
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549**

Form 10-Q

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

For the quarter ended June 30, 2002

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 No

At June 30, 2002, 89,234,430 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 millions, except per share data)

	Three months ended June 30,		Six months ended June 30,	
	2002	2001	2002	2001
REVENUES				
Sales (excluding excise taxes) and other operating revenues	\$2,796	\$3,461	\$5,818	\$7,644
Non-operating income				
Equity in income (loss) of HOVENSA L.L.C.	(18)	51	(44)	66
Other	16	53	77	84
Total revenues	2,794	3,565	5,851	7,794
COSTS AND EXPENSES				
Cost of products sold	1,563	2,236	3,486	5,168
Production expenses	184	173	367	326
Marketing expenses	197	152	357	305
Exploration expenses, including dry holes and lease impairment	50	73	104	157
Other operating expenses	46	54	97	110
General and administrative expenses	60	58	123	123
Interest expense	70	41	140	81
Depreciation, depletion and amortization	368	229	670	410
Total costs and expenses	2,538	3,016	5,344	6,680
Income before income taxes	256	549	507	1,114
Provision for income taxes	107	192	218	420
NET INCOME	\$ 149	\$ 357	\$ 289	\$ 694
NET INCOME PER SHARE				
BASIC	\$ 1.68	\$ 4.03	\$ 3.28	\$ 7.86
DILUTED	\$ 1.66	\$ 3.98	\$ 3.25	\$ 7.77
WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING	89.5	89.6	89.1	89.3
COMMON STOCK DIVIDENDS PER SHARE	\$.30	\$.30	\$.60	\$.60

See accompanying notes to consolidated financial statements.

PART I — FINANCIAL INFORMATION (CONT'D.)

AMERADA HESS CORPORATION AND CONSOLIDATED SUBSIDIARIES

CONSOLIDATED BALANCE SHEET
(in millions of dollars, thousands of shares)

	June 30, 2002	December 31, 2001
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 35	\$ 37
Accounts receivable	1,535	2,962
Inventories	531	550
Other current assets	272	397
Total current assets	2,373	3,946
INVESTMENTS AND ADVANCES		
HOVENSA L.L.C.	845	889
Other	737	747
Total investments and advances	1,582	1,636
PROPERTY, PLANT AND EQUIPMENT		
Total — at cost	17,512	16,627
Less reserves for depreciation, depletion, amortization and lease impairment	9,197	8,462
Property, plant and equipment — net	8,315	8,165
NOTE RECEIVABLE	371	395
GOODWILL	982	982
DEFERRED INCOME TAXES AND OTHER ASSETS	239	245
TOTAL ASSETS	\$13,862	\$15,369
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES		
Accounts payable — trade	\$ 1,046	\$ 1,807
Accrued liabilities	785	1,115
Taxes payable	370	414
Notes payable	3	106
Current maturities of long-term debt	14	276
Total current liabilities	2,218	3,718
LONG-TERM DEBT	5,285	5,283
DEFERRED LIABILITIES AND CREDITS		
Deferred income taxes	1,137	1,111
Other	273	350
Total deferred liabilities and credits	1,410	1,461
STOCKHOLDERS' EQUITY		
Preferred stock, par value \$1.00, 20,000 shares authorized 3% cumulative convertible series		
Authorized — 330 shares		
Issued — 327 shares (\$16 million liquidation preference)	—	—
Common stock, par value \$1.00		
Authorized — 200,000 shares		
Issued — 89,234 shares at June 30, 2002; 88,757 shares at December 31, 2001	89	89
Capital in excess of par value	934	903
Retained earnings	4,042	3,807
Accumulated other comprehensive income (loss)	(116)	108
Total stockholders' equity	4,949	4,907

TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY

\$13,862

\$15,369

See accompanying notes to consolidated financial statements.

PART I — FINANCIAL INFORMATION (CONT'D.)

AMERADA HESS CORPORATION AND CONSOLIDATED SUBSIDIARIES

STATEMENT OF CONSOLIDATED CASH FLOWS
Six months ended June 30
(in millions)

	2002	2001
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	\$ 289	\$ 694
Adjustments to reconcile net income to net cash provided by operating activities		
Depreciation, depletion and amortization	670	410
Exploratory dry hole costs	34	82
Lease impairment	21	14
Gain on asset sales	(41)	—
Provision (benefit) for deferred income taxes	(5)	58
Undistributed earnings of affiliates	46	(57)
	<u>1,014</u>	<u>1,201</u>
Changes in operating assets and liabilities	(20)	(204)
Net cash provided by operating activities	<u>994</u>	<u>997</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditures	(877)	(1,467)
Payment received on note	24	24
Proceeds from asset sales and other	235	(55)
Net cash used in investing activities	<u>(618)</u>	<u>(1,498)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase (decrease) in notes payable	(103)	1
Long-term borrowings	597	282
Repayment of long-term debt	(820)	(5)
Cash dividends paid	(80)	(67)
Common stock acquired	—	(20)
Stock options exercised	28	56
Net cash provided by (used in) financing activities	<u>(378)</u>	<u>247</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(2)	(254)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	37	312
CASH AND CASH EQUIVALENTS AT END OF PERIOD	\$ 35	\$ 58

See accompanying notes to consolidated financial statements.

PART I — FINANCIAL INFORMATION (CONT'D.)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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 Corporation's consolidated financial position at June 30, 2002 and December 31, 2001, and the consolidated results of operations for the three- and six-month periods ended June 30, 2002 and 2001 and the consolidated cash flows for the six-month periods ended June 30, 2002 and 2001. 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. These statements, therefore, should be read in conjunction with the consolidated financial statements and related notes included in the 2001 Annual Report to Stockholders, which have been incorporated by reference in the Corporation's Form 10-K for the year ended December 31, 2001.

Note 2 Inventories consist of the following (in millions):

	June 30, 2002	December 31, 2001
Crude oil and other charge stocks	\$ 121	\$ 108
Refined and other finished products	431	440
Less: LIFO adjustment	(174)	(111)
	<u>378</u>	<u>437</u>
Materials and supplies	153	113
	<u>531</u>	<u>550</u>
Total inventories	\$ 531	\$ 550

Note 3 The Corporation accounts for its investment in HOVENSA L.L.C. using the equity method. Summarized financial information for HOVENSA follows (in millions):

	At June 30, 2002	At December 31, 2001
Balance sheet		
Assets		
Current assets	\$ 442	\$ 491
Net fixed assets	1,904	1,846
Other assets	32	35
	<u>2,378</u>	<u>2,372</u>
Total assets	\$2,378	\$2,372
Liabilities and partners' equity		
Current liabilities	312	294
Short-term debt	42	—
Long-term debt	382	365
Deferred liabilities and credits	32	23
Partners' equity	1,610	1,690
	<u>2,378</u>	<u>2,372</u>
Total liabilities and partners' equity	\$2,378	\$2,372

PART I — FINANCIAL INFORMATION (CONT'D.)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Income statement	Three months ended June 30		Six months ended June 30	
	2002	2001	2002	2001
Total revenues	\$789	\$1,230	\$1,568	\$2,345
Costs and expenses	824	1,126	1,655	2,212
Net income (loss)	\$ (35)	\$ 104	\$ (87)	\$ 133
Amerada Hess Corporation's share	\$ (18)	\$ 51	\$ (44)	\$ 66

Note 4 -- During the three- and six-month periods ended June 30, 2002, the Corporation capitalized interest of \$24 million and \$49 million on major development projects (none during the corresponding periods of 2001).

Note 5 -- The provision for income taxes consisted of the following (in millions):

	Three months ended June 30		Six months ended June 30	
	2002	2001	2002	2001
Current	\$110	\$166	\$223	\$362
Deferred	(3)	26	(5)	58
Total	\$107	\$192	\$218	\$420

Note 6 -- Foreign currency gains (losses), after income tax effects, amounted to the following (in millions):

Foreign currency gains (losses)	Three months ended June 30		Six months ended June 30	
	2002	2001	2002	2001
	\$ (13)	\$ 4	\$ (12)	\$ 14

PART I — FINANCIAL INFORMATION (CONT'D.)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 7 - - The weighted average number of common shares used in the basic and diluted earnings per share computations are as follows (in thousands):

	Three months ended June 30		Six months ended June 30	
	2002	2001	2002	2001
Common shares — basic	88,202	88,407	88,025	88,159
Effect of dilutive securities (equivalent shares)				
Nonvested common stock	489	441	472	402
Stock options	603	589	431	501
Convertible preferred stock	205	205	205	205
Common shares — diluted	89,499	89,642	89,133	89,267

Note 8 - - Comprehensive income was as follows (in millions):

	Three months ended June 30		Six months ended June 30	
	2002	2001	2002	2001
Net income	\$149	\$357	\$ 289	\$694
FAS 133 transition adjustment	—	—	—	100
Net change in gain (loss) from hedging activities not recognized in net income	(10)	2	(252)	(24)
Change in foreign currency translation adjustment	17	—	28	(5)
Total comprehensive income	\$156	\$359	\$ 65	\$765

The Corporation reclassifies hedging gains and losses included in other comprehensive income to earnings at the time the hedged transactions are recognized. Hedging increased exploration and production results by \$11 million (\$17 million before tax) in the second quarter of 2002 and \$87 million (\$133 million before tax) in the first half of 2002. Hedging increased exploration and production results by \$14 million (\$21 million before tax) and reduced income by \$6 million (\$10 million before tax) for the corresponding periods of 2001. At June 30, 2002, the after-tax deferred loss from crude oil and natural gas contracts used as hedges and expiring through 2003 was approximately \$1 million (\$5 million of unrealized losses and \$4 million of realized gains).

PART I — FINANCIAL INFORMATION (CONT'D.)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 9 -- The Corporation's results by operating segment were as follows (in millions):

	Three months ended June 30		Six months ended June 30	
	2002	2001	2002	2001
Operating revenues				
Exploration and production(*)	\$ 928	\$1,244	\$2,192	\$2,520
Refining, marketing and shipping	2,041	2,478	3,926	5,648
Total	\$2,969	\$3,722	\$6,118	\$8,168
Net income (loss)				
Exploration and production	\$ 198	\$ 304	\$ 425	\$ 579
Refining, marketing and shipping	17	101	(6)	206
Corporate, including interest	(66)	(48)	(130)	(91)
Total	\$ 149	\$ 357	\$ 289	\$ 694

(*) Includes transfers to affiliates of \$173 million and \$300 million during the three- and six-months ended June 30, 2002, compared to \$261 million and \$524 million for the corresponding periods of 2001.

Note 10 -- The Financial Accounting Standards Board issued FAS No. 143, *Accounting for Asset Retirement Obligations*. This statement significantly changes the method of accruing costs associated with the retirement of fixed assets for which a legal retirement obligation exists, such as certain oil and gas production facilities. This standard becomes effective in 2003. The Corporation has not yet determined what the future effects of adopting the new accounting standard will be on its income and financial position.

PART I — FINANCIAL INFORMATION (CONT'D.)

Item 2. Management's Discussion and Analysis of Results of Operations and Financial Condition.

Results of Operations

Operating earnings, excluding special items, amounted to \$171 million in the second quarter of 2002 compared with \$357 million in the second quarter of 2001. Operating earnings for the first half of 2002 were \$283 million compared with \$694 million in the first half of 2001. Including special items, net income amounted to \$149 million in the second quarter and \$289 million in the first half of 2002. The after-tax results by major operating activity for the three- and six-months ended June 30, 2002 and 2001 were as follows (in millions, except per share data):

	Three months ended June 30		Six months ended June 30	
	2002	2001	2002	2001
Exploration and production	\$ 198	\$ 304	\$ 397	\$ 579
Refining, marketing and shipping	39	101	16	206
Corporate	(18)	(19)	(33)	(32)
Interest expense	(48)	(29)	(97)	(59)
Operating earnings	171	357	283	694
Special items	(22)	—	6	—
Net income	\$ 149	\$ 357	\$ 289	\$ 694
Net income per share (diluted)	\$1.66	\$3.98	\$3.25	\$7.77

Exploration and Production

Operating earnings from exploration and production activities decreased by \$106 million and \$182 million, respectively, in the second quarter and first half of 2002. The decrease principally reflects lower average worldwide crude oil and natural gas selling prices and increased depreciation and depletion expense, partially offset by higher crude oil sales volumes.

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

	Three months ended June 30		Six months ended June 30	
	2002	2001	2002	2001
Crude oil (per barrel)				
United States	\$25.46	\$24.82	\$23.46	\$24.55
Foreign	24.50	27.87	24.17	26.76
Natural gas liquids (per barrel)				
United States	\$15.34	\$20.25	\$14.12	\$22.98
Foreign	17.67	20.28	16.99	21.41
Natural gas (per Mcf)				
United States	\$ 3.52	\$ 4.64	\$ 3.47	\$ 4.96
Foreign	1.94	2.48	2.16	2.73

PART I — FINANCIAL INFORMATION (CONT'D.)

Results of Operations (Continued)

The Corporation's net daily worldwide production was as follows (in thousands):

	Three months ended June 30		Six months ended June 30	
	2002	2001	2002	2001
Crude oil (barrels per day)				
United States	57	69	58	63
United Kingdom	115	117	113	119
Equatorial Guinea	48	—	39	—
Norway	24	25	23	25
Colombia	21	—	23	—
Denmark	21	17	22	20
Algeria	14	13	13	13
Gabon	9	9	9	8
Indonesia	3	6	5	6
Azerbaijan	4	4	4	4
Total	316	260	309	258
Natural gas liquids (barrels per day)				
United States	13	15	13	13
Foreign	8	8	9	9
Total	21	23	22	22
Natural gas (Mcf per day)				
United States	422	474	408	399
United Kingdom	272	289	299	316
Denmark	36	38	39	44
Norway	24	25	24	25
Indonesia, Thailand and other	36	34	32	32
Total	790	860	802	816
Barrels of oil equivalent (barrels per day)	469	426	464	416

The Corporation's oil and gas production, on a barrel-of-oil equivalent basis, increased by 10% and 12% in the second quarter and first half of 2002 compared with the corresponding periods of 2001. Crude oil production included 69,000 barrels per day in the second quarter of 2002 (62,000 barrels per day in the first half) from fields in Equatorial Guinea and Colombia, which were acquired with the purchase of Triton Energy Limited in August 2001. The decrease in crude oil production in the United States principally reflects natural decline.

Production expenses in the second quarter and first half of 2002 were higher than in 2001, primarily due to increased production volumes. Increased depreciation, depletion and amortization charges in 2002 reflect higher per barrel costs and production volumes. The increased per barrel costs include the impact of new production in the Gulf of Mexico which has higher costs than the production experiencing natural decline. In addition, production in Equatorial Guinea represents a higher percentage of the Corporation's total production in 2002. This

PART I — FINANCIAL INFORMATION (CONT'D.)

Results of Operations (Continued)

new production has acquisition cost included in its depletable base. The Corporation is also experiencing a more severe decline curve than expected on several Gulf of Mexico natural gas fields. As a result, it is anticipated that proved reserves will be reduced by approximately 15 million barrels of oil equivalent (approximately 1% of the Corporation's total proved reserves). In the second quarter, this reserve reduction increased depreciation and depletion from what it otherwise would have been by \$28 million before-tax (\$17 million after-tax). Depreciation and depletion will be increased by approximately \$60 million before-tax (\$38 million after-tax) in the second half of 2002.

The effective income tax rate on exploration and production earnings in the first half of 2002 was 39%, compared with 40% in the first half of 2001. In July, the United Kingdom government enacted tax changes for oil and gas exploration and production companies. As a result of the changes, companies will pay a supplementary charge of 10% on profits from United Kingdom oil and gas production, in addition to the current 30% Corporation Tax. In the third quarter, the Corporation will record a one-time charge of approximately \$45 million to increase the existing UK deferred tax liability on its balance sheet. In addition, it is estimated that an additional \$27 million of income taxes will be recorded in the third quarter, \$12 million of which relates to the period from the effective date (April 17) through June 30. The Corporation expects its full year effective income tax rate for exploration and production activities to be approximately 42% (excluding the one-time deferred tax charge).

Refining, Marketing and Shipping

The operating earnings of refining and marketing activities amounted to income of \$39 million in the second quarter of 2002 compared with income of \$101 million in the corresponding period of 2001. For the first half of 2002, refining and marketing had income of \$16 million compared with \$206 million in 2001.

HOVENSA

The Corporation's share of HOVENSA's loss was \$18 million in the second quarter of 2002 compared with income of \$51 million in the second quarter of 2001. The Corporation's share of HOVENSA's loss in the first half of 2002 was \$44 million compared with income of \$66 million in 2001. Refining margins were depressed throughout much of the first half of 2002.

The fluid catalytic cracking unit at HOVENSA was shutdown from mid-March until May 19. The unit is now fully operational. The Corporation estimates that its share of lost margin from the shutdown was approximately \$20 million in the second quarter. In addition, the Corporation's share of repair costs expensed in the second quarter was \$6 million.

The Corporation's share of HOVENSA's crude runs amounted to 176,000 barrels per day in the first half of 2002 compared with 204,000 barrels per day in

PART I — FINANCIAL INFORMATION (CONT'D.)

Results of Operations (Continued)

the first half of 2001, reflecting downtime at the fluid catalytic cracking unit and lower refining margins. Income taxes on the Corporation's share of HOVENSA's results are not recorded due to available loss carryforwards.

Operating earnings from refining and marketing activities also included interest income of \$18 million in the first half of 2002 and \$20 million in the first half of 2001 on the note received from PDVSA V.I. in connection with the formation of the joint venture.

Retail, energy marketing and other

Results from retail gasoline operations were profitable in the second quarter of 2002, but lower than the corresponding period of 2001, reflecting lower margins at gasoline stations. Retail results were also lower in the first half of 2002 compared with the first half of 2001. Earnings from energy marketing activities were higher in the second quarter and first half of 2002 compared with the same periods last year. Results of the Port Reading refining facility decreased in the second quarter and first half of 2002, reflecting lower refining margins.

Total refined product sales volumes amounted to 70 million barrels in the first half of 2002, a decrease of 7 million barrels from the first half of 2001. The decrease was largely due to lower demand for distillates and residual fuel oils.

The Corporation has a 50% voting interest in a consolidated partnership that trades energy commodities and energy derivatives. The Corporation also takes trading positions in addition to its hedging program. The Corporation's after-tax results from trading activities, including its share of the earnings of the trading partnership, amounted to income of \$17 million in both the second quarter and first half of 2002. Trading activities had a loss of \$12 million in the second quarter of 2001 and income of \$12 million in the first half of 2001.

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

Corporate

Net corporate expenses were \$18 million in the second quarter and \$33 million in the first half of 2002, comparable to the amounts for 2001.

Interest

After-tax interest increased to \$48 million in the second quarter of 2002 compared with \$29 million in the second quarter of 2001. In the first half of 2002, after-tax interest amounted to \$97 million compared with \$59 million in the same period of 2001. The change is due to increased borrowings related to acquisitions in 2001, partially offset by lower interest rates and higher amounts capitalized. Pre-tax

PART I — FINANCIAL INFORMATION (CONT'D.)

Results of Operations (Continued)

capitalized interest amounted to \$49 million in the first half of 2002. There was no capitalized interest in the corresponding period of 2001.

Special Items

In the second quarter of 2002, the Corporation recorded an after-tax charge of \$14 million for the write-off of intangible assets in its U.S. energy marketing business. In addition, after-tax accrued severance of \$8 million was recorded for cost reduction initiatives in refining and marketing, principally in energy marketing. Approximately 165 positions were eliminated and one office will be closed. The estimated annual savings from the staff reductions is \$10 million, after-tax. The pre-tax expense related to these items is \$35 million and is reflected in marketing expense in the income statement.

In the first half of 2002, the Corporation had an after-tax gain of \$28 million from the sale of several small oil and gas fields and the United Kingdom energy marketing business. The net gain from asset sales also included the writedown of the carrying value of a small field that is held for sale. The pre-tax gain from asset sales of \$41 million is recorded in non-operating income in the income statement.

Consolidated Operating Revenues

Sales and other operating revenues decreased by 19% in the second quarter and 24% in the first half of 2002, compared with the corresponding periods of 2001. The decreases reflect lower selling prices of crude oil, natural gas and refined products, as well as lower sales volumes of refined products and purchased natural gas related to energy marketing activities.

Liquidity and Capital Resources

Net cash provided by operating activities, including changes in operating assets and liabilities, amounted to \$994 million in the first half of 2002 compared with \$997 million in the first half of 2001. Excluding changes in balance sheet accounts, operating cash flow was \$1,014 million in 2002 compared with \$1,201 million in the first half of 2001.

Total debt was \$5,302 million at June 30, 2002 compared with \$5,665 million at December 31, 2001. The Corporation's debt to capitalization ratio decreased to 51.7% at June 30, 2002 compared with 53.6% at year-end.

Loan agreement covenants allow the Corporation to borrow an additional \$2,947 million for the construction or acquisition of assets at June 30, 2002. The Corporation has \$1,380 million of additional borrowing capacity available under its revolving credit agreements and has additional unused lines of credit for \$203 million under uncommitted arrangements with banks.

PART I — FINANCIAL INFORMATION (CONT'D.)

Liquidity and Capital Resources (Continued)

The Corporation expects to continue to reduce debt in the second half of the year and has set a goal of total debt reduction of \$600 million for the year. In the first half of 2002, the Corporation sold its energy marketing business and several small oil and gas fields in the United Kingdom for net proceeds of \$211 million. Additional asset sales are being considered.

The balances in accounts receivable, as well as accounts payable and accrued liabilities, are substantially lower at June 30, 2002 than at December 31, 2001. This decrease is largely due to the sale of the United Kingdom energy marketing business and the impact of lower selling prices and sales volumes on energy marketing activities in the United States.

In the first half of 2002, the Corporation has retired, through open market purchases, approximately \$160 million of public debt. The Corporation anticipates it will continue purchases of its debt in the future.

Following is a table showing aggregated information about certain contractual obligations at June 30, 2002 (in millions):

	Payments due by period				Thereafter
	Total	Remainder of 2002	2003 and 2004	2005 and 2006	
Short-term notes	\$ 3	\$ 3	\$ —	\$ —	\$ —
Long-term debt, including capital leases	5,299	14	531	848	3,906
Operating leases	1,173	42	201	120	810

The Corporation has entered into leveraged leases which are not included in the Corporation's balance sheet, primarily related to retail gasoline stations. The commitments under these leases are included in the operating lease obligations shown in the above table. The net present value of the financings is approximately \$405 million, using interest rates inherent in the leases.

None of the Corporation's debt or lease obligations would be terminated, nor would principal or interest payments be accelerated, solely because of a credit rating downgrade to non-investment status. However, certain contracts with trading counterparties would require cash margin or collateral. The amount of potential margin fluctuates depending on trading volumes and market prices and, at June 30, 2002, was estimated to be approximately \$50 million.

The Corporation uses futures, forwards, options and swaps to reduce the effects of changes in the selling prices of crude oil, natural gas and refined products. These instruments fix the selling prices of a portion of the Corporation's production and the related gains or losses are an integral part of the Corporation's selling prices. At June 30, 2002, the Corporation had open hedge positions on

PART I — FINANCIAL INFORMATION (CONT'D.)

Liquidity and Capital Resources (Continued)

40% of its estimated worldwide crude oil production and 30% of its U.S. natural gas production for the remainder of the year. The Corporation has also hedged 20% of its estimated crude oil production and 25% of its U.S. natural gas production for 2003. The average price of WTI crude oil hedges for the remainder of 2002 is \$24.90 and for 2003 is \$24.30. The average price of U.S. natural gas hedges for the remainder of 2002 is \$4.30 and for 2003 is \$4.00. As market conditions change, the Corporation may adjust its hedge positions.

The Corporation uses value at risk to estimate the potential effects of changes in fair values of derivatives and other instruments used in hedging activities and derivatives and commodities used in trading activities. The Corporation estimates that at June 30, 2002, the value at risk was \$34 million (\$35 million at December 31, 2001) related to hedging activities and \$12 million (\$13 million at December 31, 2001) for trading activities.

The Corporation's trading activities consist of a consolidated trading partnership, in which the Corporation owns a 50% voting interest, and its proprietary trading accounts. Trading transactions are marked-to-market and are reflected in income currently. The information that follows represents 100% of the trading partnership and the Corporation's proprietary accounts (in millions):

Fair value of unrealized positions at beginning of period	\$ (58)
Realized losses	3
Other changes in fair value	81
	<hr/>
Fair value of unrealized positions at end of period	\$ 26
	<hr/>

Other changes in fair value reflect changes in market prices of existing positions and new positions added. There was no material change in fair value related to changes in valuation techniques and assumptions. After expenses and income taxes, the Corporation's results from trading activities, including its share of the earnings of the trading partnership amounted to income of \$17 million in the first half of 2002.

The table below summarizes the sources used in determining fair values for trading activities at June 30, 2002:

Source of fair value	Percentage of total fair value by year of maturity		
	Total	2002	2003
Prices actively quoted	94%	84%	10%
Other external sources	4	3	1
Internal estimates	2	2	—
	<hr/>	<hr/>	<hr/>
Total	100%	89%	11%
	<hr/>	<hr/>	<hr/>

PART I — FINANCIAL INFORMATION (CONT'D.)

Liquidity and Capital Resources (Continued)

The following table summarizes the fair values of net receivables relating to the Corporation's trading activities and the credit rating of counterparties at June 30 (in millions):

Investment grade determined by outside sources	\$188
Investment grade determined internally*	66
Less than investment grade	41
Not determined	2
	—
Total	\$297

* Based on information provided by counterparties and other available sources.

The Corporation reduces its exposure to fluctuating foreign exchange rates by using forward contracts to fix the exchange rate on a portion of the foreign denominated liabilities of its North Sea operations. At June 30, 2002, the Corporation had \$163 million of notional value foreign exchange contracts outstanding.

During the first half of 2002, the Corporation made payments of \$14 million relating to accrued severance liabilities established in connection with fourth quarter 2001 cost reduction initiatives in exploration and production operations. The remaining severance balance is \$18 million, including provisions made in the second quarter relating to refining and marketing operations. The remaining balance will be paid primarily in the next twelve months.

Capital expenditures in the first half of 2002 amounted to \$877 million, of which \$792 million related to exploration and production activities. Capital expenditures in the first half of 2001 amounted to \$1,467 million, including \$1,365 million for exploration and production activities. Exploration and production expenditures in 2001 include the purchase of crude oil and natural gas reserves for \$865 million. For the remainder of 2002, capital expenditures are expected to be approximately \$700 million and will be financed by internally generated funds.

Forward-Looking Information

Certain sections of Management's Discussion and Analysis of Results of Operations and Financial Condition, including references to the Corporation's future results of operations and financial position, liquidity and capital resources, capital expenditures, oil and gas production, debt repayment and derivative disclosures, represent forward-looking information. Forward-looking disclosures are based on the Corporation's current understanding and assessment of these activities and reasonable assumptions about the future. Actual results may differ from these disclosures because of changes in market conditions, government actions and other factors.

PART II — OTHER INFORMATION

Item 1. Legal Proceedings

On July 22, the Corporation was served with a complaint filed in the U.S. District Court for the District of New Jersey alleging that sales of the Corporation's common stock by 10 persons who are officers or directors violated federal securities laws. The Corporation believes that the action is without merit and that it will have no material effect on the Corporation.

Item 4. Submission of Matters to a Vote of Security-Holders

The Annual Meeting of Stockholders of the Registrant was held on May 1, 2002. The Inspectors of Election reported that 78,892,239 shares of Common Stock of the Registrant were represented in person or by proxy at the meeting, constituting 88.73% of the votes entitled to be cast. At the meeting, stockholders voted upon the election of five nominees for the Board of Directors for the three-year term expiring in 2005 and the ratification of the selection by the Board of Directors of Ernst & Young LLP as the independent auditors of the Registrant for the fiscal year ending December 31, 2002.

With respect to the election of directors, the inspectors of election reported as follows:

Name	For Nominee Listed	Withhold Authority to Vote For Nominee Listed
Edith E. Holiday	77,336,734	1,555,505
John J. O'Connor	77,982,703	909,536
Roger B. Oresman	76,651,177	2,241,062
Robert N. Wilson	77,400,481	1,491,758
Robert F. Wright	77,944,101	948,138

The inspectors reported that 75,410,419 votes were cast for the ratification of the selection of Ernst & Young LLP as independent auditors for the fiscal year ending December 31, 2002, 3,444,938 votes were cast against said ratification and holders of 36,882 votes abstained.

There were no broker non-votes with respect to the election of directors or the ratification of the selection of independent auditors.

Item 6. Exhibits and Reports on Form 8-K

a. Exhibits

- 3 -- By-Laws of Registrant, as amended as of May 1, 2002.
- 99(1) -- Certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
- 99(2) -- Certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

b. Reports on Form 8-K

The Registrant filed no reports on Form 8-K during the three months ended June 30, 2002.

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: August 7, 2002

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AMERADA HESS CORPORATION

BY-LAWS

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AMERADA HESS CORPORATION

BY-LAWS

ARTICLE I.
OFFICES

SECTION 1. Registered Office. The registered office shall be in the City of Wilmington, County of New Castle, State of Delaware.

SECTION 2. Other Offices. The Corporation may also have an office in New York, New York, and offices at such other places within or without the State of Delaware as the Board of Directors may from time to time designate or the business of the Corporation may require.

ARTICLE II.
SEAL

The corporate seal shall have inscribed thereon the name of the Corporation, the year of its organization and the words "Corporate Seal, Delaware". The seal may be used by causing it or a facsimile thereof to be impressed, affixed, reproduced or otherwise used.

ARTICLE III.
STOCKHOLDERS' MEETINGS

SECTION 1. Place. All meetings of the stockholders shall be held at such place either within or without the State of Delaware as may be fixed by the Board of Directors.

SECTION 2. Date and Time of Annual Meeting. An annual meeting of stockholders shall be held on the date and at the time fixed by the Board of Directors, when the stockholders shall elect a Board of Directors and transact such other business as may properly be brought before the meeting.

SECTION 3. Quorum and Adjournment. The holders of a majority of the stock issued and outstanding and entitled to vote thereat, present in person or represented by proxy, shall be requisite and shall constitute a quorum at all meetings of the stockholders for the transaction of business except as otherwise provided by the General Corporation Law of the State of Delaware, by the Restated Certificate of Incorporation, or by these By-Laws. If, however, such majority shall not be present or represented at any meeting of the stockholders, the stockholders entitled to vote thereat, present in person or by proxy, shall have power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until the requisite amount of voting stock shall be present. At such adjourned meeting at which the requisite amount of voting stock shall be represented, any business may be transacted which might have been transacted at the meeting as originally notified.

SECTION 4. Voting. At each meeting of the stockholders, every stockholder having the right to vote shall be entitled to vote in person, or by proxy appointed by an instrument in writing subscribed by such stockholder or by his duly authorized attorney and bearing a date not more than three years prior to said meeting, unless said instrument provides for a longer period. The vote for directors shall be by ballot. All elections shall be had and all questions decided by a plurality of the votes cast.

SECTION 5. Notice of Annual Meetings. Written notice of the annual meeting, stating the place, date and hour of the meeting, shall be delivered in person, or mailed postage prepaid, to each stockholder entitled to vote thereat at such address as appears on the records of the Corporation, not less than ten nor more than fifty days before the date of the meeting.

SECTION 6. List of Stockholders. The Secretary shall prepare and make, at least ten days before every meeting of stockholders, a complete list of stockholders entitled to vote at said meeting, arranged in alphabetical order, and showing the address of each stockholder and the number of shares registered in the name of each stockholder. Such list shall be open to the examination of any stockholder for any purpose germane to the meeting, during ordinary business hours, for a period of at least ten days prior to the meeting either at the place where the meeting is to be held or at a place specified in the notice of meeting within the city where the meeting is to be held. Such list shall be produced and kept at the time and place of the meeting during the whole time thereof, and may be inspected by any stockholder who is present.

SECTION 7. Call of Special Meetings. Except as otherwise required by law and subject to the rights of the holders of any class or series of stock having a preference over the Common Stock as to dividends or upon liquidation, special meetings of the stockholders for any purpose or purposes may be called only by the Chairman of the Board or the President, and shall be called by the Secretary at the request of the Board of Directors pursuant to a resolution approved by a majority of the entire Board of Directors.

Amendment
authorized
March 6, 1985,
effective May
13, 1985.

SECTION 8. Business at Special Meetings. Business transacted at all special meetings shall be confined to the purpose or purposes stated in the notice.

SECTION 9. Notice of Special Meetings. Written notice of a special meeting of stockholders, stating the place, date and hour of the meeting and the purpose or purposes for which it is called, shall be delivered in person, or mailed postage prepaid, at least ten days before such meeting, to each stockholder entitled to vote thereat at such address as appears on the records of the Corporation.

SECTION 10. Stockholder Action; How Taken. Any action required or permitted to be taken by the stockholders of the Corporation must be effected at a duly called annual or special meeting of such holders and may not be effected by any consent in writing by such holders.

Amendment
authorized
March 6, 1985,
effective May
13, 1985.

ARTICLE IV.
DIRECTORS

SECTION 1. (a) Number, Election and Terms. Except as otherwise fixed pursuant to the provisions of Article FOURTH of the Restated Certificate of Incorporation relating to the rights of the holders of any class or series of stock having a preference over the Common Stock as to dividends or upon liquidation to elect additional directors under specified circumstances, the number of directors shall be fixed from time to time by the Board of Directors but shall not be less than three. The directors, other than those who may be elected by the holders of any class or series of stock having a preference over the Common Stock as to dividends or upon liquidation, shall be classified, with respect to the time for which they severally hold office, into three classes, as nearly equal in number as possible, as determined by the Board of Directors, one class to hold office initially for a term expiring at the annual meeting of stockholders to be held in 1986, another class to hold office initially for a term expiring at the annual meeting of stockholders to be held in 1987, and another class to hold office initially for a term expiring at the annual meeting of stockholders to be held in 1988, with the members of each class to hold office until their successors are elected and qualified. At each annual meeting of stockholders, the successors of the class of directors whose term expires at that meeting shall be elected to hold office for a term expiring at the annual meeting of stockholders held in the third year following the year of their election.

The term "entire Board" as used in these By-Laws means the total number of directors which the Corporation would have if there were no vacancies.

(b) Stockholder Nomination of Director Candidates. Subject to the rights of holders of any class or series of stock having a preference over the Common Stock as to dividends or upon liquidation, nominations for the election of directors may be made by the Board of Directors or a committee appointed by the Board of Directors or by any stockholder entitled to vote in the election of directors generally. However, any stockholder entitled to vote in the election of directors generally may nominate one or more persons for election as directors at a meeting only if written notice of such stockholder's intent to make such nomination or nominations has been given, either by personal delivery or by United States mail, postage prepaid, to the Secretary of the Corporation not later than (i) with respect to an election to be held at an annual meeting of stockholders, ninety days prior to the anniversary date of the immediately preceding annual meeting, and (ii) with respect to an election to be held at a special meeting of stockholders for the election of directors, the close of business on the tenth day following the date on which notice of such meeting is first given to stockholders. Each such notice shall set forth: (a) the name and address of the stockholder who intends to make the nomination and of the person or persons to be nominated; (b) a representation that the stockholder is a holder of record of stock of the Corporation entitled to vote at such meeting and intends to appear in person or by proxy at the meeting to nominate the person or persons specified in the notice; (c) a description of all arrangements or understandings between the stockholder and each nominee and any other person or persons (naming such person or persons) pursuant to which the nomination or nominations are to be made by the stockholder; (d) such other information regarding each nominee proposed by such stockholder as would be required to be included in a proxy statement filed pursuant to the proxy rules of the Securities and Exchange Commission, had the nominee been nominated, or intended

Amendment
authorized
March 6, 1985,
effective
May 13, 1985,
(supersedes
amendment of
October 5,
1983)

Amendment
authorized
March 6, 1985,
effective
May 13, 1985,
(supersedes
amendment of
October 5,
1983)

to be nominated, by the Board of Directors; and (e) the consent of each nominee to serve as a director of the Corporation if so elected. The presiding officer of the meeting may refuse to acknowledge the nomination of any person not made in compliance with the foregoing procedure.

SECTION 2. Powers. In addition to the powers and authorities by these By-Laws expressly conferred upon it, the Board of Directors may exercise all such powers of the Corporation and do all such lawful acts and things as are not by the General Corporation Law of the State of Delaware, by the Restated Certificate of Incorporation or by these By-Laws directed or required to be exercised or done exclusively by the stockholders.

SECTION 3. Expenses and Fees. Each director may be allowed expenses, if any, for attendance at each regular or special meeting of the Board of Directors and of any committee thereof, and each director who is not an employee of the Corporation or any of its subsidiaries shall receive for services rendered as a director or as a member of any committee of the Board of Directors such compensation as may be fixed by the Board of Directors. Nothing herein contained shall be construed to preclude any director from serving the Corporation in any other capacity and receiving compensation therefor.

SECTION 4. Organization Meeting. As soon as practicable after the annual meeting of the stockholders, a meeting of the newly elected Board of Directors for the purpose of organization and the election of officers and otherwise shall be held upon the call and notice specified in Section 6 of this Article.

SECTION 5. Regular Meetings. Regular meetings of the Board of Directors shall be held without notice at the principal office of the Corporation in New York, New York, or at such other place within or without the State of Delaware as shall be fixed by the Board of Directors, at such times as shall be determined by the Board of Directors.

SECTION 6. Special Meetings. Special meetings of the Board of Directors may be called by the Chairman of the Board or the President, on two days' notice to each director, personally, by mail or by telegram, and shall be called by the Secretary in like manner and on like notice on the written request of a majority of the entire Board of Directors. Special meetings of the Board of Directors shall be held at the place and time designated in the notice of meeting.

Amendment
authorized
March 6, 1985,
effective May
13, 1985.

SECTION 7. Quorum. At all meetings of the Board of Directors at least fifty per cent of the directors then in office shall be necessary and sufficient to constitute a quorum for the transaction of business, and the vote of a majority of the directors present at any meeting at which a quorum is present shall be the act of the Board of Directors, except as may be otherwise specifically provided by the General Corporation Law of the State of Delaware, by the Restated Certificate of Incorporation or by these By-Laws.

SECTION 8. Newly Created Directorships and Vacancies. Except as otherwise fixed pursuant to the provisions of Article FOURTH of the Restated Certificate of Incorporation relating to the rights of the holders of any class or series of stock having a preference over the Common Stock as to dividends or upon liquidation to elect

Amendment
authorized
March 6, 1985,
effective May
13, 1985.

directors under specified circumstances, newly created directorships resulting from any increase in the number of directors and any vacancies on the Board of Directors resulting from death, resignation, disqualification, removal or other cause shall be filled solely by the affirmative vote of a majority of the remaining directors then in office, even though less than a quorum of the Board of Directors. Any director elected in accordance with the preceding sentence shall hold office for the remainder of the full term of the class of directors in which the new directorship was created or the vacancy occurred and until such director's successor shall have been elected and qualified. No decrease in the number of directors constituting the Board of Directors shall shorten the term of any incumbent director.

SECTION 9. Removal. Subject to the rights of any class or series of stock having a preference over the Common Stock as to dividends or upon liquidation to elect directors under specified circumstances, any director may be removed from office, with or without cause, but only by the affirmative vote of the holders of least 80% of the combined voting power of the then outstanding shares of capital stock of the Corporation entitled to vote generally in the election of directors, voting together as a single class.

Amendment
authorized
March 6, 1985,
effective May
13, 1985.

SECTION 10. Action Without Meeting. The provisions of these By-Laws covering notices and meetings to the contrary notwithstanding, any action required or permitted to be taken at any meeting of the Board of Directors or of any committee thereof may be taken without a meeting if all members of the Board of Directors or of such committee, as the case may be, consent thereto in writing, and the writing or writings are filed with the minutes of proceedings of the Board of Directors or committee.

Redesignation
as Section 10
authorized
March 6, 1985,
effective May
13, 1985.
(previously
Section 9)

ARTICLE V. COMMITTEES

The Board of Directors, by resolution passed by a majority of the whole Board of Directors, may designate one or more committees, each committee to consist of two or more of the directors of the Corporation. Each such committee, to the extent provided in these By-Laws or as authorized by the Board of Directors, shall have and may exercise the powers of the Board of Directors in the management of the business and affairs of the Corporation, and may authorize the seal of the Corporation to be affixed to all papers which may require it.

Each such committee shall keep a record of its proceedings and all actions of each such committee shall be reported to the Board of Directors at the meeting thereof next succeeding the taking of such action.

Each such committee shall fix its own rules of procedure, but the presence of at least fifty per cent of the members of the whole committee shall in each case be necessary to constitute a quorum of the committee and the affirmative vote of a majority of the members of the committee present at the meeting shall be necessary to take any action. In the absence of a member of any such committee, the member or members thereof present at any meeting and not disqualified from voting, whether or not he or they constitute a quorum, may unanimously appoint another member of the Board of Directors to act at the meeting in the place of any such absent or disqualified person.

ARTICLE VI.
OFFICERS

SECTION 1. Titles. The officers of the Corporation shall be a Chairman of the Board, a Chairman of the Executive Committee, a President, one or more Vice Presidents (one or more of whom maybe designated Senior Executive Vice President, Executive Vice President, Group Vice President or Senior Vice President), a Secretary, a Controller, an Auditor and a Treasurer.

Amendment authorized and effective January 8, 1986, (supercedes amendments of January 9, 1980)

SECTION 2. Election. The Board of Directors at its first meeting after each annual meeting of stockholders shall elect the Chairman of the Board, the Chairman of the Executive Committee and the President from their own number, and in addition shall elect one or more Vice Presidents (one or more of whom may be designated as Senior Executive Vice President, Executive Vice President, Group Vice President or Senior Vice President), the Secretary, the Controller, the Auditor and the Treasurer, who need not be members of the Board of Directors.

Amendment authorized and effective January 8, 1986, (supercedes amendments of January 9, 1980)

SECTION 3. Other Officers. The Board of Directors may appoint one or more Assistant Secretaries, one or more Assistant Controllers, one or more Assistant Auditors and one or more Assistant Treasurers, and such other officers and agents as it shall deem necessary, who shall hold their offices for such terms and shall exercise such powers and perform such duties as shall be determined from time to time by the Board of Directors.

SECTION 4. Salaries. The salaries of the elected officers of the Corporation shall be fixed by the Board of Directors. The salaries, wages of compensation of all other employees, representatives and agents of the Corporation shall be fixed by the Board of Directors to the extent determined from time to time by the Board of Directors and otherwise in the manner determined by the Chairman of the Board.

SECTION 5. Terms of Office. The officers of the Corporation shall hold office until their successors are chosen and qualified. Any officer elected or appointed by the Board of Directors may be removed at any time by the affirmative vote of a majority of the whole Board of Directors. If the office of any officer shall become vacant for any reason, the vacancy shall be filled by the Board of Directors.

SECTION 6. Other Powers. In addition to the powers and duties hereinafter specifically prescribed for the respective officers, the Board of Directors may from time to time impose or confer upon any of the officers such additional duties and powers as the Board of Directors may see fit, and the Board of Directors may from time to time impose or confer any or all of the duties and powers hereinafter specifically prescribed for any officer upon any other officer or officers.

SECTION 7. Divisions and Division Officers. The Board of Directors may from time to time establish one or more operating or administrative divisions of the Corporation and assign to such divisions responsibilities for such of the Corporation's business, operations and affairs as the Board may determine. The Board of Directors, or the Chairman of the Board, the President, or any other officer of the Corporation so authorized by the Board, may appoint officers of a division for such terms and having such titles, exercising such powers and performing such duties as the Board or such

Amendment authorized and effective May 1, 2002

appointing officer of the Corporation may determine. An officer of a division shall not as such be an officer of the Corporation. An officer of a division shall have the power to execute and deliver contracts and other documents relating to the business, operations and affairs of such officer's division on behalf of the Corporation, but shall not have such power with respect to any other division of the Corporation. An officer of a division may be removed with or without cause by the Board of Directors or by the Chairman of the Board, the President or any other officer of the Corporation then authorized by the Board to appoint officers of a division.

ARTICLE VII.
DUTIES OF OFFICERS

SECTION 1. Chairman of the Board. The Chairman of the Board shall be the chief executive officer of the Corporation; he shall preside at meetings of the stockholders and the Board of Directors; he shall, subject to control by the Board of Directors, have full power and complete authority in the management of the business and affairs of the Corporation and shall see that all orders and resolutions of the Board of Directors and of all committees thereof are carried into effect. The Chairman of the Board shall perform the duties of the Chairman of the Executive Committee in his absence or inability to act.

Amendment
authorized and
effective
December 2,
1970.

SECTION 2. Chairman of the Executive Committee. The Chairman of the Executive Committee of the Board of Directors of the Corporation shall preside at meetings of said Executive Committee. No action of the Executive Committee shall be valid unless the Chairman of the Executive Committee or, in his absence or inability to act, the Chairman of the Board shall concur therein. The Chairman of the Executive Committee, subject to control by the Board of Directors, shall (a) have responsibility for the capital expenditure budget, (b) review and ratify operating expense budgets, (c) review financial affairs of the Corporation, including the status of capital expenditure and operating expense budgets, and (d) report his findings, together with his recommendations, to the Board of Directors of the Corporation. He shall perform such other duties as may be prescribed from time to time by the Board of Directors or by these By-Laws.

Amendment
authorized
August 2,
1972,
effective
September 1,
1972,
(supercedes
amendment of
December 2,
1970)

SECTION 3. Chairman of the Finance Committee. The Chairman of the Finance Committee shall preside at meetings of the Finance Committee. No action of the Finance Committee shall be valid unless the Chairman of the Finance Committee shall concur therein. The Chairman of the Finance Committee shall perform such other duties as may be prescribed from time to time by the Board of Directors or by these By-Laws.

Amendment
authorized and
effective May
8, 1980.

SECTION 4. President. The President shall perform such duties as may be assigned to him from time to time by the Board of Directors or the Chairman of the Board. The President shall perform the duties of the Chairman of the Board in his absence or inability to act.

Amendment
authorized and
effective
January 9,
1980.

SECTION 5. Senior Vice Executive Presidents and Executive Vice Presidents. The Senior Executive Vice Presidents and the Executive Vice Presidents shall perform such duties as may be assigned to them from time to time by the Board of Directors or the Chairman of the Board.

Amendment
authorized and
effective
January 8,
1986.

SECTION 6. Vice Presidents. The Vice Presidents (including Group Vice Presidents and Senior Vice Presidents) shall perform such duties as may be assigned to them from time to time by the Board of Directors or the Chairman of the Board.

Amendment
authorized and
effective
August 2,
1972.

SECTION 7. Secretary. The Secretary shall attend and keep the minutes and records of all meetings of the stockholders and of the Board of Directors. He shall give or cause to be given notice of all meetings of stockholders and of the Board of Directors. He shall keep in safe custody the seal of the Corporation. He shall have power when required to affix the seal to any instrument, and when so affixed the seal shall be attested by the signature of the Secretary or such other officer or agents as may be designated by the Board of Directors. The Secretary shall perform such other duties as may be prescribed by the Board of Directors or the Chairman of the Board.

SECTION 8. Assistant Corporate Secretaries and Assistant Secretaries. The Assistant Corporate Secretary or Assistant Corporate Secretaries and the Assistant Secretary or Assistant Secretaries shall perform such of the duties of the Secretary and such other duties as may be assigned from time to time by the Board of Directors, the Chairman of the Board or the Secretary.

Amendment
authorized and
effective
November 4,
1981.

SECTION 9. Treasurer. The Treasurer shall have general charge of the corporate funds and securities and shall keep or cause to be kept full and accurate accounts of receipts and disbursements in books belonging to the Corporation, and shall deposit or cause to be deposited all moneys and other valuable effects in the name and to the credit of the Corporation, in such depositories as may be designated pursuant to these By-Laws or by the Board of Directors. He shall see that proper vouchers are taken for all disbursements, and shall render to the Chairman of the Board and the Board of Directors, whenever required, and account of all transactions of his office. He shall perform such other duties as may be prescribed by the Board of Directors or the Chairman of the Board.

He shall give the Corporation a bond if required by the Board of Directors, in a sum and with one or more sureties satisfactory to the Board of Directors, for the faithful performance of the duties of his office and for the restoration to the Corporation, in case of his death, resignation, retirement, or removal from office, of all books, papers, vouchers, money and other property of whatever kind in his possession or under his control belonging to the Corporation.

SECTION 10. Assistant Treasurers. The Assistant Treasurer or Assistant Treasurers shall perform such of the duties of the Treasurer and such other duties as may be assigned to him or them from time to time by the Board of Directors, the Chairman of the Board or the Treasurer.

SECTION 11. Controller. The Controller shall be the chief accounting officer of the Corporation and shall be in charge of, and shall be responsible for, accounting and accounting methods, budgets and preparation of statistics to assist in executive control of the Corporation. He shall prepare such financial statements and reports and perform such other duties as may be prescribed by the Board of Directors or the Chairman of the Board.

SECTION 12. Assistant Controllers. The Assistant Controller or Assistant Controllers shall perform such of the duties of the Controller and such other duties as may be assigned to him or them from time to time by the Board of Directors, the Chairman of the Board or the Controller.

SECTION 13. Auditor. The Auditor shall review the accounting, financial, and related operations and shall be responsible for measuring the effectiveness of controls. He shall appraise procedures, verify the extent of compliance with controls, prevent and detect fraud or dishonesty, and perform such other duties as may be prescribed by the Board of Directors or the Chairman of the Board.

SECTION 14. Assistant Auditors. The Assistant Auditor or Assistant Auditors shall perform such of the duties of the Auditor and such other duties as may be assigned to him or them by the Board of Directors, the Chairman of the Board or the Auditor.

ARTICLE VIII. INDEMNIFICATION

Every person who is or was a director, officer or employee of the Corporation, or of any other corporation which he serves or served as such at the request of the Corporation, shall, in accordance with this Article VIII but not if prohibited by law, be indemnified by the Corporation as hereinafter provide against reasonable expense and any liability paid or incurred by him in connection with or resulting from any threatened or actual claim, action, suit or proceeding (whether brought by or in the right of the Corporation or such other corporation or otherwise), civil, criminal, administrative or investigative, in which he may be involved, as a party or otherwise, by reason of his being or having been a director, officer or employee of the Corporation or such other corporation, or by reason of any action taken or not taken in his capacity as such director, officer or employee, whether or not he continues to be such at the time such expense or liability shall have been paid or incurred.

As used in this Article VIII, the term "expense" shall mean counsel fees and disbursements and all other expenses (except any liability) relating to any such claim, action, suit or proceeding, and the term "liability" shall mean amounts of judgments, fines or penalties against, and amounts paid in settlement by, a director, officer or employee with respect to any such claim, action, suit or proceeding.

Any person referred to in the first paragraph of this Article VIII who has been wholly successful, on the merits or otherwise, with respect to any claim, action, suit or proceeding of the character described in such first paragraph shall be reimbursed by the Corporation for his reasonable expense.

Any other person claiming indemnification under the first paragraph of this Article VIII shall be reimbursed by the Corporation for his reasonable expense and for any liability (other than any amount paid to the Corporation) if a Referee shall deliver to the Corporation his written finding that such person acted in good faith in what he reasonably believed to be the best interests of the Corporation, and, in addition, with respect to any criminal action or proceeding, reasonably believed that his conduct was lawful. The termination of any claim, action, suit or proceeding of the character described in the first paragraph of this Article VIII, by judgment, settlement (whether

with or without court approval), adverse decision or conviction after trial or upon a plea of guilty or of nolo contendere, or its equivalent, shall not create a presumption that a director, officer or employee did not meet the foregoing standards of conduct. The person claiming indemnification shall at the request of the Referee appear before him and answer questions which the Referee deems relevant and shall be given ample opportunity to present to the Referee evidence upon which he relies for indemnification; and the Corporation shall, at the request of the Referee, make available to the Referee facts, opinions or other evidence in any way relevant for his finding which are within the possession or control of the Corporation. As used in this Article VIII, the term "Referee" shall mean independent legal counsel (who may be regular counsel of the Corporation), or other disinterested person or persons, selected by the Board of Directors of the Corporation (whether or not a disinterested quorum exists) to act as such hereunder.

Any expense incurred with respect to any claim, action, suit or proceeding of the character described in the first paragraph of this Article VIII may be advanced by the Corporation prior to the final disposition thereof upon receipt of an undertaking made by or on behalf of the recipient to repay such advance if it is ultimately determined that he is not to be indemnified under this Article VIII or, if it is ultimately determined that he is to be indemnified under this Article VIII, to the extent that the advance exceeds the amount of the indemnification.

If any clause or provision of this Article VIII shall for any reason be determined to be invalid, the provisions hereof shall not otherwise be affected thereby but shall remain in full force and effect.

The rights of indemnification provided in this Article VIII shall be in addition to any rights to which any such director, officer or employee may otherwise be entitled by contract or as a matter of law and, in the event of such person's death, such rights shall extend to his heirs and legal representatives.

ARTICLE IX. CERTIFICATES OF STOCK

SECTION 1. Form. Every holder of stock in the Corporation shall be entitled to have a certificate signed by, or in the name of the Corporation by, the Chairman of the Board, or the Chairman of the Executive Committee, or the President, or a Vice President, and the Treasurer or an Assistant Treasurer, or the Secretary or an Assistant Secretary of the Corporation certifying the number of shares owned by him in the Corporation. If such certificate is countersigned (1) by a transfer agent other than the Corporation or its employee, or (2) by a registrar other than the Corporation or its employee, the signatures of the officers of the Corporation may be facsimiles. In case any officer who has signed or whose facsimile signature has been placed upon a certificate shall have ceased to be such officer before such certificate is issued, it may be issued by the Corporation with the same effect as if he were such officer at the date of issue.

SECTION 2. Transfer. Upon surrender to the Corporation or the transfer agent of the Corporation of a certificate for shares duly endorsed or accompanied by proper evidence of succession, assignment or authority to transfer, it shall be the duty of the Corporation to issue a new certificate to the person entitled thereto, cancel the old certificate and record the transaction upon its books.

SECTION 3. Fixing Date for Determination of Stockholders of Record. In order that the Corporation may determine the Stockholders entitled to notice of or to vote at any meeting of stockholders or at any adjournment thereof, or entitled to receive payment of any dividend or distribution or allotment of any rights, or entitled to exercise any rights in respect of any change, conversion or exchange of stock or for the purpose of any other lawful action, the Board of Directors may fix, in advance, a record date, which shall not be more than sixty nor less than ten days before the date of such meeting, nor more than sixty days prior to any other action.

Amendment
authorized
March 6, 1985,
effective May
13, 1985.

SECTION 4. Holder of Record. The Corporation shall be entitled to treat the holder of record of any share or shares of stock as the holder in fact thereof and accordingly shall not be bound to recognize any equitable or other claim to or interest in such share on the part of any other person, whether or not it shall have express or other notice thereof, save as expressly provided by the General Corporation Law of the State of Delaware.

SECTION 5. Lost, Stolen or Destroyed Certificates. Any person claiming a certificate of stock to be lost, stolen or destroyed shall make an affidavit or affirmation of that fact and advertise the same in such manner as the Corporation may require and shall, if the Corporation so requires, give the Corporation a bond of indemnity, in form and with one or more sureties satisfactory to the Corporation and in an amount deemed by the Corporation sufficient to indemnify the Corporation, whereupon a new certificate may be issued of the same tenor and for the same number of shares as the one alleged to be lost, stolen or destroyed.

ARTICLE X. NOTICES

SECTION 1. Notice by Mail. Whenever under the provisions of the General Corporation Law of the State of Delaware, or of the Restated Certificate of Incorporation or of these By-Laws notice is required to be given to any director or stockholder, such notice may be given in writing by mail, addressed to such director or stockholder at his address as it appears on the records of the Corporation by depositing the same in a post office or letter box, post prepaid and such notice shall be deemed to be given at the time when the same shall be thus mailed.

SECTION 2. Waiver of Notice. Any notice required to be given under these By-Laws, the Restated Certificate of Incorporation, or the General Corporation Law of the State of Delaware, may be waived in writing, signed by the person or persons entitled to said notice, whether before or after the time stated therein, and such written waiver shall be deemed equivalent to notice. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the stockholders or of the Board of Directors (or committees thereof) need be specified in any written waiver of notice.

ARTICLE XI.
INSPECTION OF BOOKS

The Board of Directors shall determine from time to time whether and, if allowed, when and under what conditions and regulations the accounts and books of the Corporation (except such as may by statute be specifically open to inspection) or any of them shall be open to the inspection of the stockholders, and the stockholder's rights in this respect are and shall be restricted and limited accordingly.

ARTICLE XII.
CHECK AND NOTES

The moneys of the Corporation shall be deposited in the name of the Corporation in such bank or banks as the Chairman of the Board, the Chairman of the Executive Committee, the President or a Vice President and the Treasurer or an Assistant Treasurer of the Corporation may from time to time designate, and all checks, notes, drafts and bills of exchange of the Corporation shall be signed by such officers or agents as the Chairman of the Board, the Chairman of the Executive Committee, the President or a Vice President, and the Treasurer or an Assistant Treasurer of the Corporation may from time to time designate.

ARTICLE XIII.
FISCAL YEAR

The fiscal year shall begin the first day of January in each year.

ARTICLE XIV.
AMENDMENTS TO THE BY-LAWS

SECTION 1. By the Stockholders. Subject to the provisions of the Restated Certificate of Incorporation, these By-Laws may be altered, amended or repealed, or new By-Laws enacted, at any special meeting of the stockholders if duly called for that purpose (provided that in the notice of such special meeting, notice of such purpose shall be given), or at any annual meeting, by the affirmative vote of a majority of the stock represented and entitled to vote thereat.

Amendment
authorized
March 6, 1985,
effective May
13, 1985.

SECTION 2. By the Board of Directors. Subject to the laws of the State of Delaware, the Restated Certificate of Incorporation and these By-Laws, these By-Laws may also be altered, amended or repealed, or new By-Laws enacted, by the Board of Directors at any meeting of the Board of Directors.

Amendment
authorized
March 6, 1985,
effective May
13, 1985.

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of Amerada Hess Corporation (the "Corporation") on Form 10-Q for the period ending June 30, 2002 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, John B. Hess, Chairman of the Board and Chief Executive Officer of the Corporation, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Corporation.

By /s/ John B. Hess

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

Date: August 7, 2002

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of Amerada Hess Corporation (the "Corporation") on Form 10-Q for the period ending June 30, 2002 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, John Y. Schreyer, Executive Vice President and Chief Financial Officer of the Corporation, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Corporation.

By /s/ John Y. Schreyer

JOHN Y. SCHREYER
EXECUTIVE VICE PRESIDENT AND
CHIEF FINANCIAL OFFICER

Date: August 7, 2002