



Amerada Hess Reports Results for the Fourth Quarter of 2003

January 28, 2004

NEW YORK, Jan. 28 /PRNewswire-FirstCall/ -- Amerada Hess Corporation (NYSE: AHC) reported net income of \$68 million for the fourth quarter of 2003 compared with a net loss of \$371 million for the fourth quarter of 2002. Results for the fourth quarter of 2002 included an after-tax impairment charge of \$530 million (\$706 million before income taxes). Net income was \$643 million for the year 2003 compared with a loss of \$218 million in the corresponding period of 2002. The after-tax results by major operating activity in 2003 and 2002 were as follows (in millions, except per share amounts):

	Three months ended December 31		Year ended December 31	
	2003*	2002*(a)	2003*	2002(a)
Exploration and production	\$83	\$ (375)	\$414	\$ (102)
Refining and marketing	55	20	327	85
Corporate	(29)	(7)	(101)	(63)
Interest expense	(41)	(38)	(173)	(165)
Income (loss) from continuing operations	68	(400)	467	(245)
Discontinued operations				
Net gains from asset sales	--	--	116	--
Income from operations	--	29	53	27
Income from cumulative effect of accounting change	--	--	7	--
Net income (loss)	\$68	\$ (371)	\$643	\$ (218)
Income (loss) per share from continuing operations (diluted)	\$.71	\$ (4.52)	\$5.17	\$ (2.78)
Net income (loss) per share (diluted)	\$.71	\$ (4.20)	\$7.11	\$ (2.48)

* Unaudited.

(a) Reclassified to conform with current period presentation.

The Corporation's oil and gas production, on a barrel-of-oil equivalent basis, was 356,000 barrels per day in the fourth quarter of 2003 compared to 434,000 barrels per day in the fourth quarter of 2002. Approximately seventy percent of the decline in production resulted from asset sales and exchanges in connection with the Corporation's initiatives to reshape its portfolio of producing properties. In the fourth quarter of 2003, the Corporation's average worldwide crude oil selling price, including the effect of hedging, was \$25.34 per barrel, an increase of \$.87 per barrel from the fourth quarter of 2002. The average crude oil selling price for the full year of 2003 was \$24.80 per barrel, an increase of \$.22 per barrel from 2002. The Corporation's average United States natural gas selling price, including the effect of hedging, was \$3.96 per Mcf in the fourth quarter of 2003, a decrease of \$.41 per Mcf from the fourth quarter of 2002. The average United States natural gas selling price for the full year of 2003 was \$4.02 per Mcf, an increase of \$.30 per Mcf from 2002.

Refining and marketing earnings increased in the fourth quarter and the year 2003 compared with the corresponding periods of 2002, reflecting higher refining earnings and increased income from retail gasoline station operations.

The following items, on an after-tax basis, are included in net income in the fourth quarter and year of 2003 and 2002 (in millions):

	Three months ended December 31 (unaudited)		Year ended December 31 (unaudited)	
	2003	2002	2003	2002
Premiums on bond repurchases	\$ (19)	\$ (2)	\$ (34)	\$ (6)
Accrued severance and London office lease costs	(9)	--	(32)	--
United States income tax benefit	--	--	30	--
Asset impairments	--	(530)	--	(737)

Gains (losses) from asset sales				
Exploration and production	--	13	31	33
Refining and marketing	--	--	(20)	67
Charge for increase in United Kingdom income tax rate	--	--	--	(43)
Reduction in carrying value of refining and marketing intangible assets and accrued severance	--	--	--	(22)
	\$(28)	\$(519)	\$(25)	\$(708)

Capital expenditures for the year 2003 amounted to \$1,358 million of which \$1,286 million related to exploration and production activities. Capital expenditures for the year 2002 amounted to \$1,534 million, including \$1,404 million for exploration and production.

Consolidated Financial Information

	Three months ended December 31		Year ended December 31	
	2003*	2002*	2003*	2002
(In millions, except per share amounts)				
Sales and other operating revenues	\$3,628	\$3,207	\$14,311	\$11,551
Income (loss) from continuing operations	\$68	\$(400)	\$467	\$(245)
Discontinued operations				
Net gains from asset sales	--	--	116	--
Income from operations	--	29	53	27
Cumulative effect of accounting change	--	--	7	--
Net income (loss)	\$68	\$(371)	\$643	\$(218)
Income (loss) per share from continuing operations (diluted)	\$.71	\$(4.52)	\$5.17	\$(2.78)
Net income (loss) per share (diluted)	\$.71	\$(4.20)	\$7.11	\$(2.48)
Weighted average number of shares	89.2	88.4**	90.3	88.2**

* Unaudited.

** Represents basic shares.

In the preceding discussion, the financial effects of certain transactions are disclosed on an after-tax basis. Management reviews segment earnings on an after-tax basis and uses after-tax amounts in its review of variances in segment earnings. Management believes that after-tax amounts are a preferable method of explaining variances in earnings, since they show the entire effect of a transaction rather than only the pre-tax amount. After-tax amounts are determined by applying the appropriate income tax rate in each tax jurisdiction to pre-tax amounts.

The following table contains the pre-tax amounts of items included in net income which are shown on an after-tax basis above (in millions):

	Three months ended December 31		Year ended December 31	
	2003	2002	2003	2002
Premiums on bond repurchases	\$(31)	\$(5)	\$(58)	\$(15)
Accrued severance and London office lease costs	(15)	--	(53)	--
Asset impairments	--	(706)	--	(1,024)
Gains (losses) from asset sales				
Exploration and production	--	13	47	41

Refining and marketing	--	--	(9)	102
Reduction in carrying value of refining and marketing intangible assets and accrued severance	--	--	--	(35)
	\$(46)	\$(698)	\$(73)	\$(931)

AMERADA HESS CORPORATION AND CONSOLIDATED SUBSIDIARIES
SUPPLEMENTAL FINANCIAL DATA (UNAUDITED)
(IN MILLIONS)

Line No.		Fourth Quarter 2003 (A)	Fourth Quarter 2002(*) (B)	Third Quarter 2003 (C)
	Income Statement			
	Revenues and Non-operating Income			
1	Sales and other operating revenues	\$3,628	\$3,207	\$3,230
	Non-operating income (expense)			
2	Gain on asset sales	--	13	--
3	Equity in income of HOVENSA			
	L.L.C.	10	4	43
4	Other	(30)	22	23
5	Total revenues and non-operating income	3,608	3,246	3,296
	Costs and Expenses			
6	Cost of products sold	2,523	2,052	2,194
7	Production expenses	207	214	207
8	Marketing expenses	201	202	171
9	Exploration expenses, including dry holes and lease impairment	116	110	59
10	Other operating expenses	49	43	44
11	General and administrative expenses	87	61	70
12	Interest expense	69	62	73
13	Depreciation, depletion and amortization	254	265	253
14	Asset impairment	--	706	--
15	Total costs and expenses	3,506	3,715	3,071
16	Income (loss) from continuing operations before			

	income taxes	102	(469)	225
17	Provision (benefit) for income taxes	34	(69)	79
18	Income (loss) from continuing operations	68	(400)	146
	Discontinued operations			
19	Net gain from asset sales	--	--	--
20	Income from operations	--	29	--
21	Net income (loss)	68	(371)	146
22	Preferred stock dividends	5	--	--
23	Net income (loss) applicable to common stockholders	\$63	\$(371)	\$146
	Segment Earnings Analysis			
24	Exploration and production	\$83	\$(375)	\$124
25	Refining and marketing	55	20	89
26	Corporate	(29)	(7)	(25)
27	Interest expense	(41)	(38)	(42)
28	Income (loss) from continuing operations	68	(400)	146
	Discontinued operations			
29	Net gain from asset sales	--	--	--
30	Income from operations	--	29	--
31	Net income (loss)	\$68	\$(371)	\$146
32	Net Cash Provided by Operating Activities (**)	\$423	\$538	\$99
	Capital Expenditures			
33	Exploration and production	\$328	\$303	\$298
34	Refining and marketing	14	23	9
35	Total capital expenditures	\$342	\$326	\$307
	At End of Period			
36	Total debt	\$3,941	\$4,992	\$4,490
37	Stockholders' equity	\$5,340	\$4,249	\$4,714

(*) Reclassified to conform with current period presentation.

(**) Includes changes in working capital.

AMERADA HESS CORPORATION AND CONSOLIDATED SUBSIDIARIES
SUPPLEMENTAL FINANCIAL DATA (UNAUDITED)
(IN MILLIONS)

Line No.	Income Statement	2003	Year 2002(*)
	Revenues and Non- operating Income		
1	Sales and other operating revenues	\$14,311	\$11,551
	Non-operating income (expense)		
2	Gain on asset sales	39	143
3	Equity in income (loss) of HOVENSA L.L.C.	117	(47)
4	Other	13	85
5	Total revenues and non- operating income	14,480	11,732
	Costs and Expenses		
6	Cost of products sold	9,947	7,226
7	Production expenses	796	736
8	Marketing expenses	709	703
9	Exploration expenses, including dry holes and lease impairment	369	316
10	Other operating expenses	192	165
11	General and administrative expenses	340	253
12	Interest expense	293	256
13	Depreciation, depletion and amortization	1,053	1,118
14	Asset impairment	--	1,024
15	Total costs and expenses	13,699	11,797
16	Income (loss) from continuing operations before income taxes	781	(65)
17	Provision for income taxes	314	180
18	Income (loss) from continuing operations	467	(245)
	Discontinued		

	operations		
19	Net gain from		
	asset sales	116	--
20	Income from		
	operations	53	27
21	Cumulative effect of		
	change in accounting		
	principle, net	7	--
22	Net income (loss)	643	(218)
23	Preferred stock		
	dividends	5	--
24	Net income (loss)		
	applicable to common		
	stockholders	\$638	\$(218)
25	Net Cash Provided by		
	Operating Activities	\$1,581	\$1,965
	Capital Expenditures		
26	Exploration and		
	production	\$1,286	\$1,404
27	Refining and		
	marketing	72	130
28	Total capital		
	expenditures	\$1,358	\$1,534
		December 31	December 31
		2003	2002
	Balance Sheet Information		
29	Current assets	\$3,186	\$2,756
30	Investments	1,095	1,622
31	Property, plant and		
	equipment - net	7,978	7,032
32	Other assets	1,724	1,852
33	Total assets	\$13,983	\$13,262
34	Current portion of		
	long-term debt	\$73	\$16
35	Other current		
	liabilities	2,596	2,537
36	Long-term debt	3,868	4,976
37	Deferred liabilities		
	and credits	2,106	1,484
38	Stockholders' equity		
	excluding other		
	comprehensive loss	5,690	4,503
39	Accumulated other		
	comprehensive loss	(350)	(254)
40	Total		
	liabilities		
	and		
	stockholders'		
	equity	\$13,983	\$13,262

(*) Reclassified to conform with current period presentation.

(IN THOUSANDS, EXCEPT FOR AVERAGE SELLING PRICES)

Line No.		Fourth Quarter 2003 (A)	Fourth Quarter 2002 (B)	Third Quarter 2003 (C)
	Operating Data			
	Net Production Per Day			
	Crude oil - barrels			
1	United States	40	48	41
2	United Kingdom	79	110	78
3	Norway	27	25	22
4	Denmark	23	28	24
5	Algeria	19	18	23
6	Equatorial Guinea	18	30	21
7	Gabon	12	9	11
8	Azerbaijan	2	4	2
9	Indonesia	1	3	--
10	Colombia	--	20	--
11	Total	221	295	222
	Natural gas liquids - barrels			
12	United States	10	11	12
13	United Kingdom	7	6	4
14	Norway	1	1	1
15	Indonesia and Thailand	2	2	2
16	Total	20	20	19
	Natural gas - mcf			
17	United States	213	320	216
18	United Kingdom	339	284	262
19	Norway	28	25	24
20	Denmark	23	39	30
21	Indonesia and Thailand	88	45	59
22	Total	691	713	591
23	Barrels of oil equivalent(*)	356	434	339
	Average Selling Price (including hedging)			
	Crude oil - per barrel			
24	United States	\$25.06	\$22.78	\$24.33
25	Foreign	25.40	24.77	24.72

Natural gas liquids - per
barrel

26	United States	\$24.01	\$20.99	\$22.00
27	Foreign	24.71	21.80	23.33

Natural gas - per mcf

28	United States	\$3.96	\$4.37	\$3.53
29	Foreign	3.74	2.52	2.54

Marketing and Refining -
Barrels Per Day

30	Refined products sold	423	402	390
31	Refinery runs (net)	225	196	241

(*) Includes production from properties classified as discontinued operations of 44 thousand barrels of oil equivalent per day in the fourth quarter of 2002.

AMERADA HESS CORPORATION AND CONSOLIDATED SUBSIDIARIES
SUPPLEMENTAL OPERATING DATA
(IN THOUSANDS, EXCEPT FOR AVERAGE SELLING PRICES)

Line No.		Year	
		2003 (A)	2002 (B)
	Operating Data		
	Net Production Per Day		
	Crude oil - barrels		
1	United States	44	54
2	United Kingdom	89	112
3	Norway	24	24
4	Denmark	24	23
5	Algeria	19	15
6	Equatorial Guinea	22	37
7	Gabon	11	9
8	Azerbaijan	2	4
9	Indonesia	1	4
10	Colombia	3	22
11	Total	239	304
	Natural gas liquids - barrels		
12	United States	11	12
13	United Kingdom	6	6
14	Norway	1	1
15	Indonesia and Thailand	2	2

16	Total	20	21
	Natural gas - mcf		
17	United States	253	373
18	United Kingdom	312	277
19	Norway	26	25
20	Denmark	29	37
21	Indonesia and Thailand	63	42
22	Total	683	754
23	Barrels of oil equivalent (*)	373	451
	Average Selling Price (including hedging)		
	Crude oil - per barrel		
24	United States	\$24.23	\$24.04
25	Foreign	24.93	24.69
	Natural gas liquids - per barrel		
26	United States	\$23.74	\$16.12
27	Foreign	24.09	19.09
	Natural gas - per mcf		
28	United States	\$4.02	\$3.72
29	Foreign	3.01	2.26
	Marketing and Refining - Barrels Per Day		
30	Refined products sold	419	383
31	Refinery runs (net)	220	181

(*) Includes production from properties classified as discontinued operations of 13 and 51 thousand barrels of oil equivalent per day in the years of 2003 and 2002, respectively.

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