

Supplemental Earnings Information



Fourth Quarter 2018



OPERATING RESULTS

Reported Net Income (Loss), Items Affecting Comparability & Adjusted Net Income (Loss) by Operating Activity



\$ In Millions, Except Per Share Data

	4Q 2018	4Q 2017	3Q 2018
<u>Net Income (Loss) Attributable to Hess Corporation (U.S. GAAP)</u>			
Exploration and Production	\$ (5)	\$ (2,592)	\$ 50
Midstream	32	20	30
Corporate and Other	53	(33)	(38)
Interest	(84)	(72)	(84)
Net income (loss) attributable to Hess Corporation	\$ (4)	\$ (2,677)	\$ (42)
Net income (loss) per common share (diluted)*	\$ (0.05)	\$ (8.57)	\$ (0.18)
<u>Items Affecting Comparability of Earnings - Income (Expense)</u>			
Exploration and Production	\$ -	\$ (2,373)	\$ (59)
Midstream	-	-	-
Corporate and Other	73	-	(12)
Total items affecting comparability of earnings between periods	\$ 73	\$ (2,373)	\$ (71)

* Calculated as net income (loss) attributable to Hess Corporation less preferred stock dividends, divided by weighted average number of diluted shares.

Reported Net Income (Loss), Items Affecting Comparability & Adjusted Net Income (Loss) by Operating Activity (Cont'd)



\$ In Millions, Except Per Share Data

	4Q 2018	4Q 2017	3Q 2018
<u>Adjusted Net Income (Loss)*</u>			
Exploration and Production	\$ (5)	\$ (219)	\$ 109
Midstream	32	20	30
Corporate and Other	(20)	(33)	(26)
Interest	(84)	(72)	(84)
Adjusted net income (loss) attributable to Hess Corporation	<u>\$ (77)</u>	<u>\$ (304)</u>	<u>\$ 29</u>
Adjusted net income (loss) per common share (diluted)**	<u>\$ (0.31)</u>	<u>\$ (1.01)</u>	<u>\$ 0.06</u>
Weighted average number of common shares outstanding (diluted) [in millions]	<u>291.5</u>	<u>313.6</u>	<u>294.3</u>

* The Corporation has used a non-GAAP financial measure in this supplemental earnings information. "Adjusted Net Income (Loss)" presented throughout this supplemental information is defined as reported net income (loss) attributable to Hess Corporation excluding items identified as affecting comparability of earnings between periods. Management uses adjusted net income (loss) to evaluate the Corporation's operating performance and believes that investors' understanding of our performance is enhanced by disclosing this measure, which excludes certain items that management believes are not directly related to ongoing operations and are not indicative of future business trends and operations. This measure is not, and should not be viewed as, a substitute for U.S. GAAP net income (loss).

** Calculated as adjusted net income (loss) attributable to Hess Corporation less preferred stock dividends, divided by weighted average number of diluted shares.

Items Affecting Comparability of Earnings Between Periods



(Amounts, After Income Taxes)

4Q 2018

- **Exploration and Production** – None.
- **Midstream** – None.
- **Corporate and Other** – Results included:
 - An allocation of noncash income tax benefit of \$73 million, as required by accounting standards, to offset the recognition of a noncash income tax expense recorded in other comprehensive income resulting from changes in fair value of the Corporation's 2019 crude oil hedging program.

4Q 2017

- **Exploration and Production** – Results included:
 - A gain of \$486 million from the sale of the Corporation's interests in Equatorial Guinea in November.
 - A loss of \$857 million from the sale of the Corporation's interests in Norway in December. The loss from the transaction includes the recognition of \$900 million for cumulative translation adjustments that were previously reflected within accumulated other comprehensive income (loss) in stockholders' equity.
 - Impairment charges totaling \$1,700 million to reduce the carrying value of the Corporation's interests in the Stampede and Tubular Bells Fields in the Gulf of Mexico, primarily as a result of an updated long-term crude oil price outlook used in the fourth quarter impairment analysis.
 - A charge of \$280 million to fully impair the carrying value of the Corporation's interest at the Hess operated offshore Deepwater Tano/Cape Three Points license, offshore Ghana (Hess 50 percent license interest) based on management's decision to not develop the discoveries.
 - A noncash charge of \$22 million related to de-designated crude oil hedging contracts as a result of a fire at the third-party operated Enchilada platform in the Gulf of Mexico.
- **Midstream** – None.
- **Corporate and Other** – None.

Items Affecting Comparability of Earnings Between Periods (Cont'd)



(Amounts, After Income Taxes)

3Q 2018

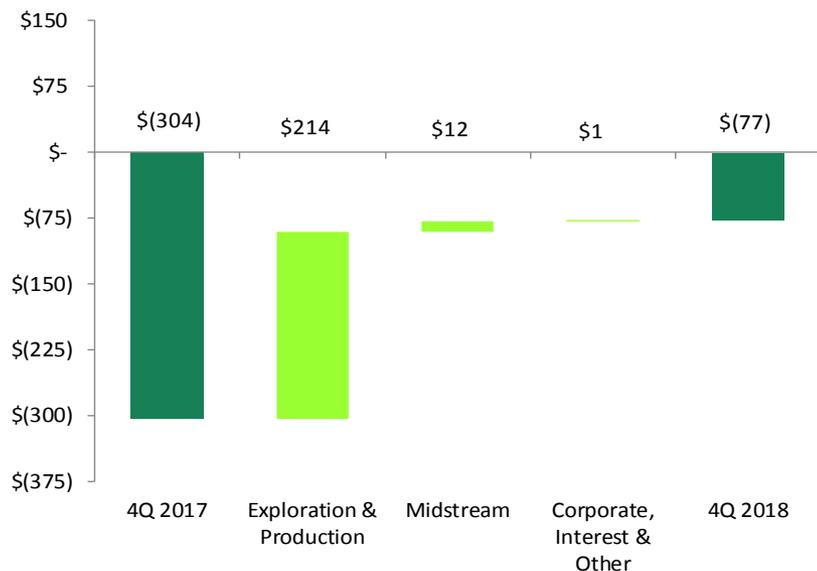
- **Exploration and Production** – Results included:
 - A charge of \$73 million in connection with vacated office space, of which \$57 million is included in General and administrative expenses and \$16 million is included in Depreciation, depletion and amortization.
 - A gain of \$14 million from the sale of the Corporation's joint venture interests in the Utica shale play.
- **Midstream** – None.
- **Corporate and Other** – Results included:
 - An allocation of noncash income tax expense of \$12 million, as required by accounting standards, to offset the recognition of a noncash income tax benefit recorded in other comprehensive income resulting from changes in fair value of the Corporation's 2019 crude oil hedging program.

Consolidated Adjusted Net Income (Loss)

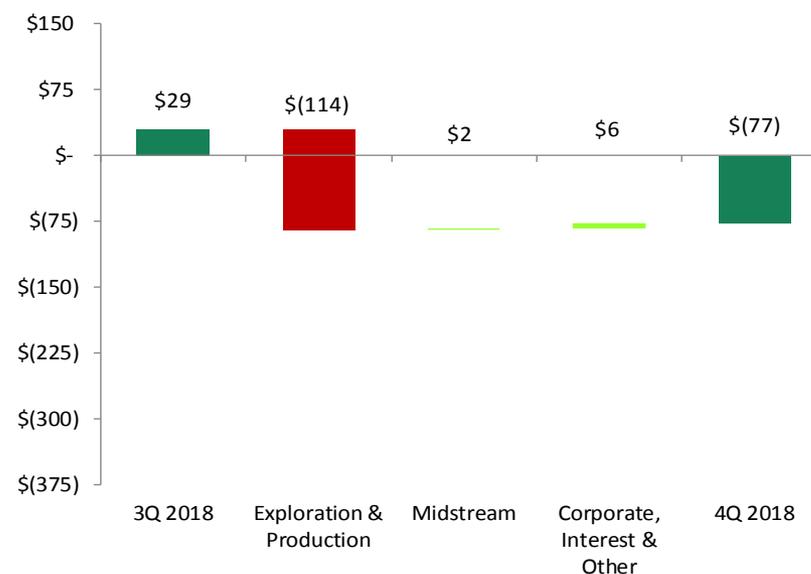


\$ In Millions

4Q 2018 vs. 4Q 2017



4Q 2018 vs. 3Q 2018



	4Q 2018	4Q 2017	Incr. / (Decr.)
Exploration and Production	\$ (5)	\$ (219)	\$ 214
Midstream	32	20	12
Corporate, Interest and Other	(104)	(105)	1
Adjusted net income (loss) attributable to Hess Corporation	<u>\$ (77)</u>	<u>\$ (304)</u>	<u>\$ 227</u>

	4Q 2018	3Q 2018	Incr. / (Decr.)
Exploration and Production	\$ (5)	\$ 109	\$ (114)
Midstream	32	30	2
Corporate, Interest and Other	(104)	(110)	6
Adjusted net income (loss) attributable to Hess Corporation	<u>\$ (77)</u>	<u>\$ 29</u>	<u>\$ (106)</u>

Analysis of Consolidated Adjusted Net Income (Loss)



4Q 2018 vs. 4Q 2017

- **Exploration and Production** – The increase in results primarily reflects higher U.S. crude oil production, reduced operating costs, and lower depreciation, depletion and amortization expense.
- **Midstream** – The increase in earnings primarily reflects higher throughput volumes.
- **Corporate and Other** – The decrease in corporate and other costs was primarily due to lower employee related costs and professional fees.
- **Interest** – Interest expense increased due to lower capitalized interest at the Stampede Field which commenced production in January 2018.

4Q 2018 vs. 3Q 2018

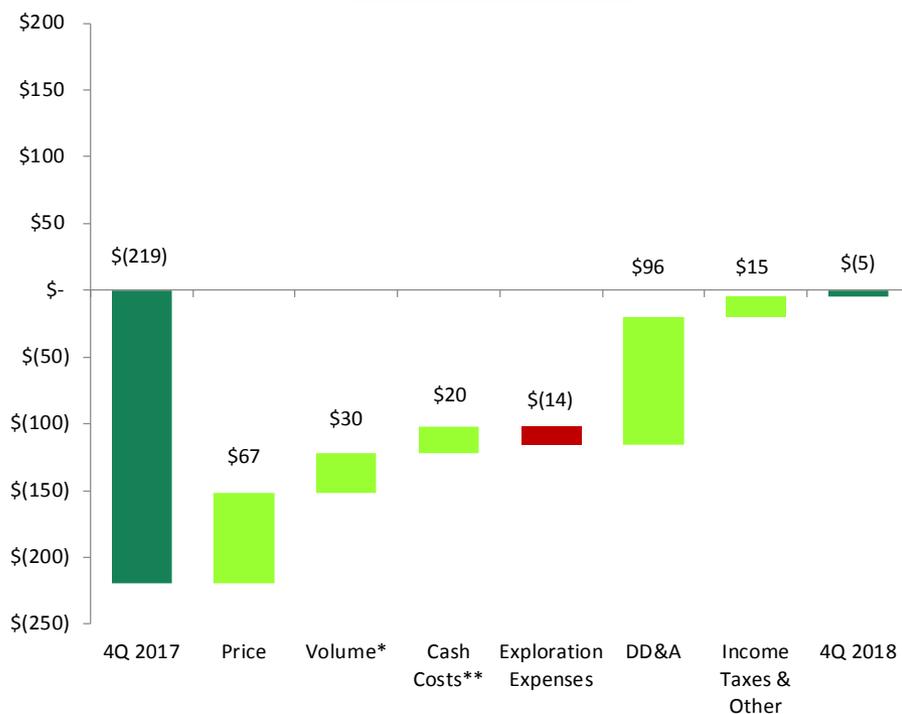
- **Exploration and Production** – The decrease in results primarily reflects lower realized crude oil selling prices and higher depreciation, depletion and amortization expense, partially offset by lower exploration expense.
- **Midstream** – No significant changes.
- **Corporate and Other** – The decrease in corporate and other costs was primarily due to lower employee related costs and professional fees.
- **Interest** – No significant changes.

Exploration and Production – Adjusted Net Income (Loss)

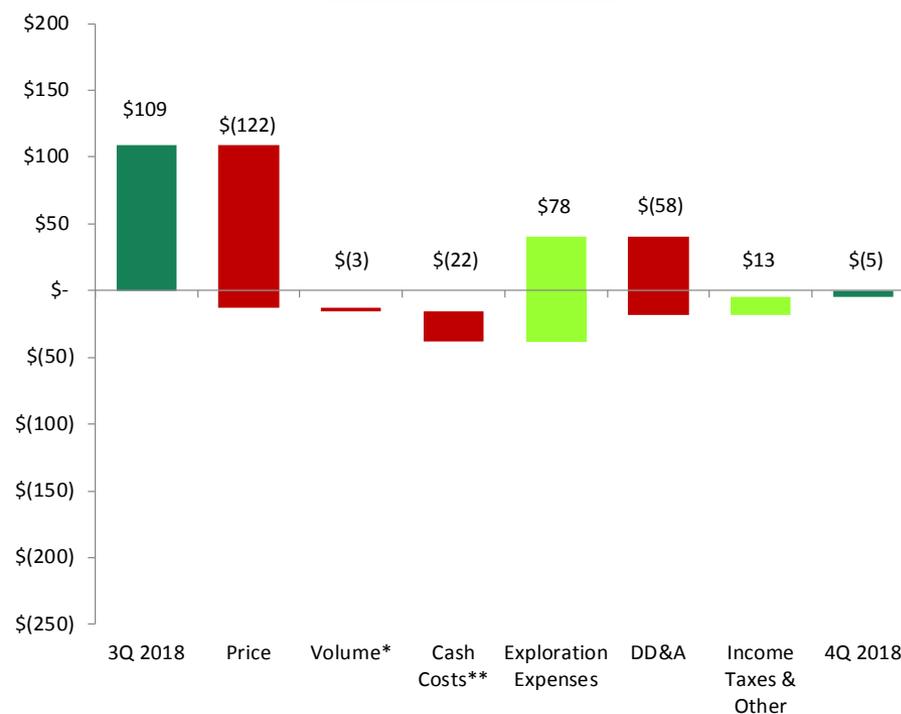


\$ In Millions

4Q 2018 vs. 4Q 2017



4Q 2018 vs. 3Q 2018



	4Q 2018	4Q 2017	Incr. / (Decr.)
United States	\$ 7	\$ (265)	\$ 272
International	(12)	46	(58)
Total	\$(5)	\$(219)	\$ 214

	4Q 2018	3Q 2018	Incr. / (Decr.)
United States	\$ 7	\$ 159	\$ (152)
International	(12)	(50)	38
Total	\$(5)	\$ 109	\$(114)

* Includes associated Marketing, including purchased oil and gas.

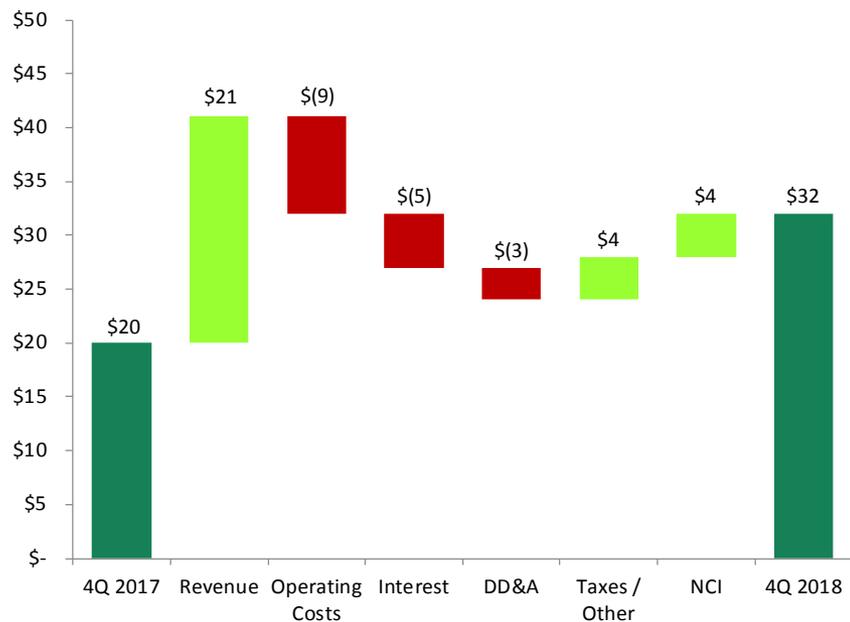
** Cash costs include Operating costs and expenses, Production and severance taxes, E&P general and administrative expenses.

Midstream – Adjusted Net Income

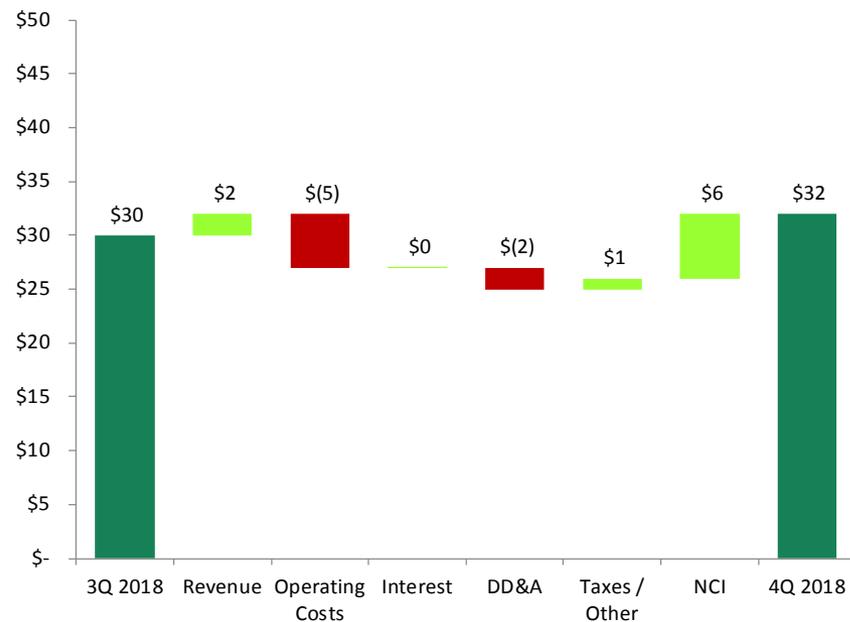


\$ In Millions

4Q 2018 vs. 4Q 2017



4Q 2018 vs. 3Q 2018

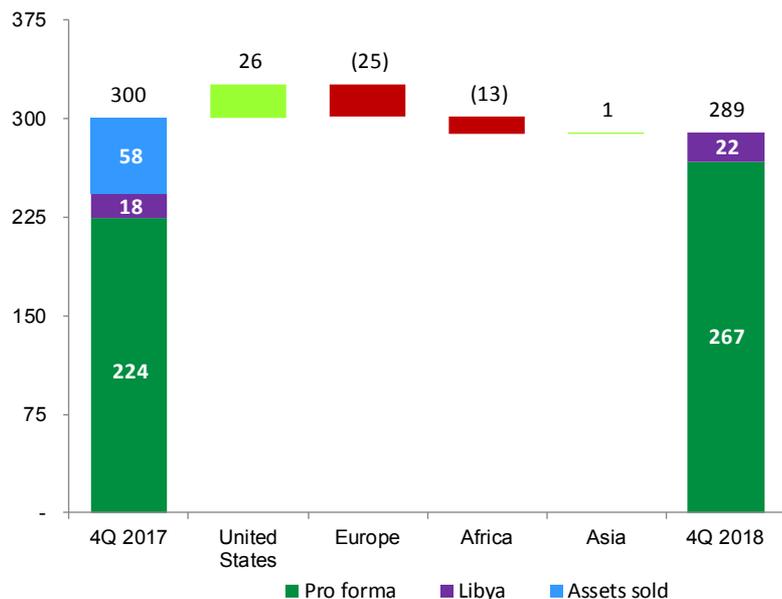


Worldwide Oil & Gas Production

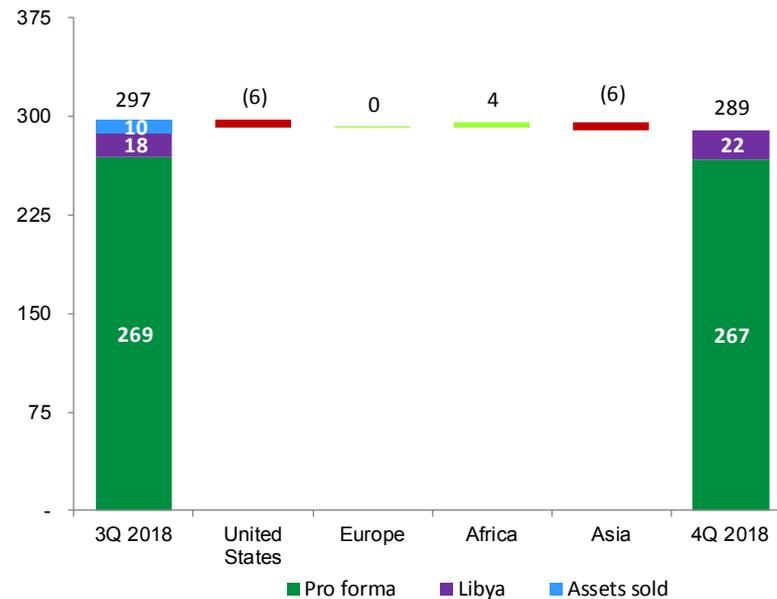


In MBOEPD

4Q 2018 vs. 4Q 2017



4Q 2018 vs. 3Q 2018



	4Q 2018	4Q 2017	Incr. / (Decr.)
United States			
Bakken	126	110	16
Other Onshore	3	21	(18)
Total Onshore	129	131	(2)
Offshore	68	40	28
Total United States	197	171	26
Europe	8	33	(25)
Africa	22	35	(13)
Asia	62	61	1
Total	289	300	(11)

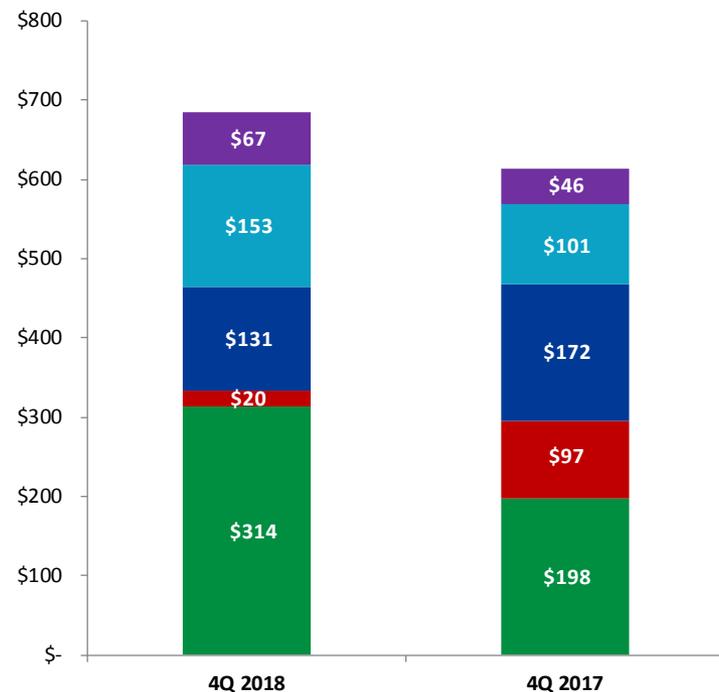
	4Q 2018	3Q 2018	Incr. / (Decr.)
United States			
Bakken	126	118	8
Other Onshore	3	14	(11)
Total Onshore	129	132	(3)
Offshore	68	71	(3)
Total United States	197	203	(6)
Europe	8	8	-
Africa	22	18	4
Asia	62	68	(6)
Total	289	297	(8)

Capital and Exploratory Expenditures



\$ In Millions

4Q 2018 vs. 4Q 2017



■ Midstream ■ Exploration ■ Development
■ Production ■ Unconventionals

E&P Capital and Exploratory Expenditures

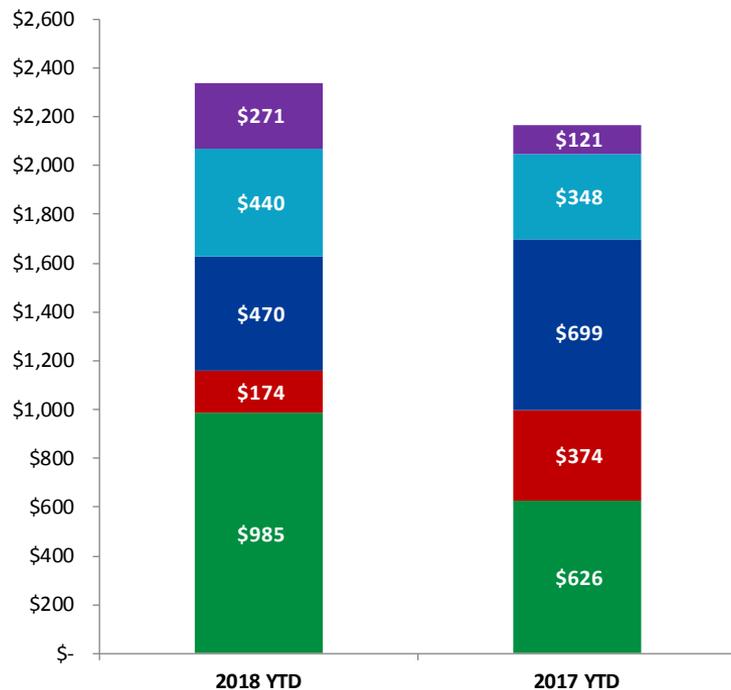
	Three Months Ended December 31,	
	2018	2017
United States		
Bakken	\$ 314	\$ 200
Other Onshore	2	5
Total Onshore	<u>316</u>	<u>205</u>
Offshore	105	162
Total United States	<u>421</u>	<u>367</u>
South America	139	81
Europe	2	51
Asia and Other	56	69
E&P Capital and Exploratory Expenditures	<u>\$ 618</u>	<u>\$ 568</u>
Total exploration expenses charged to income included above	<u>\$ 49</u>	<u>\$ 67</u>
Midstream Capital Expenditures	<u>\$ 67</u>	<u>\$ 46</u>

Capital and Exploratory Expenditures (Cont'd)



\$ In Millions

4Q 2018 YTD vs. 4Q 2017 YTD



■ Midstream ■ Exploration ■ Development
■ Production ■ Unconventionals

E&P Capital and Exploratory Expenditures

	Year Ended December 31,	
	2018	2017
United States		
Bakken	\$ 967	\$ 624
Other Onshore	43	30
Total Onshore	<u>1,010</u>	<u>654</u>
Offshore	368	702
Total United States	<u>1,378</u>	<u>1,356</u>
South America	423	242
Europe	8	142
Asia and Other	260	307
E&P Capital and Exploratory Expenditures	<u>\$ 2,069</u>	<u>\$ 2,047</u>
Total exploration expenses charged to income included above	<u>\$ 160</u>	<u>\$ 195</u>
Midstream Capital Expenditures	<u>\$ 271</u>	<u>\$ 121</u>



FINANCIAL INFORMATION

Consolidating Income Statement – 4Q 2018



\$ In Millions, Except Unit Costs Data

	Three Months Ended December 31, 2018				
	Exploration & Production	Midstream	Corporate, Interest & Other	Eliminations	Consolidated Total
	A	B	C	D	A + B + C + D
Revenue and Non-Operating Income					
Sales and other operating revenues	\$ 1,650	\$ 186	\$ -	\$ (183)	\$ 1,653
Other, net	17	1	11	-	29
Total revenues and non-operating income	1,667	187	11	(183)	1,682
Costs and Expenses					
Marketing, including purchased oil and gas	490	-	-	(18)	472
Operating costs and expenses	238	54	-	-	292
Production and severance taxes	43	-	-	-	43
Midstream tariffs	165	-	-	(165)	-
Exploration expenses, including dry holes and lease impairment	91	-	-	-	91
General and administrative expenses	55	5	31	-	91
Interest expense	-	15	84	-	99
Depreciation, depletion and amortization	499	33	1	-	533
Total costs and expenses	1,581	107	116	(183)	1,621
Adjusted Income (Loss) Before Income Taxes	86	80	(105)	-	61
Provision (benefit) for income taxes	91	10	(1)	-	100
Adjusted Net Income (Loss)	(5)	70	(104)	-	(39)
Less: Net income (loss) attributable to noncontrolling interests	-	38	-	-	38
Adjusted Net Income (Loss) Attributable to Hess Corporation⁽¹⁾	\$ (5)	\$ 32	\$ (104)	\$ -	\$ (77)
Items affecting comparability of earnings (after tax)⁽¹⁾	-	-	73	-	73
Net Income (Loss) Attributable to Hess Corporation⁽¹⁾	\$ (5)	\$ 32	\$ (31)	\$ -	\$ (4)
Exploration & Production Unit Costs (\$/boe)⁽²⁾					
Cash Costs ⁽³⁾	\$ 12.60				
DD&A Costs	18.75				
Production Costs	31.35				
Production Volumes (mmboe) ⁽⁴⁾	26.6				
Midstream					
EBITDA ⁽⁵⁾	\$ 127				

(1) - See footnote on page 3 regarding non-GAAP financial measures.

(2) - Unit costs exclude items affecting comparability of earnings.

(3) - Cash costs include Operating costs and expenses, Production and severance taxes, and General and administrative expenses.

(4) - mmboe represents millions of barrels of oil equivalent.

(5) - EBITDA is calculated as net income before income taxes plus interest expense and depreciation, depletion and amortization. Excludes items affecting comparability of earnings, and other, net.

Consolidating Income Statement – 4Q 2017



\$ In Millions, Except Unit Costs Data

	Three Months Ended December 31, 2017				
	Exploration & Production	Midstream	Corporate, Interest & Other	Eliminations	Consolidated Total
	A	B	C	D	A + B + C + D
Revenue and Non-Operating Income					
Sales and other operating revenues	\$ 1,685	\$ 157	\$ -	\$ (157)	\$ 1,685
Gains (losses) on asset sales, net	2	6	1	-	9
Other, net	(18)	-	8	-	(10)
Total revenues and non-operating income	1,669	163	9	(157)	1,684
Costs and Expenses					
Marketing, including purchased oil and gas	489	-	-	(13)	476
Operating costs and expenses	313	45	-	-	358
Production and severance taxes	31	-	-	-	31
Midstream tariffs	144	-	-	(144)	-
Exploration expenses, including dry holes and lease impairment	76	-	-	-	76
General and administrative expenses	58	5	58	-	121
Interest expense	-	8	72	-	80
Depreciation, depletion and amortization	616	30	-	-	646
Total costs and expenses	1,727	88	130	(157)	1,788
Adjusted Income (Loss) Before Income Taxes	(58)	75	(121)	-	(104)
Provision (benefit) for income taxes	161	13	(16)	-	158
Adjusted Net Income (Loss)	(219)	62	(105)	-	(262)
Less: Net income (loss) attributable to noncontrolling interests	-	42	-	-	42
Adjusted Net Income (Loss) Attributable to Hess Corporation⁽¹⁾	\$ (219)	\$ 20	\$ (105)	\$ -	\$ (304)
Items affecting comparability of earnings (after tax)⁽¹⁾	(2,373)	-	-	-	(2,373)
Net Income (Loss) Attributable to Hess Corporation⁽¹⁾	\$ (2,592)	\$ 20	\$ (105)	\$ -	\$ (2,677)
Exploration & Production Unit Costs (\$/boe)⁽²⁾					
Cash Costs ⁽³⁾	\$ 14.58				
DD&A Costs	22.32				
Production Costs	\$ 36.90				
Production Volumes (mmboe) ⁽⁴⁾	27.6				
Midstream					
EBITDA ⁽⁵⁾	\$ 113				

(1) - See footnote on page 3 regarding non-GAAP financial measures.

(2) - Unit costs exclude items affecting comparability of earnings.

(3) - Cash costs include Operating costs and expenses, Production and severance taxes, and General and administrative expenses.

(4) - mmboe represents millions of barrels of oil equivalent.

(5) - EBITDA is calculated as net income before income taxes plus interest expense and depreciation, depletion and amortization. Excludes items affecting comparability of earnings.

Consolidating Income Statement – 4Q 2018 YTD



\$ In Millions, Except Unit Costs Data

	Year Ended December 31, 2018				
	Exploration & Production	Midstream	Corporate, Interest & Other	Eliminations	Consolidated Total
	A	B	C	D	A + B + C + D
Revenue and Non-Operating Income					
Sales and other operating revenues	\$ 6,323	\$ 713	\$ -	\$ (710)	\$ 6,326
Gains (losses) on asset sales, net	3	-	5	-	8
Other, net	53	6	49	-	108
Total revenues and non-operating income	6,379	719	54	(710)	6,442
Costs and Expenses					
Marketing, including purchased oil and gas	1,833	-	-	(62)	1,771
Operating costs and expenses	922	193	-	-	1,115
Production and severance taxes	171	-	-	-	171
Midstream tariffs	648	-	-	(648)	-
Exploration expenses, including dry holes and lease impairment	359	-	-	-	359
General and administrative expenses	186	14	143	-	343
Interest expense	-	60	339	-	399
Depreciation, depletion and amortization	1,732	127	8	-	1,867
Total costs and expenses	5,851	394	490	(710)	6,025
Adjusted Income (Loss) Before Income Taxes	528	325	(436)	-	417
Provision (benefit) for income taxes	391	38	(3)	-	426
Adjusted Net Income (Loss)	137	287	(433)	-	(9)
Less: Net income (loss) attributable to noncontrolling interests	-	167	-	-	167
Adjusted Net Income (Loss) Attributable to Hess Corporation⁽¹⁾	\$ 137	\$ 120	\$ (433)	\$ -	\$ (176)
Items affecting comparability of earnings (after tax)⁽¹⁾	(86)	-	(20)	-	(106)
Net Income (Loss) Attributable to Hess Corporation⁽¹⁾	\$ 51	\$ 120	\$ (453)	\$ -	\$ (282)
Exploration & Production Unit Costs (\$/boe)⁽²⁾					
Cash Costs ⁽³⁾	\$ 12.66				
DD&A Costs	17.14				
Production Costs	\$ 29.80				
Production Volumes (mmboe) ⁽⁴⁾	101.1				
Midstream					
EBITDA ⁽⁵⁾	\$ 506				

(1) - See footnote on page 3 regarding non-GAAP financial measures.

(2) - Unit costs exclude items affecting comparability of earnings.

(3) - Cash costs include Operating costs and expenses, Production and severance taxes, and General and administrative expenses.

(4) - mmboe represents millions of barrels of oil equivalent.

(5) - EBITDA is calculated as net income before income taxes plus interest expense and depreciation, depletion and amortization. Excludes items affecting comparability of earnings, and other, net.

Consolidating Income Statement – 4Q 2017 YTD



\$ In Millions, Except Unit Costs Data

	Year Ended December 31, 2017				
	Exploration & Production	Midstream	Corporate, Interest & Other	Eliminations	Consolidated Total
	A	B	C	D	A + B + C + D
Revenue and Non-Operating Income					
Sales and other operating revenues	\$ 5,482	\$ 617	\$ -	\$ (611)	\$ 5,488
Gains (losses) on asset sales, net	2	6	4	-	12
Other, net	(1)	-	12	-	11
Total revenues and non-operating income	5,483	623	16	(611)	5,511
Costs and Expenses					
Marketing, including purchased oil and gas	1,335	-	-	(68)	1,267
Operating costs and expenses	1,248	195	-	-	1,443
Production and severance taxes	119	-	-	-	119
Midstream tariffs	543	-	-	(543)	-
Exploration expenses, including dry holes and lease impairment	227	-	-	-	227
General and administrative expenses	224	16	171	-	411
Interest expense	-	26	299	-	325
Depreciation, depletion and amortization	2,736	123	5	-	2,864
Total costs and expenses	6,432	360	475	(611)	6,656
Adjusted Income (Loss) Before Income Taxes	(949)	263	(459)	-	(1,145)
Provision (benefit) for income taxes	95	47	(26)	-	116
Adjusted Net Income (Loss)	(1,044)	216	(433)	-	(1,261)
Less: Net income (loss) attributable to noncontrolling interests	-	140	-	-	140
Adjusted Net Income (Loss) Attributable to Hess Corporation⁽¹⁾	\$ (1,044)	\$ 76	\$ (433)	\$ -	\$ (1,401)
Items affecting comparability of earnings (after tax)⁽¹⁾	(2,609)	(34)	(30)	-	(2,673)
Net Income (Loss) Attributable to Hess Corporation⁽¹⁾	\$ (3,653)	\$ 42	\$ (463)	\$ -	\$ (4,074)
Exploration & Production Unit Costs (\$/boe)⁽²⁾					
Cash Costs ⁽³⁾	\$ 14.27				
DD&A Costs	24.53				
Production Costs	\$ 38.80				
Production Volumes (mmboe) ⁽⁴⁾	111.5				
Midstream					
EBITDA ⁽⁵⁾	\$ 412				

(1) - See footnote on page 3 regarding non-GAAP financial measures.

(2) - Unit costs exclude items affecting comparability of earnings.

(3) - Cash costs include Operating costs and expenses, Production and severance taxes, and General and administrative expenses.

(4) - mmboe represents millions of barrels of oil equivalent.

(5) - EBITDA is calculated as net income before income taxes plus interest expense and depreciation, depletion and amortization. Excludes items affecting comparability of earnings.



OTHER INFORMATION

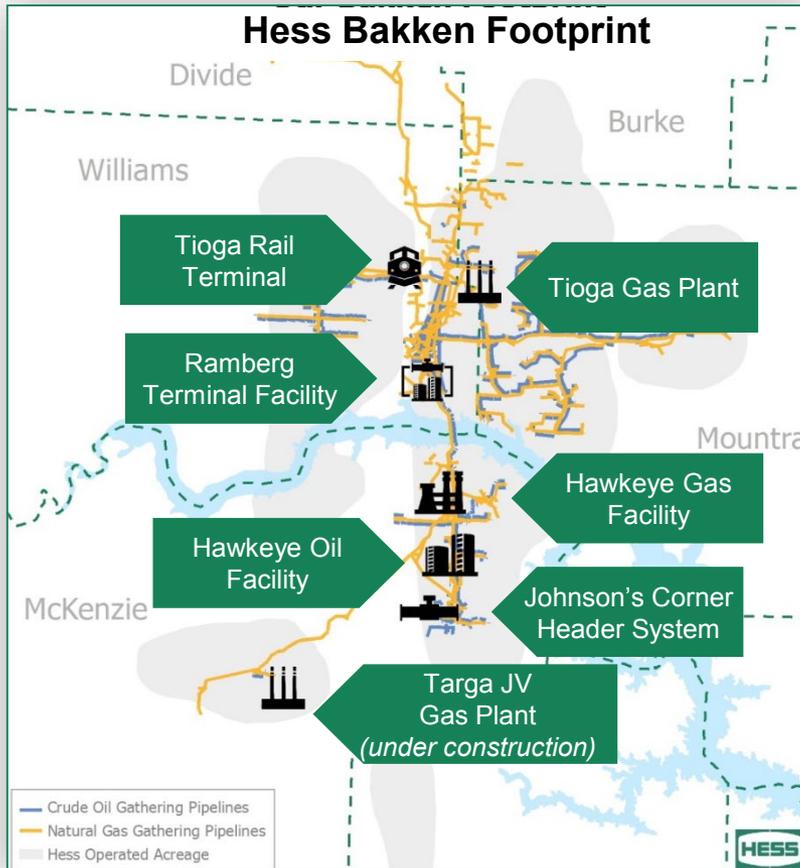
2019 Guidance to Investors



	GUIDANCE ⁽¹⁾	
	Full Year	1Q
<u>Production - Thousand Barrels of Oil Equivalent Per Day (MBOEPD)</u>		
Total - excluding Libya	270 - 280	~270
Bakken	135 - 145	130 - 135
<u>Unit Cost - \$ Per Barrel of Oil Equivalent (\$/BOE)</u>		
Cash Costs	\$13.00 - \$14.00	\$12.50 - \$13.50
DD&A	\$18.00 - \$19.00	\$18.00 - \$19.00
Total Production Costs	\$31.00 - \$33.00	\$30.50 - \$32.50
Exploration Expenses, Excluding Dry Hole Costs (\$ Millions)	\$200 - \$220	\$45 - \$55
Midstream Tariff (\$ Millions)	\$750 - \$775	~\$170
Exploration and Production Effective Tax Rate Expense, excluding Libya⁽²⁾	0% - 4%	0% - 4%
Exploration and Production Capital and Exploratory Expenditures (\$ Millions)	\$2,900	\$700
Noncash Crude Oil Hedging Premium Amortization (\$ Millions)	~\$115	~\$29
<u>Other (\$ Millions)</u>		
Corporate Expenses	\$105 - \$115	\$25 - \$30
Interest Expenses	\$315 - \$325	\$80 - \$85
Midstream Net Income Attributable to Hess Corporation	\$170 - \$180	~\$35

(1) All guidance excludes "items affecting comparability".

(2) The Corporation does not recognize deferred taxes in the United States, Denmark (hydrocarbon tax only), Malaysia & Guyana, which causes a lower effective tax rate.



Strategic infrastructure supporting Hess' Bakken development

- Export flexibility provides access to highest value markets
- ~70% volume currently linked to Brent based pricing
- 350 MMCFD gas processing capacity¹, 380 MBD crude oil terminaling
- Integrated service offering – crude oil gathering and terminaling, gas gathering and processing, water handling

Significant retained Midstream value

- Strong growth potential results in premium valuation
- Accelerating cash flows through HIP independent capital structure
- Further Hess assets available for potential sale to HIP / HESM

\$2.85 billion

Cash proceeds received to date for HESM IPO and HIP joint venture transactions

~16-18x

Implied EBITDA multiple from cash proceeds received in HESM and HIP transactions²

>\$2 billion

Combined equity value of HESM LP units and retained EBITDA (excluding GP interest)³

Strategic infrastructure supports production growth while generating significant proceeds & value

(1) Includes 100 MMCFD under construction (2) Represents aggregate Enterprise Value (EV) implied at announcement of Hess Infrastructure Partners JV as well as EV implied at pricing of HESM IPO, divided by estimated forward EBITDA at time of each announcement, respectively (3) Based on HESM market cap 01/25/19 and reflects (i) market value of Hess ownership of HESM LP common units (~35%), and (ii) implied value of Hess ownership of HIP (50%), which retained 80% economic interest in joint interest assets post-IPO, net of HIP debt

4Q 2018: Net Hess Cash Outflow



<u>Bakken Net Production</u>	<u>Q4 2018</u>		
Bakken Net Production (MBOEPD)	126		
Bakken Net Production (MMBOE)	11.6		
<u>Midstream Tariffs on Hess Net Production</u>	<u>\$ Millions</u>	<u>\$/BOE</u>	<u>Description:</u>
Midstream Segment Revenue ⁽¹⁾	186		(Source: HES Supplemental Earnings Information)
Less: MVCs	(7)		MVC shortfall fees not part of long term production costs as production expected to grow beyond MVC levels (Source: HESM Earnings Release)
Less: Revenue to Wholly-owned Hess Assets ⁽²⁾	(15)		Midstream 100% consolidated revenues such as Bakken Water Mgmt. (Source: HES / HESM Earnings Release)
Less: Third Party Rail Transportation	(5)		Third party rail transportation costs included in realized price netback (Source: HESM 10Q)
Less: Revenue Recovery from Partners and 3rd parties	(61)		Tariffs recovered from 3 rd Party shippers and Royalty/Working Interest owners of Hess-operated acreage
Total Tariffs related to Hess Net Production	98	8.45	Share of tariff payments attributable to Hess net production
Less: Hess-owned share of Hess tariff payments	(46)		Revenue attributable to Hess ~47% ownership of HESM (~35%) and HIP (50%) that remains within Hess; does not affect Bakken well economics ⁽³⁾
Net Hess cash outflow for tariffs	52	4.49	Net outflow of tariff payments attributable to Hess net production
Memo: HESM consolidated cash operating expense	47		HESM consolidated operating expenses funded by HIP and HESM cashflows and capital structure (Source: HESM Earnings Release)

- Tariff structure has generated \$2.85B cash proceeds⁴ and facilitated cash distributions to Hess
- Net Hess cash outflow for tariffs of \$52mm or \$4.49/BOE in Q4 2018
 - Comparable to \$47mm cash operating expense as reported in HESM consolidated financial statements
 - Tariff structure transfers ongoing midstream capital expenditure to HESM/HIP

\$2.85 B cash proceeds with cash outflow comparable to midstream operating expense

1) Reflects "Sales and other operating revenues" for the Midstream segment for the quarter ended 12/31/18. 2) Revenue at Hess Midstream Segment less HESM Consolidated Revenue.

3) Reflects Hess ownership of i) ~35% of HESM LP units and ii) 50% of HIP's retained 80% economic interest in joint interest assets post-IPO.

4) Cash proceeds received to date for HESM IPO and HIP joint venture transactions.



BAKKEN OPERATIONAL DATA

Bakken Production - 2018



Net Production by Product

		2018				
		YTD Avg	4Q	3Q	2Q	1Q
Oil	MBBLPD	76	83	76	72	72
NGL	MBBLPD	29	31	30	31	28
Gas	MMCFPD	70	74	72	68	66
Total	MBOEPD ⁽¹⁾	117	126	118	114	111

Net Production by Operatorship

		2018				
		YTD Avg	4Q	3Q	2Q	1Q
Operated	MBOEPD	105	113	105	102	100
Outside Operated	MBOEPD	12	13	13	12	11
Total	MBOEPD	117	126	118	114	111
% Outside Operated		10%	10%	11%	11%	10%

⁽¹⁾ Includes natural gas production converted on the basis of relative energy content (six mcf equals one barrel of oil equivalent).

Bakken Production - 2017



Net Production by Product

		2017				
		YTD Avg	4Q	3Q	2Q	1Q
Oil	MBBLPD	67	69	63	68	67
NGL	MBBLPD	28	30	29	29	23
Gas	MMCFPD	62	66	63	66	53
Total	MBOEPD ⁽¹⁾	105	110	103	108	99

Net Production by Operatorship

		2017				
		YTD Avg	4Q	3Q	2Q	1Q
Operated	MBOEPD	96	99	95	100	91
Outside Operated	MBOEPD	9	11	8	8	8
Total	MBOEPD	105	110	103	108	99
% Outside Operated		9%	10%	8%	7%	8%

⁽¹⁾ Includes natural gas production converted on the basis of relative energy content (six mcf equals one barrel of oil equivalent).

Bakken Operational Well Statistics - 2018



Hess Operated Wells

		2018				
		YTD Avg	4Q	3Q	2Q	1Q
Rig Count						
Drilling	No. Rigs	5	6	5	4	4
Drilling Days	Spud-to-Spud	15	14	15	14	15
		2018				
		YTD	4Q	3Q	2Q	1Q
No. of Wells						
Drilled	by Qtr	121	36	34	28	23
Completion	by Qtr	118	34	37	24	23
On Production	by Qtr	104	35	29	27	13
On Production - Other	by Qtr ⁽¹⁾	(5)	—	(5)	—	—
On Production	Cum. to date	1,414	1,414	1,379	1,355	1,328

Outside Operated Wells

		2018				
		YTD	4Q	3Q	2Q	1Q
No. of Wells						
On Production	by Qtr	87	40	12	27	8
On Production - Other	Cum. to date adj. ⁽¹⁾	20	—	20	—	—
On Production	Cum. to date	1,277	1,277	1,237	1,205	1,178

⁽¹⁾ Reflects changes arising from the impact of swaps, acquisitions, divestitures and other adjustments.

Bakken Operational Well Statistics - 2017



Hess Operated Wells

		2017				
		YTD Avg	4Q	3Q	2Q	1Q
Rig Count						
Drilling	No. Rigs	4	4	4	4	2
Drilling Days	Spud-to-Spud	15	15	16	15	15

		2017				
		YTD	4Q	3Q	2Q	1Q
No. of Wells						
Drilled	by Qtr	85	27	24	23	11
Completion	by Qtr	68	24	20	14	10
On Production	by Qtr	68	34	13	13	8
On Production - Other	by Qtr ⁽¹⁾	(25)	(7)	—	(18)	—
On Production	Cum. to date	1,315	1,315	1,288	1,275	1,280

Outside Operated Wells

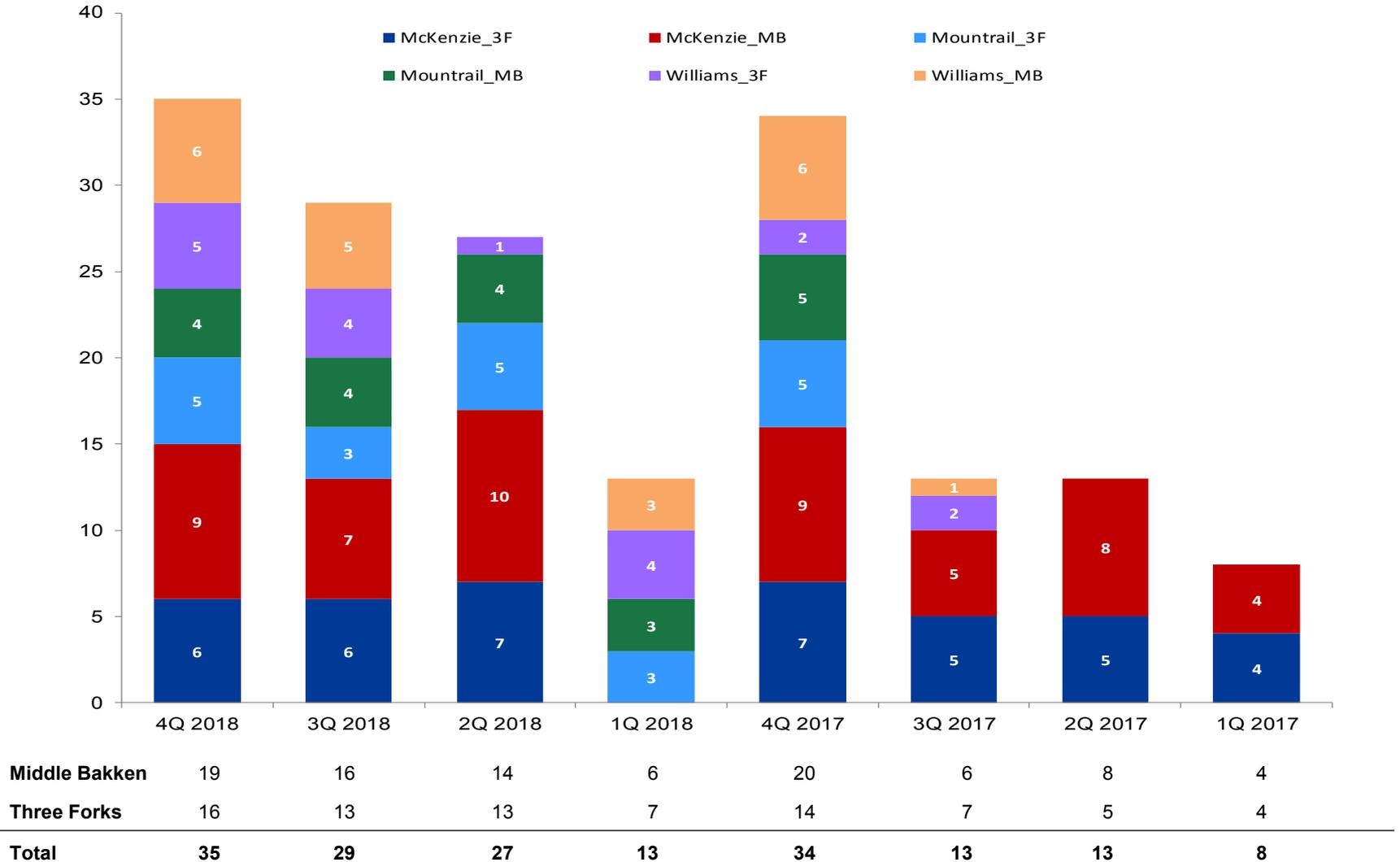
		2017				
		YTD	4Q	3Q	2Q	1Q
No. of Wells						
On Production	by Qtr	45	35	7	3	—
On Production - Other	Cum. to date adj. ⁽¹⁾	21	12	8	1	—
On Production	Cum. to date	1,170	1,170	1,123	1,108	1,104

⁽¹⁾ Reflects changes arising from the impact of swaps, acquisitions, divestitures and other adjustments.

Hess Operated Bakken Wells Brought on Production by County and Formation



Bakken Wells



Bakken Well Costs, Working Interest and Acreage - 2018



		Average Well Cost - Hess Operated				
		2018				
		YTD Avg	4Q	3Q	2Q	1Q
Drilling	\$MM/Well	\$ 2.6	\$ 2.6	\$ 2.7	\$ 2.6	\$ 2.7
Completion	\$MM/Well	3.3	3.3	3.3	3.3	3.3
Total ⁽¹⁾	\$MM/Well	<u>\$ 5.9</u>	<u>\$ 5.9</u>	<u>\$ 6.0</u>	<u>\$ 5.9</u>	<u>\$ 6.0</u>

		Average Working Interest of New Wells Spud Each Quarter				
		2018				
		YTD Avg	4Q	3Q	2Q	1Q
Hess Operated	%	84%	84%	86%	79%	88%

		Net Acreage Position			
		2018			
		4Q	3Q	2Q	1Q
Total Acreage	'000 acres	543	545	554	554

⁽¹⁾ Reflects average cost of high proppant sliding sleeve completions.

Bakken Well Costs, Working Interest and Acreage - 2017



Average Well Cost - Hess Operated

		2017				
		YTD Avg	4Q	3Q	2Q	1Q
Drilling	\$MM/Well	\$ 2.7	\$ 2.8	\$ 2.7	\$ 2.7	\$ 2.7
Completion	\$MM/Well	2.9	3.2	3.1	1.8	1.8
Total ⁽¹⁾	\$MM/Well	\$ 5.6	\$ 6.0	\$ 5.8	\$ 4.5	\$ 4.5

Average Working Interest of New Wells Spud Each Quarter

		2017				
		YTD Avg	4Q	3Q	2Q	1Q
Hess Operated	%	79%	81%	74%	77%	83%

Net Acreage Position

		2017			
		4Q	3Q	2Q	1Q
Total Acreage	'000 acres	554	554	556	556

⁽¹⁾ Q1-Q2 reflect average cost for standard design (50 stages/70k lbs of proppant per stage) and exclude cost of completion pilots. Q3 reflects average cost of standard design and completion pilots. Average cost of high proppant completions only is \$6.0MM/well. Q4 reflects average cost of high proppant completions and excludes cost of completion pilots.