



## Amerada Hess Reports Results For The Third Quarter 2002

October 24, 2002

New York, New York....October 24, 2002....Amerada Hess Corporation (NYSE:AHC) reported operating earnings, excluding special items, of \$121 million (\$1.36 per share) for the third quarter of 2002 compared with earnings of \$167 million (\$1.86 per share) for the third quarter of 2001. There was a net loss of \$136 million (\$1.54 per share) in the third quarter of 2002, including a charge for asset impairment and other special items. Net income was \$153 million (\$1.72 per share) in the first nine months of 2002.

The after-tax results by major operating activity for the three and nine month periods ended September 30, 2002 and 2001 were as follows (in millions, except per share amounts):

	Three months ended September 30 (unaudited)		Nine months ended September 30 (unaudited)	
	<u>2002</u>	<u>2001</u>	<u>2002</u>	<u>2001</u>
Exploration and production	\$ 181	\$ 228	\$ 578	\$ 808
Refining, marketing and shipping	3	5	20	210
Corporate	(23)	(32)	(56)	(65)
Interest expense	<u>(40)</u>	<u>(34)</u>	<u>(137)</u>	<u>(93)</u>
Operating earnings	121	167	405	860
Special items	<u>(257)</u>	<u>--</u>	<u>(252)</u>	<u>--</u>
<b>Net income (loss)</b>	<b>\$ (136)</b>	<b>\$ 167</b>	<b>\$ 153</b>	<b>\$ 860</b>
<b>Net income (loss) per share</b>	<b>\$ (1.54)</b>	<b>\$ 1.86</b>	<b>\$ 1.72</b>	<b>\$ 9.63</b>

The Corporation's oil and gas production, on a barrel-of-oil equivalent basis, was 441,000 barrels per day in the third quarter of 2002, an increase of 2% over the third quarter of 2001. In the third quarter of 2002, the Corporation's average worldwide crude oil selling price, including the effect of hedging, was approximately \$26.24 per barrel, an increase of \$1.93 per barrel from the third quarter of 2001. The Corporation's average United States natural gas selling price, including the effect of hedging, was \$3.40 per Mcf in the third quarter of 2002, approximately the same as in the third quarter of 2001.

Refining and marketing results were lower in the first nine months of 2002 compared with 2001, principally reflecting decreased refining margins and lower earnings from retail operations.

After-tax special items in the third quarter and first nine months of 2002 were as follows (in millions):

	Three months ended September 30		Nine months ended September 30	
	<u>2002</u>	<u>2001</u>	<u>2002</u>	<u>2001</u>
Asset Impairment	\$ (256)	\$ --	\$ (256)	\$ --
Net gain from asset sales	42	--	69	--
Charge for increase in United Kingdom income tax rate	(43)	--	(43)	--
Reduction in carrying value of intangible assets	--	--	(14)	--
Severance accrual	<u>--</u>	<u>--</u>	<u>(8)</u>	<u>--</u>
	<b>\$ (257)</b>	<b>\$ --</b>	<b>\$ (252)</b>	<b>\$ --</b>

In the third quarter of 2002, the Corporation recorded an impairment charge of \$256 million to reduce the carrying value of certain producing fields in the Gulf of Mexico. The non-cash charge principally reflects reduced oil and gas reserve estimates. In addition, the Corporation recorded a net gain from sales of six United States flag tankers for a gain of \$67 million, partially offset by a loss on the sale of several small United States oil and gas

producing properties. A United Kingdom income tax charge was also recorded for the effect on deferred tax liabilities of the 10% supplementary tax on oil and gas profits enacted in the third quarter.

Sales and other operating revenues in the third quarter of 2002 amounted to \$2,818 million compared with \$2,888 million in the third quarter of 2001. Capital expenditures in the third quarter of 2002 amounted to \$345 million, of which \$323 million related to exploration and production activities. Capital expenditures in the third quarter of 2001 amounted to \$3,233 million, including \$2,720 million for the acquisition of Triton Energy Limited.

### Consolidated Financial Information

(unaudited)

	Three months ended September 30		Nine months ended September 30	
	2002	2001	2002	2001
(In millions, except per share amounts)				
Sales and other operating revenues	\$ 2,818	\$ 2,888	\$ 8,635	\$ 10,531
Operating earnings	\$ 121	\$ 167	\$ 405	\$ 860
Special items	(257)	—	(252)	—
Net income (loss)	\$ (136)	\$ 167	\$ 153	\$ 860
Operating earnings per share (diluted)	\$ 1.36	\$ 1.86	\$ 4.54	\$ 9.63
Net income (loss) per share	\$ (1.54)	\$ 1.86	\$ 1.72	\$ 9.63
Weighted average number of shares	88.3(*)	89.4	89.3	89.3

(\*) Represents basic shares

### Amerada Hess Corporation and Consolidated Subsidiaries

#### Supplemental Financial Data

(unaudited - in millions)

Line No.		Third Quarter 2002 (A)	Third Quarter 2001 (B)	Second Quarter 2002 (C)
<b>INCOME STATEMENT</b>				
<b>REVENUES</b>				
1	Sales and other operating revenues	\$ 2,818	\$ 2,888	\$ 2,796
	Non-operating income			
2	Equity in income (loss) of HOVENSA L.L.C.	(6)	11	(18)
3	Other	83	35	16
4	<b>Total revenues</b>	<b>2,895</b>	<b>2,934</b>	<b>2,794</b>
<b>COSTS AND EXPENSES</b>				
5	Cost of products sold	1,629	1,848	1,563
6	Production expenses	222	196	184
7	Marketing expenses	144	161	197
8	Exploration expenses, including dry holes and lease impairment	105	75	50
9	Other operating expenses	49	54	46
10	General and administrative expenses	72	71	60
11	Interest expense	64	51	70
12	Depreciation, depletion and amortization	342	254	368
13	Asset impairment	394	—	—

14	<b>Total costs and expenses</b>	<b>3,021</b>	<b>2,710</b>	<b>2,538</b>
15	Income (loss) before income taxes	(126)	224	256
16	Provision for income taxes	10	57	107
17	<b>NET INCOME (LOSS)</b>	<b>\$ (136)</b>	<b>\$ 167</b>	<b>\$ 149</b>

#### **SEGMENT ANALYSIS**

18	Exploration and production	\$ 181	\$ 228	\$ 198
19	Refining, marketing and shipping	3	5	39
20	Corporate	(23)	(32)	(18)
21	Interest expense	(40)	(34)	(48)
22	Operating earnings	121	167	171
23	Special items	(257)	—	(22)
24	<b>Net income (loss)</b>	<b>\$ (136)</b>	<b>\$ 167</b>	<b>\$ 149</b>

25	<b>CASH FLOW FROM OPERATIONS (*)</b>	<b>\$ 555</b>	<b>\$ 500</b>	<b>\$ 561</b>
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#### **CAPITAL EXPENDITURES**

26	Exploration and production	\$ 323	\$ 3,208	\$ 351
27	Refining, marketing and shipping	22	25	67
28	<b>Total capital expenditures</b>	<b>\$ 345</b>	<b>\$ 3,233</b>	<b>\$ 418</b>

#### **AT END OF PERIOD**

29	Total debt	\$ 5,083	\$ 5,496	\$ 5,302
30	Stockholders' equity	\$ 4,683	\$ 4,820	\$ 4,949

(\*) Net income (loss) adjusted for depreciation and amortization, asset impairment, exploratory dry holes, deferred income taxes, undistributed earnings of affiliates and net gain on asset sales.

### **Amerada Hess Corporation and Consolidated Subsidiaries** **Supplemental Financial Data** (unaudited - in millions)

		<b>Nine Months</b>	
Line	<b><u>INCOME STATEMENT</u></b>	<b><u>2002</u></b> <b>(A)</b>	<b><u>2001</u></b> <b>(B)</b>
<b>No.</b>	<b>REVENUES</b>		
1	Sales and other operating revenues	\$ 8,635	\$ 10,531
	Non-operating income		
2	Equity in income (loss) of HOVENSA L.L.C.	(50)	77
3	Other	162	120
4	<b>Total revenues</b>	<b>8,747</b>	<b>10,728</b>

COSTS AND EXPENSES			
5	Cost of products sold	5,118	7,016
6	Production expenses	589	522
7	Marketing expenses	500	466
8	Exploration expenses, including dry holes and lease impairment	209	232
9	Other operating expenses	145	163
10	General and administrative expenses	195	195
11	Interest expense	204	132
12	Depreciation, depletion and amortization	1,012	664
13	Asset impairment	<u>394</u>	<u>—</u>
14	<b>Total costs and expenses</b>	<b>8,366</b>	<b>9,390</b>
15	Income before income taxes	381	1,338
16	Provision for income taxes	<u>228</u>	<u>478</u>
17	<b>NET INCOME</b>	<b><u>\$ 153</u></b>	<b><u>\$ 860</u></b>
18	<b><u>CASH FLOW FROM OPERATIONS</u></b>	<b><u>\$ 1,570</u></b>	<b><u>\$ 1,701</u></b>
CAPITAL EXPENDITURES			
19	Exploration and production	\$ 1,101	\$ 4,573
20	Refining, marketing and shipping	<u>106</u>	<u>128</u>
21	<b>Total capital expenditures</b>	<b><u>\$ 1,207</u></b>	<b><u>\$ 4,701</u></b>
		September 30 <u>2002</u>	December 31 <u>2001</u>
BALANCE SHEET INFORMATION			
22	Current assets	\$ 2,503	\$ 3,946
23	Investments	1,608	1,636
24	Property, plant and equipment - net	7,741	8,165
25	Other assets	<u>1,775</u>	<u>1,622</u>
26	<b>Total assets</b>	<b><u>\$ 13,627</u></b>	<b><u>\$ 15,369</u></b>
27	Current portion of long-term debt	\$ 18	\$ 382
28	Other current liabilities	2,406	3,336
29	Long-term debt	5,065	5,283
30	Deferred liabilities and credits	1,455	1,461
31	Stockholders' equity excluding other comprehensive income	4,901	4,799
32	Accumulated other comprehensive income (loss)	<u>(218)</u>	<u>108</u>
33	<b>Total liabilities and stockholders' equity</b>	<b><u>\$ 13,627</u></b>	<b><u>\$ 15,369</u></b>

**Amerada Hess Corporation and Consolidated Subsidiaries**  
**Supplemental Operating Data**

(in thousands, except for average selling prices)

		Third Quarter 2002 (A)	Third Quarter 2001 (B)	Second Quarter 2002 (C)
Line	<b>OPERATING DATA</b>			
No.	<b>NET PRODUCTION PER DAY</b>			
	<b>Crude oil - barrels</b>			
1	United States	53	66	57
2	United Kingdom	112	114	115
3	Equatorial Guinea	39	9	48
4	Norway	26	23	24
5	Colombia	21	14	21
6	Denmark	20	18	21
7	Algeria	15	13	14
8	Gabon	8	9	9
9	Indonesia	4	6	3
10	Azerbaijan	<u>4</u>	<u>4</u>	<u>4</u>
11	<b>Total</b>	<b>302</b>	<b>276</b>	<b>316</b>
	<b>Natural gas liquids - barrels</b>			
12	United States	12	16	13
13	United Kingdom	5	6	5
14	Norway	1	1	1
15	Indonesia and Thailand	<u>3</u>	<u>1</u>	<u>2</u>
16	<b>Total</b>	<b>21</b>	<b>24</b>	<b>21</b>
	<b>Natural gas - mcf</b>			
17	United States	355	464	422
18	United Kingdom	227	240	272
19	Denmark	30	39	36
20	Norway	28	24	24
21	Indonesia, Thailand and other	<u>63</u>	<u>30</u>	<u>36</u>
22	<b>Total</b>	<b>703</b>	<b>797</b>	<b>790</b>
23	<b>Barrels of oil equivalent</b>	<b>441</b>	<b>433</b>	<b>469</b>
	<b>AVERAGE SELLING PRICE (including hedging)</b>			
	<b>Crude oil - per barrel</b>			
24	United States	\$ 26.19	\$ 23.38	\$ 25.46
25	Foreign	26.25	24.62	24.50
	<b>Natural gas liquids - per barrel</b>			
26	United States	\$ 16.31	\$ 17.73	\$ 15.34
27	Foreign	19.52	17.86	17.67
	<b>Natural gas - per mcf</b>			
28	United States	\$ 3.40	\$ 3.42	\$ 3.52
29	Foreign	2.17	1.96	1.94

**MARKETING AND REFINING - BARRELS PER DAY**

30	Refined products sold	<u>355</u>	<u>343</u>	<u>366</u>
31	Refinery runs (net)	<u>174</u>	<u>205</u>	<u>158</u>

**Amerada Hess Corporation and Consolidated Subsidiaries**  
**Supplemental Operating Data**

(in thousands, except for average selling prices)

		Nine Months	
Line	<b>OPERATING DATA</b>	<b>2002</b> (A)	<b>2001</b> (B)
<b>No.</b>	<b>NET PRODUCTION PER DAY</b>		
	<b>Crude oil - barrels</b>		
1	United States	56	64
2	United Kingdom	113	117
3	Equatorial Guinea	39	3
4	Norway	24	24
5	Colombia	22	5
6	Denmark	21	20
7	Algeria	14	13
8	Gabon	9	8
9	Indonesia	5	6
10	Azerbaijan	<u>4</u>	<u>4</u>
11	<b>Total</b>	<b>307</b>	<b>264</b>
	<b>Natural gas liquids - barrels</b>		
12	United States	13	14
13	United Kingdom	5	6
14	Norway	1	1
15	Indonesia and Thailand	<u>3</u>	<u>2</u>
16	<b>Total</b>	<b>22</b>	<b>23</b>
	<b>Natural gas - mcf</b>		
17	United States	390	421
18	United Kingdom	275	291
19	Denmark	36	42
20	Norway	25	25
21	Indonesia, Thailand and other	<u>42</u>	<u>31</u>
22	<b>Total</b>	<b>768</b>	<b>810</b>
23	<b>Barrels of oil equivalent</b>	<b>456</b>	<b>422</b>
	<b>AVERAGE SELLING PRICE (including hedging)</b>		
	<b>Crude oil - per barrel</b>		
24	United States	\$ 24.33	\$ 24.15
25	Foreign	24.91	26.02

<b>Natural gas liquids - per barrel</b>			
26	United States	\$ 14.84	\$ 20.94
27	Foreign	17.86	20.29
<b>Natural gas - per mcf</b>			
28	United States	\$ 3.45	\$ 4.39
29	Foreign	2.17	2.51
<b>MARKETING AND REFINING - BARRELS PER DAY</b>			
30	Refined products sold	<u>376</u>	<u>398</u>
31	Refinery runs (net)	<u>175</u>	<u>204</u>

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***These financial data are available here as a Microsoft® Excel® .XLS spreadsheet.***

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