

AMERADA HESS CORP
Form 424B3
November 17, 2003

The information in this prospectus is not complete and may be changed. We may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell these securities and we are not soliciting offers to buy these securities in any state where the offer or sale is not permitted.

Subject to Completion. Dated November 17, 2003.

Prospectus Supplement to Prospectus dated November 14, 2003.

10,000,000 ACES^{TM/SM}

Amerada Hess Corporation

% Mandatory Convertible Preferred Stock Automatically Convertible Equity Securities (ACES)

We are offering 10,000,000 shares of our % ACES by this prospectus supplement.

We will pay annual dividends on each of the ACES in the amount of \$. Dividends will be cumulative from the date of issuance and, to the extent that assets are legally available to pay dividends and our board of directors declares a dividend payable, we will pay dividends in cash on March 1, June 1, September 1 and December 1 of each year. The first dividend payment will be made on March 1, 2004 in the amount of \$ per ACES which reflects the time period from the date of issuance to March 1.

Each ACES has a liquidation preference of \$50, plus accrued and unpaid dividends. Each ACES will automatically convert on December 1, 2006, into between and shares of our common stock, subject to anti-dilution adjustments, depending on the average closing price of our common stock over the 20-trading day period ending on the third trading day prior to such date. At any time prior to December 1, 2006, holders may elect to convert one ACES into shares of our common stock, subject to anti-dilution adjustments. If the closing price per share of our common stock exceeds \$ for at least 20 trading days within a period of 30 consecutive trading days, we may elect, subject to certain limitations, to cause the conversion of all, but not less than all, of the ACES then outstanding at the conversion rate of shares of our common stock per ACES provided that we pay the present value of all remaining dividend payments at that time.

We intend to apply to list the ACES on the New York Stock Exchange under the symbol AHCPR . Our common stock is listed on the New York Stock Exchange under the symbol AHC. The last reported sale price of our common stock on November 14, 2003 was \$49.97 per share.

Investing in the ACES involves risks. See Risk Factors, beginning on page S-8 of this prospectus supplement.

Neither the Securities and Exchange Commission nor any other regulatory body has approved or disapproved of these securities or passed upon the adequacy of this prospectus supplement or the accompanying prospectus. Any representation to the contrary is a criminal offense.

	Per Share	Total
Initial price to public	\$	\$
Underwriting discounts	\$	\$
Proceeds, before expenses, to Amerada Hess Corporation	\$	\$

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To the extent the underwriters sell more than 10,000,000 ACES, the underwriters have the option to purchase up to 1,500,000 additional ACES from us at the initial price to the public less the underwriting discount.

The underwriters expect to deliver the ACES against payment in New York, New York on or about November , 2003.

Goldman, Sachs & Co.

Banc of America Securities LLC

Citigroup

JPMorgan

Morgan Stanley

Prospectus Supplement dated November , 2003.

In making your investment decision, you should rely only on the information contained or incorporated by reference in this prospectus supplement and the accompanying prospectus. We have not, and the underwriters have not, authorized anyone to provide you with different information. If anyone provides you with different or inconsistent information, you should not rely on it. You should assume that the information appearing in this prospectus supplement and the accompanying prospectus is accurate as of the dates on their respective covers. Our business, financial condition, results of operations and prospects may have changed since those dates. Neither the delivery of this prospectus supplement and the accompanying prospectus nor any sale made hereunder shall under any circumstance imply that the information in this prospectus supplement is correct as of any date subsequent to the date on the cover of this prospectus supplement or that the information contained in the accompanying prospectus is correct as of any date subsequent to the date on the cover of the accompanying prospectus.

ABOUT THIS PROSPECTUS SUPPLEMENT

This document consists of two parts. The first part is this prospectus supplement, which describes the specific terms of this offering. The second part is the accompanying prospectus, which describes more general information, some of which may not apply to this offering. You should read both this prospectus supplement and the accompanying prospectus, together with additional information described below under the heading "Where You Can Find More Information."

If the description of the offering varies between this prospectus supplement and the accompanying prospectus, you should rely on the information in this prospectus supplement.

WHERE YOU CAN FIND MORE INFORMATION

We file annual reports and special reports, proxy statements and other information with the SEC. You may read and copy any document that we file at the SEC's public reference rooms in Washington, D.C., New York, New York and Chicago, Illinois. Please call the SEC at (800) SEC-0330 for further information on the public reference rooms. Also, the SEC maintains a Web site (<http://www.sec.gov>) that contains reports, proxy and information statements and other information regarding registrants who file electronically with the SEC. In addition, you may inspect reports, proxy statements and other information concerning Amerada Hess Corporation at the offices of the New York Stock Exchange, Inc., 20 Broad Street, New York, New York 10005.

DISCLOSURE REGARDING FORWARD-LOOKING STATEMENTS

This document contains forward-looking statements as that term is defined in the Private Securities Litigation Reform Act of 1995. These forward-looking statements are based on the beliefs of, and estimates and assumptions made by and information currently available to, our management. When used in this document, the words anticipate, believe, estimate, expect, intend, and similar words, as they relate to us or our management, identify forward-looking statements. These statements reflect the current views of our management regarding our operations and results of operations. These statements are subject to certain risks, uncertainties and assumptions relating to Amerada Hess's future results of operations and financial position, liquidity and capital resources, capital expenditures, oil and gas production, debt repayment, income tax rates, hedging, and derivative disclosures and other factors described in Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations in our Annual Report on Form 10-K for the fiscal year ended December 31, 2002, our Report on Form 8-K filed on November 6, 2003 and our Quarterly Report on Form 10-Q for the quarter ended September 30, 2003 which are incorporated by reference in this document. Should one or more of these risks or uncertainties occur, or should management's assumptions or estimates prove incorrect, actual results and events may vary materially from those discussed in the forward-looking statements.

SUMMARY

This summary highlights information contained elsewhere in this prospectus supplement and the accompanying prospectus. This summary does not contain all of the information that you should consider before investing in our ACES. You should read the entire prospectus supplement and the accompanying prospectus carefully, including the section titled Risk Factors beginning on page S-8 of the accompanying prospectus and the documents incorporated by reference, before making an investment decision. Unless the context requires otherwise, and except as discussed under the captions Amerada Hess Corporation, and Summary Financial Data, references in this prospectus supplement to Amerada Hess, we, us or our refer to Amerada Hess Corporation and not its consolidated subsidiaries. All references to production and reserve volumes in this prospectus represent amounts net to Amerada Hess.

Amerada Hess Corporation

We are a global integrated energy company engaged in the exploration for and the production, purchase, transportation and sale of crude oil and natural gas, as well as the production and sale of refined petroleum products. Exploration and production activities take place primarily in the United States, the United Kingdom, Norway, Denmark, Equatorial Guinea, Algeria, Gabon, Indonesia, Azerbaijan, Thailand and Malaysia. About 70% of our capital employed is in exploration and production. In 2003, more than 90% of our capital expenditures will be spent in the exploration for, and the development and production of, crude oil and natural gas.

As of December 31, 2002, our estimated proved reserves were 1,195 million barrels of oil equivalent (MMBOE), approximately 65% of which was crude oil. After giving effect to asset divestitures and exchanges that were completed during 2003, our estimated proved reserves at December 31, 2002 would have been 1,085 MMBOE. For the nine months ended September 30, 2003, crude oil production averaged 245,000 barrels per day (BPD), gas production averaged 680 billion cubic feet per day and natural gas liquids production averaged 20,000 BPD. We expect total production in 2003 to average 369,000 barrels of oil equivalent per day.

Refined petroleum products are manufactured at the HOVENSA refinery in St. Croix, United States Virgin Islands, which is owned jointly with Petroleos de Venezuela S.A. (PDVSA). The HOVENSA refinery, which is one of the world's largest with a crude oil capacity of 495,000 BPD, produces high-quality, clean-burning fuel oils, gasoline and other petroleum products. We also have a 55,000 BPD fluid catalytic cracking facility in Port Reading, New Jersey which produces substantially all gasoline and heating oil. Our strategically placed terminals provide us with extensive storage capacity on the East Coast of the United States, through which we distribute HESS products to customers from Massachusetts to Florida. We market refined petroleum products to wholesale distributors, industrial and commercial users, other petroleum companies, governmental agencies, and public utilities and to the motoring public through approximately 1,200 HESS brand retail gasoline and convenience store outlets.

We are a Delaware corporation. Our principal executive offices are located at 1185 Avenue of the Americas, New York, New York 10036, and our telephone number is (212) 997-8500.

Our Business Strategy

Our long-term strategic goal is to reshape our portfolio of assets to enhance financial performance and provide long-term profitable growth. We intend to achieve these objectives by focusing on the following initiatives:

Reshape exploration and production business for long-term financial performance. We intend to continue to increase reserves outside the mature regions of the United States and North Sea. We believe that, over time, we can lower our unit costs of production and

S-1

increase our reserves to production life, and thereby strengthen future profitability, through an increase in new field developments, a more focused, higher-impact exploration program, and sales of lower value, mature properties. To this end, we intend to focus the majority of our capital expenditures on oil and gas field developments. In 2003, we expect approximately 60% of our estimated \$1.4 billion of capital expenditures will be used for developments. This reflects a major shift from an average of about 37% during the past three years (excluding acquisitions). We expect these new developments will improve profitability and provide future cash flow. We also continue to drill exploration wells in high impact basins in the deepwater Gulf of Mexico, West Africa and Southeast Asia.

Enhance financial returns from existing refining and marketing assets. We intend to enhance financial returns from the HOVENSA refinery joint venture and our retail and energy marketing operations on the East Coast of the United States. HOVENSA completed construction of its 58,000 BPD coking unit in 2002, making it a more sophisticated and efficient merchant refinery. Returns from this coker, which permits HOVENSA to run lower-cost, heavy crude oils to manufacture gasoline and heating oil, are supported by a 115,000 BPD heavy crude oil supply contract through 2022 with PDVSA. On the marketing side, we will continue to selectively expand our HESS EXPRESS convenience store network.

Maintain capital discipline and focus on financial returns. We intend to maintain capital discipline and strengthen our financial position. Since January 1, 2002, we have received approximately \$700 million in proceeds, largely from the sale of mature, higher cost exploration and production assets, and approximately \$200 million in proceeds from the sale of refining and marketing assets. We have used the net proceeds from these sales along with cash flows from operations to reduce debt by approximately \$1.2 billion in that same time period. In addition, a global organizational restructuring initiated in 2003 has resulted in an approximate 30% reduction in our exploration and production workforce.

Recent Developments

Recent Exploration Announcements

On October 29, 2003, we announced a deepwater oil discovery at the Tubular Bells prospect located in Mississippi Canyon Block 725. The block is located 135 miles southeast of New Orleans. The Tubular Bells discovery well is located in approximately 4,300 feet of water and was drilled to a depth of 31,131 feet. The exploratory well encountered 190 feet of net oil pay. Further appraisal drilling is planned to determine the extent of the discovery. We own a 20 percent working interest in the Tubular Bells prospect. Our partners are BP, who is operator with a 50 percent working interest, and ChevronTexaco, who owns a 30 percent working interest.

On November 12, 2003, BHP Billiton announced the results of the first appraisal well on the Shenzi field, discovered last year in the deepwater Gulf of Mexico. Shenzi-2 is in approximately 4,200 feet of water and was drilled to a depth of 25,500 feet. The appraisal well encountered approximately 500 feet of net oil pay in a 1,250 foot gross hydrocarbon column of lower Miocene reservoir sandstones. Shenzi-2 is located approximately two miles southwest of the discovery well Shenzi-1, which encountered a gross hydrocarbon column of 465 feet with 140 feet of net pay. Following well logging operations and other data collection activities, the partners are planning to drill a sidetrack out of the existing well bore. We own a 28 percent working interest in the Shenzi field. Our partners are BHP Billiton, who is operator with a 44 percent working interest, and BP, who owns a 28 percent interest.

Tender Offers

On November 17, 2003, we commenced offers to purchase all of our outstanding 5.9% Notes due 2006, all of our outstanding 5.3% Notes due 2004 and all of the outstanding 9.25% Senior

Notes due 2005 and 8.875% Notes due October 1, 2007 issued by Triton Energy Corporation and Triton Energy Limited and previously assumed by us. We intend to fund the purchase of the notes through the issuance and sale of the ACES offered hereby and, if needed, with other available funds. As the primary source of proceeds to finance the purchase of the aforementioned Notes is this offering of ACES, the consummation of the tender offers is subject to the completion of this offering.

S-3

THE OFFERING

Issuer	Amerada Hess Corporation
Securities offered	10,000,000 % ACES
Initial price	\$ for each ACES
Option to purchase additional ACES	To the extent the underwriters sell more than 10,000,000 ACES, the underwriters have the option to purchase up to 1,500,000 additional ACES from us at the public offering price, less underwriting discounts and commissions, within 30 days from the date of this prospectus supplement. If the underwriters exercise their option to purchase additional ACES in full, we will have 11,500,000 million ACES outstanding.
Dividends	\$ for each ACES per year. Dividends will be cumulative from the date of issuance and to the extent that assets are legally available to pay dividends and our board of directors declares a dividend payable, we will pay dividends in cash on each dividend payment date. The dividend payable on the first cash dividend payment date is \$ and on each subsequent dividend payment date will be \$.
Dividend payment dates	March 1, June 1, September 1 and December 1 of each year, commencing on March 1, 2004.
Redemption	The ACES will not be redeemable.
Mandatory conversion date	December 1, 2006, which we call the mandatory conversion date.
Automatic conversion	On the mandatory conversion date, each ACES will automatically convert into shares of our common stock, based on the conversion rate as described below. The holders of the ACES on the mandatory conversion date will have the right to receive the cash dividend due on such date (including any accrued and unpaid dividends on the ACES as of the mandatory conversion date), whether or not declared prior to such date, provided that we have legally available assets at such time.
Conversion rate	The conversion rate for each ACES will be not more than shares and not less than shares of our common stock, depending on the applicable market value of our common stock, as described below. The applicable market value of our common stock is the arithmetic average of the closing price per share of our common stock on each of the 20 consecutive trading days ending on the third trading day immediately preceding the mandatory conversion date. It will be calculated as described under Description of the ACES Mandatory Conversion.

S-4

The conversion rate is subject to certain adjustments, as described under Description of the ACES Anti-dilution Adjustments.

The following table illustrates the conversion rate per ACES subject to certain anti-dilution adjustments:

Applicable Market Value on Mandatory Conversion Date	Conversion Rate
less than or equal to \$ between \$ and \$ equal to or greater than \$	to

Optional conversion	At any time prior to December 1, 2006, you may elect to convert each of your ACES at the minimum conversion rate of shares of our common stock. This conversion rate is subject to certain adjustments as described under Description of the ACES Anti-dilution Adjustments.
Provisional conversion at our option	If at any time prior to December 1, 2006, the closing price per share of our common stock exceeds \$ (150% of the threshold appreciation price of \$), subject to anti-dilution adjustments, for at least 20 trading days within a period of 30 consecutive trading days, we may elect to cause the conversion of all, but not less than all, of the ACES then outstanding at the minimum conversion rate of shares of our common stock for each ACES, subject to certain adjustments as described under Description of the ACES Anti-dilution Adjustments, only if, in addition to issuing you such shares of common stock, we pay you in cash the present value of all the remaining dividend payments through and including December 1, 2006, on the ACES, computed using a discount rate equal to the treasury yield, plus any accrued and unpaid dividend payments on the ACES, whether or not declared, in each case, out of legally available assets. See Description of the ACES Provisional Conversion at Our Option.
Early conversion upon cash merger	Prior to the mandatory conversion date, if we are involved in a merger in which at least 30% of the consideration for our common stock consists of cash or cash equivalents, which we refer to as a cash merger, then on the date specified in our notice to you each holder of the ACES will have the right to convert their ACES at the conversion rate, determined in accordance with Conversion Rate above, in effect immediately prior to the cash merger. See Description of the ACES Early Conversion upon Cash Merger.
Anti-dilution adjustments	The formula for determining the conversion rate on the mandatory conversion date and the number of shares of our common stock to be delivered upon an early conversion event may be adjusted if certain events occur. See Description of the ACES Anti-dilution Adjustments.

S-5

Liquidation preference	\$50.00 per ACES, plus an amount equal to the sum of all accrued and unpaid dividends.
Voting rights	Holders of ACES will not be entitled to any voting rights, except as required by applicable state law and as described under Description of the ACES Voting Rights.
Ranking	<p>The ACES will rank:</p> <p>junior to all or existing and future debt obligations;</p> <p>junior to any class or series of our capital stock the terms of which provide that such class or series will rank senior to the ACES;</p> <p>senior to any class or series of our capital stock the terms of which provide that such class or series will rank junior to the ACES;</p> <p>senior in right of payment to all our common stock now outstanding or to be issued in the future; and</p> <p>on a parity with any other class or series of our capital stock, including our 3% cumulative convertible preferred stock.</p> <p>We will not be entitled to issue any class or series of our capital stock the terms of which provide that such class or series will rank senior to the ACES without the consent of two-thirds of the holders of the ACES.</p> <p>As of September 30, 2003, there were 326,805 shares of our 3% cumulative convertible preferred stock outstanding, with an aggregate liquidation preference of approximately \$16 million.</p>
Related party purchase	John B. Hess, our Chairman of the Board and Chief Executive Officer, and a Hess family trust have indicated their intention to purchase in the aggregate 500,000 of our ACES for an aggregate purchase price of \$25 million. In addition, a director and three of our officers have indicated their intention to purchase an aggregate of approximately \$2.1 million of our ACES.
Use of proceeds	We will use the net proceeds from this offering to repay or repurchase debt and for general corporate purposes. See Use of Proceeds.

S-6

SUMMARY FINANCIAL DATA

The following summary financial data have been derived from our consolidated financial statements and should be read in conjunction with our Annual Report on Form 10-K for the fiscal year ended December 31, 2002, our Quarterly Reports on Form 10-Q for the periods ended March 31, 2003, June 30, 2003 and September 30, 2003, and our Current Report on Form 8-K, filed on November 6, 2003, which includes our updated financial information for discontinued operations, non-GAAP financial measures and other matters stated therein. The unaudited financial information presented below for the nine month periods ended September 30, 2003 and 2002 reflects all normal and recurring adjustments that, in the opinion of management, are necessary for a fair presentation of our results of operations and financial position.

	Nine Months Ended September 30,		Years Ended December 31,		
	2003	2002	2002	2001	2000
(in millions, except per share data)					
Income Statement Information					
Total revenues and non-operating income	\$ 10,872	\$ 8,486	\$ 11,732	\$ 13,260	\$ 12,033
Income (loss) from continuing operations	398	155	(245)	816	917
Net income (loss)	574	153	(218)	914	1,023
Income (loss) per share from continuing operations	4.47	1.73	(2.78)	9.15	10.20
Net income (loss) per share	6.45	1.72	(2.48)	10.25	11.38
Dividends per share of common stock	\$ 0.90	\$ 0.90	\$ 1.20	\$ 1.20	\$ 0.60
Weighted average diluted shares outstanding	89.1	89.3	88.2	89.1	89.9
Cash Flow Information					
Net cash provided by operating activities(1)	\$ 1,159	\$ 1,427	\$ 1,965	\$ 1,960	\$ 1,795
Capital expenditures	1,015	1,207	1,534	5,221	938
Balance Sheet Information (at period end)					
Cash and cash equivalents	\$ 339	\$ 48	\$ 197	\$ 37	\$ 312
Total assets	13,211	13,627	13,262	15,369	10,274
Total debt	4,490	5,083	4,992	5,665	2,050
Stockholders equity	4,714	4,683	4,249	4,907	3,883
Stockholders equity per common share	52.27	52.32	47.46	55.11	43.58

(1) Net cash provided by operating activities includes changes in operating assets and liabilities.

S-7

RISK FACTORS

You should carefully consider the risks described below, the risks set forth in the accompanying prospectus and the other information set forth in this prospectus supplement, the accompanying prospectus and the documents incorporated by reference before making an investment decision. Additional risks and uncertainties not presently known to us, or that we currently deem immaterial, may also impair our business operations. We cannot assure you that any of the events discussed in the risk factors below, will not occur. In such an instance, the trading price of our securities, including ACES, could decline and you might lose all or part of your investment.

Risks Related to This Offering

You assume the risk that the market value of our common stock may decline.

The number of shares of our common stock that you will receive upon the conversion of your ACES is not fixed but instead will depend on the average of the closing price per share of our common stock on the 20 consecutive trading days ending on the third trading day immediately preceding the mandatory conversion date, which we refer to as the applicable market value. There can be no assurance that the market value of common stock received by you on the mandatory conversion date will be equal to or greater than the effective price per share paid by you for our common stock by buying the ACES. If the applicable market value of the common stock is less than the initial price of \$, the market value of the common stock issued to you pursuant to each ACES on the mandatory conversion date (assuming that the market value on the mandatory conversion date is the same as the applicable market value of the common stock) will be less than the effective price per share paid by you for the common stock on the date of issuance of the ACES. Accordingly, you assume the risk that the market value of the common stock may decline, and that the decline could be substantial.

Shares eligible for future issuance or sale may cause our common stock price to decline, which may negatively impact your investment.

Issuances or sales of substantial numbers of additional shares of our common stock, including in connection with future acquisitions, if any, or the perception that such issuances or sales could occur, may cause prevailing market prices for our common stock to decline and may adversely affect our ability to raise additional capital in the financial markets at a time and price favorable to us. As of the date of this prospectus supplement, our restated certificate of incorporation, as amended, provides that we have authority to issue up to 200,000,000 shares of common stock. As of September 30, 2003, 89,876,430 shares of common stock were outstanding. Also, as of such date, there were 4,631,400 shares of common stock authorized but reserved for issuance, and 105,492,170 shares of common stock authorized and available for issue. An additional to shares of common stock will be issuable upon conversion of the ACES (or an additional to shares of common stock if the underwriters exercise their option to purchase additional ACES in full). We will reserve for issuance the maximum number of shares of our common stock issuable upon conversion of the ACES. See Description of the ACES.

The trading prices for the ACES will be directly affected by the trading prices of our common stock.

The trading prices of the ACES in the secondary market will be directly affected by the trading prices of our common stock, the general level of interest rates and our credit quality. It is impossible to predict whether the price of the common stock or interest rates will rise or fall. Trading prices of the common stock will be influenced by our operating results and prospects and by economic, financial and other factors. In addition, general market conditions, including the level of, and fluctuations in, the trading prices of stocks generally, and sales of substantial amounts of common stock by us in the market after the offering of the ACES, or the perception that such sales could occur, could affect the price of our common stock. Fluctuations in interest rates may give rise to

arbitrage opportunities based upon changes in the relative value of the common stock underlying the ACES. Any such arbitrage could, in turn, affect the trading prices of the ACES and our common stock.

The opportunity for equity appreciation provided by an investment in the ACES is less than that provided by a direct investment in our common stock.

Your opportunity for equity appreciation afforded by investing in the ACES is less than your opportunity for equity appreciation if you directly invested in our common stock. This opportunity is less because the market value of the common stock to be received by you pursuant to the ACES on the mandatory conversion date (assuming that the market value is the same as the applicable market value of the common stock) will only exceed the effective price per share paid by you for our common stock on the date of issuance of the ACES if the applicable market value of the common stock exceeds the threshold appreciation price of \$ (which represents an appreciation of % over the initial price of \$). If the applicable market value of our common stock exceeds the initial price but falls below the threshold appreciation price, you realize no equity appreciation of the common stock for the period during which you own the ACES. Furthermore, if the applicable market value of our common stock equals or exceeds the threshold appreciation price, you would receive on the mandatory conversion date only approximately % of the value of the shares of common stock you could have purchased with \$50 at the last reported sale price of our common stock on the date hereof.

Holders of the ACES will have no rights as a common shareholder until they acquire our common stock.

Until you acquire shares of our common stock upon conversion, you will have no rights with respect to our common stock, including voting rights (except as required by applicable state law or our amended and restated certificate of incorporation, and as described under Description of the ACES Voting Rights), rights to respond to tender offers and rights to receive any dividends or other distributions on our common stock. Upon conversion, you will be entitled to exercise the rights of a holder of common stock only as to matters for which the record date occurs after the conversion date. For example, in the event that an amendment is proposed to our articles of incorporation or by-laws requiring stockholder approval and the record date for determining the stockholders of record entitled to vote on the amendment occurs prior to delivery of the common stock, you will not be entitled to vote on the amendment, although you will nevertheless be subject to any changes in the powers, preferences or special rights of our common stock.

The ACES have never been publicly traded and an active trading market for such stock may not develop.

Prior to this offering, there has been no public market for the ACES. Although we intend to apply to list the ACES on the New York Stock Exchange, there can be no assurance that an active trading market will develop, or, if developed, will be maintained. Also, the underwriters have advised us that they intend to facilitate secondary market trading by making a market in the ACES. However, the underwriters are not obligated to make a market in the ACES and may discontinue market making activities at any time.

Our issuance of additional preferred stock could adversely affect holders of our common stock.

Our board of directors is authorized to issue additional series of shares of cumulative preferred stock without any action on the part of our shareholders. Our board of directors also has the power, without shareholder approval, to set the terms of any such series of shares of cumulative preferred stock that may be issued, including voting rights, conversion rights, dividend rights, preferences over our common stock with respect to dividends or if we liquidate, dissolve or wind up our business and other terms. If we issue cumulative preferred stock in the future that has preference over our

common stock with respect to the payment of dividends or upon our liquidation, dissolution or winding up, or if we issue cumulative preferred stock with voting rights that dilute the voting power of our common stock, the rights of holders of our common stock or the market price of our common stock could be adversely affected.

The ACES will rank junior to all our and our subsidiaries' liabilities and pari passu with our 3% cumulative convertible preferred stock in the event of a bankruptcy, liquidation or winding up of our assets.

In the event of bankruptcy, liquidation or winding up, our assets will be available to pay obligations on the ACES only after all our liabilities have been paid and only on a pari passu basis with our 3% cumulative convertible preferred stock and any other pari passu preferred stock we may issue hereafter. In addition, the ACES will effectively rank junior to all existing and future liabilities of our subsidiaries and the capital stock (other than common stock) of our subsidiaries held by third parties. The rights of holders of the ACES to participate in the assets of our subsidiaries upon any liquidation or reorganization of any subsidiary will rank junior to the prior claims of that subsidiary's creditors and equity holders. As of September 30, 2003, we had approximately \$4.49 billion of total debt (including debt of our subsidiaries). In the event of bankruptcy, liquidation or winding up, there may not be sufficient assets remaining, after paying our and our subsidiaries' liabilities, to pay amounts due on any or all of the ACES then outstanding. To the extent we have assets remaining after paying our and our subsidiaries' liabilities, we are obligated to pay amounts due on any or all our 3% convertible cumulative preferred stock then outstanding on a pari passu basis with amounts due on any or all the ACES then outstanding.

The ACES provide limited settlement rate adjustments.

The number of shares of common stock that you are entitled to receive on the mandatory date, or as a result of early conversion of an ACES, is subject to adjustment for certain events arising from stock splits and combinations, stock dividends, certain cash dividends and certain other actions by us that modify our capital structure. See Description of the ACES Anti-Dilution Adjustments. We will not adjust the conversion rate, for other events, including offerings of common stock for cash by us or in connection with acquisitions. There can be no assurance that an event that adversely affects the value of the ACES, but does not result in an adjustment to the conversion rate, will not occur. Further, we are not restricted from issuing additional common stock during the term of the ACES and have no obligation to consider your interests for any reason. If we issue additional shares of common stock, it may materially and adversely affect the price of our common stock and, because of the relationship of the number of shares to be received on the mandatory date to the price of the common stock, such other events may adversely affect the trading price of the ACES.

You may have to pay taxes with respect to distributions on our common stock that you do not receive.

The number of shares of common stock that you are entitled to receive on the mandatory conversion date, or as a result of early conversion of the ACES, is subject to adjustment for certain events arising from stock splits and combinations, stock dividends, certain cash dividends and certain other actions by us that modify our capital structure. See Description of the ACES Anti-dilution Adjustments. If the conversion rate is adjusted as a result of a distribution that is taxable to our common stock holders, such as a quarterly cash dividend in excess of \$.30 per share, you would be required to include an amount in income for federal income tax purposes, notwithstanding the fact that you do not actually receive such distribution. The amount that you will generally have to include in income would be the fair market value of the additional common stock to which you would be entitled by reason of the increase in your proportionate equity interest in the Company to the extent of our current and accumulated earnings and profits. In addition, non-U.S. holders of the ACES may, in certain circumstances, be deemed to have received a distribution subject to U.S. federal withholding tax requirements.

USE OF PROCEEDS

The net proceeds of this offering are expected to be \$ _____ after deducting the underwriting discount and commissions and other offering expenses payable by us. We intend to use the net proceeds to retire debt by paying the purchase price for tenders received in our offer to purchase all of our outstanding 5.9% Notes due August 15, 2006 (of which approximately \$362 million is outstanding), all of our outstanding 5.3% Notes due August 15, 2004 (of which approximately \$136 million is outstanding), all of the outstanding 9.25% Senior Notes due April 15, 2005 issued by Triton Energy Corporation and Triton Energy Limited, and previously assumed by us, (of which approximately \$48 million is outstanding) and all of the outstanding 8.875% Notes due October 1, 2007 issued by Triton Energy Corporation and Triton Energy Limited, and previously assumed by us (of which approximated \$48 million is outstanding). To the extent there are proceeds remaining, we may choose to repay other debt or use the proceeds for general corporate purposes, including capital expenditures for developments. Our estimated capital expenditure budget for 2004 is \$1.5 billion.

S-11

CAPITALIZATION

The following table presents our consolidated capitalization and cash position as of September 30, 2003 and as adjusted to give effect to the issuance of the mandatory convertible preferred stock (assuming no exercise of the underwriters' over-allotment options) and the application of the net proceeds from the ACES offered. See Use of Proceeds.

	At September 30, 2003	
	Actual	As Adjusted
	(in millions)	
Cash and cash equivalents	\$ 339	\$ 339
Total debt(1)	\$4,490	\$4,031
Stockholders' equity		
Preferred Stock, par value \$1.00 per share; 20,000,000 shares authorized for issuance		
3% cumulative convertible series		
Authorized 330,000 shares		
Issued 327,000 shares (\$16 million liquidation preference)		
% cumulative mandatory convertible series (ACES)		
Authorized 11,500,000 shares		
Issued 10,000,000 shares (\$500 million liquidation preference)		10
Common stock, par value \$1.00		
Authorized 200,000,000 shares		
Issued 89,876,000 shares at September 30, 2003(2)	90	90
Capital in excess of par value	963	1,437
Retained earnings(1)(3)	3,975	3,959
Accumulated other comprehensive loss	(284)	(284)
Deferred compensation	(30)	(30)
Total stockholders equity	4,714	5,182
Total capitalization	\$9,204	\$9,213

(1) We are making a tender offer for certain series of our debt that are currently outstanding. The amount of debt that will be tendered (and the amount of the premium paid as a result) cannot be determined in advance. The above capitalization table assumes that the amount of debt retired and the resultant premiums will be equal to the net proceeds of the ACES offering.

(2) Does not reflect (a) 4,222,900 shares reserved for issuance in connection with stock options granted and (b) 408,500 shares reserved for issuance under our amended and restated 1995 long-term incentive plan. As adjusted does not reflect _____ shares that will be reserved for issuance upon conversion of the ACES.

(3) Includes premium on debt repurchased of \$25 before income taxes and \$16 after income taxes.

PRICE RANGE OF COMMON STOCK AND DIVIDENDS DECLARED

Our common stock, \$1.00 par value, is traded on the New York Stock Exchange under the trading symbol AHC. The high and low closing sales prices per share for the periods indicated were as follows, together with the dividends declared per share for such periods:

	<u>High</u>	<u>Low</u>	<u>Dividends Per Common Share</u>
Year Ended December 31, 2001:			
First Quarter	\$79.45	\$66.25	\$.30
Second Quarter	\$90.40	\$73.40	.30
Third Quarter	\$82.39	\$59.07	.30
Fourth Quarter	\$68.96	\$53.75	.30
Year Ended December 31, 2002:			
First Quarter	\$80.15	\$57.60	\$.30
Second Quarter	\$84.70	\$74.61	.30
Third Quarter	\$83.00	\$61.35	.30
Fourth Quarter	\$71.48	\$49.40	.30
Year Ended December 31, 2003:			
First Quarter	\$57.20	\$41.14	\$.30
Second Quarter	\$51.50	\$43.51	.30
Third Quarter	\$50.90	\$45.04	.30
Fourth Quarter (through November 14, 2003)	\$54.18	\$49.20	

On November 14, 2003, the closing sale price of our common stock on the New York Stock Exchange was \$49.97 per share. At the close of business on November 13, 2003, there were 6,874 holders of record of our common stock.

DESCRIPTION OF THE ACES

The description in this prospectus supplement of the terms of the ACES is only a summary. The terms of the ACES are contained in a certificate of designation that will amend our amended and restated certificate of incorporation, as amended. We have previously filed with the SEC copies of our amended and restated certificate of incorporation, as amended. See *Where You Can Find More Information*. The certificate of designation will be filed as an exhibit to a Current Report on Form 8-K after the date of this prospectus supplement.

General

Our restated certificate of incorporation, as amended, authorizes the issuance of 20,000,000 shares of preferred stock, par value \$1.00 per share, of which 326,805 shares of 3% cumulative convertible preferred stock were issued and outstanding as of September 30, 2003. The ACES constitutes a new series of our preferred stock. See *Description of Common Stock* and *Description of the Preferred Stock* in the accompanying prospectus for a description of our other classes of capital stock.

The ACES are a single series consisting of _____ ACES (or _____ ACES if the underwriters exercise their option to purchase additional ACES in full in accordance with the procedures set forth in *Underwriting*). The holders of the ACES will have no preemptive rights. Upon issuance, all of the ACES will be fully paid and non-assessable.

The ACES will rank:

junior to all our existing and future debt obligations;

junior to any class or series of our capital stock the terms of which provide that such class or series will rank senior to the ACES;

senior to any class or series of our capital stock the terms of which provide that such class or series will rank junior to the ACES;

senior in right of payment to all our common stock now outstanding or to be issued in the future; and

on a parity with any other class or series of our capital stock, including our 3% cumulative convertible preferred stock.

We will not be entitled to issue any class or series of our capital stock the terms of which provide that such class or series will rank senior to the ACES without the consent of two-thirds of the holders of the ACES. See *Voting Rights*.

As of the date of this prospectus supplement, we are authorized to issue up to 200,000,000 shares of common stock, \$1.00 par value per share (the *common stock*). As of September 30, 2003, 89,876,430 shares of common stock were issued and outstanding. In addition, as of such date, there were 4,631,400 shares of common stock authorized, but reserved for issuance. As of September 30, 2003, there were 326,805 shares of our 3% cumulative convertible preferred stock outstanding, with a liquidation preference amount of approximately \$16 million.

Under Delaware law, we may declare or pay dividends on the ACES solely out of legally available assets for the payment of dividends. Under Delaware law, legally available assets means the amount of our surplus. If there is no surplus, legally available assets also means, in the case of a dividend, the amount of our net profits for the fiscal year in which the payment occurs and/or the preceding fiscal year. Our surplus is the amount by which our total assets exceeds the sum of

our total liabilities, including our contingent liabilities, and

the amount of our capital.

When the need to make a determination of legally available assets arises, the amount of our total assets and total liabilities and the amount of our capital will be determined by our board of directors in accordance with Delaware law.

Dividends

General

Dividends on the ACES will be payable quarterly in cash, if declared, on the March 1, June 1, September 1 and December 1 of each year (or the following business day if such day is not a business day) (each, a Dividend Payment Date) at the annual rate of \$ per share. The initial dividend on the ACES, for the first dividend period, assuming the issue date is November , 2003, will be \$ per ACES, and will be payable, if declared, on March 1, 2004. Each subsequent quarterly dividend on the ACES, if declared, will be \$ per ACES.

The amount of dividends payable on each of the ACES for each full quarterly period will be computed by dividing the annual dividend rate by four. The amount of dividends payable for any other period that is shorter or longer than a full quarterly dividend period will be computed on the basis of a 360-day year consisting of twelve 30-day months.

A dividend period is the period ending on the day before a Dividend Payment Date and beginning on the preceding Dividend Payment Date or, if none, the date of issue. Dividends payable, if declared, on a Dividend Payment Date will be payable to holders of record on the February 15, May 15, August 15 or November 15, as the case may be, immediately preceding the relevant Dividend Payment Date, as fixed for the purpose by our board of directors in advance of payment of the relevant dividend. We are only obligated to pay a dividend on the ACES if our board of directors declares the dividend payable and we have assets that legally can be used to pay the dividend. The ACES are entitled to receive payment of dividends on a parity with our outstanding 3% cumulative convertible preferred stock and any other class or series of our capital stock the terms of which provide that such class or series will rank on a parity with the ACES.

Dividends on the ACES will be cumulative, whether or not there are assets legally available for the payment of such dividends. This means that, if our board of directors fails to declare a dividend, the dividend will accumulate until declared and paid.

We are not obligated to pay holders of ACES any interest or sum of money in lieu of interest on any dividend not paid on a Dividend Payment Date or any other late payment. We are also not obligated to pay holders of ACES any dividend in excess of the full dividends on the ACES that are payable as described above.

Payment Restrictions

Unless all dividends on the ACES for all past quarterly dividend periods shall have been paid in full, we will not:

declare or pay any dividend or make any distribution of assets on any of our capital stock now or hereafter authorized that ranks junior to the ACES as to payment of dividends or the distribution of assets upon our liquidation, dissolution or winding up, including our common stock, which we call junior stock, other than dividends or distributions in the form of junior stock;

redeem, purchase or otherwise acquire any junior stock, except upon conversion or exchange for other junior stock, or

redeem, purchase or otherwise acquire any of our capital stock now or hereafter authorized that ranks equally with the ACES as to payment of dividends or the distribution of assets upon our liquidation, dissolution or winding up, except upon conversion or exchange for junior stock.

Redemption

The ACES will not be redeemable.

Mandatory Conversion

Each of the ACES, unless previously converted will automatically convert, on December 1, 2006, which we call the mandatory conversion date, into a number of newly issued shares of our common stock equal to the conversion rate described below.

Subject to the immediately following paragraph, the conversion rate, which is the number of newly issued shares of our common stock issuable upon conversion of each of the ACES on the applicable conversion date, will, subject to adjustment under certain circumstances as described under Anti-Dilution Adjustments below, be as follows:

If the applicable market value, of our common stock is equal to or greater than \$ _____, which we call the threshold appreciation price, then the conversion rate will be _____ shares of our common stock per ACES (the minimum conversion rate).

If the applicable market value of our common stock is less than the threshold appreciation price but greater than \$ _____, which we call the initial price, the conversion rate will be equal to \$50.00 divided by the applicable market value of our common stock per ACES.

If the applicable market value of our common stock is less than or equal to the initial price, the conversion rate will be _____ shares of our common stock per ACES (the maximum conversion rate).

We refer to the minimum conversion rate and the maximum conversion rate collectively as the fixed conversion rates.

Accordingly, assuming that the market price of our common stock on the mandatory conversion date is the same as the applicable market value, the aggregate market value of the shares you receive upon conversion will be (1) greater than the liquidation preference of the ACES if the applicable market value is greater than the threshold appreciation price, (2) equal to the liquidation preference if the applicable market value is less than or equal to the threshold appreciation price and greater than or equal to the initial price and (3) less than the liquidation preference if the applicable market value is less than the initial price.

In addition to the number of newly issued shares of our common stock issuable upon conversion of each ACES on the conversion date determined as above, holders will receive on the mandatory conversion date an amount in cash equal to any accrued and unpaid dividends on the ACES due on the mandatory conversion date, whether or not declared prior to that date, provided that we have legally available assets at such time.

Applicable market value means the average of the closing price per share of our common stock on each of the twenty consecutive trading days ending on the third trading day immediately preceding the mandatory conversion date. The initial price is the closing price of our common stock on the New York Stock Exchange on November _____, 2003. The threshold appreciation price represents a _____% appreciation over the initial price.

The closing price of our common stock on any date of determination means the closing sale price or, if no closing sale price is reported, the last reported sale price of our common stock on the New York Stock Exchange on that date. If our common stock is not listed on the New York Stock Exchange on any date, the closing price of our common stock on any date of determination means the closing sales price as reported in the composite transactions for the principal U.S. securities exchange on which our common stock is so listed or quoted, or if our common stock is not so listed or quoted on a U.S. national or regional securities exchange, as reported by the Nasdaq National Market, or, if our common stock is not so reported, the last quoted bid price for our common stock in

the over-the-counter market as reported by the National Quotation Bureau or similar organization or, if that bid price is not available, the market price of our common stock on that date as determined by a nationally recognized independent investment banking firm retained by us for this purpose.

A trading day is a day on which our common stock:

is not suspended from trading on any national or regional securities exchange or association or over-the-counter market at the close of business; and

has traded at least once on the national or regional securities exchange or association or over-the-counter market that is the primary market for the trading of our common stock.

Conversion

Conversion into common stock will occur on the mandatory conversion date, unless:

we have caused the conversion of the ACES prior to the mandatory conversion date in the manner described in Provisional Conversion at Our Option ;

you have converted your ACES prior to the mandatory conversion date, in the manner described in Conversion at the Option of the Holder ; or

we are involved in a merger prior to the mandatory conversion date in which at least 30% of the consideration for our common stock consists of cash or cash equivalents, and you have converted your ACES through an exercise of the merger early conversion right as described in Early Conversion upon Cash Merger.

On the applicable conversion date, or as soon as practicable thereafter, certificates representing our common stock will be issued and delivered to you or your designee, upon presentation and surrender of the certificate evidencing the ACES, if ACES are held in certificated form.

Prior to the date on which shares of common stock are issued upon conversion, our common stock underlying the ACES will not be deemed to be outstanding for any purpose and you will have no rights with respect to our common stock, including voting rights, rights to respond to tender offers and rights to receive any dividends or other distributions on our common stock, by virtue of holding the ACES.

Provisional Conversion at Our Option

Prior to the mandatory conversion date, we may, at our option cause the conversion of all, but not less than all, of the ACES then outstanding into shares of our common stock at the minimum conversion rate of _____ shares of our common stock for each of the ACES, subject to adjustment under certain circumstances as described under Anti-Dilution Adjustment below; provided that the closing price per share of our common stock has exceeded 150% of the threshold appreciation price, initially \$ _____, subject to anti-dilution adjustments, for at least 20 trading days within a period of 30 consecutive trading days ending on the trading day prior to the date that we notify you of the optional conversion. We will provide each holder of ACES of the option by mail and issue a press release and publish such information on our website on the World Wide Web. The date specified in such notice for the optional conversion shall be at least 30 days but no more than 60 days from the date of such notice. We will be able to cause this conversion only if, in addition to issuing you shares of our common stock as described above, we pay you in cash, (i) an amount equal to any accrued and unpaid dividends on your ACES, whether or not declared, and (ii) the present value of all remaining dividend payments on your ACES through and including December 1, 2006, in each case, out of legally available assets. The present value of the remaining dividend payments will be computed using a discount rate equal to the Treasury Yield. Treasury Yield means the yield to maturity at the time of computation of United States Treasury securities with a constant maturity (as compiled and published in the most recent Federal Reserve Statistical

Release H.15 (519) that has become publicly available at least two business days prior to the date fixed for conversion (or, if such Statistical Release is no longer published, any publicly available source for similar market data)) most nearly equal to the then remaining term to December 1, 2006, provided, however, that if the then remaining term to December 1, 2006 is not equal to the constant maturity of a U.S. Treasury security for which a weekly average yield is given, the Treasury Rate shall be obtained by linear interpolation (calculated to the nearest one-twelfth of a year) from the weekly average yields of U.S. Treasury securities for which such yields are given, except that if the then remaining term to December 1, 2006 is less than one year, the weekly average yield on actually traded U.S. Treasury securities adjusted to a constant maturity of one year shall be used.

Conversion at the Option of the Holder

The holders of ACES have the right to convert them, in whole or in part, at any time prior to the mandatory conversion date, into shares of our common stock at the minimum conversion rate of _____ shares of our common stock for each of the ACES, subject to adjustment under certain circumstances as described under _____ Anti-Dilution Adjustments _____ below.

Holders of ACES at the close of business on a record date for any payment of dividends will receive the dividend then payable on that ACES on the corresponding Dividend Payment Date even if optional conversion of the ACES occurs between that record date and the corresponding Dividend Payment Date.

Except as described above, upon any optional conversion of the ACES, we will make no payment or allowance for unpaid dividends, whether or not in arrears, on the ACES, or for prior dividends or distributions on the shares of our common stock issued upon conversion.

Early Conversion upon Cash Merger

Prior to the mandatory conversion date, if we are involved in a merger in which at least 30% of the consideration for our common stock consists of cash or cash equivalents, which we refer to as a cash merger, then on or after the date of the cash merger, each holder of ACES will have the right to convert the ACES at the conversion rate determined as set forth under _____ Mandatory Conversion _____ assuming that the trading day immediately before the cash merger is the mandatory conversion date. We refer to this right as the merger early conversion right. We will provide each of the holders with a notice of the completion of a cash merger within five business days thereof. The notice will specify the conversion date, which shall be not less than 20 nor more than 35 days after the date of the notice, on which the merger early conversion will occur and a date by which each holder's merger early conversion right must be exercised. The notice will set forth, among other things, the applicable conversion rate and the amount of the cash, securities and other consideration receivable by the holder upon conversion. To exercise the merger early conversion right, a holder must deliver to us, on the date specified in the notice, the certificate evidencing such holder's ACES, if the ACES are held in certificated form. If a holder exercises the merger early conversion right, we will deliver to such holder on the merger early conversion date the kind and amount of securities, cash or other property that such holder would have been entitled to receive if it had converted its ACES immediately before the cash merger at the conversion rate (determined as set forth under _____ Mandatory Conversion _____) in effect at such time. If a holder does not elect to exercise the merger early conversion right, such holder's ACES will remain outstanding and subject to mandatory conversion on the mandatory conversion date.

Anti-dilution Adjustments

Each fixed conversion rate and the number of shares of common stock to be delivered as a result of the conversion described under _____ Provisional Conversion at Our Option _____, _____ Conversion _____

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at the Option of the Holder and Early Conversion upon Cash Merger will be adjusted if certain events occur:

(1) We pay dividends (and other distributions) on our common stock in shares of our common stock.

(2) We issue to all holders of our common stock rights or warrants entitling them, for a period of up to 45 days, to subscribe for or purchase our common stock at less than the current market price, as defined below, of our common stock.

(3) We subdivide, split or combine our common stock.

(4) We distribute to all holders of our common stock or evidences of our indebtedness, shares of capital stock, securities, cash or property (excluding any dividend or distribution covered by clauses (1) or (2) above and any dividend or distribution paid exclusively in cash), in which event each fixed conversion rate will be multiplied by a fraction,

the numerator of which is the current market price of our common stock, and

the denominator of which is the current market price of our common stock minus the fair market value, as determined by our board of directors, except as described in the following paragraph, of the portion of the assets or evidences of indebtedness, shares, securities, cash or property so distributed applicable to one share of common stock.

In the event that we make a distribution to all holders of our common stock consisting of capital stock of, or similar equity interests in, a subsidiary or other business unit of ours, each fixed conversion rate will be adjusted based on the market value of the securities being distributed relative to the market value of our common stock, in each case based on the average of the closing sale prices of those securities for the 10 trading days commencing on and including the fifth trading day after the ex-date for such distribution.

(5) We make a distribution consisting exclusively of cash to all holders of our common stock, excluding any cash dividend on our common stock to the extent that the aggregate cash dividend per share of our common stock in any fiscal quarter does not exceed \$.30 (the dividend threshold amount), and excluding any dividend or distribution in connection with our liquidation, dissolution or termination, in which event each fixed conversion rate will be multiplied by a fraction,

the numerator of which will be the current market price of our common stock; and

the denominator of which will be the current market price of our common stock less the amount per share of such dividend or distribution (as determined below).

If an adjustment is required to be made as set forth in this clause as a result of a distribution (1) that is a quarterly dividend, such adjustment would be based on the amount by which such dividend exceeds the dividend threshold amount or (2) that is not a quarterly dividend, such adjustment would be based on the full amount of such distribution. The dividend threshold amount is subject to adjustment on the same basis as the fixed conversion rates, provided that no adjustment will be made to the dividend threshold amount for any adjustment made to the fixed conversion rates pursuant to this clause (5).

(6) We or any of our subsidiaries successfully completes a tender or exchange offer for our common stock to the extent that the cash and the value of any other consideration included in the payment per share of our common stock exceeds the closing price of our common stock on the trading day next succeeding the last date on which tenders or exchanges may be made pursuant to such tender or exchange offer, in which event each fixed conversion rate will be divided by a fraction,

the numerator of which shall be equal to (A) the product of (I) the current market price per share of our common stock on the date of expiration of the tender or exchange offer

multiplied by (II) the number of shares of common stock outstanding (including any purchased shares) at such time less (B) the amount of cash plus the fair market value, as determined by our board of directors, of the aggregate consideration payable for all the shares of our common stock we purchased in such tender or exchange offer and

the denominator of which will be the product of the number of shares of our common stock outstanding less any such purchased shares and the current market price of our common stock on the date of expiration of the tender or exchange offer.

(7) Someone other than us or one of our subsidiaries makes a payment in respect of a tender offer or exchange offer in which, as of the closing date of the offer, our board of directors is not recommending rejection of the offer, in which event each fixed conversion rate will be multiplied by a fraction,

the numerator of which will be the sum of (x) the fair market value, as determined by our board of directors, of the aggregate consideration payable to our stockholders based on the acceptance (up to any maximum specified in the terms of the tender or exchange offer) of all shares validly tendered or exchange and not withdrawn as of the expiration of the offer and (y) the product of the number of shares of our common stock outstanding less any such purchased shares and the closing price of our common stock on the trading day next succeeding the expiration of the tender or exchange offer and

the denominator of which will be the product of the number of shares of our common stock outstanding, including any such purchased shares, and the closing price of our common stock on the trading day next succeeding the expiration of the tender or exchange offer.

The adjustment referred to in this clause (7) will only be made if:

the tender offer or exchange offer is for an amount that increases the offeror's ownership of common stock to more than 25% of the total shares of common stock outstanding; and

the cash and value of any other consideration included in the payment per share of common stock exceeds the closing sale price per share of common stock on the trading day next succeeding the last date on which tenders or exchanges may be made pursuant to the tender or exchange offer.

However, the adjustment referred to in this clause will generally not be made if as of the closing of the offer, the offering documents disclose a plan or an intention to cause us to engage in a consolidation or merger or a sale of all or substantially all of our assets.

The current market price is the average of the daily closing prices for the five consecutive trading days preceding the earlier of the day preceding the day in question and the day before the ex date with respect to the issuance or distribution requiring such computation. For purposes of this paragraph, the term ex date, when used with respect to any such issuance or distribution, means the first date on which our common stock trades without the right to receive such issuance or distribution.

To the extent that we have a rights plan in effect with respect to our common stock, upon conversion of any ACES, you will receive, in addition to the common stock, the rights under the rights plan, unless, prior to such conversion, the rights have separated from the common stock, in which case each fixed conversion rate will be adjusted at the time of separation as if we made a distribution to all holders of our common stock as described in clause (4) above, subject to readjustment in the event of the expiration, termination or redemption of such rights.

In the case of certain reclassifications, consolidations, mergers, sales or transfers of assets or other transactions that cause our common stock to be converted into the right to receive other

securities, cash or property, each ACES that thereafter remains outstanding would, without the consent of the holders of ACES, become convertible into such other securities, cash or property instead of our common stock. In such event, on the applicable conversion date, the conversion rate then in effect will be applied to the value on the applicable conversion date, of the securities, cash or property a holder of one share of our common stock would have received in such transaction. Holders have the right to convert their ACES early in the event of certain cash mergers as described under Early Conversion upon Cash Merger.

In addition, we may make such increases in each fixed conversion rate as we deem advisable in order to avoid or diminish any income tax to holders of our common stock resulting from any dividend or distribution of our common stock (or rights to acquire our common stock) or from any event treated as such for income tax purposes or for any other reason. We may only make such a discretionary adjustment if we make the same proportionate adjustment to each fixed conversion rate.

In the event of a taxable distribution to holders of shares of our common stock that results in an adjustment of each fixed conversion rate or an increase in each fixed conversion rate in our discretion, holders of ACES may, in certain circumstances, be deemed to have received a distribution subject to U.S. federal income tax as a dividend. In addition, non-U.S. holders of the ACES may, in certain circumstances be deemed to have received a distribution subject to U.S. federal withholding tax requirements. See Certain United States Federal Income Tax Considerations Adjustment of Conversion Rate in this prospectus supplement.

Adjustments to each fixed conversion rate will be calculated to the nearest 1/10,000th of a share. We will be required, as soon as practicable following the occurrence of an event that requires or permits an adjustment in each fixed conversion rate, to provide written notice to the holders of ACES of the occurrence of that event. We will also be required to deliver a statement setting forth in reasonable detail the method by which the adjustment to each fixed conversion rate was determined and setting forth each revised fixed conversion rate.

If an adjustment is made to the fixed conversion rates, an adjustment also will be made to the threshold appreciation price and the initial price.

Fractional Shares

No fractional shares of our common stock will be issued to holders of ACES. In lieu of any fractional share otherwise issuable in respect of the aggregate number of ACES of any holder that are converted upon mandatory conversion or any optional conversion, that holder will be entitled to receive an amount in cash equal to:

in the case of mandatory conversion, an early conversion at our option or a merger early conversion, the 5-day average market price of a share of common stock; or

in the case of an optional conversion by a holder, the closing price per share of our common stock determined as of the trading day immediately preceding the effective date of conversion.

Common Stock Rights

Reference is made to the Description of Common Stock for a description of the rights of holders of common stock to be delivered upon conversion of ACES.

Liquidation Rights

In the event of our liquidation, dissolution or winding up, the holders of ACES will be entitled to receive out of our assets available for distribution to shareholders, before any distribution or payment is made on any junior stock as to the distribution of assets upon our voluntary or involuntary

liquidation, our dissolution or the winding up of our affairs, a liquidating distribution in the amount of \$50.00 per share, plus an amount equal to the sum of all accrued and unpaid dividends, whether or not declared, for the then-current dividend period and all prior dividend periods.

For the purpose of the last paragraph, none of the following will constitute a voluntary or involuntary liquidation, dissolution or winding up of our affairs:

the sale, lease or conveyance of all or substantially all of our property or business;

the consolidation or merger of Amerada Hess with or into any other corporation; or

the consolidation or merger of any other corporation with or into Amerada Hess.

In the event our assets available for distribution to the holders of shares of our preferred stock, including the ACES, upon any liquidation, dissolution or winding up, whether voluntary or involuntary, are insufficient to pay in full all amounts to which such holders are entitled, the holders of shares of our preferred stock, including the ACES, shall share ratably in any distribution of assets based upon the aggregate liquidation preference for all outstanding shares for each series.

After the payment to the holders of ACES of the full preferential amounts provided above, the holders of ACES will have no right or claim to any of our remaining assets.

Voting Rights

The holders of the ACES are not entitled to any voting rights, except as required by applicable state law, our amended and restated certificate of incorporation and as described below.

Unless the approval of a greater number of ACES is required by law, we will not, without the approval of the holders of at least two-thirds of the ACES then outstanding voting together as a single class:

amend, alter or repeal any provisions of our amended and restated certificate of incorporation, as amended, or by-laws by way of merger, consolidation or otherwise, that would affect adversely any right, preference, privileges or voting power of the ACES.

We will not, without the approval of each holder of ACES affected thereby, amend our amended and restated certificate of incorporation in a manner that:

adversely changes the dividend payable on the ACES,

adversely changes the liquidation preference of the ACES or

adversely affects the conversion provisions of the ACES.

In addition, we will not, without the approval of the holders of at least two-thirds of the shares of our preferred stock, including the ACES and any other preferred stock ranking equally therewith then outstanding, voting together as a single class:

reclassify any of our authorized stock, or any obligation or security convertible into or evidencing a right to purchase such stock ranking senior to the ACES;

issue, authorize or increase the authorized amount of, or issue or authorize any obligation or security convertible into or evidencing a right to purchase, stock ranking senior to the ACES; provided, that we may issue, authorize or increase the authorized amount of, or issue or authorize any obligation or security convertible into or evidencing a right to purchase, stock ranking on a parity with or junior to the ACES without the vote of the holders of the ACES; or

voluntarily liquidate dissolve or wind up our affairs, or sell, lease or convey (other than by mortgage) all or substantially all of our property or business, or consolidate or merge us with or into any other corporation, except any such consolidation or merger wherein none of the

rights, preferences, privileges or voting powers of any series of our cumulative preferred stock, including the ACES, or the holders thereof are adversely affected.

If and whenever six full quarterly dividends, whether or not consecutive, payable on any series of our cumulative preferred stock, including the ACES, are not paid, the number of directors constituting our board of directors will be increased by two and the holders of our cumulative preferred stock, including the ACES, voting together as a single class, will be entitled to elect those additional directors. In the event of such a non-payment, any holder of cumulative preferred stock, including the ACES, may request that we call a special meeting of the holders of preferred stock for the purpose of electing the additional directors and we must call such meeting within 30 days of request. If we fail to call such a meeting upon request, then holders of 10% of our outstanding cumulative preferred stock, including the ACES, taken as a single class, can call a meeting. If all accumulated dividends on our cumulative preferred stock, including the ACES, have been paid in full or set apart for payment and dividends for the current quarterly dividend period shall have been paid or set apart for payment, the holders of the ACES and our other cumulative preferred stock will no longer have the right to vote on directors and the term of office of each director so elected will terminate and the number of our directors will, without further action, be reduced by two.

In any case where the holders of the ACES are entitled to vote, each holder of the ACES will be entitled to one vote for each ACES.

In addition to the requirements set forth above, under Delaware law any amendment of our amended and restated certificate of incorporation, including any amendment related solely to the terms of the ACES, must be approved by a majority of all of our capital stock, including our common stock.

Miscellaneous

We will at all times reserve and keep available out of our authorized and unissued common stock, solely for issuance upon the conversion of the ACES, that number of shares of common stock as shall from time to time be issuable upon the conversion of all the ACES then outstanding. Any ACES converted into our common stock or otherwise reacquired by us shall resume the status of authorized and unissued shares of our preferred stock, undesignated as to series, and shall be available for subsequent issuance.

Transfer Agent, Registrar and Paying Agent

The Bank of New York will act as transfer agent, registrar, and paying agent for the payment of dividends for the ACES.

Title

We, the transfer agent, registrar and paying agent may treat the registered holder of ACES as the absolute owner of the ACES for the purpose of making payment and settling the related conversions and for all other purposes.

Book-Entry, Delivery and Form.

The Depository Trust Company, or DTC, will act as securities depository for the ACES. The ACES will be issued only as fully-registered securities registered in the name of Cede & Co., the depository's nominee. One or more fully-registered global security certificates, representing the total aggregate number of ACES, will be issued and deposited with the depository and will bear a legend regarding the restrictions on exchanges and registration of transfer referred to below.

The laws of some jurisdictions require that some purchasers of securities take physical delivery of securities in definitive form. Those laws may impair the ability to transfer beneficial interests in ACES so long as ACES are represented by global security certificates.

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The depositary is a limited-purpose trust company organized under the New York Banking Law, a banking organization within the meaning of the New York Banking Law, a member of the Federal Reserve System, a clearing corporation within the meaning of the New York Uniform Commercial Code and a clearing agency registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934.

The depositary holds securities that its participants deposit with the depositary. The depositary also facilitates the settlement among participants of securities transactions, including transfers and pledges, in deposited securities through electronic computerized book-entry changes in participants' accounts, thus eliminating the need for physical movement of securities certificates. Direct participants include securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations. The depositary is owned by a number of its direct participants and by the New York Stock Exchange, the American Stock Exchange, Inc. and the National Association of Securities Dealers, Inc., collectively referred to as participants. Access to the depositary system is also available to others, including securities brokers and dealers, bank and trust companies that clear transactions through or maintain a direct or indirect custodial relationship with a direct participant, collectively referred to as indirect participants. The rules applicable to the depositary and its participants are on file with the SEC.

Except as otherwise required by applicable law, no ACES represented by global security certificates may be exchanged in whole or in part for ACES registered, and no transfer of global security certificates will be made in whole or in part for ACES registered, and no transfer of global security certificates in whole or in part may be registered, in the name of any person other than the depositary or any nominee of the depositary, unless, however, the depositary has notified us that it is unwilling or unable to continue as depositary for the global security certificates, has ceased to be qualified to act or we decide to discontinue the use of book-entry transfer through the depositary. All of the ACES represented by one or more global security certificates or any portion of them will be registered in those names as the depositary may direct.

As long as the depositary or its nominee is the registered owner of the global security certificates, the depositary or that nominee will be considered the sole owner and holder of the global security certificates and all of the ACES represented by those certificates for all purposes under the ACES. Except in the limited circumstances referred to above or as otherwise required by applicable law, owners of beneficial interests in global security certificates will not be entitled to have the global security certificates or the ACES represented by those certificates registered in their names, will not receive or be entitled to receive physical delivery of the ACES certificates in exchange and will not be considered to be owners or holders of the global security certificates or any of the ACES represented by those certificates for any purpose under the ACES. All payments on the ACES represented by the global security certificates and all related transfers and deliveries of common stock will be made to the depositary or its nominee as their holder.

Ownership of beneficial interests in the global security certificates will be limited to participants or persons that may hold beneficial interests through institutions that have accounts with the depositary or its nominee. Ownership of beneficial interests in global security certificates will be shown only on, and the transfer of those ownership interests will be effected only through, records maintained by the depositary or its nominee with respect to participants' interests or by the participant with respect to interests of persons held by the participants on their behalf.

Procedures for conversion on the conversion date or upon early conversion will be governed by arrangements among the depositary, participants and persons that may hold beneficial interests through participants designed to permit the settlement without the physical movement of certificates. Payments, transfers, deliveries, exchanges and other matters relating to beneficial interests in global security certificates may be subject to various policies and procedures adopted by the depositary from time to time.

Neither we nor any of our agents will have any responsibility or liability for any aspect of the depositary's or any participant's records relating to, or for payments made on account of, beneficial interests in global security certificates, or for maintaining, supervising or reviewing any of the depositary's records or any participant's records relating to those beneficial ownership interests.

The information in this section concerning the depositary and its book-entry system has been obtained from sources that we believe to be reliable, but we do not take responsibility for its accuracy.

Replacement of Convertible Preferred Stock Certificates

If physical certificates are issued, we will replace any mutilated certificate at your expense upon surrender of that certificate to the transfer agent. We will replace certificates that become destroyed or lost at your expense upon delivery to us and the transfer agent of satisfactory evidence that the certificate has been destroyed or lost, together with any indemnity that may be required by the transfer agent and us.

We, however, are not required to issue any certificates representing ACES on or after the applicable conversion date. In place of the delivery of a replacement certificate following the applicable conversion date, the transfer agent, upon delivery of the evidence and indemnity described above, will deliver the shares of our common stock issuable pursuant to the terms of the ACES formerly evidenced by the certificate.

CERTAIN UNITED STATES FEDERAL INCOME TAX CONSEQUENCES

United States Federal Income Taxation

In the opinion of White & Case LLP, counsel to the Company, the following is a description of the material U.S. federal income tax consequences that may be relevant with respect to the acquisition, ownership and disposition of ACES. This description addresses only the U.S. federal income tax considerations of holders that are initial purchasers of ACES pursuant to the offering and that will hold ACES as capital assets. This description does not address tax considerations applicable to holders that may be subject to special tax rules, such as

financial institutions,

insurance companies,

real estate investment trusts,

regulated investment companies,

grantor trusts,

dealers or traders in securities or currencies,

tax-exempt entities,

subchapter S corporations,

persons that received ACES as compensation for the performance of services,

persons that will hold ACES as part of a hedging or conversion transaction or as a position in a straddle for U.S. federal income tax purposes,

persons that have a functional currency other than the U.S. dollar, or

persons that own (or are deemed to own) 5% or more (by voting power or value) of the stock of the Company.

Moreover, except as set forth below, this description does not address the U.S. federal estate and gift or alternative minimum tax consequences of the acquisition, ownership and disposition of ACES.

This description is based on the Internal Revenue Code of 1986, as amended (the Code), existing, proposed and temporary U.S. Treasury Regulations and judicial and administrative interpretations thereof, in each case as in effect and available on the date hereof. All of the foregoing are subject to change, which change could apply retroactively and could affect the tax consequences described below.

For purposes of this description, a U.S. Holder is a beneficial owner of ACES that, for U.S. federal income tax purposes, is:

a citizen or resident of the United States,

a partnership or corporation created or organized in or under the laws of the United States or any state thereof (including the District of Columbia),

an estate the income of which is subject to U.S. federal income taxation regardless of its source, or

a trust if such trust validly elects to be treated as a United States person for U.S. federal income tax purposes or if (1) a court within the United States is able to exercise primary supervision over its administration and (2) one or more United States persons have the authority to control all of the substantial decisions of such trust.

A Non-U.S. Holder is generally a beneficial owner of ACES that is not a U.S. Holder.

S-26

If a partnership (or any other entity treated as a partnership for U.S. federal income tax purposes) holds ACES, the tax treatment of a partner in such partnership will generally depend on the status of the partner and the activities of the partnership. Such a partner should consult its tax advisor as to its tax consequences.

We have not sought any ruling from the Internal Revenue Service (IRS) with respect to the statements made and the conclusions reached in this discussion, and there can be no assurance that the IRS will agree with such statements and conclusions.

Prospective investors should consult their own tax advisors with respect to the U.S. federal, state, local and foreign tax consequences of acquiring, owning or disposing of ACES.

Distributions

The gross amount of any distribution by the Company with respect to ACES will constitute dividends to the extent such distributions are paid out of the current or accumulated earnings and profits of the Company as determined under U.S. federal income tax principles. These dividends will be included in a U.S. Holder's gross income as ordinary income. Non-corporate U.S. Holders will be taxed on such dividend distributions at the lower rates applicable to long-term capital gains with respect to dividends received in taxable years beginning on or before December 31, 2008, provided that the minimum holding period required as determined under section 246 of the Code (including the limitations of section 246(c) of the Code discussed below) is satisfied. Non-corporate U.S. Holders should consult with their tax advisors regarding the applicability of such lower tax rates. Subject to customary limitations and conditions, a corporate U.S. Holder generally will be eligible for the 70% dividends received deduction with respect to the portion of any distribution on the ACES which is subject to tax as a dividend for U.S. federal income tax purposes. Such corporate U.S. Holder should, however, consider the possible effect on them of (i) section 1059 of the Code, which, under certain circumstances, either reduces a corporate shareholder's basis in stock (but not below zero) by the nontaxed portion of an extraordinary dividend as defined in section 1059 of the Code or treats such portion as capital gain to the extent the reduction exceeds the shareholder's basis, where such holder has not held the stock for more than two years before the dividend announcement date, (ii) section 246A of the Code, which reduces the dividends received deduction allowed to a corporate shareholder that has incurred indebtedness that is directly attributable to an investment in portfolio stock, (iii) section 246(b) of the Code, which limits the amount of the dividends received deduction to a percentage of the shareholder's taxable income, and (iv) section 246(c) of the Code, which, among other things, disallows the dividends received deduction in respect of any dividend on a share of stock that has been held for 45 days or less during the 90-day period beginning on the date which is 45 days before the ex-dividend date with respect to such dividend (or held 90 days or less during a 180-day period, in the case of dividends paid on ACES that are attributable to periods aggregating in excess of 366 days). For this purpose, any period in which such corporate U.S. Holder has an option to sell, is under a contractual obligation to sell, has made (and not closed) a short sale of, or has granted certain options to buy substantially identical stock or securities, or holds one or more other positions in substantially similar or related property that diminishes the risk of loss from holding ACES will not be counted toward the 45-day (or 90-day) holding period requirement. Corporate U.S. Holders should also consider the effect of the corporate alternative minimum tax, which imposes a maximum tax rate of 20% on a corporation's alternative minimum taxable income for the tax year and which is calculated without regard to the dividends received deduction. Each corporate U.S. Holder should consult its own tax advisors regarding the availability of, and limitations on, the dividends received deduction. To the extent, if any, that the amount of any distribution by the Company exceeds the Company's current and accumulated earnings and profits as determined under U.S. federal income tax principles, it will be treated first as a tax-free return of the U.S. Holder's adjusted tax basis in ACES and thereafter as capital gain.

Generally, but subject to the discussions below under *Status as U.S. Real Property Holding Corporation* and *Backup Withholding Tax and Information Reporting Requirements*, distributions of cash or property paid to a Non-U.S. Holder will be subject to U.S. withholding tax at a 30% rate or such lower rate as may be specified by an applicable United States income tax treaty. In order to obtain the benefit of any applicable United States income tax treaty, a Non-U.S. Holder will have to certify (*e.g.*, on an IRS Form W-8BEN or such successor form as designated by the IRS) that such holder is eligible for the benefits of such treaty. In addition, to the extent there is no established financial market for ACES within the meaning of applicable Treasury regulations, such Non-U.S. Holder would be required to furnish its Taxpayer Identification Number (TIN).

Except as may be otherwise provided in an applicable United States income tax treaty, a Non-U.S. Holder generally will be taxed at ordinary U.S. federal income tax rates (on a net income basis) on dividends that are effectively connected with the conduct of a trade or business of such Non-U.S. Holder within the United States, and such dividends will not be subject to the withholding described above. If such Non-U.S. Holder is a foreign corporation, it may also be subject to a 30% branch profits tax unless it qualifies for a lower rate under an applicable United States income tax treaty. To claim an exemption from withholding because the income is effectively connected with a United States trade or business, a Non-U.S. Holder must provide a properly executed IRS Form W-8ECI (or such successor form as designated by the IRS) prior to the payment of dividends.

Sale or Exchange of ACES

A U.S. Holder generally will recognize gain or loss on the sale or exchange of ACES equal to the difference between the amount realized on such sale or exchange and the U.S. Holder's adjusted tax basis in such ACES. Such gain or loss will be capital gain or loss. In the case of a noncorporate U.S. Holder, the maximum marginal U.S. federal income tax rate applicable to such gain may be lower than the maximum marginal U.S. federal income tax rate applicable to ordinary income (other than certain dividends) if such U.S. Holder's holding period for such ACES exceeds one year. The deductibility of capital losses is subject to limitations.

Generally, but subject to the discussions below under *Status as U.S. Real Property Holding Corporation* and *Backup Withholding Tax and Information Reporting Requirements*, a Non-U.S. Holder will not be subject to U.S. federal income or withholding tax on any gain realized on the sale or exchange of ACES unless (1) such gain is effectively connected with the conduct by such Non-U.S. Holder of a trade or business in the U.S. or (2) in the case of any gain realized by an individual Non-U.S. Holder, such holder is present in the U.S. for 183 days or more in the taxable year of such sale or exchange and certain other conditions are met.

If you are a corporate Non-U.S. Holder, effectively connected gains that you recognize may also, under certain circumstances, be subject to an additional branch profits tax at a 30% rate or at a lower rate if you are eligible for the benefits of an income tax treaty that provides for a lower rate.

Status as U.S. Real Property Holding Corporation

With respect to a Non-U.S. Holder, under certain circumstances, gain recognized on the sale or exchange of, and certain distributions in excess of basis with respect to, ACES would be subject to U.S. federal income tax, notwithstanding such Non-U.S. Holder's lack of other connections with the United States, if the Company is or has been a United States real property holding corporation (USRPHC) for U.S. federal income tax purposes at any time during the period during which the Non-U.S. Holder held the ACES. The Company believes that it is not a USRPHC. However, because the determination of whether a Company is a USRPHC depends on the fair market value of its United States real property interests relative to the fair market value of its other business assets, there can be no assurance that the Company will not become a USRPHC in the future. Even if the Company were a USRPHC, the adverse tax rules to Non-U.S. Holders described above would not

apply if the ACES are treated as regularly traded on an established securities market, unless such Non-U.S. Holder owned or owns more than 5% of the ACES outstanding.

Conversion of ACES into Common Stock

No gain or loss generally will be recognized by a holder upon the conversion of ACES into shares of our common stock, except with respect to any cash received in lieu of fractional shares of our common stock. A holder may recognize dividend income, however, to the extent that it receives cash or common stock in respect of dividends in arrears on the ACES at the time of their conversion into common stock.

A holder who receives cash in lieu of fractional shares should be treated as receiving a cash distribution that is subject to tax in accordance with the treatment described above for distributions if the receipt of the cash in lieu of the fractional shares is treated as the distribution of a dividend under section 302(a) of the Code. In such a case, a holder's tax basis (reduced for amounts, if any, treated as return of capital) in ACES which is allocable to the fractional share will be transferred to the common stock received upon conversion of ACES subject, in the case of a corporate U.S. Holder, to reduction or possible gain recognition under Section 1059 of the Code. If the receipt of the cash in lieu of fractional shares is not treated as the distribution of a dividend under section 302(a) of the Code, a holder who receives cash in lieu of fractional shares will recognize gain or loss in an amount equal to the difference between the portion of such holder's tax basis in ACES that is allocable to the fractional share and the cash payment received in lieu thereof. Such gain or loss would be capital gain and would be long-term capital gain if the holding period exceeded one year.

If there is a Provisional Conversion, the income tax consequences regarding the receipt of the additional cash amount paid in respect of remaining dividend payments are unclear. The additional cash amount could be treated as a distribution, subject to tax as a dividend to the extent of our current and accumulated earnings and profits, as described above under Distributions. Alternatively, the additional cash amount could be treated as an additional payment received in connection with the conversion of ACES into common stock, in which case any gain realized by a holder on such conversion (i.e., the excess (if any) of the amount of cash and the fair market value of common stock received over the adjusted tax basis of ACES relinquished) would be recognized to the extent of the additional cash amount. This recognized gain would be subject to tax as a dividend, to the extent of our current and accumulated earnings and profits, if the receipt of the additional cash amount is treated as the distribution of a dividend under section 302(a) of the Code. Gain recognized in excess of a holder's ratable share of our current and accumulated earnings and profits would be capital gain. If the receipt of the additional cash amount is not treated as the distribution of a dividend under section 302(a) of the Code, the gain recognized by a U.S. Holder would be capital gain and would be long-term capital gain if the holding period exceeded one year.

To determine if the receipt of the additional cash amount or the cash paid in lieu of fractional shares is treated as the distribution of a dividend under section 302(a) of the Code, a U.S. Holder would be treated as if it received solely our common stock upon conversion of our ACES and then exchanged the extra shares of common stock for the cash received. The receipt of the additional cash will be treated as the distribution of a dividend under section 302(a) of the Code unless the deemed redemption of the common stock meets one of the tests set forth in section 302(b) of the Code. Under one of these tests, the deemed purchase of such extra shares by the Company for cash will be treated as not essentially equivalent to a dividend if the reduction in the U.S. Holder's proportionate interest in the Company as a result of the purchase constitutes a meaningful reduction given the U.S. Holder's particular circumstances. The IRS has indicated in a published revenue ruling that even a small reduction in the percentage interest of a stockholder whose relative stock interest in a publicly held corporation is minimal (for example, an interest of less than 1%) and who exercises no control over corporate affairs should constitute a meaningful reduction.

Prospective investors are advised to consult their tax advisors to determine the tax treatment of the receipt of the additional cash.

The tax basis of the common stock received upon conversion of ACES generally will be equal to the tax basis of the ACES so converted, reduced by any basis allocable to fractional shares, and the holding period of the common stock will generally include the holding period of the ACES converted. However, the tax basis of any common stock received on conversion and treated as a dividend will be equal to its fair market value on the date of the distribution and the holding period of such common stock will commence on the day after its receipt.

Holders of our ACES may receive not less than _____ shares and not more than _____ shares of our common stock, depending on when the shares are converted and, if converted on the mandatory conversion date, the market value of our common stock on such date. A holder's right to receive a greater number of shares of our common stock at the mandatory conversion date as compared to the _____ shares of common stock that such holder would receive upon conversion at an earlier date could be viewed as a constructive distribution of stock to such holder under section 305 of the Code, which, if so treated, would be subject to tax as a dividend to the extent of our current and accumulated earnings and profits. While the matter is not free from doubt due to a lack of authority directly on point, such a right on the part of the holder of ACES to receive a greater number of shares of common stock, as described in this paragraph, should not result in a constructive distribution of stock. Accordingly, absent a change of law or a differing interpretation by the IRS after the date hereof, the Company will act consistently with the treatment described above. Prospective investors are advised to consult their tax advisors to determine the tax treatment of the additional common stock.

Adjustment of Conversion Rate

U.S. Holders of ACES may be deemed to have received a constructive distribution of stock that is subject to tax as a dividend when the conversion rate is adjusted as described under *Description of the ACES Anti-dilution Adjustments*. An adjustment to the conversion rate made pursuant to a bona fide reasonable adjustment formula that has the effect of preventing the dilution of the interest of the U.S. Holders, however, will generally not be considered to result in a constructive distribution of stock. Certain of the possible adjustments provided in our ACES (e.g., to take account of distributions of cash or property with respect to other classes of stock) will not qualify as being pursuant to a bona fide reasonable adjustment formula. If such a non-qualifying adjustment were made (or if adjustments were not made in certain cases), U.S. Holders of ACES would be deemed to have received a taxable stock distribution. In such case, the amount of the constructive dividend to be included in income would be the fair market value of the additional common stock to which U.S. Holders of ACES would be entitled by reason of the increase in such holders' proportionate equity interest in the Company to the extent of our current and accumulated earnings and profits. U.S. Holders of our ACES would be required to include their allocable share of that constructive dividend in gross income but would not receive any cash related to it. In addition, Non-U.S. Holders of ACES may, as a result of the adjustment to the conversion rate, be deemed to have received a distribution subject to U.S. federal withholding tax.

Backup Withholding Tax and Information Reporting Requirements

U.S. backup withholding tax and information reporting requirements generally apply to certain payments to certain noncorporate holders of stock. Information reporting generally will apply to payments of dividends on, and to proceeds from the sale or redemption of, ACES to a holder of ACES, other than an exempt recipient, including a corporation, a payee that is not a U.S. person that provides an appropriate certification and certain other persons.

A payor will be required to withhold backup withholding tax from any payments of dividends on, or the proceeds from the sale or redemption of, ACES to a holder, other than an exempt recipient, if

such holder fails to furnish its correct taxpayer identification number or otherwise fails to comply with, or establish an exemption from, such backup withholding tax requirements. The backup withholding tax rate is 28% for years 2003 through 2010. Under current Treasury regulations, backup withholding will not apply to distributions on ACES to a holder that is not a United States person, provided that the Company has received valid certifications meeting the requirements of the Code and neither the Company nor the payor has actual knowledge or reason to know that such holder is a United States person for purposes of such backup withholding tax requirements.

If provided by a beneficial owner, the certification must give the name and address of such owner, state that such owner is not a United States person, or, in the case of an individual, that such person is neither a citizen nor resident of the United States, and must be signed by the owner under penalties of perjury. If provided by a financial institution, other than a financial institution that is a qualified intermediary, the certification must state that the financial institution has received from the beneficial owner the certificate described in the preceding sentence, set forth the information contained in such certificate (and include a copy of such certificate), and be signed by an authorized representative of the financial institution under penalties of perjury. Generally, the furnishing of the names of the beneficial owners of ACES that are not United States persons and a copy of such beneficial owner's certificate by a financial institution will not be required where the financial institution is a qualified intermediary.

In the case of such payments made within the U.S. to a foreign simple trust, a foreign grantor trust or a foreign partnership, other than payments to a foreign simple trust, a foreign grantor trust or a foreign partnership that qualifies as a withholding foreign trust or a withholding foreign partnership within the meaning of the applicable U.S. Treasury Regulations and payments to a foreign simple trust, a foreign grantor trust or a foreign partnership that are effectively connected with the conduct of a trade or business in the U.S., the beneficiaries of the foreign simple trust, the persons treated as the owners of the foreign grantor trust or the partners of the foreign partnership, as the case may be, will be required to provide the certification discussed above in order to establish an exemption from backup withholding tax and information reporting requirements. Moreover, a payor may rely on a certification provided by a payee that is not a United States person only if such payor does not have actual knowledge or a reason to know that any information or certification stated in such certificate is incorrect.

Any amounts withheld under the backup withholding rules will be allowed as a credit against a holder's U.S. federal income tax liability and may entitle a holder to a refund, provided that the required information is furnished to the IRS.

The above description is not intended to constitute a complete analysis of all tax consequences relating to the acquisition, ownership and disposition of ACES. Prospective investors should consult their tax advisors concerning the tax consequences in their particular situations.

UNDERWRITING

We and Goldman, Sachs & Co., as representative of the underwriters for the offering named below, have entered into an underwriting agreement with respect to the ACES being offered. Subject to certain conditions, each underwriter has severally agreed to purchase the number of ACES indicated in the following table.

Underwriters	Number of ACES
Goldman, Sachs & Co.	
Banc of America Securities LLC	
Citigroup Global Markets Inc.	
J.P. Morgan Securities Inc.	
Morgan Stanley & Co. Incorporated	
Total	10,000,000

The underwriters are committed to take and pay for all of the ACES being offered, if any are taken, other than the ACES covered by the option described below unless and until this option is exercised.

If the underwriters sell more ACES than the total number set forth in the table above, the underwriters have an option to buy up to an additional 1,500,000 ACES from us to cover such sales. They may exercise that option for 30 days. If any ACES are purchased pursuant to this option, the underwriters will severally purchase ACES in approximately the same proportion as set forth in the table above.

The following table shows the per share and total underwriting discounts and commissions to be paid to the underwriters by us. Such amounts are shown assuming both no exercise and full exercise of the underwriters' option to purchase 1,500,000 additional ACES.

Paid by Amerada Hess Corporation

	No Exercise	Full Exercise
Per Share	\$	\$
Total	\$	\$

ACES sold by the underwriters to the public will initially be offered at the initial price to public set forth on the cover of this prospectus supplement. Any ACES sold by the underwriters to securities dealers may be sold at a discount of up to \$ per share from the initial price to public. Any such securities dealers may resell any ACES purchased from the underwriters to certain other brokers or dealers at a discount of up to \$ per share from the initial price to public. If all the ACES are not sold at the initial price to public, the representatives may change the offering price and the other selling terms.

Subject to some exceptions, we and certain of our executive officers have agreed with the underwriters, for a period of 90 days from the date of this prospectus supplement, not to (i) offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend or otherwise transfer or dispose of, directly or indirectly, any shares of common stock or any securities convertible into or exercisable or exchangeable for common stock or (ii) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of common stock, whether any such transaction described in clause (i) or (ii) above is to be settled by delivery of common stock or such other securities, in cash or otherwise, without the prior written consent of Goldman, Sachs & Co.

John B. Hess, our Chairman of the Board and Chief Executive Officer, and a Hess family trust have indicated their intention to purchase in the aggregate 500,000 of our ACES for an aggregate

purchase price of \$25 million. In addition, a director and three of our officers have indicated their intention to purchase an aggregate of approximately \$2.1 million of our ACES.

In connection with the offering, the underwriters may purchase and sell ACES in the open market. These transactions may include short sales, stabilizing transactions and purchase to cover positions created by short sales. Short sales involve the sale by the underwriters of a greater number of ACES than they are required to purchase in the offering. Covered short sales are sales made in an amount not greater than the underwriters' option to purchase additional ACES in the offering. The underwriters may close out any covered short position by either exercising their option to purchase additional ACES or purchasing ACES in the open market. In determining the source of ACES to close out the covered short position, the underwriters will consider, among other things, the price of ACES available for purchase in the open market as compared to the price at which they may purchase ACES through the option to purchase additional ACES. Naked short sales are any sales in excess of such option. The underwriters must close out any naked short position by purchasing ACES in the open market. A naked short position is more likely to be created if the underwriters are concerned that there may be downward pressure on the price of the ACES in the open market after pricing that could adversely affect investors who purchase in the offering. Stabilizing transactions consist of various bids for or purchases of ACES made by the underwriters in the open market prior to the completion of the offering.

The underwriters may also impose a penalty bid. This occurs when a particular underwriter repays to the underwriters a portion of the underwriting discount received by it because the representatives have repurchased ACES sold by or for the account of such underwriter in stabilizing or short covering transactions.

Purchases to cover a short position and stabilizing transactions may have the effect of preventing or retarding a decline in the market price of ACES, and together with the imposition of the penalty bid, may stabilize, maintain or otherwise affect the market price of the ACES. As a result, the price of the ACES may be higher than the price that otherwise might exist in the open market. If these activities are commenced, they may be discontinued at any time. These transactions may be effect on the New York Stock Exchange, in the over-the-counter market or otherwise.

Each underwriter has represented, warranted and agreed that: (i) it has not offered or sold and, prior to the expiry of a period of six months from the Closing date, will not offer or sell any ACES to persons in the United Kingdom except to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses or otherwise in circumstances which have not resulted and will not result in an offer to the public in the United Kingdom within the meaning of the Public Offers of Securities Regulations 1995; (ii) it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000 (FSMA)) received by it in connection with the issue or sale of any ACES in circumstances in which section 21(1) of the FSMA does not apply to the Company; and (iii) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the ACES in, from or otherwise involving the United Kingdom.

The ACES may not be offered or sold, transferred or delivered, as part of their initial distribution or at any time thereafter, directly or indirectly, to any individual or legal entity in the Netherlands other than to individuals or legal entities who or which trade or invest in securities in the conduct of their profession or trade, which includes banks, securities intermediaries, insurance companies, pension funds, other institutional investors and commercial enterprises which, as an ancillary activity, regularly trade or invest in securities.

No syndicate member has offered or sold, or will offer or sell, in Hong Kong, by means of any document, any ACES other than to persons whose ordinary business it is to buy or sell shares or debentures, whether as principal or agent, or under circumstances which do not constitute an offer

to the public within the meaning of the Companies Ordinance (Cap. 32) of Hong Kong, nor has it issued or had in its possession for the purpose of issue, nor will it issue or have in its possession for the purpose of issue, any invitation or advertisement relating to the ACES in Hong Kong (except as permitted by the securities laws of Hong Kong) other than with respect to ACES which are intended to be disposed of to persons outside Hong Kong or to be disposed of only to persons whose business involves the acquisition, disposal, or holding of securities (whether as principal or as agent).

This prospectus has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this prospectus and any other document or material in connection with the offer or sale, or invitation or subscription or purchase, of the ACES may not be circulated or distributed, nor may the ACES be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than under circumstances in which such offer, sale or invitation does not constitute an offer or sale, or invitation for subscription or purchase, of the ACES to the public in Singapore.

Each underwriter has acknowledged and agreed that the securities have not been registered under the Securities and Exchange Law of Japan and are not being offered or sold and may not be offered or sold, directly or indirectly, in Japan or to or for the account of any resident of Japan, except (i) pursuant to an exemption from the registration requirements of the Securities and Exchange Law of Japan and (ii) in compliance with any other applicable requirements of Japanese law.

We estimate that our share of the total expenses of the offering, excluding underwriting discounts and commissions, will be approximately \$1,000,000.

We have agreed to indemnify the several underwriters against certain liabilities, including liabilities under the Securities Act of 1933.

Goldman, Sachs & Co. are currently acting as our financial advisors, for which they are paid usual and customary fees. In addition, certain of the underwriters and their affiliates have, from time to time, performed, and may in the future perform, various financial advisory and investment banking services for us, our subsidiaries or our affiliates for which they received or will receive customary fees and expenses.

LEGAL MATTERS

White & Case LLP, New York, New York, will issue an opinion about the legality of the issuance of the ACES offered hereby. Davis Polk & Wardwell, New York, New York, will issue such an opinion on behalf of the underwriters.

EXPERTS

The consolidated balance sheet of Amerada Hess Corporation as of December 31, 2002 and 2001 and the consolidated statements of income, retained earnings, cash flows, changes in preferred stock, common stock and capital in excess of par value and comprehensive income for each of the three years in the period ended December 31, 2002, incorporated by reference in this prospectus supplement and the accompanying prospectus, have been incorporated into this prospectus supplement and the accompanying prospectus in reliance on the report of Ernst & Young LLP, independent auditors, given on the authority of that firm as experts in accounting and auditing.

PROSPECTUS

Amerada Hess Corporation

\$1,500,000,000

Debt Securities

Warrants

Common Stock

Preferred Stock

Under this prospectus we may from time to time offer, in one or more series, the following securities for sale:

our debt securities;

warrants to purchase our common stock, preferred stock, or debt securities;

shares of our common stock;

shares of our preferred stock;

We use the term securities in this prospectus to refer to any of the securities we may offer in connection with this prospectus, unless we state otherwise.

The aggregate initial offering price of the securities offered by Amerada Hess Corporation hereby will not exceed \$1,500,000,000. This prospectus provides you with a general description of the securities we may offer. This prospectus may not be used to consummate a sale of these securities unless accompanied by a supplement to the prospectus. Each time we offer securities, we will provide you with a prospectus supplement that will describe the specific amounts, prices and terms of the securities we offer. The prospectus supplement also may add, update or change information contained in this prospectus. You should read this prospectus and any prospectus supplement carefully before you invest.

We may offer any combination of these securities at prices and on terms to be determined at or prior to the time of sale.

We may sell the securities to or through underwriters, through dealers or agents or directly to purchasers. Any accompanying prospectus supplements will set forth the names of any underwriters, dealers or agents involved in the sale of the securities in respect of which this prospectus is being delivered, the amounts proposed to be purchased by them, any applicable fee, commission or discount arrangements with them, the initial public offering price and the net proceeds. See Plan of Distribution.

Our common stock is listed on the New York Stock Exchange under the symbol AHC. Any shares of common stock sold pursuant to a prospectus supplement will be listed on such exchange, subject to an official notice of issuance.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined that this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The date of this prospectus is November 14, 2003

TABLE OF CONTENTS

	Page
About this Prospectus	2
Where You Can Find More Information	2
Incorporation by Reference	2
Amerada Hess Corporation	4
Use of Proceeds	4
Ratio of Earnings to Fixed Charges and Ratio of Earnings to Combined Fixed Charges and Preference Dividends	4
Description of Debt Securities	5
Description of Warrants	15
Description of Common Stock	16
Description of Preferred Stock	18
Plan of Distribution	22
Experts	24
Legal Matters	24

ABOUT THIS PROSPECTUS

This prospectus is part of a registration statement that we filed with the Securities and Exchange Commission using the shelf registration process. Under the shelf registration process, we may sell from time to time any combination of the securities described in this prospectus in one or more offerings for an initial purchase price of up to \$1,500,000,000.

This prospectus provides you with a general description of the securities we may offer. Each time we sell securities, we will provide a prospectus supplement that will contain specific information about the terms of the securities. The prospectus supplement may also add, update, or change information contained in this prospectus. You should read both this prospectus and any prospectus supplement together with the additional information described under the heading "Where You Can Find More Information" before making an investment decision.

WHERE YOU CAN FIND MORE INFORMATION

We file annual reports and special reports, proxy statements and other information with the SEC. You may read and copy any document that we file at the SEC's public reference rooms in Washington, D.C., New York, New York and Chicago, Illinois. Please call the SEC at (800) SEC-0330 for further information on the public reference rooms. Also, the SEC maintains a Web site (<http://www.sec.gov>) that contains reports, proxy and information statements and other information regarding registrants who file electronically with the SEC. In addition, you may inspect reports, proxy statements and other information concerning Amerada Hess Corporation at the offices of the New York Stock Exchange, Inc., 20 Broad Street, New York, New York 10005.

INCORPORATION BY REFERENCE

The SEC allows us to incorporate by reference the documents we file with it, which means that we can disclose important information to you by referring you to those documents instead of reproducing that information in this prospectus. The information incorporated by reference is considered to be a part of this prospectus, and information in documents that we file later with the SEC will automatically update and supersede information in this prospectus. We incorporate by reference the documents listed below and any future filings we will make with the SEC under Sections 13(a), 13(c), 14, or 15(d) of the Exchange Act:

Annual Report on Form 10-K for the fiscal year ended December 31, 2002;

Quarterly Reports on Form 10-Q for the periods ended March 31, 2003 and June 30, 2003;

Proxy Statement for the 2003 annual meeting of stockholders;

The description of our common stock contained in Appendix VII of Form S-4, Registration No. 333-50358, filed on November 21, 2000; and

Form 8-K, filed on November 6, 2003, which includes our updated financial information related to discontinued operations, reconciliation of non-GAAP financial measures and other matters stated therein.

Any statement contained in this prospectus, or in a document incorporated by reference into this prospectus, shall be deemed to be modified or superseded for purposes of this prospectus to the extent that a statement in this prospectus or in a subsequently filed document, that also is or is deemed to be incorporated by reference in this prospectus, modifies or supersedes such statement. Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this prospectus.

You may request a copy of these documents, at no cost to you, by writing or telephoning us at the following address:

Amerada Hess Corporation
1185 Avenue of the Americas
New York, NY 10036

Attention: Corporate Secretary
(212) 997-8500

Reliance on Information

You should rely only on the information incorporated by reference or provided in this prospectus or in any prospectus supplement. We have not authorized anyone to provide you with different information. You should not assume that the information in this prospectus or any prospectus supplement is accurate as of any date other than the date on the front of such document.

We have filed exhibits with this registration statement that include the form of proposed underwriting agreement and the indentures. You should read the exhibits carefully for provisions that may be important to you.

AMERADA HESS CORPORATION

We are a global integrated energy company engaged in the exploration for and the production, purchase, transportation and sale of crude oil and natural gas, as well as the production and sale of refined petroleum products. Exploration and production activities take place primarily in the United States, the United Kingdom, Norway, Denmark, Equatorial Guinea, Algeria, Gabon, Indonesia, Azerbaijan, Thailand and Malaysia.

Our refined petroleum products are manufactured at the HOVENSA refinery in St. Croix, United States Virgin Islands, which is owned jointly with Petroleos de Venezuela S.A. The refinery is one of the largest in the world with a crude oil capacity of 495,000 barrels per day. We market refined petroleum products on the East Coast of the United States to wholesale distributors, industrial and commercial users, other petroleum companies, governmental agencies, public utilities and to the motoring public through approximately 1,200 HESS brand retail outlets.

We are a Delaware corporation. Our principal executive offices are located at 1185 Avenue of the Americas, New York, New York 10036, and our telephone number is (212) 997-8500.

USE OF PROCEEDS

Unless we state otherwise in a prospectus supplement, the net proceeds from the sale of securities offered through this prospectus will be used for general corporate purposes, which may include working capital, capital expenditures, acquisitions and the reduction or refinancing of existing indebtedness. The amount and timing of sales of securities will depend on market conditions and the availability of other funds to us.

RATIO OF EARNINGS TO FIXED CHARGES AND RATIO OF EARNINGS TO COMBINED

FIXED CHARGES AND PREFERENCE DIVIDENDS

Our ratio of earnings to fixed charges and our ratio of earnings to combined fixed charges and preference dividends for each of the periods indicated are as follows: