

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

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

Date of Report (Date of Earliest Event Reported): July 27, 2011

HESS CORPORATION

(Exact Name of Registrant as Specified in Its 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 10036
(Address of Principal Executive Offices) (Zip Code)

Registrant's Telephone Number, Including Area Code: **(212) 997-8500**

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

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 2.02. Results of Operations and Financial Condition.

On July 27, 2011, Hess Corporation issued a news release reporting estimated results for the second quarter of 2011. A copy of this news release is attached hereto as Exhibit 99(1) and is hereby incorporated by reference.

Item 7.01. Regulation FD Disclosure.

Furnished hereunder are the prepared remarks of John B. Hess, Chairman of the Board of Directors and Chief Executive Officer of Hess Corporation at a public conference call held on July 27, 2011. A copy of his remarks is attached as Exhibit 99(2) and is incorporated herein by reference.

Item 9.01. Financial Statements and Exhibits.

(c) Exhibits

99(1) News release dated July 27, 2011 reporting estimated results for the second quarter of 2011.

99(2) Prepared remarks of John B. Hess, Chairman of the Board of Directors and Chief Executive Officer.

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: July 27, 2011

HESS CORPORATION

By: /s/ John P. Rielly
Name: John P. Rielly
Title: Senior Vice President and
Chief Financial Officer

EXHIBIT INDEX

<u>Exhibit No.</u>	<u>Description</u>
99(1)	News release dated July 27, 2011 reporting estimated results for the second quarter of 2011.
99(2)	Prepared remarks of John B. Hess, Chairman of the Board of Directors and Chief Executive Officer.

HESS REPORTS ESTIMATED RESULTS FOR THE SECOND QUARTER OF 2011**Second Quarter Highlights:**

- *Net income was \$607 million, up from \$375 million in the second quarter of 2010*
- *Net cash provided by operating activities was \$1,689 million, up from \$981 million in the second quarter of 2010*
- *Oil and gas production was 372,000 barrels of oil equivalent per day, compared with 415,000 in the second quarter of 2010*
- *Capital and exploratory expenditures were \$1,490 million, up from \$963 million in the second quarter of 2010*

NEW YORK, July 27, 2011 -- Hess Corporation (NYSE: HES) reported net income of \$607 million for the second quarter of 2011 up from \$375 million for the second quarter of 2010. The after-tax income (loss) by major operating activity was as follows:

	Three Months Ended June 30, (unaudited)		Six Months Ended June 30, (unaudited)	
	2011	2010	2011	2010
	(In millions, except per share amounts)			
Exploration and Production	\$ 747	\$ 488	\$ 1,726	\$ 1,039
Marketing and Refining	(39)	(19)	-	68
Corporate	(42)	(42)	(70)	(90)
Interest expense	(59)	(52)	(120)	(104)
Net income attributable to Hess Corporation	<u>\$ 607</u>	<u>\$ 375</u>	<u>\$ 1,536</u>	<u>\$ 913</u>
Net income per share (diluted)	<u>\$ 1.78</u>	<u>\$ 1.15</u>	<u>\$ 4.52</u>	<u>\$ 2.79</u>
Weighted average number of shares (diluted)	<u>340.4</u>	<u>327.5</u>	<u>339.7</u>	<u>327.2</u>

Exploration and Production earnings were \$747 million in the second quarter of 2011 up from \$488 million in the second quarter of 2010. The Corporation's average worldwide crude oil selling price, including the effect of hedging, was \$97.20 per barrel, up from \$64.81 per barrel in the second quarter of 2010. The average worldwide natural gas selling

price was \$5.93 per Mcf in the second quarter of 2011 compared with \$5.57 per Mcf in the same quarter a year ago. The Corporation's second quarter oil and gas production was 372,000 barrels of oil equivalent per day, compared with 415,000 barrels of oil equivalent per day in the second quarter a year ago, due to lower production from Africa, primarily reflecting the suspension of production in Libya due to civil unrest, and the sale of certain natural gas producing assets in the United Kingdom North Sea in February 2011.

Marketing and Refining generated a loss of \$39 million in the second quarter of 2011 compared with a loss of \$19 million in the same period in 2010. Refining operations incurred a loss of \$44 million in the second quarter of 2011 compared with a loss of \$31 million in the second quarter a year ago. Marketing earnings were \$28 million, up from \$17 million in the second quarter of 2010. Trading activities generated a loss of \$23 million in the second quarter of 2011 compared with a loss of \$5 million in the second quarter of last year.

The following table reflects the total after-tax income (expense) of items affecting the comparability of earnings between periods:

	Three Months Ended June 30, (unaudited)		Six Months Ended June 30, (unaudited)	
	2011	2010	2011	2010
	(Millions of dollars)			
Exploration and Production	\$ -	\$ -	\$ 310	\$ 58
Corporate	-	-	-	(7)
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 310</u>	<u>\$ 51</u>

Net cash provided by operating activities was \$1,689 million in the second quarter of 2011, up from \$981 million in the same quarter of 2010. Capital and exploratory expenditures were \$1,490 million, of which \$1,469 million related to Exploration and Production operations. Capital and exploratory expenditures for the second quarter of 2010 were \$963 million, of which \$930 million related to Exploration and Production operations.

At June 30, 2011, cash and cash equivalents totaled \$2,194 million up from \$1,608 million at December 31, 2010. Total debt was \$5,541 million at June 30, 2011 and \$5,583 million at December 31, 2010. The Corporation's debt to capitalization ratio at June 30, 2011 improved to 22.7 percent compared with 24.9 percent at the end of 2010.

Hess Corporation will review second quarter financial and operating results and other matters on a webcast at 10 a.m. today. For details about the event, refer to the Investor Relations section of our website at www.hess.com.

Hess Corporation, with headquarters in New York, is a global integrated energy company engaged in the exploration, production, purchase, transportation and sale of crude oil and natural gas, as well as the production and sale of refined petroleum products. More information on Hess Corporation is available at www.hess.com.

Forward-looking Statements

Certain statements in this release may constitute "forward-looking statements" within the meaning of Section 21E of the United States Securities Exchange Act of 1934, as amended, and Section 27A of the United States Securities Act of 1933, as amended. Forward-looking statements are subject to known and unknown risks and uncertainties and other factors which may cause actual results to differ materially from those expressed or implied by such statements, including, without limitation, uncertainties inherent in the measurement and interpretation of geological, geophysical and other technical data.

HESS CORPORATION AND CONSOLIDATED SUBSIDIARIES
SUPPLEMENTAL FINANCIAL DATA (UNAUDITED)
(IN MILLIONS OF DOLLARS)

	Second Quarter 2011	Second Quarter 2010	First Quarter 2011
	<u> </u>	<u> </u>	<u> </u>
<u>Income Statement</u>			
Revenues and Non-operating Income			
Sales (excluding excise taxes) and other operating revenues	\$ 9,853	\$ 7,732	\$ 10,215
Income (loss) from equity investment in HOVENSA L.L.C.	(49)	(6)	(48)
Other, net	<u>2</u>	<u>24</u>	<u>348</u>
Total revenues and non-operating income	<u>9,806</u>	<u>7,750</u>	<u>10,515</u>
Costs and Expenses			
Cost of products sold (excluding items shown separately below)	6,841	5,316	7,040
Production expenses	599	440	531
Marketing expenses	247	245	283
Exploration expenses, including dry holes and lease impairment	257	172	313
Other operating expenses	42	80	42
General and administrative expenses	174	159	164
Interest expense	97	83	99
Depreciation, depletion and amortization	<u>588</u>	<u>558</u>	<u>558</u>
Total costs and expenses	<u>8,845</u>	<u>7,053</u>	<u>9,030</u>
Income before income taxes	961	697	1,485
Provision for income taxes	<u>392</u>	<u>301</u>	<u>511</u>
Net income	569	396	974
Less: Net income (loss) attributable to noncontrolling interests	<u>(38)</u>	<u>21</u>	<u>45</u>
Net income attributable to Hess Corporation	<u>\$ 607</u>	<u>\$ 375</u>	<u>\$ 929</u>
<u>Supplemental Income Statement Information</u>			
Foreign currency gains (losses), after-tax	\$ (2)	\$ (4)	\$ (3)
Capitalized interest	2	1	2
<u>Cash Flow Information</u>			
Net cash provided by operating activities (*)	\$ 1,689	\$ 981	\$ 1,135
<u>Capital and Exploratory Expenditures</u>			
Exploration and Production			
United States	\$ 793	\$ 399	\$ 540
International	<u>676</u>	<u>531</u>	<u>633</u>
Total Exploration and Production	1,469	930	1,173
Marketing, Refining and Corporate	<u>21</u>	<u>33</u>	<u>13</u>
Total Capital and Exploratory Expenditures	<u>\$ 1,490</u>	<u>\$ 963</u>	<u>\$ 1,186</u>
Exploration expenses charged to income included above			
United States	\$ 56	\$ 21	\$ 42
International	<u>59</u>	<u>41</u>	<u>62</u>
	<u>\$ 115</u>	<u>\$ 62</u>	<u>\$ 104</u>

(*)Includes changes in working capital

HESS CORPORATION AND CONSOLIDATED SUBSIDIARIES
SUPPLEMENTAL FINANCIAL DATA (UNAUDITED)
(IN MILLIONS OF DOLLARS)

	First Half	
	2011	2010
<u>Income Statement</u>		
Revenues and Non-operating Income		
Sales (excluding excise taxes) and other operating revenues	\$ 20,068	\$ 16,991
Income (loss) from equity investment in HOVENSA L.L.C.	(97)	(91)
Other, net	350	70
Total revenues and non-operating income	20,321	16,970
Costs and Expenses		
Cost of products sold (excluding items shown separately below)	13,881	11,856
Production expenses	1,130	917
Marketing expenses	530	498
Exploration expenses, including dry holes and lease impairment	570	323
Other operating expenses	84	132
General and administrative expenses	338	314
Interest expense	196	167
Depreciation, depletion and amortization	1,146	1,100
Total costs and expenses	17,875	15,307
Income before income taxes	2,446	1,663
Provision for income taxes	903	699
Net income	1,543	964
Less: Net income (loss) attributable to noncontrolling interests	7	51
Net income attributable to Hess Corporation	\$ 1,536	\$ 913
<u>Supplemental Income Statement Information</u>		
Foreign currency gains (losses), after-tax	\$ (5)	\$ (5)
Capitalized interest	4	2
<u>Cash Flow Information</u>		
Net cash provided by operating activities (*)	\$ 2,824	\$ 1,806
<u>Capital and Exploratory Expenditures</u>		
Exploration and Production		
United States	\$ 1,333	\$ 736
International	1,309	1,035
Total Exploration and Production	2,642	1,771
Marketing, Refining and Corporate	34	53
Total Capital and Exploratory Expenditures	\$ 2,676	\$ 1,824
Exploration expenses charged to income included above		
United States	\$ 98	\$ 62
International	121	73
	\$ 219	\$ 135

(*)Includes changes in working capital

HESS CORPORATION AND CONSOLIDATED SUBSIDIARIES
SUPPLEMENTAL FINANCIAL DATA (UNAUDITED)
(IN MILLIONS OF DOLLARS)

	<u>June 30,</u> 2011	<u>December 31,</u> 2010
<u>Balance Sheet Information</u>		
Cash and cash equivalents	\$ 2,194	\$ 1,608
Other current assets	6,692	7,172
Investments	417	443
Property, plant and equipment – net	22,528	21,127
Other long-term assets	5,160	5,046
Total assets	<u>\$ 36,991</u>	<u>\$ 35,396</u>
Short-term debt and current maturities of long-term debt	\$ 35	\$ 46
Other current liabilities	6,761	7,567
Long-term debt	5,506	5,537
Other long-term liabilities	5,785	5,437
Total equity excluding other comprehensive income (loss)	19,566	17,968
Accumulated other comprehensive income (loss)	(662)	(1,159)
Total liabilities and equity	<u>\$ 36,991</u>	<u>\$ 35,396</u>

HESS CORPORATION AND CONSOLIDATED SUBSIDIARIES
EXPLORATION AND PRODUCTION EARNINGS (UNAUDITED)
(IN MILLIONS OF DOLLARS)

	Second Quarter 2011		
	United States	International	Total
Sales and other operating revenues	\$ 858	\$ 1,840	\$ 2,698
Other, net	(13)	8	(5)
Total revenues and non-operating income	845	1,848	2,693
Costs and expenses			
Production expenses, including related taxes	179	420	599
Exploration expenses, including dry holes and lease impairment	128	129	257
General, administrative and other expenses	49	27	76
Depreciation, depletion and amortization	166	387	553
Total costs and expenses	522	963	1,485
Results of operations before income taxes	323	885	1,208
Provision for income taxes	120	341	461
Results of operations attributable to Hess Corporation	\$ 203	\$ 544	\$ 747
	Second Quarter 2010		
	United States	International	Total
Sales and other operating revenues	\$ 570	\$ 1,489	\$ 2,059
Other, net	5	9	14
Total revenues and non-operating income	575	1,498	2,073
Costs and expenses			
Production expenses, including related taxes	113	327	440
Exploration expenses, including dry holes and lease impairment	60	112	172
General, administrative and other expenses	32	33	65
Depreciation, depletion and amortization	157	377	534
Total costs and expenses	362	849	1,211
Results of operations before income taxes	213	649	862
Provision for income taxes	84	290	374
Results of operations attributable to Hess Corporation	\$ 129	\$ 359	\$ 488
	First Quarter 2011		
	United States	International	Total
Sales and other operating revenues	\$ 746	\$ 1,867	\$ 2,613
Other, net	(1)	345	344
Total revenues and non-operating income	745	2,212	2,957
Costs and expenses			
Production expenses, including related taxes	137	394	531
Exploration expenses, including dry holes and lease impairment	109	204	313
General, administrative and other expenses	48	36	84
Depreciation, depletion and amortization	152	385	537
Total costs and expenses	446	1,019	1,465
Results of operations before income taxes	299	1,193	1,492
Provision for income taxes	112	401	513
Results of operations attributable to Hess Corporation	\$ 187	\$ 792	\$ 979

HESS CORPORATION AND CONSOLIDATED SUBSIDIARIES
EXPLORATION AND PRODUCTION EARNINGS (UNAUDITED)
(IN MILLIONS OF DOLLARS)

	First Half 2011		
	United States	International	Total
Sales and other operating revenues	\$ 1,604	\$ 3,707	\$ 5,311
Other, net	(14)	353	339
Total revenues and non-operating income	1,590	4,060	5,650
Costs and expenses			
Production expenses, including related taxes	316	814	1,130
Exploration expenses, including dry holes and lease impairment	237	333	570
General, administrative and other expenses	97	63	160
Depreciation, depletion and amortization	318	772	1,090
Total costs and expenses	968	1,982	2,950
Results of operations before income taxes	622	2,078	2,700
Provision for income taxes	232	742	974
Results of operations attributable to Hess Corporation	\$ 390	\$ 1,336	\$ 1,726
	First Half 2010		
	United States	International	Total
Sales and other operating revenues	\$ 1,152	\$ 3,021	\$ 4,173
Other, net	4	64	68
Total revenues and non-operating income	1,156	3,085	4,241
Costs and expenses			
Production expenses, including related taxes	229	688	917
Exploration expenses, including dry holes and lease impairment	138	185	323
General, administrative and other expenses	68	64	132
Depreciation, depletion and amortization	293	760	1,053
Total costs and expenses	728	1,697	2,425
Results of operations before income taxes	428	1,388	1,816
Provision for income taxes	161	616	777
Results of operations attributable to Hess Corporation	\$ 267	\$ 772	\$ 1,039

HESS CORPORATION AND CONSOLIDATED SUBSIDIARIES
EXPLORATION AND PRODUCTION SUPPLEMENTAL OPERATING DATA (UNAUDITED)

	Second Quarter 2011	Second Quarter 2010	First Quarter 2011
<u>Operating Data</u>			
<u>Net Production Per Day (in thousands)</u>			
Crude oil - barrels			
United States	77	73	77
Europe	93	81	99
Africa	66	118	84
Asia	12	14	14
Total	<u>248</u>	<u>286</u>	<u>274</u>
Natural gas liquids - barrels			
United States	13	12	13
Europe	3	3	4
Asia	1	1	1
Total	<u>17</u>	<u>16</u>	<u>18</u>
Natural gas - mcf			
United States	100	102	106
Europe	72	140	107
Asia and other	471	437	430
Total	<u>643</u>	<u>679</u>	<u>643</u>
Barrels of oil equivalent			
	<u>372</u>	<u>415</u>	<u>399</u>
<u>Average Selling Price</u>			
Crude oil - per barrel (including hedging)*			
United States	\$ 106.62	\$ 72.99	\$ 91.56
Europe	87.75	56.21	84.17
Africa	97.74	63.54	82.32
Asia	113.44	78.01	110.80
Worldwide	97.20	64.81	87.22
Crude oil - per barrel (excluding hedging)			
United States	\$ 106.62	\$ 72.99	\$ 91.56
Europe	87.75	56.21	84.17
Africa	118.19	77.03	102.58
Asia	113.44	78.01	110.80
Worldwide	102.73	70.15	92.35
Natural gas liquids - per barrel			
United States	\$ 61.57	\$ 45.84	\$ 57.31
Europe	69.99	54.61	80.29
Asia	79.63	60.89	73.35
Worldwide	64.05	48.10	63.45
Natural gas - per mcf			
United States	\$ 3.71	\$ 3.65	\$ 3.82
Europe	8.97	5.35	8.25
Asia and other	5.94	6.09	5.75
Worldwide	5.93	5.57	5.84

* The after-tax losses from crude oil hedging activities were \$81 million in the second quarter of 2011, \$84 million in the second quarter of 2010 and \$81 million in the first quarter of 2011.

HESS CORPORATION AND CONSOLIDATED SUBSIDIARIES
EXPLORATION AND PRODUCTION SUPPLEMENTAL OPERATING DATA (UNAUDITED)

	First Half	
	2011	2010
<u>Operating Data</u>		
<u>Net Production Per Day (in thousands)</u>		
Crude oil - barrels		
United States	77	72
Europe	96	83
Africa	75	118
Asia	13	14
Total	<u>261</u>	<u>287</u>
Natural gas liquids - barrels		
United States	13	12
Europe	3	3
Asia	1	1
Total	<u>17</u>	<u>16</u>
Natural gas - mcf		
United States	103	100
Europe	89	148
Asia and other	451	445
Total	<u>643</u>	<u>693</u>
Barrels of oil equivalent		
	<u>385</u>	<u>419</u>
<u>Average Selling Price</u>		
Crude oil - per barrel (including hedging)*		
United States	\$ 99.12	\$ 73.68
Europe	85.84	55.72
Africa	90.04	62.96
Asia	111.91	75.99
Worldwide	92.05	64.22
Crude oil - per barrel (excluding hedging)		
United States	\$ 99.12	\$ 73.68
Europe	85.84	55.72
Africa	110.39	76.50
Asia	111.91	75.99
Worldwide	97.37	69.61
Natural gas liquids - per barrel		
United States	\$ 59.43	\$ 48.50
Europe	76.01	57.00
Asia	76.23	62.11
Worldwide	63.74	50.51
Natural gas - per mcf		
United States	\$ 3.77	\$ 4.12
Europe	8.55	5.38
Asia and other	5.85	6.23
Worldwide	5.89	5.75

* The after-tax losses from crude oil hedging activities were \$162 million for the six months ended June 30, 2011 and \$167 million for the six months ended June 30, 2010.

HESS CORPORATION AND CONSOLIDATED SUBSIDIARIES
MARKETING AND REFINING SUPPLEMENTAL FINANCIAL AND OPERATING DATA (UNAUDITED)

	Second Quarter 2011	Second Quarter 2010	First Quarter 2011
<u>Financial Information (in millions of dollars)</u>			
<u>Marketing and Refining Results</u>			
Income (loss) before income taxes	\$ (45)	\$ (37)	\$ 96
Provision (benefit) for income taxes	(6)	(18)	57
Results of operations attributable to Hess Corporation	<u>\$ (39)</u>	<u>\$ (19)</u>	<u>\$ 39</u>
<u>Summary of Marketing and Refining Results</u>			
Refining	\$ (44)	\$ (31)	\$ (48)
Marketing	28	17	68
Trading	(23)	(5)	19
Results of operations attributable to Hess Corporation	<u>\$ (39)</u>	<u>\$ (19)</u>	<u>\$ 39</u>

Operating Data (barrels and gallons in thousands)

Refined Product Sales (barrels per day)

Gasoline	228	238	226
Distillates	114	112	134
Residuals	56	57	87
Other	28	28	20
Total	<u>426</u>	<u>435</u>	<u>467</u>

Refinery Throughput (barrels per day)

HOVENSA - Crude runs	303	392	263
HOVENSA - Hess 50% share	152	196	132
Port Reading	66	35	66

Refinery Utilization

	<u>Refinery Capacity</u> (barrels per day)			
HOVENSA				
Crude	350 (a)	86.7%	78.5%	75.2%
FCC	150	77.8%	91.0%	65.6%
Coker	58	96.0%	81.9%	41.6%
Port Reading	70	93.6%	49.7%	94.0%

Retail Marketing

Number of retail stations (b)	1,356	1,358	1,350
Convenience store revenue (in millions of dollars) (c)	\$ 305	\$ 317	\$ 278
Average gasoline volume per station (gallons per month) (c)	199	203	185

(a) HOVENSA's refining crude capacity was reduced to 350,000 from 500,000 barrels per day in the first quarter of 2011.

(b) Includes company operated, Wilco-Hess, dealer and branded retailer.

(c) Company operated only.

HESS CORPORATION AND CONSOLIDATED SUBSIDIARIES
MARKETING AND REFINING SUPPLEMENTAL FINANCIAL AND OPERATING DATA (UNAUDITED)

	First Half	
	2011	2010
<u>Financial Information (in millions of dollars)</u>		
<u>Marketing and Refining Results</u>		
Income (loss) before income taxes	\$ 51	\$ 102
Provision (benefit) for income taxes	51	34
Results of operations attributable to Hess Corporation	\$ -	\$ 68
<u>Summary of Marketing and Refining Results</u>		
Refining	\$ (92)	\$ (87)
Marketing	96	138
Trading	(4)	17
Results of operations attributable to Hess Corporation	\$ -	\$ 68
<hr/>		
<u>Operating Data (barrels and gallons in thousands)</u>		
<u>Refined Product Sales (barrels per day)</u>		
Gasoline	227	245
Distillates	124	119
Residuals	71	71
Other	24	39
Total	446	474
<u>Refinery Throughput (barrels per day)</u>		
HOVENSA - Crude runs	283	384
HOVENSA - Hess 50% share	142	192
Port Reading	66	48
<u>Refinery Utilization</u>		
	<u>Refinery Capacity</u> (barrels per day)	
HOVENSA	350 (a)	
Crude	150	81.0% 76.8%
FCC	58	71.7% 66.3%
Coker	70	69.0% 83.4%
Port Reading		93.8% 69.1%
<u>Retail Marketing</u>		
Number of retail stations (b)	1,356	1,358
Convenience store revenue (in millions of dollars) (c)	\$ 583	\$ 593
Average gasoline volume per station (gallons per month) (c)	192	195

- (a) HOVENSA's refining crude capacity was reduced to 350,000 from 500,000 barrels per day in the first quarter of 2011.
 (b) Includes company operated, Wilco-Hess, dealer and branded retailer.
 (c) Company operated only.

CONTACT:
Hess Corporation
Investor Contact:
 Jay Wilson, 212-536-8940
 or
Media Contact:
 Jon Pepper, 212-536-8550

2011 Second Quarter Earnings Conference Call

Thank you Jay and welcome to our second quarter conference call. I will make a few brief comments after which John Rielly will review our financial results.

Net income for the second quarter of 2011 was \$607 million, versus \$375 million a year ago. Our earnings were positively impacted by higher crude oil selling prices, which more than offset the impact of lower production volumes and weaker downstream results.

Exploration and Production earned \$747 million. Crude oil and natural gas production averaged 372 thousand barrels of oil equivalent per day, which was 10 percent below the year ago quarter.

Over the past six months, we have experienced several setbacks, most of which are short term, that have resulted in production below the year ago period and our forecast for this year.

With regard to the Bakken, harsh winter weather and severe flooding this spring in North Dakota resulted in a backlog of well completions. Net production from the Bakken averaged 25 thousand barrels of oil equivalent per day in the second quarter, which was flat with the first quarter. With improved weather conditions and our recent change to a 38 stage frac design, we expect to close the gap against our production plan over the next six to nine months. As of yesterday, our net Bakken production was 34 thousand barrels of oil equivalent per day.

In terms of the shut in Llano #3 well in the deepwater Gulf of Mexico, the operator plans to perform a workover and restore production in the first quarter of 2012.

Regarding Libya, no estimate as to the timing of the resumption of production can be made until the civil war is resolved and stability returns to the country.

Lastly, a recent fire at the Valhall field, offshore Norway, has shut in a net 30 thousand barrels of oil equivalent per day. The government and operator of the field are both conducting an investigation so that lessons can be learned and a recovery plan can be put in place to restore production.

As a consequence of these various factors, we now forecast 2011 production for our company to average between 375 and 385 thousand barrels of oil equivalent per day versus our previous forecast of between 385 and 395 thousand barrels of oil equivalent per day.

With regard to deepwater exploration, we confirmed in May a discovery at our Paradise prospect in Ghana. The well, drilled on our 90 percent owned Deepwater Tano Cape Three Points Block, encountered 490 feet of net pay. Preliminary reservoir formation testing confirms that the fluid types comprise oil and gas condensate. We plan to begin appraisal drilling in early 2012, subject to government approvals and rig availability.

In Indonesia, we spud the Andalan well on the Semai V block on July 12th. Hess has a 100 percent working interest in the block.

In Brunei, the operator of Block CA-1, in which Hess has a 13.5 percent interest, intends to commence exploration drilling later in the third quarter.

This morning we announced that we, along with our partner, Petroceltic International, signed production sharing contracts with the Kurdistan Regional Government of Iraq for the Dinarta and Shakrok exploration blocks. Hess will have an 80 percent paying interest and be the operator of the blocks, which have a combined area of more than 670 square miles. Under the terms of the contract we will acquire 2D seismic and drill at least one well on each of the blocks over the three year license period. Based on the anticipated work programs, Hess' total financial commitment is expected to be approximately \$288 million.

Turning to Marketing and Refining, we reported a loss of \$39 million for the second quarter of 2011. Financial results at our Hovensa joint venture refinery were below the year ago quarter. While the new refinery configuration has started to make a positive contribution to financial performance, it was more than offset by higher fuel costs.

Marketing earnings were above the second quarter last year. Retail marketing benefited from improved margins in May and June. Gasoline volumes on a per site basis were down approximately 2 percent and total convenience store sales were down by about 4 percent - both reflecting the weak economy. Our Energy Marketing business delivered strong results, helped by higher year over year natural gas and electricity sales volumes.

Capital and exploratory expenditures in the first half of 2011 were approximately \$2.7 billion, substantially all of which were related to Exploration and Production. For the full year 2011, our capital and exploratory expenditures forecast has been

increased to \$6.2 billion from \$5.6 billion. Additional investments in the Bakken and Eagle Ford as well as the recently announced Kurdistan exploration agreement account for the increase.

We remain committed to sustaining the profitable growth of our reserves and production and ensuring we have the financial strength to fund our future investment opportunities.

I will now turn the call over to John Rielly.