

## Spin-off of California Resources Corporation

Effective November 30, 2014, Occidental Petroleum (OXY) completed a spin-off of at least 80.1 percent of the stock of California Resources Corporation (CRC), into an independent, publicly traded corporation. The spin-off was effectuated by way of a pro rata distribution of at least 80.1 percent of CRC's outstanding common stock to holders of OXY common stock as of the November 17, 2014 record date. Each OXY stockholder received 0.4 shares of CRC common stock for each share of OXY common stock held by such stockholder on the record date. The distribution of the CRC shares was made in book-entry form, which means that no physical share certificates were issued. No fractional shares of CRC common stock were issued. OXY shareholders who otherwise would have been entitled to a fractional share of CRC stock instead received the net cash proceeds of the sale of such fractional share.

In connection with the spin-off, OXY is providing certain information pursuant to the requirements of Section 6045B of the Internal Revenue Code of 1986, as amended (the "Code"), including a general summary regarding the application of certain U.S. Federal income tax laws and regulations relating to the effects of OXY's distribution of the CRC stock on a stockholder's tax basis of OXY common stock and the allocation of tax basis between the common stock of OXY and CRC following the distribution.

[\[Click here\]](#) to view the IRS Form 8937 from Occidental Petroleum's website.

The information set forth at this website and on the IRS Form 8937 does not constitute tax advice and does not purport to be complete or to describe the consequences that may apply to any stockholder or any particular categories of stockholders. Neither Occidental Petroleum nor CRC provides tax advice to its stockholders. You are urged to consult your own tax advisor regarding the particular consequences of the spin-off to you, including the applicability and effect of all U.S. Federal, state and local and foreign tax laws.

### **How do I determine the cost basis for my Occidental Petroleum shares (OXY) and California Resources Corporation shares (CRC)?**

As described in the IRS Form 8937, for U.S. tax purposes, the allocation of tax basis between shares of OXY common stock and CRC common stock is based on their relative fair market values (FMV) at the time of the distribution. There are several possible methods to determine the FMV of OXY and CRC common stock. Shareholders should consult with their tax advisors. One approach is to use the unadjusted averages of the high and low trading prices of OXY and CRC common stock on the New York Stock Exchange on the first day of regular-way trading after distribution. Such averages were [\$78.21] for OXY and [\$7.06] for CRC on December 1, 2014. If this method is used, the pre-distribution tax basis in OXY shares would be allocated [96.52%] to OXY shares and [3.48%] to CRC shares. See the example below which assumes pre-distribution tax basis of \$75 per share in 99 shares of OXY common stock:

	<b>Number of Shares After Distribution</b>	<b>Average NYSE Trading Price on 12/1/14</b>	<b>Total FMV at 12/1/14</b>	<b>Percentage of Total FMV at 12/1/14</b>	<b>Allocated Tax Basis</b>
OXY Common Stock	99	[\$78.21]	[\$7,742.79]	[96.52%]	[\$7,166.24] ([96.52]% of \$7,425)
CRC Common Stock	39	[\$7.06]	[\$275.34]	[3.43%]	[\$254.84] ([3.43%] of \$7,425)
CRC Common Fractional Shares	.600	[\$7.06]	[\$4.24]	[0.05%]	[\$3.92] ([0.05%] of \$7,425)
Total			[\$8022.37]	100.00%	\$7,425

You are not bound by the approach used in this example, and there may be other reasonable approaches for determining the fair market values for allocating your basis between OXY and CRC common stock. Also, the example provided above is illustrative and is being provided pursuant to Section 6045B of the Code and as a convenience to stockholders and their tax advisors.