SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

[X] QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended June 30, 1996

OR

[ ] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from ___________ to ___________

Commission file number 1-9210

OCCIDENTAL PETROLEUM CORPORATION

(Exact name of registrant as specified in its charter)

DELAWARE	95-4035997
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

10889 WILSHIRE BOULEVARD, LOS ANGELES, CALIFORNIA 90024
(Address of principal executive offices) (Zip Code)

(310) 208-8800
(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes X No

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Class	Outstanding at June 30, 1996
Common stock $.20 par value	323,015,109 shares

OCCIDENTAL PETROLEUM CORPORATION AND SUBSIDIARIES

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PART I FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

OCCIDENTAL PETROLEUM CORPORATION AND SUBSIDIARIES
CONSOLIDATED CONDENSED BALANCE SHEETS
JUNE 30, 1996 AND DECEMBER 31, 1995
(Amounts in millions)

	1996	1995
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents (Note 5)	$ 113	$ 520
Receivables, net	1,008	891
Inventories (Note 6)	573	647
Prepaid expenses and other	365	461
Total current assets	2,059	2,519
LONG-TERM RECEIVABLES, net	139	158
EQUITY INVESTMENTS (Note 12)	1,024	927
PROPERTY, PLANT AND EQUIPMENT, at cost, net of accumulated depreciation, depletion and amortization of $9,107 at June 30, 1996 and $8,837 at December 31, 1995 (Note 7)	13,891	13,867
OTHER ASSETS	379	344
	$ 17,492	$ 17,815

The accompanying notes are an integral part of these financial statements.

OCCIDENTAL PETROLEUM CORPORATION AND SUBSIDIARIES
CONSOLIDATED CONDENSED BALANCE SHEETS
JUNE 30, 1996 AND DECEMBER 31, 1995
(Amounts in millions)

	1996	1995
LIABILITIES AND EQUITY		
CURRENT LIABILITIES		
Current maturities of senior funded debt and capital lease liabilities	$ 50	$ 522
Notes payable	92	16
Accounts payable	849	859
Accrued liabilities	1,065	1,168
Domestic and foreign income taxes	111	92
Total current liabilities	2,167	2,657
SENIOR FUNDED DEBT, net of current maturities and unamortized discount	4,806	4,819
DEFERRED CREDITS AND OTHER LIABILITIES		
Deferred and other domestic and foreign income taxes	2,655	2,620
Other	3,025	3,089
	5,680	5,709
NONREDEEMABLE PREFERRED STOCK, COMMON STOCK AND OTHER STOCKHOLDERS' EQUITY		
Nonredeemable preferred stock, stated at liquidation value	1,325	1,325
Common stock, at par value	64	64
Other stockholders' equity		
Additional paid-in capital	4,531	4,631
Retained earnings(deficit)	(1,087)	(1,402)
Cumulative foreign currency translation adjustments	6	12
	4,839	4,630
	$ 17,492	$ 17,815

The accompanying notes are an integral part of these financial statements.

OCCIDENTAL PETROLEUM CORPORATION AND SUBSIDIARIES
CONSOLIDATED CONDENSED STATEMENTS OF OPERATIONS
FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 1996 AND 1995
(Amounts in millions, except per-share amounts)

	Three Months Ended June 30		Six Months Ended June 30	
	1996	1995	1996	1995
REVENUES				
Net sales and operating revenues				
Oil and gas operations	$ 878	$ 756	$ 1,632	$ 1,461
Natural gas transmission operations	521	468	1,223	1,006
Chemical operations	1,058	1,456	2,126	2,928
Other	--	(1)	(2)	(2)
	2,457	2,679	4,979	5,393
Interest, dividends and other income	145	21	170	47
Gains on asset dispositions, net	(1)	40	4	46
Income from equity investments (Note 12)	23	33	43	58
	2,624	2,773	5,196	5,544
COSTS AND OTHER DEDUCTIONS				
Cost of sales	1,834	1,950	3,708	3,973
Selling, general and administrative and other operating expenses	229	353	457	596
Environmental remediation	82	5	88	11
Exploration expense	31	32	47	50
Interest and debt expense, net	120	140	260	289
	2,296	2,480	4,560	4,919
Income(loss) before taxes	328	293	636	625
Provision for domestic and foreign income and other taxes (Note 11)	147	106	291	260
Income before extraordinary gain(loss), net	181	187	345	365
Extraordinary gain(loss), net (Note 3)	--	--	(30)	--
NET INCOME(LOSS)	181	187	315	365
Preferred dividends	(23)	(23)	(46)	(46)
EARNINGS(LOSS) APPLICABLE TO COMMON STOCK	$ 158	$ 164	$ 269	$ 319
PRIMARY EARNINGS PER COMMON SHARE				
Income before extraordinary gain(loss), net	$ .49	$ .51	$ .93	$ 1.00
Extraordinary gain(loss), net	--	--	(.09)	--
Primary earnings(loss) per common share	$ .49	$ .51	$ .84	$ 1.00
FULLY DILUTED EARNINGS PER COMMON SHARE				
Income before extraordinary gain(loss), net	$ .47	$ .49	$ .91	$ .96
Extraordinary gain(loss), net	--	--	(.09)	--
Fully diluted earnings(loss) per common share	$ .47	$ .49	$ .82	$ .96
DIVIDENDS PER SHARE OF COMMON STOCK	$ .25	$ .25	$ .50	$ .50
WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING	322.4	318.2	320.9	317.8

The accompanying notes are an integral part of these financial statements.

OCCIDENTAL PETROLEUM CORPORATION AND SUBSIDIARIES
CONSOLIDATED CONDENSED STATEMENTS OF CASH FLOWS
FOR THE SIX MONTHS ENDED JUNE 30, 1996 AND 1995
(Amounts in millions)

	1996	1995
CASH FLOW FROM OPERATING ACTIVITIES		
Net income(loss)	$ 315	$ 365
Adjustments to reconcile income to net cash provided by operating activities		
Extraordinary (gain)loss, net	30	--
Depreciation, depletion and amortization of assets	451	473
Deferred income tax provision	103	20
Other noncash charges to income	27	227
Gains on asset dispositions, net	(4)	(46)
Income from equity investments	(43)	(58)
Exploration expense	47	50
Changes in operating assets and liabilities	(57)	(272)
Other operating, net	(123)	(64)
Net cash provided by operating activities	746	695
CASH FLOW FROM INVESTING ACTIVITIES		
Capital expenditures	(508)	(380)
Proceeds from disposal of property, plant and equipment, net	8	140
Buyout of operating leases	--	(5)
Sale of businesses, net	24	473
Other investing, net	(24)	44
Net cash provided(used) by investing activities	(500)	272
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from senior funded debt	8	138
Net proceeds from commercial paper and revolving credit agreements	475	(528)
Payments on senior funded debt and capital lease liabilities	(1,025)	(216)
Proceeds from issuance of common stock	9	16
Proceeds(payments) of notes payable	77	1
Cash dividends paid	(206)	(200)
Other financing, net	9	8
Net cash used by financing activities	(653)	(781)
Increase(decrease) in cash and cash equivalents	(407)	186
Cash and cash equivalents--beginning of period	520	129
Cash and cash equivalents--end of period	$ 113	$ 315

The accompanying notes are an integral part of these financial statements.

1. General

The accompanying unaudited consolidated condensed financial statements have been prepared by Occidental Petroleum Corporation (Occidental) pursuant to the rules and regulations of the Securities and Exchange Commission. Certain information and disclosures normally included in notes to consolidated financial statements have been condensed or omitted pursuant to such rules and regulations, but resultant disclosures are in accordance with generally accepted accounting principles as they apply to interim reporting. The consolidated condensed financial statements should be read in conjunction with the consolidated financial statements and the notes thereto incorporated by reference in Occidental's Annual Report on Form 10-K for the year ended December 31, 1995 (1995 Form 10-K).

In the opinion of Occidental's management, the accompanying consolidated condensed financial statements contain all adjustments (consisting only of normal recurring adjustments) necessary to present fairly Occidental's consolidated financial position as of June 30, 1996 and the consolidated results of operations for the three and six months then ended and the consolidated cash flows for the six months then ended. The results of operations and cash flows for the periods ended June 30, 1996 are not necessarily indicative of the results of operations or cash flows to be expected for the full year.

Certain financial statements and notes for the prior year have been changed to conform to the 1996 presentation.

Reference is made to Note 1 to the consolidated financial statements incorporated by reference in the 1995 Form 10-K for a summary of significant accounting policies.

2. Asset Acquisitions and Dispositions

In April 1996, Occidental completed the acquisition of a 64 percent equity interest in INDSPEC Holding Corporation (INDSPEC) for approximately $87 million in common stock. Under the terms of the transaction, INDSPEC's management and employees retained voting control of INDSPEC. Also in April, Occidental completed the sale of its subsidiary which engages in on-shore drilling and servicing of oil and gas wells for approximately $32 million. In addition, certain assets of its international phosphate fertilizer trading operations were sold for approximately $20 million. None of these transactions resulted in a material gain or loss.

3. Extraordinary Gain(Loss)

The 1996 six month results included a net extraordinary loss of $30 million, which resulted from the early retirement of high-coupon debt.

4. Supplemental Cash Flow Information

Cash payments during the six months ended June 30, 1996 and 1995 included federal, foreign and state income taxes of approximately $91 million and $129 million, respectively. Interest paid (net of interest capitalized) totaled approximately $269 million and $282 million for the six month periods ended June 30, 1996 and 1995, respectively.

5. Cash and Cash Equivalents

Cash equivalents consist of highly liquid money-market mutual funds and bank deposits with maturities of three months or less when purchased. Cash equivalents totaled $161 million and $620 million at June 30, 1996 and December 31, 1995, respectively. The reduction in cash equivalents reflected the use of cash for the redemption of the 11.75% Senior Debentures in March 1996.

A cash-management system is utilized to minimize the cash balances required for operations and to invest the surplus cash in liquid short-term money-market instruments and/or to pay down short-term borrowings. This can result in the balance of short-term money-market instruments temporarily exceeding cash and cash equivalents.

6. Inventories

A portion of inventories is valued under the LIFO method. The valuation of LIFO inventory for interim periods is based on management's estimates of year-end inventory levels and costs. Inventories consist of the following (in millions):

Balance at	June 30, 1996	December 31, 1995
Raw materials	$ 123	$ 116
Materials and supplies	192	180
Work in progress	15	17
Finished goods	290	363
	620	676
LIFO reserve	(47)	(29)
Total	$ 573	$ 647

7. Property, Plant and Equipment

Reference is made to the consolidated financial statements and Note 1 thereto incorporated by reference in the 1995 Form 10-K for a description of investments in property, plant and equipment.

8. Retirement Plans and Postretirement Benefits

Reference is made to Note 14 to the consolidated financial statements incorporated by reference in the 1995 Form 10-K for a description of the retirement plans and postretirement benefits of Occidental and its subsidiaries.

9. Lawsuits, Claims and Related Matters

Occidental and certain of its subsidiaries have been named in a substantial number of governmental proceedings as defendants or potentially responsible parties under the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA) and corresponding state acts. These proceedings seek funding, remediation and, in some cases, compensation for alleged property damage, punitive damages and civil penalties, aggregating substantial amounts. Occidental is usually one of many companies in these proceedings, and has to date been successful in sharing response costs with other financially sound companies. Occidental has accrued reserves at the most likely cost to be incurred in those proceedings where it is probable that Occidental will incur remediation costs which can be reasonably estimated. As to those proceedings, for which Occidental does not have sufficient information to determine a range of liability, Occidental does have sufficient information on which to base the opinion below.

It is impossible at this time to determine the ultimate legal liabilities that may arise from various lawsuits, claims and proceedings, including environmental proceedings described above, pending against Occidental and its subsidiaries, some of which involve substantial amounts. However, in management's opinion, after taking into account reserves, none of such pending lawsuits, claims and proceedings should have a material adverse effect upon Occidental's consolidated financial position or results of operations in any given year.

10. Other Commitments and Contingencies

Occidental has certain other commitments under contracts, guarantees and joint ventures, as well as certain other contingent liabilities. Additionally, Occidental has agreed to participate in the development of certain natural gas reserves and construction of a liquefied natural gas plant in Malaysia; however, Occidental has not yet entered into any material development or construction contracts.

Reference is made to Note 11 to the consolidated financial statements incorporated by reference in the 1995 Form 10-K for information concerning Occidental's long-term purchase obligations for certain products and services.

In management's opinion, none of such commitments and contingencies discussed above should have a material adverse effect upon Occidental's consolidated financial position or results of operations in any given year.

11. Income Taxes

The provision for taxes based on income for the 1996 and 1995 interim periods was computed in accordance with Interpretation No. 18 of APB Opinion No. 28 on reporting taxes for interim periods and was based on projections of total year pretax income.

At December 31, 1995, Occidental had, for U.S. federal income tax return purposes, a capital loss carryforward of approximately $21 million, a business tax credit carryforward of $20 million and an alternative minimum tax credit carryforward of $270 million available to reduce future income taxes. To the extent not used, the capital loss carryforward expires in 2000 and the business tax credit expires in varying amounts during the years 2000 and 2001. The alternative minimum tax credit carryforward does not expire.

Occidental is subject to audit by taxing authorities for varying periods in various tax jurisdictions. Management believes that any required adjustments to Occidental's tax liabilities will not have a material adverse impact on Occidental's financial position or results of operations in any given year.

12. Investments

Investments in companies in which Occidental has a voting stock interest of at least 20 percent, but not more than 50 percent, and certain partnerships are accounted for on the equity method. At June 30, 1996, Occidental's equity investments consisted primarily of joint-interest pipelines, including a pipeline in the Dutch sector of the North Sea, a 30 percent investment in the common shares of Canadian Occidental Petroleum Ltd. and various chemical partnerships. The following table presents Occidental's proportionate interest in the summarized financial information of its equity method investments (in millions):

	Periods Ended June 30			
	Three Months		Six Months	
	1996	1995	1996	1995
Revenues	$ 228	$ 212	$ 420	$ 404
Costs and expenses	205	179	377	346
Net income	$ 23	$ 33	$ 43	$ 58

13. Summarized Financial Information of Wholly Owned Subsidiary

Occidental has guaranteed the payments of principal of, and interest on, certain publicly traded debt securities of its subsidiary, OXY USA Inc. (OXY USA). The following tables present summarized financial information for OXY USA (in millions):

	Periods Ended June 30			
	Three Months		Six Months	
	1996	1995	1996	1995
Revenues	$ 244	$ 186	$ 478	$ 362
Costs and expenses	217	168	428	358
Net income	$ 27	$ 18	$ 50	$ 4

Balance at	June 30, 1996	December 31, 1995
Current assets	$ 140	$ 206
Intercompany receivable	$ 435	$ 323
Noncurrent assets	$ 2,038	$ 2,057
Current liabilities	$ 231	$ 244
Interest bearing note to parent	$ 113	$ 121
Noncurrent liabilities	$ 1,282	$ 1,283
Stockholders' equity	$ 987	$ 938

14. Subsequent Events

On July 1, 1996, Occidental redeemed all of its outstanding $300 million principal amount of its 9.625% Senior Notes, which were due July 1, 1999, at a redemption price of 100% of the principal amount. Also, on July 22, 1996, Occidental announced that a judgment of $742 million had been entered in favor of its OXY USA subsidiary against Chevron USA by the state district court in Tulsa, Oklahoma. The unanimous verdict was for approximately $229 million in compensatory damages for breach of a 1982 merger agreement and interest on these damages from 1982 to the date of judgment. Chevron announced they will appeal the case. In addition, on July 30, 1996, Occidental announced the sale of its royalty oil interests in the Congo for $215 million to the Republic of the Congo. Occidental acquired the royalty interest in 1993 and continues to hold exploration rights to two blocks in the country. There will be no material gain or loss as a result of this transaction.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

RESULTS OF OPERATIONS

Occidental's net income for the first six months of 1996 totaled $315 million, on net sales and operating revenues of $5.0 billion, compared with net income of $365 million, on net sales and operating revenues of $5.4 billion, for the same period of 1995. Occidental's net income for the second quarter of 1996 was $181 million, on net sales and operating revenues of $2.5 billion, compared with $187 million, on net sales and operating revenues of $2.7 billion, for the same period of 1995. Primary earnings per common share were $.84 for the first six months of 1996, compared with $1.00 for the same period of 1995. Primary earnings per common share were $.49 for the second quarter of 1996, compared with $.51 for the same period of 1995.

The decrease in net sales and operating revenues and net income for the second quarter of 1996, compared with the same period of 1995, reflected the impact of reduced chemical prices, primarily for petrochemicals and PVC resins, partially offset by higher worldwide crude oil prices and higher domestic natural gas prices.

Interest, dividends and other income for the six months of 1996 includes $130 million received for a litigation settlement related to Love Canal.

Income from equity investments decreased for the second quarter of 1996, compared with the similar period of 1995. The decrease in 1996 primarily reflected lower equity earnings from chemical investments.

The following table sets forth the sales and earnings of each operating division and corporate items (in millions):

	Periods Ended June 30			
	Three Months		Six Months	
	1996	1995	1996	1995
DIVISIONAL NET SALES				
Oil and gas	$ 878	$ 756	$ 1,632	$ 1,461
Natural gas transmission	521	468	1,223	1,006
Chemical	1,058	1,456	2,126	2,928
Other	--	(1)	(2)	(2)
NET SALES	$ 2,457	$ 2,679	$ 4,979	$ 5,393
DIVISIONAL EARNINGS				
Oil and gas	$ 144	$ (30)	$ 305	$ 30
Natural gas transmission	51	62	172	137
Chemical	212	354	330	661
	407	386	807	828
UNALLOCATED CORPORATE ITEMS				
Interest expense, net	(112)	(133)	(242)	(277)
Income taxes, administration and other	(114)	(66)	(220)	(186)
INCOME BEFORE EXTRAORDINARY GAIN(LOSS), NET	181	187	345	365
Extraordinary gain(loss), net	--	--	(30)	--
NET INCOME	$ 181	$ 187	$ 315	$ 365

Selling, general and administrative and other operating expenses were $457 million for the first six months of 1996, compared with $596 million for the same period of 1995. The 1995 amount included a second quarter charge of $109 million for settlement of litigation. Environmental remediation was $88 million for the first six months of 1996, compared with $11 million for the same period of 1995. The 1996 amount included a second quarter charge of $75 million for additional environmental reserves.

Oil and gas earnings for the first six months of 1996 were $305 million, compared with $30 million for the same period of 1995. Oil and gas earnings for the second quarter of 1996 were $144 million, compared with earnings before special items of $79 million for the second quarter of 1995. The 1995 results, after a charge of $109 million for settlement of litigation, were a loss of $30 million. The increase in second quarter earnings in 1996, compared with 1995, reflected higher worldwide crude oil prices and higher domestic natural gas prices. Oil and gas prices are sensitive to complex factors, which are outside the control of Occidental. Accordingly, Occidental is unable to predict with certainty the direction, magnitude or impact of future trends in sales prices for oil and gas.

Natural gas transmission earnings for the first six months of 1996 were $172 million, compared with $137 million for the same period of 1995. Natural gas transmission earnings for the second quarter of 1996 were $51 million, compared with $62 million for the same period of 1995. The decline in earnings for the second quarter of 1996, compared with the same period of 1995, resulted primarily from lower transport margins, partially offset by lower costs related to the reorganization in late 1995.

Chemical earnings before special items for the first six months of 1996 were $278 million, compared with $621 million for the same period of 1995. The 1996 results, after inclusion of $130 million related to a favorable litigation settlement and a charge of $75 million for additional environmental reserves relating to various existing sites, and the related state tax effects, were $330 million. Chemical earnings before special items for the second quarter of 1996 were $160 million, compared with earnings before special items of $314 million for the second quarter of 1995. The 1996 second quarter results were $212 million after the previously mentioned items. The 1995 results, after inclusion of a $40 million pretax gain related to the sale of assets, were $354 million. The decline in second quarter 1996 earnings resulted primarily from decreased profit margins in petrochemicals and PVC resins. The second quarter of 1996 also reflects the absence of sales and earnings of certain assets divested in 1995. Most of Occidental's chemical products are commodity in nature, the prices of which are sensitive to a number of complex factors. Occidental is unable to accurately forecast the trend of sales prices for its commodity chemical products. However, PVC and certain petrochemical prices recently have increased slightly, while others, particularly chlor-alkali, overall have remained firm.

Divisional earnings include credits in lieu of U.S. federal income taxes. In the first six months of 1996, divisional earnings benefited by $45 million from credits allocated. This included credits of $8 million, $24 million and $13 million at oil and gas, natural gas transmission and chemical, respectively. Of the total amount for the first six months of 1996, $23 million was recorded in the second quarter of 1996 as a benefit to divisional earnings, of which $4 million, $12 million and $7 million was recorded at oil and gas, natural gas transmission and chemical, respectively. In the first six months of 1995, divisional earnings benefited by $46 million. The comparable amounts allocated to the divisions were credits of $8 million, $24 million and $14 million at oil and gas, natural gas transmission and chemical, respectively. Of the total amount for the six months of 1995, $23 million was recorded in the second quarter of 1995 as a benefit to divisional earnings, of which $4 million, $12 million and $7 million was recorded at oil and gas, natural gas transmission and chemical, respectively.

Interest expense for the first six months of 1996 was $242 million, compared with $277 million for the same period of 1995. Interest expense for the second quarter of 1996 was $112 million, compared with $133 million for the second quarter of 1995. The lower expense primarily reflected lower average interest rates and lower average debt levels resulting primarily from the redemption on March 15, 1996, of $955 million of 11.75% Senior Debentures.

Occidental and certain of its subsidiaries are parties to various lawsuits, environmental and other proceedings and claims, some of which involve substantial amounts. See Note 9 to the consolidated condensed financial statements. Occidental also has commitments under contracts, guarantees and joint ventures and certain other contingent liabilities. See Note 10 to the consolidated condensed financial statements. In management's opinion, after taking into account reserves, none of these matters should have a material adverse effect upon Occidental's consolidated financial position or results of operations in any given year.

FINANCIAL CONDITION, LIQUIDITY AND CAPITAL RESOURCES

Occidental's net cash provided by operating activities was $746 million for the first six months of 1996, compared with $695 million for the same period of 1995. The 1996 noncash charges included the previously mentioned $130 million favorable litigation settlement, partially offset by the $75 million charge for additional environmental reserves. The 1995 noncash charges included the previously mentioned $109 million settlement of litigation. The 1996 and 1995 noncash charges also included employee benefit plans expense and various other charges.

Occidental's net cash used by investing activities was $500 million for the first six months of 1996, compared with cash provided of $272 million for the same period of 1995. Capital expenditures were $508 million in 1996, including $339 million in oil and gas, $69 million in natural gas transmission and $90 million in chemical. Capital expenditures were $380 million in 1995, including $260 million in oil and gas, $41 million in natural gas transmission and $79 million in chemical. The increase in 1996 from 1995 reflected higher spending in oil and gas, primarily in Peru, Qatar and Yemen. Net proceeds from the sale of businesses and disposals of property, plant and equipment for the first six months of 1996 totaled $32 million, which primarily reflected the proceeds from the sale of its on-shore drilling and well servicing subsidiary. Net proceeds from the sale of businesses and disposals of property, plant and equipment for the first six months of 1995 totaled $613 million, which primarily reflected the proceeds from the sale of Occidental's high density polyethylene business (HDPE), its PVC facility at Addis, Louisiana and the sale of a portion of Occidental's oil and gas operation in Pakistan.

Financing activities used net cash of $653 million in the first six months of 1996, compared with $781 million for the same period of 1995. The 1996 amount reflected net cash used of $465 million to reduce short-term and long-term debt, net of proceeds from borrowings, primarily for the redemption of the 11.75% Senior Debentures, and the payment of dividends of $206 million. In 1995, repayments of debt, net of proceeds from borrowings, resulted in net cash used of $605 million to reduce long-term debt. Additionally, dividend payments were $200 million.

For 1996, Occidental expects that cash generated from operations and asset sales will be more than adequate to meet its operating requirements, capital spending and dividend payments. Excess cash generated is expected to be applied to debt and liability reduction. Occidental also has substantial borrowing capacity to meet unanticipated cash requirements.

At June 30, 1996, Occidental's working capital was a negative $108 million, compared with a negative $138 million at December 31, 1995. Available but unused lines of committed bank credit totaled approximately $2.1 billion at June 30, 1996, compared with $2.6 billion at December 31, 1995.

Receivables at June 30, 1996 include the accrual for litigation settlements previously mentioned.

Equity investments at June 30, 1996 include the interest in INDSPEC Holding Corporation (INDSPEC) as discussed below.

Current maturities of senior funded debt and capital lease liabilities decreased as a result of the redemption of the 11.75% Senior Debentures in March 1996.

In October 1995, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards (SFAS) No. 123, "Accounting for Stock-Based Compensation." As permitted by SFAS No. 123, Occidental will not recognize compensation expense for stock-based compensation arrangements, but rather will disclose in the notes to the financial statements the impact on annual net income and earnings per share as if the fair value based compensation cost had been recognized commencing in 1996.

In April 1996, Occidental completed the sale of its subsidiary which engages in on-shore drilling and servicing of oil and gas wells for approximately $32 million. In addition, certain assets of its international phosphate fertilizer trading operation were sold for approximately $20 million. Also in April, Occidental completed the acquisition of a 64 percent equity interest in INDSPEC for approximately $87 million in common stock. Under the terms of the transaction, INDSPEC's management and employees retained voting control of INDSPEC. None of these transactions resulted in a material gain or loss.

On July 1, 1996, Occidental redeemed all of its outstanding $300 million principal amount of its 9.625% Senior Notes, which were due July 1, 1999, at a redemption price of 100% of the principal amount. Also, on July 22, 1996, Occidental announced that a judgment of $742 million had been entered in favor of its OXY USA subsidiary against Chevron USA by the state district court in Tulsa, Oklahoma. The unanimous verdict was for approximately $229 million in compensatory damages for breach of a 1982 merger agreement and interest on these damages from 1982 to the date of judgment. Chevron announced they will appeal the case. In addition, on July 30, 1996, Occidental announced the sale of its royalty oil interests in the Congo for $215 million to the Republic of the Congo. Occidental acquired the royalty interest in 1993 and continues to hold exploration rights to two blocks in the country. There will be no material gain or loss as a result of this transaction.

ENVIRONMENTAL MATTERS

Occidental's operations in the United States are subject to increasingly stringent federal, state and local laws and regulations relating to improving or maintaining the quality of the environment. Foreign operations also are subject to varied environmental protection laws. Costs associated with environmental compliance have increased over time and are expected to continue to rise in the future.

The laws which require or address remediation apply retroactively to previous waste disposal practices. And, in many cases, the laws apply regardless of fault, legality of the original activities or ownership or control of sites. Occidental is currently participating in environmental assessments and cleanups under these laws at federal Superfund sites, comparable state sites and other remediation sites, including Occidental facilities and previously owned sites.

Occidental does not consider the number of Superfund and comparable state sites at which it has been notified that it has been identified as being involved as a relevant measure of exposure. Although the liability of a potentially responsible party (PRP), and in many cases its equivalent under state law, is joint and several, Occidental is usually one of many companies cited as a PRP at these sites and has, to date, been successful in sharing cleanup costs with other financially sound companies.

As of June 30, 1996, Occidental had been notified by the Environmental Protection Agency (EPA) or equivalent state agencies or otherwise had become aware that it had been identified as being involved at 290 Superfund or comparable state sites. (This number does not include 61 sites where Occidental has been successful in resolving its involvement.) The 290 sites include 80 former Diamond Shamrock Chemical sites as to which Maxus Energy Corporation has retained all liability, and two sites at which the extent of such retained liability is disputed. Of the remaining 208 sites, Occidental has had no communication or activity with government agencies or other PRPs in four years at 39 sites, has denied involvement at 30 sites and has yet to determine involvement in 24 sites. With respect to the remaining 115 of these sites, Occidental is in various stages of evaluation. For 105 of these sites, where environmental remediation efforts are probable and the costs can be reasonably estimated, Occidental has accrued reserves at the most likely cost to be incurred. The 105 sites include 38 sites as to which present information indicates that it is probable that Occidental's aggregate exposure is immaterial. In determining the reserves, Occidental uses the most current information available, including similar past experiences, available technology, regulations in effect, the timing of remediation and cost-sharing arrangements. For the remaining 10 of the 115 sites being evaluated, Occidental does not have sufficient information to determine a range of liability, but Occidental does have sufficient information on which to base the opinion expressed above under the caption "Results of Operations."

PART II   OTHER INFORMATION

ITEM 1.   LEGAL PROCEEDINGS

GENERAL

There is incorporated by reference herein the information regarding legal proceedings in Item 3 of Part I of Occidental's 1995 Annual Report on Form 10-K and Note 9 to the consolidated condensed financial statements in Part I hereof.

In 1991, Continental Trend Resources obtained a jury verdict against OXY USA Inc. ("OXY USA") in the U.S. District Court for the Western District of Oklahoma for $269,000 in actual damages and $30,000,000 in punitive damages for tortious interference with contract. In 1995, the U.S. Court of Appeals of the 10th Circuit affirmed the subsequent judgment and OXY USA petitioned the U.S. Supreme Court for a writ of certiorari. On May 28, 1996, the Supreme Court granted OXY USA's petition, vacated the judgment and remanded the case to the Court of Appeals for further consideration in light of its decision in *BMW of North America v. Gore*, 116 S.Ct. 1872 (1996).

ENVIRONMENTAL PROCEEDINGS

OxyChem has agreed with the U.S. Department of Justice and the U.S. Environmental Protection Agency to settle an enforcement matter involving alleged violations of Clean Air Act regulations for asbestos at its chlor-alkali facility in Taft, Louisiana. The settlement terms call for OxyChem to pay civil penalties of approximately $113,000 for alleged violations of recordkeeping, monitoring and maintenance requirements in 1991 and 1992.

ITEM 6.   EXHIBITS AND REPORTS ON FORM 8-K

(a) Exhibits

10.1 Form of Incentive Stock Option Agreement under Occidental Petroleum Corporation 1995 Incentive Stock Plan (amends Form previously filed as Exhibit 99.2 to Occidental's Registration Statement on Form S-8, File No. 33-64719 and incorporated by reference as Exhibit 10.29 to the Annual Report on Form 10-K of Occidental for the fiscal year ended December 31, 1995, File No. 1-9210)

10.2 Form of Nonqualified Stock Option Agreement under Occidental Petroleum Corporation 1995 Incentive Stock Plan (amends Form previously filed as Exhibit 99.3 to Occidental's Registration Statement on Form S-8, File No. 33-64719 and incorporated by reference as Exhibit 10.30 to the Annual Report on Form 10-K of Occidental for the fiscal year ended December 31, 1995, File No. 1-9210)

11 Statement regarding the computation of earnings per share for the three and six months ended June 30, 1996 and 1995

12 Statement regarding the computation of total enterprise ratios of earnings to fixed charges for the six months ended June 30, 1996 and 1995 and the five years ended December 31, 1995

27 Financial data schedule for the six month period ended June 30, 1996 (included only in the copy of this report filed electronically with the Securities and Exchange Commission)

(b) Reports on Form 8-K

During the quarter ended June 30, 1996, Occidental filed the following Current Reports on Form 8-K:

1. Current Report on Form 8-K dated April 17, 1996 (date of earliest event reported), filed on April 19, 1996, for the purpose of reporting, under Item 5, Occidental's results of operations for the quarter ended March 31, 1996

2. Current Report on Form 8-K dated April 19, 1996 (date of earliest event reported), filed on April 22, 1996, for the purpose of reporting, among other things, under Item 5, the price of Occidental's common stock determined for the approximately 3.4 million shares to be issued in the exchange offers for INDSPEC Holding Corporation

From June 30, 1996 to the date hereof, Occidental filed the following Current Report on Form 8-K:

1. Current Report on Form 8-K dated July 22, 1996 (date of earliest event reported), filed on July 23, 1996, for the purpose of reporting, under Item 5, Occidental's results of operations for the quarter ended June 30, 1996

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

OCCIDENTAL PETROLEUM CORPORATION

DATE: August 12, 1996

S. P. Dominick, Jr.

S. P. Dominick, Jr., Vice President and Controller
(Chief Accounting and Duly Authorized Officer)

EXHIBIT INDEX

EXHIBITS
- --------

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10.2	Form of Nonqualified Stock Option Agreement under Occidental Petroleum Corporation 1995 Incentive Stock Plan (amends Form previously filed as Exhibit 99.3 to Occidental's Registration Statement on Form S-8, File No. 33-64719 and incorporated by reference as Exhibit 10.30 to the Annual Report on Form 10-K of Occidental for the fiscal year ended December 31, 1995, File No. 1-9210)
11	Statement regarding the computation of earnings per share for the three and six months ended June 30, 1996 and 1995
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27	Financial data schedule for the six month period ended June 30, 1996 (included only in the copy of this report filed electronically with the Securities and Exchange Commission)

EXHIBIT 10.1

OCCIDENTAL PETROLEUM CORPORATION
INCENTIVE STOCK OPTION AGREEMENT

Name of Optionee: ______________________________

Date of Grant: ______________________________

Number of Optioned Shares: ______________________________

Option Price: ______________________________

Vesting Percentage: ____________ Percent

AGREEMENT (the "Agreement") made as of the Date of Grant by and between OCCIDENTAL PETROLEUM CORPORATION, a Delaware corporation (hereinafter called "Occidental," and, collectively with its Subsidiaries, the "Company"), and Optionee.

1. GRANT OF STOCK OPTION. Subject to and upon the terms, conditions, and restrictions set forth in this Agreement and in the Occidental Petroleum Corporation 1995 Incentive Stock Plan (the "Plan"), Occidental hereby grants to the Optionee as of the Date of Grant a stock option (the "Option") to purchase up to the number of Optioned Shares. The Option may be exercised from time to time in accordance with the terms of this Agreement. The Option is intended to be an "incentive stock option" within the meaning of that term under Section 422 of the Internal Revenue Code of 1986, as amended (the "Code"), or any successor provision thereto; this Agreement shall be construed in a manner that will enable this Option to be so qualified.

2. TERM OF OPTION. The term of the Option shall commence on the Date of Grant and, unless earlier terminated in accordance with Section 6 hereof, shall expire ten (10) years from the Date of Grant.

3. RIGHT TO EXERCISE. Subject to the expiration or earlier termination of the Option, on each anniversary of the Date of Grant the number of Optioned Shares equal to the Vesting Percentage multiplied by the initial number of Optioned Shares specified in this Agreement shall become exercisable on a cumulative basis until the Option is fully exercisable. To the extent the Option is exercisable, it may be exercised in whole or in part.

4. OPTION NONTRANSFERABLE. The Option granted hereby shall be neither transferable nor assignable by the Optionee other than by will or by the laws of descent

and distribution and may be exercised, during the lifetime of the Optionee, only by the Optionee, or in the event of his or her legal incapacity, by his or her guardian or legal representative acting on behalf of the Optionee in a fiduciary capacity under state law and court supervision.

5. NOTICE OF EXERCISE; PAYMENT. To the extent then exercisable, the Option shall be exercised by oral or written notice to Occidental stating the number of Optioned Shares for which the Option is being exercised and the intended manner of payment. Payment equal to the aggregate Option Price of the Optioned Shares shall be: (a) in cash in the form of currency or check or other cash equivalent acceptable to Occidental, (b) by actual or constructive transfer to Occidental of nonforfeitable, nonrestricted shares of Common Stock that have been owned by the Optionee for (i) more than one year prior to the date of exercise and for more than two years from the date on which the option was granted, if they were originally acquired by the Optionee pursuant to the exercise of an incentive stock option, or (ii) more than six months prior to the date of exercise, if they were originally acquired by the Optionee other than pursuant to the exercise of an incentive stock option, or (c) by any combination of the foregoing methods of payment. Nonforfeitable, nonrestricted shares of Common Stock that are transferred by the Optionee in payment of all or any part of the Option Price shall be valued on the basis of their Fair Market Value per Share. The requirement of payment in cash shall be deemed satisfied if the Optionee makes arrangements that are satisfactory to Occidental with a broker that is a member of the National Association of Securities Dealers, Inc. to sell a sufficient number of the shares of Common Stock, which are being purchased pursuant to the exercise, so that the net proceeds of the sale transaction will at least equal the amount of the aggregate Option Price, plus interest at the "applicable Federal rate" within the meaning of that term under Section 1274 of the Code, or any successor provision thereto, for the period from the date of exercise to the date of payment, and pursuant to which the broker undertakes to deliver to Occidental the amount of the aggregate Option Price not later than the date on which the sale transaction will settle in the ordinary course of business. The date of such notice shall be the exercise date. Any oral notice of exercise shall be confirmed in writing to Occidental before the close of business the same day.

6. TERMINATION OF AGREEMENT. The Agreement and the Option granted hereby shall terminate automatically and without further notice on the earliest of the following dates:

(a) Five years or the remaining term of the Option, whichever is less, after the date the Optionee ceases to be an employee of the Company by reason of the Optionee's (i) death, (ii) permanent disability or (iii) retirement under a retirement plan of the Company at or after the earliest voluntary retirement age provided for in such retirement plan or retirement at an earlier age with the consent of the Board;

(b) Immediately upon the voluntary or involuntary resignation of the Optionee other than in connection with retirement as provided in 6(a)(iii) above; or

(c) Ten years from the Date of Grant.

In the event that the Optionee commits an act that the Committee determines to have been intentionally committed and materially inimical to the interests of the Company, the Agreement shall terminate at the time of that determination notwithstanding any other provision of this Agreement. This Agreement shall not be exercisable for any number of Optioned Shares in excess of the number of Optioned Shares for which this Agreement is then exercisable on the date of termination of employment. For the purposes of this Agreement, the continuous employment of the Optionee with the Company shall not be deemed to have been interrupted, and the Optionee shall not be deemed to have ceased to be an employee of the Company, by reason of the transfer of his or her employment among the Company and its Subsidiaries or an approved leave of absence.

7. ACCELERATION OF OPTION. In the event of a Change of Control, the Option granted hereby shall become immediately exercisable in full. For purposes of this Agreement, "Change of Control" means the occurrence of any of the following events:

(a) any "person," as such term is used in Sections 13(d) and 14(d) of the Securities Exchange Act of 1934, as amended (the "Exchange Act") (other than the Company, any trustee or other fiduciary holding securities under an employee benefit plan of the Company or any company owned, directly or indirectly, by the stockholders of Occidental in substantially the same proportions as their ownership of the Common Stock of Occidental), is or becomes after the effective date of the Plan as provided in Section 16 of the Plan (the "Effective Date") the "beneficial owner" (as defined in Rule 13d-3 under the Exchange Act), directly or indirectly, of securities of Occidental (not including in the securities beneficially owned by such person any securities acquired directly from Occidental or its affiliates) representing 50 percent or more of the combined voting power of Occidental's then-outstanding securities;

(b) during any period of two consecutive years (not including any period prior to the Effective Date), individuals who at the beginning of such period constitute the Board, and any new director (other than a director designated by a person who has entered into an agreement with the Company to effect a transaction described in clause (a), (c), or (d) of this definition) whose election by the Board or nomination for election by Occidental's stockholders was approved by a vote of at least two thirds (2/3) of the directors then still in office who either were directors at the beginning of the period or whose election or nomination for election was previously so approved, cease for any reason to constitute at least a majority of the Board;

(c) the stockholders of Occidental approve a merger or consolidation of Occidental with any other corporation, other than (i) a merger or consolidation that would result in the voting securities of Occidental outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity), in combination with the ownership of any trustee or other fiduciary holding securities under an employee benefit plan of the

Company, at least 50 percent of the combined voting power of the voting securities of Occidental or such surviving entity outstanding immediately after such merger or consolidation or (ii) a merger or consolidation effected to implement a recapitalization of the Company (or similar transaction) in which no person acquires more than 50 percent of the combined voting power of Occidental's then-outstanding securities; or

(d) the stockholders of Occidental approve a plan of complete liquidation of the Company or an agreement for the sale or disposition of all or substantially all of the Company's assets;

provided, however, that prior to the occurrence of any of the events described in clauses (a) through (d) above, the Board may determine that such event shall not constitute a Change of Control for purposes of this Agreement.

8. NO EMPLOYMENT CONTRACT. Nothing contained in this Agreement shall confer upon the Optionee any right with respect to continuance of employment by the Company, nor limit or affect in any manner the right of the Company to terminate the employment or adjust the compensation of the Optionee.

9. TAXES AND WITHHOLDING. If the Company shall be required to withhold any federal, state, local or foreign tax in connection with the exercise of the Option, the Optionee shall pay the tax or make provisions that are satisfactory to the Company for the payment thereof. The Optionee may elect to satisfy all or any part of any such withholding obligation by surrendering to the Company a portion of the shares of Common Stock that are issued or transferred to the Optionee upon the exercise of the Option, and the shares of Common Stock so surrendered by the Optionee shall be credited against any such withholding obligation at the Fair Market Value per Share of such shares on the date of such surrender; provided, however, if the Optionee is subject to Section 16 of the Exchange Act, such election shall be made in accordance with Rule 16b-3 and subject to approval by the Committee if such approval is then required by Rule 16b-3.

10. COMPLIANCE WITH LAW. The Company shall make reasonable efforts to comply with all applicable federal and state securities laws; provided, however, notwithstanding any other provision of this Agreement, the Option shall not be exercisable if the exercise thereof would result in a violation of any such law.

11. ADJUSTMENTS. The Committee shall make such adjustments in the Option Price and the number or kind of shares of stock covered by the Option that the Committee may in good faith determine to be required in order to prevent dilution or expansion of the Optionee's rights under this Agreement that otherwise would result from (a) any stock dividend, stock split, combination of shares, recapitalization or other change in the capital structure of the Company, or (b) any merger, consolidation, spin-off, spin-out, split-off, split-up, reorganization, partial or complete liquidation or other distribution of assets, issuance of warrants or other rights to purchase securities, or any other corporate

transaction or event having an effect similar to any of the foregoing; provided, however, that no adjustment may be made without the prior written consent of the Optionee if the adjustment would constitute a "modification" within the meaning of Section 424(h) of the Code or any successor provision thereto. In the event of any such transaction or event, the Committee may provide in substitution for all or any portion of the Optionee's rights under this Agreement such alternative consideration as the Committee may in good faith determine to be appropriate under the circumstances and may require the surrender of all rights so replaced.

12. MANDATORY NOTICE OF DISQUALIFYING DISPOSITION. Without limiting any other provision hereof, the Optionee hereby agrees that if the Optionee disposes (whether by sale, exchange, gift or otherwise) of any of the Optioned Shares within two (2) years of the Date of Grant or within one (1) year after the transfer of such share or shares to the Optionee, the Optionee shall notify Occidental of such disposition in writing within thirty (30) days from the date of such disposition. Such written notice shall state the principal terms of such disposition, including without limitation the date of such disposition and the type and amount of the consideration received for such share or shares by the Optionee in connection therewith.

13. RELATION TO OTHER BENEFITS. Any economic or other benefit to the Optionee under this Agreement shall not be taken into account in determining any benefits to which the Optionee may be entitled under any profit-sharing, retirement or other benefit or compensation plan maintained by the Company and shall not affect the amount of any life insurance coverage available to any beneficiary under any life insurance plan covering employees of the Company.

14. AMENDMENTS. Any amendment to the Plan shall be deemed to be an amendment to this Agreement to the extent that the amendment is applicable hereto; provided, however, that no amendment shall adversely affect the rights of the Optionee under this Agreement without the Optionee's consent.

15. SEVERABILITY. In the event that one or more of the provisions of this Agreement shall be invalidated for any reason by a court of competent jurisdiction, any provision so invalidated shall be deemed to be separable from the other provisions hereof, and the remaining provisions hereof shall continue to be valid and fully enforceable.

16. RELATION TO PLAN. This Agreement is subject to the terms and conditions of the Plan. In the event of any inconsistent provisions between this Agreement and the Plan, the Plan shall govern. Capitalized terms used herein without definition shall have the meanings assigned to them in the Plan.

17. SUCCESSORS AND ASSIGNS. Without limiting Section 4 hereof, the provisions of this Agreement shall inure to the benefit of, and be binding upon, the successors, administrators, heirs, legal representatives and assigns of the Optionee, and the successors and assigns of the Company.

18. GOVERNING LAW. The interpretation, performance, and enforcement of this Agreement shall be governed by the laws of the State of Delaware.

19. NOTICES. Any notice to the Company provided for herein shall be given to its Secretary at 10889 Wilshire Boulevard, Los Angeles, California 90024, and any notice to the Optionee shall be addressed to said Optionee at his or her address currently on file with the Company. Except as otherwise provided herein, any written notice shall be deemed to be duly given if and when delivered personally or deposited in the United States mail, first class registered mail, postage and fees prepaid, and addressed as aforesaid. Any party may change the address to which notices are to be given hereunder by written notice to the other party as herein specified (provided that for this purpose any mailed notice shall be deemed given on the third business day following deposit on the same in the United States mail).

IN WITNESS WHEREOF, the Company has caused this Agreement to be executed on its behalf by its duly authorized officer and Optionee has also executed this Agreement in duplicate, as of the day and year first above written.

OCCIDENTAL PETROLEUM CORPORATION

By: --------------------------

Optionee

EXHIBIT 10.2

OCCIDENTAL PETROLEUM CORPORATION
NONQUALIFIED STOCK OPTION AGREEMENT

Name of Optionee: ---

Date of Grant: --

Number of Optioned Shares: --

Option Price: ---

Vesting Percentage: ------------- Percent

AGREEMENT (the "Agreement") made as of the Date of Grant by and between OCCIDENTAL PETROLEUM CORPORATION, a Delaware corporation (hereinafter called "Occidental," and, collectively with its Subsidiaries, the "Company"), and Optionee.

1. GRANT OF STOCK OPTION. Subject to and upon the terms, conditions, and restrictions set forth in this Agreement and in the Occidental Petroleum Corporation 1995 Incentive Stock Plan (the "Plan"), Occidental hereby grants to the Optionee as of the Date of Grant a stock option (the "Option") to purchase up to the number of Optioned Shares. The Option may be exercised from time to time in accordance with the terms of this Agreement. The Option is intended to be a nonqualified stock option and shall not be treated as an "incentive stock option" within the meaning of that term under Section 422 of the Internal Revenue Code of 1986, as amended (the "Code"), or any successor provision thereto.

2. TERM OF OPTION. The term of the Option shall commence on the Date of Grant and, unless earlier terminated in accordance with Section 6 hereof, shall expire ten (10) years from the Date of Grant.

3. RIGHT TO EXERCISE. Subject to the expiration or earlier termination of the Option, on each anniversary of the Date of Grant the number of Optioned Shares equal to the Vesting Percentage multiplied by the initial number of Optioned Shares specified in this Agreement shall become exercisable on a cumulative basis until the Option is fully exercisable. To the extent the Option is exercisable, it may be exercised in whole or in part.

4. OPTION NONTRANSFERABLE. The Option granted hereby shall be neither transferable nor assignable by the Optionee other than by will or by the laws of descent

and distribution and may be exercised, during the lifetime of the Optionee, only by the Optionee, or in the event of his or her legal incapacity, by his or her guardian or legal representative acting on behalf of the Optionee in a fiduciary capacity under state law and court supervision.

5. NOTICE OF EXERCISE; PAYMENT. To the extent then exercisable, the Option shall be exercised by oral or written notice to Occidental stating the number of Optioned Shares for which the Option is being exercised and the intended manner of payment. Payment equal to the aggregate Option Price of the Optioned Shares shall be (a) in cash in the form of currency or check or other cash equivalent acceptable to Occidental, (b) by actual or constructive transfer to Occidental of nonforfeitable, nonrestricted shares of Common Stock that have been owned by the Optionee for (i) more than one year prior to the date of exercise and for more than two years from the date on which the option was granted, if they were originally acquired by the Optionee pursuant to the exercise of an incentive stock option, or (ii) more than six months prior to the date of exercise, if they were originally acquired by the Optionee other than pursuant to the exercise of an incentive stock option, or (c) by any combination of the foregoing methods of payment. Nonforfeitable, nonrestricted shares of Common Stock that are transferred by the Optionee in payment of all or any part of the Option Price shall be valued on the basis of their Fair Market Value per Share. The requirement of payment in cash shall be deemed satisfied if the Optionee makes arrangements that are satisfactory to Occidental with a broker that is a member of the National Association of Securities Dealers, Inc. to sell a sufficient number of the shares of Common Stock, which are being purchased pursuant to the exercise, so that the net proceeds of the sale transaction will at least equal the amount of the aggregate Option Price, and pursuant to which the broker undertakes to deliver to Occidental the amount of the aggregate Option Price not later than the date on which the sale transaction will settle in the ordinary course of business. The date of such notice shall be the exercise date. Any oral notice of exercise shall be confirmed in writing to Occidental before the close of business the same day.

6. TERMINATION OF AGREEMENT. The Agreement and the Option granted hereby shall terminate automatically and without further notice on the earliest of the following dates:

(a) Five years or the remaining term of the Option, whichever is less, after the date the Optionee ceases to be an employee of the Company by reason of the Optionee's (i) death, (ii) permanent disability or (iii) retirement under a retirement plan of the Company at or after the earliest voluntary retirement age provided for in such retirement plan or retirement at an earlier age with the consent of the Board;

(b) Immediately upon the voluntary or involuntary resignation of the Optionee other than in connection with retirement as provided in 6(a)(iii) above; or

(c) Ten years from the Date of Grant.

In the event that the Optionee commits an act that the Committee determines to have been intentionally committed and materially inimical to the interests of the Company, the Agreement shall terminate at the time of that determination notwithstanding any other provision of this Agreement. This Agreement shall not be exercisable for any number of Optioned Shares in excess of the number of Optioned Shares for which this Agreement is then exercisable on the date of termination of employment. For the purposes of this Agreement, the continuous employment of the Optionee with the Company shall not be deemed to have been interrupted, and the Optionee shall not be deemed to have ceased to be an employee of the Company, by reason of the transfer of his or her employment among the Company and its Subsidiaries or an approved leave of absence.

7. ACCELERATION OF OPTION. In the event of a Change of Control, the Option granted hereby shall become immediately exercisable in full. For purposes of this Agreement, "Change of Control" means the occurrence of any of the following events:

(a) any "person," as such term is used in Sections 13(d) and 14(d) of the Securities Exchange Act of 1934, as amended (the "Exchange Act") (other than the Company, any trustee or other fiduciary holding securities under an employee benefit plan of the Company or any company owned, directly or indirectly, by the stockholders of Occidental in substantially the same proportions as their ownership of the Common Stock of Occidental), is or becomes after the effective date of the Plan as provided in Section 16 of the Plan (the "Effective Date") the "beneficial owner" (as defined in Rule 13d-3 under the Exchange Act), directly or indirectly, of securities of Occidental (not including in the securities beneficially owned by such person any securities acquired directly from Occidental or its affiliates) representing 50 percent or more of the combined voting power of Occidental's then-outstanding securities;

(b) during any period of two consecutive years (not including any period prior to the Effective Date), individuals who at the beginning of such period constitute the Board, and any new director (other than a director designated by a person who has entered into an agreement with the Company to effect a transaction described in clause (a), (c), or (d) of this definition) whose election by the Board or nomination for election by Occidental's stockholders was approved by a vote of at least two thirds (2/3) of the directors then still in office who either were directors at the beginning of the period or whose election or nomination for election was previously so approved, cease for any reason to constitute at least a majority of the Board;

(c) the stockholders of Occidental approve a merger or consolidation of Occidental with any other corporation, other than (i) a merger or consolidation that would result in the voting securities of Occidental outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity), in combination with the ownership of any trustee or other fiduciary holding securities under an employee benefit plan of the Company, at least 50 percent of the combined voting power of the voting securities of Occidental or such surviving entity outstanding immediately after such merger or consolidation or (ii) a merger or consolidation effected to implement a recapitalization of the Company (or similar transaction) in which no person acquires more than 50 percent of the combined voting power of Occidental's then-outstanding securities; or

(d) the stockholders of Occidental approve a plan of complete liquidation of the Company or an agreement for the sale or disposition of all or substantially all of the Company's assets;

provided, however, that prior to the occurrence of any of the events described in clauses (a) through (d) above, the Board may determine that such event shall not constitute a Change of Control for purposes of this Agreement.

8. NO EMPLOYMENT CONTRACT. Nothing contained in this Agreement shall confer upon the Optionee any right with respect to continuance of employment by the Company, nor limit or affect in any manner the right of the Company to terminate the employment or adjust the compensation of the Optionee.

9. TAXES AND WITHHOLDING. If the Company shall be required to withhold any federal, state, local or foreign tax in connection with the exercise of the Option, the Optionee shall pay the tax or make provisions that are satisfactory to the Company for the payment thereof. The Optionee may elect to satisfy all or any part of any such withholding obligation by surrendering to the Company a portion of the shares of Common Stock that are issued or transferred to the Optionee upon the exercise of the Option, and the shares of Common Stock so surrendered by the Optionee shall be credited against any such withholding obligation at the Fair Market Value per Share of such shares on the date of such surrender; provided, however, if the Optionee is subject to Section 16 of the Exchange Act, such election shall be made in accordance with Rule 16b-3 and subject to approval by the Committee if such approval is then required by Rule 16b-3.

10. COMPLIANCE WITH LAW. The Company shall make reasonable efforts to comply with all applicable federal and state securities laws; provided, however, notwithstanding any other provision of this Agreement, the Option shall not be exercisable if the exercise thereof would result in a violation of any such law.

11. ADJUSTMENTS. The Committee shall make such adjustments in the Option Price and the number or kind of shares of stock covered by the Option that the Committee may in good faith determine to be required in order to prevent dilution or expansion of the Optionee's rights under this Agreement that otherwise would result from (a) any stock dividend, stock split, combination of shares, recapitalization or other change in the capital structure of the Company, or (b) any merger, consolidation, spin-off, spin-out, split-off, split-up, reorganization, partial or complete liquidation or other distribution of assets, issuance of warrants or other rights to purchase securities, or any other corporate transaction or event having an effect similar to any of the foregoing. In the event of any such transaction or event, the Committee may provide in substitution for all or any

portion of the Optionee's rights under this Agreement such alternative consideration as the Committee may in good faith determine to be appropriate under the circumstances and may require the surrender of all rights so replaced.

12. RELATION TO OTHER BENEFITS. Any economic or other benefit to the Optionee under this Agreement shall not be taken into account in determining any benefits to which the Optionee may be entitled under any profit-sharing, retirement or other benefit or compensation plan maintained by the Company and shall not affect the amount of any life insurance coverage available to any beneficiary under any life insurance plan covering employees of the Company.

13. AMENDMENTS. Any amendment to the Plan shall be deemed to be an amendment to this Agreement to the extent that the amendment is applicable hereto; provided, however, that no amendment shall adversely affect the rights of the Optionee under this Agreement without the Optionee's consent.

14. SEVERABILITY. In the event that one or more of the provisions of this Agreement shall be invalidated for any reason by a court of competent jurisdiction, any provision so invalidated shall be deemed to be separable from the other provisions hereof, and the remaining provisions hereof shall continue to be valid and fully enforceable.

15. RELATION TO PLAN. This Agreement is subject to the terms and conditions of the Plan. In the event of any inconsistent provisions between this Agreement and the Plan, the Plan shall govern. Capitalized terms used herein without definition shall have the meanings assigned to them in the Plan.

16. SUCCESSORS AND ASSIGNS. Without limiting Section 4 hereof, the provisions of this Agreement shall inure to the benefit of, and be binding upon, the successors, administrators, heirs, legal representatives and assigns of the Optionee, and the successors and assigns of the Company.

17. GOVERNING LAW. The interpretation, performance, and enforcement of this Agreement shall be governed by the laws of the State of Delaware.

18. NOTICES. Any notice to the Company provided for herein shall be given to its Secretary at 10889 Wilshire Boulevard, Los Angeles, California 90024, and any notice to the Optionee shall be addressed to said Optionee at his or her address currently on file with the Company. Except as otherwise provided herein, any written notice shall be deemed to be duly given if and when delivered personally or deposited in the United States mail, first class registered mail, postage and fees prepaid, and addressed as aforesaid. Any party may change the address to which notices are to be given hereunder by written notice to the other party as herein specified (provided that for this purpose any mailed notice shall be deemed given on the third business day following deposit on the same in the United States mail).

IN WITNESS WHEREOF, the Company has caused this Agreement to be executed on its behalf by its duly authorized officer and Optionee has also executed this Agreement in duplicate, as of the day and year first above written.

OCCIDENTAL PETROLEUM CORPORATION

By:

Optionee

EXHIBIT 11

OCCIDENTAL PETROLEUM CORPORATION AND SUBSIDIARIES

COMPUTATION OF EARNINGS PER SHARE
FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 1996 AND 1995
(Amounts in thousands, except per-share amounts)

	Three Months Ended June 30		Six Months Ended June 30	
EARNINGS PER COMMON AND COMMON EQUIVALENT SHARE	1996	1995	1996	1995
Earnings(loss) applicable to common stock	$ 158,285	$ 163,648	$ 268,739	$ 318,493
Common shares outstanding at beginning of period	319,354	317,442	318,711	316,853
Issuance of common shares, weighted average	2,320	307	1,589	709
Conversions, weighted average options exercised and other	143	214	230	121
Repurchase/cancellation of common shares	(5)	--	(71)	(52)
Effect of assumed exercises				
Dilutive effect of exercise of options outstanding and other	542	267	395	142
Weighted average common stock and common stock equivalents	322,354	318,230	320,854	317,773
Primary earnings per share:				
Income before extraordinary gain(loss), net	$ .49	$ .51	$ .93	$ 1.00
Extraordinary gain(loss), net	--	--	(.09)	--
Earnings(loss) per common and common equivalent share	$ .49	$ .51	$ .84	$ 1.00
FULLY DILUTED EARNINGS PER SHARE				
Earnings(loss) applicable to common stock	$ 158,285	$ 163,648	$ 268,739	$ 318,493
Dividends applicable to dilutive preferred stock:				
$3.875 preferred stock(a)	14,634	14,634	--	29,269
$3.00 preferred stock(a)	8,541	8,541	17,082	17,082
	$ 181,460	$ 186,823	$ 285,821	$ 364,844
Common shares outstanding at beginning of period	319,354	317,442	318,711	316,853
Issuance of common shares, weighted average	2,320	307	1,589	709
Conversions, weighted average options exercised and other	143	214	230	121
Repurchase/cancellation of common shares	(5)	--	(71)	(52)
Effect of assumed conversions and exercises				
Dilutive effect of assumed conversion of preferred stock:				
$3.875 preferred stock(a)	33,186	33,186	--	33,186
$3.00 preferred stock(a)	27,070	28,118	27,070	28,118
Dilutive effect of exercise of options outstanding and other	543	267	523	241
Total for computation of fully diluted earnings per share	382,611	379,534	348,052	379,176
Fully diluted earnings per common share:				
Income before extraordinary gain(loss), net	$ .47	$ .49	$ .91	$ .96
Extraordinary gain(loss), net	--	--	(.09)	--
Fully diluted earnings(loss) per common share	$ .47	$ .49	$ .82	$ .96

(a) Convertible securities are not considered in the calculations if the effect of the conversion is anti-dilutive.

EXHIBIT 12

OCCIDENTAL PETROLEUM CORPORATION AND SUBSIDIARIES

COMPUTATION OF TOTAL ENTERPRISE RATIOS OF EARNINGS TO FIXED CHARGES
(Amounts in millions, except ratios)

	Six Months Ended June 30		Year Ended December 31				
	1996	1995	1995	1994	1993	1992	1991
Income(loss) from continuing operations(a)	$ 334	$ 380	$ 478	$ (46)	$ 80	$ 131	$ 374
Add:							
Provision(credit) for taxes on income (other than foreign oil and gas taxes)	181	187	244	50	204	114	343
Interest and debt expense(b)	266	295	592	594	601	666	880
Portion of lease rentals representative of the interest factor	21	27	48	55	53	56	57
Preferred dividends to minority stockholders of subsidiaries(c)	--	--	--	--	--	7	11
	468	509	884	699	858	843	1,291
Earnings before fixed charges	$ 802	$ 889	$ 1,362	$ 653	$ 938	$ 974	$ 1,665
Fixed charges							
Interest and debt expense including capitalized interest(b)	$ 270	$ 301	$ 602	$ 599	$ 612	$ 685	$ 912
Portion of lease rentals representative of the interest factor	21	27	48	55	53	56	57
Preferred dividends to minority stockholders of subsidiaries(c)	--	--	--	--	--	7	11
Total fixed charges	$ 291	$ 328	$ 650	$ 654	$ 665	$ 748	$ 980
Ratio of earnings to fixed charges	2.76	2.71	2.10	n/a(d)	1.41	1.30	1.70

(a) Includes (1) minority interest in net income of majority-owned subsidiaries having fixed charges and (2) income from less-than-50-percent-owned equity investments adjusted to reflect only dividends received.
(b) Includes proportionate share of interest and debt expense of 50-percent-owned equity investments.
(c) Adjusted to a pretax basis.
(d) Not computed due to less than one-to-one coverage. Earnings were inadequate to cover fixed charges by $1 million.

THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED JUNE 30, 1996, AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS.

1,000,000

6-MOS
DEC-31-1996
JUN-30-1996
113
0
653
15
573
2,059
22,998
9,107
17,492
2,167
4,806
0
1,325
64
3,450
17,492
4,979
5,196
3,708
3,708
135
0
260
593
291
345
0
(30)
0
315
.84
.82