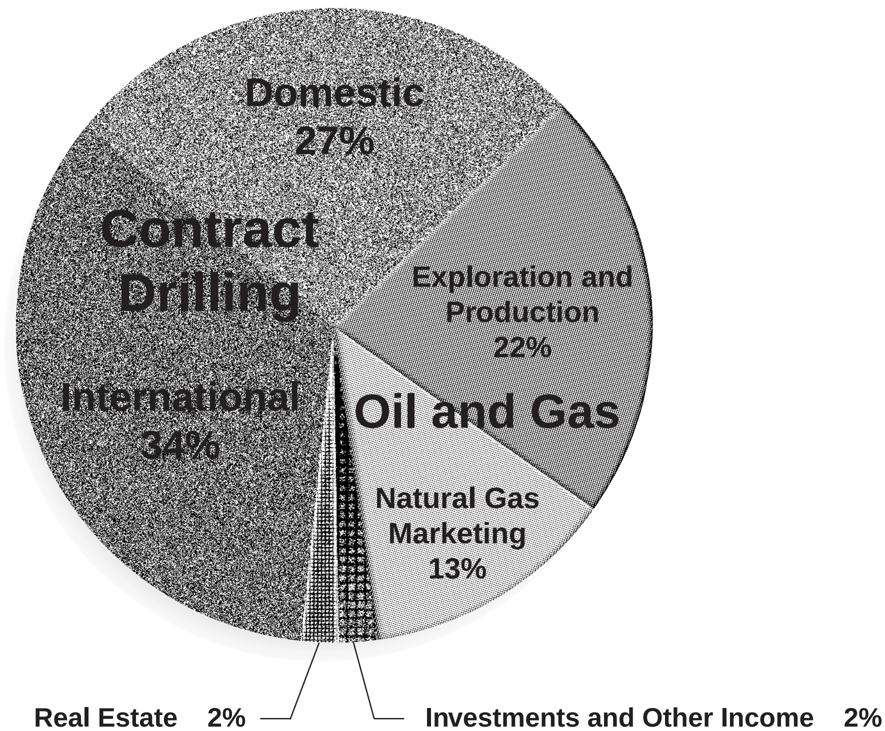
Helmerich & Payne, Inc. Annual Report for 1997

Revenue Breakdown for 1997



Financial Highlights

Years Ended September 30,	**1997**	1996
Revenues	**$ 517,859,000**	$ 393,255,000
Income from Continuing Operations	**$ 84,186,000**	$ 45,426,000
Income per Share from Continuing Operations	**$ 1.69**	$ .92
Net Income	**$ 84,186,000**	$ 72,566,000
Net Income Per Share	**$ 1.69**	$ 1.47
Dividends Paid Per Share	**$ .26**	$ .2525
Capital Expenditures	**$ 159,578,000**	$ 109,747,000
Total Assets	**$ 1,033,595,000**	$ 821,914,000

President's Letter

To the Co-owners of Helmerich & Payne, Inc.

During 1997, Americans achieved the dubious distinction of bearing the heaviest tax burden in our country's history. Compounding the confiscatory levels of taxation is the complexity and confusion a taxpayer faces in figuring out some seven million words of tax law. Again this year, we will spend over five billion hours and 225 billion dollars simply preparing our tax returns. Senator Don Nickles commented, "The present tax code is about 10 times longer than the Bible, a lot more complicated and, unlike the Bible, contains no good news."

In fact, it is bad news when the average American family shells out more for taxes than for food, clothing, shelter, and transportation combined. It is bad news when that same family's savings and stock market holdings are punished through double and triple taxation; first from a layer of corporate taxes with rates up to 35 percent, then again the same dollar is taxed as high as 39.6 percent when received as a dividend. Finally, as those investments share in asset value growth, they are subjected to another bite through a capital gains tax.

It is more bad news when the American family is betrayed by their elected representatives and the tax code becomes an exclusive feeding trough of special-interest politics. Business and union campaign contributions are too often rewarded by loopholes and favored tax treatment.

We have arrived at the place where injury has been inflicted beyond the sizable pocketbook damage. Harm has also fallen upon the great American spirit of enterprise. This great engine of creativity, innovation, entrepreneurial risk taking, and diligence has produced an unprecedented record of accomplishment, but is forced to labor under heavy disincentives.

What repair can be made to a tax system that holds fundamental property rights in such low esteem and disregards the basic liberty to keep and dispose of the fruit of one's labor and intellect?

The New York Times expressed early concerns with the new income tax all the way back in 1909, predicting, "When men get in the habit of helping themselves to the property of others, they cannot easily be cured of it." The time is right to take a step toward that cure by replacing what is clearly broken with the simplicity and fairness of a flat tax.

Sincerely,

Hans Helmerich
President

December 15, 1997

SUMMARY Increased U.S. land activity, the activation of two new offshore platform rigs, and continued high utilization in international markets resulted in a 30 percent increase in revenues in 1997. Earnings before interest, taxes, depreciation, and amortization (EBITDA) increased 45 percent to $111.9 million, and pre-tax operating profit rose 64 percent to $67.6 million. For the second consecutive year, revenues were at an all-time high for Helmerich & Payne International Drilling Co. and the overall pre-tax operating profit margin of 21 percent was at its highest level since 1983.

FIVE YEAR FINANCIAL SUMMARY

	1997	1996	1995	1994	1993
			(in thousands)		
Revenue					
Domestic	$ 140,294	$ 108,336	$ 93,890	$ 86,521	$ 60,328
International	176,651	135,695	110,695	98,111	89,618
Total Revenue	**316,945**	**244,031**	**204,585**	**184,632**	**149,946**
Pre-tax Operating Profit					
Domestic	24,437	10,066	7,127	5,874	122
International	43,118	31,176	21,110	14,645	15,281
Total Pre-tax Operating Profit	**67,555**	**41,242**	**28,237**	**20,519**	**15,403**
Capital Expenditures	**$112,177**	**$ 81,805**	**$ 87,547**	**$ 57,415**	**$ 26,636**

At the close of 1997, the Company's domestic rig fleet consisted of 29 land rigs and nine offshore platform rigs. Internationally, the Company has a total of 38 land rigs in the countries of Venezuela (20), Colombia (10), Bolivia (4), Ecuador (3), and Peru (1). The Company also has one platform rig offshore Venezuela and owns a one-half interest in a platform rig offshore Australia. Total fleet utilization averaged 89 percent in 1997, compared with 84 percent in 1996.

UNITED STATES LAND OPERATIONS According to statistics collected by Baker Hughes, total rig activity in the United States increased 24 percent during the Company's fiscal year. Almost 60 percent of these gains resulted from increased activity in the states of Texas and Louisiana, the Company's primary domestic land drilling markets. The Company's land rig utilization remained at 100 percent for most of the year, with an average of 28 rigs working continuously compared with 24 in 1996.

During the year, the Company announced plans to refurbish two 3,000 horsepower rigs and to further expand the fleet with an order for six new 1,500 horsepower rigs. The new rigs will be capable of drilling to depths of 18,000 feet and are configured to minimize space and mobilization time. Designed by Helmerich & Payne International Drilling Co. with the latest technological, environmental, and safety advances in mind, the rigs will be marketed to both domestic and international customers.

UNITED STATES OFFSHORE OPERATIONS At the close of the year, the Company had eight offshore platform rigs in the Gulf of Mexico, one platform rig offshore California, and labor contracts on three Exxon-owned platform rigs offshore California. During 1997, rigs 202 and 203 began operations for Shell Offshore, Inc. (SOI) in the Gulf of Mexico. Rig 202 is on the Ram/Powell tension leg platform (TLP) and represents the second of three rigs built by Helmerich & Payne International Drilling Co. for SOI deepwater developments. The third, rig 204, is nearing completion and is scheduled to begin operations on Shell's Ursa TLP in 1998. Rig 203, a minimum-area, self-moving platform rig was installed on SOI's Enchilada platform during the year. The Company retired three offshore platform rigs in 1997, one of which worked almost continually since being constructed in 1983.

INTERNATIONAL OPERATIONS International drilling revenues increased 30 percent over last year due largely to higher dayrates.

Venezuela continues to be a very active area for the Company with two expansion opportunities announced during the year. BP Exploration de Venezuela, S.A. awarded the Company a two-year contract for offshore platform rig 91. Approximately $15 million was spent to upgrade the rig for operations which began in December of 1997. The Company also received a letter of intent for a multi-well contract from Agencia Operadora Guarapiche S.A., on behalf of BP Exploration Orinoco Limited, Amoco Venezuela Energy Company B.V. and Maxus Guarapiche Ltd. A new 3,000 horsepower, helicopter-transportable rig is being built for the endeavor at an approximate cost of $20 million. Drilling operations are scheduled to begin in May of 1998. In the fourth quarter of the year, the Company purchased three land rigs and related drilling assets from Serpetbol Perforaciones, S.A. in Bolivia. Recent legislative changes have increased Bolivia's potential as a very active drilling market, and this purchase increases the Company's presence in the country from one rig to four.

OUTLOOK The industry's response to increasing U.S. demand confronts shortages in experienced or skilled personnel in several sectors critical to building, operating, and maintaining the industry's rig fleet. Attracting, training, and retaining new employees in an already competitive labor market is perhaps the most significant challenge going forward. This year, the Company placed the first significant new land rig order since the early 1980s. The decision to build new rigs rather than to buy used is in keeping with the strategy of having the most technologically advanced fleet, which can add significant value to a customer's drilling project. As important as good equipment is to a quality operation, ultimately H&P personnel make the difference in achieving project success.

Exploration & Production

SUMMARY Helmerich & Payne, Inc. explores for, develops, and produces oil and natural gas primarily in the states of Kansas, Louisiana, Oklahoma, and Texas. Through its wholly-owned subsidiary, Helmerich & Payne Energy Services, Inc., the Company also provides natural gas marketing services for itself and third party customers. At the close of 1997, the Company had proved natural gas reserves of 263 billion cubic feet (Bcf) and proved oil reserves of 5.8 million barrels. Revenues and operating profit from exploration and production activities were up sharply in 1997, the result of higher prices and increased production volumes for both natural gas and oil.

The average price received this year for natural gas was $2.23 per thousand cubic feet (Mcf), compared with $1.75 per Mcf in 1996. This 27 percent increase in price was augmented by a 17 percent increase in producing volumes, which averaged 110,859 Mcf per day in 1997. Oil prices also increased to an average of $20.77 per barrel, compared with $19 per barrel in 1996. Oil production averaged 2,700 barrels per day in 1997, compared with 2,212 barrels in 1996. Revenues from exploration and production activities increased 45 percent for the year and pre-tax operating profit more than doubled to $55.2 million.

EXPLORATION ACTIVITIES The Company participated in 100 (49.3 net) wells during the year, 84 (39.2 net) of which were completed as natural gas wells, two (.5 net) were oil wells, and 14 (9.6 net) were dry holes. Approximately 20 percent more reserves were added through drilling efforts in 1997, than in the previous year. These efforts fell short of replacing reserves, but that objective was significantly larger this year given that natural gas production was at a record level and oil production was at its highest level in 10 years.

The most significant reserve additions this year came from the Company's Mountain Front prospect area in western Oklahoma, which was discovered in 1996. The Rocky East field, discovered in 1996, is currently producing an average of 15,000 Mcf per day, and has produced over 10 Bcf of natural gas since the first well was completed. Southeast of the Rocky East field the Company has a significant interest in the Kiowa Flats field, which was discovered during the year in Kiowa County, Oklahoma. The Company has participated in nine wells in the prospect, with working interests ranging from 11 to 100 percent. Current production from the field is averaging 19,000 Mcf per day. The Company has approximately 7,200 net acres under lease in the prospect, half of which have been developed with the remainder to be drilled as success warrants in the coming year. The Company participated in a number of wells drilled and completed in the Louisiana Austin Chalk during the year and most of them have been disappointments. The Company is considering a sharp reduction in its involvement in this area during 1998.

Considerable progress was made during the year to put together future exploration prospects. Wildcat drilling began in four prospect areas shortly after the close of the fiscal year. Two of the wells are in east Texas; one a Cotton Valley Lime prospect and the second a Pinnacle Reef prospect. The remaining two wildcats are being drilled in Louisiana and Oklahoma.

OUTLOOK Record natural gas production and higher natural gas prices combined to make 1997 an excellent year financially; however, the measurements of long-term success remain centered on reserve growth and finding cost reduction. The Company seeks to generate the majority of its prospects internally using geographically focused exploration teams to develop an expertise in key areas. To that end, considerable progress was made in the Rocky East and Kiowa Flats fields, as well as in the development of future prospects resulting in increased exploration drilling for the coming year.

Revenues and Income by Business Segments

HELMERICH & PAYNE, INC.

Years Ended September 30,	1997	1996	1995
		(in thousands)	
SALES AND OTHER REVENUES:			
Contract Drilling - Domestic	**$140,294**	$108,336	$ 93,890
Contract Drilling - International	**176,651**	135,695	110,695
Total Contract Drilling Division	**316,945**	244,031	204,585
Exploration and Production	**111,512**	76,643	47,986
Natural Gas Marketing	**69,015**	58,507	35,301
Total Oil and Gas Division	**180,527**	135,150	83,287
Real Estate Division	**8,641**	8,082	7,570
Investments and Other Income	**11,746**	5,992	11,279
Total Revenues	**$517,859**	$393,255	$306,721
OPERATING PROFIT (LOSS):			
Contract Drilling - Domestic	**$ 24,437**	$ 10,066	$ 7,127
Contract Drilling - International	**43,118**	31,176	21,110
Total Contract Drilling Division	**67,555**	41,242	28,237
Exploration and Production	**55,191**	26,333	(23,961)
Natural Gas Marketing	**3,363**	3,415	1,892
Total Oil and Gas Division	**58,554**	29,748	(22,069)
Real Estate Division	**5,615**	5,055	2,157
Total Operating Profit	**131,724**	76,045	8,325
OTHER:			
Miscellaneous operating	**(1,269)**	(1,663)	(1,624)
Income from investments	**11,437**	5,782	10,846
General corporate expense	**(9,346)**	(9,083)	(8,801)
Interest expense	**(4,212)**	(678)	(407)
Corporate depreciation	**(919)**	(860)	(851)
Total Other	**(4,309)**	(6,502)	(837)
INCOME FROM CONTINUING OPERATIONS BEFORE INCOME TAXES AND EQUITY IN INCOME OF AFFILIATE	**$127,415**	$ 69,543	$ 7,488

Note: This schedule is an integral part of Note 12 (page 27) of the financial statements that follow.

Business Environment and Risk Factors

The following discussion should be read in conjunction with the consolidated financial statements and related notes included elsewhere herein. The Company's future operating results may be affected by various trends and factors which are beyond the Company's control. These include, among other factors, fluctuations in oil and natural gas prices, expiration or termination of drilling contracts, currency exchange losses, changes in general economic conditions, rapid or unexpected changes in technologies, and uncertain business conditions that affect the Company's businesses. Accordingly, past results and trends should not be used by investors to anticipate future results or trends.

With the exception of historical information, the matters discussed below under the headings "Results of Operations" and "Liquidity and Capital Resources" may include forward-looking statements that involve risks and uncertainties. The Company wishes to caution readers that a number of important factors discussed in this report and in the Company's other reports filed with the Securities and Exchange Commission could affect the Company's actual results and cause actual results to differ materially from those in the forward-looking statements.

Results of Operations

On December 3, 1997, the Board of Directors declared a two-for-one common stock split, effective December 15, 1997 (the "Record Date"). All references to share and per share amounts have been restated to reflect the two-for-one stock split and distribution.

Helmerich & Payne, Inc.'s net income for 1997 was $84,186,000 ($1.69 per share), compared with net income of $72,566,000 ($1.47 per share) in 1996, and $9,751,000 ($0.20 per share) in 1995. Included in 1996 income is a $24,050,000 ($0.49 per share) gain from the sale of the Company's chemical subsidiary, Natural Gas Odorizing, Inc. (NGO). Net income in 1995 included a non-cash, non-recurring charge of $13,600,000 ($0.28 per share) as a result of the Company's adoption of Statement of

Financial Accounting Standards (SFAS) No. 121, *Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to be Disposed Of.*

Included in the Company's net income, but not related to its operations, were after-tax gains from the sale of investment securities of $2,870,000 ($0.06 per share) in 1997, $346,000 ($0.01 per share) in 1996, and $3,481,000 ($0.07 per share) in 1995. Also included was the Company's portion of income of its equity affiliate, Atwood Oceanics, Inc., which was $0.05 per share in 1997, $0.03 per share in 1996, and $0.02 per share in 1995.

Consolidated revenues increased to $517,859,000 in 1997, from $393,255,000 in 1996, and $306,721,000 in 1995. The 32 percent increase from 1996 to 1997 was a result of increased dayrates for contract drilling services and a significant increase in oil and gas revenues due to higher commodity prices and production volumes. Consolidated revenues increased by 28 percent from 1995 to 1996 as a result of revenue increases in the exploration and production, natural gas marketing, international drilling, and domestic drilling segments.

Revenues from investments were $11,437,000 in 1997, up from $5,782,000 in 1996, and $10,846,000 in 1995. Included in revenues from investments were pre-tax gains from the sale of investment securities of $4,697,000 in 1997, $566,000 in 1996, and $5,697,000 in 1995. Interest income was stable during 1997, 1996, and 1995, but dividend revenue increased in 1997 due to the addition of 2,018,928 shares of Occidental Petroleum Corporation common stock to the investment portfolio. During the first quarter of fiscal 1998, the Company sold 600,000 shares of Occidental Petroleum Corporation stock.

Costs and expenses in 1997 were $390,444,000, 75 percent of total revenues, compared with 82 percent in 1996, and 98 percent in 1995. Total costs for 1995 were abnormally high due to the adoption of SFAS No. 121 which resulted in a total pre-tax impairment charge of $22,000,000 recorded as additional depreciation, depletion, and amortization. Operating costs as a percentage of operating revenues declined to 55 percent in 1997, compared with 59 percent in 1996, and 64 percent in 1995.

General and administrative expenses increased by three percent to $9,346,000 in 1997, from $9,083,000 in 1996, and $8,801,000 in 1995. Income tax expense, as a percentage of pre-tax income was 36 percent in 1997, and 37 percent for 1996 and 1995.

CONTRACT DRILLING DIVISION revenues increased by 30 percent from 1996 to 1997, and by 19 percent from 1995 to 1996. Total operating profit rose by 64 percent over last year to $67,555,000 in 1997, from $41,242,000 in 1996, and $28,237,000 in 1995. Domestic drilling operating profit increased to $24,437,000 in 1997, from $10,066,000 in 1996, and from $7,127,000 in 1995. Domestic contract drilling revenues and operating profit for both 1997 and 1996 increased, primarily due to significant improvements in revenues and margins from U.S. land rig operations, the addition of offshore platform rigs for Shell's tension leg platforms, and increased revenues and earnings from the Company's three offshore labor contracts. Rig utilization for the U.S. land fleet was 99 percent in 1997, 88 percent in 1996, and 73 percent in 1995. Domestic platform rig utilization was 63 percent in 1997, 70 percent in 1996, and 66 percent in 1995.

International revenues climbed to $176,651,000 in 1997, from $135,695,000 in 1996, and $110,695,000 in 1995. Operating profit for the international contract drilling sector improved by 38 percent over last year to $43,118,000 in 1997, compared with $31,176,000 in 1996, and $21,110,000 for 1995. Increases during 1997 were primarily due to a full year of activity for three additional rigs sent to Venezuela in 1996, increased dayrates in Venezuela and Colombia, and increased activity in Ecuador. During the fourth quarter of fiscal 1997, three additional rigs were purchased in Bolivia, bringing total rigs located there to four and the total international rig count to 39. During 1995, six additional rigs were shipped to Venezuela and three to Colombia, which helped boost revenues and earnings significantly in 1996.

In Venezuela, approximately 50 percent of the Company's billings are in U.S. dollars and the other 50 percent are in bolivars, the local currency. As a result, the Company is exposed to risks of currency devaluation in Venezuela because of the bolivar receivables created by billings in that currency. Over the past three years, total net devaluation losses in Venezuela have not been material. Although devaluation losses may occur again in 1998, the Company does not presently believe that such losses will have a material impact on the Company. However, if the country experiences extreme economic difficulty, accompanied by severe devaluation and/or inflation, the Company could experience material losses.

OIL AND GAS DIVISION revenues and operating profit increased dramatically this year as average prices received for the Company's production rose to $20.77 per barrel of oil and $2.23 per Mcf of natural gas from $19.00 per barrel and $1.75 per Mcf last year. In 1995, average prices were $16.37 per barrel and $1.27 per Mcf. Average natural gas production increased by 17 percent over last year to 110.9 million cubic feet per day (Mmcf/d) during 1997, compared with 94.4 Mmcf/d in 1996, and 72.4 Mmcf/d in 1995. Oil production rose to an average of 2,700 barrels per day in 1997 from approximately 2,200 barrels per day in both 1996 and 1995. The Company's natural gas production has grown over the past two years as a result of allowing more of its existing reserves to be delivered to the market and by virtue of discoveries and production of new natural gas reserves. Due to the significant increases in product prices and production volumes, exploration and production revenues increased by 45 percent over last year to $111,512,000 in 1997, from $76,643,000 in 1996, and $47,986,000 in 1995. Exploration and production operating profit increased by 110 percent over last year to $55,191,000 in 1997, from $26,333,000 in 1996, compared with a loss of $23,961,000 in 1995.

In 1997, the Company recorded a one-time net income reduction as a result of a recent Federal Energy Regulatory Commission (FERC) order which requires certain Kansas producers of natural gas to make certain refunds of ad valorem tax reimbursement, with interest, for tax bills rendered between October 4, 1983 and June 28, 1988. The Company's total pre-tax adjustment of $6,700,000 includes a reduction of exploration and production revenues of $2,700,000 and $4,000,000 of interest charges.

Earnings for 1996 were aided by lower dry hole and abandonment charges, lower geophysical expense and reduced depletion per production unit than in the previous year. During the past three years, the Company has not hedged any of its oil or natural gas production and does not intend to do so during 1998.

Therefore, increases or decreases in its product prices will affect its ongoing results accordingly. In 1995, the Company elected to adopt SFAS No. 121, resulting in a pre-tax, non-cash charge of $19,982,000 to the Oil and Gas Division.

Natural gas marketing revenues, which are primarily derived from selling natural gas produced by other unaffiliated companies, increased to $69,015,000 in 1997, from $58,507,000 in 1996, and $35,301,000 in 1995. Operating profit was $3,363,000 in 1997, $3,415,000 in 1996, and $1,892,000 in 1995. The Company's approach has been to derive additional profit from matching its customers with third party producers when the marketing situation is not conducive to the sale of the Company's own natural gas. Although revenues are likely to increase during periods of rising natural gas prices, it is expected that competition will continue to limit fees and premiums for third party natural gas sales.

REAL ESTATE DIVISION revenues totaled $8,641,000 for 1997, $8,082,000 for 1996, and $7,570,000 for 1995. Revenues and operating profit were up in 1997, primarily due to the sale of a small parcel of land for a gain of $400,000. Operating profits for 1995 were down from normal levels due to a $2,000,000 charge to two properties in connection with the adoption of SFAS No. 121. No major changes are anticipated in the Real Estate Division for 1998.

Liquidity and Capital Resources

The Company has maintained a very strong balance sheet for many years, with current ratios above 1.6 for the last three years. During the past three years, the Company has maintained a line of credit with its bank group that has ranged from $40 to $75 million in order to fund short-term cash needs. The Company had borrowings under its line of credit totaling $5,000,000 at the end of both fiscal 1997 and 1996, and line of credit borrowings totaling $21,700,000 at the end of fiscal 1995.

Capital expenditures for each of the last three years were over $100 million and exceeded the funds generated internally during 1995. Cash provided by operating activities totaled $165,568,000 for 1997, $124,923,000 for 1996, and $88,572,000 for 1995. It is anticipated that during 1998, capital expenditures will be approximately $200 million. Capital expenditures budgeted for

1998 include exploration and development drilling and major offshore platform rig construction projects for Gulf of Mexico operations. Capital expenditure totals could be significantly increased by additional projects now being considered. Additional borrowings and/or portfolio liquidations would be used to fund capital expenditures exceeding internally generated capital.

The Company manages a large portfolio of marketable securities which had a cost basis of $138,906,000 at September 30, 1997, and a total market value at that time of $474,815,000 including its investment in Atwood Oceanics, Inc. During 1995, the Company adopted SFAS No. 115, *Accounting for Certain Investments in Debt and Equity Securities,* which resulted in a balance sheet adjustment to market values for investments in companies of which the Company owned less than 20 percent. Accordingly, at the end of each reporting period, a deferred tax estimate is calculated from pre-tax unrealized changes in the portfolio market value and posted to deferred taxes under the liability section of the balance sheet. Net unrealized holding gains are reflected in the shareholders' equity section of the balance sheet and not in the statement of income. Those unrealized gains were $114,454,000, $56,550,000, and $38,004,000 at the end of fiscal years 1997, 1996, and 1995, respectively. During 1997, the Company paid a dividend of $0.26 per share which represented the 26th consecutive year of dividend increases.

Stock Portfolio Held by the Company

September 30, 1997	Number of Shares	Book Value	Market Value
	(in thousands,except share amounts)		
Occidental Petroleum Corporation	2,000,000	$ 47,550	$ 51,875
Atwood Oceanics, Inc.	1,600,000	28,895	180,200
Schlumberger, Ltd.	1,480,000	23,511	124,597
Sun Company, Inc.	300,000	3,512	13,144
Sun Company PFD A	329,053	3,192	11,928
Phillips Petroleum Company	240,000	5,976	12,390
BANC ONE CORPORATION.	464,125	5,743	25,991
Oryx Energy Company	500,000	4,899	12,719
ONEOK INC.	225,000	2,751	7,341
Other		12,877	34,630
Total		$138,906	$474,815

Consolidated Balance Sheets

HELMERICH & PAYNE, INC.

Assets

September 30,	1997	1996
	(in thousands)	
CURRENT ASSETS:		
Cash and cash equivalents	**$ 27,963**	$ 16,892
Short-term investments	**1,318**	1,005
Accounts receivable, less reserve of $1,308 and $712	**98,697**	75,374
Inventories	**19,639**	16,915
Prepaid expenses and other	**10,387**	4,182
Total current assets	**158,004**	114,368
INVESTMENTS	**323,510**	229,809
PROPERTY, PLANT AND EQUIPMENT, at cost:		
Contract drilling equipment	**643,619**	568,110
Oil and gas properties	**409,921**	401,804
Real estate properties	**47,682**	46,970
Other	**59,659**	53,547
	1,160,881	1,070,431
Less—Accumulated depreciation, depletion and amortization	**621,856**	606,935
Net property, plant and equipment	**539,025**	463,496
OTHER ASSETS	**13,056**	14,241
TOTAL ASSETS	**$1,033,595**	$821,914

The accompanying notes are an integral part of these statements.

Liabilities and Shareholders' Equity

September 30,	1997	1996
	(in thousands)	
CURRENT LIABILITIES:		
Accounts payable	**$ 42,642**	$ 25,622
Accrued liabilities	**47,525**	31,943
Notes payable	**5,000**	5,000
Total current liabilities	**95,167**	62,565
NONCURRENT LIABILITIES:		
Deferred income taxes	**141,331**	98,335
Other	**16,517**	15,044
Total noncurrent liabilities	**157,848**	113,379
SHAREHOLDERS' EQUITY:		
Common stock, $.10 par value, 80,000,000 shares authorized, 53,528,952 shares issued	**5,353**	5,353
Preferred stock, no par value, 1,000,000 shares authorized, no shares issued	**—**	—
Additional paid-in capital	**51,316**	47,734
Net unrealized holding gains	**114,454**	56,550
Retained earnings	**629,562**	557,543
	800,685	667,180
Less treasury stock, 3,500,698 shares in 1997 and 3,757,680 shares in 1996, at cost	**20,105**	21,210
Total shareholders' equity	**780,580**	645,970
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**$1,033,595**	$821,914

Note: Certain amounts have been restated to reflect the effect of the two-for-one common stock split and distribution as discussed in Note 4.
The accompanying notes are an integral part of these statements.

Consolidated Statements of Income

HELMERICH & PAYNE, INC.

Years Ended September 30,	1997	1996	1995
		(in thousands, except per share amounts)	
REVENUES:			
Sales and other operating revenues	**$506,422**	$387,473	$295,875
Income from investments	**11,437**	5,782	10,846
	517,859	393,255	306,721
COSTS AND EXPENSES:			
Operating costs	**276,094**	229,584	188,497
Depreciation, depletion and amortization	**71,691**	59,442	76,443
Dry holes and abandonments	**7,783**	7,986	10,095
Taxes, other than income taxes	**21,318**	16,939	14,990
General and administrative	**9,346**	9,083	8,801
Interest	**4,212**	678	407
	390,444	323,712	299,233
INCOME FROM CONTINUING OPERATIONS BEFORE INCOME TAXES AND EQUITY IN INCOME OF AFFILIATE	**127,415**	69,543	7,488
INCOME TAX EXPENSE	**45,511**	25,803	2,786
EQUITY IN INCOME OF AFFILIATE net of income taxes	**2,282**	1,686	1,086
INCOME FROM CONTINUING OPERATIONS	**84,186**	45,426	5,788
INCOME FROM DISCONTINUED OPERATIONS	—	3,090	3,963
GAIN ON SALE OF DISCONTINUED OPERATIONS	—	24,050	—
NET INCOME	**$ 84,186**	$ 72,566	$ 9,751
PER COMMON SHARE:			
INCOME FROM CONTINUING OPERATIONS	**$ 1.69**	$ .92	$ .12
INCOME FROM DISCONTINUED OPERATIONS	—	$ .06	$ .08
GAIN ON SALE OF DISCONTINUED OPERATIONS	—	.49	—
NET INCOME	**$ 1.69**	$ 1.47	$ .20
AVERAGE COMMON SHARES OUTSTANDING	**49,779**	49,380	49,072

Note: Certain amounts have been restated to reflect the effect of the two-for-one common stock split and distribution as discussed in Note 4.
The accompanying notes are an integral part of these statements.

Consolidated Statements of Shareholders' Equity

HELMERICH & PAYNE, INC.

	Common Stock Shares	Common Stock Amount	Additional Paid-In Capital	Net Unrealized Holding Gains	Retained Earnings	Treasury Stock Shares	Treasury Stock Amount
	(in thousands except per share data)						
Balance, September 30, 1994	53,529	$5,353	$45,520	$ —	$496,280	4,109	$(22,819)
Adjustment to beginning balance for change in accounting method, net of income taxes of $21,106	—	—	—	34,435	—	—	—
Change in net unrealized holding gains, net of income taxes of $2,187	—	—	—	3,569	—	—	—
Cash dividends ($.25 per share)	—	—	—	—	(12,372)	—	—
Exercise of stock options	—	—	859	—	—	(139)	615
Lapse of restrictions on Restricted Stock Awards	—	—	(229)	—	—	—	—
Forfeiture of Restricted Stock Award	—	—	(390)	—	560	30	(170)
Amortization of deferred compensation	—	—	—	—	1,473	—	—
Net income	—	—	—	—	9,751	—	—
Balance, September 30, 1995	53,529	5,353	45,760	38,004	495,692	4,000	(22,374)
Change in net unrealized holding gains, net of income taxes of $11,367	—	—	—	18,546	—	—	—
Cash dividends ($.255 per share)	—	—	—	—	(12,670)	—	—
Exercise of stock options	—	—	2,197	—	—	(262)	1,274
Lapse of restrictions on Restricted Stock Awards	—	—	(61)	—	—	—	—
Forfeiture of Restricted Stock Award	—	—	(162)	—	272	20	(110)
Amortization of deferred compensation	—	—	—	—	1,683	—	—
Net income	—	—	—	—	72,566	—	—
Balance, September 30, 1996	53,529	5,353	47,734	56,550	557,543	3,758	(21,210)
Change in net unrealized holding gains, net of income taxes of $35,490	—	—	—	57,904	—	—	—
Cash dividends ($.26 per share)	—	—	—	—	(12,987)	—	—
Exercise of stock options	—	—	3,306	—	—	(257)	1,105
Lapse of restrictions on Restricted Stock Awards	—	—	276	—	—	—	—
Amortization of deferred compensation	—	—	—	—	820	—	—
Net income	—	—	—	—	84,186	—	—
Balance, September 30, 1997	53,529	$5,353	$51,316	$114,454	$629,562	3,501	$(20,105)

Note: Certain amounts have been restated to reflect the effect of the two-for-one common stock split and distribution as discussed in Note 4.
The accompanying notes are an integral part of these statements.

Consolidated Statements of Cash Flows

HELMERICH & PAYNE, INC.

Years Ended September 30,	1997	1996	1995
		(in thousands)	
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net income	**$ 84,186**	$ 72,566	$ 9,751
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation, depletion and amortization	**71,691**	59,442	76,443
Dry holes and abandonments	**7,783**	7,986	10,095
Equity in income of affiliate before income taxes	**(3,680)**	(2,720)	(1,752)
Amortization of deferred compensation	**820**	1,683	1,473
Gain on sale of investments	**(4,697)**	(566)	(5,697)
Loss (gain) on sale of property, plant and equipment	**(4,545)**	303	(1,205)
Discontinued operations	—	(27,140)	(3,963)
Other	**1,897**	473	10
Change in assets and liabilities:			
Accounts receivable	**(23,323)**	(18,340)	275
Inventories	**(2,724)**	2,435	86
Prepaid expenses and other	**(5,020)**	1,706	(2,768)
Accounts payable	**18,619**	(1,115)	3,030
Accrued liabilities	**15,582**	14,237	(2,701)
Deferred income taxes	**7,506**	6,668	(1,630)
Other noncurrent liabilities	**1,473**	3,802	2,563
Total adjustments	**81,382**	48,854	74,259
Net cash provided by continuing operations	**165,568**	121,420	84,010
Net cash provided by discontinued operations	—	3,503	4,562
Net cash provided by operating activities	**165,568**	124,923	88,572
CASH FLOWS FROM INVESTING ACTIVITIES:			
Capital expenditures, including dry hole costs	**(161,177)**	(109,985)	(109,901)
Proceeds from sale of property, plant and equipment	**9,432**	3,987	2,923
Purchase of investments	**(1,091)**	(1,196)	(12,858)
Proceeds from sale of investments	**8,557**	619	11,713
Discontinued operations	—	(2,746)	(977)
Purchase of short-term investments	**(313)**	—	—
Proceeds from sale of short-term investments	—	7,984	7
Net cash used in investing activities	**(144,592)**	(101,337)	(109,093)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Proceeds from notes payable	**34,000**	35,000	37,100
Payments made on notes payable	**(34,000)**	(51,700)	(15,400)
Dividends paid	**(12,970)**	(12,530)	(12,365)
Proceeds from exercise of stock options	**3,065**	2,993	1,282
Net cash provided by (used in) financing activities	**(9,905)**	(26,237)	10,617
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	**11,071**	(2,651)	(9,904)
CASH AND CASH EQUIVALENTS, beginning of period	**16,892**	19,543	29,447
CASH AND CASH EQUIVALENTS, end of period	**$ 27,963**	$ 16,892	$ 19,543

The accompanying notes are an integral part of these statements.

NOTE 1 SUMMARY OF ACCOUNTING POLICIES

CONSOLIDATION -
The consolidated financial statements include the accounts of Helmerich & Payne, Inc. (the Company), and all of its wholly-owned subsidiaries. Fiscal years of the Company's foreign consolidated operations end on August 31 to facilitate reporting of consolidated results.

TRANSLATION OF FOREIGN CURRENCIES -
The Company has determined that the functional currency for its foreign subsidiaries is the U.S. dollar. The foreign currency transaction loss for 1997 was $452,000, with a gain for 1996 and 1995 of $764,000 and $1,845,000, respectively.

USE OF ESTIMATES -
The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. Actual results could differ from those estimates.

PROPERTY, PLANT AND EQUIPMENT -
The Company follows the successful efforts method of accounting for oil and gas properties. Under this method, the Company capitalizes all costs to acquire mineral interests in oil and gas properties, to drill and equip exploratory wells which find proved reserves and to drill and equip development wells. Geological and geophysical costs, delay rentals and costs to drill exploratory wells which do not find proved reserves are expensed. Capitalized costs of producing oil and gas properties are depreciated and depleted by the unit-of-production method based on proved developed oil and gas reserves determined by the Company and reviewed by independent engineers. Reserves are recorded for capitalized costs of undeveloped leases based on management's estimate of recoverability. Costs of surrendered leases are charged to the reserve.

Effective July 1, 1995, the Company adopted Statement of Financial Accounting Standards (SFAS) No. 121, "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to be Disposed Of", which requires impairment losses to be recognized for long-lived assets used in operations when indicators of impairment are present and the undiscounted cash flows are not sufficient to recover the carrying amount of the asset. Adoption of SFAS No. 121 resulted in a before-tax impairment charge of $22 million which is included in depreciation, depletion and amortization expense. After-tax, the impairment charge reduced 1995 net income by $13.6 million, $.28 per share. The before-tax impairment charges included $20 million for proved Exploration and Production properties and $2 million for Real Estate properties. The Company evaluates impairment of exploration and production assets on a field by field basis. Fair values on all long-lived assets are based on discounted future cash flows or information provided by sales and purchases of similar assets.

Substantially all property, plant and equipment other than oil and gas properties is depreciated using the straight-line method based on the following estimated useful lives:

	YEARS
Contract drilling equipment	4-10
Real estate buildings and equipment	10-50
Other	3-33

CASH AND CASH EQUIVALENTS -
Cash and cash equivalents consist of cash in banks and investments readily convertible into cash which mature within three months from the date of purchase.

INVENTORIES -
Inventories, primarily materials and supplies, are valued at the lower of cost (moving average or actual) or market.

DRILLING REVENUE -
Substantially all drilling contracts are daywork contracts and drilling revenues and expenses are recognized as work progresses.

GAS IMBALANCES -
The Company recognizes revenues from gas wells on the sales method, and a liability is recorded for permanent imbalances.

INVESTMENTS -
The Company adopted SFAS No. 115, "Accounting for Certain Investments in Debt and Equity Securities", effective October 1, 1994. SFAS No. 115 requires that available-for-sale securities be carried at their fair value determined based on quoted market prices. Upon adoption of SFAS No. 115, the Company recorded an increase to shareholders' equity of $34 million, which was net of income taxes of $21 million.

The cost of securities used in determining realized gains and losses is based on average cost of the security sold.

Investments in companies owned from 20 to 50 percent are accounted for using the equity method with the Company recognizing its proportionate share of the income or loss of each investee. The Company owned 23.6 percent and 23.9 percent of Atwood Oceanics, Inc. (Atwood) at September 30, 1997 and 1996, respectively. The quoted market value of the Company's investment was $180,200,000 and $70,400,000 at September 30, 1997 and 1996, respectively. Retained earnings at September 30, 1997 include approximately $16,715,000 of undistributed earnings of Atwood.

Summarized financial information of Atwood is as follows:

	1997	1996	1995
		(in thousands)	
Gross revenues	$ 89,082	$ 84,760	$ 77,315
Costs and expenses	73,463	73,392	70,255
Net income	$ 15,619	$ 11,368	$ 7,060
Helmerich & Payne, Inc.'s equity in net income, net of income taxes	$ 2,282	$ 1,686	$ 1,086
Current assets	$ 47,961	$ 44,170	$ 34,266
Noncurrent assets	168,279	115,139	118,587
Current liabilities	19,621	18,019	20,505
Noncurrent liabilities	73,930	35,736	37,456
Shareholders' equity	122,689	105,554	94,892
Helmerich & Payne, Inc.'s investment	$ 28,895	$ 25,215	$ 22,495

INCOME TAXES -
Deferred income taxes are computed using the liability method and are provided on all temporary differences between the financial basis and the tax basis of the Company's assets and liabilities.

OTHER POST EMPLOYMENT BENEFITS -
The Company sponsors a health care plan that provides post retirement medical benefits to retired employees. Employees who retire after November 1, 1992 and elect to participate in the plan pay the entire estimated cost of such benefits.

The Company has accrued a liability for estimated workers compensation claims incurred. The liability for other benefits to former or inactive employees after employment but before retirement is not material.

NET INCOME PER SHARE -
Net income per share is computed using the weighted average number of common shares outstanding during the period. The number of shares for 1996 and 1995 have been restated to reflect the effect of a two-for-one stock split and distribution (see Note 4). Common stock equivalents are insignificant, and therefore, have not been considered in the net income per share computation.

DERIVATIVES -
The Company does not utilize financial or commodity derivative instruments to hedge its market risks.

NOTE 2 SHORT-TERM BORROWINGS AND CREDIT ARRANGEMENTS

The Company maintains a line of credit agreement with certain banks which provides for maximum borrowing of $40,000,000 at adjustable interest rates. Under the agreement, $40,000,000 may be borrowed through May 1998, and $10,000,000 may be borrowed through May 1999. As of September 30, 1997, the Company had borrowed $5,000,000 at a rate of 6.0375% and had letters of credit outstanding in the amount of $7,671,000, leaving $27,329,000 available. Under the line of credit agreement the Company must meet certain requirements regarding levels of debt, net worth and earnings.

The Company has an additional $14.5 million line of credit with a bank to be used primarily for letters of credit. As of September 30, 1997, the Company had letters of credit outstanding in the amount of $1,347,222 leaving, $13,152,778 available.

NOTE 3 INCOME TAXES

The components of the provision (credit) for income taxes from continuing operations are as follows:

Years Ended September 30,	1997	1996	1995
		(in thousands)	
CURRENT:			
Federal	$18,582	$ 8,909	$ (802)
Foreign	17,214	11,037	6,104
State	2,190	1,050	276
	37,986	20,996	5,578
DEFERRED:			
Federal	6,349	3,757	(3,083)
Foreign	603	725	534
State	573	325	(243)
	7,525	4,807	(2,792)
TOTAL PROVISION:	$ 45,511	$ 25,803	$ 2,786

The amounts of domestic and foreign income are as follows:

Years Ended September 30,	1997	1996	1995
		(in thousands)	
INCOME (LOSS) FROM CONTINUING OPERATIONS BEFORE INCOME TAXES AND EQUITY IN INCOME OF AFFILIATE:			
Domestic	$ 84,723	$ 41,299	$ (11,399)
Foreign	42,692	28,244	18,887
	$127,415	$ 69,543	$ 7,488

Effective income tax rates on income from continuing operations as compared to the U.S. Federal income tax rate are as follows:

Years Ended September 30,	1997	1996	1995
U.S. Federal income tax rate	35%	35%	35%
Dividends received deduction	(1)	(1)	(8)
Excess statutory depletion	-	-	(3)
Effect of higher foreign tax rates	1	2	19
Non-conventional fuel source credits utilized	-	(1)	(8)
Other, net	1	2	2
Effective income tax rate	36%	37%	37%

The components of the Company's net deferred tax liabilities are as follows:

September 30,	1997	1996
	(in thousands)	
DEFERRED TAX LIABILITIES:		
Property, plant and equipment	$ 56,328	$ 46,706
Available-for-sale securities	85,378	49,889
Pension provision	4,738	4,720
Equity investment	6,238	4,840
Other	308	709
Total deferred tax liabilities	$ 152,990	$ 106,864
DEFERRED TAX ASSETS:		
Financial accruals	8,929	5,213
Other	2,730	3,316
Total deferred tax assets	11,659	8,529
NET DEFERRED TAX LIABILITIES	$ 141,331	$ 98,335

NOTE 4 SHAREHOLDERS' EQUITY

On December 3, 1997, the Board of Directors of the Company declared a two-for-one stock split and distribution; approximately 26.8 million shares will be issued on December 31, 1997 to stockholders of record on December 15, 1997. All references in the financial statements and notes to the number of common shares outstanding, options and per share amounts reflect the impact of the split.

The Company has several plans providing for common stock-based awards to employees and to non-employee directors. The plans permit the granting of various types of awards including stock options and restricted stock. Awards may be granted for no consideration other than prior and future services. The purchase price per share for stock options may not be less than the market price of the underlying stock on the date of grant. Stock options expire 10 years after grant.

The Company has reserved 1,745,502 shares of its treasury stock to satisfy the exercise of stock options issued under the 1982 and 1990 Stock Option Plans. Effective December 4, 1996 additional options are no longer granted under these plans. Options granted under the 1982 plan vest over a period of nine years while options granted under the 1990 plan generally vest over a seven year period. Options granted under both plans become exercisable in increments as outlined in the plans.

In March 1997, the Company adopted the 1996 Stock Incentive Plan (the "Stock Incentive Plan"). The Stock Incentive Plan was effective December 4, 1996 and will terminate December 3, 2006. Under this plan, the Company is authorized to grant options for up to 4,000,000 shares of the Company's common stock at an exercise price not less than the fair market value of the common stock on the date of grant. Up to 600,000 shares of the total authorized may be granted to participants as restricted stock awards. There was no activity under this plan during fiscal 1997.

The following summary reflects the stock option activity and related information (shares in thousands):

	1997		1996		1995	
	Shares	Weighted-Average Exercise Price	Shares	Weighted-Average Exercise Price	Shares	Weighted-Average Exercise Price
Outstanding on October 1,	1,708	$13.63	1,682	$13.20	1,672	$12.83
Granted	393	26.07	494	14.00	216	13.44
Exercised	(270)	13.03	(280)	11.76	(156)	9.84
Forfeited/Expired	(86)	14.89	(188)	13.53	(50)	12.41
Outstanding on September 30,	1,745	$16.44	1,708	$13.63	1,682	$13.20
Exercisable on September 30,	135	$12.22	148	$13.07	221	$12.05
Shares available on September 30, for options that may be granted	4,000		652		1,040	

The following table summarizes information about stock options at September 30, 1997 (shares in thousands):

	Outstanding Stock Options			Exercisable Stock Options	
Range of Exercise Prices	Shares	Weighted-Average Remaining Contractural Life	Weighted-Average Exercise Price	Shares	Weighted-Average Exercise Price
$10.00 to $12.00	94	.9 years	$10.88	34	$10.88
$12.01 to $14.00	1,017	6.9 years	$13.50	97	$12.53
$14.01 to $16.50	252	2.4 years	$15.75	4	$16.35
$16.51 to $26.50	382	9.2 years	$26.07	—	—
$10.00 to $26.50	1,745	6.4 years	$16.44	135	$12.22

In 1995, the Financial Accounting Standards Board issued SFAS No. 123, "Accounting for Stock-Based Compensation" (SFAS 123). As permitted by SFAS 123, the Company continues to apply the recognition and measurement provisions of Accounting Principles Board Opinion No. 25, "Accounting for Stock Issued to Employees" (APB 25). As stock options issued by the Company are equal to at least market price on the date of grant, no compensation expense is recognized under APB 25. The differences between the recognition and measurement provisions of SFAS 123 and APB 25 are not significant to net income or per common share amounts.

On September 30, 1997, the Company had 50,028,254 outstanding common stock purchase rights ("Rights") pursuant to terms of the Rights Agreement dated January 8, 1996. Under the terms of the Rights Agreement each Right entitled the holder thereof to purchase from the Company one half of one unit consisting of one one-thousandth of a share of Series A Junior Participating Preferred Stock ("Preferred Stock"), without par value, at a price of $90 per unit. The exercise price and the number of units of Preferred Stock issuable on exercise of the Rights are subject to adjustment in certain cases to prevent dilution. The Rights will be attached to the common stock certificates and are not exercisable or transferrable apart from the common stock, until 10 business days after a person acquires 15% or more of the outstanding common stock or 10 business days following the commencement of a tender offer or exchange offer that would result in a person owning 15% or more of the outstanding common stock. In the event the Company is acquired in a merger or certain other business combination transactions (including one in which the Company is the surviving corporation), or more than 50% of the Company's assets or earning power is sold or transferred, each holder of a Right shall have the right to receive, upon exercise of the Right, common stock of the acquiring company having a value equal to two times the exercise price of the Right. The Rights are redeemable under certain circumstances at $.01 per Right and will expire, unless earlier redeemed, on January 31, 2006. As long as the Rights are not separately transferable, the Company will issue one half of one Right with each new share of common stock issued.

NOTE 5 FINANCIAL INSTRUMENTS

Short-term investments consist mainly of U.S. treasury notes carried at cost, which approximates fair value. Notes payable bear interest at market rates and are carried at cost, which approximates fair value.

The following is a summary of available-for-sale securities, which excludes those accounted for under the equity method of accounting (see Note 1):

	Cost	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Fair Value
	(in thousands)			
Equity Securities:				
September 30, 1997	$110,011	$184,708	$104	$294,615
September 30, 1996	$113,384	$ 92,081	$871	$204,594

During the years ended September 30, 1997, 1996, and 1995, marketable equity available-for-sale securities with a fair value at the date of sale of $8,557,000, $619,000, and $11,713,000, respectively, were sold. The gross realized gains on such sales of available-for-sale securities totaled $4,697,000, $596,000, and $5,734,000, respectively, and the gross realized losses totaled $0, $30,000, and $37,000, respectively.

NOTE 6 DISCONTINUED OPERATIONS

Effective August 30, 1996, the Company exchanged all of the common stock of its wholly-owned subsidiary, Natural Gas Odorizing, Inc. (NGO), to Occidental Petroleum Corporation (OPC) for 2,018,928 shares of OPC common stock with a fair market value of approximately $48 million. The sale yielded a gain of $24.1 million (net of deferred income taxes of approximately $14.8 million) which is reported as gain on sale of discontinued operations. NGO comprised the Company's chemical operations. Prior period operating results for such operations are reported as discontinued operations. Income from discontinued operations has been reduced for income taxes by $2,566,000 and $2,258,000 for 1996 and 1995, respectively.

NOTE 7 EMPLOYEE BENEFIT PLANS

Defined Benefit Plans:
The Company has noncontributory pension plans covering substantially all of its employees, including certain employees in foreign countries. The Company makes annual contributions to the plans equal to the maximum amount allowable, subject to regulatory funding limitations. Future service benefits are determined using a 1.5 percent career average formula.

The net pension expense (credit) included the following components:

Years Ended September 30,	1997	1996	1995
		(in thousands)	
Service cost-benefits earned during the year	$ 2,114	$ 1,979	$ 1,589
Interest cost on projected benefit obligations	1,797	1,553	1,301
Return on plan assets	(3,592)	(3,214)	(2,798)
Net amortization and deferral	(367)	(304)	(301)
Net pension expense (credit)	$ (48)	$ 14	$ (209)

The discount rate used in determining the actuarial value of the projected benefit obligation for 1997 and 1996 was 7.25% and 7.75%, respectively. The average expected rate of return on plan assets was 9.0%, 8.5% and 8.5% for 1997, 1996 and 1995, respectively. The assumed rate of increase in compensation was 5.5% for 1997 and 5.0% for 1996.

The following table sets forth the plans' funded status and amounts recognized in the balance sheet:

September 30,	1997	1996
	(in thousands)	
Actuarial present value of benefit obligations:		
Vested benefit obligation	$ 23,392	$ 17,376
Accumulated benefit obligation	$ 27,988	$ 20,675
Projected benefit obligation	$ 33,913	$ 23,534
Plan assets at fair value, primarily listed stocks, U.S. Government securities and guaranteed insurance contracts	$ 53,834	$ 42,609
Plan assets in excess of projected benefit obligation	$ 19,921	$ 19,075
Unrecognized net gain, including unrecognized net assets existing at October 1, 1987	(8,989)	(8,430)
Unrecognized prior service cost	1,501	1,740
Prepaid pension cost	$ 12,433	$12,385

Defined Contribution Plan:

Substantially all employees on the United States payroll of the Company may elect to participate in the Company sponsored Thrift/401(k) Plan by contributing a portion of their earnings. The Company contributes amounts equal to 100 percent of the first five percent of the participant's compensation subject to certain limitations. Expensed Company contributions were $2,255,000, $1,908,000 and $1,735,000 in 1997, 1996 and 1995, respectively.

NOTE 8 ACCRUED LIABILITIES

Accrued liabilities consist of the following:

September 30,	1997	1996
	(in thousands)	
Accrued royalties payable	$ 8,687	$ 7,709
Accrued taxes payable - operations	9,240	4,645
Accrued income taxes payable	9,371	4,915
Accrued interest payable	4,056	200
Accrued workers compensation claims	3,087	2,561
Accrued equipment cost	598	2,197
Other	12,486	9,716
	$ 47,525	$ 31,943

NOTE 9 SUPPLEMENTAL CASH FLOW INFORMATION

Years Ended September 30,	1997	1996	1995
		(in thousands)	
Cash payments:			
Interest paid	$ 357	$ 798	$ 408
Income taxes paid:			
Continuing operations	36,347	15,491	2,102
Discontinued operations	—	2,563	2,522
Noncash investing activity:			
Accrued equipment cost	$ 598	$ 2,197	$ 4,016

NOTE 10 RISK FACTORS

CONCENTRATIONS OF CREDIT -

Financial instruments which potentially subject the Company to concentrations of credit risk consist primarily of temporary cash investments and trade receivables. The Company places its temporary cash investments with high quality financial institutions and limits the amount of credit exposure to any one financial institution. The Company's trade receivables are primarily with a variety of companies in the oil and gas industry. Management requires collateral for certain receivables of customers in its natural gas marketing operations.

INTERNATIONAL OPERATIONS -

International drilling operations are significant contributors to the Company's revenues and net profit. It is possible that operating results could be affected by the risks of such activities, including economic conditions in the international markets in which the Company operates, political and economic instability, fluctuations in currency exchange rates, changes in international regulatory requirements, international employment issues, and the burden of complying with foreign laws. These risks may adversely affect the Company's future operating results and financial position.

NOTE 11 NEW ACCOUNTING PRONOUNCEMENTS

The Financial Accounting Standards Board has issued SFAS No. 128 "Earnings per Share", effective for financial statement reporting periods ending after December 15, 1997. Management does not believe that earnings per share calculated under this standard would differ significantly from amounts reported in the Consolidated Statements of Income.

The Financial Accounting Standards Board has issued two new accounting standards, SFAS No. 130, "Reporting Comprehensive Income", (SFAS 130) and SFAS No. 131, "Disclosures about Segments of an Enterprise and Related Information", (SFAS 131) both effective for fiscal years beginning after December 15, 1997. SFAS 130 establishes standards for the reporting and display of comprehensive income. While the Company does have certain comprehensive income items, management does not believe that adopting SFAS 130 will materially change the Company's financial reporting and disclosures. SFAS 131 establishes standards for reporting financial and descriptive information about a company's operating segments. Management is currently analyzing the impact of SFAS 131, but does not expect the standard to materially change its current segment reporting disclosures.

NOTE 12 SEGMENT INFORMATION

The Company operates principally in the contract drilling and oil and gas industries. The contract drilling operations consist of contracting Company-owned drilling equipment primarily to major oil and gas exploration companies. The Company's primary international areas of operation include Venezuela, Colombia and Ecuador. Oil and gas activities consist of ownership of mineral interests in productive oil and gas leases and undeveloped leases located primarily in Oklahoma, Texas, Kansas and Louisiana. Intersegment sales, which are accounted for in the same manner as sales to unaffiliated customers, are not material. Operating profit is total revenue less operating expenses. In computing operating profit, the following items have not been considered: equity in income of affiliate; income from investments; general corporate expenses; interest expense; and domestic and foreign income taxes. Identifiable assets by segment are those assets that are used in the Company's operations in each segment. Corporate assets are principally cash and cash equivalents, short-term investments and investments in marketable securities.

Revenues from one company doing business with the contract drilling segment accounted for approximately 17 percent, 19 percent, and 18 percent of the total consolidated revenues during the years ended September 30, 1997, 1996 and 1995, respectively. Collectively, revenues from three companies controlled by the Venezuelan government accounted for approximately 12 percent, 12.8 percent and 13.4 percent of total consolidated revenues for the years ended September 30, 1997, 1996, and 1995, respectively.

Summarized revenues and operating profit by industry segment for the years ended September 30, 1997, 1996 and 1995 are located on page 9. Additional financial information by industry segment is as follows:

Years Ended September 30,	1997	1996	1995
		(in thousands)	
Net Income (loss):			
Contract Drilling - Domestic	$ 15,508	$ 6,796	$ 4,506
Contract Drilling - International	26,848	17,693	12,106
Exploration and Production	35,719	17,335	(13,906)
Natural Gas Marketing	2,172	2,247	1,230
Real Estate Division	3,448	3,121	1,324
Other	(1,791)	(3,452)	(558)
Equity in income of affiliate	2,282	1,686	1,086
Income from Continuing Operations	84,186	45,426	5,788
Discontinued operations	—	27,140	3,963
Net Income	$ 84,186	$ 72,566	$ 9,751
Identifiable assets:			
Contract drilling - Domestic	$ 257,505	$169,363	$138,359
Contract drilling - International	210,976	213,171	188,587
Exploration and Production	152,892	141,058	142,474
Natural Gas Marketing	18,884	15,602	10,192
Real Estate Division	23,310	23,628	24,380
Corporate and other	370,028	259,092	196,233
Discontinued operations	—	—	6,836
	$1,033,595	$821,914	$707,061
Depreciation, depletion and amortization:			
Contract drilling - Domestic	$ 17,916	$ 13,879	$ 12,111
Contract drilling - International	26,458	22,120	19,557
Exploration and Production	24,627	20,299	39,895
Natural Gas Marketing	258	725	298
Real Estate Division	1,412	1,455	3,623
Corporate and other	1,020	964	959
Continuing operations	71,691	59,442	76,443
Discontinued operations	—	754	672
	$ 71,691	$ 60,196	$ 77,115
Capital expenditures:			
Contract drilling - Domestic	$ 95,277	$ 57,004	$ 32,503
Contract drilling - International	16,900	24,801	55,044
Exploration and Production	41,782	24,320	20,956
Natural Gas Marketing	3,170	435	252
Real Estate Division	1,161	776	907
Corporate and other	1,288	830	1,255
Continuing operations	159,578	108,166	110,917
Discontinued operations	—	1,581	859
	$ 159,578	$109,747	$111,776

NOTE 13 SUPPLEMENTARY FINANCIAL INFORMATION FOR OIL AND GAS PRODUCING ACTIVITIES

All of the Company's oil and gas producing activities are located in the United States.

Results of Operations from Oil and Gas Producing Activities -

Years Ended September 30,	1997	1996	1995
		(in thousands)	
Revenues	$111,512	$ 76,643	$ 47,986
Production costs	21,750	20,080	18,035
Exploration expense and valuation provisions	9,943	9,931	14,017
Depreciation, depletion and amortization	24,628	20,299	39,895
Income tax expense (benefit)	19,327	9,187	(7,243)
Total cost and expenses	75,648	59,497	64,704
Results of operations (excluding corporate overhead and interest costs)	$ 35,864	$ 17,146	$ (16,718)

Capitalized Costs -

September 30,	1997	1996
	(in thousands)	
Properties being amortized:		
Proved properties	$395,812	$392,562
Unproved properties	14,109	9,242
Total costs being amortized	409,921	401,804
Less - Accumulated depreciation, depletion and amortization	268,572	269,994
Net	$141,349	$131,810

Costs Incurred Relating to Oil and Gas Producing Activities -

Years Ended September 30,	1997	1996	1995
		(in thousands)	
Property acquisition:			
Proved	$ 47	$ 256	$ 1,228
Unproved	8,358	3,178	1,565
Exploration	9,656	9,874	13,497
Development	27,808	14,131	9,703
Total	$ 45,869	$ 27,439	$ 25,993

Estimated Quantities of Proved Oil and Gas Reserves (Unaudited) -

Proved reserves are estimated quantities of crude oil, natural gas, and natural gas liquids which geological and engineering data demonstrate with reasonable certainty to be recoverable in future years from known reservoirs under existing economic and operating conditions. Proved developed reserves are those which are expected to be recovered through existing wells with existing equipment and operating methods. The following is an analysis of proved oil and gas reserves as estimated by the Company and reviewed by independent engineers.

	OIL (Bbls.)	GAS (Mmcf)
Proved reserves at September 30, 1994	6,710,211	290,652
Revisions of previous estimates	124,361	5,222
Extensions, discoveries and other additions	328,539	8,775
Production	(808,058)	(26,421)
Purchases of reserves-in-place	310	1,934
Sales of reserves-in-place	(26,251)	(116)
Proved reserves at September 30, 1995	6,329,112	280,046
Revisions of previous estimates	629,154	5,098
Extensions, discoveries and other additions	298,986	21,311
Production	(809,571)	(34,535)
Purchases of reserves-in-place	21,912	647
Sales of reserves-in-place	(1,477)	(266)

	OIL (Bbls.)	GAS (Mmcf)
Proved reserves at September 30, 1996	6,468,116	272,301
Revisions of previous estimates	92,863	6,178
Extensions, discoveries and other additions	419,795	25,762
Production	(985,633)	(40,463)
Purchases of reserves-in-place	120	6
Sales of reserves-in-place	(189,875)	(548)
Proved reserves at September 30, 1997	5,805,386	263,236
Proved developed reserves at		
September 30, 1995	6,270,216	262,319
September 30, 1996	6,441,803	261,519
September 30, 1997	5,787,116	256,443

Standardized Measure of Discounted Future Net Cash Flows Relating to Proved Oil and Gas Reserves (Unaudited) -

The "Standardized Measure of Discounted Future Net Cash Flows Relating to Proved Oil and Gas Reserves" (Standardized Measure) is a disclosure requirement under Financial Accounting Standards Board Statement No. 69. The Standardized Measure does not purport to present the fair market value of a company's proved oil and gas reserves. This would require consideration of expected future economic and operating conditions, which are not taken into account in calculating the Standardized Measure.

Under the Standardized Measure, future cash inflows were estimated by applying year-end prices to the estimated future production of year-end proved reserves. Future cash inflows were reduced by estimated future production and development costs based on year-end costs to determine pre-tax cash inflows. Future income taxes were computed by applying the statutory tax rate to the excess of pre-tax cash inflows over the Company's tax basis in the associated proved oil and gas properties. Tax credits and permanent differences were also considered in the future income tax calculation. Future net cash inflows after income taxes were discounted using a ten percent annual discount rate to arrive at the Standardized Measure.

September 30,	1997	1996
	(in thousands)	
Future cash inflows	$656,698	$549,033
Future costs -		
Future production and development costs	(187,672)	(193,047)
Future income tax expense	(134,892)	(98,158)
Future net cash flows	334,134	257,828
10% annual discount for estimated timing of cash flows	(129,099)	(103,964)
Standardized Measure of discounted future net cash flows	$205,035	$153,864

Changes in Standardized Measure Relating to Proved Oil and Gas Reserves (Unaudited)-

Years Ended September 30,	1997	1996	1995
		(in thousands)	
Standardized Measure - Beginning of year	$153,864	$110,934	$124,623
Increases (decreases) -			
Sales, net of production costs	(89,762)	(56,563)	(29,951)
Net change in sales prices, net of production costs	77,789	59,479	(12,917)
Discoveries and extensions, net of related future development and production costs	42,741	29,189	8,179
Changes in estimated future development costs	(16,570)	(6,651)	(4,672)
Development costs incurred	27,509	14,050	9,703
Revisions of previous quantity estimates	6,146	5,731	2,825
Accretion of discount	20,691	14,362	16,171
Net change in income taxes	(29,397)	(31,158)	(7,538)
Purchases of reserves-in-place	2	643	1,202
Sales of reserves-in-place	(1,551)	(124)	(51)
Other	13,573	13,972	3,360
Standardized Measure - End of Year	$205,035	$153,864	$110,934

NOTE 14 SELECTED QUARTERLY FINANCIAL DATA (UNAUDITED)

(in thousands, except per share amounts)

1997	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
Revenues	$118,262	$132,479	$129,812	$137,306
Gross profit	33,643	36,863	37,513	32,954
Net income	20,125	22,418	23,648	17,995
Earnings per share	.41	.45	.47	.36

1996	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
Revenues	$ 88,427	$ 95,213	$101,358	$108,257
Gross profit	16,971	17,897	23,256	21,180
Income from continuing operations	9,468	9,802	12,650	13,506
Income (loss) from discontinued operations	1,625	1,225	508	(268)
Gain on sale of discontinued operations	—	—	—	24,050
Net income	11,093	11,027	13,158	37,288
Earnings (loss) per share:				
Continuing operations	.19	.20	.26	.27
Discontinued operations	.04	.02	.01	(.01)
Gain on sale of discontinued operations	—	—	—	.49
Net income	.23	.22	.27	.75

Gross profit (loss) represents total revenues less operating costs, depreciation, depletion and amortization, dry holes and abandonments, and taxes, other than income taxes.

Per share amounts have been restated to reflect the effect of the two-for-one common stock split and distribution (see Note 4).

Net income in the fourth quarter of 1997 includes a provision of $6.7 million ($.08 per share after income taxes) for a Federal Energy Regulatory Commission ordered repayment of ad valorem taxes reimbursed to the Company during the period 1983-1988. The provision includes $2.7 million for ad valorem taxes (reduced revenues) and $4.0 million for interest.

Net income in the fourth quarter of 1996 includes the gain from sale of discontinued operations (see Note 6).

Report of Independent Auditors

HELMERICH & PAYNE, INC.

The Board of Directors and Shareholders
Helmerich & Payne, Inc.

We have audited the accompanying consolidated balance sheets of Helmerich & Payne, Inc. as of September 30, 1997 and 1996, and the related consolidated statements of income, shareholders' equity, and cash flows for each of the three years in the period ended September 30, 1997. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Helmerich & Payne, Inc. at September 30, 1997 and 1996, and the consolidated results of its operations and its cash flows for each of the three years in the period ended September 30, 1997, in conformity with generally accepted accounting principles.

As discussed in Note 1 to the financial statements, effective July 1, 1995, the Company adopted Statement of Financial Accounting Standards No. 121, "Accounting for the Impairment of Long-Lived Assets to be Disposed Of".

Ernst + Young LLP

Tulsa, Oklahoma
December 4, 1997

Stock Price Information*

	Closing Market Price Per Share			
	1997		1996	
QUARTERS	HIGH	LOW	HIGH	LOW
First	$27.56	$21.94	$15.06	$12.25
Second	27.44	21.00	17.25	13.50
Third	29.63	21.81	19.13	16.50
Fourth	40.00	29.47	21.81	17.38

Dividend Information*

	Paid Per Share		Total Payment	
	1997	1996	**1997**	1996
QUARTERS				
First	$.065	$.0625	$3,239,007	$3,095,578
Second	.065	.0625	3,239,892	3,100,568
Third	.065	.0625	3,242,952	3,104,724
Fourth	.065	.065	3,248,275	3,229,596

*Restated to reflect the effect of the two-for-one common stock split and distribution (see Note 4).

STOCKHOLDERS' MEETING

The annual meeting of stockholders will be held on March 4, 1998. A formal notice of the meeting, together with a proxy statement and form of proxy, will be mailed to shareholders on or about January 27, 1998.

STOCK EXCHANGE LISTING

Helmerich & Payne, Inc. Common Stock is traded on the New York Stock Exchange with the ticker symbol "HP." The newspaper abbreviation most commonly used for financial reporting is "HelmP." Options on the Company's stock are also traded on the New York Stock Exchange.

STOCK TRANSFER AGENT AND REGISTRAR

As of December 15, 1997, there were 1,467 record holders of Helmerich & Payne, Inc. common stock as listed by the transfer agent's records.

Our Transfer Agent is responsible for our shareholder records, issuance of stock certificates, and distribution of our dividends and the IRS Form 1099. Your requests, as shareholders, concerning these matters are most efficiently answered by corresponding directly with the Transfer Agent at the following address:

Bank One Trust Company, N.A.
Stock Transfer Department
P.O. Box 25848, OK1-1096
Oklahoma City, Oklahoma 73125-0848
Telephone: (405) 231-6325
800-395-2662, Extension 6598

FORM 10-K

The Company's Annual Report on Form 10-K, which has been submitted to the Securities and Exchange Commission, is available free of charge upon written request.

DIRECT INQUIRIES TO:
President
Helmerich & Payne, Inc.
Utica at Twenty-First
Tulsa, Oklahoma 74114
Telephone: (918) 742-5531

Eleven-Year Financial Review

HELMERICH & PAYNE, INC.

Years Ended September 30,	1997	1996	1995
REVENUES AND INCOME*			
Contract Drilling Revenues	**315,327**	244,338	203,325
Crude Oil Sales	**20,475**	15,378	13,227
Natural Gas Sales	**87,737**	60,500	33,851
Gas Marketing Revenues	**66,306**	57,817	34,729
Real Estate Revenues	**8,224**	8,076	7,560
Dividend Income	**5,268**	3,650	3,389
Other Revenues	**14,522**	3,496	10,640
Total Revenues††	**517,859**	393,255	306,721
Net Cash Provided by Continuing Operations††	**165,568**	121,420	84,010
Income from Continuing Operations	**84,186**	45,426	5,788
Net Income[3]	**84,186**	72,566	9,751
PER SHARE DATA**			
Income from Continuing Operations	**1.69**	.92	.12
Net Income[3]	**1.69**	1.47	.20
Cash Dividends	**.26**	.2525	.25
Shares Outstanding*	**50,028**	49,771	49,529
FINANCIAL POSITION			
Net Working Capital*	**62,837**	51,803	50,038
Ratio of Current Assets to Current Liabilities	**1.66**	1.83	1.74
Investments*	**323,510**	229,809	156,908
Total Assets*	**1,033,595**	821,914	707,061
Long-Term Debt*	**—**	—	—
Shareholders' Equity*	**780,580**	645,970	562,435
CAPITAL EXPENDITURES*			
Contract Drilling Equipment	**109,036**	79,269	80,943
Wells and Equipment	**33,425**	21,142	19,384
Real Estate	**1,095**	752	873
Other Assets (includes undeveloped leases)	**16,022**	7,003	9,717
Discontinued Operations	**—**	1,581	859
Total Capital Outlays	**159,578**	109,747	111,776
PROPERTY, PLANT AND EQUIPMENT AT COST*			
Contract Drilling Equipment	**643,619**	568,110	501,682
Producing Properties	**395,812**	392,562	384,755
Undeveloped Leases	**14,109**	9,242	8,051
Real Estate	**47,682**	46,970	46,642
Other	**59,659**	53,547	55,655
Discontinued Operations	**—**	—	13,937
Total Property, Plant and Equipment	**1,160,881**	1,070,431	1,010,722

* 000's omitted

** Per share data and shares outstanding are restated to reflect the effect of a two-for-one stock split and distribution as discussed in Note 4.

†† Chemical operations were sold August 30, 1996 (see note 6). Prior year amounts have been restated to exclude discontinued operations.

[3] Includes $13.6 million ($.28 per share) effect of impairment charge for adoption of SFAS No. 121 in 1995 and cumulative effect of change in accounting for income taxes of $4,000,000 ($.08 per share) in 1994.

1994	1993	1992	1991	1990	1989	1988	1987
182,781	149,661	112,833	105,364	90,974	78,315	75,985	64,718
13,161	15,392	16,369	17,374	16,058	14,821	14,001	15,223
45,261	52,446	38,370	35,628	37,697	33,013	26,154	17,251
51,874	63,786	40,410	10,055	10,566	—	—	—
7,396	7,620	7,541	7,542	7,636	7,778	7,878	7,561
3,621	3,535	4,050	5,285	7,402	9,127	10,069	9,757
6,058	8,283	6,646	20,020	56,131	17,371	15,206	34,757
310,152	300,723	226,219	201,268	226,464	160,425	149,293	149,267
74,463	72,493	60,414	50,006	53,288	65,474	54,959	36,999
17,108	22,158	8,973	19,608	45,489	20,715	17,746	20,575
24,971	24,550	10,849	21,241	47,562	22,700	20,150	22,016
.35	.46	.19	.41	.94	.43	.37	.43
.51	.51	.22	.44	.98	.47	.42	.46
.2425	.24	.2325	.23	.22	.21	.20	.19
49,420	49,275	49,152	48,976	48,971	48,346	48,331	48,374
76,238	104,085	82,800	108,212	146,741	114,357	135,275	135,139
2.63	3.24	3.31	4.19	3.72	3.12	6.10	6.68
87,414	84,945	87,780	96,471	99,574	130,443	133,726	140,431
621,689	610,935	585,504	575,168	582,927	591,229	576,473	571,348
—	3,600	8,339	5,693	5,648	49,087	70,715	74,732
524,334	508,927	493,286	491,133	479,485	443,396	430,804	420,833
53,752	24,101	43,049	56,297	18,303	17,901	19,110	13,993
40,916	23,142	21,617	34,741	16,489	30,673	25,936	27,402
902	436	690	2,104	1,467	878	3,095	6,128
9,695	5,901	16,984	6,793	5,448	6,717	2,496	2,012
618	629	158	2,594	1,153	815	815	336
105,883	54,209	82,498	102,529	42,860	56,984	51,452	49,871
444,432	418,004	404,155	370,494	324,293	323,313	313,289	309,865
377,371	340,176	329,264	312,438	287,248	279,768	251,445	228,214
11,729	10,010	12,973	5,552	5,507	5,441	3,305	4,197
47,827	47,502	47,286	46,671	44,928	48,016	47,165	44,070
48,612	45,085	43,153	36,423	32,135	29,716	27,798	28,274
13,131	12,545	11,962	11,838	9,270	8,156	7,370	6,602
943,102	873,322	848,793	783,416	703,381	694,410	650,372	621,222

Eleven-Year Operating Review

HELMERICH & PAYNE, INC.

Years Ended September 30,	1997	1996	1995
CONTRACT DRILLING			
Drilling Rigs, United States	38	41	41
Drilling Rigs, International	39	36	35
Contract Wells Drilled, United States	246	233	212
Total Footage Drilled, United States*	2,753	2,499	1,933
Average Depth per Well, United States	11,192	10,724	9,119
Percentage Rig Utilization, United States	88	82	71
Percentage Rig Utilization, International	91	85	84
PETROLEUM EXPLORATION AND DEVELOPMENT			
Gross Wells Completed	100	63	59
Net Wells Completed	49.3	35.3	27.4
Net Dry Holes	9.6	7.3	5.9
PETROLEUM PRODUCTION			
Net Crude Oil and Natural Gas Liquids Produced (barrels daily)	2,700	2,212	2,214
Net Oil Wells Owned — Primary Recovery	133	176.9	186
Net Oil Wells Owned — Secondary Recovery	49	63.8	64
Secondary Oil Recovery Projects	5	12	12
Net Natural Gas Produced (thousands of cubic feet daily)	110,859	94,358	72,387
Net Gas Wells Owned	410	378	354
NATURAL GAS ODORANTS AND OTHER CHEMICALS††			
Chemicals Sold (pounds)*	—	9,823	7,670
REAL ESTATE MANAGEMENT			
Gross Leasable Area (square feet)*	1,652	1,654	1,652
Percentage Occupancy	95	94	87
TOTAL NUMBER OF EMPLOYEES			
Helmerich & Payne, Inc. and Subsidiaries†	3,627	3,309	3,245

* 000's omitted.
† 1987-1989 include U.S. employees only
†† Chemical operations were sold August 30, 1996 (see note 6). Treated as discontinued operations in Financial Statements for all years presented.

1994	1993	1992	1991	1990	1989	1988	1987
47	42	39	46	49	49	48	50
29	29	30	25	20	20	18	19
162	128	100	106	119	108	115	110
1,842	1,504	1,085	1,301	1,316	1,350	1,284	1,182
11,367	11,746	10,853	12,274	11,059	12,500	11,165	10,745
69	53	42	47	50	44	45	39
88	68	69	69	45	46	30	16
44	42	54	45	36	45	45	18
15	15.9	17.8	20.2	15.3	15.2	14.6	5.2
1.7	4.3	4.3	4.3	3.4	2.8	1.6	.5
2,431	2,399	2,334	2,152	2,265	2,486	2,463	2,578
202	202	220	227	223	201	202	199
71	71	74	55	46	214	222	237
14	14	14	12	12	17	21	20
72,953	78,023	75,470	66,617	65,147	57,490	45,480	31,752
341	307	289	278	194	205	197	180
8,071	7,930	8,452	8,155	8,255	7,702	8,507	8,165
1,652	1,656	1,656	1,664	1,664	1,669	1,670	1,595
83	86	87	86	85	90	90	94
2,787	2,389	1,928	1,758	1,864	1,100	1,156	1,026

Directors

W. H. Helmerich, III
Chairman of the Board
Tulsa, Oklahoma

Hans Helmerich
President and Chief Executive Officer
Tulsa, Oklahoma

William L. Armstrong
Chairman
Ambassador Media Corporation
Denver, Colorado

Glenn A. Cox*
President and Chief Operating Officer, Retired
Phillips Petroleum Company
Bartlesville, Oklahoma

George S. Dotson
Vice President
President of Helmerich & Payne
International Drilling Co.
Tulsa, Oklahoma

L. F. Rooney, III*
Chief Executive Officer
Manhattan Construction Company
Tulsa, Oklahoma

Edward B. Rust, Jr.
President and Chief Executive Officer
State Farm Insurance Companies
Bloomington, Illinois

George A. Schaefer
Chairman and Chief Executive Officer, Retired
Caterpillar Inc.
Peoria, Illinois

John D. Zeglis
President
AT&T
Basking Ridge, New Jersey

*Member, Audit Committee

Officers

W. H. Helmerich, III
Chairman of the Board

Hans Helmerich
President and Chief Executive Officer

George S. Dotson
Vice President,
President of Helmerich & Payne
International Drilling Co.

Douglas E. Fears
Vice President and
Chief Financial Officer

Steven R. Mackey
Vice President, Secretary
and General Counsel

Steven R. Shaw
Vice President
Exploration & Production