeting, will be indicative of its price at the time the merger is completed. We urge you to obtain current market quotations for both shares of Occidental common stock and Vintage common stock.

Any delay in completing the merger may reduce or eliminate the benefits expected.

In addition to the required regulatory clearances and approvals, the merger is subject to a number of other conditions beyond the control of Occidental and Vintage that may prevent, delay or otherwise materially adversely affect its completion. We cannot predict whether and when these other conditions will be satisfied. Further, the requirements for obtaining the required clearances and approvals could delay the completion of the merger for a period of time or prevent it from occurring. Any delay in completing the merger could cause Occidental not to realize some of the synergies that Occidental expects to achieve following the merger if it successfully completes the merger within its expected timeframe and integrates Vintage s business with its business.

Directors and executive officers of Vintage may have potential conflicts of interest in recommending that you vote in favor of the plan of merger.

Some of the directors and executive officers of Vintage have interests in the merger that may be different from, or are in addition to, the interests of Vintage stockholders. These interests include, but are not limited to, benefits payable to certain executive officers as a result of the consummation of the merger, and the indemnification of former Vintage officers and directors by Occidental. See The Merger Interests of Vintage Directors and Executive Officers in the Merger beginning on page 48.

The merger agreement restricts Vintage s ability to pursue alternatives to the merger.

The merger agreement contains no shop provisions that, subject to limited fiduciary exceptions, restrict Vintage s ability to directly or indirectly initiate, solicit, encourage or facilitate, discuss or commit to competing third-party proposals to acquire all or a significant part of Vintage. Further, there are only limited exceptions to Vintage s agreement that the Vintage board of directors will not withdraw, modify or qualify in a manner adverse to Occidental its adoption of the plan of merger or its recommendation to holders of Vintage common stock that they vote in favor of the adoption of the plan of merger, or recommend any other acquisition proposal. Although the Vintage board of directors is permitted to take these actions if it determines that these actions are likely to be required in order for its board of directors to comply with its fiduciary duties, doing so in specified situations could entitle Occidental to terminate the merger agreement and to be paid by Vintage a termination fee of $75 million.

Occidental required that Vintage agree to these provisions as a condition to Occidental s willingness to enter into the merger agreement. However, these provisions could discourage a potential competing acquiror that might have an interest in acquiring all or a significant part of Vintage from considering or proposing that acquisition, even if it were prepared to pay consideration with a higher per share cash or market value than that consideration Occidental proposes to pay in the merger, or might result in a potential competing acquiror proposing to pay a lower per share price to acquire Vintage than it might otherwise have proposed to pay because of the added expense of the termination fee that may become payable to Occidental in certain circumstances.

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THE SPECIAL MEETING OF VINTAGE STOCKHOLDERS

General

This document is being furnished to stockholders of Vintage in connection with the solicitation of proxies by the board of directors of Vintage to adopt the plan of merger.

Date, Time and Place

The special meeting of the stockholders of Vintage will be held at 110 W. Seventh Street, 28th Floor, Tulsa, Oklahoma 74119, on January 26, 2006, at 10 a.m. local time.

Purpose of the Vintage Special Meeting

At the special meeting, stockholders of Vintage will be asked to consider and vote upon the adoption of the Agreement and Plan of Merger, dated as of October 13, 2005, by and among Occidental Petroleum Corporation, Occidental Transaction 1, LLC and Vintage Petroleum, Inc., pursuant to which Vintage will merge with and into Occidental Transaction 1, LLC, with Occidental Transaction 1, LLC as the surviving corporation. A complete copy of the merger agreement is attached to this document as Appendix A.

Record Date; Voting Rights; Quorum; Required Vote

Only holders of record of Vintage common stock at the close of business on November 30, 2005, the record date for the special meeting, are entitled to receive notice of and to vote at the special meeting or at any adjournment or postponement of the special meeting. On the record date, 67,214,748 shares of Vintage common stock were issued and outstanding and were held by approximately 218 holders of record.

At the special meeting, stockholders of Vintage will be entitled to one vote for each share of Vintage common stock owned of record on the record date. The holders of a majority of the Vintage common stock must be present, either in person or by proxy, to constitute a quorum at the meeting.

The affirmative vote of a majority of the outstanding shares of Vintage common stock is required for the adoption of the plan of merger.

Stock Ownership

On the record date, the directors and executive officers of Vintage owned an aggregate of 11,962,305 outstanding shares of common stock of Vintage, or approximately 17.8% of the shares of such stock then outstanding. These directors and executive officers have indicated that they intend to vote their shares in favor of the proposal to adopt the plan of merger.

Voting and Revocation of Proxies

Stockholders of Vintage may vote their shares of common stock by attending the special meeting and voting their shares in person, or by completing the enclosed proxy card, signing and dating it and mailing it in the enclosed postage-paid envelope to Vintage in a timely manner. Stockholders may also vote their shares of common stock online via the Internet or by telephone according to the instructions on the proxy card. If you vote by proxy, your proxy will be voted in accordance with the instructions you indicate on the proxy card, unless you revoke your proxy prior to the vote. The proxy also grants authority to the persons designated in the proxy to vote in accordance with their own judgment if an unscheduled matter is properly brought before the meeting. **If a written proxy card is signed by a stockholder of Vintage and returned without instructions, the shares represented by the proxy will be voted FOR the adoption of the plan of merger and any adjournment or postponement of the special meeting to solicit additional proxies.**

VINTAGE S BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT YOU VOTE FOR ADOPTION OF THE PLAN OF MERGER.

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Do not forward your stock certificates with your proxy card.

A proxy solicited by the Vintage board of directors may be revoked at any time before it is voted at the special meeting by:

- giving a written notice to the Corporate Secretary of Vintage;
- submission of a proxy bearing a later date filed with the Secretary of Vintage at or before the meeting by mail, online via the Internet or by telephone; or
- attending the special meeting and voting in person at the meeting.

The Secretary of Vintage will be in attendance at the special meeting and, prior thereto, can be reached at the following address:

Vintage Petroleum, Inc.

110 West Seventh Street

Tulsa, Oklahoma 74119

Attention: William C. Barnes, Secretary

Phone No.: (918) 592-0101

Election inspectors appointed for the special meeting will tabulate the votes cast by proxy or in person at the special meeting. The election inspectors will determine whether a quorum is present. The election inspectors will treat abstentions and broker non-votes as shares that are present and entitled to vote for purposes of determining a quorum if (1) proxies are marked as abstentions, (2) Vintage stockholders appear in person but abstain from voting, or (3) a broker indicates on the proxy that it does not have discretionary authority regarding certain shares.

Because the affirmative vote required to adopt the plan of merger is based upon the total number of outstanding shares of Vintage common stock, the failure to submit a proxy card or to vote online via the Internet, by telephone or in person, or the abstention from voting by a stockholder will have the same effect as a vote against adoption of the plan of merger.

No other business is expected to be transacted at the special meeting.

Vintage Shares Held in Street Name

Vintage stockholders who hold their shares in street name, meaning in the name of a bank, broker or other record holder, must either direct the record holder of their shares how to vote their shares or obtain a proxy from the record holder to vote at the special meeting.

Brokers holding shares of Vintage common stock as nominees will not have discretionary authority to vote those shares in the absence of instructions from the beneficial owners of those shares, so the failure to provide voting instructions to your broker will also have the same effect as a vote against the merger.

Solicitation of Proxies; Expenses

This proxy solicitation is made by the Vintage board of directors. Vintage and Occidental have agreed to equally share expenses incurred in preparing, assembling, printing, and mailing this proxy statement and prospectus. Proxies will be solicited through the mail. Additionally, directors, officers and regular employees of Vintage and its subsidiaries intend to solicit proxies personally or by telephone or other means of communication. These directors, officers and employees will not be additionally compensated. Vintage and Occidental will reimburse banks, brokers and other custodians, nominees and fiduciaries for their reasonable expenses in forwarding the proxy materials to beneficial owners. Vintage has also engaged Morrow & Co., Inc. to assist it in connection with the solicitation of proxies and will pay Morrow & Co., a fee of approximately $10,000 for its services and reimburse its expenses.

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THE MERGER

General

The boards of directors of Occidental and Vintage have unanimously approved the plan of merger providing for the merger of Vintage into Merger Sub. Merger Sub, a Delaware limited liability company, which is wholly owned by Occidental, will be the surviving entity in the merger, and upon completion of the merger, the separate corporate existence of Vintage will terminate. We expect to complete the merger in the first quarter of 2006.

Background of the Merger

On February 18, 2004, S. Craig George resigned as President and Chief Executive Officer of Vintage and Charles C. Stephenson, Jr., Chairman of the Board of Directors of Vintage, reassumed the positions of President and Chief Executive Officer. At that time, management and the board of directors of Vintage believed that Vintage s stock market valuation was not reflective of the underlying net asset value of Vintage. Accordingly, management of Vintage intensified its focus on executing Vintage s strategic business plan in order to enhance stockholder value.

While carrying out this business plan, from time to time during the period beginning on February 19, 2004 and ending in August 2005, Mr. Stephenson was contacted by several entities in the oil and gas industry, other than Occidental, inquiring whether Vintage would have any interest in a potential business combination. During this period, Mr. Stephenson had various informal discussions with these entities regarding their respective businesses. None of these entities entered into a confidentiality agreement with Vintage and none of these discussions led to a formal offer to acquire Vintage. However, during this process, Mr. Stephenson gained additional insight as to the potential terms under which a business combination might be achieved.

Representatives of Occidental and Vintage first began having discussions regarding a potential business combination in June 2004. On June 17, 2004, Todd Stevens, Occidental s Vice President for Acquisitions and Corporate Finance, met with Mr. Stephenson in Tulsa, Oklahoma, to discuss Occidental s interest in a potential business combination with Vintage; however, no conclusions were reached at this meeting. Mr. Stephenson stated that he was focused on executing Vintage s business plan and suggested that they talk at a later date.

In September 2004, Mr. Stevens telephoned Mr. Stephenson to determine whether Mr. Stephenson was ready at that time to further discuss the possibility of a business combination between Vintage and Occidental. Messrs. Stevens and Stephenson engaged in a brief discussion regarding the potential business combination, but again decided to defer such discussions.

On October 14, 2004 and December 7, 2004, at meetings of the Occidental board of directors, Mr. Stevens briefed the Occidental board on the discussions with Vintage to date.

On December 13, 2004, at the suggestion of Mr. Stevens, Mr. Stephenson met with Mr. Stevens and Mr. Stephen I. Chazen, Senior Executive Vice President and Chief Financial Officer of Occidental, in Tulsa, Oklahoma. At the meeting, they engaged in a general discussion of Vintage s and Occidental s business plans and their views with respect to the business and prospects of Vintage. At the end of the meeting, Messrs. Stephenson, Stevens and Chazen agreed to continue discussions.

Beginning in late January 2005 and continuing through early July 2005, Messrs. Stephenson and Stevens held discussions from time to time by telephone regarding moving the process forward, a potential transaction and their respective views on valuation.

On February 10, 2005 and July 14, 2005, Occidental s board of directors held its regularly scheduled meetings. At each board meeting, Mr. Stevens provided the board with an update of his discussions with Vintage.

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On July 11 and 12, 2005, Mr. Stephenson met in Los Angeles, California, with Messrs. Stevens and Chazen and Dr. Ray R. Irani, Chairman of the Board of Directors, President and Chief Executive Officer of Occidental, to continue to discuss a potential transaction. The discussions included their respective businesses and valuation with respect to Vintage. Following these meetings, on July 28, 2005, the parties executed a confidentiality agreement, which was later amended on August 1, 2005.

From the middle of September 2005 to September 26, 2005, Mr. Chazen and Mr. Stephenson discussed several times by telephone the valuation of Vintage.

On September 26, 2005, Occidental submitted to Vintage a written non-binding offer to acquire Vintage by merging it with and into a wholly owned subsidiary of Occidental. In return, the Vintage stockholders would receive a combination of Occidental common stock and cash for each share of Vintage common stock.

On September 28, 2005, Occidental distributed a draft merger agreement prepared by Sullivan & Cromwell LLP, Occidental s outside counsel, to Vintage and its outside counsel, Conner & Winters, LLP. In late September 2005, the parties made arrangements for Occidental s representatives and advisors to conduct due diligence in Tulsa, Oklahoma near Vintage s headquarters.

From September 29, 2005 through October 12, 2005, Messrs. Stevens and/or Chazen and Messrs. Stephenson and/or William C. Barnes, Executive Vice President and Chief Financial Officer of Vintage, together with their respective legal advisors, discussed several times (either in person or via telephonic conference) the terms of the merger agreement. These negotiations covered various aspects of the transaction, including, among other things, the amount and form of the merger consideration, the representations and warranties made by the parties, the restrictions on the conduct of Vintage s business, the conditions to completion of the merger, the provisions regarding termination, employee stock rights and other matters, the details of the no shop clause, the amount, triggers and payment of the termination fee and the consequences of termination.

During the same period, Occidental conducted due diligence in Tulsa, Oklahoma, and held discussions in Dallas, Texas, with representatives of Netherland, Sewell & Associates, Inc., Vintage s independent petroleum consultants, to review Vintage s oil and gas reserve estimates.

During the above process, the Vintage board of directors, and, in particular, the outside directors, were kept apprised of the developments and negotiations with Occidental through various telephone conversations.

On October 12 and 13, 2005, the Vintage board of directors, together with Vintage s management and legal counsel as well as Vintage s financial advisors, Credit Suisse First Boston and Lehman Brothers, met in Tulsa, Oklahoma, to review the proposed transaction. At these meetings, Vintage s board discussed various aspects of the proposed transaction, including the proposed merger consideration and the terms of the merger agreement. Vintage s legal counsel presented a summary of the terms of the merger agreement and discussed various legal issues with the board. At the October 12th meeting, Credit Suisse First Boston and Lehman Brothers each reviewed with Vintage s board its financial analysis of the merger consideration and each subsequently delivered its opinion, dated October 13, 2005, to the Vintage board to the effect that, as of the date of its opinion and based on and subject to the matters described in its opinion, the merger consideration was fair, from a financial point of view, to the holders of Vintage common stock, other than Occidental and its affiliates. On October 13, 2005, after additional discussion on the proposed transaction, the Vintage board unanimously approved the merger, the terms of the merger agreement and the transactions contemplated thereby and determined to recommend adoption of the merger agreement to the stockholders of Vintage.

On October 13, 2005, the Occidental board of directors met to review the proposed transaction and unanimously approved the merger agreement and the transactions contemplated thereby.

Following the approval of the merger by both boards, Occidental and Vintage executed the merger agreement in the late afternoon on October 13, 2005. Immediately thereafter, the parties publicly announced the execution of the merger agreement.

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Vintage s Reasons for the Merger

The Vintage board of directors, at a special meeting held on October 13, 2005, determined that the merger and the merger agreement are advisable, fair to and in the best interests of Vintage and its stockholders.

In the course of evaluating the merger, the board consulted with management, as well as its legal and financial advisors, and considered a number of factors, including the following:

- the board s familiarity with, and understanding of, Vintage s business, financial condition, results of operations, current business strategy and earnings and prospects and of Occidental s business, financial condition, results of operations, business strategy and earnings (including the report of Vintage s management on the results of its due diligence review of Occidental);

- the possible alternatives to the merger (including other acquisition or combination possibilities for Vintage and the possibility of continuing to operate as an independent entity, and the perceived risks thereof), the range of possible benefits to Vintage s stockholders of such alternatives and the timing and likelihood of accomplishing the goal of any of such alternatives; and the board s assessment that the merger with Occidental presents a superior opportunity to such alternatives;

- the board s understanding of the current and prospective markets in which Vintage operates, including global, national and local economic conditions, the competitive landscape for oil and gas industry participants generally and the likely effect of these factors on Vintage in light of, and in the absence of, the merger;

- the board s understanding, and management s review, of Vintage s current and prospective holdings, including Vintage s international assets, and the board s and management s views concerning maximizing the future benefits relating to these holdings in view of Vintage s size and position in the oil and gas industry; in this regard, Vintage s board and management believe that:

  - maximizing Vintage s unique international asset base would require very significant capital outlays and the assumption of a degree of risk that in each case would be borne significantly more readily if the company were larger and more diversified; and

  - by virtue of its financial and technical resources and geographic scope, Occidental would be better positioned, and therefore more likely, to develop these prospects without subjecting Occidental to the same degree of risk;

- management s review, and the board s understanding, of the geopolitical risks inherent in Vintage s asset portfolio, and of the likelihood that a business combination with Occidental would diversify these risks significantly; in this regard, the board noted that, on a barrels of oil-equivalent basis, as of December 31, 2004, approximately 59 percent of Vintage s oil and gas production and approximately 68 percent of Vintage s proved oil and gas reserves were located outside the United States, concentrated primarily in Argentina;

- the fact that, because well over half of the merger consideration is payable in the form of Occidental shares, Vintage stockholders will have the opportunity to participate in the performance of the combined post-merger company; in that regard, the Vintage board understood that the volatility of prices for oil and gas would cause the value of the merger consideration to fluctuate, perhaps significantly, but was of the view that on a long-term basis it would be desirable for stockholders to have an opportunity to retain some continuing investment in the post-merger combined company;

the board s understanding, and management s review, of overall market conditions, including then-current and prospective commodity prices and Vintage s trading price, and the board s determination that, in light of these factors, the timing of a potential transaction was favorable to Vintage;

the fact that the $52.32 per share value of the consideration to Vintage s stockholders in the merger (based on the closing price of Occidental shares on the NYSE composite transaction reporting system on the last trading day prior to the date of the public announcement of the proposed merger) represents:

a premium of $10.53, or approximately 25.2%, over the trailing average closing price of $41.79 per share for Vintage s common stock as reported on the NYSE composite transaction reporting system for the 30 trading days ended October 12, 2005,

a premium of $12.30, or approximately 30.7%, over the trailing average closing price of $40.02 per share for Vintage s common stock as reported on the NYSE composite transaction reporting system for the five trading days ended October 12, 2005, and

a premium of $13.36, or approximately 34.3%, over the closing sale price of $38.96 for Vintage s common stock as reported on the NYSE composite transaction reporting system on October 12, 2005, the last trading day prior to the date of the public announcement of the proposed merger;

the fact that the dividend yield of Occidental common stock is considerably higher than that of Vintage, and the board s expectation that Vintage stockholders, to the extent they receive Occidental common stock in the merger, would receive higher annual dividends than the dividends paid with respect to Vintage s common stock;

the review by the board with Vintage s legal advisor of the structure of the merger and the terms of the merger agreement, including the blend of cash and stock consideration, the covenants of each party and the conditions to consummation of the merger;

the financial presentations of Credit Suisse First Boston and Lehman Brothers, including their separate opinions, each dated October 13, 2005, to the Vintage board of directors as to the fairness, from a financial point of view and as of the date of the opinions, of the merger consideration, as more fully described below under the caption Opinions of Vintage s Financial Advisors ; and

the expectation that the merger would qualify as a reorganization for federal income tax purposes.

The Vintage board of directors also considered potential risks associated with the merger in connection with its evaluation of the proposed transaction, including:

the risks of the type and nature described under Risk Factors ;

the possibility that the DOJ, the FTC or other regulatory authorities might seek to enjoin or otherwise prevent the merger, which possibility the board considered to be low;

with respect to the equity component of the consideration, the volatility of trading prices of oil and gas companies, which typically corresponds to changes in commodity prices, and the fact that the fixed exchange ratio, by its nature, would not adjust upwards to compensate for declines, or downwards to compensate for increases, in Occidental s stock price prior to completion of the merger; and that the terms of the merger agreement did not include collar provisions or stock-price-based termination rights that would be triggered by a decrease in the value of the equity component of the merger consideration attributable to the Occidental stock price;

the interests of certain of Vintage s executive officers and directors described under Interests of Vintage Directors and Executive Officers in the Merger ;

the restrictions on the conduct of Vintage s business prior to the consummation of the merger, requiring Vintage to conduct its business in the ordinary course consistent with past practice subject to specific limitations, which may delay or prevent Vintage from undertaking business opportunities that may arise pending completion of the merger;

the risks and contingencies related to the announcement and pendency of the merger, the possibility that the merger will not be consummated and the potential negative effect of public announcement of the merger on Vintage s sales, operating results and stock price and Vintage s ability to retain key management and personnel;

the requirement that Vintage submit the merger agreement to its stockholders even if the Vintage board withdraws its recommendation, which could delay or prevent Vintage from pursuing a superior proposal if one were to become available;

the requirement that, while Vintage is not prohibited from responding (at any time prior to Vintage s stockholders adoption of the merger agreement and in the manner provided in the merger agreement) to certain acquisition proposals that Vintage s board of directors determines in good faith constitute a superior proposal, Vintage may terminate the merger agreement upon the following conditions:

Occidental s non-curable breach of its representations and warranties to such an extent that the result is a material adverse effect, or

Vintage s stockholders do not approve the merger or the merger is not consummated by March 1, 2006; and

the risk, which is common in transactions of this type, that the terms of the merger agreement, including provisions relating to Vintage s payment of a termination fee under specified circumstances, might discourage other parties that could otherwise have an interest in a business combination with, or an acquisition of, Vintage from proposing such a transaction (see The Merger Agreement Termination of the Merger Agreement).

In view of the variety of factors and the quality and amount of information considered as well as the complexity of these matters, the board did not find it practicable to, and did not attempt to, make specific assessments of, quantify, rank or otherwise assign relative weights to the specific factors considered in reaching its determination. The Vintage board conducted an overall analysis of the factors described above and considered the factors overall to be favorable to, and to support, its determination. The board did not undertake to make any specific determination as to whether any particular factor, or any aspect of any particular factor, was favorable or unfavorable to its ultimate determination. Individual members of the board may have given different weight to different factors.

Recommendation of the Vintage Board of Directors

After careful consideration, the board of directors of Vintage has concluded that the proposed merger as described in the merger agreement is fair to and in the best interests of Vintage and its stockholders.

FOR THE REASONS SET FORTH ABOVE, THE BOARD OF DIRECTORS OF VINTAGE HAS UNANIMOUSLY ADOPTED THE PLAN OF MERGER AS IN THE BEST INTERESTS OF VINTAGE AND ITS STOCKHOLDERS AND UNANIMOUSLY RECOMMENDS THAT VINTAGE S STOCKHOLDERS VOTE FOR ADOPTION OF THE PLAN OF MERGER.

Occidental s Reasons for the Merger

Occidental believes that the merger is consistent with its business strategy and provides an attractive opportunity for it to add assets to its oil and gas portfolio in the core areas the United States, Middle East and Latin America. Occidental believes that the merger provides significant growth opportunities represented by Vintage s assets in Argentina, California and Yemen all of which will complement and enhance Occidental s current operations and production in those regions. Furthermore, the addition of Vintage s assets is expected to make significant long-term contributions to Occidental s cash flow.

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Opinions of Vintage s Financial Advisors

Credit Suisse First Boston LLC

Vintage retained Credit Suisse First Boston as its financial advisor to evaluate, and render an opinion to the Vintage board of directors with respect to, the merger consideration. Credit Suisse First Boston delivered a written opinion, dated October 13, 2005, to the Vintage board of directors to the effect that, as of that date and based on and subject to the considerations described in its opinion, the merger consideration was fair, from a financial point of view, to the holders of Vintage common stock, other than Occidental and its affiliates.

The full text of Credit Suisse First Boston s written opinion, dated October 13, 2005, to the Vintage board of directors, which sets forth, among other things, the procedures followed, assumptions made, matters considered and limitations on the scope of review undertaken by Credit Suisse First Boston in rendering its opinion, is attached as Appendix B and is incorporated into this document by reference in its entirety. Holders of Vintage common stock are encouraged to read this opinion carefully in its entirety. Credit Suisse First Boston s opinion was provided to the Vintage board of directors in connection with its evaluation of the merger consideration and relates only to the fairness, from a financial point of view, of the merger consideration to the holders of Vintage common stock, other than Occidental and its affiliates. Credit Suisse First Boston s opinion does not address any other aspect of the proposed merger and does not constitute a recommendation to any stockholder as to how such stockholder should vote or act with respect to any matter relating to the merger. The summary of Credit Suisse First Boston s opinion in this document is qualified in its entirety by reference to the full text of the opinion.

In arriving at its opinion, Credit Suisse First Boston reviewed a draft dated October 11, 2005 of the merger agreement as well as certain publicly available business and financial information relating to Vintage and Occidental, including oil and gas reserve estimates and other data for Vintage and Occidental reflected in certain public filings of Vintage and Occidental. Credit Suisse First Boston also reviewed certain other information, including publicly available and other financial forecasts and estimated data relating to Vintage (and certain alternative commodity pricing and reserve risk assumptions) and publicly available financial forecasts relating to Occidental, provided to or discussed with Credit Suisse First Boston by Vintage and Occidental, and met with the managements of Vintage and Occidental to discuss the businesses and prospects of Vintage and Occidental. Credit Suisse First Boston also reviewed and discussed with the management of Vintage certain oil and gas reserve reports for Vintage prepared by reserve evaluation consultants to Vintage, including certain oil and gas reserve estimates prepared by the management of Vintage reflected in such reserve reports. Credit Suisse First Boston also considered certain financial, operating and stock market data of Vintage and Occidental and compared that data with similar data for other publicly held companies in businesses Credit Suisse First Boston deemed similar to those of Vintage and Occidental, and considered, to the extent publicly available, the financial terms of certain other business combinations and transactions which have been effected or announced. Credit Suisse First Boston also considered such other information, financial studies, analyses and investigations and financial, economic and market criteria which it deemed relevant.

In connection with its review, Credit Suisse First Boston did not assume any responsibility for independent verification of any of the foregoing information and relied on such information being complete and accurate in all material respects. With respect to the financial forecasts for Vintage that Credit Suisse First Boston reviewed and other estimated data relating to Vintage discussed with Credit Suisse First Boston, Vintage s management advised Credit Suisse First Boston, and Credit Suisse First Boston assumed, that such forecasts were reasonably prepared on bases reflecting the best currently available estimates and judgments of Vintage s management as to the future financial performance of Vintage and that such other data (including alternative commodity pricing and reserve risk assumptions discussed with Credit Suisse First Boston) also represented reasonable estimates. With respect to the reserve reports for Vintage prepared by reserve evaluation consultants and oil and gas reserve estimates for Vintage reflected in Vintage s public filings that Credit Suisse First Boston reviewed, Credit Suisse First Boston was advised and assumed that such reserve reports and reserve estimates were reasonably prepared on bases reflecting the best currently available estimates and judgments of Vintage and its reserve evaluation consultants with respect to the oil and gas reserves of Vintage and related information. With respect to the

publicly available financial forecasts for Occidental and the oil and gas reserve estimates and other data for Occidental reflected in Occidental s public filings that Credit Suisse First Boston reviewed, Occidental s management advised Credit Suisse First Boston, and Credit Suisse First Boston assumed, that such forecasts and oil and gas reserve estimates represented reasonable estimates as to the future financial performance and gas and oil reserves of Occidental. Credit Suisse First Boston assumed, with Vintage s consent, that the merger would qualify as a reorganization under Section 368(a) of the Internal Revenue Code of 1986, as amended. Credit Suisse First Boston also assumed, with Vintage s consent, that in the course of obtaining any necessary regulatory or third party consents, approvals or agreements for the merger, no modification, delay, limitation, restriction or condition would be imposed that would have an adverse effect on Vintage, Occidental or the merger and that the merger would be consummated in accordance with the terms of the merger agreement without waiver, modification or amendment of any material term, condition or agreement therein. Representatives of Vintage advised Credit Suisse First Boston, and Credit Suisse First Boston further assumed, that the merger agreement, when executed, would conform to the draft reviewed by Credit Suisse First Boston in all respects material to Credit Suisse First Boston s analyses.

Credit Suisse First Boston was not requested to make, and did not make, an independent evaluation or appraisal of the assets or liabilities (contingent or otherwise) of Vintage or Occidental, nor was Credit Suisse First Boston furnished with any such evaluations or appraisals (other than the reserve reports for Vintage prepared by reserve evaluation consultants), and Credit Suisse First Boston expressed no view as to the reserve quantities, or the development or production (including, without limitation, the feasibility or timing of development or production), of any oil or gas properties of Vintage or Occidental (including properties with no proved reserves, referred to as unevaluated properties). Credit Suisse First Boston s opinion addressed only the fairness, from a financial point of view, of the merger consideration to the holders of Vintage common stock, other than Occidental and its affiliates, and did not address any other aspect or implication of the merger or any other agreement, arrangement or understanding entered into in connection with the merger or otherwise. Credit Suisse First Boston was not requested to, and it did not, participate in the negotiation or structuring of the merger, and Credit Suisse First Boston was not requested to, and it did not, solicit third party indications of interest in acquiring all or any part of Vintage. Credit Suisse First Boston s opinion was necessarily based on information made available to it as of the date of the opinion and financial, economic, market and other conditions as they existed and could be evaluated on the date of the opinion. Credit Suisse First Boston s opinion also was based on certain assumptions as to future commodity prices for oil and gas, which are subject to significant volatility and which, if different than as assumed, could have a material impact on Credit Suisse First Boston s analyses. Credit Suisse First Boston did not express any opinion as to what the actual value of Occidental common stock will be when issued to holders of Vintage common stock pursuant to the merger or the prices at which Occidental common stock will trade at any time. Credit Suisse First Boston s opinion did not address the relative merits of the merger as compared to other business strategies or transactions that might be available to Vintage, nor did it address the underlying business decision of Vintage to proceed with the merger. Except as described above, Vintage imposed no other limitations on Credit Suisse First Boston with respect to the investigations made or procedures followed in rendering its opinion.

In preparing its opinion to the Vintage board of directors, Credit Suisse First Boston performed a variety of financial and comparative analyses, including those described below. The summary of Credit Suisse First Boston s analyses described below is not a complete description of the analyses underlying Credit Suisse First Boston s opinion. The preparation of a fairness opinion is a complex process involving various determinations as to the most appropriate and relevant methods of financial analysis and the application of those methods to the particular circumstances and, therefore, a fairness opinion is not readily susceptible to partial analysis or summary description. Credit Suisse First Boston arrived at its ultimate opinion based on the results of all analyses undertaken by it and assessed as a whole and did not draw, in isolation, conclusions from, or with regard to, any one factor or method of analysis. Accordingly, Credit Suisse First Boston believes that its analyses must be considered as a whole and that selecting portions of its analyses and factors or focusing on information presented in tabular format, without considering all analyses and factors or the narrative description of the analyses, could create a misleading or incomplete view of the processes underlying its analyses and opinion.

In its analyses, Credit Suisse First Boston considered industry performance, general business, economic, market and financial conditions and other matters, many of which are beyond the control of Vintage and Occidental. No company, transaction or business used in Credit Suisse First Boston s analyses as a comparison is identical to Vintage, Occidental or the merger, and an evaluation of the results of those analyses is not entirely mathematical. Rather, the analyses involve complex considerations and judgments concerning financial and operating characteristics and other factors that could affect the acquisition, public trading or other values of the companies, business segments or transactions analyzed. The estimates contained in Credit Suisse First Boston s analyses and the ranges of valuations resulting from any particular analysis are not necessarily indicative of actual values or predictive of future results or values, which may be significantly more or less favorable than those suggested by the analyses. In addition, analyses relating to the value of businesses or securities do not purport to be appraisals or to reflect the prices at which businesses or securities actually may be sold. Accordingly, the estimates used in, and the results derived from, Credit Suisse First Boston s analyses are inherently subject to substantial uncertainty.

Credit Suisse First Boston was not requested to, and it did not, recommend the specific form or amount of consideration payable in the merger, which consideration was determined through negotiation between Vintage and Occidental. Credit Suisse First Boston s opinion and financial analyses were only one of many factors considered by the Vintage board of directors in its evaluation of the merger and should not be viewed as determinative of the views of the Vintage board of directors or management with respect to the merger or merger consideration.

The following is a summary of the material financial analyses reviewed with the Vintage board of directors in connection with Credit Suisse First Boston s opinion. **The financial analyses summarized below include information presented in tabular format. In order to fully understand Credit Suisse First Boston s financial analyses, the tables must be read together with the text of each summary. The tables alone do not constitute a complete description of the financial analyses. Considering the data in the tables below without considering the full narrative description of the financial analyses, including the methodologies and assumptions underlying the analyses, could create a misleading or incomplete view of Credit Suisse First Boston s financial analyses.** For purposes of the summary of Credit Suisse First Boston s financial analyses described below, the term implied per share value of the merger consideration refers to the implied aggregate value of the per share cash consideration in the merger of $20.00 and the per share stock consideration issuable in the merger based on the exchange ratio provided for in the merger of 0.42 and the per share closing price of Occidental common stock on October 10, 2005 of $76.97. For purposes of calculating a barrel equivalent, one barrel of oil was deemed equivalent to six thousand cubic feet of natural gas.

Vintage Analyses

Selected Companies Analysis. Credit Suisse First Boston reviewed trading multiples of Vintage and the following eight selected publicly held companies in the oil and gas exploration and production industry, or E&P industry:

Apache Corporation
Cabot Oil & Gas Corporation
Chesapeake Energy Corporation
Noble Energy, Inc.
Occidental
Pioneer Natural Resources Company
Plains Exploration & Production Company
Whiting Petroleum Corporation

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Credit Suisse First Boston compared enterprise values as a multiple of the following:

- calendar year 2005 estimated earnings before interest, taxes, depreciation, depletion, amortization and exploration expenses, referred to as EBITDAX; and
- calendar year 2006 estimated EBITDAX.

Credit Suisse First Boston also compared enterprise values, excluding the estimated value of non-reserve assets, as multiples of the following:

- total proved reserves as of December 31, 2004 (in $ per barrel equivalent);
- calendar year 2005 estimated daily production (in $ per barrel equivalent per day); and
- the estimated net present value on an after-tax basis of proved reserves calculated using a 10% discount rate, referred to as after-tax PV-10, as of December 31, 2004.

Credit Suisse First Boston then applied a range of selected multiples of such financial and operating data derived from the selected companies to corresponding financial data of Vintage. Multiples were based on closing stock prices on October 10, 2005. Financial and operating data for the selected companies were based on publicly available research analysts estimates, public filings and other publicly available information. Financial and operating data for Vintage were based on internal estimates of Vintage s management, publicly available research analysts estimates and public filings. Reserve estimates for Vintage and the selected companies were pro forma for acquisitions and divestitures publicly announced by Vintage and the selected companies in 2005. This analysis indicated the following implied per share equity reference range for Vintage, as compared to the implied per share value of the merger consideration:

Implied Per Share Equity Reference Range for Vintage	Implied Per Share Value of Merger Consideration
$38.46 $50.12	$52.33

Selected Transactions Analysis. Credit Suisse First Boston reviewed publicly available transaction value multiples in the following 11 transactions publicly announced from February 12, 2004, through October 3, 2005, in the E&P industry involving U.S. companies, referred to as the U.S. transactions:

Acquiror	Target
Chesapeake Energy Corporation	Triana Energy Holdings LLC
Whiting Petroleum Corporation	Celero Energy, LP
El Paso Corporation	Medicine Bow Energy Corporation
Enerplus Resources Fund	Lyco Energy Corporation
Petrohawk Energy Corporation	Mission Resources Corporation

Cimarex Energy Co.	Magnum Hunter Resources, Inc.
Noble Energy, Inc.	Patina Oil & Gas Corporation
Pioneer Natural Resources Company	Evergreen Resources, Inc.
EnCana Corporation	Tom Brown Inc.
Kerr-McGee Corporation	Westport Resources Corporation
Plains Exploration & Production Company	Nuevo Energy Company

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Credit Suisse First Boston also reviewed publicly available transaction value multiples in the following 15 transactions publicly announced from February 22, 2000, through June 28, 2004, in the E&P industry involving Argentine companies, referred to as the Argentine transactions:

Acquiror	Target
Vintage Petroleum, Inc.	Rio Alto Resources International Inc.
Petroleo Brasileiro SA	Petrolera Santa Fe S.R.L. (a subsidiary of Devon Energy Corporation)
Petroleo Brasileiro SA	Perez Companc S.A.
Sipetrol	Pecom Energía S.A.
Canadian Hunter Exploration Ltd.	Atalaya Energy S.A.
Vintage Petroleum, Inc.	Royal Dutch Shell plc
Pioneer Natural Resources Company	Alberta Energy Co. Ltd.
Canadian Hunter Exploration Ltd.	Sipetrol Argentina S.A.
Vintage Petroleum, Inc.	Petrobas Energia S.A.
Petrobas Energia SA; Pecom Energia S.A.	Compania General de Combustibles S.A.
Rio Alto Exploration Ltd	Bella Vista Oeste S.A.
Petrobas Energia SA	Quintana Exploration Argentina S.A.
Petrobas Energia SA	Sudelektra Argentina S.A. (a subsidiary of Xstrata AG)
Repsol YPF SA	Astra Compania Argentina De Petroleo S.A.
Canadian Hunter Exploration Ltd.	Atalaya Energy S.A.

Credit Suisse First Boston compared transaction values in the selected transactions, excluding the estimated value of non-reserve assets, of the acquired companies or their businesses as multiples of the following data:

total proved reserves (in $ per barrel equivalent); and

estimated daily production (in $ per barrel equivalent per day).

Credit Suisse First Boston then applied a range of selected multiples of such operating data derived from the U.S. transactions to Vintage s U.S. and other non-Latin American proved reserves as of December 31, 2004, and calendar year 2005 estimated daily production. Credit Suisse First Boston also applied a range of selected multiples of such operating data derived from the Argentine transactions to Vintage s Latin American proved reserves as of December 31, 2004, and calendar year 2005 estimated daily production. Multiples for the selected transactions were based on publicly available information and were generally compiled by John S. Herold, Inc., an independent global energy research firm. Operating data for Vintage were based on internal estimates of Vintage s management and public filings. Reserve estimates for Vintage were pro forma for acquisitions and divestitures publicly announced by Vintage in 2005. This analysis indicated the following implied per share equity reference range for Vintage, as compared to the implied per share value of the merger consideration:

Implied Per Share Equity Reference Range For Vintage	Implied Per Share Value of Merger Consideration
$44.29 $57.41	$52.33

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Discounted Cash Flow Analysis. Credit Suisse First Boston reviewed the standalone unlevered, after-tax free cash flows that Vintage could generate based on reserve reports prepared by third party consultants and internal estimates of Vintage s management and utilizing the following alternative assumptions as to oil and gas commodity pricing and estimated reserve risk:

Oil and Gas Commodity Pricing Assumptions	NYMEX pricing assumption: New York Mercantile Exchange, or NYMEX, forward curve oil and gas commodity prices through calendar year 2010 and NYMEX forward curve oil and gas commodity prices for calendar year 2010 applied to subsequent years; or
	$45.00/$6.50 commodity pricing assumption: NYMEX forward curve oil and gas commodity prices through calendar year 2007 and commodity unit prices for oil of $45.00 per barrel and for gas of $6.50 per thousand cubic feet applied to subsequent years.
Estimated Reserve Risk Assumptions	Risked: Sensitivities of 100% for proved developed reserves, 90% for proved undeveloped reserves, 50% for probable reserves and 20% for possible reserves applied; or
	Unrisked: No sensitivities applied.

Credit Suisse First Boston then performed a discounted cash flow analysis of Vintage under each of the following scenarios using two different methodologies as more fully described below:

Scenario 1: NYMEX pricing assumption/unrisked;

Scenario 2: NYMEX pricing assumption/risked;

Scenario 3: $45.00/$6.50 commodity pricing assumption/unrisked; and

Scenario 4: $45.00/$6.50 commodity pricing assumption/risked.

No Terminal Value Methodology. Credit Suisse First Boston calculated the estimated present value of the standalone unlevered, after-tax free cash flows that Vintage could generate from the fourth quarter of calendar year 2005 through calendar year 2019 under each of the four scenarios described above. Estimated after-tax free cash flows were discounted to present value using discount rates of 10.5% to 12.5%. This analysis indicated the following implied per share equity reference ranges for Vintage under each scenario, as compared to the implied per share value of the merger consideration:

Scenario	Implied Per Share Equity Reference Range for Vintage	Implied Per Share Value of Merger Consideration
Scenario 1	$45.98 $52.86	$52.33
Scenario 2	$36.44 $41.79	
Scenario 3	$35.61 $40.94	

Scenario 4	$28.73	$32.99

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Terminal Value Methodology. Credit Suisse First Boston calculated the estimated present value of the standalone unlevered, after-tax free cash flows that Vintage could generate from the fourth quarter of calendar year 2005 through calendar year 2010 under each of the four scenarios described above. Credit Suisse First Boston also calculated ranges of estimated terminal values for Vintage by multiplying Vintage s calendar year 2010 estimated EBITDAX under each scenario by EBITDAX multiples ranging from 5.0x to 6.0x. Estimated after-tax free cash flows and terminal values were discounted to present value using discount rates of 10.5% to 12.5%. This analysis indicated the following implied per share equity reference ranges for Vintage under each scenario, as compared to the implied per share value of the merger consideration:

Scenario	Implied Per Share Equity Reference Range for Vintage	Implied Per Share Value of Merger Consideration
Scenario 1	$62.67 $77.65	$52.33
Scenario 2	$50.25 $61.95	
Scenario 3	$49.07 $60.79	
Scenario 4	$39.48 $48.64	

Occidental Trading Multiples Comparison

Credit Suisse First Boston reviewed trading multiples of Occidental and the following seven selected publicly held companies in the E&P industry:

- Anadarko Petroleum Corporation
- Apache Corporation
- Burlington Resources Inc.
- Devon Energy Corporation
- EnCana Corporation
- EOG Resources, Inc.
- XTO Energy Inc.

Credit Suisse First Boston reviewed enterprise values as a multiple of the following:

- calendar year 2005 estimated EBITDAX; and
- calendar year 2006 estimated EBITDAX.

Credit Suisse First Boston also reviewed enterprise values, excluding the estimated value of non-reserve assets, as multiples of the following:

- total proved reserves as of December 31, 2004 (in $ per barrel equivalent);

calendar year 2005 estimated daily production (in $ per barrel equivalent per day); and

after-tax PV-10 as of December 31, 2004.

Credit Suisse First Boston then compared these financial and operating multiples derived for the selected companies with corresponding multiples implied for Occidental. Multiples were based on closing stock prices on October 10, 2005. Financial and operating data for Occidental and selected companies were based on publicly available research analysts estimates, public filings and other publicly available information. Reserve estimates for Occidental and the selected companies were pro forma for acquisition and divestitures publicly announced by Occidental and the selected companies in 2005. This analysis indicated the following implied high, low, mean and median multiples for the selected companies, as compared to corresponding multiples implied for Occidental:

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	Implied Multiples for Selected Companies				Implied Multiples for Occidental
	High	Low	Mean	Median	
Enterprise Value as Multiples of:					
EBITDAX					
Calendar Year 2005	8.3x	4.1x	5.8x	5.3x	4.2x
Calendar Year 2006	6.9x	3.9x	5.2x	4.9x	4.0x
Total Proved Reserves	$ 22.92	$ 9.62	$ 15.85	$ 16.27	$ 10.56
Daily Production	$ 84,104	$ 49,431	$ 61,080	$ 59,137	$ 45,538
After-tax PV-10	2.40x	1.22x	1.94x	2.09x	1.72x

Miscellaneous

Vintage selected Credit Suisse First Boston as its financial advisor to evaluate, and render an opinion to the Vintage board of directors with respect to, the merger consideration based on Credit Suisse First Boston s qualifications, experience and reputation, and its familiarity with Vintage and its business. Credit Suisse First Boston is an internationally recognized investment banking firm and is regularly engaged in the valuation of businesses and securities in connection with mergers and acquisitions, leveraged buyouts, negotiated underwritings, competitive biddings, secondary distributions of listed and unlisted securities, private placements and valuations for corporate and other purposes.

Credit Suisse First Boston and its affiliates in the past have provided and in the future may provide investment banking and other financial services to Vintage and Occidental unrelated to the merger, for which services Credit Suisse First Boston and its affiliates have received, and would expect to receive, compensation. Credit Suisse First Boston is a full service securities firm engaged in securities trading and brokerage activities as well as providing investment banking and other financial services. In the ordinary course of business, Credit Suisse First Boston and its affiliates may acquire, hold or sell, for its and its affiliates accounts and for the account of customers, equity, debt and other securities and financial instruments (including bank loans and other obligations of Vintage and Occidental) and, accordingly, may at any time hold a long or short position in such securities.

Vintage agreed to pay Credit Suisse First Boston a fee of $3.0 million upon rendering its opinion. In addition, Vintage has agreed to reimburse Credit Suisse First Boston for expenses, including fees and reasonable expenses of legal counsel and any other advisor retained by Credit Suisse First Boston, and to indemnify Credit Suisse First Boston and related parties against liabilities, including liabilities under the federal securities laws, arising out of its engagement.

Lehman Brothers Inc.

Vintage engaged Lehman Brothers to act as its financial advisor in connection with the merger with Occidental. On October 13, 2005, Lehman Brothers rendered its written opinion to the board of directors of Vintage, that, as of such date, based upon and subject to the matters stated in its opinion letter, from a financial point of view, the consideration to be offered to the stockholders of Vintage in the merger, was fair to the stockholders of Vintage.

The full text of Lehman Brothers opinion dated October 13, 2005, is included as Appendix C to this document. Holders of Vintage s common stock are encouraged to read Lehman Brothers opinion carefully in its entirety for a description of the assumptions made, procedures followed, factors considered and limitations upon the review undertaken by Lehman Brothers in rendering its opinion. The following is

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a summary of Lehman Brothers opinion and the methodology that Lehman Brothers used to render its opinion. This summary is qualified in its entirety by reference to the full text of the opinion.

Lehman Brothers advisory services and opinion were provided for the information and assistance of the board of directors of Vintage in connection with its consideration of the merger. Lehman Brothers opinion is not intended to be and does not constitute a recommendation to any stockholder of Vintage as to how such stockholder should vote in connection with the merger. Lehman Brothers was not requested to opine as to, and Lehman Brothers opinion does not in any manner address, Vintage s underlying business decision to proceed with or effect the merger.

In arriving at its opinion, Lehman Brothers reviewed, among other things:

- the plan of merger and the specific terms of the merger;
- publicly available information concerning Vintage and Occidental that Lehman Brothers believed to be relevant to its analysis, including, without limitation, the Annual Reports on Form 10-K for the fiscal year ended December 31, 2004 for each of Vintage and Occidental and the Quarterly Reports on Form 10-Q for the six months ended June 30, 2005 for each of Vintage and Occidental;
- financial and operating information with respect to the business, operations and prospects of Vintage furnished to Lehman Brothers by Vintage including financial projections for the fiscal year ended December 31, 2005;
- financial and operating information that was or has subsequently been made public by Occidental with respect to the business, operations and prospects of Occidental furnished to Lehman Brothers by Occidental;
- estimates of certain proved and non-proved reserves of Vintage, as of December 31, 2004, audited by third-party reserve engineers and such estimates rolled forward internally by management of Vintage to June 30, 2005 (the Vintage Management Reserve Reports);
- the trading histories of Vintage s common stock and Occidental s common stock from October 11, 2004 to October 11, 2005 and a comparison of those trading histories with each other and with those of other companies that Lehman Brothers deemed relevant;
- a comparison of the historical financial results and present financial condition of Vintage and Occidental with each other and with those of other companies that Lehman Brothers deemed relevant based on publicly available information of such other companies;
- a comparison of the financial terms of the merger with the financial terms of certain other transactions that Lehman Brothers deemed relevant;
- commodity price assumptions published by Lehman Brothers equity research and commodity prices as quoted on the NYMEX on October 6, 2005;
- the potential pro forma impact of the merger on the future financial performance of Occidental, including the cost savings, operating synergies and strategic benefits expected to result from a combination of the businesses of Vintage and Occidental (the Expected Synergies); and

published estimates by independent equity research analysts (including Lehman Brothers) with respect to the future financial performance of Vintage and Occidental.

In addition, Lehman Brothers had discussions with the managements of Vintage and Occidental concerning their respective businesses, operations, assets, financial conditions, reserves, production profiles, hedging levels, exploration programs and prospects and undertook such other studies, analyses and investigations as Lehman Brothers deemed appropriate.

In arriving at its opinion, Lehman Brothers assumed and relied upon the accuracy and completeness of the financial and other information used by Lehman Brothers without assuming any responsibility for independent

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verification of such information. Lehman Brothers further relied upon the assurances of the managements of Vintage and Occidental with respect to the information provided by them to Lehman Brothers, respectively, that they were not aware of any facts or circumstances that would make such information inaccurate or misleading. With respect to the financial projections provided by Vintage, upon advice of Vintage, Lehman Brothers assumed that such projections were reasonably prepared on a basis reflecting the best currently available estimates and judgments of the management of Vintage as to the future financial performance of Vintage and that Vintage would perform substantially in accordance with such projections. However, for the purposes of its analysis, Lehman Brothers considered (i) the financial projections of Vintage which were adjusted based on the commodity price assumptions published by Lehman Brothers equity research, and (ii) published estimates of Lehman Brothers equity research analyst for Vintage s 2005 fiscal year (2005 Vintage Research Estimates). Lehman Brothers discussed these adjusted financial projections and the 2005 Vintage Research Estimates with the management of Vintage and they agreed with the appropriateness of the use of, and Lehman Brothers relied on, the adjusted financial projections and the 2005 Vintage Research Estimates in performing its analysis. Lehman Brothers was not provided with, and did not have any access to, financial projections of Vintage for the fiscal year ended December 31, 2006 prepared by management of Vintage. Accordingly, upon advice of Vintage, Lehman Brothers assumed that the published estimates of Lehman Brothers equity research analyst were a reasonable basis upon which to evaluate the future financial performance of Vintage with regard to the 2006 fiscal year and that Vintage would perform substantially in accordance with such estimates. Lehman Brothers was not provided with, and did not have access to, financial projections of Occidental prepared by the management of Occidental. Accordingly, Lehman Brothers held discussions with Occidental concerning published estimates by independent research analysts (including Lehman Brothers) with respect to the future financial performance of Occidental. Upon advice of Vintage, Lehman Brothers assumed that the published estimates of Lehman Brothers equity research analyst were a reasonable basis upon which to evaluate the future financial performance of Occidental and that Occidental would perform substantially in accordance with such estimates. With respect to the Vintage Management Reserve Reports, Lehman Brothers discussed these Vintage Management Reserve Reports with the management of Vintage and upon advice of Vintage, Lehman Brothers assumed that the Vintage Management Reserve Reports were a reasonable basis upon which to evaluate the proved and non-proved reserve levels of Vintage as of such date. However, for the purposes of its analysis, Lehman Brothers considered the Vintage Management Reserve Reports adjusted to reflect, among other things, commodity prices as quoted on the NYMEX on October 6, 2005. Lehman Brothers discussed these adjustments to the Vintage Management Reserve Reports with the management of Vintage and they agreed with the appropriateness of the use of, and Lehman Brothers relied on, the adjusted Vintage Management Reserve Reports in performing its analysis. With respect to the Expected Synergies estimated by the managements of Vintage and Occidental to result from the merger, Lehman Brothers assumed that the amount and timing was appropriate and that the Expected Synergies would be realized substantially in accordance with such estimates.

In arriving at its opinion, Lehman Brothers did not conduct a physical inspection of the properties and facilities of Vintage and Occidental and did not make or obtain from third parties any evaluations or appraisals of the assets and liabilities of Vintage or Occidental, other than the third party reserve reports for Vintage. In addition, Vintage did not authorize Lehman Brothers to solicit, and Lehman Brothers did not solicit, any indications of interest from any third party with respect to the purchase of all or a part of the Vintage s business. Lehman Brothers opinion is necessarily based upon market, economic and other conditions as they existed on, and could be evaluated as of, the date of its opinion letter. In addition, Lehman Brothers was not requested to and did not express any opinion as to the prices at which shares of Occidental common stock may trade following the announcement or consummation of the merger. Lehman Brothers opinion should not be viewed as providing any assurance that the market value of the shares of Occidental common stock to be held by the stockholders of Vintage after the consummation of the merger (in addition to the cash portion of the consideration) will be in excess of the market value of the shares of Vintage common stock held by such stockholders at any time prior to the announcement or consummation of the merger.

In arriving at its opinion, Lehman Brothers did not ascribe a specific range of value to Vintage or Occidental, but rather made its determination as to the fairness to the stockholders of Vintage, from a financial

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point of view, of the consideration to be offered to stockholders of Vintage in the merger on the basis of financial, comparative and other analyses described below. The preparation of a fairness opinion involves various determinations as to the most appropriate and relevant methods of financial, comparative and other analyses and the application of those methods to the particular circumstances, and, therefore, such an opinion is not readily susceptible to summary description. Furthermore, in arriving at its opinion, Lehman Brothers did not attribute any particular weight to any analysis or factor considered by it, but rather made qualitative judgments as to the significance and relevance of each analysis and factor. Accordingly, Lehman Brothers believes that its analyses must be considered as a whole and that considering any portion of such analyses and factors considered, without considering all analyses and factors as a whole, could create a misleading or incomplete view of the process underlying the opinion. In its analyses, Lehman Brothers made numerous assumptions with respect to industry performance, general business and economic conditions and other matters, many of which are beyond the control of Vintage or Occidental. None of Vintage, Occidental or Lehman Brothers, or any other person, assumes responsibility if future results are materially different from those disclosed. Any estimates contained in the analyses are not necessarily indicative of actual values or predictive of future results or values, which may be significantly more or less favorable than as set forth in the analyses. In addition, analyses relating to the value of businesses do not purport to be appraisals or to reflect the prices at which businesses could actually be sold.

The following is a summary of the material financial analyses used by Lehman Brothers in connection with providing its opinion to Vintage s board of directors. Certain of the summaries of financial analyses include information presented in tabular format. In order to fully understand the financial analyses used by Lehman Brothers, the tables must be read together with the text of each summary. The tables alone do not constitute a complete description of the financial analyses. Accordingly, the analyses listed in the tables and described below must be considered as a whole. **Considering any portion of such analyses and of the factors considered, without considering all analyses and factors as a whole, could create a misleading or incomplete view of the process underlying Lehman Brothers opinion.**

Summary of Analyses

Lehman Brothers analyzed the value of Vintage in accordance with the following methodologies: net asset valuation analysis, comparable company analysis and comparable transaction analysis. Each of these methodologies was used to generate a reference enterprise value range for Vintage. The enterprise value range was adjusted for appropriate on- and off-balance sheet assets and liabilities to arrive at an implied common equity value range per share, on a fully diluted basis. The implied common equity value range was then compared to an implied merger consideration of $53.13 per share, on a fully diluted basis, with such implied merger consideration constituting 0.42 Occidental common shares and $20.00 in cash for each Vintage common share and calculated using Occidental s closing stock price on October 11, 2005 of $78.88 per common share. The implied common equity value range, derived using the various valuation methodologies listed above, supported the conclusion that the consideration to be offered to the stockholders of Vintage agreed to in the merger was fair, from a financial point of view, to the stockholders of Vintage.

In addition to analyzing the value of Vintage, Lehman Brothers also analyzed and reviewed (i) the pro forma impact of the merger on the projected 2006 earnings per share and discretionary cash flow, or DCF, per share for Occidental based on published estimates of Lehman Brothers equity research analyst and (ii) certain publicly available information related to selected corporate transactions to calculate the amount of premiums paid by the acquirers to the acquired company s stockholders.

In particular, in applying the various valuation methodologies to the particular businesses, operations and prospects of Vintage and Occidental, and the particular circumstances of the merger, Lehman Brothers made qualitative judgments as to the significance and relevance of each analysis. In addition, Lehman Brothers made numerous assumptions with respect to industry performance, general business and economic conditions and other matters, many of which are beyond the control of Vintage or Occidental. Accordingly, the methodologies and the implied common equity value range derived therefrom must be considered as a whole and in the context of the narrative description of the financial analyses, including the assumptions underlying these analyses. Considering the implied common equity value range without considering the full narrative description of the financial

analyses, including the assumptions underlying these analyses, could create a misleading or incomplete view of the process underlying, and conclusions represented by, Lehman Brothers opinion.

Net Asset Valuation Analysis

Lehman Brothers estimated the present value of the future after-tax cash flows expected to be generated from the Vintage Management Reserve Reports, based on estimated reserves and production cost estimates. The present values of the future after-tax cash flows were determined using a range of discount rates and risking factors based on geography and reserve category and a range of tax rates based on geography. Lehman Brothers added to such present values of the future after-tax cash flows, the estimated values of certain other assets and liabilities, including Vintage s gathering and marketing assets, sulfur assets, exploration portfolio and current commodity hedging portfolio. The net asset valuation analysis was performed under three commodity price scenarios (Case I, Case II and Case III), which are described below.

Certain of the natural gas and oil price forecasts employed by Lehman Brothers were based on NYMEX price forecasts (Henry Hub, Louisiana delivery for natural gas and West Texas Intermediate, Cushing, Oklahoma delivery for oil) from which adjustments were made to reflect location and quality differentials. NYMEX gas price quotations are stated in heating value equivalents per million British Thermal Units, or MMBtu, which are adjusted to reflect the value per thousand cubic feet, or MCF, of gas. NYMEX oil price quotations are stated in dollars per barrel, or BBL, of crude oil. In addition to the NYMEX prices, Lehman Brothers considered the impact of a flat pricing scenario in which it employed prices of $5.00 per MMBtu, and $50.00 per BBL for gas and oil, respectively, in its valuation of Vintage s domestic reserves, and $50.00 per BBL in its valuation of Vintage s international oil reserves (with the exception of condensate in Bolivia). In another pricing scenario, Lehman Brothers valued the domestic proved developed producing reserves using NYMEX pricing and all other domestic categories using $5.00 per MMBtu and $50.00 per BBL for gas and oil, respectively, and valued the international oil reserves using a flat price of $50.00 per BBL for all categories of reserves (with the exception of condensate in Bolivia). In all cases, Lehman Brothers employed a flat price of $25.00 per BBL for all categories of condensate in Bolivia and an escalating price per MMBtu for all categories of gas in Argentina and Bolivia. The tables below present a summary of natural gas and oil price forecasts employed by Lehman Brothers for each commodity price scenario for both domestic and international reserves.

Domestic Reserves

	Jul. 1-Dec. 31, 2005E	2006E	2007E	2008E	2009E	2010E	Escalation Thereafter
Oil ($/BBL)							
Case I: All reserve classifications	$ 50.00	$ 50.00	$ 50.00	$ 50.00	$ 50.00	$ 50.00	0.0%
Case II:							
Proved developed producing reserves	$ 62.13	$ 62.15	$ 61.11	$ 60.87	$ 57.98	$ 57.28	0.0%
All other reserve classifications	$ 50.00	$ 50.00	$ 50.00	$ 50.00	$ 50.00	$ 50.00	0.0%
Case III: All reserve classifications	$ 62.13	$ 62.15	$ 61.11	$ 60.87	$ 57.98	$ 57.28	0.0%
Natural Gas ($MMBtu)							
Case I: All reserve classifications	$ 5.00	$ 5.00	$ 5.00	$ 5.00	$ 5.00	$ 5.00	0.0%
Case II:							
Proved developed producing reserves	$ 11.88	$ 11.33	$ 9.39	$ 8.39	$ 7.67	$ 7.11	0.0%
All other reserve classifications	$ 5.00	$ 5.00	$ 5.00	$ 5.00	$ 5.00	$ 5.00	0.0%
Case III: All reserve classifications	$ 11.88	$ 11.33	$ 9.39	$ 8.39	$ 7.67	$ 7.11	0.0%

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International Reserves

	Jul. 1 - Dec. 31, 2005E	2006E	2007E	2008E	2009E	2010E	Escalation Thereafter
Oil ($/BBL)							
Excluding Bolivia:							
Case I: All reserve classifications	$ 50.00	$ 50.00	$ 50.00	$ 50.00	$ 50.00	$ 50.00	0.0%
Case II: All reserve classifications	$ 50.00	$ 50.00	$ 50.00	$ 50.00	$ 50.00	$ 50.00	0.0%
Case III: All reserve classifications	$ 62.13	$ 62.15	$ 61.11	$ 60.87	$ 57.98	$ 57.28	0.0%
All Cases:							
Bolivia: All reserve classifications	$ 25.00	$ 25.00	$ 25.00	$ 25.00	$ 25.00	$ 25.00	0.0%
Natural Gas ($MMBtu)							
All Cases:							
Argentina: All reserve classifications	$ 0.90	$ 0.92	$ 0.95	$ 0.97	$ 0.99	$ 1.02	2.5%
Bolivia: All reserve classifications	$ 1.70	$ 1.74	$ 1.79	$ 1.83	$ 1.88	$ 1.92	2.5%

The net asset valuation analyses yielded valuations for Vintage that implied a range of common equity values of $30.71 to $42.84 per share for Case I, a range of common equity values of $35.12 to $47.62 per share for Case II and a range of common equity values of $44.68 to $59.01 per share for Case III as compared to the implied merger consideration to be offered in the merger of $53.13 per share.

Comparable Company Analysis

Lehman Brothers reviewed the public stock market trading multiples for the following exploration and production companies, which Lehman Brothers selected because their businesses and operating profiles are reasonably similar to that of Vintage:

Berry Petroleum Company

Denbury Resources Inc.

Nexen Inc.

Noble Energy Inc.

Pioneer Natural Resources Company

Plains Exploration & Production Company

As part of its comparable company analysis, Lehman Brothers calculated and analyzed Vintage s and each comparable company s equity and enterprise value multiples of certain historical and projected financial and operating criteria (such as earnings before interest, taxes, depreciation, depletion, amortization and exploration expense, or EBITDE; net income; DCF; proved reserves; and daily production). The enterprise value of each comparable company was obtained by adding its total debt to the sum of the market value of its common equity, the book value of its preferred stock and the book value of any minority interest minus its cash balance.

Because of the inherent differences between the corporate structure, businesses, operations, commodity mix and prospects of Vintage and the corporate structure, businesses, operations, commodity mix and prospects of the selected comparable companies, Lehman Brothers believed that it was inappropriate to, and therefore did not, rely solely on the quantitative results of the comparable company analysis. Accordingly, Lehman Brothers also made qualitative judgments concerning differences between the financial and operating characteristics and prospects of Vintage and the companies included in the comparable company analysis that would affect the public trading values of each in order to provide a context in which to consider the results of the quantitative analysis. These qualitative judgments related primarily to the differing sizes, growth prospects, profitability

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levels and degree of operational risk between Vintage and the companies included in the comparable company analysis.

Based on a review of the multiples derived for the comparable companies, Lehman Brothers selected multiple ranges to apply to Vintage s corresponding financial and operating statistics. All of these calculations were performed, and based on publicly available financial data, including independent equity research analyst estimates, and closing prices as of October 11, 2005. The selected multiple ranges applied to Vintage s corresponding financial and operating statistics are summarized in the table below.

	Multiple Range of Comparable Companies	
Financial and Operating Statistic:	**Low**	**High**
EBITDE		
2005E	6.5x	7.0x
2006E	6.0x	6.5x
Earnings		
2005E	13.0x	16.0x
2006E	12.0x	15.0x
DCF		
2005E	6.0x	7.0x
2006E	5.5x	6.5x
Proved Reserves ($/BOE)	$ 8.00	$ 10.00
Daily Production ($/BOE per day)	$ 45,000	$ 50,000

The comparable company methodology yielded valuations for Vintage that implied a range of common equity values of $46.15 to $53.50 per share as compared to the implied merger consideration to be offered in the merger of $53.13 per share.

Comparable Transactions Analysis

Lehman Brothers reviewed certain publicly available information on selected corporate level exploration and production transactions it deemed comparable to the merger, in whole or in part, which were announced from February 2004 to October 2005 as follows:

Chesapeake Energy Corporation / Columbia Natural Resources LLC

Chevron Corporation / Unocal Corporation

Petrohawk Energy Corporation / Mission Resources Corporation

Cimarex Energy Company / Magnum Hunter Resources, Inc.

Noble Energy Inc. / Patina Oil & Gas Corporation

Newfield Exploration Company / Inland Resources, Inc.

Forest Oil Corporation / Wiser Oil Company

EnCana Corporation / Tom Brown, Inc.

Kerr-McGee Corporation / Westport Resources Corporation

Plains Exploration & Production Company / Nuevo Energy Company

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Because the market conditions, rationale and circumstances surrounding each of the transactions analyzed were specific to each transaction and because of the inherent differences between the businesses, operations and prospects of Vintage and the acquired businesses analyzed, Lehman Brothers believed that it was inappropriate to, and therefore did not, rely solely on the quantitative results of the analysis and, accordingly, also made qualitative judgments concerning differences between the characteristics of these transactions and the merger that could affect the acquisition values of such acquired companies or companies to which they are being compared.

For the corporate transactions analysis, for each comparable transaction, relevant transaction multiples were analyzed including the transaction value (equity purchase price plus assumed obligations) divided by proved reserves and daily production. The selected multiple ranges applied to Vintage s proved reserve statistic were $8.00 to $9.00 per BOE and $1.33 to $1.50 per Mcfe. The selected multiple ranges applied to Vintage s daily production multiple ranges were $35,000 to $45,000 per MBOE/d and $5,833 to $7,500 per Mmcfe/d.

The comparable transactions methodology yielded valuations for Vintage that implied a range of common equity values of $46.15 to $57.17 per share as compared to the implied merger consideration to be offered in the merger of $53.13 per share.

Pro Forma Merger Consequences Analysis

Lehman Brothers analyzed the pro forma impact of the merger on the projected 2006 earnings per share and DCF per share for Occidental based on published estimates of Lehman Brothers equity research analyst. Lehman Brothers prepared a pro forma merger model which incorporated the financial projections of Vintage and Occidental as projected by Lehman Brothers equity research, the impact of the Expected Synergies as well as Occidental s planned share repurchase program following the closing of the merger. Lehman Brothers then compared the earnings per share and DCF per share of Occidental on a standalone basis to the earnings per share and DCF per share of Occidental pro forma for the merger and Occidental s planned share repurchase program. Lehman Brothers noted that the merger is expected to be dilutive to Occidental s earnings per share and accretive to DCF per share in 2006.

Premiums Paid Analysis

Lehman Brothers reviewed certain publicly available information related to selected corporate transactions to calculate the amount of premiums paid by the acquirers to the acquired company s stockholders. Lehman Brothers analyzed selected transactions that were announced from May 2001 to September 2005. The transactions included, but were not limited to:

Norsk Hydro ASA / Spinnaker Exploration Company

Chevron Corporation / Unocal Corporation

Petrohawk Energy Corporation / Mission Resources Corporation

Cimarex Energy Company / Magnum Hunter Resources, Inc.

Noble Energy Inc. / Patina Oil & Gas Corporation

EnCana Corporation / Tom Brown, Inc.

Kerr-McGee Corporation / Westport Resources Corporation

Devon Energy Corporation / Ocean Energy, Inc.

Lehman Brothers calculated the premiums paid by the acquirer by comparing the per share purchase price in each transaction to the historical closing stock price of the acquired company as of 1-trading day, 5-trading days and 20-trading days prior to the announcement date as well as based upon the 52-week high prior to the announcement date. Lehman Brothers compared the premiums paid in the precedent transactions to the premium levels implied by the consideration to be offered to the stockholders of Vintage in the merger. The table below sets forth the summary results of the analysis:

	Percentage Premium / (Discount) to the Closing Price Prior to Transaction Announcement (in Trading Days)			
Selected Transactions	**1-Day**	**5-Days**	**20-Days**	**52-Week High**
Mean	13.3%	13.7%	17.5%	8.2%
Median	14.7%	16.1%	17.1%	11.3%
High	32.2%	28.9%	33.7%	23.8%
Low	(3.0)%	(5.6)%	(2.8)%	(5.6)%
Implied Premium Based on the Implied Merger Consideration Offered in the Merger (as of October 11, 2005 close)	30.6%	31.6%	26.7%	15.0%

The premiums paid analysis yielded mean premiums paid per share ranging from 8.2% to 13.3% as compared to the range of implied premiums of 15.0% to 31.6% based on the implied merger consideration to be offered in the merger of $53.13 per share.

General

Lehman Brothers is an internationally recognized investment banking firm and, as part of its investment banking activities, is regularly engaged in the valuation of businesses and their securities in connection with mergers and acquisitions, negotiated underwritings, competitive bids, secondary distributions of listed and unlisted securities, private placements and valuations for corporate and other purposes. Vintage s board of directors selected Lehman Brothers because of its expertise, reputation and familiarity with Vintage and the energy industry generally and because its investment banking professionals have substantial experience in transactions comparable to the merger.

Pursuant to the terms of an engagement letter dated September 29, 2005 between Lehman Brothers and Vintage, Vintage paid Lehman Brothers a fee of $1,000,000 upon delivery of Lehman Brothers opinion, dated October 13, 2005. Vintage has also agreed to pay Lehman Brothers an additional fee of $2,000,000 at the time of closing. Vintage also has agreed to reimburse Lehman Brothers for its reasonable expenses incurred in connection with this engagement, and to indemnify Lehman Brothers and certain related persons against certain liabilities that may arise out of its engagement by Vintage and the rendering of the Lehman Brothers opinion. Lehman Brothers in the past has rendered investment banking services to Vintage and Occidental and received customary fees for such services.

In the ordinary course of its business, Lehman Brothers may actively trade in the debt or equity securities of Vintage and Occidental for its own account and for the accounts of its customers and, accordingly, may at any time hold a long or short position in such securities. Neuberger Berman Inc., an affiliate of Lehman Brothers, owns shares of Vintage s common stock through its funds and is a significant shareholder of Vintage.

Interests of Vintage Directors and Executive Officers in the Merger

In considering the recommendation of the Vintage board of directors, you should be aware that some members of Vintage management have certain interests in the transactions contemplated by the merger agreement that are different from or in addition to the interests of stockholders generally. The Vintage board of directors was aware of these interests and considered them, among other matters, in approving the plan of merger and recommending that Vintage s stockholders vote in favor of adopting the plan of merger. For detailed information, see Interests of Vintage Directors and Executive Officers in the Merger beginning on page 68.

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Stock Options and Other Stock Awards

Immediately prior to the effective time of the merger, each outstanding option to purchase shares of Vintage common stock granted under Vintage s stock-based benefit plans (whether vested or unvested) will be cancelled and entitle the holder to an amount in cash equal to the product of:

the number of options to purchase shares of Vintage held by the holder; and

the amount by which the sum of (a) $20.00 and (b) 0.42 times the average closing price of Occidental common stock, as reported on the NYSE composite transactions reporting system for the five trading day period ending on the last trading day prior to closing, exceeds the exercise price of the holder s option to purchase Vintage common stock,

less applicable taxes.

Immediately prior to the effective time of the merger, each unvested restricted stock award and each restricted stock right award including performance-based restricted stock right awards will be cancelled and will entitle the holder to receive an amount in cash equal to the product of:

the number of Vintage shares subject to such unvested award (assuming, for any performance-based award outstanding on or before October 1, 2005, that the percentage base number of Vintage shares earned under each such award was 200%, and assuming, for any performance-based award granted after October 1, 2005, that the percentage base number of Vintage shares earned under each such award was 100%); and

the sum of (a) $20.00 plus (b) 0.42 times the average closing price of Occidental common stock as reported on the NYSE composite transactions reporting system for the five trading day period ending on the last trading day prior to closing,

less applicable taxes.

Material United States Federal Income Tax Consequences

The following discussion summarizes the material federal income tax consequences to you in connection with the merger. McKee Nelson LLP, tax counsel to Occidental, and Conner & Winters, LLP, counsel to Vintage, have reviewed this summary and are of the opinion that the discussion contained herein, insofar as it summarizes United States federal income tax law, is accurate in all material respects. The following discussion is intended to address only those federal income tax consequences that are generally relevant to Vintage stockholders who are U.S. holders and hold their shares of Vintage common stock as a capital asset within the meaning of Section 1221 of the Code. Accordingly, it does not discuss all aspects of federal income taxation that might be relevant to you in light of your particular investment or tax circumstances. Therefore, you should review the following discussion and consult your own tax advisor to determine the effect of your tax situation on the anticipated tax consequences of the merger.

The following discussion is not exhaustive of all possible tax considerations. For example, this summary does not give a description of any state, local or foreign tax considerations. In addition, the discussion does not purport to deal with all aspects of taxation that may be relevant to you if you are subject to special treatment under the federal income tax laws. For example, special tax issues affecting the following persons are not discussed herein: insurance companies, financial institutions, broker-dealers, tax-exempt organizations, dealers in securities of foreign currencies, banks, persons who hold their Vintage common stock as part of a hedge, straddle, constructive sale or conversion transaction, persons subject to the alternative minimum tax provisions of the Code, persons whose functional currency is not the U.S. dollar, persons who exercise appraisal rights, investors in pass-through entities, non-U.S. holders, or persons who acquired their Vintage common stock through the exercise of an employee stock option or otherwise as compensation.

For purposes of this summary, a U.S. holder means a person who, for federal income tax purposes, is:

- a citizen or resident of the United States;
- a corporation, or other entity taxable as a corporation for United States federal income tax purposes, created or organized under the laws of the United States or of any state or the District of Columbia;
- a trust if it (1) is subject to the primary supervision of a court within the United States and one or more United States persons have the authority to control all substantial decisions of the trust, or (2) was in existence on August 20, 1996 and has a valid election in effect under applicable Treasury regulations to continue to be treated as a United States person; or
- an estate that is subject to United States federal income tax on its income regardless of its source.

The information in this section is based on the Code, current, temporary and proposed Treasury regulations, the legislative history of the Code, current administrative interpretations and practices of the Internal Revenue Service (referred to in this document as the IRS), and court decisions, all as of the date hereof.

McKee Nelson LLP and Conner & Winters, LLP will deliver to Occidental and Vintage, respectively, an opinion to the effect that the discussion herein under the heading The Merger Material United States Federal Income Tax Consequences, to the extent that it contains descriptions of applicable federal income tax law, is correct in all material respects. The opinions, however, will not purport to address the tax consequences of the merger to you in light of your particular circumstances, and will not purport to predict whether future events and transactions, only some of which may be within the control of Occidental or Vintage, will have a material adverse effect on your income tax positions. The opinions will be based on the Code and Treasury regulations in effect on the date of consummation of the merger, current administrative interpretations and positions of the IRS, and existing court decisions. No assurance can be given that future legislation, Treasury regulations, administrative interpretations and court decisions will not significantly change the law or the above-mentioned conclusions reached by counsel. In addition, any such change could apply retroactively to transactions preceding the date of change. Moreover, opinions of counsel merely represent counsel s best judgment with respect to the probable outcome on the merits and are not binding on the IRS or the courts. Accordingly, even if there is no change in applicable law, no assurance can be provided that such opinions (which do not bind the IRS or the courts) will not be challenged by the IRS or will be sustained by a court if so challenged.

YOUR SPECIFIC TAX ATTRIBUTES COULD HAVE A MATERIAL EFFECT ON THE TAX CONSEQUENCES TO YOU OF THE MERGER. YOU SHOULD, THEREFORE, CONSULT YOUR OWN TAX ADVISOR REGARDING THE APPLICATION OF THE FEDERAL INCOME TAX LAWS TO YOUR PERSONAL TAX SITUATION, AND THE TAX CONSEQUENCES TO YOU UNDER THE LAWS OF ANY STATE, LOCAL OR FOREIGN TAXING JURISDICTION.

Federal Income Tax Consequences of the Merger

The merger is intended to qualify as a reorganization under the Code, and the federal income tax consequences summarized below are based on the assumption that the merger will so qualify. McKee Nelson LLP and Conner & Winters, LLP, will deliver to Occidental and Vintage, respectively, an opinion to the effect that the merger will be treated for federal income tax purposes as a reorganization under the Code, and that each of Vintage and Occidental will be a party to that reorganization within the meaning of Section 368(b) of the Code. The opinions, however, like the opinions described in the paragraph above, will not purport to address the tax consequences of the merger to you in light of your particular circumstances, and will be subject to the same limitations concerning changes in law or interpretations thereof. Counsel cannot provide assurance that their opinions (which do not bind the IRS or the courts) will not be challenged by the IRS or will be sustained by a court if so challenged. The opinions of counsel will be rendered on the basis of representations and covenants of the parties to the merger. All of the representations must continue to be true and accurate in all respects as of the effective time of the merger. If any of those representations are inaccurate, incomplete or untrue, or if any of the covenants are breached, the conclusions set forth in the opinions could be affected. No ruling will be sought from the IRS regarding the merger.

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Provided the merger qualifies as a reorganization under the Code, no gain or loss will be recognized by Occidental, Vintage or Merger Sub as a result of the merger.

You may recognize gain, but you will not recognize loss, upon the exchange of your shares of Vintage common stock for shares of Occidental common stock and cash. If the sum of the fair market value of the Occidental common stock and the amount of cash you receive in exchange for your shares of Vintage common stock exceeds the adjusted basis of your shares of Vintage common stock, you will recognize taxable gain equal to the lesser of the amount of such excess or the amount of cash you receive in the exchange. Generally, any gain recognized upon the exchange will be capital gain, and any such capital gain will be long-term capital gain if you have established a holding period of more than one year for your shares of Vintage common stock. If the adjusted basis of your shares of Vintage common stock exceeds the sum of the fair market value of the Occidental common stock and the amount of cash you receive in exchange therefor, you will not recognize a loss.

All or a portion of the gain you recognize could, however, be treated as dividend income to you if the receipt of cash has the effect of a distribution of a dividend. In general, the determination as to whether the receipt of cash has the effect of a distribution of a dividend depends upon whether and to what extent the transactions related to the merger will be deemed to reduce your percentage ownership of Vintage following the merger. For purposes of that determination, you will be treated as if you first exchanged all of your Vintage common stock solely for Occidental common stock, and then a portion of that stock was immediately redeemed by Occidental for the cash that you actually received in the merger. The IRS has indicated in rulings that any reduction in the interest of a minority stockholder that owns a small number of shares in a publicly and widely held corporation and that exercises no control over corporate affairs would result in capital gain (as apposed to dividend) treatment. As a result, if you hold a minimal interest in Vintage common stock and do not own any Occidental common stock before the merger, you generally should qualify for capital gain treatment. In determining your ownership interest in Occidental for these purposes, certain constructive ownership rules must be taken into account. If your receipt of cash has the effect of a distribution of a dividend under the foregoing rules, the gain you recognize will be treated as ordinary dividend income only to the extent of your ratable share of Vintage s earnings and profits, as calculated for U.S. federal income tax purposes. You are urged to consult your tax advisor with respect to the determination of whether your receipt of cash has the effect of a distribution of a dividend.

If you are a domestic noncorporate taxpayer, any gain characterized as dividend income may be subject to tax at the rates applicable to net capital gains. If you are a domestic corporate taxpayer, any gain characterized as dividend income may be eligible for the dividends received deduction.

Your basis in the shares of Occidental common stock following the exchange will equal your aggregate basis in the shares of Vintage common stock exchanged therefor, minus the amount of cash you receive in the exchange, plus the amount of any gain you recognize on the exchange, irrespective of whether such gain is characterized as capital gain or as a dividend. Your holding period for the shares of Occidental common stock will include the period for which you held the shares of Vintage common stock.

If you receive cash in lieu of a fractional share of Occidental common stock, you generally will be treated as having received such fractional share in the merger and then as having received cash in exchange for such fractional share. You generally will recognize gain or loss based on the difference between the amount of cash received in lieu of the fractional share and the tax basis allocated to such fractional share. Subject to the discussion above regarding possible dividend treatment, such gain or loss generally will be long-term capital gain or loss if, as of the effective date of the merger, your holding period for such share is greater than one year.

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Backup Withholding and Information Reporting

In general, the receipt of cash in the merger will be subject to information reporting to the IRS. In addition, backup withholding at the applicable rate (currently 28%) will generally apply to cash payments if you fail to provide an accurate taxpayer identification number or fail to properly certify that the payment is not subject to backup withholding (generally on a substitute IRS form W-9). Certain holders (including, among others, U.S. corporations) are not subject to information reporting or backup withholding, but they may still need to furnish a substitute IRS form W-9 or otherwise establish an exemption. Any amount withheld as backup withholding from payments to you generally will be creditable against your federal income tax liability, provided that you timely furnish the required information to the IRS. You should consult your tax advisor as to your qualification for exemption from backup withholding and the procedure for obtaining an exemption.

Accounting Treatment

The merger will be accounted for as an acquisition of Vintage by Occidental under the purchase method of accounting in accordance with U.S. generally accepted accounting principles. Under the purchase method of accounting, the assets and liabilities of the acquired company are, as of completion of the merger, recorded at their respective fair values and added to those of the acquiring public issuer, including an amount for goodwill if the purchase price is greater than the fair value of the identifiable net assets. Financial statements of Occidental issued after consummation of the merger will reflect only the operations of Vintage after the merger.

Regulatory Matters Related to the Merger

HSR Act and Antitrust

The merger is subject to the requirements of the HSR Act, and the rules promulgated under the HSR Act by the FTC, which prevent transactions such as the merger from being completed until required information and materials are furnished to the DOJ and the FTC and the applicable waiting period is terminated or expires. On November 21, 2005, Occidental and Vintage were granted early termination with respect to the waiting period under the HSR Act. However, the DOJ, the FTC and others may challenge the merger on antitrust grounds either before or after expiration or termination of the waiting period. Accordingly, at any time before or after the completion of the merger, any of the DOJ, the FTC or others could take action under the antitrust laws as it deems necessary or desirable in the public interest, including seeking to enjoin the completion of the merger or permitting completion subject to regulatory concessions or conditions. We cannot assure you that a challenge to the merger will not be made or that, if a challenge is made, it will not prevail.

Foreign and Certain Other Regulatory Matters

The merger is subject to review by the antitrust commission of Argentina. On November 10, 2005, Occidental and Vintage filed the requisite forms and information with the Argentinean antitrust commission. There is no early termination process available under Argentinean antitrust law, similar to the one available under the HSR Act. Pursuant to Argentinean antitrust law, approval of the antitrust commission is required for transactions subject to such review to be recognized as valid transactions . However, under Argentinean antitrust law, parties are not prohibited from consummating, and as a matter of practice in Argentina, do consummate transactions prior to the receipt of such approval. We recognize that approvals from the Argentinean antitrust commission may not be obtained prior to consummation of transactions. In the event parties consummate a transaction prior to approval and the Argentinean antitrust commission later determines to disapprove the transaction, the

Argentinean antitrust commission may require a divestiture of all or a part of the acquired assets located in Argentina.

In addition, the merger may be subject to the antitrust rules of other foreign jurisdictions, which may provide that acquisition transactions may not be completed before the issuance of an antitrust clearance. The merger may also be subject to review by state regulatory agencies. We believe we have made all necessary foreign antitrust and state regulatory filings, but we cannot assure you that required approvals will be granted.

Merger Fees, Costs and Expenses

All expenses incurred in connection with the merger agreement and the transactions contemplated by the merger agreement will be paid by the party incurring those expenses, except the expenses incurred in connection with the filing fee for the registration statement of which this document is a part and printing and mailing of this document shall be shared equally by Occidental and Vintage.

Restrictions on Resales by Affiliates

In general, shares of Occidental common stock issued to Vintage stockholders pursuant to the merger will be freely transferable, except for any shares received by persons who may be deemed to be affiliates of the parties under the Securities Act. Affiliates generally include individuals or entities that control, are controlled by, or are under common control with a person. Affiliates may sell their shares of Occidental common stock only pursuant to an effective registration statement under the Securities Act covering the resale of those shares, an exemption under Rule 145(d) of the Securities Act or any other applicable exemption under the Securities Act. Occidental s registration statement on Form S-4, of which this document constitutes a part, does not cover the resale of Occidental common stock held by affiliates after the merger.

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THE MERGER AGREEMENT

The following is a summary of selected provisions of the merger agreement. While Occidental and Vintage believe this description covers the material terms of the merger agreement, it may not contain all of the information that is important to you and is qualified in its entirety by reference to the merger agreement, which is incorporated by reference in its entirety into, and is attached as Appendix A to, this document. We urge you to read the merger agreement in its entirety.

The merger agreement contains representations, warranties, covenants and other agreements that Occidental and Vintage made to each other. The assertions embodied in those representations, warranties, covenants and other agreements are qualified by information in confidential disclosure schedules that Occidental and Vintage have exchanged in connection with signing the merger agreement. The disclosure schedules contain information that modifies, qualifies and creates exceptions to the representations, warranties, covenants and other agreements set forth in the attached merger agreement. Accordingly, you should keep in mind that the representations, warranties, covenants and other agreements are modified in important part by the underlying disclosure schedules. These disclosure schedules contain information that has been included in Occidental s and Vintage s general prior public disclosures, as well as additional information, some of which is non-public. Neither Occidental nor Vintage believes that the disclosure schedules contain information that the securities laws require either or both of them to publicly disclose other than information that has already been so disclosed. Moreover, information concerning the subject matter of the representations, warranties, covenants and other agreements may have changed since the date of the merger agreement, which subsequent information may or may not be fully reflected in the companies public disclosures.

The Merger

Upon the terms and subject to the conditions set forth in the merger agreement, Vintage will merge with and into Merger Sub, with Merger Sub as the surviving entity. The separate corporate existence of Vintage, with all its rights, privileges, immunities, powers and franchises, will cease.

Closing and Effectiveness of the Merger

The closing of the merger will occur on the first business day after the satisfaction or waiver of all of the closing conditions provided in the merger agreement, except for those conditions that, by their terms, are to be satisfied at the closing (but subject to the satisfaction or waiver of those conditions), or on such other date as Occidental and Vintage may agree in writing. See Conditions to Consummation of the Merger beginning on page 62.

As soon as practicable following the closing, Occidental and Vintage will deliver a certificate of merger to the Secretary of State of the State of Delaware. At that time, or at such later time as may be agreed by the parties and specified in the certificate of merger, the merger will become effective.

Surviving Entity s Governing Documents, Officers and Directors;

Surviving Entity Governing Documents. At the effective time of the merger, the certificate of formation of the surviving entity will be Merger Sub s certificate of formation, and Merger Sub s operating agreement in effect at the effective time of the merger will be the operating agreement of the surviving entity, in each case until thereafter amended as provided therein or by applicable laws.

Surviving Entity Managers and Officers. The managers and officers of Merger Sub at the effective time of the merger will, from and after the effective time, be the managers and officers of the surviving entity until their successors are duly elected or appointed and qualify or until their earlier death, resignation or removal in accordance with the surviving entity s certificate of formation and operating agreement.

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Merger Consideration

Conversion of Vintage Common Stock. At the effective time of the merger, each share of Vintage common stock issued and outstanding immediately prior to the effective time (other than dissenting shares and any shares of Vintage common stock owned by Occidental, Merger Sub or Vintage, which shares are not beneficially owned by third parties) will be converted into the right to receive 0.42 of a share of Occidental common stock plus $20.00 in cash, together with the right, if any, to receive cash in lieu of fractional shares of Occidental common stock. See Fractional Occidental Common Stock below.

For more information regarding the Occidental common stock, see Description of Occidental Capital Stock.

Cancellation of Other Vintage Common Stock. At the effective time of the merger, dissenting shares and shares of Vintage common stock owned by Occidental, Merger Sub or Vintage (other than shares beneficially owned by third parties) will be canceled and retired without payment of any consideration therefor and will cease to exist.

Fractional Occidental Common Stock. Fractional shares of Occidental common stock will not be issued in the merger. Instead, any holder of shares of Vintage common stock who otherwise would have been entitled to receive a fractional share of Occidental common stock will be entitled to receive a cash payment in lieu thereof in an amount equal to the holder s proportionate interest in the net proceeds from the sale of the aggregate fractional shares that such holder would otherwise be entitled to receive.

Exchange Procedures. As soon as practicable after the effective time of the merger, an exchange agent selected by Occidental with Vintage s approval will provide appropriate transmittal materials to holders of record of Vintage common stock, advising such holders of the procedure for surrendering their shares to the exchange agent.

Upon the surrender of the holder s shares of Vintage common stock, the holder will be entitled to receive in exchange therefor:

- a certificate representing the number of whole shares of Occidental common stock that such holder is entitled to receive pursuant to the merger, as described in Conversion of Vintage Common Stock above; and

- a check in the amount, after giving effect to any required tax withholdings, of $20.00 per share of Vintage common stock plus any cash payable in lieu of fractional shares plus any unpaid non-stock dividends and any other dividends or other distributions that such holder has the right to receive as described in the next paragraph.

All shares of Occidental common stock to be issued pursuant to the merger will be deemed issued and outstanding as of the effective time of the merger. Whenever a dividend or other distribution is declared by Occidental in respect of Occidental common stock, the record date for which is after the effective time of the merger, that declaration will include dividends or other distributions in respect of all shares issuable pursuant to the merger agreement. No dividends or other distributions in respect of Occidental common stock shall be paid to any holder of any unsurrendered shares of Vintage common stock until the unsurrendered shares of Vintage common stock are surrendered for exchange. Any holder of unsurrendered shares of Vintage common stock will be entitled to vote after the effective time of the merger at any meeting of Occidental stockholders the number of whole shares of Occidental common stock such holder is entitled to receive in the merger, regardless of whether the holder shall have exchanged its shares.

Adjustments to Prevent Dilution. If, between the date of the merger agreement and the effective time of the merger, Vintage changes the number of issued and outstanding shares of Vintage common stock or securities convertible or exchangeable into or exercisable for shares of Vintage common stock, or Occidental changes the

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number of issued and outstanding shares of Occidental common stock or securities convertible or exchangeable into or exercisable for shares of Occidental common stock, as a result of a reclassification, stock split (including a reverse stock split), stock dividend or distribution, recapitalization, merger, subdivision, issuer tender or exchange offer, or other similar transaction, then the exchange ratio of 0.42 of a share of Occidental common stock plus $20.00 in cash per share will be equitably adjusted.

Stock Options and Other Stock Awards. Immediately prior to the effective time of the merger, each outstanding option to purchase shares of Vintage common stock granted under Vintage s stock-based benefit plans, whether vested or unvested, will be cancelled and entitle the holder to an amount in cash equal to the product of (1) the number of options to purchase shares of Vintage held by the holder and (2) the amount by which the sum of (a) $20.00 and (b) 0.42 times the average closing price of Occidental common stock as reported on the NYSE composite transactions reporting system for the five trading day period ending on the last trading day prior to closing exceeds the exercise price of the holder s option to purchase Vintage common stock, less applicable taxes required to be withheld with respect to such payment.

Immediately prior to the effective time of the merger, each unvested restricted stock award and each restricted stock right award including performance-based restricted stock right awards will be cancelled and will entitle the holder to receive an amount in cash equal to the product of (1) the number of Vintage shares subject to such unvested award (assuming, for any performance-based award outstanding on or before October 1, 2005, that the percentage of the base number of Vintage shares earned under each such award was 200%, and assuming, for any performance-based award granted after October 1, 2005, that the percentage of the base number of Vintage shares earned under each such award was 100%) and (2) the sum of (a) $20.00 plus (b) 0.42 times the average closing price of Occidental common stock as reported on the NYSE composite transactions reporting system for the five trading day period ending on the last trading day prior to closing, less applicable taxes required to be withheld with respect to such payment.

Representations and Warranties

The merger agreement contains various representations and warranties of Vintage, Merger Sub and Occidental.

Vintage. The representations and warranties of Vintage relate generally to:

- organization, good standing and qualification;
- capital structure;
- corporate authority, approval and opinions of financial advisors;
- governmental filings, no violations and certain contracts;
- Vintage reports and financial statements;
- absence of certain changes;

litigation and liabilities;

employee benefits and employment matters;

compliance with laws and permits;

takeover statutes;

environmental matters;

tax matters;

taxes;

labor matters;

- insurance;
- intellectual property;
- rights agreement;
- brokers and finders;
- properties;
- oil and gas reserves;
- deliver-or-pay arrangements;
- hedging;
- relations with governments;
- material contracts; and
- dividends, transfer of funds and investments.

Occidental and Merger Sub. The representations and warranties of Occidental and Merger Sub relate generally to:

- organization, good standing and qualification;
- capitalization of Merger Sub;
- capital structure of Occidental;
- corporate authority;
- governmental filings, no violations;
- Occidental reports and financial statements;

- absence of certain changes; and

- brokers and finders.

The representations and warranties of Vintage and Occidental are qualified as to material adverse effect. When used with respect to Vintage, material adverse effect means generally:

- an effect that is materially adverse to the financial condition, properties, liabilities, prospects, business or results of operations of Vintage and its subsidiaries taken as a whole, or that could reasonably be expected to materially impair the ability of Vintage to consummate the merger and the other transactions contemplated by the merger agreement, excluding any such effects resulting from changes in economic or business conditions generally, or changes in the oil and gas exploration, development and/or production industries specifically, either worldwide or in any geographic region where Vintage and its subsidiaries conduct business, including changes in commodity prices,

  - unless such circumstance or event primarily relates to Vintage or disproportionately adversely affects Vintage compared to other companies of similar size operating in the oil and gas exploration, development and production industries in such regions.

When used with respect to Occidental, material adverse effect applies only to Occidental and its significant subsidiaries as defined by Rule 1-02(w) of Regulation S-X promulgated pursuant to the Exchange Act, and means generally:

- an effect that is materially adverse to the financial condition, properties, liabilities, prospects, business or results of operations of Occidental and such subsidiaries taken as a whole, or that could reasonably be

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expected to materially impair the ability of Occidental to consummate the merger and the other transactions contemplated by the merger agreement, excluding any such effects resulting from:

changes in economic or business conditions generally, or changes in the oil and gas exploration, development and/or production industries specifically,

unless such circumstance or event primarily relates to Occidental or disproportionately adversely affects Occidental compared to other companies of similar size operating in the oil and gas exploration, development and production industries.

Conduct of Business of Vintage and Subsidiaries Pending the Merger

Prior to the effective time, except as expressly contemplated by the merger agreement, Vintage has agreed that, without the consent of Occidental, it will not, and will not permit its subsidiaries to, among other things:

Course of Business

depart from the ordinary course of business.

Capital Stock

issue, sell, pledge, dispose of or encumber any capital stock owned by it or any of its subsidiaries; or

split, combine or reclassify its outstanding shares of capital stock.

Dividends and Stock Repurchases

declare, set aside or pay any dividend payable in cash, stock or property in respect of any capital stock other than dividends from its subsidiaries and other than regular quarterly cash dividends not in excess of $0.055 per share; or

repurchase, redeem or otherwise acquire, except as otherwise contemplated in the merger agreement, any shares of its capital stock or any securities convertible into or exchangeable or exercisable for any shares of its capital stock.

Amendments to Governing Documents

amend Vintage s articles of incorporation or its bylaws or the equivalent organizational documents of its subsidiaries.

Encumbrances

issue, sell, pledge, dispose of or encumber any shares of, or securities convertible into or exchangeable or exercisable for, or options, warrants, calls, commitments or rights of any kind to acquire, any shares of its capital stock of any class or any other property or assets (other than exceptions as noted in the merger agreement).

Dispositions and Acquisitions

other than in the ordinary course of business, transfer, lease, license, guarantee, sell, mortgage, pledge, dispose of or encumber any other property or assets; or

make any acquisition or investment in assets or stock of or other interest in, any other entity for consideration in excess of the amount remaining in the 2005 acquisitions budget or $2,000,000 individually or $10,000,000 in the aggregate with respect to all unbudgeted acquisitions.

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Indebtedness

other than in the ordinary course of business, incur or modify any material indebtedness or other liability.

Capital Expenditures

make any capital expenditures other than capital expenditures in the aggregate amount remaining in the capital appropriations/spending budgets with respect to 2005 and amounts not to exceed $2,000,000 individually or $10,000,000 in the aggregate with respect to all unbudgeted capital expenditures.

Compensation and Employment Agreements

enter into, amend or renew any employment, severance, change in control, deferred compensation, or similar agreements or increase in any manner the compensation or benefits of any of its employees or directors, subject to certain exceptions.

Benefit Plans

enter into, establish, terminate, adopt or amend any benefit plan or take any action to accelerate the vesting or payment of, or otherwise amend, stock options, restricted stock or other compensation or benefits payable thereunder.