



Amerada Hess Acquires Gassi El Agreb Field Redevelopment Project In Algeria

April 17, 2000

Amerada Hess Corporation announced today the acquisition of the Gassi El Agreb Redevelopment Project, covering the El Gassi, El Agreb and Zotti Fields, from the Algerian state oil company, Sonatrach. Amerada Hess will acquire the fields for \$55 million and will form a joint operating company with Sonatrach to operate and rehabilitate the fields. The new company will be called SONAHESS, with the production initially being split 51% Sonatrach, 49% Amerada Hess.

Amerada Hess will invest approximately \$500 million over the next five years to enhance recovery from the fields, which have been in production since the early 1960's and have produced over 400 million barrels of oil. In addition, Amerada Hess acquired exploration rights on a block adjacent to the prolific Hassi Berkine region.

The El Gassi, El Agreb and Zotti Fields are located 60 miles southwest of the Hassi Messaoud Field in the major oil-producing region of central Algeria and currently are producing at a gross level of almost 30,000 barrels of oil per day. Total remaining reserves are believed to be in excess of 300 million barrels of oil. The redevelopment project is designed to increase gross production to 45,000 barrels of oil per day late in 2003.

Speaking in Algeria, Sam Laidlaw, President and Chief Operating Officer of Amerada Hess, said "we are delighted to announce this important investment in Algeria. It is a testament to the excellent relationship which has developed between Sonatrach and Hess over many years, and we look forward to expanding this relationship into the exploration and production business. We believe that the technical skills and financial capabilities that we bring will complement those of Sonatrach. Algeria is one of the world's largest oil and gas provinces and we look forward to pursuing further exploration and production opportunities. This investment is part of the Amerada Hess plan to grow its international exploration and production business by getting access to high-quality, long-life, low-cost production with attractive financial returns."

Mr. Abdelhak Bouhafs, President and Chief Executive of Sonatrach said, "I am delighted that we have signed these two contracts with Amerada Hess, at this important science and technology event. We have chosen partnering as a strategic option and as a lever of development particularly in exploration and production. What better proof of our firm intention to develop partnering than the signing of these contracts, a contract for enhanced recovery from existing fields and an exploration agreement for the discovery of future fields. The story of Amerada Hess is one of outstanding success, and we are following the route set by their founder, Leon Hess in his career. Amerada Hess and Sonatrach started their cooperation downstream in refining, before expanding upstream into exploration and production."

The work program, which will commence in July, will involve the shooting of 3D seismic, the drilling of 30 new wells, the work-over of a further 30 wells and the installation of water injection and gas compression facilities.

Amerada Hess has been purchasing oil from Algeria for over 30 years. This is the Corporation's first exploration and production investment in Algeria.

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