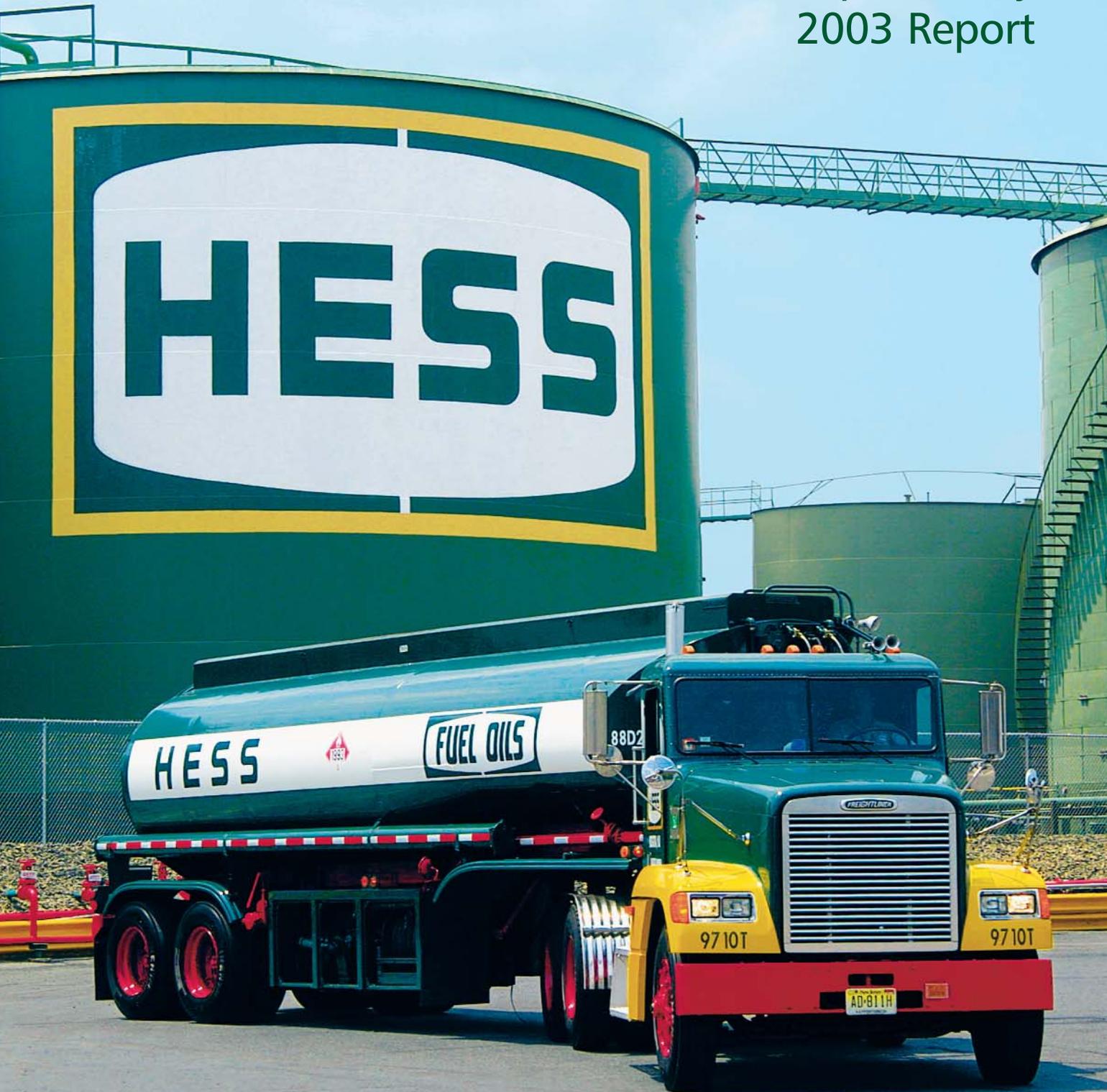


Environment, Health, Safety
and Social Responsibility
2003 Report



AMERADA HESS CORPORATION

SCOPE OF REPORT

Amerada Hess Corporation is a leading global independent energy company, engaged in the exploration and production of crude oil and natural gas, as well as in refining and marketing petroleum products, natural gas, and electricity.

This report covers the principal facilities and assets operated by Amerada Hess Corporation and its subsidiaries. Information from HOVENSA, which has its own Board of Directors and policies, is not included in this report. Information and data pertaining to HOVENSA is available in our web-based report at www.hess.com.

This report does not include data on oil and gas fields or marketing sites in which we have an equity interest but which are operated by other companies. Data from new assets are included in this report but may be reported separately from Company totals. Emission data and other environmental metrics refer to gross figures from operated facilities. Company baselines are not adjusted to reflect material changes from acquisitions or divestitures. For copies of the data referred to in this report in tabular format, please visit our web-based report at www.hess.com.

The format of this report follows the framework of the Global Reporting Initiative (GRI). However, gaps may exist where GRI reporting requirements are not applicable or are not reported for Amerada Hess operations.

2003 OPERATING STATISTICS

Exploration & Production	Net Crude Oil and NGL Production	259,000 bbls/day
	Gross Crude Oil and NGL Production from operated fields	344,600 bbls/day ^(a)
	Net Natural Gas Production	683,000 Mcf/day
	Gross Natural Gas Production from operated fields	1,262,000 Mcf/day ^(a)
	Total Net Barrels of Oil Equivalent Production	373,000 boed
Refining & Marketing	Port Reading facility production rate	54,000 bbls/day
	Gross HOVENSA refinery production rate	440,000 bbls/day ^(a)
	Terminals throughput	423,000 bbls/day ^(a)
	Owned and operated retail outlets year-end 2003	885
	Net Refined Products Sold	419,000 bbls/day

^(a) Gross operated production and throughput figures are used for data normalization for consistency with reported emissions.

Our average number of employees in 2003 was approximately 11,481. Additional operating and financial data are available in our 2003 Annual Report at www.hess.com.

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Management Letter

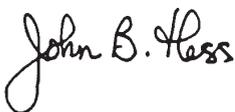
We are pleased to report that in 2003 substantial progress was made in achieving our Environment, Health, Safety and Social Responsibility goals. In this report we highlight many of these successes and also the challenges that we face.

In 2003, we achieved our best safety performance ever, reducing our recordable injury rate by 25%. Although we exceeded improvement targets for 2003, our commitment to the health and safety of our employees and contractors requires that we continue our campaign to improve our safety performance throughout our Company.

Considerable progress was also made towards achieving our environmental commitments. In comparison to our 2001 baseline, on a normalized basis we significantly reduced our emissions of oxides of sulfur and nitrogen

by 42% and 36 % respectively. We also achieved our target for reduction of greenhouse gases. Although we did reduce our normalized emissions of volatile organic compounds by 2% when compared to last year, we are 1% above our 2001 target baseline.

This is the seventh year of our publishing an annual report on our environmental, health and safety performance and our third year of including discussion on our social responsibility initiatives. It is also the third year where these reports and the underlying data have been independently verified by external auditors. We trust that this report, in conjunction with the Company's annual report and the data available on our website (www.hess.com), will provide insight into both our commitment and performance. We welcome your comments and suggestions.



JOHN B. HESS
Chairman of the Board and
Chief Executive Officer



J. BARCLAY COLLINS
Executive Vice President and
General Counsel



GERALD I. BRESNICK, Ph.D.
Vice President,
Environment, Health and Safety



Drilling operations in Southeast Asia

Management of Environment, Health, Safety and Social Responsibility

GOVERNANCE

In order to provide consistent direction and support for the Company's Environment, Health, Safety and Social Responsibility policies and programs, the Hess Leadership Team, consisting of top executive officers of Amerada Hess, is engaged in establishing performance expectations and holding business units accountable for their performance. Likewise, our performance in these areas is reviewed routinely with the Audit Committee of our Board of Directors. We have put in place formal management systems, strengthened our environmental, health and safety governance and Corporate audit program to help drive continuous improvement.

MANAGEMENT FRAMEWORK – Ethical and sound business conduct is essential in order to maintain our reputation and performance as we expand and diversify. Amerada Hess has in place a Business Practice Guide which provides our employees guidance and expectations in regards to business ethics, corporate citizenship, contracting and labor practices, regulatory compliance, safety, and protection of the environment. In 2003, the Guide was revised to emphasize the

Company's Values. One of our six key corporate values, Social Responsibility, includes safeguarding the environment, protection of the health and safety of our employees and contractors and a commitment to the communities where we do business.

In 2003, we maintained nearly a quarter of our total oil production and throughput from ISO14001 certified operations. In addition, several business units are currently working towards ISO certification.

ORGANIZATION – Technical support and functional guidance is provided to our business units through corporate and business unit staff. A chart showing our Environment, Health & Safety organization is presented in our web-based report at www.hess.com.

We continue to work with other companies and external groups, including various trade associations and professional societies, to advance our knowledge of developing worldwide Environment, Health, Safety and Social Responsibility challenges. We have also developed various internal task forces to foster knowledge sharing and assist business managers in addressing the objectives established by the Company.



HESS supported school in Indonesia

Social Responsibility

Building on our value of Social Responsibility, we continue to create a long-lasting, positive impact on the communities where we do business, acting responsibly towards human rights, labor, and societal issues wherever we operate.

HUMAN RIGHTS – The Company is committed to human rights and has a policy to accept and uphold the principles contained in the **Universal Declaration of Human Rights** within our sphere of influence. In further support of our commitment, we endorsed the U.S. State Department’s **Voluntary Principles on Security and Human Rights**, which promote security and the protection of human rights by advocating precautionary risk assessments and encouraging interactions between public and private security providers.

We also continue to support the **United Nations Global Compact**, which challenges businesses to adhere to ten principles in the areas of human rights, labor and the environment.

COMMUNITY INVOLVEMENT – Our Company has a long history of socially responsible community involvement and charitable contributions. In 2003, we provided aid to earthquake victims in Algeria, and provided educational assistance in Brazil, Equatorial Guinea, Gabon, Thailand and Indonesia. We also began a major program in Azerbaijan to improve the delivery of emer-

gency medical care. Working with internationally recognized medical experts we are assisting in the modernization of emergency medicine through training, supplies and hospital upgrades.

STAKEHOLDER ENGAGEMENT – In 2003, we continued to engage in discussions with both internal and external stakeholders to maintain and improve key relationships and reinforce transparency in our industry. At a corporate level, we participated in communications and surveys with numerous socially responsible investment groups.

Through industry associations we participated in dialogue sessions with various stakeholder groups and non-governmental organizations. In order to better address stakeholder concerns in South East Asia, our local area Business Unit implemented a regional Social Responsibility program to identify issues as soon as possible in the business process so that issues can be addressed and appropriate resources allocated.

EMPLOYEES – In response to concerns identified during discussions with employees and via internal surveys, the Company implemented a Leadership Development Program, enhanced its performance management program, and launched a “Refining and Marketing University” in order to manage career growth and help provide necessary skill sets to our employees.

7708

7708



Terminal operations – Jacksonville, Florida

Health, Safety and Environmental Performance

HEALTH AND SAFETY

Our commitment to safety is grounded in our desire that every employee return home after work safe and sound. One of our most important goals each year is to make significant improvements in our safety performance.

We established safety targets based on achieving top quartile Occupational Safety and Health Administration (OSHA) recordable incident rate performance compared to our business unit peers, and matching American Petroleum Industry (API) performance for lost work time incident rates based on API company wide averages by 2005.

Our Company achieved its safety objective for 2003. This was accomplished across the board with all major business divisions achieving excellent improvements in performance. We achieved a 25% Reduction in our recordable incident rate when compared to 2002 and a 31% improvement in those incidents which resulted in lost time or restricted duty for our employees. We are also very pleased to report that we experienced no employee or contractor fatalities.

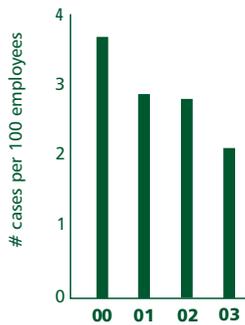
All of our business units met their internal 2003 targets and several Business Units achieved their 2005 objectives. We are, however, not satisfied with this improved level of performance and are continuing to aggressively address safety improvements.

THE CHAIRMAN'S AWARD FOR SAFETY EXCELLENCE

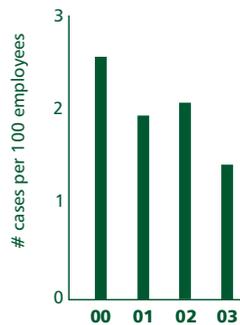
The Chairman's Award for Safety Excellence was established in January 2003 to underscore that exemplary health and safety performance is important to Amerada Hess and is an integral part of being a leading global independent energy company. The program recognizes individuals, teams, facilities and operations for:

- Outstanding health and safety performance, whether it be on an absolute basis or for improvement;
- Innovative ideas, programs, practices and management systems;
- Activities and initiatives that promote teamwork and team spirit in protecting employees, contractors and communities.

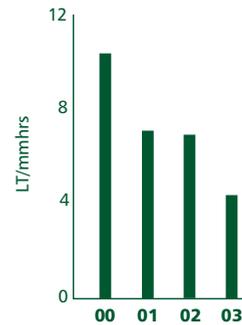
AHC OSHA Recordable Workplace Injury Rate Performance



AHC Lost Work Time & Restricted Duty Incident Rate Performance



AHC Lost Time Injuries Per Million Man Hours



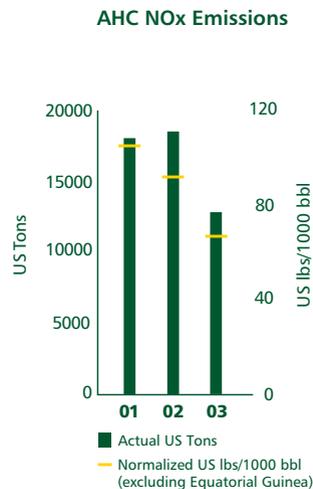
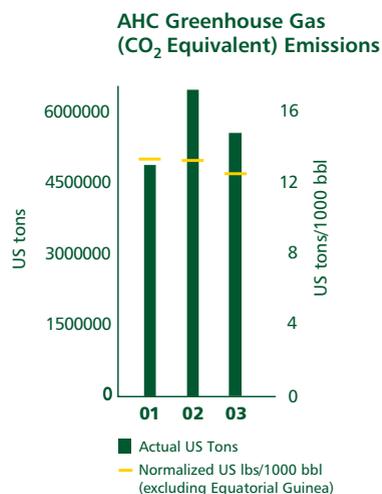
For 2003, there were six selected finalists for the award. The finalists were:

1. Algeria SonaHess Gassi El Agreb Operations who worked their third consecutive year without a Lost Time Injury.
2. Equatorial Guinea Operations – which achieved a 67% reduction in Recordable Injuries without a single Lost Time Injury.
3. Global Drilling Operations – which worked over 2 million person-hours, often in remote and inhospitable locations, with only one Lost Time Injury.
4. HOVENSA – which achieved a 51% reduction in Recordable Injuries and a 33% reduction in Lost Time Injuries while establishing a vital safety culture.
5. Retail Division 1 – which achieved a system-wide 45% reduction in Recordable Injuries and a 60% reduction in Lost Time Injuries.
6. Terminal Operations – which achieved a 73% reduction in Recordable Injuries and a 91% reduction in Lost Time Injuries while moving from 3rd to 1st quartile performance when measured against its peers.

TERMINAL OPERATIONS WINS SAFETY AWARD

Terminal Operations was selected as the 2003 recipient of the Chairman's Award for Safety Excellence as a result of their impressive safety improvement, their use of multiple improvement processes and their establishment of a sustainable safety culture.





ENVIRONMENTAL PERFORMANCE

Amerada Hess recognizes that its operations will impact the environment. We manage these impacts within our business as identified by both our environmental management systems and by our key stakeholders. The reporting metrics discussed herein present our performance related to these metrics over time, and in relation to our performance targets in the pursuit of continuous improvement.

GLOBAL CLIMATE CHANGE – The combustion of fossil fuels is responsible for emissions of greenhouse gases (GHG), which have been linked to global climate change. The full impacts of climate change are still uncertain but are believed to have an increasing impact upon both terrestrial and marine ecosystems as well as human activity such as agriculture and forestry. The GHG of particular relevance to our operations are carbon dioxide (CO₂), and methane (CH₄).

Within our operations, there are two major sources of GHG emissions: combustion of hydrocarbon fuels for power generation and flaring of associated gas. Minor sources include fugitive emissions from equipment such as flanges and valves, venting emissions from storage vessels, and emissions from loading and unloading operations.

We have set a company wide target of reducing our normalized greenhouse gas emissions by 5% by 2005. On a normalized basis, we have reduced our GHG emis-

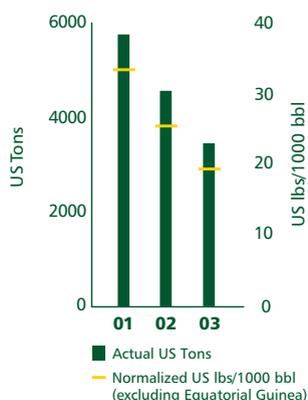
sions by 6% in comparison to our 2001 baseline. However, as we expand our operations, we acknowledge that our absolute atmospheric emissions will increase and we are evaluating options to sustain or reduce our overall emissions footprint.

With increasing global focus on the issue of climate change and the introduction of both regulatory and voluntary carbon trading initiatives, we recognized that there is a need to improve our GHG reporting. In 2003 we began work on a revised GHG Reporting Protocol. This protocol will better define our inventory and its boundaries. It will also allow us to monitor our emissions according to our equity share in both operated and non-operated facilities, thus aligning our GHG reporting with our financial reporting practices. We are also developing a standardized reporting methodology for the entire corporation based on the protocol.

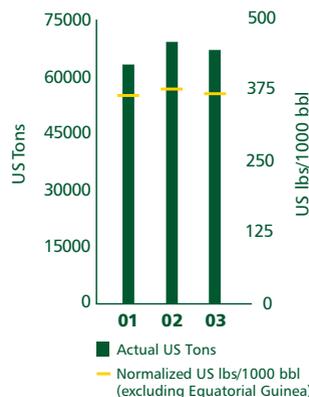
ACIDIFICATION AND SMOG – Acidification occurs when certain gases, mainly the oxides of sulfur (SO_x) and nitrogen (NO_x), are emitted to the atmosphere and react to enhance the natural acidity of precipitation. This precipitation, commonly termed “acid rain,” can impact animals, plants, water bodies, and man-made structures.

Smog, or ground level ozone, is formed by complex chemical reactions between Volatile Organic Compounds (VOC) and NO_x in sunlight. The build-up of ground level ozone can have human health effects, cause damage to vegetation, and cause poor visibility.

AHC SOx Emissions



AHC VOC Emissions



As with greenhouse gases, the predominant source of SOx and NOx from our operations are power generation and flaring. Major sources of VOC emissions are flaring, venting and hydrocarbon loading operations.

We made further progress in reducing our NOx and SOx emissions in 2003 compared to our 2001 baseline. On a normalized basis we decreased our company-wide NOx emissions by 36% and SOx emissions by 42%.

Despite a normalized reduction of 2% between 2002 and 2003, VOC emissions have increased slightly (1%) from our 2001 baseline on a normalized basis.

AQUEOUS IMPACTS – Our operations have the potential to impact water resources. Offshore, we undertake a number of activities that can affect the marine environment, such as the discharge of oil and chemicals in produced water or the use of seawater for re-injection. Similarly, onshore operations may result in discharges to rivers and also have the potential to impact ground water supplies. We are cognizant of these impacts and have established controls to minimize these impacts and metrics to help us monitor and improve our performance.

Oil Spills – Our overall goal is to achieve zero spills. However, oil spills and releases to the environment do occur accidentally. We track our company-wide spill performance in order to identify common causes and to plan mitigation measures accordingly.

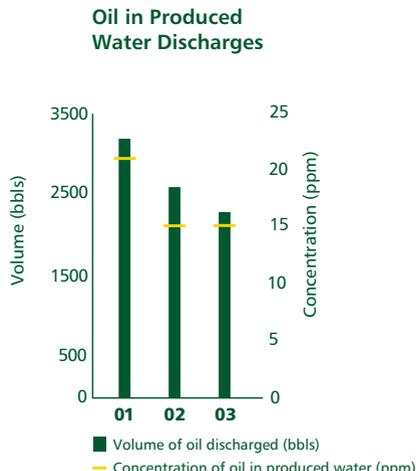
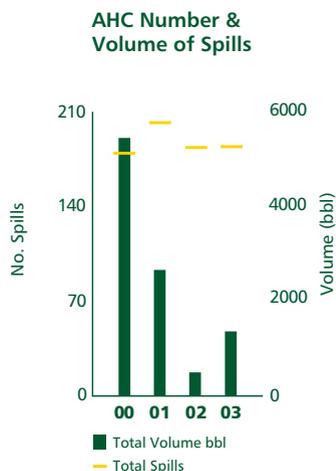
In 2003, we experienced 184 spills which totaled 1,325 barrels of oil. The overall number of spills and spill volume increased as compared to 2002. Customer related spills at retail stations account for 40% of spill incidents, while spills at onshore production locations in the United States accounted for the greatest volume (89%). All spills were promptly addressed and the vast majority of spilled material was recovered and properly disposed of.

Controlled Discharges – We generally improved our performance regarding permitted discharges to water during 2003.

At the Port Reading facility, we continued our excellent discharge performance, with actual concentrations of discharged materials substantially below permitted levels.

The volume of oil discharged in produced water at offshore facilities decreased to 2,346 barrels (bbls) in 2003 compared to 2,534 bbls in 2002. The company-wide oil in water concentration remained stable at 15 parts per million in 2003 and 2002 compared to 21 ppm in 2001.

The overall volume of drilling mud and cuttings discharged decreased in 2003. However, the amount of oil discharged with the cuttings increased.



RESOURCE USE – Our operations and design decisions ultimately have an effect on the use of raw materials and natural resources, from the kinds of drilling mud used to materials chosen for valves, casing, pipelines and the construction of rigs and installations. Material selection, re-use, recycling or the use of alternatives is a consideration when making these decisions.

Although the waste we produce is a function of our overall level of activity, it is an indirect measure of resource usage. Resource usage can be minimized by both the optimum use of non-renewable resources such as fuel and the sustainable use of renewable sources such as wood, wind and solar power. In addition to reducing the amount of materials used in our operations, we reduce waste through re-use of drilling chemicals and by recycling office paper and packaging. We are initiating the collection of water and energy use data in order to better assess our overall resource usage performance and to facilitate future target setting.

Waste – In our 2002 report we estimated a total of 86,335 tons of waste handled. Waste disposal from construction at our Seminole Gas Plant and remediation projects in the Permian Basin had significantly affected this total. In addition, quantification errors in our solid waste inventory also overestimated our waste handling. Following re-evaluation, our 2002 total

waste is calculated at 69,273 tons. In 2003 the overall quantity of waste decreased by 25% to 51,896 tons. Of these, 45,049 tons (87%) were recycled. Disposal by incineration, landfarming and landfill amounted to 6,847 tons.

In addition, we revised our waste reporting practices during 2003 to differentiate between wastes considered hazardous and non-hazardous. Approximately 1% of the waste handled in 2003 was considered hazardous.

In Algeria, our metal recycling campaign continued with 1,400 tons of scrap metal recovered and recycled. Since Amerada Hess began operations in 2001 we have recycled over 5,000 tons of scrap metal.

EXCEEDANCES AND ENFORCEMENT ACTIONS – Company policy has long stressed our fundamental commitment to comply with applicable environment, health and safety laws and regulations. Although full compliance is an operational goal, exceedances of permitted levels can occur, as do citations from regulatory authorities.

In 2003, Amerada Hess had a total of 875 regulatory inspections and received 60 violations. The amount of fines paid in 2003 were reduced by 87% compared to 2002.

HESS'S EXPRESS

HESS

Coca-Cola
2 for \$5

2 for \$4
2 for \$3

12.9/10
INCLUDES ALL TAXES

23.2/10
INCLUDES ALL TAXES

22.9/10
INCLUDES ALL TAXES

UNLEADED PREMIUM
93

UNLEADED PLUS
89

HESS EXPRESS retail facility, Bronx, New York

Stewardship

FUEL QUALITY – As part of our commitment to product stewardship, we demand good environmental performance in addition to excellent fuel performance from our products. Emissions from the consumption of gasoline and other fuels can impact air quality. Our gasoline is considerably cleaner than the United States national averages for sulfur and benzene content, and our reformulated gasoline is significantly cleaner than required by federal standards.

Gasoline and diesel fuels sold in the United States will be required to have reduced sulfur content by 2004 and 2006. Amerada Hess is preparing for these reductions and will be in compliance with sulfur reduction regulations.

ALTERNATIVE ENERGY – Amerada Hess is a principal shareholder of Nuvera Fuel Cells — a leading company in the commercial development of fuel cell technology ranging from power modules that support distributed generation and commercial hydrogen industries, to fuel cell stacks and on-board fuel processors for the automotive industry. We believe that the development of fuel cells, which convert hydrogen into electricity through a process that results in water as the waste material, offers significant future opportunities for efficient, environmentally benign power sources.

ENERGY EFFICIENCY – Hess is supporting the development of energy efficient technologies through our Hess Microgen subsidiary. Hess Microgen cogeneration units generate both electrical and thermal power from the same energy source. The cogeneration units are more efficient than central power stations and subject to lower transmission losses resulting in a greater percentage of fuel conversion into usable energy. In addition to natural gas fueled units, systems have been developed to run on methane derived from livestock facilities such as dairy farms. In regards to air emissions, the units are capable of meeting some of the lowest emission standards in the world, including those of the California South Coast Air Quality Management District.

BIODIVERSITY – The Company's operations are managed to avoid or minimize impacts on biodiversity. This includes undertaking environmental baseline surveys and environmental impact assessments prior to the start of our operations, the introduction of appropriate operational controls and ongoing monitoring, and site restoration activities either during or following the cessation of operations.

Verification Statement



VERIFICATION OBJECTIVES AND SCOPE – ERM Certification & Verification Services (ERM CVS) was commissioned by Amerada Hess Corporation (AHC) to undertake verification of its 2003 Environment, Health, Safety and Social Responsibility Report (the Report). This is the second year that we have been engaged in this role. The objective of the verification was to establish that the information presented is a reliable representation of AHC's performance and programs during 2003.

The verification scope included both data and representations made by AHC in the 2003 Report and relevant linked information provided by the company at their web site. The Management of AHC is responsible for the information contained within the Report.

VERIFICATION APPROACH – ERM CVS verification procedures and methodologies have been developed with due regard to the requirements of international standards governing environmental management systems, and general principles of auditing. Our verification approach involves detailed challenge of the contents of the report, random chain of custody audits for data, selected interrogation of both source and consolidated data, and interviews with corporate and operational staff with responsibilities for data management and report content.

Substantiation of a sample of statements and claims made in the Report has been undertaken and evidence sought where deemed appropriate. Our activities also included interrogation of source data at the following Amerada Hess operations: SonaHess Operations at Gassi El Agreb in Algeria, North Dakota Production Operations and the Tioga Gas Plant, the Edgewater Terminal and a retail station in New Jersey. We were not able to witness any stakeholder engagement programs in action and our review was based on interviews with corporate personnel responsible for developing social strategies and field personnel responsible for specific activities, for example, actions associated with two gas projects in South East Asia.

OPINION & RECOMMENDATIONS – In the opinion of ERM CVS, and based on the sample of data reviewed, the 2003 environment, safety and health data are provided with a reasonable level of reliability and we are not aware of the exclusion of any material issues. The assertions, claims and statements made by AHC are supported by evidence obtained during the verification process and we are not aware of any mis-statements made. Where ERM CVS uncovered errors in data we have confirmed that these errors have been corrected by

AHC. The Corporate EHS team at AHC introduced significant changes to reporting structures in 2003 and these are judged to provide a sound basis for future reporting while yet to be fully implemented. It is clear from our review that these developments will continue to have an affect on improving the reliability, completeness and accuracy of information provided in future years.

ERM CVS has provided a recommendations report to AHC linking trends in our findings to root causes associated with internal processes. Our key recommendations to AHC build on those provided by ERM CVS previously and the work that AHC has accomplished this year. These are as follows:

- Significant attention must be paid to ensure that data delivered to corporate meets the reporting expectations- actions will need to be focused on developing clear definitions for data inclusion and improving the understanding of these across the varied activities of AHC. Actions taken here will improve the completeness, reliability and comparability of data in the longer term.
- Internal assurance processes need to be more clearly defined and communicated to ensure that practices are efficient and robust at each level of checking.
- Further attention on air emissions data is required, specifically reporting of GHG emissions to ensure that comparable and complete inventories are reported.
- A program of increased stakeholder engagement is recommended to ensure that both internal and external views regarding AHC's EHS&SR performance are understood.
- Activities AHC has undertaken to establish its internal position with respect to social issues will require further attention to ensure effective implementation and thus wider coverage in future reports.
- A review of the completeness and materiality of performance indicators, taking into account both internal and external stakeholder views on the relevance and importance of information presented.
- AHC management should consider increased inclusion of data associated with activities upon which they may have influence as opposed to direct control, for example, greenhouse gas emissions associated with non-operated production.
- The increased collation of local data via the global reporting system should be examined with a view to including more local information in the Report.

ERM Certification and Verification Services
London
August 6th 2004

FOR MORE INFORMATION

For copies of our Environment, Health and Safety Policy and our Corporate Social Responsibility Policy, or for more information regarding our operations, please visit our website at www.hess.com.

We invite your questions, comments and suggestions regarding this report. To send us your questions or comments, or request more information or additional copies of this report, please contact:

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