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 September 30, 1996

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 officers)
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 September 30, 1996, 93,139,005 shares of Common Stock were outstanding.

PART I - FINANCIAL INFORMATION

Item 1. Financial Statements.

AMERADA HESS CORPORATION AND CONSOLIDATED SUBSIDIARIES
STATEMENT OF CONSOLIDATED INCOME
(in thousands, except per share data)

	THREE MONTHS ENDED SEPTEMBER 30		NINE MONTHS ENDED SEPTEMBER 30	
	1996	1995	1996	1995
REVENUES				
Sales (excluding excise taxes) and other operating revenues	$ 1,746,574	$ 1,641,904	$ 6,055,951	$ 5,307,441
Non-operating revenues				
Asset sales	100,262	--	529,271	--
Other	23,060	21,349	60,978	112,195
Total revenues	1,869,896	1,663,253	6,646,200	5,419,636
COSTS AND EXPENSES				
Cost of products sold and operating expenses	1,284,545	1,200,956	4,526,936	3,832,837
Exploration expenses, including dry holes	64,464	82,379	187,639	224,266
Selling, general and administrative expenses	149,824	170,579	451,526	474,439
Interest expense	33,594	58,879	128,301	186,856
Depreciation, depletion, amortization and lease impairment	166,733	218,603	551,841	648,329
Provision for income taxes	72,909	36,440	259,706	172,549
Total costs and expenses	1,772,069	1,767,836	6,105,949	5,539,276
NET INCOME (LOSS)	$ 97,827	$ (104,583)	$ 540,251	$ (119,640)
NET INCOME (LOSS) PER SHARE	$ 1.05	$ (1.13)	$ 5.80	$ (1.29)
WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING (FULLY DILUTED BASIS)	93,159	93,007	93,101	92,999
COMMON STOCK DIVIDENDS PER SHARE	$ .15	$ .15	$ .45	$ .45

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)

A S S E T S

	SEPTEMBER 30, 1996	DECEMBER 31, 1995
CURRENT ASSETS		
Cash and cash equivalents	$ 84,764	$ 56,071
Accounts receivable	601,931	798,331
Inventories	1,132,299	838,770
Other current assets	168,577	269,372
Total current assets	1,987,571	1,962,544
INVESTMENTS AND ADVANCES	199,524	185,522
PROPERTY, PLANT AND EQUIPMENT		
Total - at cost	11,443,360	13,064,212
Less reserves for depreciation, depletion, amortization and lease impairment	6,599,591	7,694,496
Property, plant and equipment - net	4,843,769	5,369,716
DEFERRED INCOME TAXES AND OTHER ASSETS	273,892	238,588
TOTAL ASSETS	$ 7,304,756	$ 7,756,370

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

	SEPTEMBER 30, 1996	DECEMBER 31, 1995
CURRENT LIABILITIES		
Accounts payable - trade	$ 536,586	$ 443,513
Accrued liabilities	579,157	575,886
Deferred revenue	14,633	151,416
Taxes payable	277,674	239,080
Notes payable	- -	90,000
Current maturities of long-term debt	114,685	104,685
Total current liabilities	1,522,735	1,604,580
LONG-TERM DEBT	1,636,256	2,523,181
CAPITALIZED LEASE OBLIGATIONS	56,051	64,202
DEFERRED LIABILITIES AND CREDITS		
Deferred income taxes	560,659	602,792
Other	326,447	301,219
Total deferred liabilities and credits	887,106	904,011
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 - 93,139,005 shares at September 30, 1996; 93,011,255 shares at December 31, 1995	93,139	93,011
Capital in excess of par value	750,868	744,252
Retained earnings	2,515,390	2,017,064
Equity adjustment from foreign currency translation	(156,789)	(193,931)
Total stockholders' equity	3,202,608	2,660,396
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$ 7,304,756	$ 7,756,370

See accompanying notes to consolidated financial statements.

PART I - FINANCIAL INFORMATION (CONT'D.)

AMERADA HESS CORPORATION AND CONSOLIDATED SUBSIDIARIES
STATEMENT OF CONSOLIDATED CASH FLOWS
Nine Months Ended September 30
(in thousands)

	1996	1995
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income (loss)	$ 540,251	$ (119,640)
Adjustments to reconcile net income (loss) to net cash provided by operating activities		
Depreciation, depletion, amortization and lease impairment	551,841	648,329
Exploratory dry hole costs	100,835	133,308
Pre-tax gain on asset sales	(529,271)	--
Changes in operating assets and liabilities	19,398	198,024
Deferred income taxes and other items	(13,359)	60,003
Net cash provided by operating activities	669,695	920,024
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditures	(610,038)	(509,607)
Proceeds from asset sales and other	998,358	3,120
Net cash provided by (used in) investing activities	388,320	(506,487)
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase (decrease) in notes payable	(90,046)	66,247
Long-term borrowings	- -	92,808
Repayment of long-term debt and capitalized lease obligations	(885,054)	(484,990)
Cash dividends paid and other	(55,902)	(55,790)
Net cash used in financing activities	(1,031,002)	(381,725)
EFFECT OF EXCHANGE RATE CHANGES ON CASH	1,680	3,773
NET INCREASE IN CASH AND CASH EQUIVALENTS	28,693	35,585
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	56,071	53,135
CASH AND CASH EQUIVALENTS AT END OF PERIOD	$ 84,764	$ 88,720

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 September 30, 1996 and December 31, 1995, and the consolidated results of operations for the three and nine- month periods ended September 30, 1996 and 1995 and the consolidated cash flows for the nine-month periods ended September 30, 1996 and 1995. The unaudited results of operations for the interim periods reported are not necessarily indicative of results to be expected for the full 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 1995 Annual Report to Stockholders, which have been incorporated by reference in the Corporation's Form 10-K for the year ended December 31, 1995.

Note 2 - Inventories consist of the following:

	September 30, 1996	December 31, 1995
Crude oil and other charge stocks	$ 398,934	$ 240,425
Refined and other finished products	616,794	492,613
Materials and supplies	116,571	105,732
Total inventories	$1,132,299	$ 838,770

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

	Three months ended September 30		Nine months ended September 30	
	1996	1995	1996	1995
Current	$ 56,756	$ 11,362	$234,532	$107,200
Deferred	16,153	25,078	25,174	65,349
Total	$ 72,909	$ 36,440	$259,706	$172,549

Note 4 - Foreign currency exchange transactions are reflected in selling, general and administrative expenses. The net effect of foreign currency exchange transactions, after applicable income taxes, amounted to gains of $282 and $2,925, respectively, for the three and nine-month periods ended September 30, 1996, compared to a loss of $1,135 and a gain of $359 for the corresponding periods of 1995.

PART I - FINANCIAL INFORMATION (CONT'D.)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(in thousands)

Note 5 - The Corporation uses futures, forwards, options and swaps 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 $30,000 at September 30, 1996.

Note 6 - In the third quarter of 1996, certain exploration and production properties in the United States and United Kingdom were sold resulting in a net gain of $71,100. The net gain from asset sales for the nine months ended September 30, 1996 amounts to $421,200, including the sale of the Corporation's Canadian operations.

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

RESULTS OF OPERATIONS

Net income for the third quarter of 1996 amounted to $98 million ($1.05 per share) compared with a net loss of $105 million ($1.13 per share) in the third quarter of 1995. The results for the third quarter of 1996 include net gains of $71 million ($.76 per share) from the sale of exploration and production properties in the United Kingdom and the United States. Special items in the third quarter of 1995 included charges for costs associated with Hurricane Marilyn of $19 million and staff reduction costs amounting to $14 million, as well as income of $7 million from a business interruption insurance recovery.

Net income for the first nine months of 1996 was $540 million ($5.80 per share) compared with a net loss of $120 million ($1.29 per share) in the first nine months of 1995. Earnings for the first nine months of 1996 reflect net gains of $421 million ($4.52 per share) from the sale of exploration and production properties, including the sale of the Corporation's Canadian subsidiary. The results for the first nine months of 1995 included the 1995 special items referred to above and income of $44 million from the refund of windfall profits taxes and related interest.

The after-tax results by major operating activity for the three and nine month periods ended September 30, 1996 and 1995 were as follows (in millions):

	Three months ended September 30		Nine months ended September 30	
	1996	1995(*)	1996	1995(*)
Exploration and production	$ 22	$ 12	$ 121	$ 75
Refining, marketing and shipping	37	(33)	116	(33)
Corporate	(3)	(13)	(14)	(33)
Interest expense	(29)	(45)	(104)	(147)
Income (loss), excluding special items	27	(79)	119	(138)
Gain on asset sales	71	--	421	--
1995 special items, described above	--	(26)	--	18
Net income (loss)	$ 98	$(105)	$ 540	$(120)

(*) Restated to conform with current period presentation.

Excluding special items, earnings from exploration and production activities increased by $10 million in the third quarter of 1996 and $46 million in the first nine months of 1996. The increases in both periods were primarily due to higher foreign crude oil selling prices.

PART I - FINANCIAL INFORMATION (CONT'D.)

RESULTS OF OPERATIONS (CONTINUED)

The Corporation's average selling prices, including the effects of hedging, were as follows:

	Three months ended September 30		Nine months ended September 30	
	1996	1995	1996	1995
Crude oil and natural gas liquids (per barrel)				
United States	$15.55	$15.85	$15.59	$15.91
Foreign	20.27	16.30	19.15	16.93
Natural gas (per Mcf)				
United States(*)	2.13	1.55	2.33	1.62
Foreign	1.93	1.46	1.78	1.58

(*) Includes sales of purchased gas.

The United States crude oil selling prices indicated above did not increase in 1996 because hedge positions limited the impact of increasing market prices. Hedge positions in 1995 had a positive effect on selling prices.

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

	Three months ended September 30		Nine months ended September 30	
	1996	1995	1996	1995
Crude oil and natural gas liquids (barrels per day)				
United States	43,168	61,452	51,816	63,188
Foreign	167,406	202,309	182,546	188,456
Total	210,574	263,761	234,362	251,644
Natural gas (Mcf per day)				
United States	285,089	389,261	348,838	401,852
Foreign	166,018	399,025	352,417	451,720
Total	451,107	788,286	701,255	853,572

United States crude oil and natural gas production was lower in 1996, principally reflecting the effects of asset sales and natural decline. The decrease in foreign crude oil production reflects the sale of the Corporation's Canadian and Abu Dhabi operations in April and June of 1996, respectively, and in the third quarter of 1996, reflects a decline in United Kingdom production, largely due to operational problems on two of the Corporation's fields. The decline in foreign natural gas production is principally due to the sale of the Corporation's operations in Canada.

PART I - FINANCIAL INFORMATION (CONT'D.)

RESULTS OF OPERATIONS (CONTINUED)

Lower exploration expenses in the third quarter and nine months of 1996 were primarily attributable to foreign areas, including the United Kingdom and Denmark. Depreciation, depletion and amortization charges were also lower reflecting asset sales, lower production volumes, reduced asset carrying values and positive crude oil reserve revisions at the end of 1995. The effective income tax rate on exploration and production earnings continues to be higher than the United States statutory rate due to special petroleum taxes on certain fields in the United Kingdom and in Norway.

The Corporation's program to sell certain exploration and production assets is substantially complete. Oil and gas production in the short-term will be lower than pre-sale levels, however, net income is not expected to be materially affected. New United States and foreign crude oil and natural gas developments will add to production in the future. There is no assurance that market prices of crude oil or natural gas will continue at current levels.

Refining, marketing and shipping operations had income of $37 million in the third quarter of 1996 compared with a loss of $33 million in the third quarter of 1995. In the first nine months of 1996, refining, marketing and shipping income increased by $149 million over the comparable period of 1995. Refined product margins improved in 1996, as the average selling price increased by more than $3.00 per barrel, largely due to the improved selling prices of distillates and residual fuel oils. The cost of crude oil also increased in 1996, but was more than offset by higher selling prices. In the first nine months of 1996, a substantial amount of income was generated by a refining subsidiary, for which income taxes are not provided on earnings due to available loss carryforwards. The Corporation's inventories are accounted for on the first-in, first-out and average cost methods.

Refined product sales volumes increased to 140 million barrels in the first nine months of 1996 from 131 million barrels in the first nine months of 1995.

Corporate interest expense (after-tax) decreased by 36% in the third quarter of 1996 and 29% in the first nine months of 1996, compared with the corresponding periods of 1995. The decrease reflects the use of cash flow from operations and the proceeds of asset sales to reduce debt.

Other corporate expenses decreased to $3 million and $14 million in the third quarter and first nine months of 1996 compared with $13 million and $33 million in the corresponding periods of 1995. The decreases were primarily due to the effect of foreign source income on the provision for United States taxes.

PART I - FINANCIAL INFORMATION (CONT'D.)

RESULTS OF OPERATIONS (CONTINUED)

Sales and other operating revenues in the third quarter and first nine months of 1996 increased by approximately 6% and 14%, respectively, compared to the corresponding periods of 1995. The increases were primarily due to higher refined product selling prices and sales volumes. Also contributing to the increase were higher foreign crude oil selling prices and increased domestic natural gas selling prices, particularly sales of purchased gas. Non-operating revenues include the pre-tax gain on asset sales in the first nine months of 1996 of $529 million and the refund of windfall profits taxes and related interest of $67 million in the first nine months of 1995. Selling, general and administrative expenses were lower in 1996, principally because of the $24 million pre-tax charge for staff reduction costs in the third quarter of 1995.

LIQUIDITY AND CAPITAL RESOURCES

Net cash provided by operating activities, including changes in operating assets and liabilities, amounted to $670 million in the first nine months of 1996 compared with $920 million in the first nine months of 1995. The decrease was primarily due to changes in working capital items, including inventory. In 1996, the Corporation generated proceeds of $968 million from the sale of its Canadian operations, certain United States and United Kingdom producing properties, and Abu Dhabi assets. The proceeds from asset sales were used to repay debt.

Total debt was $1,824 million at September 30, 1996 compared with $2,718 million at December 31, 1995. The debt to total capitalization ratio decreased to 36% from 50% at year-end 1995. At September 30, 1996, the Corporation had additional borrowing capacity available under existing revolving credit agreements of $1,737 million and additional unused lines of credit under uncommitted arrangements with banks of $751 million.

In August 1996, the Corporation announced that its Board of Directors had authorized up to $250 million to repurchase shares of common stock. The stock will be purchased from time to time in the open market or as otherwise permitted under applicable rules.

In September 1996, the Corporation purchased a 33.33% interest in the Jabung Production Sharing Contract in Indonesia for $39 million. The acquisition includes proved reserves, which are in the process of being developed, and exploration prospects.

The Corporation uses futures, forwards, options and swaps 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 September 30, 1996, the Corporation had open hedge positions equal to approximately 8% of its estimated worldwide crude oil production

LIQUIDITY AND CAPITAL RESOURCES (CONTINUED)

over the next twelve months and approximately 1% of its production for the succeeding twelve months. In certain circumstances, hedge counterparties may elect to purchase up to an additional 1% of this production. In addition, the Corporation had open option contracts, providing varying degrees of protection against declines in market prices, covering 1% of crude oil production through September 1997. The Corporation also had open contracts equal to approximately 10% of its estimated United States natural gas production over the next twelve months and approximately 2% of its production for the succeeding twelve months. In addition, the Corporation had hedges covering approximately 6% of its refining, marketing and shipping inventories and had additional short positions, principally crack spreads, approximating 2% of refined products to be manufactured in the next twelve months. As market conditions change, the Corporation will adjust its hedge positions.

Capital expenditures in the first nine months of 1996 amounted to $610 million compared with $510 million in 1995. Capital expenditures for exploration and production activities were $574 million in the first nine months of 1996 compared with $460 million in the corresponding period of 1995.

Capital expenditures for the remainder of 1996 are currently expected to be approximately $250 million and will be financed primarily by internally generated funds.

PART II - OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

On September 24, 1996, Region II of the Environmental Protection Agency ("EPA") commenced an administrative proceeding against Registrant and its wholly-owned subsidiary, Hess Oil Virgin Islands Corp. (HOVIC). The complaint alleges that HOVIC did not determine whether two wastes generated from maintenance activities at HOVIC's petroleum refinery in St. Croix, United States Virgin Islands, were hazardous, and that on six occasions in 1994, these wastes were placed on HOVIC's land treatment units in violation of federal land disposal restrictions regulations. EPA is seeking a penalty of $165,917. HOVIC and Registrant have filed answers to the complaint, which contest the validity of EPA's allegations and the amount of the penalty assessed.

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 September 30, 1996.

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/ John B. Hess

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

By /s/ John Y. Schreyer

JOHN Y. SCHREYER
EXECUTIVE VICE PRESIDENT AND
CHIEF FINANCIAL OFFICER

Date: November 11, 1996

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