



Drilling Programme Agreed For Beechnut & "Cluster";

July 6, 2001

Amerada Hess Limited and Ranger Oil have reached agreement on a joint programme of further exploration and appraisal for the Beechnut area in Blocks 29/9a south and 29/9b of the UK sector of the North Sea.

Beechnut is included within one of the "cluster" areas identified by the PILOT Undeveloped Discoveries workgroup in its report delivered in July 2000. Amerada Hess as sponsor of the Beechnut/Acorn cluster and Ranger as Operator of 29/9b initiated discussions that have led to an agreement with all parties to appraise the potential of Beechnut for future development.

Commenting on the agreement, Nick Fairbrother, Managing Director, Amerada Hess Limited said,

"The discussions stimulated by the findings of the Undeveloped Discoveries Workgroup are now starting to pay real dividends. The impetus and focus provided by PILOT have provided a solid way forward on Beechnut. A successful drilling program would not only be good news for Amerada Hess, Ranger, Lundin and PanCanadian, but for the UK oil and gas industry as a whole."

Amerada Hess, with staff seconded from Ranger, will operate this next phase which will involve an appraisal well of Beechnut North, which was discovered in 1987, and exploration of Beechnut South. The wells will be drilled from a single location and provision has been made for a further sidetrack to appraise the second of these targets if appropriate. The cost of the programme is some £21 million and drilling is expected to commence in late August with a 120-day programme.

In the event of a successful programme, there are a number of development and export options available with a range of infrastructure already existing in the sector including the Ranger-operated Kyle facilities nearby in block 29/2c.

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