IN THE COURT OF CHANCERY OF THE STATE OF DELAWARE

HIGH RIVER LIMITED PARTNERSHIP, ICAHN PARTNERS MASTER FUND LP, and ICAHN PARTNERS LP, Plaintiffs, v. OCCIDENTAL PETROLEUM CORPORATION, Defendant.	C.A. No.: _____________

VERIFIED COMPLAINT PURSUANT TO 8 *DEL. C.* § 220

Plaintiffs High River Limited Partnership, Icahn Partners Master Fund LP, and Icahn Partners LP (collectively, "Plaintiffs" or the "Icahn Parties"), upon knowledge as to themselves, and upon information and belief as to all other matters, allege for their Verified Complaint as follows:

I. Introduction.

1. This is an action to inspect certain books and records of Occidental Petroleum Corporation ("Occidental" or the "Company"), relating to its fundamentally misguided and hugely overpriced acquisition of Anadarko Petroleum Corporation ("Anadarko") after a bidding contest between the Company and Chevron Corporation ("Chevron"). Unfortunately for the stockholders of

Occidental, it won that contest even though Chevron is approximately six time's Occidental's size (with Anadarko being only slightly smaller than Occidental).

2. With its financial strength Chevron could have matched Occidental's winning bid and won the contest for Anadarko (it held matching rights) but refused to do so. According to the May 10, 2019 Wall Street Journal, Chevron's CEO acknowledged that Chevron had the resources to match Occidental's bid, but would not do so because, "**Costs and capital discipline always matter. An increased offer would have eroded value to our shareholders and it would have diminished our returns on capital**."

3. The same was true for Occidental—but the Occidental board and management took the diametrically opposed approach. They decided to go for growth-at-all-costs at the price of ballooning the Company's debt burden, rather than trying to maximize stockholder value prudently. A board of directors giving priority to stockholder value would not have approved the Company's very high topping bid for Anadarko because most of that price will be paid for with debt (and debt-like preferred stock), thus putting the Company at risk in case oil prices fall in the near to intermediate future. Oil prices, of course, are constantly rising and falling—no board or management team can confidently predict where prices will go in the future.

4. In addition, not only was the purchase price sky high, and not only did the intrinsic value of Anadarko decrease during the bidding contest (among other things, Anadarko was forced to pay a $1 billion termination fee to Chevron) but Occidental's financing costs were astronomical as well. The Occidental board and management team agreed to extraordinarily and unnecessarily expensive financing while trying to raise the cash necessary to top Chevron's (mainly stock) bid. The financing, which included at least the sale of $10 billion of preferred stock to Berkshire Hathaway on extremely disadvantageous terms, and the pre-sale of Anadarko's African assets to Total, in what appears to have been a one-bidder auction that is now in doubt, raises very real questions about the competence, and fidelity to the stockholders, of Occidental's management and the board.

5. This is particularly true because the $10 billion preferred stock sale was expressly accomplished in a manner in which the New York Stock Exchange rules would not—at least according to the Company if not the text of the rules—require a vote by the Company's stockholders, and management wanted to avoid a vote at almost all costs.

6. Part of management's reason for this was to avoid conditions to its bid that Anadarko might find objectionable. But it also appears that management and the board did not want a vote because it would allow the stockholders to turn the

deal down. And management and the board badly wanted the Anadarko deal despite its costs.

7. Management appears to find the idea of a stockholder vote objectionable. Yet, the Anadarko deal is a classic "transformative" (a word that should send shudders through stockholders everywhere) bet-the-company deal, which is exactly the type of deal that management should present to the stockholders for approval. The oil industry is notoriously volatile. Oil and gas prices go up and down suddenly and no oil company can successfully predict where they will go, or when they will go, next. Indeed, for precisely that reason, Occidental management had been saying as recently as the company's February 2019 earnings call that it did not need to pursue any large M&A deals and that capital discipline was extremely important.

8. Plaintiffs believe that if oil prices increase from current levels, and stay there for a number of years, then management's deal might work (if the actual combination of the two businesses is competently and prudently accomplished—something that appears to be far from guaranteed under the present stewardship). If oil prices go down to $45 a barrel or lower, however, the Plaintiffs believe that there is a substantial risk that Occidental may have to cut the dividend on its common stock, and Occidental's current $3.12 annual dividend is one of the prime reason stockholders buy the stock.

9. Thus, the Anadarko deal is very much a bet-the-company deal from the point of view of the common stockholders. Not consulting them on the deal was disenfranchising at a minimum. Going out and selling preferred stock at an extremely low price in order to avoid a stockholder vote that would be required if common stock were to be issued instead, raises serious questions of the board's fidelity to the stockholders.

10. The Plaintiffs currently beneficially own over $1.6 billion in Occidental stock at current market prices. It is their belief that Occidental should never have tried pursuing Anadarko and instead **should have put itself up for sale**. Occidental's stock price performance over the past several years has been disappointing—while other oil companies have seen notable improvements in their share prices during that time, Occidental's share price has dropped. For example, at the end of April 2016 (after the collapse in oil and gas prices in 2015 and early 2016) Occidental's share price was $77. Now it is trading for approximately $52—a drop of approximately 33%. Some of that decline is because of the Anadarko deal, which the market has deservedly judged harshly, but much occurred before Occidental's interest in Anadarko was announced.

11. A sale might still be a viable option for the stockholders. It certainly should be explored by the board, as should all other feasible strategic options, including potentially de-levering the Company much more aggressively than

management currently plans, and creating a more pure-play exploration-and-production firm focused on the best basins where it has the biggest competitive advantages.

12. To that end, the Plaintiffs are contemplating soliciting consents from other stockholders to call a special meeting of stockholders in order to potentially elect new directors to ensure that Occidental is being run in the interests of its stockholders going forward, and not in the interests of directors and officers who appear to be interested in growth for growth's sake.

13. In order to decide whether to pursue a special meeting (and potentially to use at such a meeting), on May 21, 2019, the Icahn Parties delivered to Occidental a demand letter pursuant to § 220 of the Delaware General Corporation Law (the "DGCL") seeking certain books and records relating to the Anadarko acquisition and whether the Company is changing its bylaws to allow 15% of the stockholders to call a special meeting of stockholders. A copy of that letter is attached hereto as Exhibit A.

14. Of course, before sharing any documents or information with other stockholders, the Plaintiffs would first obtain the permission of either the Company or this Court. Given the magnitude of their investment, the Plaintiffs have no desire to hurt the Company by releasing truly sensitive information.

15. *On May 28, 2019, the Company responded that it was "considering* the demand, and . . . will contact you shortly to discuss the Company's position and response." Nothing further has been heard from the Company although the statutory period has now run.

II. **The Parties**.

16. The plaintiffs are affiliates of Carl C. Icahn. Based on current market prices, the Plaintiffs beneficially own over $1.6 billion of Occidental's common stock (including forwards).

17. Occidental is a large petroleum and chemicals corporation with operations in many parts of the world. Significantly, like Anadarko and Chevron, Occidental has extensive drilling and producing operations in the Permian Basin in West Texas and Eastern New Mexico. Currently the Permian Basin is one of the most desirable drilling locations in the world because new drilling techniques have allowed exploration and production companies to produce large amounts of oil at relatively cheap prices.

18. Occidental is somewhat larger than Anadarko but both are much smaller than Chevron, which is the second largest oil company in the United States.

III. **Relevant Facts**.

19. In 2016, the markets were beginning to recover from a severe crash in oil and natural gas prices. From a high of almost $100 per share in 2014, Occidental's stock price briefly fell to $60 per share in January 2016. By the end of April 2016, when Occidental's current CEO, Vicki Hollub, assumed her position, the price of the Company's stock was approximately $76 per share.

A. *Occidental's Poor Performance*.

20. Since 2016, the stock prices of most oil and gas companies have increased significantly. Not so with Occidental. In the three years since Ms. Hollub became CEO, ***Occidental's stock price has declined by approximately 33%***. Despite that staggering lack of performance, during that approximate time, Occidental's senior managers have received over $100 million in compensation, with Ms. Hollub alone receiving $40 million.

21. One hundred million dollars is a lot to pay for a management team that presided over such a huge decline in market value during an up market for oil-and-gas companies. But, at least the Company's management told the markets that they would be doing the right thing going forward. During the last surge in oil prices, many oil companies over-expanded and over-borrowed, with dividends, interest, capital expenditures and mergers and acquisition costs barely covered—if covered at all—by cash flow. When the bubble burst, and cash flow collapsed

along with oil prices, many companies were forced to slash dividends and spending, including necessary maintenance capital expenditures. More than a few were forced into Chapter 11.

B. *Management's Dishonored Promise—Prudence Instead of Speculation*.

22. In an attempt to assure the market that Occidental's management team were prudent stewards of the Company's finances, and not the sort of managers who would pile on debt during the good times, only to jeopardize the Company during a period of oil-price declines, the Company's management team has repeatedly assured the market that they prioritized maintaining a conservative balance sheet, living within the Company's means, pursuing only conservative and accretive M&A, and only committing to prudent capital expenditures. Management frequently reiterated these priorities to reassure the market that they would not undertake high-risk ventures and would manage the business to preserve and protect the Company's valuable dividend.

23. For example in a "Message from the CEO" that is posted on the Company's website, Ms. Hollub states that part of Occidental's "overall strategy" is to maintain "a strong balance sheet," which will ensure "that we will be able to thrive through the cycles." Said slightly differently in a Company filing, "Occidental aims to maximize shareholder returns through…[m]aintenance of a strong balance sheet to secure business and enhance shareholder value."

24. And only months ago, Occidental clearly stated that it did not need to, and would not, get involved with over-priced M&A deals. Mr. Burgher, the CFO, publicly stated in February that the Company really did not need to pursue an M&A transaction at all since, "*if you look at our organic growth opportunities as we've described, they're robust across the globe and across each business sector*." But, even if Occidental were to pursue an M&A deal, Mr. Burgher was emphatic that it would only be a reasonably priced one: "*So we don't have to do a deal and we only want to do a deal if it's going to be very accretive to our shareholders and for value … [i]t needs to be a compelling deal for us and for our shareholders. And that's how we look at it.*" The Anadarko deal might be "compelling" for management because it doubles the size of management's empire. But it is definitely not compelling or even neutral for stockholders. One need only look at the stock price, which has dropped 20% since Occidental's initial bid on April 24, 2019, which is over $10 billion in lost equity value.

25. In other words, while Occidental has talked a good game—plaintiffs agree with management's statements—it has not kept its promises. Indeed, it appears from new reports that Occidental has been pursuing Anadarko for close to two years, while at the same time telling the market that it did not need to pursue a large deal and had plenty of attractive smaller scale opportunities to achieve reasonable growth.

C. *The Pursuit of Anadarko at any Price.*

26. Occidental's pursuit of Anadarko appears to have been re-invigorated on April 12, 2019, when Chevron announced that it would be buying Anadarko for a notional $65 per share, with most of the purchase price coming in the form of Chevron stock. It was a very big price—Anadarko had been trading in the 40's before the deal. The newspapers were soon filled with stories about Occidental's indignation that Anadarko had not accepted an even higher bid from it, but Occidental's bid had also been for mainly stock, and given Occidental's much smaller float than Chevron's, apparently Anadarko thought that it risked both the Company's stock trading down significantly, and the outcome of what would have been a necessary stockholder vote.

27. Accordingly, Occidental decided to top Chevron's already pricey bid with a mostly cash offer. The cash component alone was worth approximately $30 billion, and that was cash that Occidental did not have. It would have to borrow most of the money. In the end, Occidental put together a bid of $59 per Anadarko share in cash and .2934 shares of Occidental common stock. Not coincidentally, the newly issued shares would constitute less than 20% of Occidental's current float, which means that no stockholder vote would be required under the New York Stock Exchange rules.

28. Ms. Hollub explained to the press that avoiding a stockholder vote constituted good corporate governance in her view. She was quoted in the May 7, 2019 *Wall Street Journal* as declaring that "[w]e felt that our greater fiduciary responsibility *from a governance standpoint* for our shareholders was to make this deal happen…" (Emphasis added). ***In other words, Ms. Hollub's version of "good corporate governance" required the board to manipulate the Company's corporate machinery to prevent stockholders from voting on a high-risk transformational acquisition that -- at a minimum – will massively dilute existing stockholders and fundamentally change Occidental's character as well as its long-term prospects, including by putting its long-standing dividend at risk.***

29. That is because if it completes the acquisition Occidental will be swamped by vast new debts, with its debt (and debt-like preferred stock) increasing from approximately $10 billion to over $45 billion.

D. *The Reality—the Purchase is a Levered Bet on the Price of Oil.*

30. In Plaintiffs' opinion, and the opinions of many others, that huge increase in debt will present Occidental with a classic winner's curse. The new debt and mandatory preferred stock payments will be so significant that if the price of oil declines to approximately $45 per barrel or below for an extended period of time, Occidental might be forced to cut the common dividend.

31. Occidental's acquisition of Anadarko is thus little more than an enormous bet on the price of oil, and the Company's management, which previously (and prudently) acknowledged that it could not predict future prices, is now making a massive bet, with stockholders' money. That is not only a major risk; pursuing this path without a stockholder vote is also terrible corporate governance. If management's dreams of glory require placing the stockholders' dividends at risk the stockholders really ought to be asked whether they agree. That was not done here, and in a linguistic maneuver worthy of Wonderland, management calls that failure evidence of good corporate governance.

E. *Ignorance and Leverage—the Berkshire Preferred Stock.*

32. Levering up the Company to overpay for Anadarko is bad enough. What makes it even worse here is that the Company has botched a significant part of the financing side as well. On April 30, 2019, management announced that it had agreed to sell Berkshire Hathaway $10 billion of 8% cumulative preferred stock. While this preferred stock is technically equity, it is very hard to distinguish from debt. The dividends on the preferred stock need to be paid, just as interest on debt needs to be paid, and if they are not paid they compound at a rate of 9%--a rate that does not thereafter decrease. At an 8% dividend rate, the preferred will cost Occidental $800 million per year—significantly more than Occidental's debt—and unlike interest on debt, the Berkshire dividend will not be tax

deductible. A traditional tax-deductible bond offering would have cost approximately half as much in annual charges.

33. Moreover, Berkshire will not only receive the extremely high dividend, but also will be entitled to 80 million common stock warrants (almost 9% of the Company's current outstanding shares), which gives Berkshire significant potential upside. In fact, the Icahn Parties believe that the **warrants alone were worth approximately $1.2 billion on the day the preferred deal was announced**. And, just in case these very generous deal economics were not enough, Occidental also paid Berkshire a $50 million signing fee.

34. The preferred stock deal allegedly took place over a three-day period in April. According to public accounts, the CEO of Bank of America (which will be paid handsomely if and only if the Occidental – Anadarko deal closes) contacted Berkshire on behalf of Occidental on the afternoon of Friday, April 26, 2019 and the deal was completed the following Monday, after a 90-minute meeting between Ms. Hollub and Mr. Buffett.

35. To give Ms. Hollub credit, according to a May 11 *Bloomberg* story she admitted to her own inexperience in such matters: "What you should know is I'm an engineer. My experience with M&A is very limited." That candid admission brings to mind a Warren Buffett quote: "***When you combine ignorance and leverage, you get some pretty interesting results***." Mr. Buffett's insight into

human nature is undoubtedly true, but unfortunately for Occidental's stockholders, as shown by the terms of the Berkshire preferred, a ninety-minute deal "negotiation" with one of history's canniest investors, is no place to gain M&A experience—at least if you care about protecting your stockholders.

36. Occidental and media reports suggest that the Company did not seek other bidders and only talked to Berkshire because only Berkshire could have promptly agreed to such a deal. That idea is nonsense -- there is no shortage of capital in the United States, especially when a corporation wants to sell stock on terms similar to the Berkshire preferred.[1] The Icahn Parties believe that Occidental could have placed not only that deal, but a much-better-priced one, with its own large stockholders in a matter of days if only it (or its bankers) had bothered to ask.

37. The truth about the Berkshire deal was that Occidental agreed to it because it was desperate (it says the verb should be "determined" but *res ipsa loquitor*) for the money because it desperately wanted to show that its bid for Anadarko was credible. A bit of research would have shown that Berkshire has long been known for opportunistically profiting off desperate companies. Over the

[1] To give some context, Occidental's debt was yielding about 4%, while its common stock—which is junior to the preferred—was yielding approximately 5% at the time, and still has a dividend yield of approximately 6% despite the resulting sell-off in the stock.

years it has made fortunes for its own stockholders by buying very attractive preferred stock from distressed, desperate or otherwise panicked issuers.

F. *The Botched Sale of Anadarko's African Assets.*

38. It gets worse. The Berkshire preferred stock sale cannot be justified, but Occidental's pre-sale of Anadarko's African assets is proving to be an even bigger botch.

39. Anadarko took the lead in finding an enormous complex of natural-gas fields off the northern coast of Mozambique (they contain many trillion cubic feet of natural gas), which are being developed into a world-class liquefied natural gas (LNG) production facility. The LNG will largely go to Asian markets. Anadarko also has some promising exploration acreage in South Africa, a piece of a growing oil producing property offshore Ghana; and a partial interest in fields in Algeria that are currently producing approximately 320,000 gross barrels of oil a day, according to its 10-K for 2018.

40. According to news reports and Company releases, from the very start, Occidental planned to sell these assets if it acquired Anadarko. By itself that decision was not incorrect—Occidental needs to sell a significant amount of assets (indeed, probably more than it seems to be planning) to cut debt and de-lever the post-merger Company. But Occidental's execution here was, once again, extremely bad.

41. Press reports say that Ms. Hollub had been in Paris finalizing a deal to pre-sell Anadarko's African assets to Total for $8.8 billion, when she flew to Omaha to negotiate with Berkshire. In other words, at the time of the Berkshire negotiations, Hollub and the Board likely knew that a deal with Total would allow Occidental to monetize Anadarko's African assets for almost $9 billion. Thus, management knew that they could raise almost $9 billion in cash from Total should have meant there was no need to hastily fly to Omaha and strike a deal before checking the market.

42. In addition, the Total deal was also poorly done. In agreeing to sell Anadarko's African assets to Total for $8.8 billion, Hollub was quoted as saying that the price "represents an attractive value based on our extensive evaluation over the last 18 months." But how much information did Occidental actually have on these Anadarko-owned assets and how much information were it permitted to share with potential bidders? What type of bidding process occurred? From all appearances it seems that Occidental sold these assets in a quickly arranged fire sale before it even owned them.

43. Based on news reporting, it appears Occidental only talked to one potential buyer. By aggressively pursuing Anadarko and structuring a deal proposal that would result in over $45 billion in debt on the combined company, Occidental was desperate to find any way to de-lever and de-risk. Of course, if

Occidental had not been in this desperate situation, it would have waited to sell Anadarko's assets until after the Anadarko acquisition, when it would be in possession of all the technical data to run a normal and competitive bidding process.

44. In fact, without the pressure of needing to de-lever a $45 billion balance sheet, Occidental could have obtained far higher value for the African assets if the assets had been unbundled and offered for sale separately to different potential acquirers. Some potential bidders might have been interested in the Mozambique gas fields, but not Ghana or Algerian oil, while others might have been interested in the Algerian assets but not in Mozambique. An asset-by-asset auction process can be designed to maximize total proceeds by nimbly placing individual assets with the highest bidders. Instead, by selling all Anadarko's varied African assets in a single sale to a single buyer, it is inconceivable to believe that Occidental maximized value.

45. Similar to Occidental's deal with Berkshire, it appears that the singular focus to win the Anadarko bid at any cost prevented Occidental from maximizing value in its sale of Anadarko's African assets. Every dollar not received in a hurried asset sale is one less dollar to help protect the stockholders if the Anadarko deal goes south or oil prices drop. When Occidental was selling the

African assets low to buy Anadarko high, it is very doubtful that stockholder value was being maximized.

46. And other shoes are now dropping. On May 26, 2019 Algeria's energy minister—who apparently was not asked about the sale of Anadarko's assets to Total, even though those assets are governed by a complex production sharing agreement with Algeria's national oil company and other partners—announced that Algeria would block the sale. The relevant portion of the Reuters' story is as follows:

> "ALGIERS (Reuters) - Algeria will block Total from acquiring Anadarko's assets in Algeria, energy minister Mohamed Arkab told reporters on the sidelines of a conference on Sunday.
>
> Occidental Petroleum has agreed to sell Anadarko Petroleum Corporation's assets in Algeria, Ghana, Mozambique and South Africa to Total for $8.8 billion if the U.S. oil company succeeds in completing its plan to take over Anadarko.
>
> "Our ministry has contacted Anadarko to get explanations on this information, but so far we got no answer," Arkab said.
>
> "It means there is no contract between Total and Anadarko ...We have good relations with Anadarko and we will do the utmost to preserve Algeria's interests, including using our pre-emption right to block the sale," the minister said.
>
> Anadarko holdings in Algeria represent about 260,000 barrels of oil per day, more than 25% of the country's crude production estimated at 1 million barrels per day.
>
> There was no immediate comment from Total or Anadarko."

47. Subsequent reports indicate that Mr. Arkab suggests that Algeria might be open to a "good compromise." What such a compromise might cost was not indicated.

48. It is difficult to conceive of a performance that has been so continually devastating. Any management team can sell assets cheap to buy other assets dear. A senior management team being paid as much as Occidental's team should at least have the discipline to create real and competitive bidding before it agrees to issue preferred stock or sell assets. And had Occidental done the least bit of due diligence, it would have known that Anadarko (and other western oil companies) have always had to tread very carefully with the Algerian authorities. Anadarko's current agreement with Algeria came only after years of very difficult negotiations.

49. Occidental's management had to know that it could not sell, or pre-sell or whatever it believes it has done, Algerian oil assets (much less someone else's Algerian oil assets) without Algerian assent. Yet apparently Occidental did not even give a nod to the Algerian government. It was an epic blunder, and it will likely cost the stockholders a fair penny to fix.

G. *Occidental Should Have Been a Seller, Not a Buyer*.

50. Occidental's biggest mistake, however, has to be the board's and management's failure to understand (or willful rejection of the fact) that ***at present market prices Occidental should have been a seller -- not a buyer***. Occidental has

some excellent assets as well as some less-good ones. Both Chevron and the Company appear to have prized Anadarko because of its strong position in the Permian Basin. Occidental has an even stronger Permian position and there is little doubt that it could have attracted strong and competitive bids at a premium to its stock price. That would have been the stockholder friendly thing to do.

51. It might be no longer practically feasible to sell Occidental, but the Icahn Parties believe that the Occidental board and management are in far over their heads, have made numerous blunders in recent months and might continue to trip over their feet if the board is not strengthened. For that reason they are considering soliciting consents to call a special meeting of stockholders. But, before they do that they believe it is important to gain additional information about the recent blunders to get a better understanding of why these mistakes have been occurring.

IV. <u>Plaintiffs' Purpose and Documents Sought</u>.

52. The Plaintiffs' purpose in demanding to review documents is to help them to obtain additional information about the matters discussed in this letter. Specifically, the Icahn Parties wish to learn (i) details of the sale of the preferred stock to Berkshire, including what other financing sources were contacted and what other proposals were considered; (ii) details involving the sale of Anadarko's African assets to Total, including the valuation basis, what information was shared

with Total, what, if any, bidding procedures were used, and how many other bidders were contacted, and how many other proposals were considered; and (iii) information relating to management's and the board's consideration to sell the Company instead of pursuing the Anadarko transaction, including whether any investment bankers or other advisors have provided any valuations of the Company and whether any third parties have expressed interest in acquiring a material amount, or all, of the Company's assets.

53. The Icahn Parties intend to use this information to (1) decide how they should proceed (including whether to bring litigation on behalf of themselves or the Company); (2) decide whether to seek to call a special meeting of stockholders for the purpose of removing and replacing incumbent directors; and (3) in the context of seeking to call a special meeting of stockholders, to potentially share some or all of the information they receive with their fellow stockholders, (subject, of course, to any legitimate confidentiality concerns that the Company might explain and/or permission from this Court). In addition, they reserve the right to bring appropriate litigation based on the documents, although that is not their preferred course of action—fixing the problem rather than litigating over it is probably the better approach here.

54. The Demand Letter lists the following documents. In addition, the Plaintiffs would like to inspect any documents shared with senior management or

the board about efforts to engage the Algerian government, or any other government with consent rights relating to the assets proposed to be sold to Total.

1. All documents provided to senior management or the Board about the Berkshire preferred stock transaction, including any such information dealing with how that timing related to the African assets pre-sale to Total, any information provided to them about the value of the preferred stock and the current market for such or similar instruments, and any information relating to whether any other investors were contacted to provide financing.

2. All documents provided to senior management or the Board about the sale of Anadarko's African assets to Total, including any documents relating to the information that Occidental and Total had concerning these assets, the sale procedures (if any), the history of the sale, and whether any other potential acquirers were contacted, and whether any other bids for these assets were received.

3. Any documents provided to senior management or the Board regarding the effect various oil and gas prices would have on Occidental in the future, or on the potential necessity to cut Occidental's common stock dividend, or on how Occidental intends to manage its debt going forward if it acquires Anadarko.

4. Any projections or forecasts prepared for or by, or provided to, the Board or senior management relating to the topics in paragraph 3 above.

5. Any documents provided to or generated by the Board or senior management concerning any consideration given to the sale of Occidental or Occidental's assets, including valuation documents, or any document weighing the potential sale of Occidental against the effects a purchase of Anadarko would have on the Company, or any document showing that any third party expressed interest in acquiring a material amount, or all, of Occidental's assets.

6. Any documents provided to or generated by the Board or senior management concerning whether the Board intends to comply with the stockholder proposal that was adopted by stockholders at the Company's annual meeting and that requests that the Board take such actions necessary to decrease the special meeting threshold from 25% to 15%.

V. **Conclusion**.

Wherefore, the Plaintiffs respectfully request that the Court permit them to inspect the above-listed records of Occidental and grant them such other relief as is just, including reasonable attorneys' fees and costs incurred in pursuing this action.

ASHBY & GEDDES

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