THE ECONOMIC CLUB
OF WASHINGTON, D.C.

Signature Event

Vicki Hollub

Speaker

Vicki Hollub
President and CEO
Occidental

Interviewer

David M. Rubenstein
Chairman
The Economic Club of Washington, D.C.

Washington, D.C.
Monday, June 16, 2025

DAVID M. RUBENSTEIN: Our special guest today is Vicki Hollub, who is the CEO of Occidental, one of the nation's largest oil companies, energy companies. And she's been in this position for –

VICKI HOLLUB: Almost 10 years.

MR. RUBENSTEIN: How many?

MS. HOLLUB: Almost 10.

MR. RUBENSTEIN: Ten years. So, when you became the CEO 10 years ago – almost 10 years ago –

MS. HOLLUB: Well, let's say nine and a half.

MR. RUBENSTEIN: Nine and a half. OK. Be accurate. [Laughter.] Nine and a half. How many women CEOs were there at major energy companies nine and a half years ago?

MS. HOLLUB: I don't think there were any.

MR. RUBENSTEIN: No, none. How many are there today?

MS. HOLLUB: There are some. I think there's one or two internationally.

MR. RUBENSTEIN: OK. So, there are one or two more.

MS. HOLLUB: One or two more.

MR. RUBENSTEIN: OK. So let me ask you, today energy prices – when I was preparing for this, I was thinking that energy prices were down. And I was saying, how is energy prices being down affecting the industry? But then now it's up a little bit. So, the turmoil in the Middle East, to use that word, is affecting oil prices. They're up now, let's say. So, is that something you think will continue for quite some time, or you think it's just an aberration for a couple weeks or so?

MS. HOLLUB: Well, it depends on, clearly, what happens. But if the conflict were to continue as it is right now, and if the Strait of Hormuz is not closed, and if there aren't significant hits on the energy industry and the infrastructure in Iran, I think that this price comes back down to pretty much where we were before. And I think the price that where we were before, it was – you know, some people think that demand was getting softer to cause prices to go down to that level. And actually, sometimes the price is driven by perception. And I think that's the perception of the investment community, that demand was softening. But products and refinery runs in the United States were at the upper end of the five-year range, and well above the five-year average.

And so, when you when you start seeing softer demand, it starts first with those refined products. And when you start seeing softer prices or less demand for the products, then you start seeing refiners having less throughput in their refineries, and then also starting to buy less oil. And that's when you can start to see, ahead of time, whether there's demand softening. And we really weren't seeing that.

MR. RUBENSTEIN: All right. So, let's put it in context. The world consumes 103, 104 million barrels of oil a day, something like that. OK. And the United States produces 13 million barrels of oil a day, something like that?

MS. HOLLUB: That's 13 [million] oil. And then with – when you're looking at the 104, that's got other liquids in it as well. And so really, we're about 19 [million].

MR. RUBENSTEIN: Nineteen, when you add oil and gas or oil equivalents, 19 [million].

MS. HOLLUB: Yeah.

MR. RUBENSTEIN: So, it's pretty high. Are we energy independent now because we produce so much? Or do we – why are we still importing some oil and exporting some oil?

MS. HOLLUB: We're importing some oil because the refineries that were built in the United States were built for a different oil than what we have today. For example, if you look at gravities, a typical gravity for most of the conventional oil in the United States is around 40 to 42 or 43. But when the shale revolution started in around 2010, we were only producing about 5 million barrels of oil per day from conventional reservoirs. And so, the shale revolution really drove up the production here in the United States.

And that production is much lighter. It's a lighter oil. The refineries in the United States were not built for it. They have to be. Several of them were re-equipped and remodeled to be able to take that kind of oil. But what we're doing is exporting this lighter oil that can be used in places around the world and then importing heavier oil that – or more moderate oil for our refineries. And so we end up normally with about a 2.5-to-3 million barrel a day net import.

MR. RUBENSTEIN: All right. Why do they still use "barrel" as the measurement? That's an old thing, barrels. [Laughter.] Have they thought about something that everybody knows what it really is. A barrel – nobody really knows how big a barrel is, do they?

MS. HOLLUB: I like barrels. [Laughter.]

MR. RUBENSTEIN: You know? OK.

MS. HOLLUB: I used to see barrels in person.

MR. RUBENSTEIN: You like barrels. OK. That's not going to change, right? Barrels aren't going to change.

MS. HOLLUB: Not going to change.

MR. RUBENSTEIN: Some people have suggested that maybe the oil transactions are done in dollars. Do you think that will change at any point because some people don't like the fact that the U.S. dollar is the currency used in international transactions for oil? Or you think it's –

MS. HOLLUB: I think it'd be very complicated to change it. And I don't see it changing anytime soon.

MR. RUBENSTEIN: All right. President Trump has said he'd like to drill, baby, drill, which means produce more oil. Physically, can the United States energy industry produce more oil, if it had to?

MS. HOLLUB: Well, you know, what's already happened is, as I just mentioned, this shale revolution got us to where we are today. Thirteen-point-five million barrels a day is where we are. If we hadn't had the shale revolution, by the time that 5 million barrels a day that we were producing in 2010 of conventional, with that decline, we'd probably be in the 3 to 4 million barrel a day range. So, we would not be energy independent. We would – clearly, we need, in the United States, close to 20 million barrels of oil per day, or 19 million.

And so, if we ever decline very much more than this – where we are today, then we're going to lose our energy independence. And so, the drill, baby, drill thing, what's most important about that is that he sees a commitment that we need to be energy independent. We've got to be. And what we're seeing today is if we don't get very aggressive with other ways to get more oil out of the reservoirs we have, then we're going to potentially lose that energy independence.

MR. RUBENSTEIN: Well, you say "shale revolution," but it's – some people call it fracking. Is there the difference between shale and fracking, same thing, more or less?

MS. HOLLUB: Well, shale is not a process. Shale is a formation. And shale is the original source rock for hydrocarbons that migrated out of the source rock into conventional reservoirs. This is a little complicated. I usually go on a very long thing here, but I've noticed David's interviews. He won't let me go more than about four or five sentences more, so I'm going to make this as quick as I can. [Laughter.]

MR. RUBENSTEIN: I got to get all my questions in.

MS. HOLLUB: [Laughs.] So, what this – this shale was created when animal life and plant life, organic matter, decayed. And through pressure and temperature over time it converted all this decay into hydrocarbons. And so, the hydrocarbons, because of the pressure, found ways to migrate out of the shale and into more porous rock. And so that's carbonates, and that's sandstones, and that's where the conventional reservoirs are. But what we discovered, what George Mitchell actually discovered, is that these source rocks that we had been drilling through for years, that we thought that didn't really have enough hydrocarbons to be productive, we

found out that they did. Not all the hydrocarbons migrated out. There were still hydrocarbons left in these source rocks, and we could actually figure out how to get it out.

And through 10 years of trying, George Mitchell really established the template on how we could do it in the oil part of the business too, because he was in – he was developing gas. So, what we did is we combined two technologies used in our industry. One is the horizontal drilling, which takes a lot of technology to be able to pull off. If you're going to go 10,000 feet down and then you're going to try to target a reservoir that may be 15 to 30 feet in height, you're going to try to target that and then go 10,000 feet out, that takes a lot of technology. And so, in shale, because of the pressure, temperature over time, the porosity and permeability in the shale is almost nothing. If you look at, you know, your countertop at home and you see no porosity there, well, the shale was worse than that. It was more compressed, even, than your countertop.

And so, to have – to get anything out of it was quite a feat. But it did have a little bit of porosity, micro porosity, and it had fractures and fissures that were naturally created as the earth moved below the surface over time. And so what we're trying to do with a frack job is we're trying to pump a proppant, using fluids, into that horizontal section. And it's going out perforations – out perforations into that shale reservoir. And it's trying to connect an induced proppant. So, we're creating a crack, and we're holding it open with sand or other kinds of proppant. We're holding that that fracture up. And it's intersecting all these little fissures and natural fractures.

And that's why shale wells initially have this incredibly high production rate, because we're draining from those natural fractures and fissures. When that happens, and when you're done draining that, then production drops off quite a bit and you're draining from the matrix – the matrix then has to feed in. And so that's why – that's why once we hit our plateau with shale, and start dropping off beyond that, the decline is very fast.

MR. RUBENSTEIN: For a while there were a lot of people who said, and maybe still some do say, fracking is not safe. It's environmentally unsafe. Some people said it caused many earthquakes and so forth. In your view, is fracking safe?

MS. HOLLUB: Absolutely. That's why we've been – we've been doing it a long time. We started fracking in the '50s. We were fracking horizontal wells. One of the first jobs I had in my – early in my career, was to go out on this massive job where we had about 20 pump trucks and about – tanks that would hold a tremendous amount of volume of fluid to frack gas intervals. And so, we've been fracking since probably the '60s. And it's safe.

MR. RUBENSTEIN: But other countries don't – but other countries don't use fracking as much as we do. Why is that?

MS. HOLLUB: This speaks to the ingenuity of, and the determination of, the oil and gas industry, and the need that the United States had. Again, that perseverance by George Mitchell to try to figure out, well, how do we get more hydrocarbons out of our subsurface here in the United States? Because we needed to. It's, like, Saudi Arabia doesn't need to do it. They have

the Ghawar Reservoir that doesn't need fracking. It's got tremendous permeability. It's got a lot of volume. They don't need to frack anything there.

But what we have actually – don't you think it's amazing – same thing in Venezuela. Venezuela has tremendous reserves. They have about seven times the resources of oil than we do here in the United States. Saudi Arabia is next. And then you have Iran and Russia coming in third and fourth. So, they have a lot more oil resources than we do. But we're the largest oil producer in the world because we had people that were determined to figure it out, because we couldn't continue to – or risk having the United States so dependent on other countries. And so those that want oil to go away, especially those in the United States, really need to rethink what their – what their beliefs are, because we as a country need to be energy independent, especially with respect to oil. And it's because combining those two kinds of technology was so important to get us to where we are today.

MR. RUBENSTEIN: All right. Well, some people say, let's be energy independent with renewable energy sources. Of the energy we consume in the United States every day, what percentage is hydrocarbon and what percentage is renewable?

MS. HOLLUB: I think the percentage of renewable – I think is still down around, what, 5 or 6 percent? I really don't know exactly.

MR. RUBENSTEIN: OK, so if it's 5 or 6 percent do you think it's likely to increase as people get more concerned about hydrocarbons? Or do you think it's not likely to really increase very much from there?

MS. HOLLUB: Well, here's the deal, and here's what's so important about this. Is some people when they think about hydrocarbons and trying to replace hydrocarbons with renewables, the reality is renewables can replace electricity, to some degree. You cannot – you don't want to put solar to power a hospital, if solar is all you have. You don't want to put wind to power a hospital if wind is all you have. So we have to have a mix. And we have to have within our energy – our electric power infrastructure, we have to have a way to make sure that the critical things within our society always have – those that always need power, and they can't afford to lose power, have that power.

But the renewables can only do that. For example, we have liquid fuels that are needed in this country and around the world. You cannot while – you know, we talk about EVs. Well, EVs are using electric power. So, let's forget the fact that EVs aren't going to need power. They're just going to increase the need for electricity. But we have heavy-duty trucks. We have automobiles that are continuing to be around that will use gasoline. We have ships. So, the maritime industry and the aviation industry all use and need liquid fuels. There's nothing – there's no other technology that, in the near term, can replace liquid fuels.

And that's what most people who really tout renewables to be a much bigger part of our energy system over time, they don't get that part. So doing it for electricity where you ultimately may have batteries or an infrastructure that provides for those things that need to have continuous power, that might be fine over time. We use solar. We built a solar plant 10 years

ago. We don't build them now because that's not our core competence, but we use solar. But we're only using it where it's OK for that facility to go down and then restart.

MR. RUBENSTEIN: Now, some people in the business world would say there is no such thing as climate change. Just like there are political leaders who say there's no such thing as climate change. Do you believe there is climate change?

MS. HOLLUB: I absolutely believe climate change is happening. I had a dock on the backside of my house on Offatts Bayou in Galveston that had made it through hurricanes in the past. And Vera comes through last year, last July, and it tore up not just the decking off the dock. It tore out the substructure. And this was a dock – this was a dock that was built to manage a category four. This was supposed to be a category one that happened further down the coast. But with the things that spun off it was pretty catastrophic. I live on the coast. I see what happens to these. And I see that, talking with all the guys that were the-born-on-the-island-people in Galveston, and they've lived through a lot of this, the climate is changing.

The impact of climate disasters is getting worse. I personally have not created the model and have not analyzed models enough to know how much of this would have happened anyway, it's just a part of the cycles. But I firmly believe that part of it is caused by what we're doing with our atmosphere. There's 50 percent more CO2 in the atmosphere than it was in pre-industrial times. And even if you don't – so I believe we have an impact on the climate and are having an impact. And even if you don't believe that, to me – I have not met anyone yet that thinks it's OK for us to continue to put CO2 in the atmosphere. [Laughs.]

MR. RUBENSTEIN: OK. Well, there are few people in government – [laughter] – I'll leave that aside. So right now, there are people who believe there's climate change. Those people who believe there's climate change; there are some people think it's caused by mankind. Other people think it's natural. Your view is somewhere in between.

MS. HOLLUB: It's a combination, absolutely.

MR. RUBENSTEIN: OK. So today you would say that most likely during the lifetime of people here we're still going to be dependent on hydrocarbons for the large part of our energy, would you say?

MS. HOLLUB: Yes.

MR. RUBENSTEIN: OK. And what about nuclear? Do you think nuclear is safe enough to really get more dependent on it? Or you think nuclear energy is too expensive and too complicated to build, and too risky in the end?

MS. HOLLUB: I think modular nuclear technology is getting to the point where it is safer. And I think we're ultimately going to need that. I think especially here in the United States, where you have regions of the world – Russia, yeah. China's locked up a lot of oil in the world. They don't have a lot of oil that they can produce. They're about four – less than 4 million barrels a day. But they've locked up enough through these business deals with South American and

African countries that they've got sources for oil. So, you got to worry about them. And even our friends in the Middle East, there are people that aren't our friends in the Middle East. And you don't know what the Middle East is going to look like in 10, 20 years. So, we in this country are going to have to look for other sources. Nuclear is, I think, going to be – have to be a part of that.

MR. RUBENSTEIN: So, there's a phrase in the energy industry called the lifting cost. The lifting cost means this is what it actually costs to get the oil out of the ground. And let's say, in Saudi Arabia, they don't actually say what it is, but it's, I don't know, maybe $7 or $10 a barrel, something like that. What is the lifting cost on average in the United States to get something out of the ground, on average?

MS. HOLLUB: Yeah. So, the Saudis are probably about three to five [dollars] on just lifting cost right now. And here in the United States, with lifting costs, we've gotten our cost for lifting cost down to – with the shale – initially when it comes online you got all that flush production that happens for about three or four years. Then our lifting cost on those is about 5.50 to 6 or 7 [dollars]. But when you're looking at lifecycle cost, that's – and that's what we look at, is what is the lifecycle cost? So, our capital cost over here, capital meaning what does it take you to drill and complete the well and build the facilities and the gathering systems and the pipelines, and all that, to get your product to market? Our cost is a lot different from theirs.

MR. RUBENSTEIN: Some people say it's $60 a barrel, $65 a barrel. Is that too high?

MS. HOLLUB: I would say that some of us – this year we're at $55 and a barrel. And what that – when you're looking at it like that and including your capital, what that means is that we can support a capital program that's going to grow our production probably 1 to 2 percent this year. Now, if we had another downturn and prices went down to $40, it would lower some of your supporting costs, your service company costs, and external costs, as it's done in the past. You know, there's always adjustments there. We're actually – we could be $40 break even in a sustained $40 environment. But to keep our production where it is and grow this slight amount, it's about $55. Now some companies, based on where they are in their portfolio, are as high as $65. So, on average, you're probably looking at somewhere between $60 and $65.

MR. RUBENSTEIN: All right. Let's talk about your background. How did somebody from Alabama, a woman from Alabama, come to run a major oil company now based in Houston? So where were you born, in Alabama?

MS. HOLLUB: I was born in Bessemer, Alabama. Bessemer is a suburb of Birmingham, although I didn't know that until I was, like, three. [Laughter.]

MR. RUBENSTEIN: OK. All right. And your parents – what did your parents do? Your parents were –

MS. HOLLUB: My father was a carpenter and – neither my parents graduated from high school. But my father was a carpenter who every night, I remember this as a kid, he had these – there must have been about 20 books that he had on a bookshelf that he made. And he taught himself

carpentry. But he did have an apprenticeship with the local union. And they helped him. And he came home every night – I remember from the time that I was probably about five years old to the time I was about eight years old – he would do nothing every night but take one of those books down. He went through every page of those books.

And he started out building Gulf service stations. And then eventually, because of his persistence in doing that and learning as much as he could about carpentry, he moved from doing that to ultimately, before he passed away, becoming one of the best home remodelers of some of the finer homes in Birmingham. He was sought after. And he was – he wouldn't build like they build today, where there's supposed to be a 90, it was really a 90. It wasn't like, you know, some of what we're building here in Houston today. But my mother – so he was – he was very – he persevered. He had a lot of perseverance. He was determined to learn, determined to be a perfectionist, and loved math.

And then my mother, she didn't graduate from [high school] either, but she later got her GED. And in Bessemer, when this big mall finally came to town, we were going to get something that we'd never had before. And there was a Sears store that was opening. And she went down and interviewed at the Sears store. And they hired her just as a salesperson in the ladies' fashions department. And then within about nine or 10 months, she got promoted to assistant manager. And then after that, they offered her to promote her to the manager of the department. She turned that down because she was enjoying assistant manager so much. So, while my father had the perseverance, my mother had the – and he had love of math and all of that – my mother had love of people, and the ability to really influence people, and know people, and to help people.

MR. RUBENSTEIN: Well, she should have gone to the private equity then, if she got to help – [laughter] – really wanted to help people, but, OK. OK. So, when you were a little girl your house you were growing up in, was 1,000 square feet, small. So, what you wanted to be was an energy executive when you're a little girl? What did you want to be? [Laughter.]

MS. HOLLUB: No. The first thing I wanted to be as a little girl was an oceanographer, because our vacations every year were to drive down to the Gulf Coast in Gulf Shores, Alabama or Panama City, Florida. And that's where we had this week every year. And even those years when I knew it was hard for my parents to afford it; they found a way to at least get us down there for a few days to see the beach. And they were determined to make that happen. And so it was – because I love the ocean, I looked forward to it every year. And it didn't matter to me. I probably wouldn't have been any happier going to Disney World or something like that. I was just happy being there on the beach. And I thought I'd be an oceanographer, but I never learned how to –

MR. RUBENSTEIN: But later you became a musician.

MS. HOLLUB: Yes.

MR. RUBENSTEIN: And what was your instrument?

MS. HOLLUB: French horn.

MR. RUBENSTEIN: And you won a statewide tournament as an all-state French-horn person?

MS. HOLLUB: Yes. I made all state. [Laughter.]

MR. RUBENSTEIN: And you wanted to go to the Philadelphia Symphony, or something like that? So, when you went to college, where, University of –

MS. HOLLUB: Alabama.

MR. RUBENSTEIN: Alabama. And why did you go to University of Alabama? It's a very good school, but you went there because you liked football, or?

MS. HOLLUB: I grew up, my parents – in the state of Alabama, you either pull for Alabama or, if you weren't as enlightened, you pulled for that other school – [laughter] – that was sort of close to west Georgia. But my parents were huge Alabama fans, Bear Bryant fans. And the thing that I remember the most about watching television and listening to the radio was listening to football games on the radio, watching football games on television, watching the Bear Bryant show on Sunday morning. Your show wasn't on back then. [Laughter.] Watching Bear Bryant on Sunday mornings was – I grew up just thinking that there was nowhere else to go. I was going to go there.

MR. RUBENSTEIN: All right. So, you went to University of Alabama. And did you want to be a French horn player there?

MS. HOLLUB: Yes.

MR. RUBENSTEIN: And what happened?

MS. HOLLUB: Well, I went there. I knew I wanted to go to college. I knew I needed to. And I chose Alabama because, I mean, I was never going to go anywhere else. I got there. I majored – wanted to major in music, because I didn't know what else to do. And so I majored in it my first semester. And two things were important about that. First of all, I didn't know what else to do. And, secondly, it was important for me to have a way to get to the football games. And they took the band, you know, to some of the football games. [Laughter.] And I got to ride with them to the football games, and a Sugar Bowl or two.

So, but what happened there is after the first semester the I had a meeting with my instructor, who he told me that – he asked me what my aspiration was. And I told him it was to play in the Boston Symphony or the Philadelphia Philharmonic. I thought I'd made all state. Nobody else from my high school ever made all state. And that meant I had to be good. Had to shoot for the stars.

MR. RUBENSTEIN: So, he offered you a job?

MS. HOLLUB: He told me that wasn't going to happen. [Laughter.]

MR. RUBENSTEIN: So, you just gave up music and you decided to become an engineer. But why did you pick engineering in coal, initially you picked?

MS. HOLLUB: I picked engineering, yeah, mainly because if I was going to fail at something else, I wanted it to be something that I perceived to be hard. And I picked coal mining because there were coal mines all around my house.

MR. RUBENSTEIN: OK. So, you did that for a while. And then you ultimately realized that going in a coal mine wasn't so great.

MS. HOLLUB: It wasn't great. I went to Jim Walter Mine. It was dark. Went underground. It was dark. It was cold. It was wet. I got claustrophobic. And I thought, as an engineer, I can't expect people to go down and work in this if I'm not willing to do it myself. So, I –

MR. RUBENSTEIN: All right. So, you got out of that. And what did you just ultimately major in?

MS. HOLLUB: Fortunately, a couple – I was – I was – I took that trip as a part of an engineering 101 class that took us around and showed us various engineering. And so coal mining was easy to go look at it because it was so close. But the next thing we went to look at was a drilling rig that was drilling a deep well not too far from Tuscaloosa. And went out there, looked at this huge rig. And it was – it was fascinating to me. I was, I was so excited about it. It was so different. And I chose then to go into mineral engineering with a petroleum option. And, you know, thank God the internet didn't exist, because if I had looked on the internet and found out that I'd likely never live in the state of Alabama again, might not have taken that job or that decision.

MR. RUBENSTEIN: All right. But you went into oil-related engineering. And then you interviewed for jobs. And I think, as I remember, everybody you interviewed with, pretty much, except Exxon, gave you an offer.

MS. HOLLUB: That's right.

MR. RUBENSTEIN: And so how did you happen to pick Cities Services to go work at?

MS. HOLLUB: Geographically it was closest to Bryant-Denny Stadium, for one. [Laughter.] But there was a second reason. The second reason was that they had a program that – where they would let you work in each of the various disciplines within petroleum engineering, so that you could get a feel for what you like to do. And that was reservoir engineering, operations engineering, drilling, or facilities.

MR. RUBENSTEIN: All right. So, you went to work at Cities Services. And how long after you went there did Cities Services get sold?

MS. HOLLUB: It was – I went to work there – it was – it was just a little over a year later. I was going to a class in Denver on a plane where this guy told me – I was going, like, in September to Denver. This guy told me when I – when he asked me who I worked for, and I told him, he said: Your company is getting bought. And I said, no way. I thought, that guy doesn't know. So just a few months – a couple of months later, I think it, was we found out we were being bought.

MR. RUBENSTEIN: By Occidental.

MS. HOLLUB: By Occidental.

MR. RUBENSTEIN: Now, Occidental was very famous for being led for many, many years by a man named Armand Hammer. Who was he, and why was he so famous, or infamous?

MS. HOLLUB: [Laughs.] For us in the company, as the years went on, he was famous. And I never got to meet him, but he did a lot of things. There are a lot of books written about him. He was very flamboyant. He had a lot of hobbies that then became part of Occidental – Arabian horses, pencils for Russia, a meat packing company, coal mine. We had lots of things going on when Armand Hammer was leading Oxy. But he was very connected with Russia. And we – he ultimately established a bit of a relationship for us to get some operations in Russia. Didn't last very long, but we were there in about '92.

But he was a person who – my view of what he did for Occidental is that I don't think we would be here today had he not come along, because what he saw about at least our industry is that you had to have technical people who could understand and had some intuition about subsurface. He hired some of the best geologists early on, when we were – we were established in 1920 by a few guys who struggled, until Armand Hammer and his wife came along and invested in the company. When they did, he went out and he hired this talent. And this talent found the largest – one of the largest gas fields in all of California, at a time when a company before us had drilled not too far from where we drilled. We just drilled different – within a different part of this basin that this these geologists found.

So that gas field generated enough money for us to, first of all, become listed on the New York Stock Exchange. And then to have the funds to go and pick up a block in Libya. We picked up that block in Libya, in competition with other majors. And one thing that he would do is he would make everything that was important to us, he would make sure that people knew it. So, the way he would present bids to, like, company or countries when we were trying to get blocks is – others might come in and hand a sheet of paper that was stapled together. He would put it in a book. He would make the book very elaborate. He would make sure that the people we were presenting to and wanting to do business with understood that getting that business meant something to us. And so, he – we got a block after another company had let it go, a major had let it go. And we discovered where they couldn't.

MR. RUBENSTEIN: Right. But when you went to Occidental, they didn't put you in the corporate headquarters in L.A. They sent you to Siberia, is that right?

MS. HOLLUB: Well, that came later. [Laughter.]

MR. RUBENSTEIN: So, was that seen as a promotion, to go to Siberia? [Laughter.]

MS. HOLLUB: Well, the way it happened is I had – I'd left Oxy for a year to go work for someone else. And someone else was drilling coalbed methane wells. And after working for them for about a year, I decided that I didn't want to stay in that industry very long. And so I happened to get a call from one of the guys with Oxy at about the time I was deciding I wanted to go and leave the company I was working for. I got the call. And the person said, hey, Vicki, we'd like for you to come back to Oxy. And we'd like for you to go work for us in Russia. Before he could say anything else, I said, yes. I'll come. I'll be there. When you want me there? I can be there quickly. And I didn't ask any questions.

What I found out was – and I was really feeling good about myself, thinking Oxy wanted me back so badly. But what I found out was, first of all, they didn't need – it wasn't my skillset or my experience. It was the fact that they couldn't get any of the current employees to go to Russia. [Laughter.] It was right after the fall of the Soviet Union. And the reason they couldn't get any of the other employees to go to Russia is because it wasn't in Moscow, as I thought it was. It was in western Siberia, in some town I'd never heard of, Nizhnevartovsk. And so, I went over there and worked over there for about a year.

MR. RUBENSTEIN: A year? Was that enough?

MS. HOLLUB: That was plenty. [Laughter.]

MR. RUBENSTEIN: OK. Then they sent you to Venezuela?

MS. HOLLUB: Went to Venezuela then. And in Venezuela, back in '93, was – '93-'94 was not a bad place to be. Actually, it was pretty good. And so, we were working the fields in Venezuela. Again, I was – I was out mostly doing engineer – operations engineering, completion engineering, that sort of thing. So, I was out in the field a lot.

MR. RUBENSTEIN: OK. So, Venezuela is OK, but then they send you to Ecuador. Is that good?

MS. HOLLUB: Oh, everything was a step up from – [laughter] – and the thing about Russia was the Russian people – many of the Russian people that we worked with and that I got to meet and know were amazing. But the facilities, the infrastructure, the aggravation, and the fact that a lot of times what you bought and ordered never got to where you expected it to be. So, Russia was a difficult place. Venezuela was good to work in. You know, we – I had a great experience there. But Ecuador was my favorite, and, to me, a step above the others, because it was – it was a remote location. We were – to get to our location, we had to take a charter flight from Quito out to a little town on the Napo River, out in the Amazon jungle.

And then once we got there – and this was a tiny town – once we got there we got on boats, crew boats. These are small boats that would carry eight to 10 people. We had four of

them. And we would take those boats down the Napo River about an hour, 45 minutes to an hour, and we'd get to our camp. And our camp had to be self-sufficient because there was no cities, no infrastructure, nothing nearby. And we were drilling wells out there and putting wells online. And I ultimately started as ops manager out there but then went to ultimately be field manager out there. So, again, having to be self-sufficient like that, I felt like I was a restaurant manager, hotel manager, city mayor, and got to do all those things, while still doing the technical things that I loved to do.

MR. RUBENSTEIN: All right. So, you're in Ecuador. And do a lot of people become the CEO of Occidental from Ecuador? [Laughter.] I mean, did you think, I'm going to be rising up to be the CEO? When did you realize you were on a track to become the CEO? When did they tell you, you could be the CEO?

MS. HOLLUB: It was long after that. It was –I left Ecuador in 2000. And I didn't – wasn't told that I was a candidate to be CEO of Occidental until 2015, so 15 years later. And I never aspired to be CEO. Never thought I could be. I was just – I was always one of those where when I heard it was layoff time and they were walking down the halls with little packages, I was always certain that that package was going to be laid on my desk and that I wouldn't survive. And I didn't – I didn't want the job when I first heard about it. And I actually sent the CEO – an email to our former CEO recommending someone who had been an advocate for me in the company, because I felt he should have the role.

MR. RUBENSTEIN: So, when you realized you were going to be the CEO, did you say, I'm surprised the company would have a woman be the CEO of an energy company? Or do you say, I'm the most qualified person so I should get the job?

MS. HOLLUB: No, I didn't say I was the most qualified so I should get the job. Again, I thought someone else should get it. But when I heard they were that they were considering going external, that's when I said, if the board chooses that's what I'll –

MR. RUBENSTEIN: All right. So, you're the CEO. What year did you become the CEO? About nine years ago – nine and a half years ago.

MS. HOLLUB: 2016.

MR. RUBENSTEIN: Now you're famous for doing a big deal when you were CEO, and early in your tenure I guess it was. You bought a company that was agreed to be sold to Chevron, a company called Anadarko. And, you know, you decided to top Chevron, which is a bigger company than you are, pay a higher price than they did. Many people said, hey, you don't know what you're doing because you're paying a higher price than Chevron thinks. Where did you get the money for that? It was a – with debt and everything it's, like, $59 billion, something like that. So, did you worry about getting all the money for that?

MS. HOLLUB: Well, first of all, we had studied Anadarko for almost two years. We knew the subsurface really well. We knew what their wells could do because we had wells close to them that were doing what we expected theirs would do. So, we knew we had about $2 billion a year

of synergies. So, we knew the asset. And we were trying to transform Oxy at the time. And we needed to do that acquisition. And so we tried to do an all-stock deal. Their board did not want to do – or almost all stock. Their board didn't want to do that and required that we provide a certain percentage in cash. I think it was 75 percent in cash – or, not 75 – I don't remember. But it was a lot of cash. [Laughs.] And so, we didn't think we could do that. We didn't know how to do that, because we didn't have that cash.

And I was sitting in my husband's mancave one Sunday morning – [laughter] – when I get this – again, I don't know if I was watching you at that time – but I got this email from Patrick Pouyanne of Total[Energies]. And he said, Vicki, if you're sitting there pondering what you're going to do next, he said, just know that I'll buy the Africa assets for about $8 billion or so. I'm thinking, $8 billion, that's pretty good, because we had already figured out what of Anadarko's assets we would sell and what those would deliver to us. And we'd already mapped out who we would likely sell it to. But we were struggling with the Africa assets. And so – and to have someone come in and want to do it in the bundle was good. So that was a good thing to hear.

So, I still knew we were short. And we knew we could raise some debt too. So anyway, I went to – I and our BD person went to Paris on a Friday night to meet with Patrick, to make sure that deal was solid. And then Saturday morning, I went to what's called the Wildcatters weekend in the oil and gas industry. It's where the CEOs of a lot of companies go and spend a weekend every year. And so, I had to go to that, because others were there that I felt needed to see me come and not be afraid to be there. So, I went there. And on a Saturday morning, I got a call from Brian Moynihan. And Brian said, Vicki. He said, I know you're a bit short on cash. So, if you need – and he said, I know it's probably around $10 billion. Why don't you call Warren Buffett?

And I said, Brian, I don't know Warren Buffett. [Laughter.] And then he said, you need the money. He said, just call him. And he gave me a phone number. So, I called him. As soon as I got off with Brian, I called him. And I expected to get an answering machine, or somebody – you know, an assistant. He answered the phone. And so, it kind of startled me. And I said, Mr. Buffett, I'm Vicki Hollub. I'd like to come and see you and talk to you. And he said, all right, when do you want to come? And I and I said, how about 10:00 a.m. the next morning? That was a Sunday morning the next morning. And he said, come on – come on down. And so, I got in a car then – or got in the plane, but went up to – back to Houston, and then the next morning up to Omaha.

And he was standing at the door of his building, of the building he's in. He doesn't have a building. He has a floor. And that's in need of modernization at the time. [Laughter.] But he had the money. [Laughter.] And so, we went in. And I met with him. And so, he came up with the $10 billion.

MR. RUBENSTEIN: Did he have a lot of investment bankers advising him on how to negotiate the deal?

MS. HOLLUB: No. What I saw was just a pencil and a yellow pad, and a lot of scribbling.

MR. RUBENSTEIN: And so, he says, these are the terms. And you say, yes or no?

MS. HOLLUB: I said, yes. [Laughter.]

MR. RUBENSTEIN: OK. All right. So, you got the deal done.

MS. HOLLUB: Got the deal done.

MR. RUBENSTEIN: And all right, so you're happy with the deal.

MS. HOLLUB: Happy with the deal.

MR. RUBENSTEIN: Now, some people would say that the price of the deal was so high that today the price you paid is roughly about your – above your market cap today. So how do you say it's a good deal?

MS. HOLLUB: So, what it did for us – that, and another acquisition that we did shortly after that, it moved us down into a transformation that we were trying to accomplish with Oxy. We knew the Oxy that we had wasn't going to be sustainable. So, we had to do something. And what we did is we made sure we looked at quality assets, and that we started moving away from what we were. So, what we accomplished is that we wanted to have a company that was – that had less geopolitical risk. So, in 2015, before I took over, to where we are now, the transformation we made was to go from a company that had 50 percent of our production in international, to now we have 84 percent of our production here in the United States.

We had to exit out of several countries internationally that were geopolitically difficult. And so, we went from having $8 billion of oil and gas resources in 2015 to now $14 billion. But, more importantly, a much better portfolio that delivers much higher returns. And so, our production went from 650,000 in 2015 to 1.4 million barrels a day today. And, again, 84 percent of that here domestically. So, we've almost finished that transformation. The last part of the transformation has to be to get our debt down and start that – further conversion of debt to equity in our –

MR. RUBENSTEIN: Right. So, Warren Buffet, does he call you from time to time and say, your stock price should be higher? Does he bother you a lot, or not?

MS. HOLLUB: I go see Warren Buffett every quarter – after every quarterly meeting, to see if he has questions.

MR. RUBENSTEIN: Is he polite when you – is he polite to you?

MS. HOLLUB: He's never yelled at me.

MR. RUBENSTEIN: What? [Laughter.] He's nice.

MS. HOLLUB: He's nice. The good thing about the Berkshire investment is that it's for – they view it to be for the long term, because he's bullish on oil prices and he loves the Permian Basin.

Both the acquisitions that we did, Anadarko was heavy in the Permian Basin, and it very much increased the quality of what we had there. And plus, the second acquisition was all in the Permian Basin. So, we're – and we have now 1 million acres in the Permian. It's more than any other company.

MR. RUBENSTEIN: But you don't expect he's going to buy your whole company, right? He's –

MS. HOLLUB: I don't.

MR. RUBENSTEIN: OK. All right. So today, what's the pleasure of running a major oil company? Because people criticize oil companies all the time, every day. So, what's the pleasure of this job?

MS. HOLLUB: Because I know it's an important job. It's an important job for the country, for us to continue, as I've talked about already, our energy independence. We have to get more oil out of the ground. And what differentiates us from so many other – from any other oil and gas company in the world today is that we've been doing CO2 enhanced oil recovery for 50 years, our company has, or predecessor companies. And the reason that's important is that we have a lot of oil that's remaining in our conventional reservoirs, and a lot of oil that's going to be left in our shale reservoirs. So right now, 90 percent of the oil in the shale wells that we've developed will be left in the ground. We can only get 10 percent out with the technology we have today.

We have in – conventional reservoirs we have been able to get much more oil out of the ground than we would have otherwise, using CO2. For example, we have reservoirs in the Permian Basin where if we didn't have CO2 to use for enhanced oil recovery we would have only gotten about 40 percent of the oil. But with CO2, we've been able to go up to 70 or 75 percent of the oil. In a shale reservoir, we'll be able to double recovery. So, we'll be able to get another 10 percent out of the shale reservoirs than we would have otherwise gotten. So, we'll get a total of 20 percent.

MR. RUBENSTEIN: Well, would we be better off if we owned Canada and Greenland too? We'd have more oil to come out of the ground, or? [Laughter.]

MS. HOLLUB: That would – that would be a good add. [Laughter.] But we're still going to need CO2. And the reason – you know, the reason that we need the CO2, there's – we're ultimately going to produce 230 billion barrels of conventional oil. And we're almost there, to the completion of that. We'll produce about 100 billion of shale oil through primary means. But we can add 50 to 70 billion barrels more of oil to the United States with CO2 enhancements.

MR. RUBENSTEIN: Let's suppose I'm a stock market investor. I want to buy an energy company that's publicly traded so I can trade in and out. I have Chevron. I've got Exxon. And I've got Occidental. Why should I buy Occidental stock over Chevron or Exxon?

MS. HOLLUB: See, you're going to get me into trouble. [Laughter.]

MR. RUBENSTEIN: No, you can say why your company's better than the other two, I assume.

MS. HOLLUB: Well, I will say that Exxon and Chevron, they're both great companies. But they have a challenge. And they have the same challenge that the world has as a challenge. And that is, their production is large enough that they will no longer be able to replace their barrels produced with new resources organically. So, they have to do acquisitions. And Chevron will have to do acquisitions. So otherwise, they're a depleting business. We have – what we've built here is – when I say $8 billion in resources, that doesn't include all the CO2 enhanced oil recovery stuff that I've talked about. And so, we have a longer runway of growth than what they –

MR. RUBENSTEIN: You're not worried they might come and buy you?

MS. HOLLUB: No.

MR. RUBENSTEIN: OK. So, what do you do when you're not looking for oil? Are you a golfer, a tennis player, a collector, a hiker? What do you do outside of the oil world?

MS. HOLLUB: I'm a fisherperson.

MR. RUBENSTEIN: Fisher. You fish.

MS. HOLLUB: I fish. But yeah. We have a boat.

MR. RUBENSTEIN: What kind of fishing do you do? Deep sea fishing, or?

MS. HOLLUB: Well, we have a boat. We go out to the – to the jetties outside of Galveston. We go out. We don't touch platforms, but we go out a little bit close to the platforms, because the fish like them. And so, we fish in bays.

MR. RUBENSTEIN: Every time I go fishing, which is rare, I can say, the instructor, or the guide, says, oh, this is the first day all year they haven't been biting. [Laughter.] You ever heard that?

MS. HOLLUB: I've heard that, yeah. [Laughs.]

MR. RUBENSTEIN: Now, that's what happens to me.

MS. HOLLUB: We tell people that, actually, who go with us. [Laughter.]

MR. RUBENSTEIN: OK. Right. So, the main message you would like people to have about Occidental is, what? If they're gonna leave today, they want to say – they want to go buy

Occidental stock. They want to, do what? What's the main message you want people to take away from?

MS. HOLLUB: I'll say, first of all, we're incredibly undervalued. [Laughter.] And, you know, we've got the resources and the technology for sustainability for a long time, because I haven't even talked about our direct air capture technology and some of the technologies that are going to be important to the energy transition – like the lithium technology we have that we're partnering with Berkshire in, and the Salton Sea. And we have our leases in Arkansas, so that that lithium technology is going to be another source of revenue for us. We have – also we're a 40 percent owner of NET Power.

And in addition to nuclear, wind, and solar, NET Power may be the biggest revolutionary thing that happens for our electrical power industry here in the United States, because it's a technology that takes hydrocarbon gasses and combusts it with oxygen instead of air. That combustion process creates fresh water and CO2. The CO2 drives the turbine to create electricity, and then it's captured. Then you can – the excess CO2 that comes off the side of the process you can use to make products or use in enhanced oil recovery reservoirs to make more oil. And then with that direct air capture technology that we're building, which it'll extract CO2 out of the air using fluids that our Oxy Chem business makes. And then we can use that CO2 in enhanced oil recovery.

So, we're the company that goes beyond primary production and conventional, beyond water flooding, and beyond primary and shale. We can CO2 flood the resources that we have today. Those companies, that's not their technology. That's not their strategy. So, we are the company here in the United States that has the longest runway and the resources to grow.

MR. RUBENSTEIN: OK. So, if oil and gas had never been discovered on the face of the earth, it didn't exist, would civilization be better today or further behind where it is, or be more advanced? In other words, we never could use oil and gas because there was no oil and gas, you think civilization would be where it is now, or wouldn't be able to do all the things we do, or would somehow figured out how to use solar more cleverly many years ago?

MS. HOLLUB: No, I think we wouldn't have the quality of life we have. All of you know, almost everything in this room in one way or another has needed hydrocarbons. And medical devices need hydrocarbons. A part of our chemical business, one of the products they make is the products that makes the medical bags, the IV bags and tubing, for the medical industry. Hydrocarbons are used to make medicines. So, hydrocarbons touch every aspect of our life. We can't get away from it. If we didn't have it, we wouldn't have the quality of life that we have today.

MR. RUBENSTEIN: Right. So, has it been more painful for me to interview you, or you earlier interviewed me a few years ago? What's more painful? Which one was more painful experience?

MS. HOLLUB: I would say certainly it was more painful to interview you. [Laughter.]

MR. RUBENSTEIN: OK.

MS. HOLLUB: And the reason it was more painful is, like, I was incredibly intimidated to interview the best interviewer in the United States, maybe the best in the world. And, secondly, by the end of the session, you had turned the tables on me and you were asking me questions. [Laughter.] And so, I think I deserve to ask you a question.

MR. RUBENSTEIN: OK, go ahead.

MS. HOLLUB: OK. So, in your life, what person, event, or thing, has had the most impact on you?

MR. RUBENSTEIN: That's a complicated question. I would say this interview may be one.

MS. HOLLUB: You only have four sentences. [Laughter.]

MR. RUBENSTEIN: OK. Probably – I thought at the time that working in the White House for Jimmy Carter was the way that – the path to the future. But had we gotten re-elected and I stayed in government, I wouldn't have been able to start Carlyle, and then I wouldn't have been able to do other things. So probably losing the election to Ronald Reagan was probably the best thing that happened to me.

MS. HOLLUB: It's like failing at music.

MR. RUBENSTEIN: Right? Failing up. OK, well, thank you very much for being a good sport. [Applause.]

MS. HOLLUB: Thank you.

Vicki Hollub
President and CEO
Occidental

Vicki Hollub is President and Chief Executive Officer of Oxy. She has been a member of Oxy's Board of Directors since 2015.

During her more than 40-year career with Oxy, Vicki has held a variety of management and technical positions with responsibilities on three continents, including roles in the United States, Russia, Venezuela and Ecuador. Before her appointment to President and CEO, she served as Oxy's President and Chief Operating Officer, overseeing the company's oil and gas, chemical and midstream operations.

Vicki previously was Senior Executive Vice President, Oxy, and President, Oxy Oil and Gas, where she was responsible for operations in the U.S., the Middle East region and Latin America. Prior to that, she held a variety of leadership positions, including Executive Vice President, Oxy, and President, Oxy Oil and Gas, Americas; Vice President, Oxy, and Executive Vice President, U.S. Operations, Oxy Oil and Gas; Executive Vice President, California Operations; and President and General Manager of the company's Permian Basin operations. Vicki started her career at Cities Service, which was acquired by Oxy.

Vicki serves on the boards of Lockheed Martin and the American Petroleum Institute. She is a member of the Oil and Gas Climate Initiative and past chair of the World Economic Forum's Oil and Gas Community. A graduate of the University of Alabama, Vicki holds a Bachelor of Science in Mineral Engineering. She was inducted into the University of Alabama College of Engineering 2016 class of Distinguished Engineering Fellows and elected to the National Academy of Engineering Class of 2024.