



Amerada Hess Reports Results For The Second Quarter 2002

July 24, 2002

New York, New York.....July 24, 2002.....Amerada Hess Corporation (NYSE:AHC) reported operating earnings, excluding special items, of \$171 million for the second quarter of 2002 compared with earnings of \$357 million for the second quarter of 2001. In the first half of 2002, operating earnings were \$283 million compared with earnings of \$694 million in the first half of 2001. Including special items, net income amounted to \$149 million and \$289 million in the second quarter and first half of 2002, respectively.

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

| | Three months ended June 30 (unaudited) | | Six months ended June 30 (unaudited) | |
|----------------------------------|---|--------|---|--------|
| | 2002 | 2001 | 2002 | 2001 |
| Exploration and production | \$198 | \$304 | \$397 | \$579 |
| Refining, marketing and shipping | 39 | 101 | 16 | 206 |
| Corporate | (18) | (19) | (33) | (32) |
| Interest expense | (48) | (29) | (97) | (59) |
| Operating earnings | 171 | 357 | 283 | 694 |
| Special items | (22) | -- | 6 | -- |
| Net income | \$149 | \$357 | \$289 | \$694 |
| Net income per share (diluted) | \$1.66 | \$3.98 | \$3.25 | \$7.77 |

The Corporation's oil and gas production, on a barrel-of-oil equivalent basis, was 469,000 barrels per day in the second quarter of 2002, an increase of 10% over the second quarter of 2001. In the second quarter of 2002, the Corporation's average worldwide crude oil selling price, including the effect of hedging, was approximately \$24.70 per barrel, a decrease of \$2.40 per barrel from the second quarter of 2001. The Corporation's average United States natural gas selling price, including the effect of hedging, was \$3.52 per Mcf in the second quarter of 2002, a decrease of approximately \$1.10 per Mcf from the second quarter of 2001.

Refining and marketing results were lower in the second quarter of 2002 compared with the second quarter of 2001, principally reflecting decreased refining margins.

After-tax special items in the second quarter and first half of 2002 were as follows (in millions):

| | Three months ended June 30 | | Six months ended June 30 | |
|---|-------------------------------|------|-----------------------------|------|
| | 2002 | 2001 | 2002 | 2001 |
| Reduction in carrying value of intangible assets | \$(14) | \$-- | \$(14) | \$-- |
| Severance accrual | (8) | -- | (8) | -- |
| Net gain from asset sales | -- | -- | 28 | -- |
| | \$(22) | \$-- | \$6 | \$-- |

The second quarter charge for reductions in asset values relates to intangible assets in the energy marketing business. The severance accrual results from cost reduction initiatives in refining and marketing.

Sales and other operating revenues in the second quarter of 2002 amounted to \$2,796 million compared with \$3,461 million in the second quarter of 2001. Capital expenditures in the second quarter of 2002 amounted to \$425 million, of which \$358 million related to exploration and production activities. Capital expenditures in the second quarter of 2001 amounted to \$1,136 million, including \$1,048 million for exploration and production.

Consolidated Financial Information (unaudited)

| | Three months ended June 30 | | Six months ended June 30 | |
|---|-------------------------------|----------------|-----------------------------|----------------|
| | <u>2002</u> | <u>2001</u> | <u>2002</u> | <u>2001</u> |
| (In millions, except per share amounts) | | | | |
| Sales and other operating revenues | <u>\$2,796</u> | <u>\$3,461</u> | <u>\$5,818</u> | <u>\$7,644</u> |
| Operating earnings | \$171 | \$357 | \$283 | \$694 |
| Special items | <u>(22)</u> | <u>--</u> | <u>6</u> | <u>--</u> |
| Net income | <u>\$149</u> | <u>\$357</u> | <u>\$289</u> | <u>\$694</u> |
| Net income per share (diluted) | <u>\$1.66</u> | <u>\$3.98</u> | <u>\$3.25</u> | <u>\$7.77</u> |
| Weighted average number of shares | <u>89.5</u> | <u>89.6</u> | <u>89.1</u> | <u>89.3</u> |

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

| Line | | Second Quarter <u>2002</u> (A) | Second Quarter <u>2001</u> (B) | First Quarter <u>2002</u> (C) |
|------|--|---|---|--|
| No. | REVENUES | | | |
| 1 | Sales and other operating revenues | \$2,796 | \$3,461 | \$3,021 |
| | Non-operating income | | | |
| 2 | Equity in income (loss) of HOVENSA L.L.C. | (18) | 51 | (26) |
| 3 | Other | <u>16</u> | <u>53</u> | <u>62</u> |
| 4 | Total revenues | 2,794 | 3,565 | 3,057 |
| | COSTS AND EXPENSES | | | |
| 5 | Cost of products sold | 1,563 | 2,236 | 1,925 |
| 6 | Production expenses | 184 | 173 | 182 |
| 7 | Marketing expenses | 197 | 152 | 160 |
| 8 | Exploration expenses, including dry holes and lease impairment | 50 | 73 | 54 |
| 9 | Other operating expenses | 46 | 54 | 50 |
| 10 | General and administrative expenses | 60 | 58 | 63 |
| 11 | Interest expense | 70 | 41 | 70 |
| 12 | Depreciation, depletion and amortization | <u>368</u> | <u>229</u> | <u>302</u> |
| 13 | Total costs and expenses | 2,538 | 3,016 | 2,806 |
| 14 | Income before income taxes | 256 | 549 | 251 |
| 15 | Provision for income taxes | <u>107</u> | <u>192</u> | <u>110</u> |
| 16 | NET INCOME | \$149 | \$357 | \$141 |
| | SEGMENT ANALYSIS | | | |
| 17 | Exploration and production | \$198 | \$304 | \$199 |
| 18 | Refining, marketing and shipping | 39 | 101 | (22) |
| 19 | Corporate | (18) | (19) | (15) |

| | | | | |
|----|--------------------|--------------|--------------|--------------|
| 20 | Interest expense | (48) | (29) | (49) |
| 21 | Operating earnings | 171 | 357 | 113 |
| 22 | Special items | (22) | — | 28 |
| 23 | Net income | \$149 | \$357 | \$141 |

| | | | | |
|----|--------------------------------------|--------------|--------------|--------------|
| 24 | CASH FLOW FROM OPERATIONS (*) | \$561 | \$611 | \$453 |
|----|--------------------------------------|--------------|--------------|--------------|

CAPITAL EXPENDITURES

| | | | | |
|----|-----------------------------------|--------------|----------------|--------------|
| 25 | Exploration and production | \$358 | \$1,048 | \$434 |
| 26 | Refining, marketing and shipping | 67 | 88 | 18 |
| 27 | Total capital expenditures | \$425 | \$1,136 | \$452 |

AT END OF PERIOD

| | | | | |
|----|------------|---------|---------|---------|
| 28 | Total debt | \$5,302 | \$2,280 | \$5,555 |
|----|------------|---------|---------|---------|

| | | | | |
|----|----------------------|---------|---------|---------|
| 29 | Stockholders' equity | \$4,949 | \$4,621 | \$4,802 |
|----|----------------------|---------|---------|---------|

(*) Net income adjusted for depreciation and amortization, 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)

| | | First Half | |
|------------|--|--------------|--------------|
| Line | INCOME STATEMENT | 2002 | 2001 |
| | | (A) | (B) |
| No. | REVENUES | | |
| 1 | Sales and other operating revenues | \$5,818 | \$7,644 |
| | Non-operating income | | |
| 2 | Equity in income (loss) of HOVENSA L.L.C. | (44) | 66 |
| 3 | Other | 77 | 84 |
| 4 | Total revenues | 5,851 | 7,794 |
| | COSTS AND EXPENSES | | |
| 5 | Cost of products sold | 3,486 | 5,168 |
| 6 | Production expenses | 367 | 326 |
| 7 | Marketing expenses | 357 | 305 |
| 8 | Exploration expenses, including dry holes and lease impairment | 104 | 157 |
| 9 | Other operating expenses | 97 | 110 |
| 10 | General and administrative expenses | 123 | 123 |
| 11 | Interest expense | 140 | 81 |
| 12 | Depreciation, depletion and amortization | 670 | 410 |
| 13 | Total costs and expenses | 5,344 | 6,680 |

| | | | |
|----|----------------------------|---------------|---------------|
| 14 | Income before income taxes | 507 | 1,114 |
| 15 | Provision for income taxes | <u>218</u> | <u>420</u> |
| 16 | NET INCOME | \$ 289 | \$ 694 |

| | | | |
|----|----------------------------------|----------------|----------------|
| 17 | CASH FLOW FROM OPERATIONS | \$1,014 | \$1,201 |
|----|----------------------------------|----------------|----------------|

CAPITAL EXPENDITURES

| | | | |
|----|-----------------------------------|---------------|----------------|
| 18 | Exploration and production | \$792 | \$1,365 |
| 19 | Refining, marketing and shipping | <u>85</u> | <u>102</u> |
| 20 | Total capital expenditures | \$ 877 | \$1,467 |

| | |
|---------------------------|-------------------------------|
| June 30 <u>2002</u> | December 31 <u>2001</u> |
|---------------------------|-------------------------------|

BALANCE SHEET INFORMATION

| | | | |
|----|-------------------------------------|-----------------|-----------------|
| 21 | Current assets | \$2,403 | \$3,946 |
| 22 | Investments | 1,582 | 1,636 |
| 23 | Property, plant and equipment - net | 8,315 | 8,165 |
| 24 | Other assets | <u>1,592</u> | <u>1,622</u> |
| 25 | Total assets | \$13,892 | \$15,369 |

| | | | |
|----|---|-----------------|-----------------|
| 26 | Current portion of long-term debt | \$ 17 | \$382 |
| 27 | Other current liabilities | 2,231 | 3,336 |
| 28 | Long-term debt | 5,285 | 5,283 |
| 29 | Deferred liabilities and credits | 1,410 | 1,461 |
| 30 | Stockholders' equity excluding other comprehensive income | 5,066 | 4,799 |
| 31 | Accumulated other comprehensive income | <u>(117)</u> | <u>108</u> |
| 32 | Total liabilities and stockholders' equity | \$13,892 | \$15,369 |

Amerada Hess Corporation and Consolidated Subsidiaries

Supplemental Operating Data

(in thousands, except for average selling prices)

| Line | | Second Quarter <u>2002</u> (A) | Second Quarter <u>2001</u> (B) | First Quarter <u>2002</u> (C) |
|------|-------------------------------|---|---|--|
| No. | OPERATING DATA | | | |
| | NET PRODUCTION PER DAY | | | |
| | Crude oil - barrels | | | |
| 1 | United States | 57 | 69 | 59 |
| 2 | United Kingdom | 115 | 117 | 112 |
| 3 | Equatorial Guinea | 48 | -- | 30 |
| 4 | Norway | 24 | 25 | 23 |
| 5 | Colombia | 21 | -- | 24 |
| 6 | Denmark | 21 | 17 | 23 |
| 7 | Algeria | 14 | 13 | 12 |

| | | | | |
|----|--------------|------------|------------|------------|
| 8 | Gabon | 9 | 9 | 9 |
| 9 | Indonesia | 3 | 6 | 6 |
| 10 | Azerbaijan | <u>4</u> | <u>4</u> | <u>4</u> |
| 11 | Total | 316 | 260 | 302 |

Natural gas liquids - barrels

| | | | | |
|----|------------------------|-----------|-----------|-----------|
| 12 | United States | 13 | 15 | 13 |
| 13 | United Kingdom | 5 | 5 | 6 |
| 14 | Norway | 1 | 2 | 1 |
| 15 | Indonesia and Thailand | <u>2</u> | <u>1</u> | <u>2</u> |
| 16 | Total | 21 | 23 | 22 |

Natural gas - mcf

| | | | | |
|----|-------------------------------|------------|------------|------------|
| 17 | United States | 422 | 474 | 394 |
| 18 | United Kingdom | 272 | 289 | 326 |
| 19 | Denmark | 36 | 38 | 42 |
| 20 | Norway | 24 | 25 | 23 |
| 21 | Indonesia, Thailand and other | <u>36</u> | <u>34</u> | <u>28</u> |
| 22 | Total | 790 | 860 | 813 |

| | | | | |
|----|----------------------------------|------------|------------|------------|
| 23 | Barrels of oil equivalent | 469 | 426 | 460 |
|----|----------------------------------|------------|------------|------------|

AVERAGE SELLING PRICE (including hedging)

Crude oil - per barrel

| | | | | |
|----|---------------|---------|---------|---------|
| 24 | United States | \$25.46 | \$24.82 | \$21.51 |
| 25 | Foreign | 24.50 | 27.87 | 23.82 |

Natural gas liquids - per barrel

| | | | | |
|----|---------------|---------|---------|---------|
| 26 | United States | \$15.34 | \$20.25 | \$12.90 |
| 27 | Foreign | 17.67 | 20.28 | 16.36 |

Natural gas - per mcf

| | | | | |
|----|---------------|--------|--------|--------|
| 28 | United States | \$3.52 | \$4.64 | \$3.43 |
| 29 | Foreign | 1.94 | 2.48 | 2.37 |

MARKETING AND REFINING - BARRELS PER DAY

| | | | | |
|----|-----------------------|------------|------------|------------|
| 30 | Refined products sold | <u>366</u> | <u>389</u> | <u>407</u> |
| 31 | Refinery runs (net) | <u>158</u> | <u>202</u> | <u>196</u> |

Amerada Hess Corporation and Consolidated Subsidiaries
Supplemental Operating Data
(in thousands, except for average selling prices)

| | | First Half | |
|------------|-------------------------------|--------------------|--------------------|
| Line | OPERATING DATA | 2002 (A) | 2001 (B) |
| No. | NET PRODUCTION PER DAY | | |
| | Crude oil - barrels | | |

| | | | |
|----|-------------------|------------|------------|
| 1 | United States | 58 | 63 |
| 2 | United Kingdom | 113 | 119 |
| 3 | Equatorial Guinea | 39 | -- |
| 4 | Norway | 23 | 25 |
| 5 | Colombia | 23 | -- |
| 6 | Denmark | 22 | 20 |
| 7 | Algeria | 13 | 13 |
| 8 | Gabon | 9 | 8 |
| 9 | Indonesia | 5 | 6 |
| 10 | Azerbaijan | <u>4</u> | <u>4</u> |
| 11 | Total | 309 | 258 |

Natural gas liquids - barrels

| | | | |
|----|------------------------|-----------|-----------|
| 12 | United States | 13 | 13 |
| 13 | United Kingdom | 6 | 7 |
| 14 | Norway | 1 | 1 |
| 15 | Indonesia and Thailand | <u>2</u> | <u>1</u> |
| 16 | Total | 22 | 22 |

Natural gas - mcf

| | | | |
|----|-------------------------------|------------|------------|
| 17 | United States | 408 | 399 |
| 18 | United Kingdom | 299 | 316 |
| 19 | Denmark | 39 | 44 |
| 20 | Norway | 24 | 25 |
| 21 | Indonesia, Thailand and other | <u>32</u> | <u>32</u> |
| 22 | Total | 802 | 816 |

| | | | |
|----|----------------------------------|------------|------------|
| 23 | Barrels of oil equivalent | 464 | 416 |
|----|----------------------------------|------------|------------|

AVERAGE SELLING PRICE (including hedging)

Crude oil - per barrel

| | | | |
|----|---------------|---------|---------|
| 24 | United States | \$23.46 | \$24.55 |
| 25 | Foreign | 24.17 | 26.76 |

Natural gas liquids - per barrel

| | | | |
|----|---------------|---------|---------|
| 26 | United States | \$14.12 | \$22.98 |
| 27 | Foreign | 16.99 | 21.41 |

Natural gas - per mcf

| | | | |
|----|---------------|--------|--------|
| 28 | United States | \$3.47 | \$4.96 |
| 29 | Foreign | 2.16 | 2.73 |

MARKETING AND REFINING - BARRELS PER DAY

| | | | |
|----|-----------------------|------------|------------|
| 30 | Refined products sold | <u>387</u> | <u>426</u> |
| 31 | Refinery runs (net) | <u>176</u> | <u>204</u> |

