

Our Exploration and Production efforts are focused on creating value for shareholders by advancing our current development projects, appraising our recent discoveries and growing our proved reserve base.

EXPLORATION & PRODUCTION

PRODUCTION

In 2003, Amerada Hess produced 373,000 barrels of oil equivalent per day. Production is expected to average 325,000 barrels of oil equivalent per day in 2004, reflecting asset sales and swaps transacted in 2003.

In the Garden Banks area of the deepwater Gulf of Mexico, total production exceeded 33,000 barrels of oil equivalent per day in 2003. Conger (AHC 37.5%) and Baldpate (AHC 50%) are key operated assets in the area.

Onshore, Amerada Hess is the leading oil producer in North Dakota. Through a combination of horizontal and infill drilling and stimulation technology, production levels have been maintained at approximately 22,000 barrels of oil equivalent per day, for the last five years.

In the Seminole San Andres unit in West Texas, Amerada Hess is an industry leader in using carbon dioxide injection technology to increase oil recovery. The carbon dioxide tertiary recovery project that commenced in 1983 is one of the most successful recovery projects in the region.

In the North Sea, Amerada Hess has a large production base including the Valhall Field (AHC 28.09%) in Norway, the South Arne Field (AHC 57.48%) in Denmark, and the Beryl (AHC 22.22%) and the Schiehallion (AHC 15.67%) fields in the United Kingdom. In 2003, 55% of global oil and gas production was from the North Sea.

The Ceiba Field (AHC 85%), located in Block G in Equatorial Guinea, is responding favorably to water injection and is expected to produce approximately 25,000 net barrels per day in 2004 compared to 22,000 barrels per day in 2003.

DEVELOPMENT

Amerada Hess is developing 12 new oil and gas fields with new production starting over the next three years. These developments are expected to add more than 100,000 barrels of oil equivalent production per day by 2006.

First production from the Llano Field (AHC 50%) on Garden Banks Blocks 385 and 386 in the Gulf of Mexico is scheduled for mid-2004, with initial net production expected to reach 12,000 barrels of oil equivalent per day by year end.

In Block A-18 (AHC 50%) of the Joint Development Area between Malaysia and Thailand, final approval of the buyer's pipeline and gas plant was secured and construction commenced in the second half of 2003. First production from the field is expected during the second half of 2005.

In Algeria, net production from the Gassi El Agreb redevelopment project operated by SonaHess, a joint operating company between Amerada Hess and Sonatrach, was approximately 20,000 barrels per day in 2003, an increase of more than 30% from 2002.