



Amerada Hess Welcomes Gas Sales Agreements

February 12, 2001

Amerada Hess today welcomed the signing of a series of agreements that will enable the sale of gas from its Jabung Block in South Sumatra into Singapore.

The agreements provide for the sale of gas from the Jabung PSC, in which Amerada Hess holds a 30% interest, to Pertamina, Indonesia's State oil and gas company. In parallel Pertamina and Gas Supply Private Limited, a wholly owned subsidiary of Power Gas Limited, have signed a Gas Sales Agreement for the sale of gas, including that from Jabung, to Singapore. A third agreement provides for the construction of a pipeline and other facilities to transport the gas sold under the GSA. As a result gas will be supplied from the Jabung PSC, and two other PSCs, starting in 2003 at 150 million cubic feet per day (mmcf) rising to 350 mmcf in 2009. The Jabung Block will supply some 40% of this production amounting to some 900,000 mmcf over the 20-year period.

In addition to the substantial gas reserves, the Jabung Block also contains significant liquids reserves that will be produced as part of this project. Initial production of 15,000 barrels per day (bpd) of LPG and 11,000 bpd of condensate are anticipated in addition to the block's current oil production of 21,000 bpd.

The completion of these agreements follows a successful 2000 drilling campaign in Indonesia for Amerada Hess, with exploration and appraisal activity yielding three new discoveries and adding significant reserves to the Corporation's portfolio.

Commenting on these developments, Howard Paver, Managing Director for the International Business Unit, said,

"This is an exciting development in the expanding pipeline network serving the growing gas markets of South East Asia. We are obviously delighted that the main Gas Sales Agreement and the related agreements have been successfully concluded. It paves the way for the release of the full value of Jabung's gas reserves and, coupled with the successful drilling on both the Jabung and Pangkah blocks, further consolidates our growing position in the region."

The Jabung PSC that is situated onshore Sumatra, some 600 kilometres north west of Jakarta, and 200 kilometres south of Singapore. The Block is operated by a subsidiary of Devon Energy (30%), with the other partners, Kerr-McGee Sumatra Ltd (30%) and Pertamina (10%).

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