

## **Krupa Global Investments announces position in Occidental Petroleum; Supports Icahn plan to get board members and avoid high-levered acquisitions such Anadarko in future**

Krupa Global Investments (KGI) purchased 250,000 shares of Occidental Petroleum in recent weeks' worth roughly \$10m, builds its position in recent weeks.

Today, Occidental Petroleum (OXY) reports 3Q 2019 earnings that shows signs of Anadarko integration but fell short of analyst estimates for profit and revenue, mainly driven by lower oil and gas prices and post-acquisition costs.

OXY recently acquired Anadarko Petroleum under conditions which are not beneficial for shareholders in first place, maybe beneficial for advisors, management and others involved but definitely not shareholders. OXY stock has dropped from \$70 to \$40 in less than year. Vicky Hollub CEO of OXY signed last-minute deal with Berkshire Hathaway which is good deal only for Warren Buffett not OXY shareholders.

KGI fully support Mr. Icahn incentive to put his people on board in order to avoid similar deals in future. His board members can have constructive criticism over future deals and question Vicky Hollub in making another mistakes, deals, and poorly assessed financing looking forward.

KGI believes Mrs. Hollub should try to refinance the \$10bln loan from Berkshire Hathaway. There are lot of financing opportunities in EU, Japan where interests have negative rates. Also Mr. Icahn recently stated that he knows people with better financing options. KGI think 8% yield on Berkshire Hathaway preferred stock is inadequate at this time when a lot of cheaper options are available.

On the other hand, KGI suggests that OXY shares are undervalued at these levels and OXY is significant oil player in Permian Basin area, despite high leverage from Anadarko Petroleum acquisition. Solid oil outlook and strong free cash flow should be enough to keep lucrative annual dividend of more than \$3 per share, 7% yield. As we can see from 3Q results, post Anadarko acquisition divestures are on the track so KGI believes that shareholders should finally see gains on their investments as well.

*"Our investment in OXY is a bet on steady oil demand and importance in coming years. We see significant upside in share price after Anadarko related divestures will be executed and huge debt pile will be reduced in coming years. We believe that shares are undervalued at these levels. As a fair shareholder, we support Mr. Icahn in his effort to obtain board members, because we agree with him that Mrs. Hollub did not act on behalf of shareholders but favoured herself and her colleagues from management getting extra bonuses and pay-outs for long years to come without control and shareholders' approval as she did in Anadarko case"* added Pavol Krupa, chairman of KGI.

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**About Krupa Global Investments:**

Krupa Global Investments is a private firm with a focus on investment opportunistic growth. It is named after its founder and chairman, Pavol Krupa. The firm takes an activist approach with the aim of remedying and eliminating management actions that have a negative impact on companies, with the aim of achieving a significant positive change in strategy, financial structure or management. The company only selects investment opportunities with the potential to appreciate in the tens of percent annually due to their quality and dynamic growth. Krupa Global Investments focuses on the investments in shares in European and American stock markets and currently has approximately €1,7 billion in assets under management.

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