



## Sterling Investment Partners Completes Acquisition of U.S. Flag Tanker Operations of Amerada Hess

September 17, 2002

Westport, Connecticut -- Sterling Investment Partners, L.P., ("Sterling") a private equity group, today announced that it has completed the acquisition of the U.S. flag tanker operations of Amerada Hess Corporation (NYSE:AHC) through a newly formed company, United States Shipping LLC ("US Shipping"). The acquisition includes six sister vessels, their management and employees, and ancillary assets. The aggregate purchase price for the acquisition is slightly under \$200 million. The acquisition is being led by Sterling with the senior debt arranged by CIBC World Markets. Co-investors include the management of US Shipping and certain limited partners of Sterling including: an investment affiliate of Aetna Life Insurance Company, PPM America Capital Partners, Landmark Partners and Massachusetts Mutual Life Insurance Company.

The vessels acquired by US Shipping primarily transport refined petroleum products between U.S. ports for major oil companies. This transportation is integral to the operating infrastructure of major oil companies and to the logistics of moving refined petroleum and other products from domestic refineries to other U.S. ports. The vessels represent some of the largest product tankers in the Jones Act trade, which was established by the U.S. Federal Government in 1920 to monitor and protect coastal trade between U.S. ports.

Paul Gridley will serve as the Chairman and CEO of US Shipping. Mr. Gridley was formerly president of Marine Transport Lines, which he acquired (together with other partners) in a going private transaction in 1989 with the assistance of two of Sterling's partners. Mr. Gridley and his former partners were successful in building this company into the largest U.S. flag tanker owner/operator before selling the company in two stages in 1998 and 2001.

Mr. Gridley said, "We are very excited about this opportunity. The vessels have been maintained to the highest standards by Hess and were built with superior design features that have resulted in a tremendous operating and safety performance record. We particularly value the strong support from existing customers, especially BP, which currently charters three of the six vessels. US Shipping will maintain its strategic relationship with Hess which will give Hess continued access to high quality transportation and logistics services. We are also pleased by our financial partnership with Sterling Investment Partners and its co-investors."

Joseph Gehegan who currently heads up the operations for Hess and will be President and COO of US Shipping, commented, "We are pleased that we will retain the key members of the management team that have successfully operated the vessels for Hess. We will continue to operate this first-class maritime fleet as we always have to provide the highest level of customer service."

M. William Macey, Jr., a Managing Partner of Sterling Investment Partners, commented, "The high quality management team that is joining US Shipping from Hess has a long history with these vessels and a great reputation in the industry. We are looking forward to working with management in operating some of the finest assets in the Jones Act trade and intend to support US Shipping in building the business."

Sterling Investment Partners, L.P. actively seeks to make equity investments in middle-market companies with revenues between \$50-\$500 million and positive cash flow. Sterling invests in buyouts and provides capital for ownership transitions, growth and financial restructurings. Since its founding in 1991, Sterling has completed investments, strategic or add-on acquisitions and liquidity events with an aggregate transaction value of over \$2.6 billion.