NEW PSA FUND: LARGE CAP VALUE

Another new investment option for your PSA employee account balances is being added on July 1, 1998, giving you a total of ten funds from which to choose:

♦ Fixed Income Fund
♦ Small Cap Stock Fund
♦ Oxy Stock Fund
♦ S&P 500 Index Fund
♦ Asset Manager: Growth Fund
♦ Contrafund
♦ Magellan Fund
♦ Puritan Fund
♦ International Growth Fund
♦ Large Cap Value Fund (new)

For a detailed description of the Large Cap Value Fund, please see page 3. Historical investment performance was provided by the Fund’s investment manager. Trustee and investment management fees under the Fund are charged against the Fund’s gross earnings.

Beginning on July 1, 1998, you may transfer current balances or direct future employee contributions into the new investment option by calling OxyLink’s interactive voice response system at 800-699-6903.

Also in this issue...
♦ Need Help? Call the EAP...
♦ Large Cap Value Fund Description
♦ PRA’s Investment Management Fees Reduced

ÆtNA SERVICE CENTER MOVES

Ætna U.S. Healthcare (Ætna) is consolidating its claim offices into regional centers. As a result, the Louisville claim office will close in July. Oxy’s medical, dental and pretax spending claim processing will be transferred from Louisville to Ætna’s San Diego Service Center. Beginning August 1, 1998, please mail your claims to:

Ætna U.S. Healthcare
Claim Dept.
P. O. Box 129108
San Diego, CA 92112-9108

In addition, precertification, case management and consumer advice will be handled out of Ætna’s Patient Management Center in Richfield, Ohio.

You can continue to use the toll-free Oxy HealthLine number, 800-334-0299, to reach both offices. Representatives will be available in San Diego from 6 a.m. to 4 p.m. Pacific Time and in Richfield from 8 a.m. to 6 p.m. Eastern Time.

The article entitled New PSA Fund: Large Cap Value and the information on page 3 constitute part of a prospectus covering securities that have been registered under the Securities Act of 1933.

continued on page 2
For the next several months, claims sent to Louisville will be forwarded to the San Diego office for processing. Pre-addressed envelopes and claim forms with the new mailing address will be available after August 1 by calling the Oxy HealthLine. Claim forms will also be available through OxyLink’s Intranet site at http://oxylink.oxy.com.

Medical plan participants will receive replacement ID cards in late July. Please show the new card to your health care providers at your next office visit and ask them to update their records with the new address.

Claim Processing Delays

Ætna’s move will not affect your coverage under Oxy’s plans. However, during the transition, claim processing may be delayed, so please be patient.

NEED HELP?

CALL THE EAP...

You can turn to Oxy’s Employee Assistance Program (EAP) for help with problems that interfere with your professional or personal life. The EAP provides a confidential counseling service that is available to all employees, retirees and their dependents to help with most problems, including:

♦ Work-related stress or burnout
♦ Coping with change
♦ Substance abuse
♦ Marital and relationship problems
♦ Anxiety, anger or depression
♦ Financial or legal concerns
♦ Grief or bereavement
♦ Self-esteem or self improvement.

The program is offered at no cost to you or your family members. The toll-free telephone number for the EAP provider in your area is shown in the table to the right. For more details, please see the Medical Plan section of your Employee Benefits Handbook.

<table>
<thead>
<tr>
<th>EAP Providers</th>
<th>Telephone Number</th>
<th>Location Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>Human Affairs</td>
<td>800-424-1763</td>
<td>All locations except the OxyChem sites shown below</td>
</tr>
<tr>
<td>Int’l</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Plan 21</td>
<td>800-622-7276</td>
<td>OxyChem—Texas and Louisiana</td>
</tr>
<tr>
<td>Beacon</td>
<td>800-232-2660</td>
<td>OxyChem—Pottstown, Pennsylvania</td>
</tr>
<tr>
<td>Employee Resources, Inc.</td>
<td>800-491-1990</td>
<td>OxyChem—Western New York</td>
</tr>
</tbody>
</table>
This aggressive fund invests in 50 to 75 well-established US companies with an emphasis on industries where stocks are judged to be priced unrealistically low, giving them above-average future return potential. The fund seeks to outperform the US stock market over the long term.

The expected return of each of the more than 500 stocks in which the fund may invest is calculated at its current price, then all of the stocks are ranked based on their anticipated returns. In building the fund’s portfolio, the manager places a heavier emphasis on the top value stocks. As stocks approach their estimated fair market value, they are sold and the fund’s portfolio is reranked.

The fund is individually managed exclusively for the PSA by Sanford C. Bernstein & Co., Inc., of New York, New York.

PSA Fund Performance Comparisons

To compare the performance of the PSA’s new Large Cap Value Fund to the other PSA investment options, please refer to the PSA summary plan description in your Oxy Employee Benefits Handbook, your most recent participant statement, the PRA/PSA Fund Descriptions pamphlet as of December 31, 1997, and the Winter 1998 issue of InvestmentWise that accompanied your March 31, 1998 participant statement.

Making Your Own Investment Choices

It is up to you to decide in which funds to invest your PSA employee account balances. All investments involve the risk of loss as well as the potential of gain. Please remember that historical performance does not necessarily indicate the future performance of any PSA investment Fund. The performance of PSA funds depends on a number of variables, including the future performance of Oxy Stock, the performance of other companies and markets in which investments are made and the actual time frame of your investment.

Oxy does not guarantee the performance of any PSA Fund nor does it assume any obligation to make up for any losses that you may experience. You may want to consult an independent investment advisor regarding the PSA investment options that are best suited to help you achieve your personal investment goals.

<table>
<thead>
<tr>
<th>Period Ended April 30</th>
<th>Assumed $100 of Cumulative Employee Contributions Invested Each Month, at April 30</th>
<th>Employee Contribution Account Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>1996</td>
<td>$1,200</td>
<td>$1,319.57</td>
</tr>
<tr>
<td>1997</td>
<td>$2,400</td>
<td>$3,006.96</td>
</tr>
<tr>
<td>1998</td>
<td>$3,600</td>
<td>$5,169.56</td>
</tr>
</tbody>
</table>

Annualized Returns as of April 30, 1998

- 1 Year: 28.9%
- 3 Years: 27.4%
- 5 Years: 22.5%

Annual Investment Management Fee Cost Per $1,000 Invested

$7.50
Oxy expects and intends to continue its benefit plans but does not guarantee any specific level of benefits or the continuation of any benefits during any periods of active employment, inactive employment, disability or retirement. Benefits are provided solely at Oxy’s discretion and do not create a contract of employment. Oxy reserves the right to modify, suspend, change or terminate any of Oxy’s plans at any time.

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**PRA’s Investment Management Fees Reduced**

Frank Russell Trust Company has reduced their annual investment management fees under the PRA’s Balanced Strategy funds because of our high balances.

<table>
<thead>
<tr>
<th>PRA FUND</th>
<th>Old Rate</th>
<th>New Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Cost Per $1,000)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Strategy I—Conservative</td>
<td>$4.70</td>
<td>$4.50</td>
</tr>
<tr>
<td>Strategy II—Moderate</td>
<td>$5.80</td>
<td>$5.40</td>
</tr>
<tr>
<td>Strategy III—Aggressive</td>
<td>$6.50</td>
<td>$6.20</td>
</tr>
</tbody>
</table>

**BENE-BITS**

- CIGNA may now require that Group Universal Life (GUL) applicants pay for any necessary medical examinations. The fees will not be charged to individuals who apply for GUL coverage within the initial 31-day enrollment period.

- To ease administration and better align our plan with industry practice, expenses that apply toward your Medical and Dental Plan deductibles during the last three months of the year will no longer apply to your deductibles for the following calendar year. This change will be effective with amounts incurred this year that would have been applied toward 1999 deductibles.

- Network providers change from time to time. Be sure to contact the Oxy HealthLine at 800-334-0299 or check the Ætna U.S. Healthcare web site at www.aetnaushc.com for the most current information.

- Because of recent government regulations, the option to reinstate your lifetime maximum benefit by providing evidence of good health is no longer available under the Medical Plan.

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**Oxy$aver Reminder**

Don’t forget that the Oxy$aver financial planning software announced in the last issue of Benefits News is now available. Call OxyLink today to help build your future.