

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D. C. 20549

FORM 10-Q

/X/ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarter ended March 31, 1995

OR

/ / TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission File Number 1-1204

AMERADA HESS CORPORATION
(Exact name of registrant as specified in its charter)

DELAWARE
(State or other jurisdiction of incorporation or organization)

13-4921002
(I.R.S. employer identification number)

1185 AVENUE OF THE AMERICAS, NEW YORK, N.Y.
(Address of principal executive offices)
10036
(Zip Code)

(Registrant's telephone number, including area code is (212) 997-8500)

Indicate by check mark whether the registrant (1) has filed all reports
required to be filed by Section 13 or 15(d) of the Securities Exchange Act of
1934 during the preceding 12 months (or for such shorter period that the
registrant was required to file such reports), and (2) has been subject to such
filing requirements for the past 90 days. Yes (X) No ()

At March 31, 1995, 92,992,755 shares of Common Stock were outstanding.

PART I - FINANCIAL INFORMATION

Item 1. Financial Statements.

AMERADA HESS CORPORATION AND CONSOLIDATED SUBSIDIARIES
STATEMENT OF CONSOLIDATED INCOME
Three Months Ended March 31
(in thousands, except per share data)

	1995	1994
	-----	-----
REVENUES		
Sales (excluding excise taxes) and other operating revenues	\$ 1,892,211	\$ 1,857,628
Interest and other non-operating revenues	86,123	11,598
	-----	-----
Total revenues	1,978,334	1,869,226
	-----	-----
COSTS AND EXPENSES		
Cost of products sold and operating expenses	1,363,875	1,205,628
Exploration expenses, including dry holes	64,748	59,858
Selling, general and administrative expenses	154,465	157,354
Interest expense	64,951	60,566
Depreciation, depletion and amortization	207,803	229,869
Lease impairment	10,320	12,801
Provision for income taxes	87,010	59,494
	-----	-----
Total costs and expenses	1,953,172	1,785,570
	-----	-----
NET INCOME	\$ 25,162	\$ 83,656
	=====	=====
NET INCOME PER SHARE	\$.27	\$.90
	=====	=====
WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING	92,994	92,905
COMMON STOCK DIVIDENDS PER SHARE	\$.15	\$.15

See accompanying notes to consolidated financial statements.

PART I - FINANCIAL INFORMATION (CONT'D.)

AMERADA HESS CORPORATION AND CONSOLIDATED SUBSIDIARIES
 CONSOLIDATED BALANCE SHEET
 (in thousands of dollars)

	MARCH 31, 1995	DECEMBER 31, 1994
	-----	-----
A S S E T S		
CURRENT ASSETS		
Cash and cash equivalents	\$ 37,806	\$ 53,135
Accounts receivable	575,222	570,525
Inventories	841,154	945,635
Prepaid expenses	151,258	152,366
	-----	-----
Total current assets	1,605,440	1,721,661
	-----	-----
INVESTMENTS AND ADVANCES	173,922	140,300
	-----	-----
PROPERTY, PLANT AND EQUIPMENT		
Total - at cost	14,553,355	14,304,826
Less reserves for depreciation, depletion, amortization and lease impairment	8,221,140	7,938,824
	-----	-----
Property, plant and equipment - net	6,332,215	6,366,002
	-----	-----
OTHER ASSETS	85,041	109,977
	-----	-----
TOTAL ASSETS	<u>\$ 8,196,618</u>	<u>\$ 8,337,940</u>
	=====	=====
L I A B I L I T I E S A N D S T O C K H O L D E R S ' E Q U I T Y		
CURRENT LIABILITIES		
Accounts payable - trade	\$ 288,900	\$ 291,571
Accrued liabilities	537,120	555,363
Notes payable	5,893	63,747
Taxes payable	163,140	168,927
Current maturities of long-term debt	129,790	121,806
	-----	-----
Total current liabilities	1,124,843	1,201,414
	-----	-----
LONG-TERM DEBT	3,009,187	3,154,235
	-----	-----
CAPITALIZED LEASE OBLIGATIONS	83,590	80,928
	-----	-----
DEFERRED LIABILITIES AND CREDITS		
Deferred income taxes	577,990	547,537
Other	254,166	254,197
	-----	-----
Total deferred liabilities and credits	832,156	801,734
	-----	-----
STOCKHOLDERS' EQUITY		
Preferred stock, par value \$1.00		
Authorized - 20,000,000 shares for issuance in series	--	--
Common stock, par value \$1.00		
Authorized - 200,000,000 shares		
Issued - 92,992,755 shares at March 31, 1995;		
92,995,755 shares at December 31, 1994	92,993	92,996
Capital in excess of par value	743,404	743,537
Retained earnings	2,478,482	2,467,267
Equity adjustment from foreign currency translation	(168,037)	(204,171)
	-----	-----
Total stockholders' equity	3,146,842	3,099,629
	-----	-----

TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY

\$ 8,196,618
=====

\$ 8,337,940
=====

See accompanying notes to consolidated financial statements.

PART I - FINANCIAL INFORMATION (CONT'D.)

AMERADA HESS CORPORATION AND CONSOLIDATED SUBSIDIARIES
 STATEMENT OF CONSOLIDATED CASH FLOWS
 Three Months Ended March 31
 (in thousands)

	1995	1994
	-----	-----
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	\$ 25,162	\$ 83,656
Adjustments to reconcile net income to net cash provided by operating activities		
Depreciation, depletion, amortization and lease impairment	218,123	242,670
Exploratory dry hole costs	39,994	39,559
Changes in operating assets and liabilities	84,293	81,549
Deferred income taxes and other items	25,538	31,681
	-----	-----
Net cash provided by operating activities	393,110	479,115
	-----	-----
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditures	(156,531)	(131,082)
Other	(21,458)	1,906
	-----	-----
Net cash used in investing activities	(177,989)	(129,176)
	-----	-----
CASH FLOWS FROM FINANCING ACTIVITIES		
Decrease in notes payable	(57,974)	(89,900)
Long-term borrowings	-	65,929
Repayment of long-term debt	(147,022)	(293,768)
Cash dividends paid	(27,895)	(27,838)
	-----	-----
Net cash used in financing activities	(232,891)	(345,577)
	-----	-----
EFFECT OF EXCHANGE RATE CHANGES ON CASH	2,441	309
	-----	-----
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(15,329)	4,671
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	53,135	79,635
	-----	-----
CASH AND CASH EQUIVALENTS AT END OF PERIOD	\$ 37,806	\$ 84,306
	=====	=====

See accompanying notes to consolidated financial statements.

PART I - FINANCIAL INFORMATION (CONT'D.)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(in thousands)

Note 1 - The financial statements included in this report reflect all normal and recurring adjustments which, in the opinion of management, are necessary for a fair presentation of the Company's consolidated financial position at March 31, 1995 and December 31, 1994, and the consolidated results of operations and the consolidated cash flows for the three-month periods ended March 31, 1995 and 1994. The unaudited results of operations for the interim periods reported are not necessarily indicative of results to be expected for the year.

Certain notes and other information have been condensed or omitted from these interim financial statements. Such statements, therefore, should be read in conjunction with the consolidated financial statements and related notes included in the 1994 Annual Report to Stockholders, which have been incorporated by reference in the Corporation's Form 10-K for the year ended December 31, 1994.

Note 2 - Inventories consist of the following:

	March 31, 1995	December 31, 1994
	-----	-----
Crude oil and other charge stocks	\$ 258,111	\$ 250,291
Refined and other finished products	468,837	582,696
Materials and supplies	114,206	112,648
	-----	-----
Total inventories	\$ 841,154	\$ 945,635
	=====	=====

Note 3 - The provision for income taxes consisted of the following:

	Three months ended March 31	
	----- 1995 -----	----- 1994 -----
Current	\$ 58,904	\$ 32,280
Deferred	28,106	27,214
	-----	-----
Total	\$ 87,010	\$ 59,494
	=====	=====

Note 4 - Foreign currency exchange transactions, reflected in selling, general and administrative expenses, amounted to losses of \$3,567 and \$2,053, respectively, for the three-month periods ended March 31, 1995 and 1994. The net effect, after applicable income taxes, amounted to losses of \$1,039 and \$1,792, respectively, for the three-month periods ended March 31, 1995 and 1994.

PART I - FINANCIAL INFORMATION (CONT'D.)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(in thousands)

Note 5 - The Corporation uses futures, forward, option and swap contracts to reduce the impact of fluctuations in the prices of crude oil, natural gas and refined products. These contracts correlate to movements in the value of inventory and the prices of crude oil and natural gas, and as hedges, any resulting gains or losses are recorded as part of the hedged transaction. Net unrealized losses on the Corporation's petroleum hedging activities were approximately \$18,000 at March 31, 1995.

PART I - FINANCIAL INFORMATION (CONT'D.)

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL CONDITION.

RESULTS OF OPERATIONS

Net income for the first quarter of 1995 amounted to \$25 million (\$.27 per share) compared with net income of \$84 million (\$.90 per share) for the first quarter of 1994. Net income for the first quarter of 1995 includes income of \$44 million (\$.47 per share) from the refund of windfall profits taxes applicable to the years 1981 through 1986 and related interest.

Following is a summary of net income by major operating activity (in millions):

	Three months ended March 31	
	1995	1994
Exploration and production	\$ 91	\$ 44
Refining and marketing	(15)	76
Corporate administration, including interest expense, and other operating activities	(51)	(36)
Total	\$ 25	\$ 84

Excluding the tax refund referred to above, earnings from exploration and production activities increased by \$3 million in the first quarter of 1995 compared with the corresponding period of 1994. The Corporation's average selling prices, including the effects of hedging, were as follows:

	Three months ended March 31	
	1995	1994
Crude oil and natural gas liquids (per barrel)		
United States	\$16.04	\$15.17
Foreign	16.85	14.80
Natural gas (per Mcf)		
United States	1.71	2.33
Foreign	1.74	1.77

PART I - FINANCIAL INFORMATION (CONT'D.)

RESULTS OF OPERATIONS (CONTINUED)

The Corporation's net daily worldwide production was as follows:

	Three months ended March 31	
	1995	1994
	-----	-----
Crude oil and natural gas liquids (barrels per day)		
United States	63,838	70,412
Foreign	188,739	185,487
	-----	-----
Total	252,577	255,899
	=====	=====
Natural gas (Mcf per day)		
United States	405,351	492,033
Foreign	519,141	515,067
	-----	-----
Total	924,492	1,007,100
	=====	=====

The benefit of higher worldwide crude oil selling prices in the first quarter of 1995 was partially offset by lower natural gas selling prices in the United States and Canada. Domestic production of crude oil and natural gas was lower, principally because of natural field decline. In the first quarter of 1995, depreciation, depletion and amortization charges were lower for United States exploration and production, reflecting lower production volumes and positive oil and gas reserve revisions at year-end. Exploration expenses were lower in the United States, but the reduction was more than offset by increased foreign exploration activity. The Corporation's exploration and production earnings will continue to be affected by volatility in the selling prices of crude oil and natural gas.

Refining and marketing operations had a loss of \$15 million in the first quarter of 1995 compared with income of \$76 million in the first quarter of 1994. The decrease was due to lower refined product margins, as average selling prices in the first quarter of 1995 approximated the 1994 level, but the cost of crude oil increased. The margins on gasolines improved slightly in the first quarter of 1995; however, this improvement was more than offset by lower margins on distillates and residual fuel oils. Results in the first quarter of 1994 benefited from a colder winter than was experienced in 1995. Income taxes were not provided on a substantial portion of the first quarter 1994 refining and marketing income because of the utilization of a net operating loss carryforward of a refining subsidiary. Total refined product sales volumes amounted to 49 million barrels in the first quarter of 1995, approximately the same as in 1994.

Refining and marketing earnings will continue to be affected by competitive industry conditions and supply and demand factors, including the effects of weather.

PART I - FINANCIAL INFORMATION (CONT'D.)

RESULTS OF OPERATIONS (CONTINUED)

Corporate administration, including interest expense, and other operating activities (principally transportation), had net expenses of \$51 million in the first quarter of 1995 compared with \$36 million in the first quarter of 1994. The increase in 1995 was due in part to increased interest expense, reflecting higher interest rates, although debt has been reduced. The first quarter of 1994 included the reversal into income of costs accrued for future maintenance on a ship that was sold early in 1994.

Sales and other operating revenues in the first quarter of 1995 amounted to \$1,892 million, an increase of \$35 million from the corresponding period of 1994. The increase was primarily due to higher crude oil selling prices. Non-operating revenues increased in the first quarter of 1995 largely reflecting the refund of windfall profits taxes and related interest of \$67 million (before income tax effect).

LIQUIDITY AND CAPITAL RESOURCES

Net cash provided by operating activities, including changes in operating assets and liabilities, amounted to \$393 million in the first quarter of 1995 compared with \$479 million in the first quarter of 1994. The decrease was primarily due to lower operating results. Cash provided by operating activities exceeded capital expenditures of \$157 million and \$131 million in the first quarter of 1995 and 1994, respectively. The excess cash flow in the first quarter of each year was used principally to repay debt.

Total debt was \$3,145 million at March 31, 1995 compared with \$3,340 million at December 31, 1994. The debt to total capitalization ratio decreased to 50% at March 31, 1995 from 52% at year-end 1994. The Corporation anticipates that debt will be reduced further in 1995, but the reduction in the first quarter, which included the tax refund referred to above, may not be indicative of the change to be expected for the full year.

At March 31, 1995, the Corporation had additional borrowing capacity available under existing revolving credit agreements of \$697 million and additional unused lines of credit under uncommitted arrangements with banks of \$716 million.

In the first quarter of 1995, the Corporation exchanged its 48% common stock interest in Pict Petroleum plc for an interest in Premier Consolidated Oilfields plc ("Premier"), another United Kingdom independent oil and gas company. The Corporation also purchased additional shares in Premier for \$31 million, bringing its total equity interest to 25%.

LIQUIDITY AND CAPITAL RESOURCES (CONTINUED)

The Corporation uses futures, forward, option and swap contracts, generally with maturities of one year or less, to reduce the effects of fluctuations in the prices of crude oil, natural gas and refined products. These instruments are used to set the selling and purchase prices of crude oil, natural gas and refined products and the related gains or losses are an integral part of the Corporation's selling prices and costs. At March 31, 1995, the Corporation had open hedge positions on approximately 35% of its estimated worldwide crude oil production over the next twelve months and option contracts, providing varying degrees of protection against declines in market prices, covering an additional 5% of crude oil production. The Corporation also had open contracts equal to approximately 50% of its estimated United States and Canadian natural gas production over the next twelve months and option contracts providing varying degrees of price protection, covering approximately 15% of its natural gas production. The Corporation had hedges covering approximately 40% of its refining and marketing inventories and had additional short positions, principally crack spreads, approximating 10% of refined products to be manufactured in the next twelve months. As market conditions change, the Corporation will adjust its hedging positions.

Capital expenditures in the first quarter of 1995 amounted to \$157 million compared with \$131 million in the corresponding period of 1994. Capital expenditures for exploration and production activities were \$143 million in the first quarter of 1995 compared with \$114 million in the first three months of 1994.

Capital expenditures for the remainder of 1995 are currently expected to be approximately \$550 million. It is anticipated that these expenditures will be financed by internally generated funds.

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K.

(a) Exhibits

None

(b) Reports on Form 8-K

The Registrant filed no report on Form 8-K during the three months ended March 31, 1995.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

AMERADA HESS CORPORATION
(REGISTRANT)

By s/s John B. Hess

JOHN B. HESS
CHAIRMAN OF THE BOARD AND
CHIEF EXECUTIVE OFFICER

By s/s John Y. Schreyer

JOHN Y. SCHREYER
EXECUTIVE VICE PRESIDENT AND
CHIEF FINANCIAL OFFICER

Date: May 9, 1995

EXHIBIT INDEX

Exhibit 27 - Financial Data Schedule

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3-MOS

DEC-31-1995
JAN-01-1995
MAR-31-1995
\$37,806
0
575,222
0
841,154
1,605,440
14,553,355
8,221,140
8,196,618
1,124,843
3,009,187
92,993
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0
3,053,849
1,892,211
1,978,334
1,363,875
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64,951
112,172
87,010
25,162
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25,162
0.27
0.27

8,196,618