

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934

Date of Report (Date of earliest event reported):
May 27, 1997

CONTINENTAL AIRLINES, INC.
(Exact name of registrant as specified in its charter)

Delaware (State or other jurisdiction of incorporation)	0-09781 (Commission File Number)	74-2099724 (IRS Employer Identification No.)
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2929 Allen Parkway, Suite 2010, Houston, Texas (Address of principal executive offices)	77019 (Zip Code)
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(713) 834-2950
(Registrant's telephone number, including area code)

Item 5. Other Events.

On May 27, 1997, Continental Airlines, Inc. issued a press release, which is filed herewith as Exhibit 99.1, and incorporated herein by reference.

Item 7. Financial Statements and Exhibits.

(c) Exhibits

99.1 Press Release

SIGNATURE

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

CONTINENTAL AIRLINES, INC.

By /s/ Jeffery A. Smisek
Jeffery A. Smisek
Executive Vice President

May 27, 1997

EXHIBIT INDEX

99.1 Press release, dated May 27, 1997.

Exhibit 99.1

CONTINENTAL AIRLINES TO PURCHASE CLASS B WARRANTS FROM AIR PARTNERS

HOUSTON, May 27, 1997 -- Continental Airlines, Inc. (NYSE: CAI.B and CAI.A) announced today that it has agreed to purchase from Air Partners, L.P. warrants to purchase 3,842,542 shares of Class B common stock of the airline for \$94.2 million in cash. The purchase price represents the intrinsic value of the warrants (the difference between the closing market price of the Class B common stock today and the applicable exercise price). The transaction is expected to close next week. The warrants sold by Air Partners consist of 2,314,687 Class B warrants exercisable for \$7.50 per share, and 1,527,855 Class B warrants exercisable for \$15.00 per share.