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AMERADA HESS CORP
Form 8-K/A
October 25, 2001

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K/A

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

Date of Report (Date of earliest event reported):
August 14, 2001

AMERADA HESS CORPORATION
(Exact name of Registrant as Specified in Charter)

DELAWARE
(State or Other
Jurisdiction of
Incorporation)

NO. 1-1204
(Commission
File Number)

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

1185 AVENUE OF THE AMERICAS
NEW YORK, NEW YORK
(Address of Principal Executive Offices)

10036
(Zip Code)

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

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

This Form 8-K/A amends Item 7 of Form 8-K dated August 29, 2001 (the "8-K") by including the financial statements referred to below.

ITEM 7. FINANCIAL STATEMENTS AND EXHIBITS.

(a) Financial Statements of Businesses Acquired.

- (i) The consolidated financial statements of Triton Energy Limited as of December 31, 2000 and 1999 and for each of the three years ended December 31, 2000, 1999, and 1998 are incorporated by

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reference herein from Triton Energy Limited's Annual Report on Form 10-K for the fiscal year ended December 31, 2000 (file number 1-11675).

- (ii) The unaudited consolidated financial statements of Triton Energy Limited as of June 30, 2001 and for the six months ended June 30, 2001 and 2000 are incorporated by reference herein from Triton Energy Limited's Quarterly Report on Form 10-Q for the quarter ended June 30, 2001.

(b) Pro Forma Financial Information.

UNAUDITED PRO FORMA CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The following unaudited pro forma condensed consolidated balance sheet, pro forma condensed consolidated statements of income and accompanying notes give effect to the acquisition by Amerada Hess Corporation (the Corporation) of Triton Energy Limited (Triton). The Corporation accounted for the acquisition using the purchase method of accounting for business combinations. The pro forma financial statements are based on the historical consolidated financial statements of the Corporation and Triton and should be read in conjunction with the historical financial statements, including footnotes. The Corporation and Triton have filed historical financial statements with the Securities and Exchange Commission on Forms 10-K and 10-Q.

The unaudited pro forma condensed consolidated balance sheet at June 30, 2001 is presented as if the business combination occurred on June 30, 2001. The unaudited pro forma condensed statements of income for the year ended December 31, 2000 and the six months ended June 30, 2001 are presented as if the business combination had been completed on January 1, 2000.

The unaudited pro forma financial statements are presented for illustrative purposes only. They are based on assumptions and do not purport to be indicative of the results of operations or the financial position that would have actually occurred if the acquisition had been consummated on the dates indicated or that may be expected in the future.

The unaudited pro forma financial statements do not reflect any cost savings or anticipated changes in expenses reflecting efficiencies resulting from combining operations.

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AMERADA HESS CORPORATION AND CONSOLIDATED SUBSIDIARIES UNAUDITED PRO FORMA CONDENSED CONSOLIDATED BALANCE SHEET June 30, 2001 (in millions of dollars)

A S S E T S

| | AMERADA HESS CORPORATION | TRITON ENERGY LIMITED | PRO FORMA ADJUSTMENTS |
|---------------------------|--------------------------------|-----------------------------|--------------------------|
| CURRENT ASSETS | | | |
| Cash and cash equivalents | \$ 58 | \$ 63 | \$ (190) (a) |
| Accounts receivable | 2,827 | 120 | 121 (b) |
| Inventories | 479 | 18 | (80) (c) |
| | | | -- |

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| | | | |
|--|----------|---------|-----------|
| Other current assets | 361 | 10 | -- |
| | ----- | ----- | ----- |
| Total current assets | 3,725 | 211 | (149) |
| | ----- | ----- | ----- |
| INVESTMENTS AND ADVANCES | | | |
| HOVENSA L.L.C. | 897 | -- | -- |
| Other | 299 | 195 | 252 (d) |
| | ----- | ----- | ----- |
| Total investments and advances | 1,196 | 195 | 252 |
| | ----- | ----- | ----- |
| | | | 80 (c) |
| PROPERTY, PLANT AND EQUIPMENT, NET | 5,226 | 754 | 1,761 (d) |
| | ----- | ----- | ----- |
| NOTE RECEIVABLE | 419 | -- | -- |
| | ----- | ----- | ----- |
| DEFERRED INCOME TAXES AND OTHER ASSETS | 298 | 107 | (100) (d) |
| | ----- | ----- | ----- |
| GOODWILL | -- | -- | 965 (e) |
| | ----- | ----- | ----- |
| TOTAL ASSETS | \$10,864 | \$1,267 | \$ 2,809 |
| | ===== | ===== | ===== |

LIABILITIES AND STOCKHOLDERS' EQUITY

| | AMERADA HESS CORPORATION | TRITON ENERGY LIMITED | PRO FORMA ADJUSTMENTS |
|--|--------------------------------|-----------------------------|--------------------------|
| CURRENT LIABILITIES | | | |
| Accounts payable - trade | \$ 1,784 | \$ 3 | \$ -- |
| | | | 78 (h) |
| | | | 55 (f) |
| Accrued liabilities | 866 | 106 | 30 (a) |
| Taxes payable | 477 | 32 | -- |
| Notes payable | 8 | -- | -- |
| Current maturities of long-term debt | 274 | -- | -- |
| | ----- | ----- | ----- |
| Total current liabilities | 3,409 | 141 | 163 |
| | ----- | ----- | ----- |
| | | | 2,623 (a) |
| LONG-TERM DEBT | 1,998 | 500 | 55 (d) |
| | ----- | ----- | ----- |
| | | | (8) (d) |
| TOTAL DEFERRED LIABILITIES AND CREDITS | 836 | 38 | 564 (g) |
| | ----- | ----- | ----- |
| TOTAL STOCKHOLDERS' EQUITY | 4,621 | 588 | (588) (i) |
| | ----- | ----- | ----- |
| TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY | \$10,864 | \$ 1,267 | \$ 2,809 |
| | ===== | ===== | ===== |

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See accompanying notes to unaudited pro forma consolidated financial information.

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AMERADA HESS CORPORATION AND CONSOLIDATED SUBSIDIARIES UNAUDITED PRO FORMA CONDENSED CONSOLIDATED STATEMENT OF INCOME For the Six Months Ended June 30, 2001 (in millions of dollars, except per share data)

| | AMERADA HESS CORPORATION | TRITON ENERGY LIMITED | PRO FORMA ADJUSTMENTS |
|--|--------------------------------|-----------------------------|--------------------------|
| REVENUES | | | |
| Sales (excluding excise taxes) and other operating revenues | \$ 7,644 | \$ 267 | \$ -- |
| Non-operating income | | | |
| Equity in income of HOVENSA L.L.C. | 66 | -- | -- |
| Other | 84 | 2 | -- |
| | ----- | ----- | ----- |
| Total revenues | 7,794 | 269 | -- |
| | ----- | ----- | ----- |
| COSTS AND EXPENSES | | | |
| Cost of products sold | 5,168 | -- | -- |
| Production expenses | 326 | 59 | 1 (j) |
| Marketing expenses | 305 | -- | -- |
| Exploration expense, including dry holes and lease impairment | 157 | -- | 18 (j) |
| Other operating expenses | 110 | -- | -- |
| General and administrative expenses | 123 | 12 | -- |
| | | | 77 (k) |
| | | | (52) (l) |
| Interest expense | 81 | 14 | 5 (j) |
| Depreciation, depletion and amortization | 410 | 59 | 49 (m) |
| | ----- | ----- | ----- |
| Total costs and expenses | 6,680 | 144 | 98 |
| | ----- | ----- | ----- |
| Pro forma income before income taxes | 1,114 | 125 | (98) |
| Provision for income taxes | 420 | 49 | (23) (n) |
| | ----- | ----- | ----- |
| PRO FORMA INCOME | \$ 694 | \$ 76 | \$ (75) |
| | ===== | ===== | ===== |
| PRO FORMA INCOME PER SHARE | | | |
| BASIC | \$ 7.86 | \$ 1.64 | |
| | ===== | ===== | |
| DILUTED | \$ 7.77 | \$ 1.28 | |
| | ===== | ===== | |

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WEIGHTED AVERAGE NUMBER OF

SHARES OUTSTANDING (IN THOUSANDS)

| | | |
|---------|--------|--------|
| BASIC | 88,159 | 37,462 |
| DILUTED | 89,267 | 59,378 |

See accompanying notes to unaudited pro forma consolidated financial information.

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AMERADA HESS CORPORATION AND CONSOLIDATED SUBSIDIARIES UNAUDITED PRO FORMA CONDENSED CONSOLIDATED STATEMENT OF INCOME For the Year Ended December 31, 2000 (in millions of dollars, except per share data)

| | AMERADA HESS CORPORATION | TRITON ENERGY LIMITED | PRO FORMA ADJUSTMENTS |
|--|--------------------------------|-----------------------------|--------------------------|
| REVENUES | | | |
| Sales (excluding excise taxes) and other operating revenues | \$11,993 | \$ 328 | \$ -- |
| Non-operating income | | | |
| Equity in income of HOVENSA L.L.C. | 121 | -- | -- |
| Other | 163 | 15 | -- |
| | ----- | ----- | ----- |
| Total revenues | 12,277 | 343 | -- |
| | ----- | ----- | ----- |
| COSTS AND EXPENSES | | | |
| Cost of products sold | 7,883 | -- | -- |
| Production expenses | 557 | 55 | 4 (j) |
| Marketing expenses | 542 | -- | -- |
| Exploration expense, including dry holes and lease impairment | 289 | -- | 49 (j) |
| Other operating expenses | 234 | -- | -- |
| General and administrative expenses | 224 | 24 | (4) (j) |
| | | | 154 (k) |
| | | | (100) (l) |
| Interest expense | 162 | 17 | 11 (j) |
| Depreciation, depletion and amortization | 714 | 55 | 55 (m) |
| Impairment of assets and operating leases | -- | 55 | (54) (j) |
| | ----- | ----- | ----- |
| Total costs and expenses | 10,605 | 206 | 115 |
| | ----- | ----- | ----- |
| Pro forma income before income taxes | 1,672 | 137 | (115) |
| Provision for income taxes | 649 | 61 | (26) (n) |
| | ----- | ----- | ----- |
| PRO FORMA INCOME | \$ 1,023 | \$ 76 | \$ (89) |
| | ===== | ===== | ===== |
| PRO FORMA INCOME PER SHARE | | | |
| BASIC | \$ 11.48 | \$ 1.27 | |

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| | | |
|-----------------------------------|----------|---------|
| | ===== | ===== |
| DILUTED | \$ 11.38 | \$ 1.20 |
| | ===== | ===== |
| WEIGHTED AVERAGE NUMBER OF | | |
| SHARES OUTSTANDING (IN THOUSANDS) | | |
| BASIC | 89,063 | 36,551 |
| DILUTED | 89,878 | 38,604 |

See accompanying notes to unaudited pro forma consolidated financial information.

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NOTES TO UNAUDITED PRO FORMA CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (in millions)

Note 1: Basis of Presentation. The unaudited pro forma condensed consolidated balance sheet is based on the unaudited consolidated balance sheets of Amerada Hess Corporation (the Corporation) and Triton Energy Limited (Triton) at June 30, 2001. The unaudited pro forma condensed consolidated statements of income are based on the unaudited statements of income for the six-months ended June 30, 2001 and the audited statements of income for the year ended December 31, 2000 of the Corporation and Triton. The Corporation's and Triton's consolidated financial statements are prepared in conformity with generally accepted accounting principles and require estimates that affect the reported amounts of assets, liabilities, revenues and expenses and the disclosure of contingent assets and liabilities.

The Corporation will account for the acquisition of Triton using the accounting standards established in Statement of Financial Accounting Standard Nos. 141, Business Combinations, and 142, Goodwill and Other Intangible Assets. FAS 141 requires use of the purchase method of accounting for business combinations. FAS 142 requires that goodwill not be amortized and that goodwill be reviewed for impairment at least annually.

The unaudited pro forma financial statements are only illustrative. They are based on assumptions and do not purport to be indicative of the results of operations or the financial position that would have actually occurred if the combination had been consummated on the dates indicated or that may be expected in the future.

Note 2: Accounting Policies and Financial Statement Classifications. The Corporation uses the successful efforts method of accounting for oil and gas exploration and production; Triton used the full cost method. The pro forma adjustments include entries that conform Triton's accounting to the successful efforts method. All other accounting policies of the combining companies are substantially comparable.

Certain items in the consolidated financial statements of Triton have been reclassified to conform to the line-item presentation in the pro forma financial statements.

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Note 3: Pro Forma Adjustments. The unaudited pro forma financial statements reflect the merger using the purchase method of accounting.

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| | |
|---|--------|
| Amerada Hess Corporation cash used at closing | \$ 190 |
| Borrowings, mainly at fixed rates | 2,623 |
| Transaction costs accrued | 30 |
| | ----- |
| | 2,843 |
| | ----- |
| Allocation of purchase price | |
| Fair value of assets acquired | 3,301 |
| Less fair value of liabilities assumed | 1,423 |
| | ----- |
| | 1,878 |
| | ----- |
| Excess of purchase price over fair value of net assets acquired (goodwill) | \$ 965 |
| | ===== |

The following pro forma adjustments reflect estimates and assumptions made by the Corporation:

Pro Forma Balance Sheet

- (a) To record Amerada Hess Corporation cash paid, debt incurred and transaction costs accrued to acquire Triton.
- (b) To record the exercise of outstanding Triton stock options at the closing date.
- (c) To reclassify and conform line item presentation.
- (d) To record assets acquired and liabilities assumed at fair market value, including property, plant and equipment, investment in an oil and gas corporate joint venture and debt.
- (e) To record goodwill (excess of purchase price over fair value of net assets acquired).
- (f) To accrue Triton transaction costs related to the acquisition.
- (g) To record additional deferred income taxes resulting from acquisition.
- (h) To record liability for purchase of remaining shares (approximately 2.7% of outstanding Triton stock).
- (i) To eliminate Triton's stockholder equity accounts.

Pro Forma Income Statement

- (j) To record adjustments to convert Triton to the successful efforts method of accounting for oil and gas operations and to reclassify and conform line item presentation.
- (k) To record interest expense on debt used to finance the acquisition. The interest rate is approximately 6.2%.
- (l) To record capitalized interest on projects under development.

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- (m) To record additional depreciation, depletion and amortization based on the units of production method.
- (n) To record income tax effects on the pro forma adjustments based on estimated tax rates.

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Note 4: Pro Forma Earnings Per Share. The pro forma income per share is based on pro forma income and the weighted average number of outstanding common shares. Diluted income per share includes the effect of dilutive securities, including stock options.

Note 5: Cost Savings and Integration Related Expenses. The unaudited pro forma financial statements do not reflect any anticipated cost savings or efficiencies resulting from combining operations.

(c) Exhibits.

| Exhibit No. ----- | Description ----- |
|----------------------|---|
| 2.1 | Acquisition Agreement dated as of July 9, 2001 among Amerada Hess Corporation, Amerada Hess (Cayman) Limited and Triton Energy Limited. (1) |
| 2.2 | Principal Shareholders Agreement dated as of July 9, 2001 among Amerada Hess Corporation, Amerada Hess (Cayman) Limited, Triton Energy Limited, HM4 Triton, L.P. and the other shareholders of Triton Energy Limited listed on Annex A thereto. (2) |
| 10.1 | Third Amended and Restated Credit Agreement dated as of January 23, 2001 among Amerada Hess Corporation, the lenders party thereto and Goldman Sachs Credit Partners L.P. as joint book runner, joint lead arranger and sole syndication agent, Chase Securities, Inc. as joint book runner and joint lead arranger and The Chase Manhattan Bank, N.A., as administrative agent ("Facility A"). (3) |
| 10.2 | Third Amended and Restated Credit Agreement dated as of January 23, 2001 among Amerada Hess Corporation, the lenders party thereto and Goldman Sachs Credit Partners L.P. as joint book runner, joint lead arranger and sole syndication agent, Chase Securities, Inc. as joint book runner and joint lead arranger and The Chase Manhattan Bank, N.A., as administrative agent ("Facility B"). (4) |
| 23.1 | Consent of PricewaterhouseCoopers LLP, Independent Accountants. (5) |

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- (1) Incorporated by reference to Exhibit (d) (1) of the Schedule TO, filed July 17, 2001.
- (2) Incorporated by reference to Exhibit (d) (2) of the Schedule TO, filed July

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17, 2001.

- (3) Incorporated by reference to Exhibit 4 (4) to the Form 10-K filed by Amerada Hess Corporation on March 28, 2001, Commission File No. 333-50358.
- (4) Incorporated by reference to Exhibit 4 (5) to the Form 10-K filed by Amerada Hess Corporation on March 28, 2001, Commission File No. 333-50358.
- (5) Filed herewith.

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SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: October 25, 2001

AMERADA HESS CORPORATION

By: /s/John Y. Schreyer

Name: John Y. Schreyer

Title: Executive Vice President and
Chief Financial Officer

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EXHIBIT INDEX

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January 23, 2001 among Amerada Hess Corporation, the Lenders Party thereto and Goldman Sachs Credit Partners L.P. as joint book runner, joint lead arranger and sole syndication agent, Chase Securities, Inc. as joint book runner and joint lead arranger and The Chase Manhattan Bank, N.A., as administrative agent ("Facility B"). (4)

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