



Amerada Hess announces new acquisition in Azerbaijan

July 17, 2000

Amerada Hess Corporation announced today that it has reached agreement with Ramco Energy plc for the acquisition of an additional 2.08% interest in the Azeri, Chirag and Guneshli fields, being developed in the Azeri sector of the Caspian Sea. The total purchase price will be US\$150 million.

Map of Caspian oil fields

This acquisition adds to Amerada Hess's current holding of a 1.68% interest in this world class group of fields, bringing the total Amerada Hess interest to 3.76%. Total gross reserves for the three fields are estimated at in excess of 4 billion barrels of oil. They form one of the largest producing complexes in the offshore Caspian and currently produce 105,000 barrels of oil per day. The fields have the potential to reach around 1,000,000 barrels of oil production per day in 2008.

Members of the consortium formed to develop the fields are currently considering options to expand the oil export systems to handle these increased volumes, including the planned Main Export Pipeline from Baku to Ceyhan on Turkey's Mediterranean Sea coast. Amerada Hess will continue to participate in these discussions.

Amerada Hess and Ramco have also agreed that for three years after the completion of the acquisition (expected in about five months' time) Amerada Hess will have the first opportunity to partner Ramco in any oil and gas project in which Ramco seeks third party participants.

With this acquisition Amerada Hess is pursuing its strategy of:-

- establishing one third of its reserves base outside its traditional core areas of the Gulf of Mexico and the North Sea;
- investing in assets with long life reserves and a low cost base; and
- building on its existing asset base to establish critical mass in the Caspian region.

Commenting on the acquisition, Richard Mew, Vice President International, Amerada Hess said, "We are delighted to have been able to acquire a further interest in these exciting fields. Azerbaijan is an increasingly significant country for Amerada Hess where we also have interests in the onshore Kursangi and Karabagly fields. We are committed to a long-term future here and expect that by 2008 our total equity production for our working interests in Azerbaijan could be in excess of 40 thousand barrels per day. We also welcome the opportunity this acquisition has given us to work closely with Ramco and we hope to be able to undertake other opportunities with them in future."

Steve Remp, Chairman and Chief Executive of Ramco, said, "I am delighted to have been able to bring forward value for our shareholders and at the same time strengthen our balance sheet and secure a strategic alliance with such a quality, international player as Amerada Hess. Over recent years we have built a portfolio of exciting oil and gas assets which we intend to develop and harvest. There is no shortage of opportunities. This sale puts Ramco in a unique position among our peer group."

The transaction is subject to the consent of the government of Azerbaijan and co-venturers in the fields.

For further information please contact:

Alan Dunlop, Amerada Hess, London: + 44 (0)20 7887 2255

Carl Tursi, Amerada Hess, New York: +1 212 536 8593