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

FORM 10-Q

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

For the quarter ended March 31, 1999

or

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

For the transition period from ---------- to ----------

COMMISSION FILE NUMBER 1-1204

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

DELAWARE
(State or other jurisdiction of incorporation or organization)

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

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

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

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

At March 31, 1999, 90,367,705 shares of Common Stock were outstanding.

PART I - FINANCIAL INFORMATION

Item 1. Financial Statements.

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

	1999	1998
REVENUES		
Sales (excluding excise taxes) and other operating revenues	$ 1,538,693	$ 1,825,789
Non-operating income		
Gain on asset sales	46,322	80,321

Equity in income of HOVENSA L.L.C.	16,462	--
Other	48,587	17,109
Total revenues	1,650,064	1,923,219
COSTS AND EXPENSES		
Cost of products sold	999,072	1,188,406
Production expenses	115,108	111,163
Marketing expenses	93,914	88,198
Other operating expenses	57,235	131,512
Exploration expenses, including dry holes and lease impairment	62,778	104,219
General and administrative expenses	50,062	68,603
Interest expense	39,133	33,988
Depreciation, depletion and amortization	138,322	164,227
Total costs and expenses	1,555,624	1,890,316
Income before income taxes	94,440	32,903
Provision for income taxes	23,860	45,497
NET INCOME (LOSS)	$ 70,580	$ (12,594)
NET INCOME (LOSS) PER SHARE - BASIC AND DILUTED	$ .79	$ (.14)
WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING	89,868	90,079
COMMON STOCK DIVIDENDS PER SHARE	$ .15	$ .15

See accompanying notes to consolidated financial statements.

PART I - FINANCIAL INFORMATION (CONT'D.)

AMERADA HESS CORPORATION AND CONSOLIDATED SUBSIDIARIES
CONSOLIDATED BALANCE SHEET
(IN THOUSANDS OF DOLLARS)

ASSETS	MARCH 31, 1999	DECEMBER 31, 1998
CURRENT ASSETS		
Cash and cash equivalents	$ 54,558	$ 73,791
Accounts receivable	1,273,533	1,013,184
Inventories	405,969	482,182
Other current assets	228,667	317,549
Total current assets	1,962,727	1,886,706
INVESTMENTS AND ADVANCES		
HOVENSA L.L.C	719,043	702,581
Other	232,266	232,826
Total investments and advances	951,309	935,407
PROPERTY, PLANT AND EQUIPMENT		
Total - at cost	11,066,921	11,027,239
Less reserves for depreciation, depletion, amortization and lease impairment	6,862,586	6,835,301
Property, plant and equipment - net	4,204,335	4,191,938
NOTE RECEIVABLE	538,500	538,500
DEFERRED INCOME TAXES AND OTHER ASSETS	317,438	330,432
TOTAL ASSETS	$ 7,974,309	$ 7,882,983

LIABILITIES AND STOCKHOLDERS' EQUITY

CURRENT LIABILITIES		
Accounts payable - trade	$ 829,161	$ 713,831
Accrued liabilities	532,649	554,632
Deferred revenue	208,953	251,328
Taxes payable	152,165	100,686
Notes payable	32,500	3,500
Current maturities of long-term debt	44,422	172,820
Total current liabilities	1,799,850	1,796,797
LONG-TERM DEBT	2,608,993	2,476,145
DEFERRED LIABILITIES AND CREDITS		
Deferred income taxes	412,225	483,843
Other	459,608	482,786
Total deferred liabilities and credits	871,833	966,629
STOCKHOLDERS' EQUITY		
Preferred stock, par value $1.00		
Authorized - 20,000,000 shares for issuance in series	--	--
Common stock, par value $1.00		
Authorized - 200,000,000 shares		
Issued - 90,367,705 shares at March 31, 1999;		
90,356,705 shares at December 31, 1998	90,368	90,357
Capital in excess of par value	764,937	764,412
Retained earnings	1,961,090	1,904,066
Equity adjustment from foreign currency translation	(122,762)	(115,423)
Total stockholders' equity	2,693,633	2,643,412
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$ 7,974,309	$ 7,882,983

See accompanying notes to consolidated financial statements.

PART I - FINANCIAL INFORMATION (CONT'D.)

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

	1999	1998
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income (loss)	$ 70,580	$ (12,594)
Adjustments to reconcile net income (loss) to net cash provided by operating activities		
Depreciation, depletion and amortization	138,322	164,227
Exploratory dry hole costs	16,723	54,986
Lease impairment	6,267	8,287
Gain on asset sales	(46,322)	(80,321)
Provision (benefit) for deferred income taxes	(29,922)	(6,768)
Changes in operating assets and liabilities and other	(48,303)	30,571
Net cash provided by operating activities	107,345	158,388
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditures	(200,779)	(318,392)
Proceeds from asset sales and other	67,768	107,103
Net cash used in investing activities	(133,011)	(211,289)

CASH FLOWS FROM FINANCING ACTIVITIES		
Increase (decrease) in notes payable	29,000	(14,241)
Long-term borrowings	250,059	260,000
Repayment of long-term debt	(245,345)	(169,494)
Cash dividends paid	(27,111)	(27,445)
Common stock acquired	--	(6,441)
Net cash provided by financing activities	6,603	42,379
EFFECT OF EXCHANGE RATE CHANGES ON CASH	(170)	(1,094)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(19,233)	(11,616)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	73,791	91,154
CASH AND CASH EQUIVALENTS AT END OF PERIOD	$ 54,558	$ 79,538

See accompanying notes to consolidated financial statements.

PART I - FINANCIAL INFORMATION (CONT'D.)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(in thousands)

Note 1 - The financial statements included in this report reflect all normal and recurring adjustments which, in the opinion of management, are necessary for a fair presentation of the Company's consolidated financial position at March 31, 1999 and December 31, 1998, and the consolidated results of operations and the consolidated cash flows for the three-month periods ended March 31, 1999 and 1998. 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 1998 Annual Report to Stockholders, which have been incorporated by reference in the Corporation's Form 10-K for the year ended December 31, 1998. The 1998 income statement classification of certain accounts has been restated to conform with current period presentation.

Note 2 - Effective January 1, 1999, the Corporation adopted the last-in, first-out (LIFO) inventory method for valuing its refining and marketing inventories. The Corporation believes that the LIFO method more closely matches current costs and revenues and will improve comparability with other oil companies.

The change to LIFO decreased net income during the quarter ended March 31, 1999 by $2,794 ($.03 per share basic and diluted). It is not possible to determine the cumulative effect of the change on retained earnings at January 1, 1999 or the pro forma effects of retroactive application of the change for prior periods.

Note 3 - Inventories consist of the following:

	March 31, 1999	December 31, 1998
Crude oil and other charge stocks	$ 65,861	$ 35,818
Refined and other finished products	272,207	386,917
Materials and supplies	67,901	59,447
Total inventories	$ 405,969	$ 482,182

PART I - FINANCIAL INFORMATION (CONT'D.)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(in thousands)

Note 4 - The Corporation's investment in the HOVENSA joint venture is accounted for on the equity method. Summarized financial information for HOVENSA as of March 31, 1999 is as follows:

Summarized Balance Sheet Information
At March 31, 1999

Current assets	$ 412,354
Net fixed assets	1,331,385
Other assets	27,299
Current liabilities	(166,217)
Long-term debt	(225,000)
Deferred liabilities and credits	(33,449)
Partners' equity	$ 1,346,372

Summarized Income Statement Information
For the three months ended March 31,1999

Total revenues	$ 538,623
Costs and expenses	(536,672)
Inventory market value changes	31,999
Net income	$ 33,950*

* The Corporation's share of HOVENSA's net income was $16,462.

Note 5 - The provision for income taxes consisted of the following:

	Three months ended March 31	
	1999	1998
Current	$ 53,782	$ 52,265
Deferred	(29,922)	(6,768)

Total	$ 23,860	$ 45,497

PART I - FINANCIAL INFORMATION (CONT'D.)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(in thousands)

Note 6 - Effective January 1, 1999, the Corporation changed the functional currency used in translating the foreign currency financial statements of its United Kingdom operations from the British pound sterling to the U.S. dollar. During the quarter ended March 31, 1999, the U.S. dollar strengthened in relation to the pound sterling. As a result, the Corporation had an after-tax currency gain of $26,487 compared with a loss of $278 in the first quarter of 1998. Foreign currency gains and losses are reflected in non-operating income in the income statement.

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

	Three months ended March 31	
	1999	1998
Common shares - basic	89,456	90,079
Effect of dilutive securities (equivalent shares)		
Nonvested common stock	397	--
Stock options	15	--
Common shares - diluted	89,868	90,079

In the first quarter of 1998, the table excludes the antidilutive effect of 594 nonvested common shares and 113 stock options.

Note 8 - 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. Net deferred losses resulting from the Corporation's petroleum hedging activities were approximately $10,071 at March 31, 1999, including $11,300 of unrealized losses.

Note 9 - Interest costs related to certain long-term construction projects have been capitalized in accordance with FAS No. 34. During the three months ended March 31, 1999 and 1998, interest costs of $5,117 and $5,593, respectively, were capitalized.

Note 10 - Comprehensive income includes net income and the effects of foreign currency translation recorded in stockholders' equity. Comprehensive income for the three months ended March 31, 1999 and 1998 was $63,241 and $613, respectively.

PART I - FINANCIAL INFORMATION (CONT'D.)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(in thousands)

Note 11 - The Corporation's results by operating segment in the first quarter of 1999 and 1998 were as follows:

	Three months ended March 31	
	1999	1998
Operating revenues		
Exploration and production (1)	$ 581,300	$ 536,000
Refining, marketing and shipping	981,500	1,320,300
Total	$ 1,562,800	$ 1,856,300
Net income (loss)		
Exploration and production (2)	$ 56,900	$ 64,400
Refining, marketing and shipping	52,800	(33,500)
Corporate (including interest)	(39,100)	(43,500)
Total	$ 70,600	$ (12,600)

(1) Includes transfers to affiliates of $24,100 and $30,500 in 1999 and 1998, respectively.

(2) Includes gains on asset sales of $30,100 and $56,200 in 1999 and 1998, respectively.

PART I - FINANCIAL INFORMATION (CONT'D.)

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

RESULTS OF OPERATIONS

Income excluding asset sales for the first quarter of 1999 amounted to $41 million compared with a loss of $69 million in the first quarter of 1998. Including gains on asset sales, net income amounted to $71 million in the first quarter of 1999 compared with a net loss of $13 million in the first quarter of 1998.

The after-tax results by major operating activity for the first quarters of 1999 and 1998 were as follows (in millions, except per share data):

	Three months ended March 31	
	1999	1998

Exploration and production	$ 27	$ 8
Refining, marketing and shipping	53	(33)
Corporate	(10)	(15)
Interest expense	(29)	(29)
Income (loss) excluding asset sales	41	(69)
Gains on asset sales	30	56
Net income (loss)	$ 71	$ (13)
Net income (loss) per share (diluted)	$ .79	$(.14)

In the first quarter of 1999, exploration and production earnings include net nonrecurring income of $18 million, principally from foreign currency translation adjustments. The net gain from asset sales in 1999 reflects the sale of natural gas properties in California. Assets sold in 1998 include three oil and gas properties in the United States and Norway.

Exploration and Production

Excluding gains on asset sales, earnings from exploration and production activities increased by $19 million in the first quarter of 1999 reflecting increased production volumes, lower exploration expenses and income from foreign currency translation adjustments, partially offset by lower worldwide crude oil selling prices.

PART I - FINANCIAL INFORMATION (CONT'D.)

RESULTS OF OPERATIONS (CONTINUED)

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

	Three months ended March 31	
	1999	1998
Crude oil and natural gas liquids (per barrel)		
United States	$ 10.35	$ 13.89
Foreign	11.21	14.56
Natural gas (per Mcf)		
United States	1.76	2.21
Foreign	2.08	2.56

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

Three months

	ended March 31	
	1999	1998
Crude oil and natural gas liquids (barrels per day)		
United States	52,658	44,825
Foreign	171,302	164,291
Total	223,960	209,116
Natural gas (Mcf per day)		
United States	338,972	298,882
Foreign	294,181	283,459
Total	633,153	582,341

The increase in United States and foreign crude oil production principally reflects new fields which came onstream in late 1998. Increased natural gas production reflects new fields in the United States and higher demand in the United Kingdom.

In April 1999, the floating production vessel used to produce the Fife, Fergus and Flora fields in the United Kingdom North Sea was damaged and removed from the fields for repair. The Corporation's share of production from these fields exceeds 20,000 barrels of crude oil per day. The vessel is operated by a third party and repairs are estimated to take four months.

RESULTS OF OPERATIONS (CONTINUED)

In 1999, depreciation, depletion, and amortization charges relating to exploration and production activities were comparable to the 1998 amount, but lower on a per barrel-produced basis, reflecting the impact of new lower cost fields and the effect of positive oil and gas reserve revisions at the end of 1998. Exploration expenses were lower in 1999, due to a reduced exploration budget in response to lower oil prices. General and administrative expenses were also lower, principally due to cost reduction initiatives in the United States and United Kingdom. The Corporation's gas marketing activities in the United Kingdom had volume related cost increases in the first quarter of 1999 which are included in marketing expenses in the income statement. The effective income tax rate on exploration and production earnings was lower in 1999, principally reflecting reduced provisions for United Kingdom taxes, due to foreign currency translation adjustments and deductible allowances.

In 1999, the Corporation changed the functional currency used in translating the foreign currency financial statements of its United Kingdom operations. The change involved designating the U.S. dollar rather than the British pound sterling as the primary currency. During the first quarter, the U.S. dollar strengthened in relation to the pound sterling. As a result, the Corporation recorded an after-tax currency gain of $26 million, principally on the translation of sterling liabilities. The Corporation has now hedged this translation exposure and would not expect such significant primary currency effects in the future. The Corporation also recorded a charge of $8 million due to the termination of long-term contracts for two marine service vessels.

Currently, crude oil selling prices are significantly higher than the average selling prices received by the Corporation in the first quarter of 1999. Exploration and production earnings are very sensitive to these selling prices. The Corporation anticipates that

prices will continue to be volatile.

Refining, Marketing and Shipping

Refining, marketing and shipping operations had income of $53 million in the first quarter of 1999, compared with a loss of $33 million in the first quarter of 1998. The Corporation's 50% share of HOVENSA earnings was $16 million in the first quarter of 1999 compared with a loss in the corresponding period of 1998 when the refinery was wholly-owned. Both periods included the positive impact of inventory write-downs that had been recorded at the prior year-ends. Income taxes are not recorded on HOVENSA results due to available loss carryforwards. Refining, marketing and shipping results in the first quarter of 1999 also include interest income of $12 million on the note received in connection with the formation of the joint venture.

RESULTS OF OPERATIONS (CONTINUED)

Results from retail operations improved slightly in the first quarter of 1999 compared with the first quarter of 1998, principally reflecting lower operating expenses. Results from energy marketing activities were comparable to the 1998 first quarter. Both periods were negatively affected by relatively mild winter weather.

The Corporation periodically takes forward positions on energy contracts outside of its hedging program. The Corporation also has a 50% interest in a consolidated partnership which trades energy commodities. The combined results of these activities were gains of $18 million and $3 million in the first quarter of 1999 and 1998, respectively.

Marketing expenses in the consolidated income statement include the costs of retail operations, energy marketing and the consolidated trading partnership. Marketing expenses increased slightly in the first quarter of 1999, principally due to energy marketing and trading activities. Other operating expenses and depreciation relating to refining, marketing and shipping activities are lower in 1999 due to equity accounting for the HOVENSA joint venture.

Refined product sales volumes decreased to 397,000 barrels per day in the first quarter of 1999 compared with 543,000 barrels per day in 1998. The decrease is primarily attributable to HOVENSA sales to third parties which are no longer included in the Corporation's reported sales. The Corporation's share of refinery runs amounted to 222,000 barrels per day in the first quarter of 1999 compared with 419,000 barrels per day in 1998 when the St. Croix refinery was wholly-owned.

Contracts for the Corporation's planned sale of several non-strategic U.S. oil terminals and retail sites are expected to be signed in the second quarter.

Corporate and Interest

Net corporate expenses decreased by $5 million in the first quarter of 1999 compared with the first quarter of 1998, due in part to lower compensation expenses. After-tax interest expense was comparable in the first quarters of 1999 and 1998 and is expected to be similar to the 1998 amount over the remainder of the year.

Consolidated Revenues

Sales and other operating revenues decreased by approximately 15% in the first quarter of 1999. In addition to the exclusion of third party sales of HOVENSA as a result of equity accounting, the decrease

was primarily due to lower crude oil and refined product selling prices. Virgin Islands refinery third party sales amounted to $184 million in the first quarter of 1998.

LIQUIDITY AND CAPITAL RESOURCES

Net cash provided by operating activities, including changes in operating assets and liabilities, amounted to $107 million in the first quarter of 1999 compared with $158 million in the first quarter of 1998. The decrease was primarily due to changes in working capital components, principally accounts receivable. The sale of natural gas properties in California generated proceeds of $54 million in the first quarter of 1999 and the sales of oil and gas properties in the United States and Norway resulted in proceeds of $98 million in 1998.

Total debt was $2,686 million at March 31, 1999 compared with $2,652 million at December 31, 1998. The debt to capitalization ratio was 49.9% at March 31, compared with 50.1% at year-end. At March 31, 1999, floating rate debt amounted to 37.2% of total debt, including the effect of interest rate conversion (swap) agreements. At March 31, 1999, the Corporation had $968 million of additional borrowing capacity available under its revolving credit agreements and additional unused lines of credit under uncommitted arrangements with banks of $277 million.

The Corporation is considering issuing $400 to $600 million of public debentures in 1999. The proceeds of the issuance would be used for the repayment of bank debt and general corporate purposes.

In 1998, the Corporation recorded a charge of $90 million (before income taxes) for the decline in market value of fixed-price drilling service contracts due to low crude oil prices. During the first quarter of 1999, the related accrued liabilities were reduced by $12 million reflecting payments for excess costs on the drilling service contracts. In addition, the Corporation charged $5 million in payments against accrued severance liabilities established in connection with a reduction to its workforce in the fourth quarter of 1998. The remaining severance balance at March 31 is $24 million. No other changes were made to either reserve.

Futures, forwards, options and swaps are used 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 products and the related gains or losses are an integral part of the Corporation's selling prices. At March 31, 1999, the Corporation had open hedge positions equal to 3% of its estimated worldwide crude oil production over the next twelve months. The Corporation also had open contracts equal to 2% of its estimated United States natural gas production over the next twelve months. In addition, the Corporation had hedges covering 22% of its refining and marketing inventories. As market conditions change, the Corporation will adjust its hedge positions.

LIQUIDITY AND CAPITAL RESOURCES (CONTINUED)

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 March 31, 1999 the Corporation had $335 million of foreign currency exchange contracts outstanding. In addition, the Corporation uses interest-rate conversion agreements to reduce exposure to floating interest rates. At March 31, the Corporation had $400 million of interest-rate conversion agreements outstanding.

No shares were repurchased in the first quarter of 1999 under the Corporation's stock repurchase program. The Corporation's stock repurchase program expired on March 31, 1999.

Capital expenditures in the first quarter of 1999 amounted to $201 million compared with $318 million in the first quarter of 1998. Capital expenditures for exploration and production activities were $185 million in the first quarter of 1999 compared with $295 million in the first three months of 1998. Capital expenditures for the remainder of 1999 are expected to be approximately $700 million and will be financed by internally generated funds.

YEAR 2000

Some older computer software and embedded computer systems use two digits rather than four to reflect dates used in performing calculations. Because these computer programs and embedded systems may not properly recognize the Year 2000, errors may result causing potentially serious disruptions. In addition, third parties with which the Corporation does business face the same problems.

The Corporation has a worldwide program to identify software and hardware that is not Year 2000 compliant. The Corporation is also determining the Year 2000 status of major vendors and customers and is working on contingency planning. The Corporation's Year 2000 project is jointly managed by its Chief Information Officer and its Vice President of Internal Audit.

Status of Year 2000 Project

Since 1995, the Corporation has been installing new financial and business systems as part of its reengineering project. Although the primary purpose of the project is to increase efficiency and effectiveness, the new software is Year 2000 compliant. These new systems have replaced, or will replace, approximately 70% of noncompliant software. The final phase of the new software installation is scheduled for completion in the second quarter of 1999.

YEAR 2000 (CONTINUED)

The Corporation has assessed its remaining software. Remediation of the remaining software is largely complete and testing of changes is in progress. Testing and certification are scheduled for completion during the second quarter of 1999. Several vendor supplied software packages are scheduled for upgrades during the third quarter of 1999. The Corporation has completed approximately 80% of this portion of the project at March 31. The Corporation principally uses external consultants on this phase of the project.

There are embedded computer systems used throughout the Corporation's operations. The Corporation has hired consultants to evaluate embedded systems. The inventory and assessment phases are mostly complete. Remediation of critical systems, where required, should finish in the second quarter of 1999. Remediation of all other systems, where required, will be completed in the third quarter. At March 31, assessment and remediation of embedded computer systems is approximately 70% complete.

The Corporation has also undertaken a supplier and customer analysis of Year 2000 readiness. The identification process is complete. Communication with third parties to assess their progress in addressing Year 2000 problems is in progress. The third party analysis will be completed by the end of the second quarter of 1999 and is approximately 65% complete at March 31.

Costs

The new systems that replace approximately 70% of noncompliant software will have a total cost of approximately $50 million (of which approximately 95% has been expended at March 31). The Corporation expects to spend an additional $12 million for remediation of remaining systems, primarily for outside consultants, which is being expensed as incurred. To date, the Corporation has expended approximately $8 million of the expected total.

The Corporation has not deferred ongoing information technology projects because of Year 2000 efforts.

Risks

There are uncertainties inherent in the Year 2000 problem, partially resulting from the readiness of customers and suppliers. The failure to correct material Year 2000 problems could interrupt business and operations. Uncorrected, these interruptions could have a material effect on the Corporation's financial position and results of operations. Consequently, the Corporation cannot determine whether Year 2000 failures will materially affect its financial position or results of operations. However, the objective of the Corporation's Year 2000 project is to reduce these risks.

YEAR 2000 (CONTINUED)

Contingency Planning

The final portion of the Corporation's Year 2000 program is contingency planning. Contingency plans are necessary to ensure that risks associated with Year 2000 are mitigated. In the normal course of business, the Corporation has developed contingency plans to ensure that it has alternate suppliers for critical materials and equipment and that production of crude oil, natural gas and refined products can be sold. During the first quarter of 1999, the Corporation completed a strategy for developing Year 2000 contingency plans. The Corporation plans to assess risks and write contingency plans by the end of the second quarter of 1999. During the second half of the year, the Corporation will update and enhance the contingency plans as required by changing conditions.

In addition, the Corporation has engaged external consultants to review and benchmark the progress of its Year 2000 project.

Safe Harbor

Certain information in this section on Year 2000 is forward looking. This includes projected timetables and costs to complete projects, and possible effects. These disclosures are based on the Corporation's current understanding and assessment of the Year 2000 problem. Assumptions used, such as availability of resources, and the status of its Year 2000 assessment and remediation projects may change. In addition, suppliers and customers may fail to be ready for the Year 2000. Consequently, actual results may differ from these disclosures.

PART II - OTHER INFORMATION

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

(a) Exhibits

18 - Letter from Ernst & Young LLP dated May 14, 1999 relating to preferability of last-in, first-out (LIFO) inventory method, adopted January 1, 1999.

(b) Reports on Form 8-K

The Registrant filed no report on Form 8-K during the three months ended March 31, 1999.

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: May 10, 1999

Exhibit 18

[ERNST & YOUNG LLP LETTERHEAD]

May 14, 1999

Board of Directors & Shareholders
Amerada Hess Corporation
1185 Avenue of the Americas
New York, NY 10036

Dear Sirs:

Note 2 of Notes to the Consolidated Financial Statements of Amerada Hess Corporation (the "Corporation") included in its Form 10-Q for the quarter ended March 31, 1999 describes a change in the method of accounting for the Corporation's refining and marketing petroleum inventories from the average cost and first-in, first-out methods to the last-in, first-out ("LIFO") method, effective January 1, 1999. You have advised us that you believe the change is to a preferable method in your circumstances because the LIFO method provides for a better matching of costs and revenues for refining and marketing operations by charging the most recent costs incurred against current revenues. Additionally, the LIFO method is widely used within the oil and gas industry.

There are no authoritative criteria for determining a preferable method of accounting for inventories based on the particular circumstances; however, we conclude that the change in the method of accounting for petroleum inventories is to an acceptable alternative method which, based on your business judgment to make this change for the reason cited above, is preferable in your circumstances.

We have not audited the application of this change to the consolidated financial statements of any period after December 31, 1998. Further, we have not examined and do not express any opinion with respect to your consolidated financial statements for the three months ended March 31, 1999.

Very truly yours,

/s/ Ernst & Young LLP

Ernst & Young LLP is a member of Ernst & Young International, Ltd.

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<BONDS> 2,608,993
<PREFERRED-MANDATORY> 0
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<COMMON> 90,368
<OTHER-SE> 2,603,265
<TOTAL-LIABILITY-AND-EQUITY> 7,974,309
<SALES> 1,538,693
<TOTAL-REVENUES> 1,650,064
<CGS> 999,072
<TOTAL-COSTS> 999,072
<OTHER-EXPENSES> 0
<LOSS-PROVISION> 0
<INTEREST-EXPENSE> 39,133
<INCOME-PRETAX> 94,440
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<INCOME-CONTINUING> 70,580
<DISCONTINUED> 0
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<CHANGES> 0
<NET-INCOME> 70,580
<EPS-PRIMARY> .79
<EPS-DILUTED> .79