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

FORM 10-Q

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

For the quarter ended June 30, 2000

OR

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

For the transition period from _____ to _____

COMMISSION FILE NUMBER 1-1204

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

DELAWARE
(State or other jurisdiction of incorporation or organization)

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

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

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

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

At June 30, 2000, 90,083,505 shares of Common Stock were outstanding.

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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	
	2000	1999	2000	1999
REVENUES				
Sales (excluding excise taxes) and other operating revenues	\$2,644	\$1,430	\$5,475	\$2,969
Non-operating income				
Gain on asset sales	--	62	--	108
Equity in income of HOVENSA L.L.C	41	1	52	17
Other	29	40	57	92
	-----	-----	-----	-----
Total revenues	2,714	1,533	5,584	3,186
	-----	-----	-----	-----
COSTS AND EXPENSES				
Cost of products sold	1,717	865	3,592	1,864
Production expenses	129	97	262	215
Marketing expenses	122	86	228	180
Other operating expenses	51	59	108	116
Exploration expenses, including dry holes and lease impairment	90	78	152	141
General and administrative expenses	51	64	102	114
Interest expense	39	38	77	77
Depreciation, depletion and amortization	167	137	341	275
	-----	-----	-----	-----
Total costs and expenses	2,366	1,424	4,862	2,982
	-----	-----	-----	-----
Income before income taxes	348	109	722	204
Provision for income taxes	146	32	296	56
	-----	-----	-----	-----
NET INCOME	\$ 202	\$ 77	\$ 426	\$ 148
	=====	=====	=====	=====
NET INCOME PER SHARE				
Basic	\$ 2.25	\$.86	\$ 4.74	\$ 1.65
	=====	=====	=====	=====
Diluted	\$ 2.24	\$.86	\$ 4.71	\$ 1.65
	=====	=====	=====	=====
WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING	90.5	90.1	90.5	90.0
COMMON STOCK DIVIDENDS PER SHARE	\$.15	\$.15	\$.30	\$.30

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)

A S S E T S		JUNE 30, 2000	DECEMBER 31, 1999
		-----	-----
CURRENT ASSETS			
Cash and cash equivalents		\$ 178	\$ 41
Accounts receivable		1,896	1,175
Inventories		242	373
Other current assets		556	239
		-----	-----
Total current assets		2,872	1,828
		-----	-----
INVESTMENTS AND ADVANCES			
HOVENSA L.L.C		761	710
Other		221	282
		-----	-----
Total investments and advances		982	992
		-----	-----
PROPERTY, PLANT AND EQUIPMENT			
Total - at cost		11,482	11,065
Less reserves for depreciation, depletion, amortization and lease impairment		7,273	7,013
		-----	-----
Property, plant and equipment - net		4,209	4,052
		-----	-----
NOTE RECEIVABLE		539	539
		-----	-----
DEFERRED INCOME TAXES AND OTHER ASSETS		278	317
		-----	-----
TOTAL ASSETS		\$ 8,880	\$ 7,728
		=====	=====
L I A B I L I T I E S A N D S T O C K H O L D E R S ' E Q U I T Y			
CURRENT LIABILITIES			
Accounts payable - trade		\$ 1,174	\$ 772
Accrued liabilities		1,002	625
Taxes payable		327	159
Notes payable		20	18
Current maturities of long-term debt		55	5
		-----	-----
Total current liabilities		2,578	1,579
		-----	-----
LONG-TERM DEBT		2,039	2,287
		-----	-----
DEFERRED LIABILITIES AND CREDITS			
Deferred income taxes		468	442
Other		387	382
		-----	-----
Total deferred liabilities and credits		855	824
		-----	-----
STOCKHOLDERS' EQUITY			
Preferred stock, par value \$1.00			
Authorized - 20,000,000 shares for issuance in series			
3% cumulative convertible series			
Authorized -- 330,000 shares			
Issued -- 326,805 shares in 2000 (liquidation preference of \$16)		--	--
Common stock, par value \$1.00			
Authorized -200,000,000 shares			

Issued - 90,083,505 shares at June 30, 2000;
90,676,405 shares at December 31, 1999

Capital in excess of par value	90	91
Retained earnings	815	782
Accumulated other comprehensive income	2,633	2,287
	(130)	(122)
	-----	-----
Total stockholders' equity	3,408	3,038
	-----	-----
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 8,880	\$ 7,728
	=====	=====

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)

	2000	1999
	-----	-----
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	\$ 426	\$ 148
Adjustments to reconcile net income to net cash provided by operating activities		
Depreciation, depletion and amortization	341	275
Exploratory dry hole costs	65	29
Lease impairment	13	13
Gain on asset sales	--	(108)
Provision (benefit) for deferred income taxes	89	(33)
Undistributed earnings of affiliates	(42)	(6)
	-----	-----
	892	318
Changes in operating assets and liabilities and other	16	(90)
	-----	-----
Net cash provided by operating activities	908	228
	-----	-----
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditures	(405)	(420)
Proceeds from asset sales and other	10	185
	-----	-----
Net cash used in investing activities	(395)	(235)
	-----	-----
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in notes payable	2	14
Long-term borrowings	--	370
Repayment of long-term debt	(294)	(338)
Cash dividends paid	(41)	(41)
Common stock acquired	(62)	--
Stock options exercised	20	10
	-----	-----
Net cash provided by (used in) financing activities	(375)	15
	-----	-----
EFFECT OF EXCHANGE RATE CHANGES ON CASH	(1)	--
	-----	-----
NET INCREASE IN CASH AND CASH EQUIVALENTS	137	8
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	41	74
	-----	-----
CASH AND CASH EQUIVALENTS AT END OF PERIOD	\$ 178	\$ 82
	=====	=====

See accompanying notes to consolidated financial statements.

PART I - FINANCIAL INFORMATION (CONT'D.)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(in millions)

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, 2000 and December 31, 1999, and the consolidated results of operations for the three- and six-month periods ended June 30, 2000 and 1999 and the consolidated cash flows for the six-month periods ended June 30, 2000 and 1999. The unaudited results of operations for the interim periods reported are not necessarily indicative of results to be expected for the full year.

Certain notes and other information have been condensed or omitted from these interim financial statements. Such statements, therefore, should be read in conjunction with the consolidated financial statements and related notes included in the 1999 Annual Report to Stockholders, which have been incorporated by reference in the Corporation's Form 10-K for the year ended December 31, 1999.

Note 2 - Inventories consist of the following:

	June 30, 2000 -----	December 31, 1999 -----
Crude oil and other charge stocks	\$ 99	\$ 67
Refined and other finished products	348	393
Less: LIFO adjustment	(281)	(149)
	----- 166	----- 311
Materials and supplies	76	62
	-----	-----
Total inventories	\$ 242 =====	\$ 373 =====

Note 3 - The Corporation accounts for its investment in HOVENSA L.L.C. using the equity method. Summarized income statement information for HOVENSA follows:

	Three months ended June 30		Six months ended June 30	
	2000 -----	1999 -----	2000 -----	1999 -----
Total revenues	\$1,343	\$ 725	\$2,472	\$1,269
Costs and expenses	1,261	723	2,367	1,233
	-----	-----	-----	-----
Net income	\$ 82 =====	\$ 2 =====	\$ 105 =====	\$ 36 =====
Amerada Hess Corporation's share	\$ 41 =====	\$ 1 =====	\$ 52 =====	\$ 17 =====

PART I - FINANCIAL INFORMATION (CONT'D.)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(in millions)

In February 2000, HOVENSA reached agreement on a \$600 bank financing for the construction of a 58 thousand barrel per day delayed coking unit and related facilities at its refinery and for general working capital requirements. In connection with this financing, the Corporation and PDVSA V.I. agreed to amend the note received by the Corporation at the formation of the joint venture. PDVSA V.I. deferred principal payments on the note until after completion of coker construction but not later than February 14, 2003. Principal payments are due ratably until maturity on February 14, 2011. The interest rate on the note increased to 9.46%. PDVSA V.I. has the option to reduce the interest rate to the original rate of 8.46% by repaying principal in accordance with the original amortization schedule.

Note 4 - The provision for income taxes consisted of the following:

	Three months ended June 30		Six months ended June 30	
	2000	1999	2000	1999
Current	\$ 83	\$ 35	\$207	\$ 89
Deferred	63	(3)	89	(33)
Total	\$146	\$ 32	\$296	\$ 56

Note 5 - Foreign currency gains (losses), after income tax effects, amounted to the following:

	Three months ended June 30		Six months ended June 30	
	2000	1999	2000	1999
Foreign currency gains (losses)	\$ (2)	\$ 9	\$ 2	\$ 35

Note 6 - The weighted average number of common shares used in the basic and diluted earnings per share computations are as follows:

	Three months ended June 30		Six months ended June 30	
	2000	1999	2000	1999
Common shares - basic	89.8	89.6	89.9	89.5
Effect of dilutive securities (equivalent shares)				
Nonvested common stock	.3	.4	.4	.4
Stock options	.3	.1	.2	.1
Convertible preferred stock	.1	--	--	--
Common shares - diluted	90.5	90.1	90.5	90.0

PART I - FINANCIAL INFORMATION (CONT'D.)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(in millions)

Note 7 - The Corporation uses futures, forwards, options and swaps, individually or in combination, to reduce the effects of fluctuations in crude oil, natural gas and refined product prices. 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. After-tax deferred losses on the Corporation's petroleum hedging contracts expiring through 2001 were \$160 at June 30, 2000, including \$136 of unrealized losses.

Note 8 - Interest costs related to certain long-term construction projects have been capitalized in accordance with FAS No. 34 as follows:

	Three months ended June 30		Six months ended June 30	
	2000	1999	2000	1999
Interest capitalized	\$ --	\$ 6	\$ 3	\$ 11

Note 9 - Comprehensive income, which includes net income and the effects of foreign currency translation recorded directly in stockholders' equity, is as follows:

	Three months ended June 30		Six months ended June 30	
	2000	1999	2000	1999
Comprehensive income	\$ 195	\$ 78	\$ 418	\$ 141

Note 10 - On May 15, 2000, the Corporation acquired the 51% of The Meadville Corporation's outstanding stock that it did not already own for approximately \$168 in cash, deferred payments and preferred stock. The deferred payments are non-interest bearing and have been discounted to \$97 using a market rate. The Corporation accounted for this acquisition using the purchase method. The Meadville Corporation owned and operated 178 Merit retail gasoline stations located in the northeastern United States. This acquisition does not materially affect the Corporation's financial position or results of operations.

PART I - FINANCIAL INFORMATION (CONT'D.)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(in millions)

Note 11 - The Corporation's results by operating segment were as follows:

	Three months ended June 30		Six months ended June 30	
	2000	1999	2000	1999
Operating revenues				
Exploration and production (1)	\$ 870	\$ 596	\$ 1,920	\$ 1,219
Refining, marketing and shipping	1,959	941	3,889	1,923
Total	<u>\$ 2,829</u>	<u>\$ 1,537</u>	<u>\$ 5,809</u>	<u>\$ 3,142</u>
Net income (loss)				
Exploration and production (2)	\$ 178	\$ 51	\$ 396	\$ 108
Refining, marketing and shipping (3)	64	59	112	112
Corporate, including interest	(40)	(33)	(82)	(72)
Total	<u>\$ 202</u>	<u>\$ 77</u>	<u>\$ 426</u>	<u>\$ 148</u>

(1) Includes transfers to affiliates of \$185 and \$334 during the three- and six-month periods ended June 30, 2000, respectively, compared to \$107 and \$173 for the corresponding periods of 1999.

(2) Includes gains on asset sales of \$30 during the six-months ended June 30, 1999.

(3) Includes gains on asset sales of \$40 in the three- and six-month periods ended June 30, 1999.

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 for the second quarter of 2000 amounted to \$202 million compared with earnings of \$37 million in the second quarter of 1999. Operating earnings in the first half of 2000 were \$426 million compared with earnings of \$78 million in the first half of 1999.

The after-tax results by major operating activity for the three and six months ended June 30, 2000 and 1999 were as follows (in millions, except per share data):

	Three months ended June 30		Six months ended June 30	
	2000	1999	2000	1999
Exploration and production	\$ 178	\$ 51	\$ 396	\$ 78
Refining, marketing and shipping	64	19	112	72
Corporate	(10)	(5)	(22)	(15)
Interest expense	(30)	(28)	(60)	(57)
Operating earnings	202	37	426	78
Gains on asset sales	--	40	--	70
Net income	\$ 202	\$ 77	\$ 426	\$ 148
Net income per share (diluted)	\$2.24	\$.86	\$4.71	\$1.65

The net gain from asset sales in the second quarter of 1999 reflects the sale of southeast pipeline terminals and certain retail sites in South Carolina. The net gain from asset sales in the first half of 1999 also includes the sale of natural gas properties in California.

Exploration and Production

Operating earnings from exploration and production activities increased by \$127 million in the second quarter of 2000 and \$318 million in the first half of 2000, reflecting higher worldwide crude oil and natural gas selling prices and sales volumes.

PART I - FINANCIAL INFORMATION (CONT'D.)

RESULTS OF OPERATIONS (CONTINUED)

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

	Three months ended June 30		Six months ended June 30	
	2000	1999	2000	1999
Crude oil (per barrel)				
United States	\$ 24.46	\$ 14.78	\$ 23.55	\$ 12.90
Foreign	24.09	15.08	24.89	13.00
Natural gas liquids (per barrel)				
United States	\$ 18.69	\$ 10.31	\$ 19.84	\$ 9.51
Foreign	20.64	10.90	21.60	10.13
Natural gas (per Mcf)				
United States	\$ 3.37	\$ 2.06	\$ 2.90	\$ 1.91
Foreign	2.10	1.72	2.09	1.87

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

	Three months ended June 30		Six months ended June 30	
	2000	1999	2000	1999
Crude oil (barrels per day)				
United States	55	55	53	51
United Kingdom	112	90	112	106
Norway	27	25	25	25
Denmark	19	--	25	--
Gabon	7	11	8	11
Indonesia and Azerbaijan	7	4	7	4
	---	---	---	---
Total	227	185	230	197
	===	===	===	===
Natural gas liquids (barrels per day)				
United States	12	8	13	7
Foreign	10	8	9	8
	---	---	---	---
Total	22	16	22	15
	===	===	===	===
Natural gas (Mcf per day)				
United States	298	329	296	334
United Kingdom	299	245	322	253
Norway	24	32	25	31
Denmark	25	--	29	--
Indonesia and Thailand	33	3	35	3
	---	---	---	---
Total	679	609	707	621
	===	===	===	===
Barrels of oil equivalent	362	303	370	316
	===	===	===	===

RESULTS OF OPERATIONS (CONTINUED)

The increase in United Kingdom crude oil and natural gas production in the second quarter and first half of 2000 reflects production from new fields and the effect of temporary production interruptions in several United Kingdom fields in 1999. Production commenced from the South Arne Field in Denmark in the third quarter of 1999 and was temporarily curtailed in the second quarter of 2000. Production from South Arne has resumed at a rate of approximately 36,000 net barrels of oil equivalent per day. Overall the Corporation's oil and gas production, on a barrel of oil equivalent basis, increased by 19% in the second quarter and 17% in the first half of 2000 compared with the corresponding periods of 1999.

Depreciation, depletion, and amortization charges relating to exploration and production activities were higher in the second quarter and first half of 2000 compared with the corresponding periods of 1999. The increases reflect higher production volumes as described above, development drilling in the North Sea and the mix of production from various fields. Production expenses were also higher in the second quarter and first half of 2000 reflecting increased production volumes, mix of production and workovers. Exploration expenses were higher in the second quarter of 2000 reflecting increased activity in the Gulf of Mexico and international exploration areas outside of the North Sea. General and administrative expenses relating to exploration and production activities were lower, primarily as a result of cost reductions in the United Kingdom.

The effective income tax rate on exploration and production earnings in the first half of 2000 was 42%. This rate exceeds the effective rate in the first half of 1999 when United Kingdom taxes were reduced by unusual currency translation adjustments and certain deductible allowances which expired in June 1999. The Corporation fully utilized its loss carryforward in Denmark for financial reporting purposes in the first quarter of 2000, which will increase the effective rate somewhat over the remainder of the year.

In the first half of 1999, operating earnings from exploration and production activities included net nonrecurring income of \$18 million, principally reflecting foreign currency exchange gains, partially offset by charges for the renegotiation and termination of certain long-term contracts on drilling rigs and related service vessels.

Crude oil and natural gas selling prices continue to be volatile. Exploration and production earnings would be adversely affected by lower selling prices in the future.

RESULTS OF OPERATIONS (CONTINUED)

Refining, Marketing and Shipping

Operating earnings for refining, marketing and shipping activities amounted to \$64 million and \$112 million in the second quarter and first half of 2000, compared with \$19 million and \$72 million in the corresponding periods of 1999. The Corporation's downstream operations include its 50% equity share of HOVENSA, a refining joint venture.

HOVENSA

The Corporation's share of HOVENSA's income was \$41 million in the second quarter of 2000 compared with \$1 million in the second quarter of 1999. The Corporation's share of HOVENSA's income in the first half of 2000 was \$52 million compared with \$17 million in 1999. Refined product margins improved in the second quarter of 2000, principally reflecting higher selling prices for gasoline. Throughout most of 1999 and early 2000 refined product margins were weak. The Corporation's share of HOVENSA's refining runs amounted to 212,000 barrels per day in the first half of 2000 compared with 222,000 barrels per day in the first half of 1999. In 2000, HOVENSA's earnings constitute a significant portion of the Corporation's total refining and marketing earnings. Income taxes are not recorded on HOVENSA's results due to available loss carryforwards.

Operating earnings from refining, marketing and shipping activities in the first half of 2000 and 1999 also include interest income of \$25 million and \$24 million, respectively, 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 lower in the second quarter and first half of 2000, compared with the corresponding periods of 1999, as selling prices did not keep pace with rising product costs. Results of energy marketing activities were comparable in the second quarter of each year but higher in the first half of 2000 due to a period of cold weather in the Corporation's marketing area. Total refined product sales volumes amounted to 68 million barrels in the first half of 2000 compared with 64 million barrels in the first half of 1999. Marketing expenses increased in the second quarter and first half of 2000, principally reflecting expanded retail operations.

RESULTS OF OPERATIONS (CONTINUED)

The Corporation has a 50% voting interest in a consolidated partnership which trades energy commodities. The Corporation also periodically takes forward positions on energy contracts in addition to its hedging program. The Corporation's results from trading activities, including its share of the earnings of the trading partnership which was profitable in 2000 and 1999, amounted to a loss of \$10 million in the first half of 2000 compared with income of \$19 million in the first half of 1999. Expenses of the trading partnership are included in marketing expenses.

The results of refining, marketing and shipping activities will continue to be volatile, reflecting competitive industry conditions and supply and demand factors, including the effects of weather.

Corporate

Corporate administrative expenses were comparable in 2000 and 1999. However, the difference in net expenses of \$5 million in the second quarter of 2000, compared with 1999, primarily reflects dividend income from reinsurers, with a greater amount received in 1999.

Consolidated Operating Revenues

Sales and other operating revenues increased by approximately 85% in the second quarter and first half of 2000 compared with the corresponding periods of 1999. The increases were primarily due to higher crude oil and refined product selling prices and sales volumes. The Corporation's cost of products sold also increased as a result of higher prices for purchased products.

LIQUIDITY AND CAPITAL RESOURCES

Net cash provided by operating activities, including changes in operating assets and liabilities, amounted to \$908 million in the first half of 2000 compared with \$228 million in the first half of 1999. The increase was primarily due to improved operating results. The sale of fixed assets, including southeast pipeline terminals, South Carolina gasoline stations and natural gas properties in California generated proceeds of \$169 million in the first half of 1999.

Total debt was \$2,114 million at June 30, 2000 compared with \$2,310 million at December 31, 1999. The debt to capitalization ratio decreased to 38% at June 30 compared with 43% at year-end. At June 30, 2000, the Corporation had \$2 billion of additional borrowing capacity available under its revolving credit agreements and additional unused lines of credit under uncommitted arrangements with banks of \$351 million.

LIQUIDITY AND CAPITAL RESOURCES (CONTINUED)

The Corporation's Board of Directors approved a \$300 million stock repurchase program in March 2000. Through June 30, 2000, 972,000 shares have been repurchased for approximately \$62 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, 2000, the Corporation had open hedge positions equal to 33% of its estimated worldwide crude oil production over the next twelve months and approximately 12% of its production for the succeeding twelve months. As market conditions change, the Corporation will 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, 2000, the value at risk was \$23 million (\$13 million at December 31, 1999) related to hedging activities and \$17 million (\$6 million at December 31, 1999) on trading activities.

The Corporation reduces its exposure to fluctuating foreign exchange rates by using forward contracts to fix the exchange rate on a portion of the currency required in its North Sea operations. At June 30, 2000, the Corporation had \$658 million of foreign currency exchange contracts outstanding. In addition, the Corporation uses interest-rate conversion agreements to balance its exposure to interest rates. At June 30, the Corporation had substantially all fixed-rate debt and had \$450 million of notional value, interest-rate swaps that increased its percentage of floating-rate debt to 23%.

At June 30, 2000, the Corporation had a remaining reserve of \$27 million for the decline in market value of drilling service fixed-price contracts. During the first half of 2000, the reserve was reduced by \$28 million for contract payments.

In May, the Corporation acquired the 51% of The Meadville Corporation's outstanding stock that it did not already own for approximately \$168 million in cash, deferred payments and preferred stock. The purchase includes 178 Merit retail gasoline stations located in the northeastern United States.

LIQUIDITY AND CAPITAL RESOURCES (CONTINUED)

In April, the Corporation reached an agreement with the Algerian National Oil Company to form a joint venture, 49% owned by the Corporation, to redevelop three Algerian oil fields. The fields currently produce 30,000 barrels of crude oil per day that the joint venture plans to increase by 2003 as a result of the development work. The Corporation will invest \$55 million in 2000 and up to \$500 million over the next five years for new wells, workovers of existing wells and water injection and gas compression facilities. A significant portion of the \$500 million will be funded by the cash flows from these fields.

In July, the Corporation announced an agreement to acquire an additional 2.08% interest in three fields in Azerbaijan. The total purchase price is \$150 million in cash and notes. The Corporation owned a 1.68% interest in these fields. The purchase is subject to the consent of the government of Azerbaijan and co-venturers in the fields.

Capital expenditures in the first half of 2000 amounted to \$405 million compared with \$420 million in the first half of 1999. Capital expenditures for exploration and production activities were \$321 million in the first half of 2000 and \$383 million in the first half of 1999. For the remainder of 2000, capital expenditures, excluding acquisitions, are expected to be approximately \$500 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, contain forward looking information. These disclosures are based on the Corporation's current assessments 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

As disclosed in Registrant's Annual Report on Form 10-K for the period ended December 31, 1999, Registrant investigated and disclosed to the Texas Natural Resource Conservation Commission ("TNRCC") allegations made to the Registrant's internal reporting hotline of noncompliance with state environmental regulations at the Galena Park, Texas terminal formerly owned by Registrant. The Registrant's investigation focused on whether (i) the vapor control system at Galena Park met applicable regulatory requirements during loading of marine vessels; and (ii) Galena Park implemented required controls on air emissions resulting from tank cleaning operations. On June 28, 2000, TNRCC proposed a civil administrative penalty of \$87,500 to resolve the noncompliances disclosed by Registrant relating to the tank cleaning operations. It is not possible at this time for Registrant to state whether any other proceedings arising out of the investigations will be commenced against the Registrant, or what claims would be asserted or what relief would be sought.

ITEM 2. CHANGES IN SECURITIES AND USE IN PROCEEDS.

On May 15, 2000, The Meadville Corporation ("Meadville") was merged into the Registrant pursuant to an Agreement and Plan of Merger between the Registrant and Meadville dated February 10, 2000 (the "Merger Agreement"). In connection therewith, 326,805 shares of Registrant's preferred stock, 3% cumulative convertible series, par value \$1.00 per share and liquidation value \$50 per share (the "Preferred Stock") were issued to certain holders of Meadville common stock. Pursuant to the Merger Agreement, each outstanding share of Meadville's common stock not held by Meadville or Registrant was automatically converted at the election of the beneficial holder thereof into 30.9 shares of Preferred Stock or \$1,645 in cash payable in three installments on the date of the merger and on each of the first and second anniversary dates of the merger. Of the 108,579 shares of Meadville Common Stock outstanding not held by the Registrant, holders of 10,576.25 shares elected to convert such shares into shares of Preferred Stock. There were no underwriters in connection with the issuance of Preferred Stock.

The Preferred Stock is convertible into shares of Registrant's Common Stock, par value \$1.00 per share (the "Common Stock") at the option of the holder thereof at any time after the date of the merger upon surrender of certificates evidencing the Preferred Stock at a rate of .6261 shares of Common Stock for each share of Preferred Stock. The number of shares of Common Stock into which shares of Preferred Stock is convertible is subject to adjustment in the event Registrant declares a dividend payable in shares of Common Stock, or in the event Registrant subdivides, combines or reclassifies shares of its Common Stock.

PART II - OTHER INFORMATION (CONT'D.)

The conversion ratio is also subject to adjustment in accordance with specified formulas if Registrant (i) distributes rights or warrants to all holders of Common Stock allowing them to purchase, within 60 days following the record date for such distribution, shares of Common Stock at a price less than the then current market price of the Common Stock, or (ii) distributes to all holders of Common Stock any of its assets (other than cash) or debt securities or rights to purchase securities of Registrant.

In addition, if any other transaction applicable to holders of the Common Stock generally adversely affects the conversion ratio of Preferred Stock but is not strictly addressed by the foregoing provisions, Registrant will appoint a disinterested financial expert to determine, or the Board of Directors shall determine, the adjustment, if any, necessary to preserve the conversion rights without dilution of the Preferred Stock.

The shares of Preferred Stock are not redeemable at the option of the holder. Shares of Preferred Stock may not be redeemed by Registrant for 20 years and one month following the date of the merger. On or after such date, shares of Preferred Stock may be redeemed by Registrant at \$50 per share plus all accrued and unpaid dividends to the redemption date.

Holders of shares of Preferred Stock have no voting rights except in certain limited circumstances involving non-payment of dividends thereon.

Shares of Preferred Stock were issued without registration under the Securities Act of 1933 in reliance upon the exemption set forth in Section 4(2) thereof and the rules and regulations promulgated thereunder. Each holder of Meadville common stock who elected to receive Preferred Stock was an accredited investor as defined in Regulation D promulgated under the Securities Act of 1933.

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

The Annual Meeting of Stockholders of the Registrant was held on May 3, 2000. The Inspectors of Election reported that 78,040,319 shares of Common Stock of the Registrant were represented in person or by proxy at the meeting, constituting 86.1% 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 2003, 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, 2000, and approval of the adoption of the Corporation's Amended and Restated 1995 Long-Term Incentive Plan.

PART II - OTHER INFORMATION (CONT'D.)

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
Peter S. Hadley	76,935,331	1,104,988
John B. Hess	65,010,283	13,030,036
William R. Johnson	76,949,297	1,091,022
John Y. Schreyer	76,946,765	1,093,554
William I. Spencer	76,925,089	1,115,230

The inspectors reported that 77,748,763 votes were cast for the ratification of the selection of Ernst & Young LLP as independent auditors for the fiscal year ending December 31, 2000, 45,939 votes were cast against said ratification and holders of 245,617 votes abstained.

The inspectors further reported that 69,676,273 votes were cast for approval of the adoption of the Corporation's Amended and Restated 1995 Long-Term Incentive Plan, 3,423,058 votes were cast against approval, 323,875 votes abstained and there were 4,617,113 broker non-votes.

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

- 4 - Certificate of Designations, Preferences and Rights of 3% Cumulative Convertible Preferred Stock of Registrant.
- 10 - Amended and Restated 1995 Long-Term Incentive Plan.

(b) Reports on Form 8-K

The Registrant filed no report on Form 8-K during the three months ended June 30, 2000.

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, 2000

CERTIFICATE OF DESIGNATIONS, PREFERENCES AND RIGHTS OF 3%
CUMULATIVE CONVERTIBLE PREFERRED STOCK
OF
AMERADA HESS CORPORATION

Pursuant to Section 151 of the General Corporation Law
of the State of Delaware

We, the undersigned, John B. Hess, Chief Executive Officer and Carl T. Tursi, Secretary of Amerada Hess Corporation, a Delaware corporation (hereinafter called the "Corporation"), pursuant to the provisions of Sections 103 and 151 of the General Corporation Law of the State of Delaware, do hereby make this Certificate of Designations and do hereby state and certify that pursuant to the authority expressly vested in the Board of Directors of the Corporation by the Restated Certificate of Incorporation, the Board of Directors duly adopted the following resolutions:

RESOLVED, that the Corporation be, and hereby is, authorized to arrange for the issuance, in connection with the Merger, of 3% Cumulative Convertible Preferred stock with a liquidation value of \$50 per share and a conversion ratio equal to (x) \$50 divided by (y) 1.23 times the average of the closing prices of the Corporation's common stock on the 15 business days immediately preceding closing of the Merger (the "3% Cumulative Preferred"); and

FURTHER RESOLVED, that the Corporation establish a Committee of the Board to consist of John B. Hess, Chairman of the Board, John Y. Schreyer, Executive Vice President and Chief Financial Officer and J. Barclay Collins, Executive Vice President and General Counsel which shall have all powers of the Board in connection with the 3% Cumulative Preferred and shall be and hereby is authorized to determine the rights and preferences of the 3% Cumulative Preferred;

and that such Committee of the Board of Directors of the Corporation resolved that each share of such series of preferred stock shall rank equally in all respects and shall be subject to the following provisions:

1. Designation of Series and Number of Shares. This series of the Preferred Stock shall be designated "Preferred Stock, 3% Cumulative Convertible Series", to consist of 330,000 shares. The Board of Directors is hereby authorized by resolution, to increase or decrease (but not below the number of shares thereof then outstanding) the number of shares of the 3% Cumulative Preferred.

2. Dividends. The holders of shares of the 3% Cumulative Preferred shall be entitled to receive cumulative dividends at the rate of \$1.50 per share per annum in cash, and no more, except to the extent otherwise permitted by Paragraph 7, payable quarterly on the last days of January, April, July and October in each year. Such dividends shall accrue and become cumulative, whether or not earned or declared, as to all shares of the 3% Cumulative

Preferred issued on the date of the filing under the laws of Delaware of the Agreement and Plan of Merger dated as of February 10, 2000 between Amerada Hess Corporation and The Meadville Corporation, and, as to each share of the 3% Cumulative Preferred issued thereafter, from such date as shall make the dividend rights of such share the same as the dividend rights per share of the then outstanding shares of the 3% Cumulative Preferred. Dividends will accumulate to the extent they are not paid on the payment date for the quarter to which they relate. Such accumulated unpaid dividends will accrue and cumulate at a rate of 3% per annum. The Corporation will take all reasonable actions required or permitted under Delaware law to permit the payment of dividends on the 3% Cumulative Preferred.

Except as to dividends permitted by Paragraph 7, in case dividends for any quarterly dividend period on all shares of the 3% Cumulative Preferred and all shares of all other series of Preferred Stock ranking on a parity with the 3% Cumulative Preferred as to dividends are not paid in full, all shares of the 3% Cumulative Preferred and of all such other series shall participate ratably in the payment of dividends for such period in proportion to the full amounts of dividends for such period to which they are respectively entitled, provided, however, that no dividend shall be paid on any such other series for any dividend period until dividends payable on the 3% Cumulative Preferred for all dividend periods prior to the first dividend period of any such other series shall have been paid, or declared and set apart for payment, in full.

So long as any shares of the 3% Cumulative Preferred are outstanding, the Corporation shall not declare and pay or set apart for payment any dividends or make any other distribution on junior stock (being common stock, \$1.00 par value of the Corporation (the "Common Stock") or other stock of the Corporation ranking junior to the Preferred Stock as to dividends) and shall not redeem (whether through the operation of a sinking fund or otherwise), purchase or otherwise acquire, or permit any subsidiary to purchase or otherwise acquire, any shares of such junior stock, or create any sinking fund for the acquisition of any shares of any such junior stock, if at the time of making such declaration, payment, distribution, redemption, purchase or acquisition the Corporation shall not have declared and paid upon, or declared and set apart a sufficient sum for the payment of all dividends for all preceding dividend periods on all outstanding shares of the 3% Cumulative Preferred (provided, however, that, notwithstanding the foregoing, the Corporation may at any time redeem, purchase or otherwise acquire shares of such junior stock in exchange for, or out of the net proceeds from the substantially concurrent sale or other issue of, other shares of such junior stock), and the Corporation shall not redeem (whether through the operation of a sinking fund or otherwise), purchase or otherwise acquire, or permit any subsidiary to purchase or otherwise acquire, any shares of any series of the preferred stock (collectively, the "Preferred Stock"), or any other class of stock of the Corporation, ranking as to dividends on a parity with the 3% Cumulative Preferred, if at the time of making such redemption, purchase or acquisition the Corporation shall not have declared and paid upon, or declared and set apart a sufficient sum for the payment of all dividends for all preceding dividend periods on all outstanding shares of the 3% Cumulative Preferred (provided, however, that, notwithstanding the foregoing, the Corporation may at any time redeem, purchase or otherwise acquire shares of such series or class in exchange for, or out of the net proceeds from the substantially concurrent sale or other

issue of, other shares of such series or class.

3. Redemption. The shares of the 3% Cumulative Preferred may not be redeemed before June 15, 2020. On and after the date, such shares may be redeemed by the Corporation at \$50 per share plus an amount equal to all accrued and unpaid dividends thereon to and including the Redemption Date.

4. Liquidation. In the event of any voluntary or involuntary dissolution, liquidation or winding up of the affairs of the Corporation, after payment or provision for payment of the debts and other liabilities of the Corporation and all amounts due in such event on any class or series of stock of the corporation ranking prior to the 3% Cumulative Preferred upon liquidation, the holders of the 3% Cumulative Preferred shall be entitled to receive, from the net assets of the Corporation upon voluntary or involuntary dissolution, liquidation or winding up of the affairs of the Corporation, \$50 per share; plus an amount equal to all dividends accrued and unpaid on such share up to and including the date fixed for distribution, and no more, before any distribution shall be made to the holders of the Common Stock or other stock of the Corporation ranking junior to the Preferred Stock upon liquidation, provided that the right of the holders of the 3% Cumulative Preferred so to receive such amounts in any such event shall not constitute any restriction on the right, power of authority of the Board of Directors of the Corporation to declare and pay dividends or make any other distribution on the shares of the capital stock of the Corporation.

If upon any such dissolution, liquidation or winding up of the affairs of the Corporation its net assets shall be insufficient to permit the payment in full of the respective amounts to which the holders of all outstanding shares of the 3% Cumulative Preferred and all outstanding shares of stock of the Corporation ranking on a parity upon liquidation with the 3% Cumulative Preferred upon such dissolution, liquidation or winding up are entitled in such event, the entire remaining net assets of the Corporation shall be distributed among the holders of the 3% Cumulative Preferred and such other stock in amounts proportionate to the full amount to which they are respectively so entitled.

Neither the merger nor consolidation of the Corporation, nor the sale, lease or conveyance of all or part of its assets, shall be deemed to be a voluntary or involuntary liquidation, dissolution or winding up of the affairs of the Corporation within the meaning of this Paragraph 4.

5. Voting Rights.

(a) General. Except as set forth in subparagraphs (b) and (c) of this Paragraph 5, the shares of the 3% Cumulative Preferred shall be non-voting.

(b) Special as Series. So long as any shares of the 3% Cumulative Preferred are outstanding, the Corporation shall not, without the affirmative vote at a duly authorized meeting or written consent of the holders of at least two-thirds of the aggregate number of shares of the 3% Cumulative Preferred at the time outstanding, voting or consenting, as the

case may be, separately as a series, (1) alter or change any of the provisions of the 3% Cumulative Preferred, so as adversely to affect the preferences, special rights or powers given to the 3% Cumulative Preferred or (ii) create, authorize or issue any class of stock ranking prior to the 3% Cumulative Preferred with respect to dividends or upon liquidation, dissolution or winding up.

(c) Right to Elect Directors. If and whenever dividends payable on the Preferred Stock shall be in default in an aggregate amount equivalent to six full quarterly dividends on all shares of the Preferred Stock at the time outstanding, the number of directors constituting the Board of Directors shall be increased by one and the holders of the Preferred Stock shall have, in addition to any other voting rights, the exclusive and special right, voting separately as a class without regard to series, to elect one person to fill such directorships. Whenever such right shall have vested, it shall be exercised initially at the next following election of directors by the stockholders and shall continue until the dividends in default on the Preferred Stock shall have been paid in full or funds sufficient therefor set aside, and, when such dividends are paid or provided for, such right shall terminate, subject to re-vesting in the event of each and every subsequent default in an aggregate amount equivalent to six full quarterly dividends.

At any meeting held for the election of directors at which the holders of shares of Preferred Stock shall have the right, voting as a class, to elect directors as herein provided, the presence, in person or by proxy, of the holders of one-third of the number of shares of Preferred Stock at the time outstanding shall be required to constitute a quorum of such class for the election of any director by the holders of such class. At any such meeting or adjournment thereof, (i) the absence of a quorum of Preferred Stock shall not prevent the election of directors other than those to be elected by the holders of shares of Preferred Stock voting as a class and the absence of a quorum for the election of such other directors shall not prevent the election of the directors to be elected by holders of shares of Preferred Stock voting as a class, and (ii) in the absence of either or both such quorums, a majority of the holders present in person or by proxy of the stock or stocks which lack a quorum shall have power to adjourn the meeting for the election of directors which they are entitled to elect from time to time, without notice other than announcement at the meeting, until a quorum shall be present. The directors elected pursuant to this subparagraph (d) shall serve until the next annual meeting or until their respective successors shall be elected and shall qualify, provided, however, that when the right of the holders of the Preferred Stock to elect directors as herein provided shall terminate, the terms of office of all persons so elected by the holders of the Preferred Stock shall terminate, and the number of directors of Corporation shall thereupon be such number as may be provided for in the by-laws of the Corporation irrespective of any increase made pursuant to this subparagraph (d). During any period in which the holders of shares of Preferred Stock have the right to elect directors as provided for herein, any vacancy in the directors elected by the holder of the Preferred Stock shall be filled by the vote of the remaining director theretofore elected by the holders of the Preferred Stock.

6. Conversion Rights.

(a) Original Conversion Price. Subject to the provisions for adjustment hereinafter

set forth, each share of the 3% Cumulative Preferred shall be convertible at the option of the holder thereof, at any time on or after May 15, 2000 upon surrender to any transfer agent for the 3% Cumulative Preferred of the certificate or certificates evidencing the shares so to be converted, into fully paid and nonassessable shares of Common Stock of the Corporation at a conversion ratio equal to (x) \$50 divided by (y) 1.23 times the average of the closing prices of Common Stock on the fifteen business days immediately preceding May 15, 2000 (the "Conversion Ratio"). The right to convert shares of the 3% Cumulative Preferred called for redemption shall terminate at the close of business on the third business day prior to the Redemption Date. Upon conversion, no payment or adjustment shall be made for dividends on the shares of the 3% Cumulative Preferred so converted.

(b) Adjustment of Conversion Ratio. The numbers of shares of Common Stock into which each share of the 3% Cumulative Preferred is convertible shall be subject to adjustment from time to time only as follows:

(i) If the corporation shall hereafter pay a dividend or make a distribution in Common Stock to all holders of any outstanding class or series of Common Stock, the Conversion Ratio in effect at the opening of business on the date following the date fixed for the determination of shareholders entitled to receive such dividend or other distribution shall be increased by multiplying such Conversion Ratio by a fraction of which the denominator shall be the number of shares of Common Stock outstanding at the close of business on the record date fixed for such determination and the numerator shall be the sum of such number of outstanding shares and the total number of shares constituting such dividend or other distribution, such increase to become effective immediately after the opening of business on the day following the record date. If any dividend or distribution of the type described in this provision (a) is declared but not so paid or made, the Conversion Ratio shall again be adjusted to the Conversion Ratio which would then be in effect if such dividend or distribution had not been declared.

(ii) If the outstanding shares of Common Stock shall be subdivided into a greater number of shares of Common Stock, the Conversion Ratio in effect at the opening of business on the day following the day upon which such subdivision becomes effective shall be proportionately increased and, conversely, if the outstanding shares of Common Stock shall be combined into a smaller number of shares of Common Stock, the Conversion Ratio in effect at the opening of business on the day following the day upon which such combination becomes effective shall be proportionately reduced, such increase or reduction, as the case may be, to become effective immediately after the opening of business on the day following the day upon which such subdivision or combination becomes effective.

(iii) If the corporation shall offer or issue rights, options or warrants to all holders of its outstanding Common Stock entitling them to subscribe for or purchase Common Stock at a price per share less than the Current Market Price (as defined below) on the record date fixed for the determination of shareholders entitled to receive such rights or warrants, the Conversion Ratio shall be adjusted so that the same shall equal the ratio determined by multiplying the Conversion Ratio in effect at the opening of business on the date after such

record date by a fraction of which the denominator shall be the number of shares of Common Stock outstanding at the close of business on the record date plus the number of shares of Common Stock which the aggregate offering price of the total number of shares of Common Stock subject to such rights, options or warrants would purchase at such Current Market Price and of which the numerator shall be the number of shares of Common Stock outstanding at the close of business on the record date plus the total number of additional shares of Common Stock subject to such rights, options or warrants for subscription or purchase. Such adjustment shall become effective immediately after the opening of business on the day following the record date fixed for determination of shareholders entitled to purchase or receive such rights or warrants. To the extent that shares of Common Stock are not delivered pursuant to such rights, options or warrants, upon the expiration or termination of such rights or warrants the Conversion Ratio shall again be adjusted to be the Conversion Ratio which would then be in effect had the adjustments made upon the issuance of such rights or warrants been made on the basis of delivery of only the number of shares of Common Stock actually delivered. If such rights or warrants are not so issued, the Conversion Ratio shall again be adjusted to be the Conversion Ratio which would then be in effect if such date fixed for the determination of shareholders entitled to receive such rights or warrants had not been fixed. In determining whether any rights or warrants entitle the holders to subscribe for or purchase Common Stock at less than such Current Market Price, and in determining the aggregate offering price of such shares of Common Stock, there shall be taken into account any consideration received for such rights or warrants, with the value of such consideration, if other than cash, to be determined by the Board of Directors.

(iv) If the Corporation distributes to all holders of its Common Stock any of its assets or debt securities of the Company, the conversion ratio shall be adjusted in accordance with the formula:

$$C' = C \times \frac{M}{M - F}$$

where:

- C' = the adjusted conversion ratio.
- C = the current conversion ratio.
- M = the current market price per share of Common Stock on the record date mentioned below.
- F = the fair market value on the record date of the assets, securities, rights or warrants applicable to one share of Common Stock. The Board of Directors shall determine the fair market value in good faith.

The adjustment shall become effective immediately after the record date for the determination of stockholders entitled to receive the distribution. This paragraph does not apply to cash dividends or cash distributions paid out of consolidated current or retained earnings as shown on the books of the Corporation. Also, this paragraph does not apply to rights or warrants referred to in paragraph (iii).

(v) In paragraphs (iii) and (iv), the Current Market Price per share of Common Stock on any date is the average of the Quoted Prices of the Common Stock for 30 consecutive trading days commencing 45 trading days before the date in question. In the absence of one or more such quotations, the Corporation shall determine the Current Market Price on the basis of such quotations as it considers appropriate.

(vi) No adjustment need be made for rights to purchase Common Stock pursuant to a Corporation dividend reinvestment plan. No adjustment need be made for a change in the par value or no par value of the Common Stock.

(vii) The Corporation from time to time may increase the conversion ratio by any amount for any period of time if the period is at least 20 days and if the increase is irrevocable during the period. Whenever the conversion ratio is increased, the Corporation shall mail to Security holders a notice of the increase. The Corporation shall mail the notice at least 15 days before the date the increased conversion ratio takes effect. The notice shall state the increased conversion ratio and the period it will be in effect. An increase of the conversion ratio does not change or adjust the conversion ratio otherwise in effect for purposes of paragraphs (i) through (iii).

(viii) If:

(1) the Corporation takes any action that would require an adjustment in the conversion ratio pursuant to paragraphs (i), (ii) or (iii) and if the Corporation does not let holders of the 3% Convertible Preferred participate pursuant to paragraph (v);

(2) the Corporation takes any action that would require an adjustment pursuant to paragraph (viii); or

(3) there is a liquidation or dissolution of the Corporation,

the Corporation shall mail to holders of the 3% Convertible Preferred a notice stating the proposed record date for a dividend or distribution or the proposed effective date of a subdivision, combination, reclassification, consolidation, merger, transfer, lease, liquidation or dissolution. The Corporation shall mail the notice at least 15 days before such date. Failure to mail the notice or any defect in it shall not affect the validity of the transaction.

(ix) If the Corporation is a party to a merger or consolidation which reclassifies or changes its outstanding Common Stock or a transaction pursuant to which all or substantially all shares of Common Stock shall be exchanged for, converted into, acquired for or constitute solely the right to receive securities, cash or other property, the person obligated to deliver securities, cash or other assets upon conversion of shares of 3% Convertible Preferred shall provide that the holder of a share of 3% Convertible Preferred may convert it into the kind and amount of securities, cash or other assets which he would have owned immediately after the consolidation, merger, transfer or lease if he had converted the share immediately before the effective date of the transaction. Thereafter such shares shall be entitled to adjustments which

shall be as nearly equivalent as may be practical to the adjustments provided for in this Section. The successor Corporation shall mail to holders of shares of 3% Convertible Preferred a notice briefly describing the provisions made. If this paragraph applies, paragraph (i) does not apply.

(x) Any determination that the Corporation or the Board of Directors must make pursuant to this Section is conclusive unless made in bad faith.

(xi) In addition, in the event that any other transaction or event occurs that is applicable to holders of Common Stock generally as to which the foregoing Conversion Ratio adjustment provisions are not strictly applicable but the failure to make any adjustments would adversely affect the conversion rights represented by the 3% Cumulative Preferred in accordance with the essential intent and principles of such provisions, then, in each such case, either (i) the corporation will appoint an investment banking firm of recognized national standing, or any other financial expert that does not (or whose directors, officers, employees, affiliates or shareholders do not) have a direct or material indirect financial interest in the corporation or any of its subsidiaries, who has been, and, at the time it is called upon to give independent financial advice to the corporation, is not (and none of its directors, officers, employees, affiliates or shareholders are) a promoter, director or officer of the corporation or any of its subsidiaries, which will give their opinion upon or (ii) the Board of Directors shall, in its sole discretion, determine consistent with the Board of Directors' fiduciary duties to the holders of the corporation's Common Stock, the adjustment, if any, on a basis consistent with the essential intent and principles established in the foregoing Conversion Ratio adjustment provisions, necessary to preserve, without dilution, the conversion rights represented by the 3% Cumulative Preferred. Upon receipt of such opinion or determination, the corporation will promptly mail a copy thereof to the Holders of the 3% Cumulative Preferred and will, subject to the fiduciary duties of the board of Directors, make the adjustment described therein.

(xii) No fractional share of stock of the Corporation shall be issued upon any conversion but, in lieu of the issuance of the fraction of a share to which the holder would otherwise have been entitled, there shall be paid to the holder of the shares of the 3% Cumulative Preferred surrendered for conversion, as soon as practicable after the date such shares are surrendered for conversion, an amount in cash equal to the same fraction of the market value of a full share of the shares to be received upon the conversion, unless the Board of Directors shall determine to adjust fractional shares by issue of fractional scrip certificates or in some other manner. For such purpose, the market value of the shares to be received upon the conversion shall be the last sales price thereof, regular way on the New York Stock Exchange, on the business day immediately preceding the date upon which the shares of the 3% Cumulative Preferred are surrendered for conversion, or, in case no such sale takes place on such day, the average of the closing bid and asked prices thereof, regular way on such Exchange on such day. If shares of the stock to be received upon conversion are not then listed on the New York Stock Exchange, such market value shall be determined in the manner fixed by the Board of Directors.

(xiii) No adjustment in the number of shares into which each share of the 3%

Cumulative Preferred is convertible shall be required unless such adjustment would require an increase or decrease of at least 1/100th of a share in the number of shares into which such share is then convertible; provided, however, that any adjustments which by reason of this subdivision are not required to be made shall be carried forward and taken into account in any subsequent adjustment.

(xiv) Whenever any adjustment is required in the shares into which each share of the 3% Cumulative Preferred is convertible, the Corporation shall forthwith (A) file with the transfer agent or transfer agents for the shares of the 3% Cumulative Preferred a statement describing in reasonable detail the adjustment and the method of calculation used and (B) cause a copy of such notice to be mailed to the holders of record of the shares of the 3% Cumulative Preferred.

(c) Reservation of Stock for Conversions. The Corporation shall at all times reserve and keep available out of its authorized but unissued shares the full number of shares into which all shares of the 3% Cumulative Preferred from time to time outstanding are convertible, but shares held in treasury of the Corporation may be delivered, in the Corporation's discretion, upon any conversion of shares of the 3% Cumulative Preferred.

(d) Issue Taxes. The Corporation will pay any and all issue and other taxes that may be payable in respect of any issue of shares on conversion of shares of the 3% Cumulative Preferred pursuant hereto. The Corporation shall not, however, be required to pay any tax which may be payable in respect of any transfer involved in such issue of shares in a name other than that in which the shares so converted were registered, and no such issue shall be made unless and until the person requesting such issue has paid to the Corporation the amount of any such tax, or has established, to the satisfaction of the Corporation, that such tax has been paid.

7. Dividends in Securities or Other Property. In the event the Corporation shall pay on any stock of the Corporation into which shares of the 3% Cumulative Preferred are at the time convertible, any dividend or other distribution consisting of securities, evidence of indebtedness or any other assets of any corporation other than the Corporation; it shall on the same date pay, on the shares of the 3% Cumulative Preferred, a dividend or distribution consisting of such securities, evidences of indebtedness or other assets in an amount per share equal to the amount thereof which the holder of a share of the 3% Cumulative Preferred would have been entitled to receive had the share held by him been converted immediately prior to the taking of a record of the holders of such share of the Corporation for the purpose of entitling them to receive such dividend or distribution, such dividend or distribution on the shares of the 3% Cumulative Preferred to be payable to the holders of share of the 3% Cumulative Preferred who are holders of record on the books of the Corporation on the same date as is used for the taking of a record of the holders of such stock of the Corporation for such dividend or distribution.

8. Reports. The Corporation files annual, quarterly and special reports, proxy statements and other information with the Securities and Exchange Commission. Upon the

request of a holder of 3% Cumulative Preferred, the Corporation will furnish such Holder with a copy of such reports.

IN WITNESS WHEREOF, AMERADA HESS CORPORATION has caused this Certificate of Designations to be signed and attested to by the undersigned this 11th day of May. 2000.

AMERADA HESS CORPORATION

By: /s/ John B. Hess
Name: John B. Hess
Title: Chief Executive Officer

ATTEST:

By: /s/ Carl T. Tursi
Name: Carl T. Tursi
Title: Secretary

AMERADA HESS CORPORATION
AMENDED AND RESTATED
1995 LONG-TERM INCENTIVE PLAN

SECTION 1. PURPOSE. The purpose of this Long-Term Incentive Plan (the "Plan") of Amerada Hess Corporation (together with any successor thereto, the "Corporation") is (a) to promote the identity of interests between shareholders and employees of the Corporation by encouraging and creating significant ownership of Common Stock of the Corporation by officers and other salaried employees of the Corporation and its subsidiaries; (b) to enable the Corporation to attract and retain qualified officers and employees who contribute to the Corporation's success by their ability, ingenuity and industry; and (c) to provide meaningful long-term incentive opportunities for officers and other employees who are responsible for the success of the Corporation and who are in a position to make significant contributions toward its objectives.

SECTION 2. DEFINITIONS. In addition to the terms defined elsewhere in the Plan, the following shall be defined terms under the Plan:

2.01. "Award" means any Performance Award, Option, Stock Appreciation Right, Restricted Stock, Deferred Stock, Dividend Equivalent, or any other right or interest relating to Shares or cash, granted to a Participant under the Plan.

2.02. "Award Agreement" means any written agreement, contract, or other instrument or document evidencing an Award.

2.03. "Board" means the Board of Directors of the Corporation.

2.04. "Change of Control" and related terms are defined in Section 9.

2.05. "Code" means the Internal Revenue Code of 1986, as amended from time to time. References to any provision of the Code shall be deemed to include successor provisions thereto and regulations thereunder.

2.06. "Committee" means the Compensation and Incentive Awards Committee of the Board, or such other Board committee as may be designated by the Board to administer the Plan, or any subcommittee of either; provided, however, that the Committee, and any subcommittee thereof, shall consist of three or more directors (or such lesser number as may be permitted by applicable law or rule), each of whom is a "disinterested person" within the meaning of the applicable provisions of Rule 16b-3 under the Exchange Act and an "outside director" within the meaning of Section 162(m)(3)(C) of the Code and Treasury Regulation Section 1.162-27(e)(3), as amended from time to time.

2.07. "Corporation" is defined in Section 1.

2.08. "Covered Employee" has the same meaning as set forth in section 162(m) of the Code, and successor provisions.

2.09. "Deferred Stock" means a right, granted to a Participant under Section 6.05, to receive Shares at the end of a specified deferral period.

2.10. "Dividend Equivalent" means a right, granted to a Participant under Section 6.03, to receive cash, Shares, other Awards, or other property equal in value to dividends paid with respect to a specified number of Shares.

2.11. "Exchange Act" means the Securities Exchange Act of 1934, as amended from time to time. References to any provision of the Exchange Act shall be deemed to include successor provisions thereto and any rules and regulations thereunder.

2.12. "Fair Market Value" means, with respect to Shares, Awards, or other property, the fair market value of such Shares, Awards, or other property determined by such methods or procedures as shall be established from time to time by the Committee. Unless otherwise determined by the Committee, the Fair Market Value of Shares as of any date shall be the closing sales price on that date of a Share as reported in the New York Stock Exchange Composite Transaction Report; provided, that if there were no sales on the valuation date but there were sales on dates within a reasonable period both before and after the valuation date, the Fair Market Value is the weighted average of the closing prices on the nearest date before and the nearest date after the valuation date. The average is to be weighted inversely by the respective numbers of trading days between the selling dates and the valuation date.

2.13. "Immediate Family Member" means, with respect to any Participant, any of such Participant's spouse, children, parents or siblings.

2.14. "Incentive Stock Option" means an Option that is intended to meet the requirements of Section 422 of the Code.

2.15. "Non-Qualified Stock Option" means an Option that is not intended to be an Incentive Stock Option.

2.16. "Option" means a right, granted to a Participant under Section 6.06, to purchase Shares, other Awards, or other property at a specified price during specified time periods. An Option may be either an Incentive Stock Option or a Non-Qualified Stock Option.

2.17. "Participant" means a person who has been granted an Award under the Plan.

2.18. "Performance Award" means a right, granted to a Participant under Section 6.02, to receive cash, Shares, other Awards, or other property the payment of which is contingent upon achievement of performance goals specified by the Committee.

2.19. "Performance-Based Restricted Stock" means Restricted Stock that is subject to a risk of forfeiture if specified performance criteria are not met within the restriction period.

2.20. "Plan" is defined in Section 1.

2.21. "Restricted Stock" means Shares granted to a Participant under Section 6.04, that are subject to certain restrictions and to a risk of forfeiture.

2.22. "Rule 16b-3" means Rule 16b-3, as from time to time amended and applicable to Participants, promulgated by the Securities and Exchange Commission under Section 16 of the Exchange Act.

2.23. "Shares" means the Common Stock, \$1.00 par value per share, of the Corporation and such other securities of the Corporation as may be substituted for Shares or such other securities pursuant to Section 10.

2.24. "Special Deferred Stock" means Deferred Stock granted under Subsection 6.05(i)(b), subject to the maximum Share limitation set forth in Section 7.02.4.

2.25. "Special Restricted Stock" means Restricted Stock granted under Subsection 6.04(i)(b), subject to the maximum Share limitation set forth in Section 7.02.4.

2.26. "Stock Appreciation Right" means a right, granted to a Participant under Section 6.07, to be paid an amount measured by the appreciation in the Fair Market Value of Shares from the date of grant to the date of exercise of the right, with payment to be made in cash, Shares, other Awards, or other property as specified in the Award or determined by the Committee.

2.27. "Subsidiary" means any corporation (other than the Corporation) with respect to which the Corporation owns, directly or indirectly, 50% or more of the total combined voting power for all classes of stock. In addition, any other related entity may be designated by the Board or the Committee as a Subsidiary, provided the Board or the Committee determines that the Corporation

has a substantial ownership interest in such entity.

2.28. "Year" means a calendar year.

SECTION 3. ADMINISTRATION.

3.01. Authority of the Committee. The Plan shall be administered by the Committee. The Committee shall have full and final authority to take the following actions, in each case subject to and consistent with the provisions of the Plan:

(i) to select and designate Participants;

(ii) to designate Subsidiaries;

(iii) to determine the type or types of Awards to be granted to each Participant;

(iv) to determine the number of Awards to be granted, the number of Shares to which an Award will relate, the terms and conditions of any Award granted under the Plan (including, but not limited to, any exercise price, grant price, or purchase price, any restriction or condition, any schedule for lapse of restrictions or conditions relating to transferability or forfeiture, exercisability, or settlement of an Award, and waivers or accelerations thereof, and waiver of performance conditions relating to an Award, based in each case on such considerations as the Committee shall determine), and all other matters to be determined in connection with an Award;

(v) to determine whether, to what extent, and under what circumstances an Award may be settled, or the exercise price of an Award may be paid, in cash, Shares, other Awards, or other property, or an Award may be cancelled, forfeited, or surrendered;

(vi) to determine whether, to what extent, and under what circumstances cash, Shares, other Awards, or other property payable with respect to an Award will be deferred either automatically, at the election of the Committee, or pursuant to an agreement between the Corporation and the Participant;

(vii) to prescribe the form of each Award Agreement, which need not be identical for each Participant;

(viii) to adopt, amend, suspend, waive, and rescind such rules and regulations and appoint such agents as the Committee may deem necessary or advisable to administer the Plan;

(ix) to correct any defect or supply any omission or reconcile any inconsistency in the Plan and to construe and interpret the Plan and any Award, rules and regulations, Award Agreement, or other instrument hereunder; and

(x) to make all other decisions and determinations as may be required under the terms of the Plan or as the Committee may deem necessary or advisable for the administration of the Plan.

3.02. Manner of Exercise of Committee Authority. Unless authority is specifically reserved to the Board under the terms of the Plan, or applicable law, the Committee shall have sole discretion in exercising such authority under the Plan. Any action of the Committee with respect to the Plan shall be final, conclusive, and binding on all persons, including the Corporation, Subsidiaries, Participants, any person claiming any rights under the Plan from or through any Participant, and shareholders. The express grant of any specific power to the Committee, and the taking of any action by the Committee, shall not be construed as limiting any power or authority of the Committee. The Committee may delegate to officers or managers of the Corporation or any Subsidiary the authority, subject to such terms as the Committee shall determine, to perform administrative functions under the Plan.

3.03. Limitation of Liability. Each member of the Committee shall be entitled to, in good faith, rely or act upon any report or other information furnished to him by any officer or other employee of the Corporation or any Subsidiary, the Corporation's

independent certified public accountants, or any executive compensation consultant or other professional retained by the Corporation to assist in the administration of the Plan. No member of the Committee, nor any officer or employee of the Corporation acting on behalf of the Committee, shall be personally liable for any action, determination, or interpretation taken or made in good faith with respect to the Plan, and all members of the Committee and any officer or employee of the Corporation acting on their behalf, shall, to the extent permitted by law, be fully indemnified and protected by the Corporation with respect to any such action, determination, or interpretation.

SECTION 4. SHARES SUBJECT TO THE PLAN. Subject to adjustment as provided in Section 10, the total number of Shares reserved and available for Awards under the Plan during the term hereof shall be 9.5 million shares. For purposes of this Section 4, the number of and time at which Shares shall be deemed to be subject to Awards and therefore counted against the number of Shares reserved and available under the Plan shall be the earliest date at which the Committee can reasonably estimate the number of Shares to be distributed in settlement of an Award or with respect to which payments will be made; provided, however, that, subject to the requirements of Rule 16b-3, the Committee may adopt procedures for the counting of Shares relating to any Award for which the number of Shares to be distributed or with respect to which payment will be made cannot be fixed at the date of grant to ensure appropriate counting, avoid double counting (in the case of tandem or substitute awards), and provide for adjustments in any case in which the number of Shares actually distributed or with respect to which payments are actually made differs from the number of Shares previously counted in connection with such Award.

If any Shares to which an Award relates are forfeited or the Award is settled or terminates without a distribution of Shares (whether or not cash, other Awards, or other property is distributed with respect to such Award), any Shares counted against the number of Shares reserved and available under the Plan with respect to such Award shall, to the extent of any such forfeiture, settlement or termination, again be available for Awards under the Plan; provided, however, that such Shares shall be available for issuance only to the extent that the related award would be exempt under Rule 16b-3.

SECTION 5. ELIGIBILITY. Awards may be granted only to individuals who are officers or other salaried employees (including employees who are also directors) of the Corporation or a Subsidiary; provided, however, that no Award shall be granted to any member of the Committee.

SECTION 6. SPECIFIC TERMS OF AWARDS.

6.01. General. Awards may be granted on the terms and conditions set forth in this Section 6. In addition, the Committee may impose on any Award or the exercise thereof, at the date of grant or thereafter (subject to Section 11.02), such additional terms and conditions, not inconsistent with the provisions of the Plan, as the Committee shall determine, including without limitation the acceleration of vesting of any Awards or terms requiring forfeiture of Awards in the event of termination of employment by the Participant. Except as provided in Section 7.04, only services may be required as consideration for the grant of any Award.

6.02. Performance Awards. Subject to the provisions of Sections 7.01 and 7.02, the Committee is authorized to grant Performance Awards to Participants on the following terms and conditions:

(i) Awards and Conditions. A Performance Award shall confer upon the Participant rights, valued as determined by the Committee, and payable to, or exercisable by, the Participant to whom the Performance Award is granted, in whole or in part, as determined by the Committee, conditioned upon the achievement of performance criteria determined by the Committee.

(ii) Performance Period. The period of time with respect to which it is to be determined whether the performance criteria applicable to a Performance Award have been achieved shall not be less than one year, commencing not earlier than the date of grant of such Performance Award.

(iii) Other Terms. A Performance Award shall be denominated in Shares and may be payable in cash, Shares, other Awards, or other property, and have such other terms as shall be determined by the Committee.

6.03. Dividend Equivalents. The Committee is authorized to grant Dividend Equivalents to Participants. The Committee may provide that Dividend Equivalents shall be paid or distributed when accrued or shall be deemed to have been reinvested in additional

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Shares or Awards, or otherwise reinvested.

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6.04. Restricted Stock. The Committee is authorized to grant Restricted Stock to Participants on the following terms and conditions:

(i) Issuance and Restrictions.

(a) Restricted Stock (other than Special Restricted Stock) shall be subject to such restrictions on transferability and other restrictions as the Committee may impose (including, without limitation, limitations on the right to vote such Restricted Stock or the right to receive dividends thereon), which restrictions shall lapse either: (x) in full with respect to all Shares underlying such Award of Restricted Stock at the expiration of a period not less than three years from the date of grant of such Award; or (y) proportionally in equal installments of the Shares underlying such Award of Restricted Stock over a period not less than three years from the date of grant of such Award, as the Committee shall determine, except that such restrictions may lapse earlier in the event of death, disability or retirement of an awardee, on such terms as the Committee shall determine, or in accordance with Section 9 hereof. The Committee shall not have the authority to otherwise accelerate the vesting of an Award of Restricted Stock under this Section 6.04(i)(a).

(b) Special Restricted Stock shall be subject to such restrictions on transferability and other restrictions as the Committee may impose (including, without limitation, limitations on the right to vote Special Restricted Stock or the right to receive dividends thereon) which restrictions may lapse separately or in combination at such times, under such circumstances, in such installments, or otherwise, as the Committee shall determine.

(ii) Forfeiture. Performance-Based Restricted Stock shall be forfeited unless preestablished performance criteria specified by the Committee are met during the applicable restriction period. Except as otherwise determined by the Committee, upon termination of employment (as determined under criteria established by the Committee) during the applicable restriction period, Restricted Stock that is at that time subject to restrictions shall be forfeited and returned to the Corporation; provided, however, that to the extent consistent with Section 6.04(i)(a) above, the Committee may provide, by rule or regulation or in any Award Agreement, or may determine in any individual case after the award has been made, that restrictions or forfeiture conditions relating to Restricted Stock will be waived in whole or in part in the event of terminations resulting from specified causes.

(iii) Certificates of Shares. Restricted Stock granted under the Plan may be evidenced in such manner as the Committee shall determine. If certificates representing Restricted Stock are registered in the name of the Participant, such certificates shall bear an appropriate legend referring to the terms, conditions, and restrictions applicable to such Restricted Stock, the Corporation or an escrow agent acting on behalf of the Corporation shall retain physical possession of the certificates, and the Participant shall deliver a stock power to the Corporation or such agent, endorsed in blank, relating to the Restricted Stock.

(iv) Dividends. Unless otherwise determined by the Committee, cash dividends and other distributions made or paid with respect to the Shares underlying an Award of Restricted Stock or Performance-Based Restricted Stock shall be held in escrow, and may (but need not be) reinvested as determined by the Committee. Such dividends and other distributions shall be paid to the Participant, together with interest or other earnings thereon (if any), at the time the Shares are delivered to the Participant. Shares distributed in connection with a stock split or stock dividend, and other property distributed as a dividend or other distribution, shall be subject to restrictions and a risk of forfeiture to the same extent as the Restricted Stock or Performance-Based Restricted Stock with respect to which such stock or other property has been distributed.

6.05. Deferred Stock. The Committee is authorized to grant Deferred Stock to Participants, on the following terms and conditions:

(i) Award and Restrictions.

(a) Delivery of Shares will occur upon expiration of the deferral period specified for Deferred Stock (other than Special Deferred Stock) by the Committee (or, if permitted by the Committee, as elected by the awardee), which deferral period shall not expire earlier than three years after the date of grant of such Award of Deferred Stock, except that such deferral period may expire earlier in the event of death, disability or retirement of an awardee, on such terms as the Committee shall determine, or

in accordance with Section 9 hereof. In addition, Deferred Stock shall be subject to such other restrictions as the Committee may impose, which other restrictions shall lapse at the expiration of such deferral period. The Committee shall not have the authority to otherwise accelerate the expiration of the deferral period for an Award of Deferred Stock under Section 6.05(i)(a).

(b) Delivery of Shares will occur upon expiration of the deferral period specified for Special Deferred Stock by the Committee (or, if permitted by the Committee, by the awardee). In addition, Special Deferred Stock shall be subject to such restrictions as the Committee may impose, which restrictions may lapse at the expiration of the deferral period or at earlier specified times, separately or in combination, in installments, or otherwise, as the Committee shall determine.

(ii) Forfeiture. Except as otherwise determined by the Committee, upon termination of employment (as determined under criteria established by the Committee) during the applicable deferral period or portion thereof (as provided in the Award Agreement evidencing the Deferred Stock), all Deferred Stock that is at that time subject to deferral (other than a deferral at the election of the Participant) shall be forfeited; provided, however, that to the extent consistent with Section 6.05(i)(a) above, the Committee may provide, by rule or regulation or in any Award Agreement, or may determine in any individual case, that restrictions or forfeiture conditions relating to Deferred Stock will be waived in whole or in part in the event of terminations resulting from specified causes, and the Committee may in other cases waive in whole or in part the forfeiture of Deferred Stock.

6.06. Options. The Committee is authorized to grant Options to Participants on the following terms and conditions:

(i) Exercise Price. The exercise price per Share purchasable under an Option shall be determined by the Committee; provided, however, that, except as provided in Section 10, such exercise price shall be not less than the Fair Market Value of a Share on the date of grant of such Option (or such higher exercise price as may be required under Section 422 of the Code). On and after the date of grant of an Option hereunder, the Committee shall not have the authority to amend such Option to reduce the exercise price thereof, except as provided in Section 10.

(ii) Time and Method of Exercise. The Committee shall determine the time or times at which an Option may be exercised in whole or in part, the methods by which such exercise price may be paid or deemed to be paid, the form of such payment, including, without limitation, cash, Shares, other Awards or awards issued under other Corporation plans, or other property (including notes or other contractual obligations of Participants to make payment on a deferred basis, such as through "cashless exercise" arrangements), and the methods by which Shares will be delivered or deemed to be delivered to Participants. Options shall expire not later than ten years after the date of grant.

(iii) Incentive Stock Options. The terms of any Incentive Stock Option granted under the Plan shall comply in all respects with the provisions of Section 422 of the Code, including but not limited to the requirement that no Incentive Stock Option shall be granted more than ten years after the effective date of the Plan. Anything in the Plan to the contrary notwithstanding, no term of the Plan relating to Incentive Stock Options shall be interpreted, amended, or altered, nor shall any discretion or authority granted under the Plan be exercised, so as to disqualify either the Plan or any Incentive Stock Option under Section 422 of the Code. In the event a Participant voluntarily disqualifies an Option as an Incentive Stock Option, the Committee may, but shall not be obligated to, make such additional Awards or pay bonuses as the Committee shall deem appropriate to reflect the tax savings to the Corporation which result from such disqualification.

6.07. Stock Appreciation Rights. The Committee is authorized to grant Stock Appreciation Rights to Participants on the following terms and conditions:

(i) Right to Payment. A Stock Appreciation Right shall confer on the Participant to whom it is granted a right to receive, upon exercise thereof, the excess of (A) the Fair Market Value of one Share on the date of exercise (or, if the Committee shall so determine in the case of any such right, other than one related to an Incentive Stock Option, the Fair Market Value of one Share at any time during a specified period before or after the date of exercise or the Change of Control Price as defined in Section 9.03) over (B) the base price of the Stock Appreciation Right as determined by the Committee as of the date of grant of the Stock Appreciation Right, which shall be not less than the Fair Market Value of one Share on the date of

the date of grant of a Stock Appreciation Right hereunder, the Committee shall not have the authority to reduce the base price of such Stock Appreciation Right, except as provided in Section 10 hereof.

(ii) Other Terms. The Committee shall determine the time or times at which a Stock Appreciation Right may be exercised in whole or in part, the method of exercise, method of settlement, form of consideration payable in settlement, method by which Shares will be delivered or deemed to be delivered to Participants, and any other terms and conditions of any Stock Appreciation Right. Limited Stock Appreciation Rights that may be exercised only upon the occurrence of a Change of Control (as such term is defined in Section 9.02) or as otherwise defined by the Committee) may be granted under this Section 6.07. Stock Appreciation Rights shall expire not later than ten years after the date of grant.

SECTION 7. CERTAIN PROVISIONS APPLICABLE TO AWARDS.

7.01. Performance-Based Awards. Performance Awards and Performance-Based Restricted Stock are intended to be "qualified performance-based compensation" within the meaning of section 162(m) of the Code and shall be paid solely on account of the attainment of one or more preestablished, objective performance goals within the meaning of section 162(m) and the regulations thereunder. Until otherwise determined by the Committee, the performance goal shall be the attainment of preestablished levels of net income, market price per share, return on equity, return on capital employed, cash flow, earnings per share, book value per share or total shareholder return.

The payout of any such Award to a Covered Employee may be reduced, but not increased, based on the degree of attainment of other performance criteria or otherwise at the discretion of the Committee.

7.02. Maximum Awards. The maximum Share amounts in this Section 7.02 are subject to adjustment under Section 10 and are subject to the Plan maximum under Section 4.

7.02.1. Performance-Based Awards. The maximum amount payable in respect of Performance Awards and Performance-Based Restricted Stock in any Year may not exceed 100,000 Shares (or the then equivalent Fair Market Value thereof) in the case of any individual Participant.

7.02.2. Stock Options and SARS. Each individual Participant may not receive in any Year Awards of Options or Stock Appreciation Rights exceeding 250,000 Shares.

7.02.3. Restricted Stock, Deferred Stock and Performance-Based Awards. A maximum of 2,000,000 Shares may be made subject to Awards of Restricted Stock, Deferred Stock, Performance Awards and Performance-Based Restricted Stock in the aggregate, under the Plan during the term hereof.

7.02.4. Special Restricted Stock and Special Deferred Stock. A maximum of 225,000 Shares may be made subject to Awards of Special Restricted Stock and Special Deferred Stock, in the aggregate, under the Plan during the term hereof.

7.03. Stand-Alone, Additional, Tandem, and Substitute Awards. Awards granted under the Plan may, in the discretion of the Committee, be granted either alone or in addition to or in tandem with any other Award granted under the Plan or any award granted under any other plan of the Corporation, any Subsidiary, or any business entity to be acquired by the Corporation or a Subsidiary, or any other right of a Participant to receive payment from the Corporation or any Subsidiary. No Award may be granted in substitution for any other Award theretofore granted under the Plan, and no Award may be retroactively granted in tandem with any other Award theretofore granted under the Plan at an exercise or base price less than that of such other previously granted Award. Awards granted in addition to or in tandem with other Awards or awards may be granted either as of the same time as or a different time from the grant of such other Awards or awards

7.04. Exchange Provisions. The Committee may at any time offer to exchange or buy out any previously granted Award for a payment in cash, Shares, or other property based on such terms and conditions as the Committee shall determine and communicate to the Participant at the time that such offer is made.

7.05. Term of Awards. The term of each Award shall be for such period as may be determined by the Committee; provided, however, that in no event shall the term of any Option or a Stock Appreciation Right granted in tandem therewith exceed a period of ten years from the date of its grant (or such shorter period as may be required under Section 422 of the Code).

7.06. Form of Payment Under Awards. Subject to the terms of the Plan and any applicable Award Agreement, payments to be made by the Corporation or a subsidiary upon the grant or exercise of an Award may be made in such forms as the Committee shall determine, including without limitation, cash, Shares, other Awards, or other property, and may be made in a single payment or transfer, in installments, or on a deferred basis. Such payments may include, without limitation, provisions for the payment or crediting of reasonable interest on installment or deferred payments or the grant or crediting of Dividend Equivalents in respect of installment or deferred payments denominated in Shares.

7.07. Loan Provisions. With the consent of the Committee, and subject to compliance with applicable laws and regulations, the Corporation may make, guarantee, or arrange for, a loan or loans to a Participant with respect to the exercise of any Option or other payment in connection with any Award, including the payment by a Participant of any or all federal, state, or local income or other taxes due in connection with any Award. Subject to such limitations, the Committee shall have full authority to decide whether to make a loan or loans hereunder and to determine the amount, terms, and provisions of any such loan or loans, including the interest rate to be charged in respect of any such loan or loans, whether the loan or loans are to be with or without recourse against the borrower, the terms on which the loan is to be repaid and conditions, if any, under which the loan or loans may be forgiven. Nothing in this Section shall be construed as implying that the Committee shall or will offer such loans.

SECTION 8. GENERAL RESTRICTIONS APPLICABLE TO AWARDS.

8.01. Restrictions Under Rule 16b-3.

8.01.1. Six-Month Holding Period. Unless a Participant could otherwise transfer an equity security, derivative security, or Shares issued upon exercise of a derivative security granted under the Plan without incurring liability under Section 16(b) of the Exchange Act, (i) an equity security issued under the Plan, other than an equity security issued upon exercise or conversion of a derivative security granted under the Plan, shall be held for at least six months from the date of acquisition; (ii) with respect to a derivative security issued under the Plan, at least six months shall elapse from the date of acquisition of the derivative security to the date of disposition of the derivative security (other than upon exercise or conversion) or its underlying equity security; and (iii) any Award in the nature of a Stock Appreciation Right must be held for six months from the date of grant to the date of cash settlement.

8.01.2. Nontransferability. Awards which constitute derivative securities (including any option, stock appreciation right, or similar right) shall not be transferable by a Participant except upon such terms and conditions as the Committee may determine to an Immediate Family Member of such Participant, or to a trust, partnership or limited liability company all of whose beneficiaries, partners or members, as the case may be, are Immediate Family Members, or by will or the laws of descent and distribution (except pursuant to a beneficiary designation authorized under Section 8.02) or, if then permitted under Rule 16b-3, pursuant to a qualified domestic relations order as defined under the Code or Title I of the Employee Retirement Income Security Act of 1974, as amended, or the rules thereunder, and, in the case of an Incentive Stock Option or, if then required by Rule 16b-3, any other derivative security granted under the Plan, shall be exercisable during the lifetime of a Participant only by such Participant or his legal representative.

8.01.3. Compliance with Rule 16b-3. It is the intent of the Corporation that this Plan comply in all respects with Rule 16b-3 in connection with any Award granted to a person who is subject to Section 16 of the Exchange Act. Accordingly, if any provision of this Plan or any Award Agreement does not comply with the requirements of Rule 16b-3 as then applicable to any such person, such provision shall be construed or deemed amended to the extent necessary to conform to such requirements with respect to such person.

8.02. Limits on Transfer of Awards; Beneficiaries. Except as provided in Section 8.01.2, no right or interest of a Participant in

any Award shall be pledged, encumbered or hypothecated to or in favor of any party (other than the Corporation or a Subsidiary), or shall be subject to any lien, obligation, or liability of such Participant to any party (other than the Corporation or a Subsidiary). Unless otherwise determined by the Committee (subject to the requirements of Section 8.01.2), no Award subject to any restriction shall be assignable or transferable by a Participant otherwise than by will or the laws of descent and distribution (except to the Corporation under the terms of the Plan); provided, however, that a Participant may, in the manner established by the Committee, designate a beneficiary or beneficiaries to exercise the rights of the Participant, and to receive any distribution, with respect to any Award, upon the death of the Participant. A beneficiary, guardian, legal representative, or other person claiming any rights under the Plan from or through any Participant shall be subject to all terms and conditions of the Plan and any Award Agreement applicable to such Participant or Agreement applicable to such, except to the extent the Plan and such Award Agreement or agreement otherwise provide with respect to such persons, and to any additional restrictions deemed necessary or appropriate by the Committee.

8.03. Registration and Listing Compliance. The Corporation shall not be obligated to deliver any Award or distribute any Shares with respect to any Award in a transaction subject to regulatory approval, registration, or any other applicable requirement of federal or state law, or subject to a listing requirement under any listing or similar agreement between the Corporation and any national securities exchange, until such laws, regulations, and contractual obligations of the Corporation have been complied with in full, although the Corporation shall be obligated to use its best efforts to obtain any such approval and comply with such requirements as promptly as practicable.

8.04. Share Certificates. All certificates for Shares delivered under the Plan pursuant to any Award or the exercise thereof shall be subject to such stop-transfer order and other restrictions as the Committee may deem advisable under applicable federal or state laws, rules and regulations thereunder, and the rules of any national securities exchange on which Shares are listed. The Committee may cause a legend or legends to be placed on any such certificates to make appropriate reference to such restrictions or any other restrictions that may be applicable to Shares, including under the terms of the Plan or any Award Agreement. In addition, during any period in which Awards or Shares are subject to restrictions under the terms of the Plan or any Award Agreement, or during any period during which delivery or receipt of an Award or Shares has been deferred by the Committee or a Participant, the Committee may require the Participant to enter into an agreement providing that certificates representing Shares issuable or issued pursuant to an Award shall remain in the physical custody of the Corporation or such other person as the Committee may designate.

SECTION 9. CHANGE OF CONTROL PROVISIONS. Notwithstanding any other provision of the Plan, the following acceleration and valuation provisions shall apply in the event of a "Change of Control" as defined in this Section 9.

9.01. Acceleration and Cash-Out Rights. In the event of a "Change of Control," as defined in Section 9.02, automatically in the case of all Participants:

(i) The performance criteria of all Performance Awards and Performance-Based Restricted Stock shall be deemed fully achieved and all such Awards shall be fully earned and vested, subject only to the restrictions on dispositions of equity securities set forth in Section 8.01.1 and legal restrictions on the issuance of Shares set forth in Sections 8.03 and 8.04;

(ii) Any Option, Stock Appreciation Right, and other Award in the nature of a right that may be exercised which was not previously exercisable and vested shall become fully exercisable and vested, subject only to the restrictions on disposition of equity securities set forth in Section 8.01.1 and legal restrictions on the issuance of Shares set forth in Sections 8.03 and 8.04;

(iii) The restrictions, deferral limitations, and forfeiture conditions applicable to any other Award granted under the Plan shall lapse and such Awards shall be deemed fully vested, subject only to the restrictions on dispositions of equity securities set forth in Section 8.01.1 and legal restrictions on the issuance of Shares set forth in Sections 8.03 and 8.04;

(iv) In the sole discretion of the Committee, all outstanding Awards may be cancelled and in such event a Participant holding any such Award shall be paid in cash therefor on the basis of the "Change of Control Price" (as defined in Section 9.03) as of the date that the Change of Control occurs, or such other date as the Committee may determine prior to the Change of Control; provided, however, that this Section 9.01 (iv) shall not apply in the case of any Award if (a) the cancellation of and payment for such Award

would cause the Participant to incur actual short-swing profits liability under Section 16(b) of the Exchange Act or

(b) initial shareholder approval of the Plan has not been obtained; and

(v) To the extent Section 9.01(iv) of this Section 9 does not apply and at any time after the Change of Control the Shares are no longer readily tradable on an established exchange, a Participant shall, as of the date on which the Change of Control occurs, be entitled to receive consistent with Rule 16b-3, and the Corporation shall use its best efforts to compel and obligate the surviving or resulting corporation in the Change of Control and/or the other party to the agreement or transaction resulting in the Change of Control to grant to the Participant, substitute Options, Stock Appreciation Rights and/or Restricted Stock, as the case may be, in respect of the shares of common stock or other capital stock of such surviving or resulting corporation, or such other party involved in the Change of Control, on such terms and conditions, as to the number of shares, pricing, vesting, exercisability and otherwise, which shall substantially preserve the value, rights and benefits of any affected Options, Stock Appreciation Rights and/or Restricted Stock, as the case may be, previously granted hereunder.

9.02. Change of Control. For purposes of Section 9.01, a "Change of Control" shall mean:

(a) The acquisition by any individual, entity or group (within the meaning of Section 13(d)(3) or 14(d)(2) of the Exchange Act) of beneficial ownership (within the meaning of Rule 13d-3 promulgated under the Exchange Act) of 20% or more of either the then (i) outstanding shares of Common Stock of the Corporation (the "Outstanding Corporation Common Stock") or (ii) combined voting power of the then outstanding voting securities of the Corporation entitled to vote generally in the election of directors (the "Outstanding Voting Securities") provided, however, that the following acquisitions shall not constitute a Change of Control: (i) any acquisition by the Corporation or any of its subsidiaries, (ii) any acquisition by any employee benefit plan (or related trust) sponsored or maintained by the Corporation or any of its subsidiaries, (iii) any acquisition by any corporation with respect to which, following such acquisition, more than 51% of, respectively, the then outstanding shares of common stock of such corporation and the combined voting power of the then outstanding voting securities of such corporation entitled to vote generally in the election of directors is then beneficially owned, directly or indirectly, by all or substantially all of the individuals and entities who were the beneficial owners, respectively, of the Outstanding Corporation Common Stock and Outstanding Voting Securities immediately prior to such acquisition in substantially the same proportions as their ownership, immediately prior to such acquisition, of the Outstanding Corporation Common Stock and Outstanding Voting Securities, as the case may be, or (iv) any acquisition by one or more Hess Entity (for this purpose a "Hess Entity" means (A) Mr. Leon Hess or any of his children, (B) any spouse of any person described in Section 9.02(a)(iv)(A) above, (C) any affiliate (as such term is defined in Rule 12b-2 under the Exchange Act) of any person described in Section 9.02(a)(iv)(A) above, (D) the Hess Foundation Inc., or (E) any persons comprising a group controlled (as such term is defined in such Rule 12b-2) by one or more of the foregoing persons or entities described in this Section 9.02 (a)(iv)); or

(b) Individuals who, as of the effective date of the Plan, constitute the Board (the "Incumbent Board") ceasing for any reason to constitute at least a majority of the Board; provided, however, that any individual becoming a director subsequent to the effective date of the Plan whose election, or nomination for election by the Corporation's shareholders, was approved by a vote of at least a majority of the directors then comprising the Incumbent Board shall be considered as though such individual were a member of the Incumbent Board, but excluding, for this purpose, any such individual whose initial assumption of office occurs as a result of either an actual or threatened solicitation to which Rule 14a-11 of Regulation 14A promulgated under the Exchange Act applies or other actual threatened solicitation of proxies or consents; or

(c) Approval by the shareholders of the Corporation of a reorganization, merger or consolidation, in each case, with respect to which all or substantially all of the individuals and entities who were the beneficial owners, respectively, of the Outstanding Corporation Common Stock and Outstanding Voting Securities immediately prior to such reorganization, merger or consolidation do not, following such reorganization, merger or consolidation, beneficially own, directly or indirectly, more than 51% of, respectively, the then outstanding shares of common stock and the combined voting power of the then outstanding voting securities entitled to vote generally in the election of directors, as the case may be, of the corporation resulting from such reorganization, merger or consolidation in substantially the same proportions as their ownership, immediately prior to

such reorganization, merger or consolidation, of the Outstanding Corporation
Common Stock and Outstanding Voting Securities, as the case may be; or

(d) Approval by the shareholders of the Corporation of (i) a complete liquidation or dissolution of the Corporation or (ii) the sale or other disposition of all or substantially all of the assets of the Corporation, other than to a corporation, with respect to which following such sale or other disposition, more than 51% of, respectively, the then outstanding shares of common stock of such corporation and the combined voting power of the then outstanding voting securities of such corporation entitled to vote generally in the election of directors is then beneficially owned, directly or indirectly, by all or substantially all of the individuals and entities who were the beneficial owners, respectively, of the Outstanding Corporation Common Stock and Outstanding Voting Securities immediately prior to such sale or other disposition in substantially the same proportion as their ownership, immediately prior to such sale or other disposition, of the Outstanding Corporation Common Stock and Outstanding Voting Securities, as the case may be. The term "the sale or other disposition of all or substantially all of the assets of the Corporation" shall mean a sale or other disposition transaction or series of related transactions involving assets of the Corporation or of any direct or indirect subsidiary of the Corporation (including the stock of any direct or indirect subsidiary of the Corporation) in which the value of the assets or stock being sold or otherwise disposed of (as measured by the purchase price being paid therefor or by such other method as the Board determines is appropriate in a case where there is no readily ascertainable purchase price) constitutes more than two-thirds of the fair market value of the Corporation (as hereinafter defined). The "fair market value of the Corporation" shall be the aggregate market value of the then Outstanding Corporation Common Stock (on a fully diluted basis) plus the aggregate market value of the Corporation's other outstanding equity securities. The aggregate market value of the shares of Outstanding Corporation Common Stock shall be determined by multiplying the number of shares of such Common Stock (on a fully diluted basis) outstanding on the date of the execution and delivery of a definitive agreement with respect to the transaction or series of related transactions (the "Transaction Date") by the average closing price of the shares of Outstanding Corporation Common Stock for the ten trading days immediately preceding the Transaction Date. The aggregate market value of any other equity securities of the Corporation shall be determined in a manner similar to that prescribed in the immediately preceding sentence for determining the aggregate market value of the shares of Outstanding Corporation Common Stock or by such other method as the Board shall determine is appropriate.

9.03. Change of Control Price. For purposes of this Section 9, "Change of Control Price" means the highest price per share paid in any transaction reported on the securities exchange or trading system on which the Shares are then primarily listed or traded, or paid or offered in any transaction related to a Change of Control of the Corporation at any time during the preceding 60-day period as determined by the Committee, except that in the case of Incentive Stock Options and Stock Appreciation Rights relating thereto, such price shall be based only on transactions reported for the date on which the Committee decides to cash out such Awards.

SECTION 10. ADJUSTMENT PROVISIONS. In the event that the Committee shall determine that any dividend or other distribution (whether in the form of cash, Shares, or other property), recapitalization, stock split, reverse stock split, reorganization, merger, consolidation, spin-off, combination, repurchase, or share exchange, or other similar corporate transaction or event, affects the Shares such that an adjustment is determined by the Committee to be appropriate in order to prevent dilution or enlargement of the rights of Participants under the Plan, then the Committee shall, in such manner as it may deem equitable, adjust any or all of (i) the number and kind of Shares which may thereafter be issued in connection with Awards (ii) the number and kind of Shares issued or issuable in respect of outstanding Awards, and (iii) the exercise price, base price, or purchase price relating to any Award or, if deemed appropriate, make provision for a cash payment with respect to any outstanding Award; provided, however, in each case, that, with respect to Incentive Stock Options, no such adjustment shall be authorized to the extent that such authority would cause the Plan to violate Section 422(b)(1) of the Code. In addition, the Committee is authorized to make adjustments in the terms and conditions of, and the criteria included in, Awards in recognition of unusual or nonrecurring events (including, without limitation, events described in the preceding sentence) affecting the Corporation or any Subsidiary or the financial statements of the Corporation or any Subsidiary, or in response to changes in applicable laws, regulations, or accounting principles.

SECTION 11. CHANGES TO THE PLAN AND AWARDS.

11.01. Changes to the Plan. The Board may amend, alter, suspend, discontinue or terminate the Plan without the consent of shareholders or Participants, except that any such amendment, alteration, suspension, discontinuation, or termination shall be subject to the approval of the Corporation's shareholders

within one year after such Board action if such amendment or alteration increases the number of shares reserved for Awards under the Plan, changes the class of Participants eligible to receive Awards

under the Plan, or materially increases the benefits to Participants under the Plan, or if such shareholder approval is required by any federal or state law or regulation or the rules of any stock exchange on which the Shares may be listed in order to maintain compliance therewith, or if the Board in its discretion determines that obtaining such shareholder approval is for any reason advisable; provided, however, that, without the consent of an affected Participant, no amendment, alteration, suspension, discontinuation, or termination of the Plan after initial shareholder approval of the Plan may materially impair the rights of such Participant under any Award theretofore granted to him.

11.02. Changes to Awards. The Committee may, unless otherwise expressly prohibited by the Plan, waive any conditions or rights under, or amend, alter, suspend, discontinue, or terminate, any Award theretofore granted and any Award Agreement relating thereto; provided, however, that, without the consent of an affected Participant, no such amendment, alteration, suspension, discontinuation, or termination of any Award after initial shareholder approval of the Plan may materially impair the rights of such Participant under such Award.

SECTION 12. GENERAL PROVISIONS.

12.01. No Rights to Awards. No Participant or employee shall have any claim to be granted any Award under the Plan, and there is no obligation for uniformity of treatment of Participants and employees.

12.02. No Shareholder Rights. No Award shall confer on any Participant any of the rights of a shareholder of the Corporation unless and until Shares are duly issued or transferred to the Participant in accordance with the terms of the Award.

12.03. Tax Withholding. To the extent and in the manner permitted by applicable law, the Corporation or any Subsidiary is authorized to withhold from any Award granted, any payment relating to an Award under the Plan, including from a distribution of Shares, or any payroll or other payment to a Participant, amounts or withholding and other taxes due with respect thereto, its exercise, or any payment thereunder, and to take such other action as the Committee may deem necessary or advisable to enable the Corporation and Participants to satisfy obligations for the payment of withholding taxes and other tax liabilities relating to any Award. This authority shall include authority to withhold or receive Shares or other property and to make cash payments in respect thereof in satisfaction of the Participant's tax obligations.

12.04. No Right to Employment. Nothing contained in the Plan or any Award Agreement shall confer, and no grant of an Award shall be construed as conferring, upon any employee any right to continue in the employment of the Corporation or any Subsidiary or to interfere in any way with the right of the Corporation or any Subsidiary to terminate such employment at any time or increase or decrease such employee's compensation from the rate in existence at the time of granting of an Award.

12.05. Unfunded Status of Awards. The Plan is intended to constitute an unfunded incentive and deferred compensation plan for tax purposes and for purposes of Title I of the Employee Retirement Income Security Act of 1974, as amended. With respect to any payments not yet made to a Participant pursuant to an Award the Plan constitutes a mere promise to make the benefit payments provided for herein, and nothing contained in the Plan or any Award shall give any such Participant any rights that are greater than those of a general creditor of the Corporation; provided, however, that the Committee may authorize the creation of trusts or make other arrangements to meet the Corporation's obligations under the Plan to deliver cash, Shares, other Awards, or other property pursuant to any award, which trusts or other arrangements shall be consistent with the unfunded status of the Plan.

12.06. Other Compensatory Arrangements. The Corporation or any Subsidiary shall be permitted to adopt other or additional compensation arrangements (which may include arrangements which relate to Awards), and such arrangements may be either generally applicable or applicable only in specific cases.

12.07. Fractional Shares. No fractional Shares shall be issued or delivered pursuant to the Plan or any Award. The Committee shall determine whether cash, other Awards, or other property shall be issued or paid in lieu of fractional Shares or whether such fractional Shares or any rights thereto shall be forfeited or otherwise eliminated.

12.08. Governing Law. The validity, construction, and effect of the Plan, any rules and regulations relating to the Plan, and any Award Agreement shall be determined in accordance with the laws of the State of Delaware, without giving effect to principles of conflicts of laws, and applicable federal law.

SECTION 13. EFFECTIVE DATE. The Plan is effective December 6, 1995. The amendments to the Plan reflected in the Plan (as amended and restated hereby) shall be effective December 1, 1999, subject to approval of such amendments as reflected in the Plan (as amended and restated hereby) within one year after such date by the affirmative vote of the holders of a majority of the Shares present or represented and entitled to vote (and the affirmative vote of a majority of the Shares voting) at a meeting of the Corporation's shareholders, or any adjournment thereof, and subject to listing of the additional Shares authorized by such amendments on the New York Stock Exchange. If such approval and listing are not obtained, such amendments and all Awards made pursuant to and in reliance on such amendments shall be void ab initio and of no force or effect. However, the Plan (as in effect immediately prior to such amendment and restatement) shall continue in full force and effect.

AMERADA HESS CORPORATION

By: /s/ John B. Hess
Name: John B. Hess
Title: Chairman of the Board and
Chief Executive Officer

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	1,896	
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	242	
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		0
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8,880		
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	0	
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	0	
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		4.71