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 September 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 September 30, 1996
Common stock $.20 par value	328,906,609 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
SEPTEMBER 30, 1996 AND DECEMBER 31, 1995
(Amounts in millions)

	1996	1995
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents (Note 5)	$ 135	$ 520
Receivables, net	938	891
Inventories (Note 6)	610	647
Prepaid expenses and other	328	461
Total current assets	2,011	2,519
LONG-TERM RECEIVABLES, net	140	158
EQUITY INVESTMENTS (Note 12)	1,029	927
PROPERTY, PLANT AND EQUIPMENT, at cost, net of accumulated depreciation, depletion and amortization of $9,268 at September 30, 1996 and $8,837 at December 31, 1995 (Note 7)	13,794	13,867
OTHER ASSETS	360	344
	$ 17,334	$ 17,815

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

OCCIDENTAL PETROLEUM CORPORATION AND SUBSIDIARIES
CONSOLIDATED CONDENSED BALANCE SHEETS
SEPTEMBER 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	$ 28	$ 522
Notes payable	67	16
Accounts payable	888	859
Accrued liabilities	1,052	1,168
Domestic and foreign income taxes	126	92
Total current liabilities	2,161	2,657
SENIOR FUNDED DEBT, net of current maturities and unamortized discount	4,570	4,819
DEFERRED CREDITS AND OTHER LIABILITIES		
Deferred and other domestic and foreign income taxes	2,530	2,620
Other	3,004	3,089
	5,534	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	66	64
Other stockholders' equity		
Additional paid-in capital	4,564	4,631
Retained earnings(deficit)	(893)	(1,402)
Cumulative foreign currency translation adjustments	7	12
	5,069	4,630
	$ 17,334	$ 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 NINE MONTHS ENDED SEPTEMBER 30, 1996 AND 1995
(Amounts in millions, except per-share amounts)

	Three Months Ended September 30		Nine Months Ended September 30	
	1996	1995	1996	1995
REVENUES				
Net sales and operating revenues				
Oil and gas operations	$ 1,148	$ 779	$ 2,780	$ 2,240
Natural gas transmission operations	554	454	1,777	1,460
Chemical operations	1,084	1,325	3,210	4,253
Other	--	(1)	(2)	(3)
	2,786	2,557	7,765	7,950
Interest, dividends and other income	63	31	233	78
Gains on asset dispositions, net	1	(2)	5	44
Income from equity investments (Note 12)	21	29	64	87
	2,871	2,615	8,067	8,159
COSTS AND OTHER DEDUCTIONS				
Cost of sales	2,162	1,958	5,870	5,931
Selling, general and administrative and other operating expenses	322	241	779	837
Environmental remediation	6	5	94	16
Exploration expense	31	13	78	63
Interest and debt expense, net	115	147	375	436
	2,636	2,364	7,196	7,283
Income(loss) before taxes	235	251	871	876
Provision for domestic and foreign income and other taxes (Note 11)	41	112	332	372
Income before extraordinary gain(loss), net	194	139	539	504
Extraordinary gain(loss), net (Note 3)	--	--	(30)	--
NET INCOME(LOSS)	194	139	509	504
Preferred dividends	(23)	(24)	(69)	(70)
EARNINGS(LOSS) APPLICABLE TO COMMON STOCK	$ 171	$ 115	$ 440	$ 434
PRIMARY EARNINGS PER COMMON SHARE				
Income before extraordinary gain(loss), net	$ .53	$ .36	$ 1.46	$ 1.37
Extraordinary gain(loss), net	--	--	(.09)	--
Primary earnings(loss) per common share	$ .53	$ .36	$ 1.37	$ 1.37
FULLY DILUTED EARNINGS PER COMMON SHARE				
Income before extraordinary gain(loss), net	$ .50	$ .36	$ 1.41	$ 1.33
Extraordinary gain(loss), net	--	--	(.08)	--
Fully diluted earnings(loss) per common share	$ .50	$ .36	$ 1.33	$ 1.33
DIVIDENDS PER SHARE OF COMMON STOCK	$ .25	$ .25	$ .75	$ .75
WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING	325.3	318.6	322.4	318.0

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

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

	1996	1995
CASH FLOW FROM OPERATING ACTIVITIES		
Net income(loss)	$ 509	$ 504
Adjustments to reconcile income to net cash provided by operating activities		
Extraordinary (gain)loss, net	30	--
Depreciation, depletion and amortization of assets	687	708
Deferred income tax provision	7	54
Other noncash charges to income	271	167
Gains on asset dispositions, net	(5)	(44)
Income from equity investments	(64)	(87)
Exploration expense	78	63
Changes in operating assets and liabilities	(110)	(357)
Other operating, net	(153)	(104)
Net cash provided by operating activities	1,250	904
CASH FLOW FROM INVESTING ACTIVITIES		
Capital expenditures	(780)	(606)
Proceeds from disposal of property, plant and equipment, net	213	171
Buyout of operating leases	--	(141)
Purchase of businesses	(18)	--
Sale of businesses, net	24	469
Other investing, net	(46)	86
Net cash used by investing activities	(607)	(21)
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from senior funded debt	11	218
Net proceeds from commercial paper and revolving credit agreements	531	(528)
Payments on senior funded debt and capital lease liabilities	(1,340)	(316)
Proceeds from issuance of common stock	18	23
Proceeds(payments) of notes payable	51	(4)
Cash dividends paid	(309)	(303)
Other financing, net	10	16
Net cash used by financing activities	(1,028)	(894)
Increase(decrease) in cash and cash equivalents	(385)	(11)
Cash and cash equivalents--beginning of period	520	129
Cash and cash equivalents--end of period	$ 135	$ 118

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 September 30, 1996 and the consolidated results of operations for the three and nine months then ended and the consolidated cash flows for the nine months then ended. The results of operations and cash flows for the periods ended September 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 notes receivable of approximately $20 million. In July, Occidental sold its royalty oil interests in the Congo for $215 million to the Republic of the Congo. None of these transactions resulted in a material gain or loss.

In August 1996, Occidental acquired three specialty chemical operations--Laurel Industries, Inc., Natural Gas Odorizing, Inc. and a plant from Power Silicates Manufacturing, Inc.--in three separate transactions for approximately $146 million, of which approximately $127 million was in Occidental common stock.

3. Extraordinary Gain(Loss)

The 1996 nine 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 nine months ended September 30, 1996 and 1995 included federal, foreign and state income taxes of approximately $186 million and $221 million, respectively. Interest paid (net of interest capitalized) totaled approximately $383 million and $450 million for the nine month periods ended September 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 $190 million and $620 million at September 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	September 30, 1996	December 31, 1995
Raw materials	$ 113	$ 116
Materials and supplies	185	180
Work in progress	18	17
Finished goods	342	363
	658	676
LIFO reserve	(48)	(29)
Total	$ 610	$ 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.

The provision for federal income tax in 1996 is benefited by approximately $100 million from a reduction in the deferred tax asset valuation allowance due to the increase in likelihood regarding the realization of specific deferred tax assets.

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 September 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 September 30			
	Three Months		Nine Months	
	1996	1995	1996	1995
Revenues	$ 214	$ 202	$ 634	$ 606
Costs and expenses	193	173	570	519
Net income	$ 21	$ 29	$ 64	$ 87

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 September 30			
	Three Months		Nine Months	
	1996	1995	1996	1995
Revenues	$ 254	$ 175	$ 732	$ 537
Costs and expenses	230	194	658	552
Net income	$ 24	$ (19)	$ 74	$ (15)

Balance at	September 30, 1996	December 31, 1995
Current assets	$ 123	$ 206
Intercompany receivable	$ 428	$ 323
Noncurrent assets	$ 2,018	$ 2,057
Current liabilities	$ 221	$ 244
Interest bearing note to parent	$ 105	$ 121
Noncurrent liabilities	$ 1,232	$ 1,283
Stockholders' equity	$ 1,011	$ 938

14. Subsequent Events

On November 4, 1996, Occidental redeemed all of the outstanding $150 million principal amount of its Floating Rate Senior Notes which were due November 4, 1999 at a redemption price of 100% of the principal amount, and the notes were replaced with lower-cost debt.

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

RESULTS OF OPERATIONS

Occidental's net income for the first nine months of 1996 totaled $509 million, on net sales and operating revenues of $7.8 billion, compared with net income of $504 million, on net sales and operating revenues of $8.0 billion, for the same period of 1995. Occidental's net income for the third quarter of 1996 was $194 million, on net sales and operating revenues of $2.8 billion, compared with $139 million, on net sales and operating revenues of $2.6 billion, for the same period of 1995. Primary earnings per common share were $1.37 for the first nine months of 1996, compared with $1.37 for the same period of 1995. Primary earnings per common share were $.53 for the third quarter of 1996, compared with $.36 for the same period of 1995.

The decrease in net sales and operating revenues for the nine months 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, higher domestic natural gas prices and higher crude oil trading revenues.

Interest, dividends and other income for the nine months of 1996 includes $170 million received for a litigation settlement related to Love Canal.

Income from equity investments decreased for the third 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 September 30			
	Three Months		Nine Months	
	1996	1995	1996	1995
DIVISIONAL NET SALES				
Oil and gas	$ 1,148	$ 779	$ 2,780	$ 2,240
Natural gas transmission	554	454	1,777	1,460
Chemical	1,084	1,325	3,210	4,253
Other	--	(1)	(2)	(3)
NET SALES	$ 2,786	$ 2,557	$ 7,765	$ 7,950
DIVISIONAL EARNINGS				
Oil and gas	$ 20	$ 46	$ 325	$ 76
Natural gas transmission	49	54	221	191
Chemical	228	252	558	913
	297	352	1,104	1,180
UNALLOCATED CORPORATE ITEMS				
Interest expense, net	(107)	(133)	(349)	(410)
Income taxes, administration and other	4	(80)	(216)	(266)
INCOME BEFORE EXTRAORDINARY GAIN(LOSS), NET	194	139	539	504
Extraordinary gain(loss), net	--	--	(30)	--
NET INCOME	$ 194	$ 139	$ 509	$ 504

Selling, general and administrative and other operating expenses were $779 million for the first nine months of 1996, compared with $837 million for the same period of 1995. Environmental remediation was $94 million for the first nine months of 1996 which included a second quarter charge of $75 million for additional environmental reserves, compared with $16 million for the same period of 1995. The 1996 amount included a third quarter charge of $105 million for the write-down in an oil and gas project in the Republic of Komi. The 1995 amount included a second quarter charge of $109 million for settlement of litigation.

The provision for income taxes was $332 million for the first nine months of 1996, compared with $372 million for the same period of 1995 and $41 million for the third quarter of 1996, compared with $112 million for the third quarter of 1995. Both periods of 1996 benefited by approximately $100 million for a reduction in the deferred tax asset valuation allowance. This was partially offset by a slightly higher effective tax rate for 1996.

Oil and gas earnings before special items for the first nine months of 1996 were $430 million, compared with $185 million for the same period of 1995. Oil and gas earnings before special items for the third quarter of 1996 were $125 million, compared with $46 million for the third quarter of 1995. The third quarter 1996 results, after inclusion of the $105 million write-down as previously discussed, were $20 million. The 1995 first nine months results included a charge of $109 million for settlement of litigation. The increase in third quarter earnings in 1996, compared with 1995, reflected higher worldwide crude oil prices and higher domestic natural gas prices partially offset by higher exploration expense. 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 nine months of 1996 were $221 million, compared with $191 million for the same period of 1995. Natural gas transmission earnings for the third quarter of 1996 were $49 million, compared with $54 million for the same period of 1995. The decline in earnings for the third quarter of 1996, compared with the same period of 1995, resulted primarily from lower transport margins, partially offset by higher liquid processing margins and lower costs related to the reorganization in late 1995.

Chemical earnings before special items for the first nine months of 1996 were $468 million, compared with $873 million for the same period of 1995. The 1996 results, after inclusion of $170 million related to favorable litigation settlements and a charge of $75 million for additional environmental reserves relating to various existing sites, and the related state tax effects, were $558 million. The 1995 results, after inclusion of a $40 million pretax gain related to the sale of assets, were $913 million. Chemical earnings before special items for the third quarter of 1996 were $190 million, compared with $252 million for the third quarter of 1995. The 1996 third quarter results were $228 million after inclusion of $40 million related to a favorable litigation settlement and the related state tax effects. The decline in third quarter 1996 earnings resulted primarily from decreased profit margins in petrochemicals, PVC resins and caustic soda, partially reduced by improvements in profits from specialty chemicals. 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.

Divisional earnings include credits in lieu of U.S. federal income taxes. In the first nine months of 1996, divisional earnings benefited by $67 million from credits allocated. This included credits of $11 million, $36 million and $20 million at oil and gas, natural gas transmission and chemical, respectively. Of the total amount for the first nine months of 1996, $22 million was recorded in the third quarter of 1996 as a benefit to divisional earnings, of which $3 million, $12 million and $7 million was recorded at oil and gas, natural gas transmission and chemical, respectively. In the first nine months of 1995, divisional earnings benefited by $68 million. The comparable amounts allocated to the divisions were credits of $12 million, $36 million and $20 million at oil and gas, natural gas transmission and chemical, respectively. Of the total amount for the nine months of 1995, $22 million was recorded in the third quarter of 1995 as a benefit to divisional earnings, of which $4 million, $12 million and $6 million was recorded at oil and gas, natural gas transmission and chemical, respectively.

Interest expense for the first nine months of 1996 was $349 million, compared with $410 million for the same period of 1995. Interest expense for the third quarter of 1996 was $107 million, compared with $133 million for the third quarter of 1995. The decline in interest expense is primarily attributable to lower average interest rates and lower average debt levels resulting primarily from redemptions of high-coupon debt.

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 $1,250 million for the first nine months of 1996, compared with $904 million for the same period of 1995. The 1996 noncash charges included $105 million for the write-down in an oil and gas project in the Republic of Komi and $75 million for additional environmental reserves, partially offset by a $39 million favorable litigation settlement. 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 $607 million for the first nine months of 1996, compared with $21 million for the same period of 1995. Capital expenditures were $780 million in 1996, including $510 million in oil and gas, $102 million in natural gas transmission and $154 million in chemical. Capital expenditures were $606 million in 1995, including $374 million in oil and gas, $93 million in natural gas transmission and $132 million in chemical. The increase in 1996 from 1995 reflected higher spending in oil and gas, primarily in Peru and Qatar. Net proceeds from the sale of businesses and disposals of property, plant and equipment for the first nine months of 1996 totaled $237 million, which primarily reflected the proceeds from the sale of Occidental's royalty interest in the Congo and an on-shore drilling and well servicing subsidiary. Net proceeds from the sale of businesses and disposals of property, plant and equipment for the first nine months of 1995 totaled $640 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 $1,028 million in the first nine months of 1996, compared with $894 million for the same period of 1995. The 1996 amount reflected net cash used of $747 million to reduce short-term and long-term debt, net of proceeds from borrowings, primarily for the redemptions of the 11.75% Senior Debentures and the 9.625% Senior Notes, and the payment of dividends of $309 million. In 1995, repayments of debt, net of proceeds from borrowings, resulted in net cash used of $630 million to reduce long-term debt. Additionally, dividend payments were $303 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 September 30, 1996, Occidental's working capital was a negative $150 million, compared with a negative $138 million at December 31, 1995. Available but unused lines of committed bank credit totaled approximately $2.0 billion at September 30, 1996, compared with $2.6 billion at December 31, 1995.

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

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

Current maturities of senior funded debt and capital lease liabilities decreased primarily 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 notes receivable of 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.

In August 1996, Occidental acquired three specialty chemical operations--Laurel Industries, Inc., Natural Gas Odorizing, Inc. and a plant from Power Silicates Manufacturing, Inc.--in three separate transactions for approximately $146 million, of which approximately $127 million was in Occidental common stock.

On November 4, 1996, Occidental redeemed all of the outstanding $150 million principal amount of its Floating Rate Senior Notes which were due November 4, 1999 at a redemption price of 100% of the principal amount, and the notes were replaced with lower-cost debt.

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 September 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 291 Superfund or comparable state sites. (This number does not include 65 sites where Occidental has been successful in resolving its involvement.) The 291 sites include 80 former Diamond Shamrock Chemical sites as to which Maxus Energy Corporation has retained all liability, and 2 sites at which the extent of such retained liability is disputed. Of the remaining 209 sites, Occidental has had no communication or activity with government agencies or other PRPs in three years at 38 sites, has denied involvement at 33 sites and has yet to determine involvement in 24 sites. With respect to the remaining 114 of these sites, Occidental is in various stages of evaluation. For 104 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 104 sites include 37 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 114 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, Item 1 of Part II of Occidental's Quarterly Report on Form 10-Q for the quarterly period ended March 31 and June 30, 1996 and Note 10 to the consolidated condensed financial statements in Part I hereof.

ENVIRONMENTAL PROCEEDINGS

On September 30, 1996, the Environmental Protection Agency filed an administrative Complaint against Natural Gas Odorizing, Inc., which was recently acquired by Occidental, alleging failure to file during 1994 an Inventory Update Report under the Toxic Substance Control Act regarding its facility in Baytown, Texas and proposing a "civil" penalty of $136,000. A settlement conference has been tentatively scheduled.

On October 1, 1996, the West Virginia Division of Environmental Protection filed a civil action in the Circuit Court, Kanawha County, West Virginia against Occidental Chemical Corporation (OCC) alleging numerous violations of hazardous waste management regulations at its Belle Plant from October 1994 to September 1995. The Complaint seeks civil penalties of $25,000 per day and injunctive relief requiring correction of the alleged violations. OCC will contest the allegations and proposed civil penalties.

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

(a) Exhibits

10.1 Agreement, dated September 9, 1996, between Occidental and David R. Martin

10.2 Occidental Petroleum Corporation 1988 Deferred Compensation Plan (as amended and restated effective as of January 1, 1996)

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

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

27 Financial data schedule for the nine month period ended September 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 September 30, 1996, Occidental filed the following Current Reports 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

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

1. Current Report on Form 8-K dated October 17, 1996 (date of earliest event reported), filed on October 18, 1996, for the purpose of reporting, under Item 5, Occidental's results of operations for the quarter ended September 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: November 13, 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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EXHIBIT 10.1

THIS AGREEMENT is entered into on this 9th day of September, 1996, by and between Occidental Petroleum Corporation, a Delaware corporation ("Oxy"), and Mr. David R. Martin ("Mr. Martin").

WHEREAS, Mr. Martin has been employed as a full-time employee rendering services to Oxy and its affiliates pursuant to the terms and conditions of an Employment Agreement, dated January 1, 1996 (the "Employment Agreement"), and

WHEREAS, Mr. Martin has notified Oxy that he desires to retire from his executive and board positions with Oxy and its affiliates, and the parties are each willing to terminate the Employment Agreement, while concurrently providing for the availability of Mr. Martin as a source of information with respect to the business affairs and operations of Oxy and its affiliates wherein he has knowledge,

NOW, THEREFORE, in consideration of the mutual covenants contained in this Agreement and other good and valuable consideration had and received, the sufficiency of which is hereby acknowledged by the parties hereto, the parties agree as follows:

1. Mr. Martin's retirement from his executive and board positions with Oxy and its affiliates will be accepted, and the Employment Agreement shall hereby be terminated.

2. Mr. Martin shall make himself available, as Oxy may from time to time request in writing, on reasonable notice, as a source of information to Oxy with respect to the business affairs and operations of Oxy and its affiliates wherein he has knowledge for a term (the "TERM") commencing on September 12, 1996 and ending on December 31, 2000. Mr. Martin shall make himself

available for such services in Bakersfield and/or Los Angeles and at other places as Oxy may from time to time request.

3. Mr. Martin shall not receive any bonus for the calendar year 1996, but shall receive a payment of 50% of his current annual base salary in full satisfaction of any incentive compensation claim. During the TERM and thereafter, Mr. Martin shall not be entitled to participate in any incentive compensation plan of Oxy and/or its affiliates. No vacation time is currently due, and none shall accrue during the TERM or thereafter. Mr. Martin may purchase his office furniture and personal office equipment at book value.

4. During the TERM, Oxy shall compensate Mr. Martin (a) at his current annual base salary, which shall be payable in semi-monthly payments, for the three-year period commencing September 12, 1996 and ending September 12, 1999, and (b) at the annual rate of $20,000.00, which shall also be payable in semi-monthly payments, for the balance of the TERM (i.e., September 12, 1999 through December 31, 2000). Mr. Martin shall also be reimbursed for his actual and reasonable expenses incurred in the performance of any services hereunder at the written request of Oxy.

5. While Mr. Martin is being compensated in accordance with the provisions of this Agreement, Mr. Martin shall not act in a disloyal manner inimical to Oxy or accept employment with, or act as a consultant for, or perform services for any person, firm or corporation engaged in any business competitive with Oxy without the prior written consent of Oxy.

6. During the TERM:

(a) Oxy shall continue Mr. Martin as a participant in all employee benefit (NOT incentive) plans and programs in which he currently participates, determined according to his annual remuneration hereunder except for life insurance which shall be determined according to his current remuneration, except for the following: the Oxy Short-Term Disability Plan, the Oxy Long-Term Disability Plan, and the Oxy Occupational Accidental Death and Dismemberment Plan; and

(b) Mr. Martin shall continue to be eligible to exercise any outstanding stock options and stock grants previously awarded to him under Oxy's Stock Option and Purchase Plans as and when provided for under such plans and agreements. At the conclusion of the TERM, the period to exercise any remaining options and grants shall be governed by the provisions of such Plans.

7. Mr. Martin shall not, without the prior written consent and approval of Oxy, divulge to any person, firm or corporation, nor use to the detriment of Oxy or any of its subsidiaries, nor use in any business, venture, or any organization of any kind, or in any process of manufacture, production or mining, at any time during the TERM or thereafter:

(a) any trade secrets or confidential information, including all graphic material, forms, documents, data and information developed, acquired, disclosed to, or used by Mr. Martin in the prior performance of his services for Oxy or its affiliates; or

(b) any confidential information concerning inventions, discoveries, improvements, methods, technology, business plans, environmental plans, procedures and practices, enterprises, exploration, mining or drilling information, manufacturing information, plant design, location or operation; or

(c) any other confidential information affecting the business or operation of Oxy or its affiliates, obtained during the course of Mr. Martin's employment by Oxy or its affiliates.

8. Mr. Martin agrees that, at the commencement of the TERM, he will deliver to Oxy (and will not keep or deliver to anyone else) any and all notes, notebooks, memoranda, documents and, in general, any and all material in his possession or control relating to the confidential business affairs of Oxy or its affiliates, except as the parties shall specifically agree in writing are to be retained by him, and that thereafter he will keep in strictest confidence (and will not deliver to anyone else) any and all notes, notebooks, memoranda, documents and, in general, any and all material in his possession or control relating to the confidential business affairs of Oxy or its affiliates.

9. (a) Mr. Martin does hereby and forever release and discharge Oxy and the past and present parent, subsidiary and affiliated corporations of Oxy as well as the successors, shareholders, officers and directors of corporate shareholders, officers, directors, heirs, predecessors, assigns, agents, employees, attorneys and representatives of each of them, past and present, from any and all cause or causes of action, actions, judgments, liens, indebtedness, damages, losses, claims, liabilities, and demand of whatsoever kind or character, known or unknown, suspected to exist or not suspected to exist, anticipated or not anticipated, whether or not heretofore brought before any state or federal court or before any state or federal

agency or other governmental entity, whether statutory or common law, including without limitation on the generality of the foregoing, any and all claims, demands or causes of action attributable to, connected with, or incidental to the employment of Mr. Martin by Oxy, the separation of that employment and any dealings between the parties concerning Mr. Martin's employment or any other matter existing prior to the date of execution of this Agreement, excepting only those obligations to be performed hereunder and the obligations of Oxy under the Indemnification Agreement, dated as of April 26, 1996, between Oxy and Mr. Martin (the "Indemnification Agreement") which shall remain in full force and effect. This release is intended to apply to any claims arising from federal, state or local laws which prohibit discrimination on the basis of race, national origin, sex, religion, age, marital status, pregnancy, handicap, perceived handicap, ancestry, sexual orientation, family or personal leave or any other form of discrimination, or any common law claims of any kind, including, but not limited to, breach of privacy, misrepresentation, defamation, wrongful termination, tortious infliction of emotional distress, loss of consortium and breach of fiduciary duty, violation of public policy and any other common law claim of any kind whatever, any claims for severance pay, sick leave, family leave, vacation, bonuses or incentive compensation; provided however, that Mr. Martin represents that he is not aware of any workers compensation claims by him, and that this release does not apply to any of Mr. Martin's rights or claims, past, present or future, under any of Oxy's benefit plans in which he currently participates.

(b) Mr. Martin specifically waives the benefits of the provisions of Section 1542 of the Civil Code of the State of California and any other analogous state or federal law or regulation. Said Section 1542 of the California Civil Code reads as follows:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM MUST HAVE MATERIALLY AFFECTED HIS SETTLEMENT WITH THE DEBTOR.

10. If Mr. Martin should become disabled, or if he should die, before the expiration of the TERM, all payments which were to be made to him hereunder shall be payable to him, or to his estate, as the case may be, when and as due hereunder, notwithstanding the cessation of his services hereunder.

11. As of the effective date hereof, any other then existing employment agreement, oral or written, between Mr. Martin and Oxy shall be deemed to be terminated and of no further force or effect. Mr. Martin hereby resigns as a director of Oxy and Canadian Occidental Petroleum Ltd., as Executive Vice President of Oxy, as President and Chief Executive Officer of Occidental Oil and Gas Corporation and from each other office or directorship (if any) in which he serves Oxy or any of its subsidiary or affiliated companies.

12. In the event Mr. Martin is a witness or a defendant in any legal proceeding as a result of his previous or future services to Oxy or parent, subsidiary and affiliated corporations of Oxy, or incurs legal expenses in connection therewith, Oxy agrees to indemnify and defend Mr. Martin in the same manner and subject to the same conditions as if Mr. Martin had remained an officer and employee of Oxy, and to provide Mr. Martin with mutually acceptable legal representation of his choice if same is reasonably necessary or appropriate under the circumstances, in each case to the extent authorized under Oxy's by-laws, Delaware law and the Indemnification Agreement.

13. In the event of any dispute arising out of this Agreement, Mr. Martin's services to Oxy or its affiliates or any other matter between the parties, Mr. Martin and Oxy agree that any such dispute shall be decided exclusively by confidential neutral binding arbitration conducted in Los Angeles, California, in accordance with the then current rules of the American Arbitration Association. In the event the parties are unable to agree upon an arbitrator, they shall select from a list of seven arbitrators designated by the American Arbitration Association; four shall be retired judges of the Superior or Appellate Courts resident in Los Angeles, California, and three shall be members of the National Academy of Arbitrators resident within Los Angeles, California. This agreement to resolve any disputes by binding arbitration shall extend to claims against the parent of Oxy, any brother-sister company, subsidiary or affiliates of Oxy, any officers, directors, employees, or agents of Oxy and shall apply as well, to the full extent permitted by law, to claims arising out of state and federal statutes and local ordinances as well as to claims arising under the common law.

14. The waiver given below is given only in exchange for consideration in addition to anything of value to which Mr. Martin is already entitled. The waiver set forth below does not waive rights or claims which may arise after the date of execution of this Agreement. Mr. Martin acknowledges that this entire Agreement is written in a manner calculated to be understood by Mr. Martin, by reviewing this Agreement or drafts thereof he has been advised in writing to consult with an attorney before executing this Agreement and he was given a number of days within which to consider the Agreement. In addition to the release set forth in Paragraph 9(a) hereof, Mr. Martin hereby voluntarily and knowingly waives all rights or claims arising under the Federal Age Discrimination in Employment Act.

15. This Agreement cannot be modified except by a writing signed by both parties.

16. This Agreement shall be binding upon Mr. Martin, his heirs, executors and assigns and upon Oxy, its successors and assigns.

17. This Agreement shall be governed by, and construed in accordance with, the laws of the State of California, except as otherwise expressly provided herein.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed the day and year first hereinabove written.

Oxy: Occidental Petroleum Corporation

By RICHARD W. HALLOCK

Name: Richard W. Hallock
Title: Executive Vice President

Mr. Martin: D. R. MARTIN

David R. Martin

EXHIBIT 10.2

OCCIDENTAL PETROLEUM CORPORATION

1988 DEFERRED COMPENSATION PLAN

(Amended and Restated Effective as of January 1, 1996)

OCCIDENTAL PETROLEUM CORPORATION
1988 DEFERRED COMPENSATION PLAN
(Amended and Restated Effective as of January 1, 1996)

ARTICLE I
PURPOSE

The purpose of this 1988 Deferred Compensation Plan (the "Plan") is to provide a tax-advantaged way for key management and other highly compensated employees of Occidental Petroleum Corporation and its Affiliates to accumulate additional income for retirement or planned savings for future needs.

ARTICLE II
DEFINITIONS AND CERTAIN PROVISIONS

Affiliate. "Affiliate" means any corporation which is controlled by or under common control with Occidental Petroleum Corporation.

Base Salary. "Base Salary" means a Participant's annual base salary, excluding Bonus, all severance allowances, forms of incentive compensation, any Savings Plan, Retirement Plan or other Company qualified plan contributions or benefits, retainers, insurance premiums or benefits, reimbursements, and all other payments, prior to reduction for any deferrals under this Plan or any other plan of the Company or reductions under the Company's Savings Plan sanctioned by Section 401(k) of the Internal Revenue Code.

Beneficiary. "Beneficiary" means the person or persons designated as such in accordance with Article VI.

Board. "Board" means the Board of Directors of the Company.

Bonus. "Bonus" means the bonus awarded to a Participant during the Plan Year in question prior to reduction for any deferral under this Plan or any other plan of the Company.

Committee. "Committee" means the administrative committee appointed to administer the Plan pursuant to Article III.

Company. "Company" means Occidental Petroleum Corporation, or any successor thereto, and any Affiliates.

Company Management. "Company Management" means the Chairman of the Board, President or any Executive Vice President of Occidental Petroleum Corporation.

Declared Rate. "Declared Rate" with respect to any Plan Year means the interest rate which will be credited on Deferral Accounts for such Plan Year. The Declared Rate for each Plan Year prior to 1994 was determined by the Committee in its complete and sole discretion. The Declared Rate for the 1994 and 1995 Plan Years was equal to (A) the average interest rate of five-year United States Treasury Notes during the last five trading days of September preceding the applicable Plan Year plus (B) one percent (1%). The Declared Rate for each Plan Year commencing in 1996 and thereafter will be equal to (A) the average interest rate of five-year United States Treasury Notes during the last five trading days of September preceding the applicable Plan Year plus (B) two percent (2%). The Declared Rate will be announced on or before January 1 of the applicable Plan Year. Notwithstanding the foregoing, the Declared Rate on Deferral Amounts which were earned and deferred prior to 1994 (including bonuses which were earned for 1993), together with accumulated interest thereon, will in no event be less than eight percent (8%) for any Plan Year. Accordingly, the Declared Rate for any Plan Year commencing in 1994 or thereafter may be different for Deferral Amounts which were earned and deferred prior or subsequent to January 1, 1994. The Company reserves the right to change the Declared Rate at any time, but only on a prospective basis; provided that Deferral Amounts which were earned and deferred prior to 1994 will continue to be credited with interest at not less than eight percent (8%) per annum.

Deferral Account. "Deferral Account" means the account maintained on the books of account of the Company for each Participant pursuant to Article IV.

Deferral Amount. "Deferral Amount" means an amount of a Participant's Base Salary or Bonus which is deferred under this Plan.

Disability. "Disability" means a condition that qualifies as a disability under the Company's Retirement Plan and which has continued for more than six (6) months and has been approved by the Committee.

Early Payment Benefit. "Early Payment Benefit" means the payment to a Participant of part or all of his Deferral Account on an Early Payment Date prior to Retirement pursuant to Section 5.5.

Early Payment Date. "Early Payment Date" means any date prior to Retirement on which a Participant elects to receive an Early Payment Benefit pursuant to Section 5.5.

Election Form. "Election Form" means an Eligible Employee's written election to defer Base Salary and/or Bonus in accordance with Article IV.

Eligible Employee. "Eligible Employee" means each key management or other highly compensated employee of the Company who is selected by Company Management to participate in the Plan.

Emergency Benefit. "Emergency Benefit" means the payment to a Participant of part or all of his Deferral Account in the event that the Participant has an unforeseeable financial emergency pursuant to Section 5.6.

Enrollment Agreement. "Enrollment Agreement" means the written agreement entered into by the Company and an Eligible Employee pursuant to which the Eligible Employee becomes a Participant in the Plan. In the sole discretion of the Company, Election Forms filed by any Participant by which the Participant makes the elections provided for by this Plan may be treated as a completed and fully executed Enrollment Agreement for all purposes under the Plan.

Participant. "Participant" means an Eligible Employee who has filed a completed and fully executed Enrollment Agreement with the Committee and is participating in the Plan in accordance with the provisions of Article IV.

Plan Year. "Plan Year" means the calendar year beginning January 1 and ending December 31.

Retirement. "Retirement" means termination of a Participant's employment with the Company for reasons other than death after the Participant attains age 55 and completes five (5) Years of Service.

Retirement Benefit. "Retirement Benefit" means the payment to a Participant of the Participant's Deferral Account following Retirement pursuant to Section 5.1.

Retirement Plan. "Retirement Plan" means the Occidental Petroleum Corporation Retirement Plan, as amended from time to time.

Retirement Plan Augmentation Account. "Retirement Plan Augmentation Account" means the account maintained on the books of account of the Company for each affected Participant pursuant to Section 5.7.

Retirement Plan Augmentation Benefit. "Retirement Plan Augmentation Benefit" means the payment to a Participant of the Participant's Retirement Plan Augmentation Account pursuant to Section 5.7.

Savings Plan. "Savings Plan" means the Occidental Petroleum Corporation Savings Plan, as amended from time to time.

Savings Plan Augmentation Account. "Savings Plan Augmentation Account" means the account maintained on the books of account of the Company to reflect Savings Plan augmentation contributions made by the Company pursuant to Section 4.5.

Service. "Service" means the period of time during which an employment relationship exists between a Participant and the Company, including the period of time such relationship existed prior to the time when the employee in question became a Participant.

Termination Benefit. "Termination Benefit" means the payment to a Participant of the Participant's Deferral Account on account of his termination of employment other than due to Retirement, Disability or death pursuant to Section 5.2.

Termination Event. "Termination Event" means:

(a) the dissolution or liquidation of the Company;

(b) the reorganization, merger or consolidation of the Company with one or more corporations as a result of which the Common Stock of the Company is exchanged for or converted into cash or property or securities not issued by the Company, unless the reorganization, merger or consolidation shall have been affirmatively recommended to the Company's stockholders by a majority of the members of the Company's Board of Directors;

(c) the acquisition of substantially all of the property or of more than thirty-five percent (35%) of the voting power of the Company by any person or entity;

(d) the occurrence of any circumstance having the effect that directors who were nominated for election as directors by the Nominating Committee of the Company's Board of Directors shall cease to constitute a majority of the authorized number of directors of the Company;

(e) the dissemination to the stockholders of the Company of a proxy statement seeking stockholder approval of a Termination Event of the type described in (b) above; or

(f) the publication or dissemination of an announcement of an action intended to result in a Termination Event of the type described in (c) or (d) above.

Years of Service. "Years of Service" means the number of full years credited to a Participant under the Retirement Plan for vesting purposes.

ARTICLE III
ADMINISTRATION OF THE PLAN

An administrative committee shall be appointed by the Company's Chief Executive Officer to administer the Plan and establish, adopt, or revise such rules and regulations as the Committee may deem necessary or advisable for the administration of the Plan and to interpret the provisions of the Plan, and, except as otherwise indicated herein, any such interpretations shall be conclusive. All decisions of the Committee shall be by vote of at least two of the Committee members and shall be final. Members of the Committee shall be eligible to participate in the Plan while serving as members of the Committee, but a member of the Committee shall not vote or act upon any matter which relates solely to such member's interest in the Plan as a Participant.

ARTICLE IV
PARTICIPATION

4.1 Election to Participate. An Eligible Employee may elect to participate in the Plan by filing a completed and fully executed Enrollment Agreement with the Committee. An Eligible Employee may thereafter elect to defer annual Base Salary and/or Bonus under the Plan for any Plan Year by filing a completed and fully executed Election Form with the Committee prior to the beginning of such Plan Year or at such other time as the Committee may permit. Various deferral options will be made available to Eligible Employees under the Plan, subject to such limitations and conditions as the Committee may impose, from time to time, in its complete and sole discretion. Unless otherwise authorized by the Committee, a separate Election Form will be required for each Plan Year, and the Election Form will designate the Deferral Amounts as a fixed dollar amount (in increments of $1,000) for Base Salary and/or (A) a fixed percentage of bonus (in increments of 10%) or (B) 100% of the remainder of any bonus above a specified dollar amount, as elected by the Participant. Deferrals of Base Salary will normally be deducted ratably during the Plan Year. In its sole discretion, the Committee may also permit amounts which an Eligible Employee has previously elected to defer under other plans or agreements with the Company to be transferred to this Plan and credited to his Deferral Account which is maintained hereunder. With the consent of the Committee, a Participant may revoke a deferral election with respect to amounts not yet deferred and credited to his Deferral Account, provided that the Participant will not be permitted to participate in the next enrollment period under the Plan and will be precluded from electing to make new deferrals under the Plan for a minimum period of one year (or such lesser period as the Committee may permit) following the revocation of his deferral election.

(a) Minimum Deferral. The minimum deferral for any Plan Year shall be (i) Five Thousand U.S. Dollars (U.S. $5,000.00) for Base Salary and (ii) ten percent (10%) for Bonus.

(b) Maximum Deferral. The maximum deferral for any Plan Year shall be (i) seventy-five percent (75%) for Base Salary and (ii) one hundred percent (100%) for Bonus.

4.2 Deferral Accounts. The Committee shall establish and maintain a separate Deferral Account for each Participant. A Deferral Amount shall be credited by the Company to the Participant's Deferral Account no later than the first day of the month following the month in which the Participant's Base Salary or Bonus would otherwise have been paid. Such Deferral Account shall be debited by the amount of any payments made by the Company to the Participant or the Participant's Beneficiary therefrom.

4.3 Interest. Each Deferral Account of a Participant shall be deemed to bear interest on the balance from month-to-month in such Deferral Account at the Declared Rate for each Plan Year, compounded monthly, from the date such Deferral Account was established through the date of complete distribution of the Deferral Account. Interest will be credited to each Deferral Account on a monthly basis on the last day of each month.

4.4 Valuation of Accounts. The value of a Deferral Account as of any date shall equal the amounts theretofore credited to such account less any payments debited to such account plus the interest deemed to be earned on such account in accordance with Section 4.3 through the end of the preceding month. When payments are made from a Deferral Account for any reason, such payments shall be deemed to be made on a proportionate or pro-rata basis from Deferral Amounts (including accumulated interest thereon) which were earned and deferred prior and subsequent to January 1, 1994.

4.5 Savings Plan Augmentation Contribution. For each Plan Year, the Company shall credit to the Savings Plan Augmentation Account of any Participant an amount equal to the amount by which the contribution that would otherwise have been made by the Company to the Savings Plan for such Plan Year is reduced by reason of the reduction in the Participant's Base Salary for such Plan Year under this Plan. The Savings Plan augmentation contribution shall be credited to the Savings Plan Augmentation Account for each Plan Year at the same time as the Company contribution for such Plan Year is made to the Savings Plan. A Participant's interest in any credit to his Savings Plan Augmentation Account and earnings thereon shall vest at the same rate and at the same time as would have been the case had such contribution been made to the Savings Plan. Interest will be credited on a Savings Plan Augmentation Account at the same rate and in the same manner as if it were a Deferral Account in accordance with Section 4.3.

Upon death, Disability, Retirement or other termination of employment, the vested portion of the Participant's Savings Plan Augmentation Account shall be paid to the Participant (or his Beneficiary in the event of the Participant's death) in a single lump sum during the first 90 days of the year following such event.

4.6 Statement of Accounts. The Committee shall submit to each Participant, within 120 days after the close of each Plan Year, a statement in such form as the Committee deems desirable setting forth the balance standing to the credit of each Participant in each of his Deferral Accounts and his Savings Plan Augmentation Account.

ARTICLE V
BENEFITS

5.1 Retirement Benefit. Upon Retirement, the Company shall pay to the Participant with respect to his Deferral Account an annual amount for fifteen (15) years beginning in the year following his Retirement, the sum of which payments shall equal (a) the value of the Deferral Account determined under Section 4.4 as of the end of the year in which his Retirement occurs plus (b) the interest that will accrue on the unpaid balance in such Deferral Account during such fifteen year (15) period pursuant to Section 4.3 ("Retirement Benefit"). For each year after the initial Retirement Benefit payment is made, the annual Retirement Benefit payment shall be redetermined based upon the value of the Deferral Account at that time, plus the interest that will accrue pursuant to Section 4.3 for the remaining period of annual payments. A Participant may instead elect in his Enrollment Agreement to have the Retirement Benefit paid to him in annual payments for either five (5), ten (10) or twenty (20) years or in a single lump sum payment. The amount of any such annual payments shall be calculated in accordance with the principles stated in the preceding sentences. Annual payments will normally be made during the first 90 days of the year.

The Committee, in its sole discretion, may permit a Participant to change his election as to the form of payment upon written petition of the Participant. In order to be effective, a Participant's election (or modification or revocation of a prior election) of the form of payment of his Retirement Benefit must be made not later than 12 months before the Participant's Retirement, unless otherwise permitted by the Committee. Subject to the foregoing limitation, a Participant may make such election (or revoke a prior election and make a new election) at any time. Any election (or modification or revocation of a prior election) which is made later than 12 months prior to the Participant's Retirement will be considered void and shall have no force or effect, except as otherwise determined by the Committee.

5.2 Termination Benefit. If a Participant shall cease to be an employee of the Company for any reason other than Retirement, Disability or death, the Company shall pay to the Participant in one lump sum, except as provided in Section 5.5 for Early Payment Benefits, an amount (the "Termination Benefit") equal to the value of his Deferral Account; provided, however, at the sole discretion of the Committee, no lump sum shall be payable and, instead, the Company shall pay to the Participant an annual amount each year for a period not to exceed three years beginning in the year following his termination of employment, the sum of which payments shall equal (a) the value of the Deferral Account determined under Section 4.4 as of the end of the year in which he terminates employment plus (b) the interest that will accrue on the unpaid balance from month-to-month in such Deferral Account during such three year period at the Declared Rate, compounded monthly. Annual payments will normally be made during the first 90 days of the year.

5.3 Disability. If a Participant shall cease to be an employee of the Company prior to Retirement due to a Disability which continues for more than six (6) months, the Company shall pay to the Participant in one lump sum, except as provided in Section 5.5 for Early Payment Benefits, an amount equal to the value of his Deferral Account.

5.4 Survivor Benefits.

(a) If a Participant dies while employed with the Company prior to becoming eligible for Retirement, the Company will pay to the Participant's Beneficiary in one lump sum, except as provided in Section 5.5 for Early Payment Benefits, an amount equal to the value of the Participant's Deferral Account.

(b) If a Participant dies after becoming eligible for Retirement or after the commencement of payment of Retirement Benefits, the Company will pay to the Participant's Beneficiary the remaining installments of the Retirement Benefits which would have been payable to the Participant for the balance of the payment period elected by the Participant. If payments have not yet commenced, payments will commence in the year following the Participant's death, irrespective of when Retirement Benefit payments would have commenced if the Participant had survived.

5.5 Early Payment. A Participant may elect, in such manner as the Committee may permit in any Election Form, to receive part or all of the Deferral Amounts covered by such Election Form in a lump sum payment or installments ("Early Payment Benefit") commencing on a date prior to Retirement designated in such Election Form ("Early Payment Date").

The Early Payment Date on any Election Form may be any date which is at least two years after completion of deferral of the Deferral Amounts covered by such Election Form. If the Participant retires, terminates employment, becomes disabled or dies prior to commencement or completion of all Early Payment Benefits, all such elections made by the Participant to receive Early Payment Benefits shall continue in force. However, any such Early Payments Benefits which have not yet commenced shall commence in the year following such event. Annual payments will normally be made during the first 90 days of the year.

5.6 Emergency Benefit. In the event that the Committee, upon written petition of the Participant (or his Beneficiary, in the event of the Participant's death), determines, in its sole discretion, that the Participant or Beneficiary has suffered an unforeseeable financial emergency, the Company shall pay to the Participant, as soon as practicable following such determination, such amount up to the balance of his Deferral Account which is necessary to meet the emergency ("Emergency Benefit"). For purposes of this Plan, an unforeseeable financial emergency is an unexpected need for cash arising from an illness, casualty loss, divorce, sudden financial reversal, or other such unforeseeable occurrence. Cash needs arising from foreseeable events such as the purchase of a home or education expenses for children shall normally not be considered to be the result of an unforeseeable financial emergency.

5.7 Retirement Plan Augmentation Benefit. In addition to the other benefits provided for in this Article V, the Company shall pay a Retirement Plan Augmentation Benefit to Participants who have elected to defer a portion of their Base Salary in accordance with this Plan and thereby receive a reduced benefit under the Retirement Plan. To the extent not provided under any other plan of the Company, a credit shall be made to a Retirement Plan Augmentation Account established under this Plan for the Participant. The Committee shall determine the methods and procedures for computation and payment of the Retirement Plan Augmentation Benefit and shall have the right to amend or revise these methods and procedures from time to time, in its complete and sole discretion.

5.8 Immediate Payment on Termination Event. Upon petition of a Participant within sixty (60) days after any Termination Event or such other period as the Committee may permit, the Committee, in its sole discretion, may pay the balance of the Participant's Deferral Account to him immediately in a lump sum as a Termination Benefit pursuant to Section 5.2, irrespective of whether the Participant terminates or continues employment with the Company.

5.9 Small Benefit. In the event that the Committee determines, in its sole discretion, that the amount of any benefit is too small to make it administratively convenient to pay such benefit over time, the Committee may pay the benefit in a lump sum.

5.10 Lump Sum Payment With Penalty. Notwithstanding any other provisions of the Plan, a Participant or a Beneficiary of a deceased Participant may elect at any time to receive an immediate lump sum payment of all or part of the vested balance of his Deferral Account, reduced by a penalty, which shall be forfeited to the Company, equal to ten percent (10%) of the amount withdrawn from such Deferral Account, in lieu of payments in accordance with the form previously elected by the Participant.

Whenever a Participant receives a lump sum payment under this Section 5.10, the Participant will be deemed to elect to revoke all current deferral commitments under the Plan effective as of the date of the lump sum payment. The Participant will not be permitted to participate in the next enrollment period under the Plan and will be precluded from electing to make new deferrals under the Plan for a minimum period of one year (or such lesser period as the Committee may permit) following receipt of the lump sum payment.

5.11 Withholding; Unemployment Taxes. To the extent required by the law in effect at the time payments are made, the Company shall withhold from payments made hereunder the minimum taxes required to be withheld by the Federal or any state or local government.

ARTICLE VI
BENEFICIARY DESIGNATION

Each Participant shall have the right, at any time, to designate any person or persons as the Beneficiary to whom payments under this Plan shall be made in the event of the Participant's death prior to complete distribution to the Participant of the benefits due under the Plan. Each Beneficiary designation shall become effective only when filed in writing with the Committee during the Participant's lifetime on a form prescribed by the Committee. The filing of a new Beneficiary designation form will cancel any inconsistent Beneficiary designation previously filed.

If a Participant fails to designate a Beneficiary as provided above, or if all designated Beneficiaries predecease the Participant or die prior to complete distribution of the Participant's benefits, such benefits shall be paid in accordance with the Participant's Beneficiary designation under the Company's Retirement Plan, and if there is no such valid Beneficiary designation, to the Participant's then surviving spouse, or, if none, to the Participant's estate, until directed otherwise by the court that has jurisdiction over the assets belonging to the Participant's probate estate.

ARTICLE VII
AMENDMENT AND TERMINATION OF PLAN

7.1 Amendment. The Board may at any time amend the Plan in whole or in part for any reason, including but not limited to tax, accounting or other changes, which may result in termination of the Plan for future deferrals, provided, however, that no amendment shall be effective to decrease the benefits under the Plan payable to any Participant which have accrued prior to the date of such amendment. The Committee, in its discretion, may amend the Plan if it finds that such amendment does not significantly increase or decrease Plan benefits or costs.

7.2 Termination.

(a) Company's Right to Terminate. The Board or the Committee may at any time terminate the Plan, if in the Board's or the Committee's judgment, the continuance of the Plan would not be in the Company's best interest due to tax, accounting or other effects thereof, or potential payouts thereunder.

(b) Payments Upon Termination. Upon any termination of the Plan under this Section 7.2, the Board or Committee shall determine the date or dates of Plan distributions to the Participants, which date or dates shall not be later than the date or dates on which the Participants or their Beneficiaries would otherwise receive benefits hereunder. Deferral Amounts shall prospectively cease to be deferred as of the date determined by the Board or Committee.

ARTICLE VIII
MISCELLANEOUS

8.1 Unsecured General Creditor. The rights of a Participant, Beneficiary, or their heirs, successors, and assigns, as relates to any Company promises hereunder, shall not be secured by any specific assets of the Company, nor shall any assets of the Company be designated as attributable or allocated to the satisfaction of such promises.

8.2 Trust Fund. The Company shall be responsible for the payment of all benefits provided under the Plan. At its discretion, the Company may establish one or more trusts, with such trustees as the Board or Committee may approve, for the purpose of providing for the payment of such benefits. Such trust or trusts may be irrevocable, but the assets thereof shall be subject to the claims of the Company's creditors. To the extent any benefits provided under the Plan are actually paid from any such trust, the Company shall have no further obligation with respect thereto, but to the extent not so paid, such benefits shall remain the obligation of, and shall be paid by, the Company.

8.3 Nonassignability. Neither a Participant nor any other person shall have any right to commute, sell, assign, transfer, pledge, anticipate, mortgage or otherwise encumber, hypothecate or convey in advance of actual receipt the amounts, if any, payable hereunder, or any part thereof, or interest therein which are, and all rights to which are, expressly declared to be unassignable and non-transferable. No part of the amounts payable shall, prior to actual payment, be subject to seizure or sequestration for the payment of any debts, judgments, alimony or separate maintenance owed by a Participant or any other person, nor be transferable by operation of law in the event of a Participant's or any other person's bankruptcy or insolvency.

8.4 Employment Not Guaranteed. Nothing contained in this Plan nor any action taken hereunder shall be construed as a contract of employment or as giving any Participant any right to be retained in employment with the Company. Accordingly, subject to the terms of any written employment agreement to the contrary, the Company shall have the right to terminate or change the terms of employment of a Participant at any time and for any reason whatsoever, with or without cause.

8.5 Obligations to Company. If a Participant becomes entitled to a distribution of benefits under the Plan, and if at such time the Participant has outstanding any debt, obligation, or other liability representing an amount owing to the Company, then the Company may offset such amount owed to it against the amount of benefits otherwise distributable. Such determination shall be made by the Committee.

8.6 Gender, Singular & Plural. All pronouns and any variations thereof shall be deemed to refer to the masculine or feminine as the identity of the person or persons may require. As the context may require, the singular may be read as the plural and the plural as the singular.

8.7 Captions. The captions of the articles, sections, and paragraphs of the Plan are for convenience only and shall not control or affect the meaning or construction of any of its provisions.

8.8 Validity. In the event any provision of this Plan is held invalid, void, or unenforceable, the same shall not affect, in any respect whatsoever, the validity of any other provision of this Plan.

8.9 Notice. Any notice or filing required or permitted to be given to the Committee under the Plan shall be sufficient if in writing and hand delivered, or sent by registered or certified mail, to the principal office of the Company, directed to the attention of the Company's Executive Vice President, Human Resources. Such notice shall be deemed given as to the date of delivery or, if delivery is made by mail, as of the date shown on the postmark on the receipt for registration or certification.

8.10 Applicable Law. The Plan shall be governed and construed in accordance with the laws of the State of California.

Executed on October 28, 1996, in the City and County of Los Angeles, State of California.

OCCIDENTAL PETROLEUM CORPORATION

By RICHARD W. HALLOCK

Authorized Officer of
Occidental Petroleum Corporation

Its EVP, Human resources

Attest:

By R. DELMON TURNS

Its Corporate Manager - Compensation

EXHIBIT 11

OCCIDENTAL PETROLEUM CORPORATION AND SUBSIDIARIES

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

EARNINGS PER COMMON AND COMMON EQUIVALENT SHARE	Three Months Ended September 30 1996	Three Months Ended September 30 1995	Nine Months Ended September 30 1996	Nine Months Ended September 30 1995
Earnings(loss) applicable to common stock	$ 171,146	$ 116,305	$ 439,885	$ 434,798
Common shares outstanding at beginning of period	323,015	318,185	318,711	316,853
Issuance of common shares, weighted average	2,081	206	3,062	877
Conversions, weighted average options exercised and other	4	9	307	210
Repurchase/cancellation of common shares	(36)	(18)	(86)	(58)
Effect of assumed exercises				
Dilutive effect of exercise of options outstanding and other	285	211	358	165
Weighted average common stock and common stock equivalents	325,349	318,593	322,352	318,047
Primary earnings per share:				
Income before extraordinary gain(loss), net	$ .53	$ .36	$ 1.46	$ 1.37
Extraordinary gain(loss), net	--	--	(.09)	--
Earnings(loss) per common and common equivalent share	$ .53	$ .36	$ 1.37	$ 1.37

FULLY DILUTED EARNINGS PER SHARE				
Earnings (loss) applicable to common stock	$ 171,146	$ 116,305	$ 439,885	$ 434,798
Dividends applicable to dilutive preferred stock:				
$3.875 preferred stock(a)	14,634	--	43,903	43,903
$3.00 preferred stock(a)	8,542	8,542	25,624	25,624
	$ 194,322	$ 124,847	$ 509,412	$ 504,325
Common shares outstanding at beginning of period	323,015	318,185	318,711	316,853
Issuance of common shares, weighted average	2,081	206	3,062	877
Conversions, weighted average options exercised and other	4	9	307	210
Repurchase/cancellation of common shares	(36)	(18)	(86)	(58)
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)	27,958	27,890	27,958	27,890
Dilutive effect of exercise of options outstanding and other	285	211	445	233
Total for computation of fully diluted earnings per share	386,493	346,483	383,583	379,191
Fully diluted earnings per common share:				
Income before extraordinary gain(loss), net	$ .50	$ .36	$ 1.41	$ 1.33
Extraordinary gain(loss), net	--	--	(.08)	--
Fully diluted earnings(loss) per common share	$ .50	$ .36	$ 1.33	$ 1.33

(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)

	Nine Months Ended September 30		Year Ended December 31				
	1996	1995	1995	1994	1993	1992	1991
Income(loss) from continuing operations(a)	$ 525	$ 517	$ 478	$ (46)	$ 80	$ 131	$ 374
Add:							
Provision(credit) for taxes on income (other than foreign oil and gas taxes)	169	252	244	50	204	114	343
Interest and debt expense(b)	384	446	592	594	601	666	880
Portion of lease rentals representative of the interest factor	32	41	48	55	53	56	57
Preferred dividends to minority stockholders of subsidiaries(c)	--	--	--	--	--	7	11
	585	739	884	699	858	843	1,291
Earnings before fixed charges	$ 1,110	$ 1,256	$ 1,362	$ 653	$ 938	$ 974	$ 1,665
Fixed charges							
Interest and debt expense including capitalized interest(b)	$ 391	$ 454	$ 602	$ 599	$ 612	$ 685	$ 912
Portion of lease rentals representative of the interest factor	32	41	48	55	53	56	57
Preferred dividends to minority stockholders of subsidiaries(c)	--	--	--	--	--	7	11
Total fixed charges	$ 423	$ 495	$ 650	$ 654	$ 665	$ 748	$ 980
Ratio of earnings to fixed charges	2.62	2.54	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 SEPTEMBER 30, 1996, AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS.

1,000,000

9-MOS
DEC-31-1996
SEP-30-1996
135
0
728
22
610
2,011
23,062
9,268
17,334
2,161
4,821
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3,678
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7,765
8,067
5,870
5,870
172
0
375
807
332
539
0
(30)
0
509
1.37
1.33