

11.08.23

Third Quarter Earnings Conference Call



ZERO IN™

CAUTIONARY STATEMENTS

Forward-looking statements

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Words such as “estimate,” “project,” “predict,” “will,” “would,” “should,” “could,” “may,” “might,” “anticipate,” “plan,” “intend,” “believe,” “expect,” “aim,” “goal,” “target,” “objective,” “commit,” “advance,” “likely” or similar expressions that convey the prospective nature of events or outcomes generally indicate forward-looking statements. You should not place undue reliance on these forward-looking statements, which speak only as of the date of this presentation unless an earlier date is specified. Unless legally required, Occidental does not undertake any obligation to update, modify or withdraw any forward-looking statement, as a result of new information, future events or otherwise. Other factors that could cause actual results to differ from those described in any forward-looking statement appear in Part I, Item 1A “Risk Factors” of Occidental’s Annual Report on Form 10-K for the year ended December 31, 2022 (“2022 Form 10-K”) and in Occidental’s other filings with the SEC.

Use of Non-GAAP Financial Information

This presentation includes non-GAAP financial measures. Where available, reconciliations to comparable GAAP financial measures can be found on the Investor Relations section of Occidental’s website at www.oxy.com.

Cautionary Note to U.S. Investors

The SEC permits oil and gas companies, in their filings with the SEC, to disclose only proved, probable and possible reserves. Any reserve estimates provided in this presentation that are not specifically designated as being estimates of proved reserves may include “potential” reserves and/or other estimated reserves not necessarily calculated in accordance with, or contemplated by, the SEC’s latest reserve reporting guidelines. U.S. investors are urged to consider closely the oil and gas disclosures in our 2022 Form 10-K and other reports and filings with the SEC. Copies are available from the SEC and through our website, www.oxy.com.



OUTLINE

Third Quarter Highlights

DAC Development and Market Update

Financials

Closing Comments



Artist Rendering of DAC

DAC DEVELOPMENT DRIVERS

Technology

- Carbon Engineering (CE) DAC technology offers revolutionary scalability
- CE Innovation Centre identifying improvements for DAC 1+
- Synergies across Carbon Engineering, Oxy Major Projects, and OxyChem

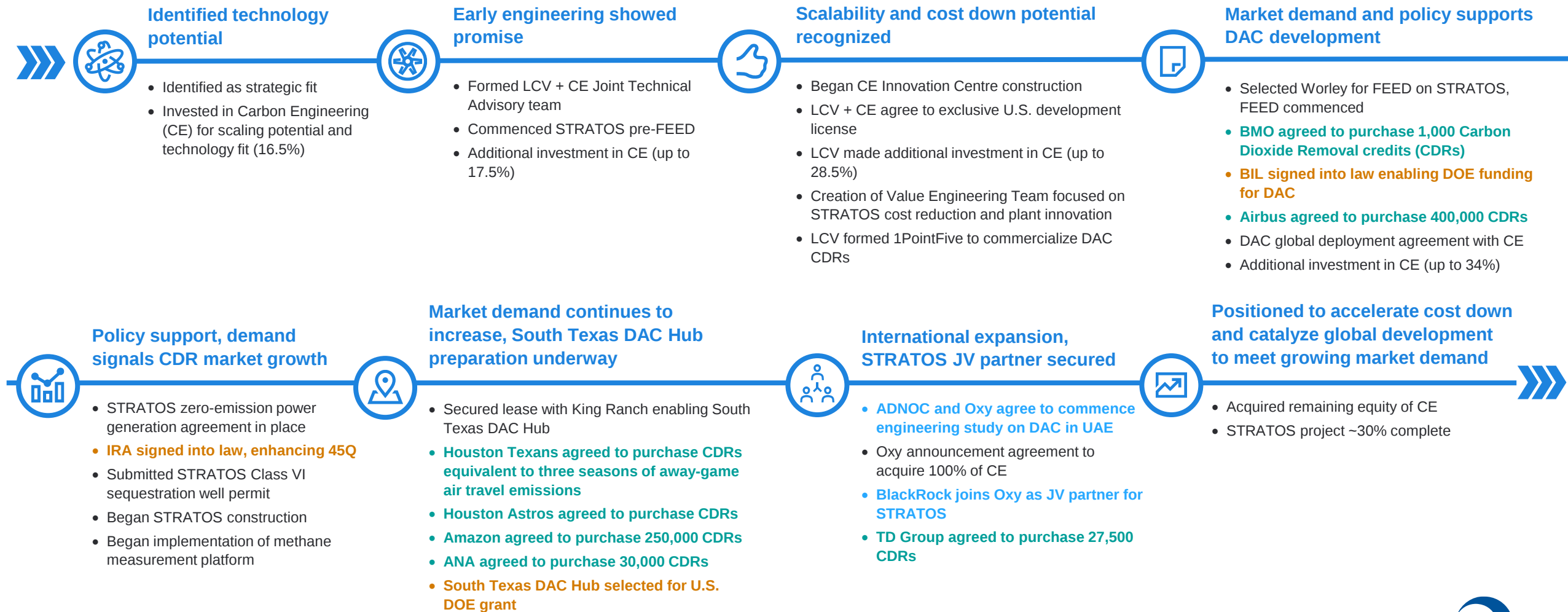
Partnerships

- U.S. passed Bipartisan Infrastructure Law enabling Department of Energy DAC grant
- Voluntary market leaders purchased CDRs supporting early development
- BlackRock investment in STRATOS through joint venture
- DAC global development partnerships advancing

Market

- DAC CDRs offer economic addition to SAF and other heavy duty low carbon fuel portfolios
- Inflation Reduction Act (IRA) 45Q enhancements and recognition for DAC carbon removals
- Compliance markets advancing; U.N. ICAO CORSIA to reduce emissions in aviation

ADVANCEMENT OF DAC+S TECHNOLOGY, PARTNERSHIPS, AND MARKET



NOTE: DAC+S (DIRECT AIR CAPTURE AND SEQUESTRATION); FEED (FRONT END ENGINEERING DESIGN); BIL (BIPARTISAN INFRASTRUCTURE LAW)

Offtake Agreement

Partnerships

Policy



INNOVATION AND PARTNERSHIPS EXPECTED TO REDUCE COST OF CAPTURE

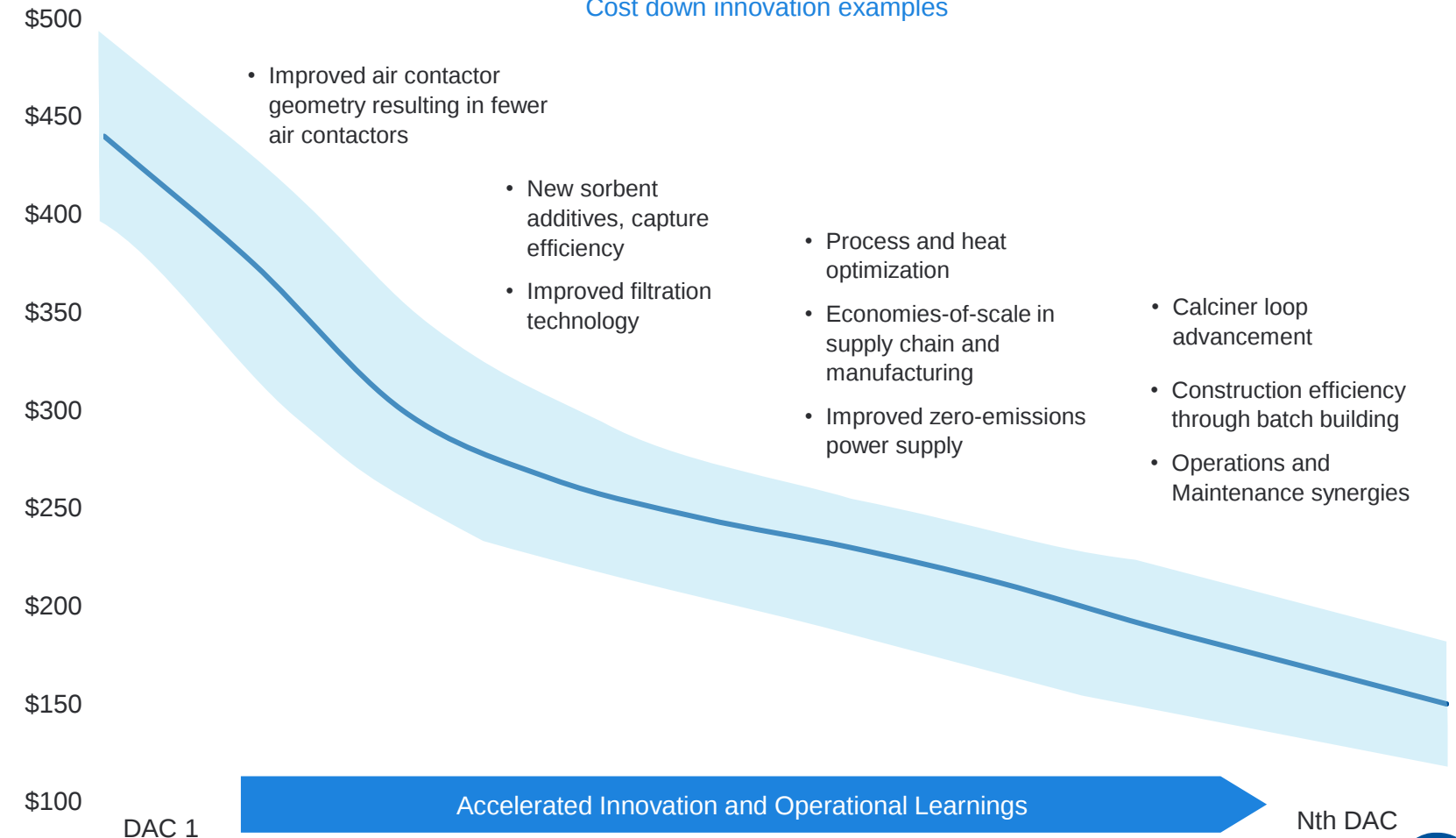
Key technology innovations, manufacturing and supply chain efficiencies to reduce cost of capture

- Increase capture efficiency
- Reduce power consumption
- Shared infrastructure across plants
- Optimize operations and maintenance
- Utilize next generation chemical processes

Cost of Capture¹

Illustrative DAC Cost Reduction (\$/t)

Cost down innovation examples



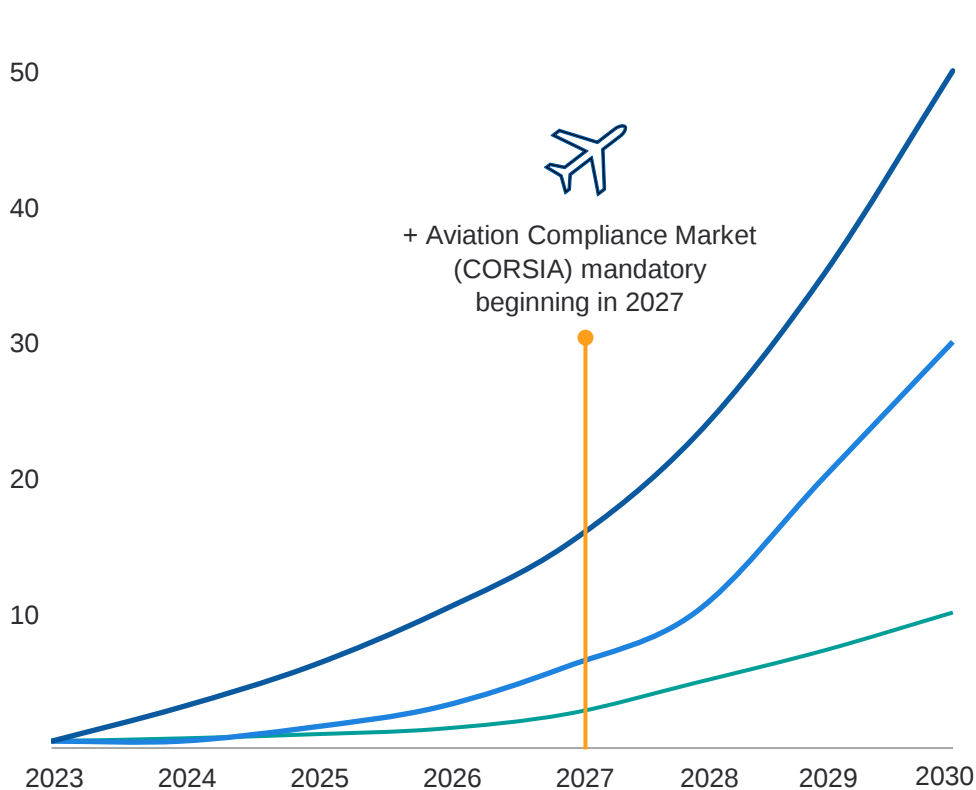
Accelerated Innovation and Operational Learnings

¹COST OF CAPTURE INCLUDES CAPITAL, OPERATING EXPENSES, TRANSPORT AND STORAGE COSTS AND EXCLUDES COST OF FINANCING; SEE ADDITIONAL ASSUMPTIONS ON THE ILLUSTRATIVE DAC ECONOMIC MODELING SLIDE

DAC CDR VOLUNTARY MARKET DEMAND SCENARIOS

As DAC costs reduce, CDR market demand and partnership opportunities expected to increase

DAC CDR demand (Mtpa)



DAC CDR: \$300/t

50 Mtpa ± 10

DAC: ~6-8% of corporate carbon credit portfolio

DAC CDR: \$400/t

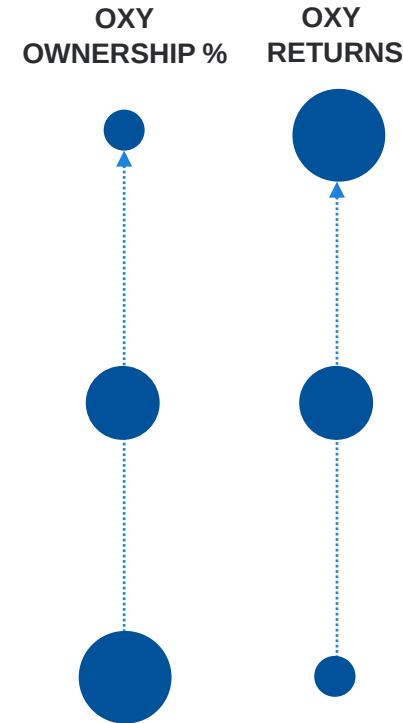
30 Mtpa

DAC: ~4-6% of corporate carbon credit portfolio

DAC CDR: \$450/t+

10 Mtpa

DAC: <2% of corporate carbon credit portfolio



- Accelerated cost reduction expected to drive CDR market expansion
- Market demand and economics to drive development pace
- Strategic partnerships to catalyze development
- Capital structure flexibility maximizes Oxy value
- DAC 2+ to meet return threshold for FID

Scenario Assumptions

- Total decarbonization: 9Gt based on published corporate commitments by 2030
- Carbon credit share of corporate decarbonization: 8-10%
- DAC carbon credit share is a function of DAC price to stay within estimated avg corporate carbon credit portfolio avg price in 2030: ~ \$80/t¹

NOTE: FID (FINAL INVESTMENT DECISION)

¹BCG, COMPANY DATA

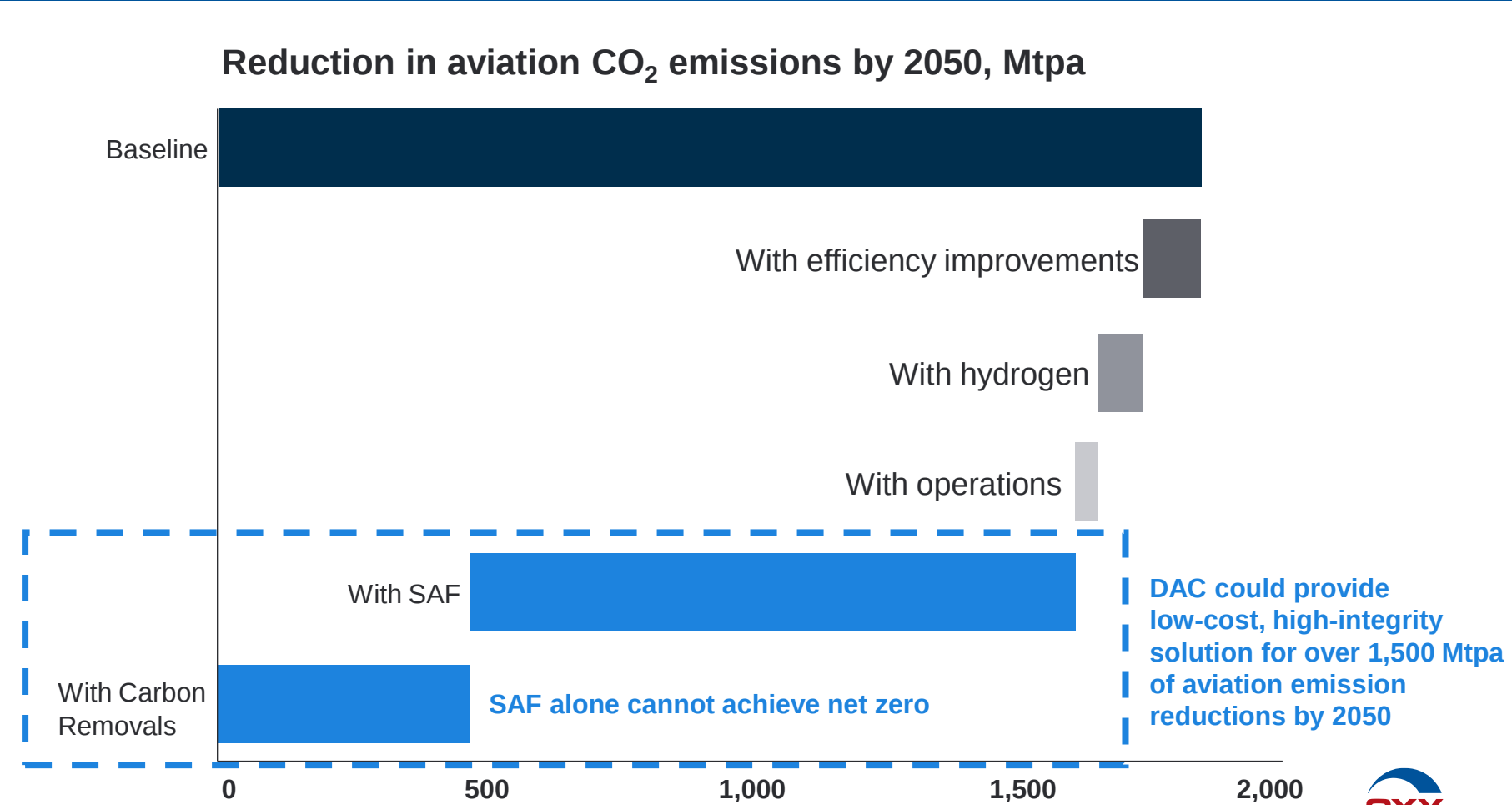


DAC CDRs EXPECTED TO BE ECONOMIC ALTERNATIVE TO SAF

Beginning in 2027, CORSIA requires airlines to offset their emissions¹

- SAF is only a partial solution, DAC CDRs enable net zero
- DAC CDRs expected to lower overall cost of aviation decarbonization
- DAC CDRs are an alternative to SAF
- DAC captured CO₂ may be used to create SAF in the future

CO₂ abatement using SAF costs ~\$750/t²
DAC CDRs expected to cost less than abatement using SAF



SOURCE: IATA SUSTAINABILITY AND ECONOMICS, ICAO LTAG SAF AVAILABILITY SCENARIOS

¹DIFFERENCE BETWEEN ANNUAL EMISSIONS AND A BASELINE OF 85% OF 2019 EMISSIONS ²SEE APPENDIX SLIDE COST OF CO₂ REDUCTION USING SAF



DAC 1 & 2 DEVELOPMENT UPDATE

STRATOS (DAC 1)

- JV partner¹ secured
- Project ~30% complete
- Expected commercially operational mid-2025
- Class VI well permit applications filed with U.S. EPA

SOUTH TEXAS DAC HUB (DAC 2)

- Selected to receive U.S. DOE grant, funding to be announced 2024
- **DAC 2 FEED underway**
- Stratigraphic well testing in progress



NOTE: EPA (ENVIRONMENTAL PROTECTION AGENCY)
¹INVESTED THROUGH A FUND MANAGED BY BLACKROCK'S
DIVERSIFIED INFRASTRUCTURE BUSINESS



DAC INVESTMENT PRINCIPLES

Returns Focused

- Developing competitive-returns business with cash flow stability
- DAC 2+ to meet return threshold for FID

Demand-Driven Development

- Market demand to drive development pace
- Low-carbon program net capital expected to be ≤\$600 MM through 2026

Accelerate Cost Reductions

- Innovate and improve technologies to accelerate cost reductions
- Advance operating and maintenance improvements for life-of-plant

Capital Flexibility

- Capital support and partnerships necessary for successful growth
- Managing investments between R&D and project development maximizes returns

Strategic Partnerships

- Deploy DAC business and technology globally with strategic partners
- DAC licensing model improves development options and value
- Compliance markets expected to complement voluntary markets, providing scale and certainty

APPENDIX

Financial Information

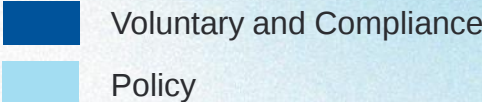
Oil & Gas Update

Asset Overview

LCV Overview



DAC COMMERCIAL DEVELOPMENT ASSUMPTIONS

	DAC 1	DAC 2	Nth	
REVENUE				
CDR PRICE ¹	\$400 – 630/t	\$400 – 630/t	Value Based	<u>IRA 45Q Enhancements</u>
45Q CREDIT ²	\$180/t	\$180/t	Policy/Scope Driven	DAC to EOR: \$130/t
				DAC to Sequestration: \$180/t
				Co-Captured CO ₂ to Sequestration: \$85/t
COST ³	\$400 – 500/t	\$325 – 450/t	\$125 – 200/t	

¹TARGETED REVENUE RANGE POINT FORWARD ²LIMITED TO FIRST 12 YEARS BASED ON CURRENT POLICY ³COST OF CAPTURE



DIRECT AIR CAPTURE

ILLUSTRATIVE DAC ECONOMIC MODELING

CASH FLOW PROFILE

- DAC 1 capital cost¹ estimated at ~\$1.3 B for first 500k tonne per annum train, scaling capital by 1.7x for a 1 MTPA DAC plant
- Construction build-time less than 3 years
- Current support scenario with 45Q includes 12 years of tax credit generation
- Other revenue sources for the entire operating life of plant expected to be 25 years

REVENUE

Carbon removal credit volumes

- Approximately 90% of captured CO₂ will be available for CDR sales
- Capture efficiency expected to improve over time

Carbon removal credit pricing and incentives

- Government policy support includes 45Q tax credits at current rates of \$130 / \$180 per tonne for Use / Dedicated Sequestration
- Other revenue sourced from voluntary and compliance market purchase agreements
- CO₂ generated in DAC process will also be captured and sequestered, generating point-source 45Q credits

COSTS

DAC 1 & 2 cost of capture expected to be in the range of \$400 to \$500 per tonne and \$325 to \$450 per tonne, respectively

- Capital costs and operating costs approximates 25% / 75% of DAC 1 cost of capture and 20% / 80% of DAC 2 cost of capture

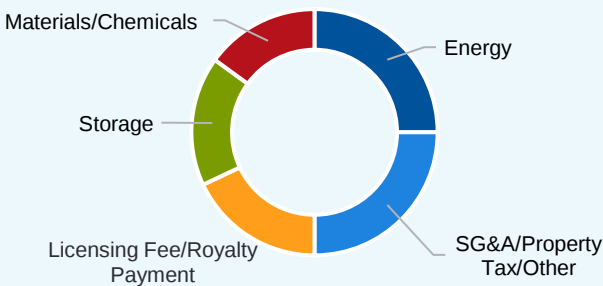
Falling per unit cost of capture consistent with similar historical technology learning curves

- Capital costs and operating costs approximates 20% / 80% of Nth plant cost of capture

Capital costs percentage of total:

- Air Contactors: 40%
- Centralized Processing: 40%
- Utilities & Infrastructure: 20%

Operating costs percentage of total of Nth Plant



COMMERCIAL SUMMARY

	CDR REVENUE	45Q CREDIT	COST ²
DAC 1	\$400 – 630/t	\$180/t	\$400 – 500/t
DAC 2	\$400 – 630/t	\$180/t	\$325 – 450/t
Nth	Value Based	Policy/Scope Driven	\$125 – 200/t

45Q Tax Credit Assumptions:

- DAC to EOR: \$130/t
- DAC to Sequestration: \$180/t
- Co-Captured CO₂ to Sequestration: \$85/t

¹CAPITAL COST ESTIMATE EXCLUDES HUB INFRASTRUCTURE ²COST OF CAPTURE
NOTE: COST OF CAPTURE INCLUDES CAPITAL, OPERATING EXPENSES, TRANSPORT AND STORAGE COSTS AND EXCLUDES COST OF FINANCING; TONNE (T)

COST OF CO₂ REDUCTION USING SAF

44

DAC CDRs expected to be more economic than SAF

	<u>Value</u>	<u>Units</u>	<u>Calculation</u>	<u>Sources / Notes</u>
SAF price premium over conventional jet fuel	2,300	\$ / tonne	A	Assumption: January 2022 through September 2023 estimated average. (Argus Whitepaper).
Life cycle CO ₂ emissions of 1 tonne of:				
Conventional jet fuel	3.83	t CO ₂ / t fuel	B	Calculation: Emission factor 89 gCO ₂ e / MJ (ICAO) multiplied by energy density of fuel 43 MJ / kg (U.S. DOE) divided by 1,000 kg / t.
SAF	0.77	t CO ₂ / t fuel	C	Calculation: Mean life cycle emission value for SAF produced from tallow, used cooking oil, and corn oil from CORSIA Default Life Cycle Values 18 gCO ₂ e / MJ (ICAO , Table 2) multiplied by energy density of fuel 43 MJ / kg (U.S. DOE) divided by 1,000 kg / t.
CO ₂ emissions abated using SAF	3.06	t CO ₂ abated / t fuel	B - C = D	Calculation: Use of SAF instead of conventional jet fuel results in a CO ₂ emissions reduction of 3.06 tonnes of CO ₂ per tonne of fuel burned.
Cost of CO₂ reduction using SAF is ~ \$750 / tonne			A / D	Calculation: The SAF price premium over conventional jet fuel divided by the CO ₂ emissions abated by using SAF instead of conventional jet fuel.
DAC CDRs provide an economic alternative to SAF				

OXY TO UTILIZE CLEAN ENERGY GENERATED BY NET POWER'S FIRST UTILITY SCALE PLANT

- Oxy has ~42% equity ownership in NET Power Inc. (NYSE: NPWR)
- Expected to be the primary offtaker of clean energy generated by NET Power's first commercial plant using a transformational technology that inherently captures nearly all emissions
- FEED started in 2023, expected to be operational in 2026
- Plant to be located near Oxy Permian operations and generate ~300 MW of clean 24/7 dispatchable power
- Expected to significantly decarbonize Permian oil and gas operations
- ~860K tonnes/year of captured CO₂

