

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K

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

Date of Report (Date of Earliest Event Reported):
January 28, 2004

AMERADA HESS CORPORATION

(Exact Name of Registrant as Specified in Charter)

DELAWARE
(State or Other
Jurisdiction of
Incorporation)

No. 1-1204
(Commission
File Number)

No. 13-4921002
(IRS Employer
Identification No.)

1185 Avenue of the Americas
New York, New York 10036
(Address of Principal Executive Offices) (Zip Code)

Registrant's Telephone Number, Including Area Code: **(212) 997-8500**

N/A
(Former Name or Former Address, if Changed Since Last Report)

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Item 7. Financial Statements and Exhibits.

(c) Exhibits

99(1) News release dated January 28, 2004 reporting results for the fourth quarter and year of 2003.

99(2) Prepared remarks of John B. Hess.

Item 9. Regulation FD Disclosure.

Furnished hereunder are the prepared remarks of John B. Hess, Chairman of the Board of Directors and Chief Executive Officer of Amerada Hess Corporation, at a public conference call held on January 28, 2004. A copy of these remarks is attached as Exhibit 99(2) and is incorporated herein by reference.

Item 12. Results of Operations and Financial Condition.

On January 28, 2004, Amerada Hess Corporation issued a news release reporting its results for the fourth quarter and year of 2003. A copy of this news release is attached hereto as Exhibit 99(1) and is hereby incorporated by reference.

SIGNATURE

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 hereunto duly authorized.

Date: January 28, 2004

AMERADA HESS CORPORATION

By: /s/John Y. Schreyer

Name: _____

Title: John Y. Schreyer
Executive Vice President and
Chief Financial Officer

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EXHIBIT INDEX

Exhibit No.	Description
99(1)	News release dated January 28, 2004 reporting results for the fourth quarter and year of 2003.
99(2)	Prepared remarks of John B. Hess.

news release

AMERADA HESS CORPORATION

1185 Avenue of the Americas, N.Y., N.Y. 10036

FOR IMMEDIATE RELEASE

AMERADA HESS REPORTS RESULTS FOR THE FOURTH QUARTER OF 2003

New York, New York....January 28, 2004...Amerada Hess Corporation (NYSE: AHC) reported net income of \$68 million for the fourth quarter of 2003 compared with a net loss of \$371 million for the fourth quarter of 2002. Results for the fourth quarter of 2002 included an after-tax impairment charge of \$530 million (\$706 million before income taxes). Net income was \$643 million for the year 2003 compared with a loss of \$218 million in the corresponding period of 2002. The after-tax results by major operating activity in 2003 and 2002 were as follows (in millions, except per share amounts):

	Three months ended December 31		Year ended December 31	
	2003*	2002*(a)	2003*	2002(a)
Exploration and production	\$ 83	\$ (375)	\$ 414	\$ (102)
Refining and marketing	55	20	327	85
Corporate	(29)	(7)	(101)	(63)
Interest expense	(41)	(38)	(173)	(165)
Income (loss) from continuing operations	68	(400)	467	(245)
Discontinued operations				
Net gains from asset sales	—	—	116	—
Income from operations	—	29	53	27
Income from cumulative effect of accounting change	—	—	7	—
Net income (loss)	\$ 68	\$ (371)	\$ 643	\$ (218)
Income (loss) per share from continuing operations (diluted)	\$.71	\$ (4.52)	\$5.17	\$(2.78)
Net income (loss) per share (diluted)	\$.71	\$ (4.20)	\$7.11	\$(2.48)

* Unaudited.

(a) Reclassified to conform with current period presentation.

The Corporation's oil and gas production, on a barrel-of-oil equivalent basis, was 356,000 barrels per day in the fourth quarter of 2003 compared to 434,000 barrels per day in the fourth quarter of 2002. Approximately seventy percent of the decline in production resulted from asset sales and exchanges in connection with the Corporation's initiatives to reshape its portfolio of producing properties. In the fourth quarter of 2003, the Corporation's average worldwide crude oil selling price, including the effect of hedging, was \$25.34 per barrel, an increase of \$.87 per barrel from the fourth quarter of 2002. The average crude oil selling price for the full year of 2003 was \$24.80 per barrel, an increase of \$.22 per barrel from 2002. The Corporation's average United States natural gas selling price, including the effect of hedging, was \$3.96 per Mcf in the fourth quarter of 2003, a decrease of \$.41 per Mcf from the fourth quarter of 2002. The average United States natural gas selling price for the full year of 2003 was \$4.02 per Mcf, an increase of \$.30 per Mcf from 2002.

Refining and marketing earnings increased in the fourth quarter and the year 2003 compared with the corresponding periods of 2002, reflecting higher refining earnings and increased income from retail gasoline station operations.

The following items, on an after-tax basis, are included in net income in the fourth quarter and year of 2003 and 2002 (in millions):

	Three months ended December 31 (unaudited)		Year ended December 31 (unaudited)	
	2003	2002	2003	2002
Premiums on bond repurchases	\$ (19)	\$ (2)	\$ (34)	\$ (6)
Accrued severance and London office lease costs	(9)	—	(32)	—
United States income tax benefit	—	—	30	—
Asset impairments	—	(530)	—	(737)
Gains (losses) from asset sales				
Exploration and production	—	13	31	33
Refining and marketing	—	—	(20)	67
Charge for increase in United Kingdom income tax rate	—	—	—	(43)
Reduction in carrying value of refining and marketing intangible assets and accrued severance	—	—	—	(22)
	<u>\$ (28)</u>	<u>\$ (519)</u>	<u>\$ (25)</u>	<u>\$ (708)</u>

Capital expenditures for the year 2003 amounted to \$1,358 million of which \$1,286 million related to exploration and production activities. Capital expenditures for the year 2002 amounted to \$1,534 million, including \$1,404 million for exploration and production.

	Consolidated Financial Information			
	Three months ended December 31		Year ended December 31	
	2003*	2002*	2003*	2002
	(In millions, except per share amounts)			
Sales and other operating revenues	\$3,628	\$3,207	\$14,311	\$11,551
Income (loss) from continuing operations	\$ 68	\$ (400)	\$ 467	\$ (245)
Discontinued operations				
Net gains from asset sales	—	—	116	—
Income from operations	—	29	53	27
Cumulative effect of accounting change	—	—	7	—
Net income (loss)	<u>\$ 68</u>	<u>\$ (371)</u>	<u>\$ 643</u>	<u>\$ (218)</u>
Income (loss) per share from continuing operations (diluted)	<u>\$.71</u>	<u>\$ (4.52)</u>	<u>\$ 5.17</u>	<u>\$ (2.78)</u>
Net income (loss) per share (diluted)	<u>\$.71</u>	<u>\$ (4.20)</u>	<u>\$ 7.11</u>	<u>\$ (2.48)</u>
Weighted average number of shares	<u>89.2</u>	<u>88.4**</u>	<u>90.3</u>	<u>88.2**</u>

* Unaudited.

** Represents basic shares.

In the preceding discussion, the financial effects of certain transactions are disclosed on an after-tax basis. Management reviews segment earnings on an after-tax basis and uses after-tax amounts in its review of variances in segment earnings. Management believes that after-tax amounts are a preferable method of explaining variances in earnings, since they show the entire effect of a transaction rather than only the pre-tax amount. After-tax amounts are determined by applying the appropriate income tax rate in each tax jurisdiction to pre-tax amounts.

The following table contains the pre-tax amounts of items included in net income which are shown on an after-tax basis above (in millions):

	Three months ended December 31		Year ended December 31	
	2003	2002	2003	2002
Premiums on bond repurchases	\$ (31)	\$ (5)	\$(58)	\$ (15)
Accrued severance and London office lease costs	(15)	—	(53)	—
Asset impairments	—	(706)	—	(1,024)
Gains (losses) from asset sales				
Exploration and production	—	13	47	41
Refining and marketing	—	—	(9)	102
Reduction in carrying value of refining and marketing intangible assets and accrued severance	—	—	—	(35)
	<u>\$ (46)</u>	<u>\$ (698)</u>	<u>\$(73)</u>	<u>\$ (931)</u>

AMERADA HESS CORPORATION AND CONSOLIDATED SUBSIDIARIES
SUPPLEMENTAL FINANCIAL DATA (UNAUDITED)
(IN MILLIONS)

Line No.		Fourth Quarter 2003	Fourth Quarter 2002(*)	Third Quarter 2003
		(A)	(B)	(C)
Income Statement				
Revenues and Non-operating Income				
1	Sales and other operating revenues	\$3,628	\$3,207	\$3,230
	Non-operating income (expense)			
2	Gain on asset sales	—	13	—
3	Equity in income of HOVENSA L.L.C	10	4	43
4	Other	(30)	22	23
5	Total revenues and non-operating income	3,608	3,246	3,296
Costs and Expenses				
6	Cost of products sold	2,523	2,052	2,194
7	Production expenses	207	214	207
8	Marketing expenses	201	202	171
9	Exploration expenses, including dry holes and lease impairment	116	110	59
10	Other operating expenses	49	43	44
11	General and administrative expenses	87	61	70
12	Interest expense	69	62	73
13	Depreciation, depletion and amortization	254	265	253
14	Asset impairment	—	706	—
15	Total costs and expenses	3,506	3,715	3,071
16	Income (loss) from continuing operations before income taxes	102	(469)	225
17	Provision (benefit) for income taxes	34	(69)	79
18	Income (loss) from continuing operations	68	(400)	146
Discontinued operations				
19	Net gain from asset sales	—	—	—
20	Income from operations	—	29	—
21	Net income (loss)	68	(371)	146
22	Preferred stock dividends	5	—	—
23	Net income (loss) applicable to common stockholders	\$ 63	\$ (371)	\$ 146
Segment Earnings Analysis				
24	Exploration and production	\$ 83	\$ (375)	\$ 124
25	Refining and marketing	55	20	89
26	Corporate	(29)	(7)	(25)
27	Interest expense	(41)	(38)	(42)
28	Income (loss) from continuing operations	68	(400)	146
Discontinued operations				
29	Net gain from asset sales	—	—	—
30	Income from operations	—	29	—
31	Net income (loss)	\$ 68	\$ (371)	\$ 146
32	Net Cash Provided by Operating Activities (**)	\$ 423	\$ 538	\$ 99
Capital Expenditures				
33	Exploration and production	\$ 328	\$ 303	\$ 298
34	Refining and marketing	14	23	9
35	Total capital expenditures	\$ 342	\$ 326	\$ 307
At End of Period				
36	Total debt	\$3,941	\$4,992	\$4,490

37	Stockholders' equity	\$5,340	\$4,249	\$4,714
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(*) Reclassified to conform with current period presentation.

(**) Includes changes in working capital.

AMERADA HESS CORPORATION AND CONSOLIDATED SUBSIDIARIES
SUPPLEMENTAL FINANCIAL DATA (UNAUDITED)
(IN MILLIONS)

Line No.		Year	
		2003	2002 (*)
		(A)	(B)
Income Statement			
Revenues and Non-operating Income			
1	Sales and other operating revenues	\$14,311	\$11,551
Non-operating income (expense)			
2	Gain on asset sales	39	143
3	Equity in income (loss) of HOVENSA L.L.C	117	(47)
4	Other	13	85
5	Total revenues and non-operating income	<u>14,480</u>	<u>11,732</u>
Costs and Expenses			
6	Cost of products sold	9,947	7,226
7	Production expenses	796	736
8	Marketing expenses	709	703
9	Exploration expenses, including dry holes and lease impairment	369	316
10	Other operating expenses	192	165
11	General and administrative expenses	340	253
12	Interest expense	293	256
13	Depreciation, depletion and amortization	1,053	1,118
14	Asset impairment	—	1,024
15	Total costs and expenses	<u>13,699</u>	<u>11,797</u>
16	Income (loss) from continuing operations before income taxes	781	(65)
17	Provision for income taxes	314	180
18	Income (loss) from continuing operations	467	(245)
Discontinued operations			
19	Net gain from asset sales	116	—
20	Income from operations	53	27
21	Cumulative effect of change in accounting principle, net	7	—
22	Net income (loss)	<u>643</u>	<u>(218)</u>
23	Preferred stock dividends	5	—
24	Net income (loss) applicable to common stockholders	<u>\$ 638</u>	<u>\$ (218)</u>
25	Net Cash Provided by Operating Activities	<u>\$ 1,581</u>	<u>\$ 1,965</u>
Capital Expenditures			
26	Exploration and production	\$ 1,286	\$ 1,404
27	Refining and marketing	72	130
28	Total capital expenditures	<u>\$ 1,358</u>	<u>\$ 1,534</u>
		December 31	December 31
		2003	2002
Balance Sheet Information			
29	Current assets	\$ 3,186	\$ 2,756
30	Investments	1,095	1,622
31	Property, plant and equipment — net	7,978	7,032
32	Other assets	1,724	1,852
33	Total assets	<u>\$ 13,983</u>	<u>\$ 13,262</u>
34	Current portion of long-term debt	<u>\$ 73</u>	<u>\$ 16</u>

35	Other current liabilities	2,596	2,537
36	Long-term debt	3,868	4,976
37	Deferred liabilities and credits	2,106	1,484
38	Stockholders' equity excluding other comprehensive loss	5,690	4,503
39	Accumulated other comprehensive loss	(350)	(254)
		<u> </u>	<u> </u>
40	Total liabilities and stockholders' equity	\$ 13,983	\$ 13,262
		<u> </u>	<u> </u>

(*) Reclassified to conform with current period presentation.

AMERADA HESS CORPORATION AND CONSOLIDATED SUBSIDIARIES
SUPPLEMENTAL OPERATING DATA
(IN THOUSANDS, EXCEPT FOR AVERAGE SELLING PRICES)

Line No.		Fourth Quarter 2003	Fourth Quarter 2002	Third Quarter 2003
		(A)	(B)	(C)
Operating Data				
Net Production Per Day				
Crude oil — barrels				
1	United States	40	48	41
2	United Kingdom	79	110	78
3	Norway	27	25	22
4	Denmark	23	28	24
5	Algeria	19	18	23
6	Equatorial Guinea	18	30	21
7	Gabon	12	9	11
8	Azerbaijan	2	4	2
9	Indonesia	1	3	—
10	Colombia	—	20	—
11	Total	221	295	222
Natural gas liquids — barrels				
12	United States	10	11	12
13	United Kingdom	7	6	4
14	Norway	1	1	1
15	Indonesia and Thailand	2	2	2
16	Total	20	20	19
Natural gas — mcf				
17	United States	213	320	216
18	United Kingdom	339	284	262
19	Norway	28	25	24
20	Denmark	23	39	30
21	Indonesia and Thailand	88	45	59
22	Total	691	713	591
23	Barrels of oil equivalent (*)	356	434	339
Average Selling Price (including hedging)				
Crude oil — per barrel				
24	United States	\$25.06	\$22.78	\$24.33
25	Foreign	25.40	24.77	24.72
Natural gas liquids — per barrel				
26	United States	\$24.01	\$20.99	\$22.00
27	Foreign	24.71	21.80	23.33
Natural gas — per mcf				
28	United States	\$ 3.96	\$ 4.37	\$ 3.53
29	Foreign	3.74	2.52	2.54
Marketing and Refining — Barrels Per Day				
30	Refined products sold	423	402	390
31	Refinery runs (net)	225	196	241

(*) Includes production from properties classified as discontinued operations of 44 thousand barrels of oil equivalent per day in the fourth quarter of 2002.

AMERADA HESS CORPORATION AND CONSOLIDATED SUBSIDIARIES
SUPPLEMENTAL OPERATING DATA
(IN THOUSANDS, EXCEPT FOR AVERAGE SELLING PRICES)

Line No.		Year	
		2003	2002
		(A)	(B)
Operating Data			
Net Production Per Day			
Crude oil — barrels			
1	United States	44	54
2	United Kingdom	89	112
3	Norway	24	24
4	Denmark	24	23
5	Algeria	19	15
6	Equatorial Guinea	22	37
7	Gabon	11	9
8	Azerbaijan	2	4
9	Indonesia	1	4
10	Colombia	3	22
11	Total	<u>239</u>	<u>304</u>
Natural gas liquids — barrels			
12	United States	11	12
13	United Kingdom	6	6
14	Norway	1	1
15	Indonesia and Thailand	2	2
16	Total	<u>20</u>	<u>21</u>
Natural gas — mcf			
17	United States	253	373
18	United Kingdom	312	277
19	Norway	26	25
20	Denmark	29	37
21	Indonesia and Thailand	63	42
22	Total	<u>683</u>	<u>754</u>
23	Barrels of oil equivalent (*)	<u>373</u>	<u>451</u>
Average Selling Price (including hedging)			
Crude oil — per barrel			
24	United States	\$24.23	\$24.04
25	Foreign	24.93	24.69
Natural gas liquids — per barrel			
26	United States	\$23.74	\$16.12
27	Foreign	24.09	19.09
Natural gas — per mcf			
28	United States	\$ 4.02	\$ 3.72
29	Foreign	3.01	2.26
Marketing and Refining — Barrels Per Day			
30	Refined products sold	<u>419</u>	<u>383</u>
31	Refinery runs (net)	<u>220</u>	<u>181</u>

(*) Includes production from properties classified as discontinued operations of 13 and 51 thousand barrels of oil equivalent per day in the years of 2003 and 2002, respectively.

Contact: Amerada Hess Corporation — J.R. Wilson (212) 536-8940

Amerada Hess – 4th Quarter 2003 Conference Call

Comments by John Hess

Thank you Jay, and welcome to our fourth quarter conference call. I would like to make a few brief comments on some of our key accomplishments during 2003 and provide some guidance for 2004. John Schreyer will then review the 4th quarter financials, after which we will be pleased to take your questions.

In 2003, we made a great deal of progress in 1) advancing our strong portfolio of development projects, 2) reshaping our existing asset portfolio, 3) restructuring our Exploration and Production organization, 4) creating value through focused, high impact exploration, and 5) strengthening our balance sheet and financial flexibility.

Over the past several years we have significantly shifted our exploration and production capital expenditures to field developments. In 2003 we invested \$707 million, or 56% of our upstream capital spending in developments, and in 2004, we plan to invest approximately \$900 million, or about 63% of our upstream capital expenditures in developments. This compares to average annual development spending

during 2000-2002 of \$423 million, or 37% of upstream capital expenditures (excluding acquisitions).

We are currently funding 12 development projects which in aggregate are expected to add new production to the company in excess of 100 thousand barrels of oil equivalent per day by 2006. In addition, the lower costs of this new production combined with other cost cutting moves should reduce unit costs by \$2-3 per barrel by 2006.

All 12 of our key development projects are moving forward and should be on production by 2006. I would like to briefly highlight a few of these projects.

Development of the Llano field is progressing as planned and we expect the field to commence production during the second quarter of this year. Net production from Llano should average 8 mboe/d in 2004 and 15 mboe/d in 2005.

We recently made a trip to Southeast Asia and visited our operations in that part of the world. Installation of the JDA pipeline is scheduled to

begin this quarter. The pipeline will be tied into our platform in April and be fully installed by the end of the year. Construction of the gas separation plant has commenced and should be completed by the third quarter of 2005. It is important to note that we will sell our gas at the platform and that the buyers, Petronas and PTT, are responsible for funding the pipeline and gas separation plant. We still expect first production to occur during the second half of 2005 at a net rate of 160 mmcf/d. Demand for natural gas in the region continues to increase driven by very strong economic growth and we intend to negotiate with the buyers to sign additional Gas Sales Agreements.

Appraisal drilling in the Northern Block G area in Equatorial Guinea has completed and we are preparing to move forward with the development. Currently, we are in the process of incorporating the well data into our sub-surface models and optimizing our development concept. We are targeting submission of a Plan of Development to the government of Equatorial Guinea in the second quarter of this year.

In terms of reshaping our portfolio, in 2003 we sold \$545 million of assets of which \$478 million were mature or high cost exploration and

production properties. We also completed two significant asset swaps in 2003. In the first, we swapped mature, high cost assets in Colombia for a 25% interest in significant, long-lived natural gas reserves in the Malaysia - Thailand JDA, bringing our interest in the area to 50%. In the second transaction, we transferred a 14% interest and the operatorship of the Scott and Telford Fields in the North Sea in exchange for a 22.5% interest in the Llano Field in the deepwater Gulf of Mexico, bringing our interest in the field to 50%.

Last year we took steps to restructure our Exploration and Production business. As part of this reorganization, we have reduced headcount by about 30%, or roughly 700 positions. As a result, we expect to achieve annual after-tax cost savings of \$30 million. Sixty percent of these savings are expected to be realized in 2004, and the full amount realized in 2005.

With regard to exploration, our strategy is to drill fewer, but higher impact wells than in the past. In 2004 we expect to drill around 15 high impact exploration wells, including some appraisal wells. In 2004, over

one half of our exploration activity will be in the deepwater Gulf of Mexico.

During the fourth quarter we announced the positive results of two significant deep water Gulf of Mexico wells: the successful appraisal of our Shenzi discovery, in which we have a 28% interest and which encountered nearly 500 feet of net oil pay, and Tubular Bells, in which we have a 20% interest. Both Shenzi and Tubular Bells will be further appraised in 2004 and we are confident that both of these discoveries will be developed with first production likely in 2008.

Our refining and marketing business posted its best annual results in a decade. Earnings at HOVENSA, our refining joint venture in the U.S. Virgin Islands, and our retail and energy marketing businesses were strong. We believe that our downstream Return on Capital Employed and Net Income per Barrel of Refined Product Sold will rank in the top quartile versus competitors for 2003. The first quarter has started off well and we anticipate another strong year for our refining and marketing business in 2004.

The company's financial position was significantly strengthened in 2003. Proceeds from assets sales totaled \$545 million; we generated free cash flow, after capital spending and dividends, of \$175 million, and during the fourth quarter we issued \$675 million of mandatory convertible preferred stock. These moves allowed us to reduce debt by over \$1 billion in 2003 and resulted in our year-end debt to capitalization ratio declining to 42.5% from 54% at the end of 2002. We also had \$518 million of cash at the end of the year. With a currently undrawn credit facility of \$1.5 billion and negligible debt maturities over the next several years, we believe that we will have ample liquidity for the foreseeable future.

In 2004 our focus will be on creating value for shareholders by advancing our current development projects, appraising our recent discoveries and growing our proved reserve base. Portfolio reshaping will continue, but more as a normal course of business; no significant transactions are currently being contemplated. Assuming WTI prices average about \$24 per barrel, we believe that our capital expenditures and cash flow will be roughly balanced in 2004.

Total capital spending for the corporation is forecast at \$1.52 billion in 2004, versus, \$1.36 billion in 2003, with about 95% of expenditures dedicated to exploration and production in both years. With regard to our production forecast, we exited the year at 355 mboe/d, which exceeded our previous guidance of 330-340 mboe/d. While we are running a bit a head of schedule thus far in January, we maintain our full year 2004 forecast of 325 mboe/d. Year-end 2003 proved reserves were 1.035 billion barrels of oil equivalent. Beyond 2004, we believe that both our reserves and production are on a positive trajectory.

We are taking the necessary steps to shift our expenditures toward developments, reshape our asset portfolio and strengthen our balance sheet. We believe that we are now well positioned to achieve sustained, profitable future growth.

I will now turn the call over to John Schreyer.