



## 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 June 30		Six Months Ended June 30	
	1995	1994	1995	1994
<b>REVENUES</b>				
Sales (excluding excise taxes) and other operating revenues	\$ 1,773,326	\$ 1,488,226	\$ 3,665,537	\$ 3,345,854
Interest and other non-operating revenues	4,723	7,688	90,846	19,286
Total revenues	1,778,049	1,495,914	3,756,383	3,365,140
<b>COSTS AND EXPENSES</b>				
Cost of products sold and operating expenses	1,268,006	995,959	2,631,881	2,201,587
Exploration expenses, including dry holes	77,139	62,516	141,887	122,374
Selling, general and administrative expenses	149,395	139,353	303,860	296,707
Interest expense	63,026	59,728	127,977	120,294
Depreciation, depletion and amortization	202,210	222,171	410,013	452,040
Lease impairment	9,393	12,733	19,713	25,534
Provision for income taxes	49,099	20,185	136,109	79,679
Total costs and expenses	1,818,268	1,512,645	3,771,440	3,298,215
<b>NET INCOME (LOSS)</b>	<b>\$ (40,219)</b>	<b>\$ (16,731)</b>	<b>\$ (15,057)</b>	<b>\$ 66,925</b>
<b>NET INCOME (LOSS) PER SHARE</b>	<b>\$ (0.43)</b>	<b>\$ (0.18)</b>	<b>\$ (0.16)</b>	<b>\$ 0.72</b>
<b>WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING</b>	<b>92,995</b>	<b>93,005</b>	<b>92,995</b>	<b>92,947</b>
<b>COMMON STOCK DIVIDENDS PER SHARE</b>	<b>\$ .15</b>	<b>\$ .15</b>	<b>\$ .30</b>	<b>\$ .30</b>

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

	June 30, 1995	December 31, 1994
	-----	-----
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 48,322	\$ 53,135
Accounts receivable	564,867	570,525
Inventories	926,679	945,635
Prepaid expenses	112,627	152,366
	-----	-----
Total current assets	1,652,495	1,721,661
	-----	-----
<b>INVESTMENTS AND ADVANCES</b>	176,857	140,300
	-----	-----
<b>PROPERTY, PLANT AND EQUIPMENT</b>		
Total - at cost	14,603,293	14,304,826
Less reserves for depreciation, depletion, amortization and lease impairment	8,375,159	7,938,824
	-----	-----
Property, plant and equipment - net	6,228,134	6,366,002
	-----	-----
<b>OTHER ASSETS</b>	89,281	109,977
	-----	-----
<b>TOTAL ASSETS</b>	<b>\$ 8,146,767</b>	<b>\$ 8,337,940</b>
	=====	=====
<b>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</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable - trade	\$ 338,902	\$ 291,571
Accrued liabilities	586,481	555,363
Notes payable	11,800	63,747
Taxes payable	193,510	168,927
Current maturities of long-term debt	136,689	121,806
	-----	-----
Total current liabilities	1,267,382	1,201,414
	-----	-----
<b>LONG-TERM DEBT</b>	2,873,692	3,154,235
	-----	-----
<b>CAPITALIZED LEASE OBLIGATIONS</b>	74,453	80,928
	-----	-----
<b>DEFERRED LIABILITIES AND CREDITS</b>		
Deferred income taxes	594,612	547,537
Other	249,839	254,197
	-----	-----
Total deferred liabilities and credits	844,451	801,734
	-----	-----
<b>STOCKHOLDERS' EQUITY</b>		
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 - 93,002,755 shares at June 30, 1995;		
92,995,755 shares at December 31, 1994	93,003	92,996
Capital in excess of par value	743,841	743,537
Retained earnings	2,424,311	2,467,267
Equity adjustment from foreign currency translation	(174,366)	(204,171)
	-----	-----
Total stockholders' equity	3,086,789	3,099,629
	-----	-----
<b>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY</b>	<b>\$ 8,146,767</b>	<b>\$ 8,337,940</b>
	=====	=====

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 thousands)

	1995	1994
	-----	-----
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income (loss)	\$ (15,057)	\$ 66,925
Adjustments to reconcile net income (loss) to net cash provided by operating activities		
Depreciation, depletion, amortization and lease impairment	429,726	477,574
Exploratory dry hole costs	83,720	75,778
Changes in operating assets and liabilities	185,472	(6,729)
Deferred income taxes and other items	32,170	37,281
	-----	-----
Net cash provided by operating activities	716,031	650,829
	-----	-----
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditures	(332,761)	(259,391)
Other	(18,459)	10,082
	-----	-----
Net cash used in investing activities	(351,220)	(249,309)
	-----	-----
CASH FLOWS FROM FINANCING ACTIVITIES		
Decrease in notes payable	(51,941)	(114,900)
Long-term borrowings	25,000	218,046
Repayment of long-term debt and capitalized lease obligations	(304,113)	(509,921)
Cash dividends paid	(41,847)	(41,770)
	-----	-----
Net cash used in financing activities	(372,901)	(448,545)
	-----	-----
EFFECT OF EXCHANGE RATE CHANGES ON CASH	3,277	2,202
	-----	-----
NET DECREASE IN CASH AND CASH EQUIVALENTS	(4,813)	(44,823)
	-----	-----
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	53,135	79,635
	-----	-----
CASH AND CASH EQUIVALENTS AT END OF PERIOD	\$ 48,322	\$ 34,812
	=====	=====

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 June 30, 1995 and December 31, 1994, and the consolidated results of operations for the three and six-month periods ended June 30, 1995 and 1994 and the consolidated cash flows for the six month periods ended June 30, 1995 and 1994. The unaudited results of operations for the interim periods reported are not necessarily indicative of results to be expected for the year.

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

Note 2 - Inventories consist of the following:

	June 30, 1995	December 31, 1994
	-----	-----
Crude oil and other charge stocks	\$ 311,780	\$ 250,291
Refined and other finished products	501,354	582,696
Materials and supplies	113,545	112,648
	-----	-----
Total inventories	\$ 926,679	\$ 945,635
	=====	=====

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

	Three months ended June 30		Six months ended June 30	
	1995	1994	1995	1994
	-----	-----	-----	-----
Current	\$ 36,934	\$ 16,425	\$ 95,838	\$ 48,705
Deferred	12,165	3,760	40,271	30,974
	-----	-----	-----	-----
Total	\$ 49,099	\$ 20,185	\$ 136,109	\$ 79,679
	=====	=====	=====	=====

Note 4 - The net effect of foreign currency exchange transactions, after applicable income taxes, amounted to gains of \$2,533 and \$1,494, respectively, for the three and six-month periods ended June 30, 1995, compared to losses of \$328 and \$2,120 for the corresponding periods of 1994.

## PART I - FINANCIAL INFORMATION (CONT'D.)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
(in thousands)

Note 5 - The Corporation uses futures, forward, option and swap contracts to reduce the impact of fluctuations in the prices of crude oil, natural gas and refined products. These contracts correlate to movements in the value of inventory and the prices of crude oil and natural gas, and as hedges, any resulting gains or losses are recorded as part of the hedged transaction. Net unrealized gains on the Corporation's petroleum hedging activities were approximately \$48,000 at June 30, 1995.

## PART I - FINANCIAL INFORMATION (CONT'D.)

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

## RESULTS OF OPERATIONS

The results of operations for the second quarter of 1995 amounted to a net loss of \$40 million (\$.43 per share) compared with a net loss of \$17 million (\$.18 per share) in the second quarter of 1994. In the first half of 1995, the Corporation had a net loss of \$15 million (\$.16 per share) compared with net income of \$67 million (\$.72 per share) in the first half of 1994.

The results for the first half of 1995 include income of \$44 million (\$.47 per share) from the refund of windfall profits taxes applicable to the years 1981 through 1986 and related interest.

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

	Three months ended June 30		Six months ended June 30	
	1995	1994	1995	1994
Exploration and production	\$ 10	\$ 23	\$ 101	\$ 67
Refining and marketing	3	8	(12)	84
Corporate administration, including interest expense, and other operating activities	(53)	(48)	(104)	(84)
Total	\$ (40)	\$ (17)	\$ (15)	\$ 67

Earnings from exploration and production activities decreased by \$13 million in the second quarter of 1995 and \$10 million in the first half of 1995 (excluding the tax refund referred to above) compared with the corresponding periods of 1994. Crude oil selling prices were higher in 1995 than in 1994, but natural gas selling prices decreased. The Corporation's average selling prices, including the effects of hedging, were as follows:

	Three months ended June 30		Six months ended June 30	
	1995	1994	1995	1994
Crude oil and natural gas liquids (per barrel)				
United States	\$15.83	\$15.16	\$15.94	\$15.16
Foreign	17.66	16.30	17.26	15.53
Natural gas (per Mcf)				
United States	1.59	1.87	1.65	2.10
Foreign	1.51	1.74	1.64	1.76

## PART I - FINANCIAL INFORMATION (CONT'D.)

## RESULTS OF OPERATIONS (CONTINUED)

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

	Three months ended June 30		Six months ended June 30	
	1995	1994	1995	1994
Crude oil and natural gas liquids (barrels per day)				
United States	64,301	70,044	64,071	70,227
Foreign	174,169	187,209	181,415	186,351
Total	238,470	257,253	245,486	256,578
Natural gas (Mcf per day)				
United States	411,121	449,345	408,252	470,571
Foreign	438,314	372,899	478,504	443,589
Total	849,435	822,244	886,756	914,160

United States crude oil and natural gas production was lower in 1995, principally reflecting natural decline. Foreign crude oil production was lower in the second quarter of 1995, because of scheduled maintenance in the United Kingdom North Sea. The increase in foreign natural gas production in the second quarter of 1995 largely reflects increased deliverability in Canada.

Depreciation, depletion and amortization expense was lower in the second quarter and first half of 1995 compared to the comparable periods of the prior year, reflecting lower United States production volumes and positive oil and gas reserve revisions. Exploration expenses, including dry holes, were higher in the second quarter of 1995 due primarily to increased activity in the United Kingdom. Exploration expenses for the first half of 1995 increased over 1994 because of the increased activity in the United Kingdom and new exploration activity in Denmark, partially offset by reduced United States expenses. The overall effective income tax rate on exploration and production earnings continued to be high, principally reflecting the effect of the Petroleum Revenue Tax in the United Kingdom and the Special Tax in Norway. Future exploration and production earnings will be affected by changes in crude oil and natural gas selling prices, differing income tax rates in the various countries in which the Company operates and other factors.

Refining and marketing operations had income of \$3 million in the second quarter of 1995 compared with \$8 million in the second quarter of 1994. While average refined product selling prices increased in the second quarter of 1995 compared with the second quarter of 1994, the cost of crude oil and purchased refined products also increased. In periods of price volatility, movements in the selling prices of refined products may not correspond with movements in the Company's cost of crude oil and other charge stocks. These conditions, which existed in the second quarters of 1995 and 1994, contributed to the earnings decrease.



## RESULTS OF OPERATIONS (CONTINUED)

In the first half of 1995, refining and marketing operations had a loss of \$12 million compared with income of \$84 million in the corresponding period of 1994. Cold winter weather in the first half of 1994 resulted in more favorable margins on distillates and residual fuel oil than in 1995. Income taxes were not provided in either period on the earnings of a refining subsidiary that has a net operating loss carryforward. Refined product sales volumes amounted to 92 million barrels in the first half of 1995 compared with 87 million barrels in the corresponding period of 1994. The increase was due to higher sales volumes of gasoline, reflecting increased production from the fluid catalytic cracking unit in the Virgin Islands. Refining and marketing earnings will continue to be affected by competitive industry conditions which impact refined product margins.

Corporate administration, including interest expense, and other operating activities (principally transportation), had net expenses of \$53 million and \$104 million in the second quarter and first half of 1995, respectively, compared with \$48 million and \$84 million in the corresponding periods of 1994. The increase in 1995 is due in part to higher interest expense, reflecting higher interest rates, although debt has been reduced. Corporate expenses in 1995 also reflect an increased effective income tax rate related to the impact of foreign source earnings on United States taxes.

Sales and other operating revenues in the second quarter and first half of 1995 increased by 19% and 10%, respectively, compared with the corresponding periods of 1994. The increases are primarily due to higher sales volumes and selling prices of gasoline. Non-operating revenue in the first half of 1995 includes the refund of windfall profits taxes and related interest totaling \$67 million (before income tax effect). Selling, general and administrative expenses increased by approximately \$10 million in the second quarter of 1995 compared with the second quarter of 1994. The increase was primarily in exploration and production units.

## LIQUIDITY AND CAPITAL RESOURCES

Net cash provided by operating activities, including changes in operating assets and liabilities, amounted to \$716 million in the first half of 1995 compared with \$651 million in the first half of 1994. The increase was due to changes in working capital components, partially offset by lower operating results. Cash provided by operating activities exceeded capital expenditures of \$333 million and \$259 million in the first half of 1995 and 1994, respectively. The excess cash flow in each period was used principally to repay debt.

Total debt was \$3,022 million at June 30, 1995 compared with \$3,340 million at December 31, 1994. The debt to total capitalization ratio decreased to 49.5% at June 30, 1995 from nearly 52% at year-end 1994.

## PART I - FINANCIAL INFORMATION (CONT'D.)

## LIQUIDITY AND CAPITAL RESOURCES (CONTINUED)

At June 30, 1995, the Corporation had additional borrowing capacity available under existing revolving credit agreements of \$764 million and additional unused lines of credit under uncommitted arrangements with banks of \$710 million.

The Corporation uses futures, forward, option and swap contracts 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 June 30, 1995, the Corporation had open hedge positions on approximately 25% of its estimated worldwide crude oil production over the next eighteen months. In certain circumstances, hedge counterparties may elect to purchase up to an additional 15% of this production. In addition, the Corporation had open option contracts, providing varying degrees of protection against declines in market prices, covering 5% of crude oil production. The Corporation also had open contracts equal to approximately 5% of its estimated United States and Canadian natural gas production over the next twelve months and option contracts providing varying degrees of price protection, covering approximately 10% of its natural gas production. The Corporation had hedges covering approximately 35% of its refining and marketing inventories and had additional short positions, principally crack spreads, approximating 10% of refined products to be manufactured in the next twelve months. As market conditions change, the Corporation will adjust its hedging positions.

Capital expenditures in the first half of 1995 amounted to \$333 million compared with \$259 million in the corresponding period of 1994. Capital expenditures for exploration and production activities were \$299 million in the first half of 1995 compared with \$229 million in the first six months of 1994.

Capital expenditures for the remainder of 1995 are currently expected to be approximately \$370 million. It is anticipated that these expenditures will be financed by internally generated funds.

## PART II - OTHER INFORMATION

## ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY-HOLDERS

The Annual Meeting of Stockholders of the Registrant was held on May 3, 1995. The Inspectors of Election reported that 78,449,101 shares of Common Stock of the Registrant were represented in person or by proxy at the meeting, constituting 84% of the votes entitled to be cast. At the meeting, stockholders voted upon the election of six nominees for the Board of Directors for the three year term expiring in 1998 and upon 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 ended December 31, 1995.

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

Name of Nominee -----	Vote for Nominee -----	Authority to Vote Withheld for Nominee -----
Marco B. Bianchi	77,204,531	1,244,570
Nicholas F. Brady	77,277,437	1,171,664
J. Barclay Collins	77,207,412	1,241,689
Leon Hess	77,186,208	1,262,893
Thomas H. Kean	77,277,908	1,171,193
H. W. McCollum	77,266,403	1,182,698

The inspectors further reported that 78,314,517 votes were cast for the ratification of the selection of Ernst & Young LLP as independent auditors for the fiscal year ending December 31, 1995, 65,064 votes were cast against said ratification and holders of 69,520 votes abstained.

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

## 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 June 30, 1995.

## SIGNATURES

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

AMERADA HESS CORPORATION  
(REGISTRANT)

By /s/ 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 10, 1995

EXHIBIT INDEX

Exhibit 27 - Financial Data Schedule

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6-MOS

	DEC-31-1995	
	JAN-01-1995	
	JUN-30-1995	
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	564,867	
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	926,679	
1,652,495		
	14,603,293	
8,375,159		
8,146,767		
1,267,382		
	2,873,692	
	93,003	
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	2,993,786	
8,146,767		
	3,665,537	
3,756,383		
	2,631,881	
2,631,881		
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127,977		
121,052		
136,109		
(15,057)		
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	(15,057)	
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