



## ASPECTS OF OCCIDENTAL PETROLEUM'S ACQUISITION OF VINTAGE PETROLEUM

### Background

On October 13, 2005, the *Wall Street Journal* reported that Occidental Petroleum Corporation had agreed to acquire Vintage Petroleum Inc. for about \$3.5 billion of cash and stock. Occidental will additionally assume approximately \$550 million of Vintage debt in gaining Vintage's assets, which include \$225 million of cash (see "Occidental to Buy Vintage Petroleum for \$3.5 Billion" (October 14, 2005)). According to Occidental, growth opportunities in Argentina and California were an important reason for the transaction. The transaction will make Occidental the 5<sup>th</sup>-largest producer of U.S. crude oil and the 18<sup>th</sup>-largest producer of U.S. natural gas based on 2004 production.

The following tables provide company-level data from various public sources to inform discussions of Occidental's acquisition of Vintage Petroleum. This data presentation is similar to data presentations that have been previously requested from EIA for other significant energy company mergers and/or corporate alliances.

### Occidental - Vintage Petroleum U.S. Crude Oil and Natural Gas Reserves and Production, 2004

	Occidental Petroleum	Vintage Petroleum	Occidental /Vintage Total	U.S. Total	Share of U.S. Total		
					Occidental Petroleum	Vintage Petroleum	Occidental /Vintage Total
<b>Oil and Natural Gas Liquids</b>	(million barrels)				(percent)		
Production	92.7	6.2	98.9	2,801	3.3	0.2	3.5
Reserves	1,494.0	90.9	1,584.9	29,299.0	5.1	0.3	5.4
<b>Dry Natural Gas</b>	(billion cubic feet)				(percent)		
Production	185.1	30.4	215.5	19,219.0	0.9	0.2	1.1
Reserves	2,101.0	281.3	2,382.3	192,513.0	1.1	0.1	1.2

Note: Reserves are at year-end.

Sources: Company information: Occidental Petroleum Corporation, **2004 report to the Securities and Exchange Commission on Form 10-K** and Vintage Petroleum Inc., **2004 report to the Securities and Exchange Commission on Form 10-K**; and U.S. totals: Energy Information Administration, *Advance Summary: U.S. Crude Oil, Natural Gas, and Natural Gas Liquids Reserves 2004 Annual Report* (September 2005), Table 1.

## Occidental - Vintage Petroleum Foreign Crude Oil and Natural Gas Reserves and Production, 2004

	Occidental Petroleum	Vintage Petroleum*	Occidental /Vintage Total	Foreign Total	Share of Foreign Total		
					Occidental Petroleum	Vintage Petroleum	Occidental /Vintage Total
<b>Oil and Natural Gas Liquids Production</b>	(million barrels)				(percent)		
Latin America	30.3	10.0	40.3	2,468.9	1.2	0.4	1.6
Middle East	32.9	0.5	33.4	8,968.4	0.3	0.0	0.4
Asia/Pacific	2.6	0.0	2.6	2,893.7	0.1	0.0	0.1
Worldwide Foreign**	65.8	10.5	76.3	26,651.9	0.2	0.0	0.3
<b>Oil and Natural Gas Liquids Reserves</b>	(million barrels)				(percent)		
Latin America	171.0	200.6	371.6	101,200.0	0.2	0.1	0.3
Middle East	322.0	5.6	327.6	733,900.0	0.0	0.0	0.0
Asia/Pacific	6.0	0.0	6.0	41,100.0	0.0	0.0	0.0
Worldwide Foreign**	499.0	206.4	705.4	1,159,200.0	0.0	0.0	0.1
<b>Dry Natural Gas Production</b>	(billion cubic feet)				(percent)		
Latin America	0.0	16.8	16.8	4,559.2	0.0	1.1	1.1
Middle East	20.1	0.0	20.1	9,884.7	0.2	0.0	0.2
Asia/Pacific	27.4	0.0	27.4	11,413.8	0.2	0.0	0.2
Worldwide Foreign**	47.5	16.8	64.3	75,881.3	0.1	0.0	0.1
<b>Dry Natural Gas Reserves</b>	(billion cubic feet)				(percent)		
Latin America	0.0	558.7	558.7	250,600.0	0.0	0.2	0.2
Middle East	768.0	0.0	768.0	2,570,800.0	0.0	0.0	0.0
Asia/Pacific	106.0	0.0	106.0	501,500.0	0.0	0.0	0.0
Worldwide foreign**	874.0	558.7	1,432.7	6,150,500.0	0.0	0.0	0.0

\*: Vintage petroleum had Canadian production of crude oil and natural gas liquids of 0.8 million barrels and of dry natural gas of 14.1 billion cubic feet during 2004, but the company sold all its Canadian reserves by year-end 2004.

\*\*": "Worldwide Foreign" is the worldwide total minus the relevant U.S. value.

Note: Reserves are at year-end.

Sources: Company information: Occidental Petroleum Corporation, **2004 report to the Securities and Exchange Commission on Form 10-K** and Vintage Petroleum Inc., **2004 report to the Securities and Exchange Commission on Form 10-K**; and Foreign totals: BP p.l.c., *BP Statistical Review of World Energy 2005* (June 2005), pp. 4, 6, 20, and 22 (Natural gas production is converted from cubic meters to cubic feet at the rate of 1 cubic meter equals 35.315 cubic feet).

**Financial Analysis Team, Office of Energy Markets and End Use, Energy Information Administration, October 14, 2005**

**Contact:** Neal Davis  
neal.davis@eia.doe.gov  
Fax: (202) 586-9753

**OR**  
National Energy Information Center  
Phone: (202) 586-8800

URL: <http://www.eia.doe.gov/emeu/finance/mergers/ovindex.pdf>