

The California Oil and Gas Report

Occidental Petroleum Will Sell Some Middle East and U.S. Assets

Los Angeles-based Occidental Petroleum Corporation (NYSE: OXY) has [announced](#) plans to sell a minority interest in its operations in the Middle East and North Africa, as well as some domestic properties.

The sales “are the first formal steps in our effort to streamline the business” and improve profitability, according to a statement from Stephen I. Chazen, Occidental’s president and CEO.

“Our goal is to become a somewhat smaller company with more manageable exposure to political risk,” the statement noted.

The company did not announce how much of its Middle East and North Africa portfolio it would sell, but it said the proceeds would be “significant.” At the end of its second fiscal quarter, on June 30, 2013, Oxy had more than \$3 billion in cash on its balance sheet.

The company’s Middle East and North Africa proved reserves were 929 million barrels of oil equivalent, with net production during the first six months of 2013 averaging 263,000 barrels per day. Assets in the region include holdings in Libya’s Sirte Basin, Iraq’s Zubair Field, the Awali Field in Bahrain, several blocks in Yemen, as well as interests in gas projects in the United Arab Emirates and Qatar.

The company also said it is selling a portion of its 35% interest in the entity that operates Plains All-American Pipeline, for \$1.3 billion, and is pursuing sales of some of its U.S. holdings, including oil and gas holdings in the Williston Basin, Hugoton Field, Piceance Basin and other Rocky Mountain assets.