



HESS CORPORATION

News Release

HESS REPORTS ESTIMATED RESULTS FOR THE FOURTH QUARTER OF 2017

Key Highlights:

- A sixth oil discovery on the Stabroek block, offshore Guyana (Hess 30 percent), was announced at the Ranger-1 exploration well located approximately 60 miles to the northwest of the Liza Field
- Total recoverable resources estimate from five previous Guyana discoveries increased to more than 3.2 billion barrels of oil equivalent (boe) from previous range of 2.5 billion to 2.8 billion boe
- The Liza Phase 1 development on the Stabroek Block is on plan with first production expected in March 2020; start up of the Liza Phase 2 development is expected by mid 2022
- The Corporation successfully completed the sale of its interests in Equatorial Guinea and Norway, bringing year-end 2017 cash and cash equivalents to \$4.8 billion, which will fund Phases 1 and 2 of the Liza Field development, an increase from four rigs to six rigs in the Bakken, a \$500 million stock repurchase program, and \$500 million in debt retirement
- Year-end proved reserves were 1,154 million boe, reserve replacement was 351 percent for 2017 at a finding and development (F&D) cost of \$5.15 per boe

Fourth Quarter Financial and Operating Highlights:

- Primarily as a result of non-cash accounting charges, net loss was \$2,677 million, or \$8.57 per common share, compared with a net loss of \$4,892 million, or \$15.65 per common share, in the fourth quarter of 2016. Net after-tax special charges totaling \$2,373 million were taken in the fourth quarter of 2017 that include a \$1,700 million non-cash accounting charge to reduce the carrying value of Hess' interests in the Stampede and Tubular Bells Fields in the Gulf of Mexico as a result of a lower long-term crude oil price outlook
- Adjusted net loss was \$304 million, or \$1.01 per common share, compared to an adjusted net loss of \$305 million, or \$1.01 per common share, in the fourth quarter of last year; adjusted pre-tax loss was \$104 million in the fourth quarter of 2017, down from \$499 million in the year-ago quarter
- Net production averaged 282,000 barrels of oil equivalent per day (boepd), excluding Libya, reflecting unplanned downtime at the third-party operated Enchilada platform in the Gulf of Mexico which reduced fourth quarter production by approximately 17,000 boepd; Bakken production was 110,000 boepd
- E&P capital and exploratory expenditures were \$568 million in the quarter and \$2,047 million for the year ended December 31, 2017
- The Corporation returned \$210 million to shareholders in the quarter through share repurchases and dividends, including the repurchase of 2.6 million common shares for approximately \$120 million

2018 Guidance:

- ***E&P capital and exploratory expenditures are expected to be \$2.1 billion***
- ***Oil and gas production, excluding Libya and reflecting an estimated 15,000 boepd reduction due to the extended Enchilada platform shutdown, is forecast to be in the range of 245,000 to 255,000 boepd, compared to full year pro forma 2017 net production, excluding Libya and assets sold, of 242,000 boepd***

NEW YORK, February 5, 2018 — Hess Corporation (NYSE: HES) today reported a net loss of \$2,677 million, or \$8.57 per common share, in the fourth quarter of 2017, compared with a net loss of \$4,892 million, or \$15.65 per common share, in the fourth quarter of 2016. Fourth quarter 2017 results reflect net after-tax charges totaling \$2,373 million, including a non-cash accounting charge of \$1,700 million to reduce the carrying value of Hess' interests in the Stampede and Tubular Bells Fields in the Gulf of Mexico, as a result of a lower long-term crude oil price outlook.

On an adjusted basis, the Corporation reported an after-tax net loss of \$304 million, or \$1.01 per common share, in the fourth quarter of 2017, compared with an adjusted net loss of \$305 million, or \$1.01 per common share, in the prior-year quarter. On an adjusted pre-tax basis, the Corporation reported a loss of \$104 million in the fourth quarter of 2017, down from \$499 million in the year-ago quarter. The improved pre-tax adjusted results reflect higher realized crude oil selling prices and lower operating costs and depreciation, depletion and amortization. Fourth quarter 2017 adjusted results were adversely impacted by lower deferred tax benefits, primarily in the United States, compared to the prior-year quarter following a required change in deferred tax accounting.

"In the past year, our company successfully completed an ambitious asset sales program, replaced 351 percent of production at an attractive F&D cost of just over \$5 per barrel, continued our extraordinary exploration success on the Stabroek Block in Guyana and sanctioned the Liza Phase 1 development with plans underway for the next two phases," Chief Executive Officer John Hess said. "We enter 2018 well positioned to deliver a decade plus of capital efficient growth with increasing cash generation and returns to shareholders."

After-tax income (loss) by major operating activity was as follows:

| | Three Months Ended December 31, (unaudited) | | Year Ended December 31, (unaudited) | |
|--|---|-------------------|---|-------------------|
| | 2017 | 2016 | 2017 | 2016 |
| (In millions, except per share amounts) | | | | |
| Net Income (Loss) Attributable to Hess Corporation | | | | |
| Exploration and Production | \$ (2,592) | \$ (3,949) | \$ (3,653) | \$ (4,964) |
| Midstream | 20 | 2 | 42 | 42 |
| Corporate, Interest and Other | (105) | (945) | (463) | (1,210) |
| Net income (loss) attributable to Hess Corporation | <u>\$ (2,677)</u> | <u>\$ (4,892)</u> | <u>\$ (4,074)</u> | <u>\$ (6,132)</u> |
| Net income (loss) per common share (diluted) (a) | <u>\$ (8.57)</u> | <u>\$ (15.65)</u> | <u>\$ (13.12)</u> | <u>\$ (19.92)</u> |
| Adjusted Net Income (Loss) Attributable to Hess Corporation (b) | | | | |
| Exploration and Production | \$ (219) | \$ (256) | \$ (1,044) | \$ (1,265) |
| Midstream | 20 | 23 | 76 | 63 |
| Corporate, Interest and Other | (105) | (72) | (433) | (287) |
| Adjusted net income (loss) attributable to Hess Corporation | <u>\$ (304)</u> | <u>\$ (305)</u> | <u>\$ (1,401)</u> | <u>\$ (1,489)</u> |
| Adjusted net income (loss) per common share (diluted) (a) | <u>\$ (1.01)</u> | <u>\$ (1.01)</u> | <u>\$ (4.61)</u> | <u>\$ (4.94)</u> |
| Weighted average number of shares (diluted) | <u>313.6</u> | <u>313.3</u> | <u>314.1</u> | <u>309.9</u> |

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

(b) Adjusted net income (loss) attributable to Hess Corporation excludes items affecting comparability summarized on page 7. A reconciliation of net income (loss) attributable to Hess Corporation to adjusted net income (loss) attributable to Hess Corporation is provided on page 9.

Exploration and Production:

Exploration and Production (E&P) net loss in the fourth quarter of 2017 was \$2,592 million, compared to a net loss of \$3,949 million in the fourth quarter of 2016. On an adjusted basis, fourth quarter 2017 net loss was \$219 million, compared to a net loss of \$256 million in the prior-year quarter. The Corporation's average realized crude oil selling price, including the effect of hedging, was \$55.44 per barrel in the fourth quarter of 2017, up from \$45.97 per barrel in the year-ago quarter. The average realized natural gas liquids selling price in the fourth quarter of 2017 was \$22.78 per barrel, versus \$14.68 per barrel in the prior-year quarter, while the average realized natural gas selling price was \$3.69 per mcf, compared with \$3.24 per mcf in the fourth quarter of 2016.

Net production, excluding Libya, was 282,000 boepd in the fourth quarter of 2017, compared to 307,000 boepd in the prior-year quarter. Lower volumes were due to asset sales (26,000 boepd),

unplanned downtime resulting from a fire at the third-party operated Enchilada platform in the Gulf of Mexico (17,000 boepd) and natural decline and other net reductions (19,000 boepd), partially offset by higher production in the Bakken (15,000 boepd) and from North Malay Basin (22,000 boepd).

Excluding items affecting comparability of earnings between periods, cash operating costs, which include operating costs and expenses, production and severance taxes, and E&P general and administrative expenses, were \$14.72 per boe in the fourth quarter, down 10 percent from \$16.35 per boe in the prior-year quarter. Our fourth quarter 2017 cash operating costs per boe were adversely impacted by the Enchilada platform shutdown. The E&P effective tax rate, excluding items affecting comparability and Libya, was an expense of 21 percent in the fourth quarter of 2017, compared to a benefit of 43 percent in the fourth quarter of 2016.

Oil and Gas Reserve Estimates:

Oil and gas proved reserves were 1,154 million boe at December 31, 2017, compared with 1,109 million boe at December 31, 2016. Proved reserve net additions and technical revisions added 397 million boe in 2017, primarily relating to the Bakken, Guyana and North Malay Basin in Malaysia. Asset sales reduced proved reserves by 239 million boe. The net additions and revisions of 397 million boe, which are subject to final review, replaced 351 percent of the Corporation's 2017 production at a finding and development cost of \$5.15 per boe, and resulted in a year-end 2017 reserve life of 10.2 years.

U.S. Tax Cuts and Jobs Act:

The Corporation expects no U.S. federal cash tax on the deemed repatriation of unremitted earnings of foreign subsidiaries under the new law. The decrease in the corporate tax rate to 21 percent from 35 percent resulted in a \$1,475 million reduction to our U.S. net deferred tax asset as of December 31, 2017, with a corresponding reduction in the previously established U.S. valuation allowance. Consequently, the remeasurement of deferred taxes using the newly enacted tax rate had no impact on net income or the balance sheet.

Operational Highlights for the Fourth Quarter of 2017:

Bakken (Onshore U.S.): Net production from the Bakken increased 16 percent to 110,000 boepd from 95,000 boepd in the year-ago quarter due to increased drilling activity in 2017. The Corporation operated an average of 4 rigs in the fourth quarter, drilling 27 wells and bringing 34 new wells online.

Gulf of Mexico (Offshore U.S.): Net production from the Gulf of Mexico was 40,000 boepd, compared to 61,000 boepd in the prior-year quarter primarily due to a fire at the third-party operated Enchilada platform. Prior to the shutdown in November, we were producing approximately 30,000 boepd from the Llano, Conger, Baldpate and Penn State fields through infrastructure associated with Enchilada. At the Stampede development (Hess operated - 25 percent), we completed subsea work, received regulatory approval for production operations, and continued drilling at the fourth production well and first water injection well. First production at Stampede commenced in January 2018.

Guyana (Offshore): At the Stabroek Block (Hess - 30 percent), operated by Esso Exploration and Production Guyana Limited, the Ranger-1 exploration well encountered approximately 230 feet of high-quality, oil-bearing carbonate reservoir and is the sixth significant oil discovery on the Stabroek Block, offshore Guyana. Development activities associated with the Liza Phase 1 project are on schedule and first production is expected in March 2020. Start up of the Liza Phase 2 development is expected by mid 2022. Excluding Ranger, total discovered recoverable resources on the block are now estimated to be more than 3.2 billion boe.

Midstream:

The Midstream segment, comprised primarily of Hess Infrastructure Partners LP (HIP), our 50/50 midstream joint venture, had net income of \$20 million in the fourth quarter of 2017, compared to net income of \$2 million in the prior-year quarter. Excluding items affecting comparability of earnings between periods, fourth quarter 2017 net income attributable to Hess Corporation was \$20 million, compared to \$23 million in the fourth quarter of 2016. The lower fourth quarter 2017 adjusted results primarily reflect the recognition of an entire year of shortfall fees in the fourth quarter of 2016, as a result of changes in commercial agreements at the end of 2016, versus one quarter of shortfall fees recognized in the fourth quarter of 2017, and higher income allocated to noncontrolling interests following the Hess Midstream Partners LP initial public offering in April 2017.

Corporate, Interest and Other:

Net results were an after-tax loss of \$105 million in the fourth quarter of 2017, down from \$945 million in the fourth quarter of 2016. On an adjusted basis, fourth quarter 2017 was an after-tax loss of \$105 million compared to a loss of \$72 million in the prior-year quarter. The fourth quarter 2017 effective tax rate benefit of 14 percent was lower than the 36 percent benefit, excluding items affecting comparability, in 2016 due to the required change in deferred tax accounting.

Capital and Exploratory Expenditures:

E&P capital and exploratory expenditures were \$568 million in the fourth quarter of 2017, up from \$411 million in the prior-year quarter, which included increased drilling activity at the Bakken and Liza Phase 1 development activity following sanction in June 2017. Midstream capital expenditures were \$46 million in the fourth quarter of 2017, down from \$89 million in the year-ago quarter.

Liquidity:

Net cash provided by operating activities was \$343 million in the fourth quarter of 2017, compared to \$326 million in the fourth quarter of 2016. Net cash provided by operating activities before changes in working capital was \$492 million in the fourth quarter of 2017, up from \$128 million in the year-ago quarter. Changes in working capital during the fourth quarter of 2017 was a net outflow of \$149 million due to higher accounts receivable from increased crude oil prices, pension contributions, and abandonment expenditures.

Excluding the Midstream segment, the Corporation had cash and cash equivalents of \$4,491 million and total debt of \$5,997 million at December 31, 2017. The Corporation's debt to capitalization ratio was 36.1 percent at December 31, 2017 and 30.4 percent at December 31, 2016.

The Midstream segment had cash and cash equivalents of \$356 million and total debt of \$980 million at December 31, 2017. In the fourth quarter, HIP issued \$800 million of senior notes with a 5.625% coupon rate due in 2026, with the proceeds used to repay \$480 million net under its existing credit facilities, to fund a distribution of \$50 million to its sponsors and for general partnership purposes. These notes are non-recourse to Hess Corporation. In addition, HIP increased commitments under its undrawn revolving credit facility to \$600 million, and extended its maturity to November 2022.

2018 Cost Reduction Program:

As part of our portfolio reshaping, we have begun implementation of an organization restructuring and cost reduction effort targeting annual savings of \$150 million. In addition to direct headcount reductions as part of our assets sales, we eliminated approximately 400 employee and contractor positions in January and expect to record employee severance of \$40 to \$50 million in the first quarter. Since the end of 2014, total employee and contractor positions have been reduced by approximately 50 percent. In addition to the workforce reduction, we have identified further cost reductions in logistics, information technology, property, professional fees, and other operating costs

resulting from our portfolio reshaping. The benefit from this \$150 million annualized cost reduction will begin to be realized over the second half of 2018.

Items Affecting Comparability of Earnings Between Periods:

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

| | Three Months Ended | | Year Ended | |
|---|--------------------|-------------------|-------------------|-------------------|
| | December 31, | | December 31, | |
| | (unaudited) | (unaudited) | (unaudited) | (unaudited) |
| | 2017 | 2016 | 2017 | 2016 |
| (In millions) | | | | |
| Exploration and Production | \$ (2,373) | \$ (3,693) | \$ (2,609) | \$ (3,699) |
| Midstream | — | (21) | (34) | (21) |
| Corporate, Interest and Other | — | (873) | (30) | (923) |
| Total items affecting comparability of earnings between periods | <u>\$ (2,373)</u> | <u>\$ (4,587)</u> | <u>\$ (2,673)</u> | <u>\$ (4,643)</u> |

The following table summarizes the items affecting comparability of earnings between periods by line item in the income statement:

| | Three Months Ended | | Year Ended | |
|---|--------------------|-------------------|-------------------|-------------------|
| | December 31, | | December 31, | |
| | (unaudited) | (unaudited) | (unaudited) | (unaudited) |
| | 2017 | 2016 | 2017 | 2016 |
| (In millions) | | | | |
| Sales and other operating revenues | \$ (22) | \$ — | \$ (22) | \$ — |
| Gains (losses) on asset sales, net | \$ (371) | — | \$ (98) | \$ 27 |
| Operating costs and expenses | — | (128) | — | (164) |
| Exploration expenses, including dry holes and lease impairment | (280) | (946) | (280) | (1,029) |
| General and administrative expenses | — | (1) | (11) | (1) |
| Loss on debt extinguishment | — | (68) | — | (148) |
| Depreciation, depletion and amortization | — | — | (19) | — |
| Impairment | (1,700) | (67) | (4,203) | (67) |
| Total pre-tax items affecting comparability | <u>\$ (2,373)</u> | <u>(1,210)</u> | <u>(4,633)</u> | <u>(1,382)</u> |
| Provision (benefit) for income taxes (a) | — | 3,410 | (1,953) | 3,294 |
| Noncontrolling interests | — | 33 | 7 | 33 |
| Total items affecting comparability of earnings between periods | <u>\$ (2,373)</u> | <u>\$ (4,587)</u> | <u>\$ (2,673)</u> | <u>\$ (4,643)</u> |

(a) Amounts include the tax effect associated with pre-tax items affecting comparability of earnings between periods.

Fourth quarter 2017 results include:

- An after-tax gain of \$486 million (\$486 million pre-tax) from the sale of our interests in Equatorial Guinea in November.
- An after-tax loss of \$857 million (\$857 million pre-tax) from the sale of our interests in Norway in December. The after-tax 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.

- After-tax impairment charges totaling \$1,700 million (\$1,700 million pre-tax) to reduce the carrying value of our 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 our fourth quarter impairment analysis.
- An after-tax charge of \$280 million (\$280 million pre-tax) to fully impair the carrying value of our 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. The Corporation is currently evaluating options to monetize our Ghana asset.
- A noncash after-tax charge of \$22 million (\$22 million pre-tax) related to de-designated crude oil hedging contracts as a result of the fire at the third-party operated Enchilada platform in the Gulf of Mexico.

Fourth quarter 2016 results include:

- A noncash charge of \$3,749 million (E&P: \$2,920 million; Corporate, Interest and Other: \$829 million) to establish valuation allowances against net deferred tax assets as of December 31, 2016, as required under accounting standards following a three-year cumulative loss.
- An after-tax charge of \$693 million (\$938 million pre-tax) to fully impair the carrying value of our interests in offshore Australia.
- Other after-tax charges attributable to Hess Corporation of \$145 million (\$272 million pre-tax) related to exit costs for an offshore drilling rig, loss on debt extinguishment, impairment of rail cars (Midstream), severance and other charges.

Reconciliation of U.S. GAAP to Non-GAAP measures:

The following table reconciles reported income (loss) before income taxes and adjusted income (loss) before income taxes:

| | Three Months Ended December 31, (unaudited) | | Year Ended December 31, (unaudited) | |
|---|---|-----------------|---|-------------------|
| | 2017 | 2016 | 2017 | 2016 |
| (In millions) | | | | |
| Income (loss) before income taxes | \$ (2,477) | \$ (1,709) | \$ (5,778) | \$ (3,854) |
| Less: Total items affecting comparability of earnings between periods | (2,373) | (1,210) | (4,633) | (1,382) |
| Adjusted income (loss) before income taxes | <u>\$ (104)</u> | <u>\$ (499)</u> | <u>\$ (1,145)</u> | <u>\$ (2,472)</u> |

The following table reconciles reported net income (loss) attributable to Hess Corporation and adjusted net income (loss):

| | Three Months Ended December 31, (unaudited) | | Year Ended December 31, (unaudited) | |
|---|---|-----------------|---|-------------------|
| | 2017 | 2016 | 2017 | 2016 |
| (In millions) | | | | |
| Net income (loss) attributable to Hess Corporation | \$ (2,677) | \$ (4,892) | \$ (4,074) | \$ (6,132) |
| Less: Total items affecting comparability of earnings between periods | (2,373) | (4,587) | (2,673) | (4,643) |
| Adjusted net income (loss) attributable to Hess Corporation | <u>\$ (304)</u> | <u>\$ (305)</u> | <u>\$ (1,401)</u> | <u>\$ (1,489)</u> |

The following table reconciles reported net cash provided by (used in) operating activities from cash provided by operating activities before changes in operating assets and liabilities:

| | Three Months Ended December 31, (unaudited) | | Year Ended December 31, (unaudited) | |
|--|---|---------------|---|---------------|
| | 2017 | 2016 | 2017 | 2016 |
| (In millions) | | | | |
| Cash provided by operating activities before changes in operating assets and liabilities | \$ 492 | \$ 128 | \$ 1,725 | \$ 842 |
| Changes in operating assets and liabilities | (149) | 198 | (780) | (47) |
| Net cash provided by (used in) operating activities | <u>\$ 343</u> | <u>\$ 326</u> | <u>\$ 945</u> | <u>\$ 795</u> |

Hess Corporation will review fourth 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 is a leading global independent energy company engaged in the exploration and production of crude oil and natural gas. 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. Estimates and projections contained in this release are based on the Corporation's current understanding and assessment based on reasonable assumptions. Actual results may differ materially from these estimates and projections due to certain risk factors discussed in the Corporation's periodic filings with the Securities and Exchange Commission and other factors.

Non-GAAP financial measure

The Corporation has used non-GAAP financial measures in this earnings release. "Adjusted net income (loss)" presented in this release is defined as reported net income (loss) attributable to Hess Corporation excluding items identified as affecting comparability of earnings between periods. "Adjusted income (loss) before income taxes" presented in this release is defined as income (loss) before income taxes excluding items identified as affecting comparability of earnings between periods. "Cash provided by operating activities before changes in operating assets and liabilities" presented in this release is defined as Cash provided by operating activities excluding changes in operating assets and liabilities. Management uses adjusted net income (loss) and adjusted income (loss) before income taxes to evaluate the Corporation's operating performance and believes that investors' understanding of our performance is enhanced by disclosing these measures, which excludes certain items that management believes are not directly related to ongoing operations and are not indicative of future business trends and operations. Management believes that cash provided by operating activities before changes in operating assets and liabilities demonstrates the Corporation's ability to internally fund capital expenditures, pay dividends and service debt. These measures are not, and should not be viewed as, a substitute for U.S. GAAP net income (loss) or net cash provided by (used in) operating activities. A reconciliation of reported net income (loss) attributable to Hess Corporation (U.S. GAAP) to adjusted net income (loss), a reconciliation of reported income (loss) before income taxes (U.S. GAAP) to adjusted income (loss) before income taxes and a reconciliation of net cash provided by (used in) operating activities (U.S. GAAP) to cash provided by operating activities before changes in operating assets and liabilities are provided in the release.

Cautionary Note to Investors

We use certain terms in this release relating to resources other than proved reserves, such as unproved reserves or resources. Investors are urged to consider closely the oil and gas disclosures in Hess' Form 10-K, File No. 1-1204, available from Hess Corporation, 1185 Avenue of the Americas, New York, New York 10036 c/o Corporate Secretary and on our website at www.hess.com. You can also obtain this form from the SEC on the EDGAR system.

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

| | Fourth Quarter 2017 | Fourth Quarter 2016 | Third Quarter 2017 |
|---|---------------------------|---------------------------|--------------------------|
| <u>Income Statement</u> | | | |
| Revenues and non-operating income | | | |
| Sales and other operating revenues | \$ 1,663 | \$ 1,388 | \$ 1,348 |
| Gains (losses) on asset sales, net | (362) | (4) | 274 |
| Other, net | (5) | 2 | 22 |
| Total revenues and non-operating income | <u>1,296</u> | <u>1,386</u> | <u>1,644</u> |
| Costs and expenses | | | |
| Marketing, including purchased oil and gas | 476 | 375 | 338 |
| Operating costs and expenses | 359 | 568 | 352 |
| Production and severance taxes | 31 | 27 | 27 |
| Exploration expenses, including dry holes and lease impairment | 356 | 1,033 | 40 |
| General and administrative expenses | 125 | 105 | 113 |
| Interest expense | 80 | 84 | 79 |
| Loss on debt extinguishment | — | 68 | — |
| Depreciation, depletion and amortization | 646 | 768 | 759 |
| Impairment | <u>1,700</u> | <u>67</u> | <u>2,503</u> |
| Total costs and expenses | <u>3,773</u> | <u>3,095</u> | <u>4,211</u> |
| Income (loss) before income taxes | | | |
| Provision (benefit) for income taxes | (2,477) | (1,709) | (2,567) |
| | <u>158</u> | <u>3,189</u> | <u>(1,974)</u> |
| Net income (loss) | | | |
| Less: Net income (loss) attributable to noncontrolling interests | (2,635) | (4,898) | (593) |
| | <u>42</u> | <u>(6)</u> | <u>31</u> |
| Net income (loss) attributable to Hess Corporation | | | |
| Less: Preferred stock dividends | (2,677) | (4,892) | (624) |
| | <u>12</u> | <u>11</u> | <u>11</u> |
| Net income (loss) attributable to Hess Corporation common stockholders | <u>\$ (2,689)</u> | <u>\$ (4,903)</u> | <u>\$ (635)</u> |

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

| | Year Ended December 31, | |
|---|-------------------------|-------------------|
| | 2017 | 2016 |
| <u>Income Statement</u> | | |
| Revenues and non-operating income | | |
| Sales and other operating revenues | \$ 5,466 | \$ 4,762 |
| Gains (losses) on asset sales, net | (86) | 23 |
| Other, net | 25 | 59 |
| Total revenues and non-operating income | <u>5,405</u> | <u>4,844</u> |
| Costs and expenses | | |
| Marketing, including purchased oil and gas | 1,267 | 1,063 |
| Operating costs and expenses | 1,445 | 1,880 |
| Production and severance taxes | 119 | 101 |
| Exploration expenses, including dry holes and lease impairment | 507 | 1,442 |
| General and administrative expenses | 434 | 415 |
| Interest expense | 325 | 338 |
| Loss on debt extinguishment | — | 148 |
| Depreciation, depletion and amortization | 2,883 | 3,244 |
| Impairment | 4,203 | 67 |
| Total costs and expenses | <u>11,183</u> | <u>8,698</u> |
| Income (loss) before income taxes | | |
| Provision (benefit) for income taxes | (5,778) | (3,854) |
| Net income (loss) | <u>(1,837)</u> | <u>2,222</u> |
| Less: Net income (loss) attributable to noncontrolling interests | (3,941) | (6,076) |
| Net income (loss) attributable to Hess Corporation | <u>133</u> | <u>56</u> |
| Less: Preferred stock dividends | (4,074) | (6,132) |
| Net income (loss) attributable to Hess Corporation common stockholders | <u>46</u> | <u>41</u> |
| | <u>\$ (4,120)</u> | <u>\$ (6,173)</u> |

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

| | December 31, | |
|--|------------------|------------------|
| | 2017 | 2016 |
| <u>Balance Sheet Information</u> | | |
| Cash and cash equivalents | \$ 4,847 | \$ 2,732 |
| Other current assets | 1,310 | 1,544 |
| Property, plant and equipment – net | 16,192 | 23,595 |
| Other long-term assets | 763 | 750 |
| Total assets | \$ 23,112 | \$ 28,621 |
| | | |
| Current maturities of long-term debt | \$ 580 | \$ 112 |
| Other current liabilities | 1,855 | 2,139 |
| Long-term debt | 6,397 | 6,694 |
| Other long-term liabilities | 1,926 | 4,085 |
| Total equity excluding other comprehensive income (loss) | 11,737 | 16,238 |
| Accumulated other comprehensive income (loss) | (686) | (1,704) |
| Noncontrolling interests | 1,303 | 1,057 |
| Total liabilities and equity | \$ 23,112 | \$ 28,621 |
| | | |
| <u>Total Debt</u> | | |
| Hess | \$ 5,997 | \$ 6,073 |
| Midstream (a) | 980 | 733 |
| Hess Consolidated | \$ 6,977 | \$ 6,806 |
| (a) <i>Midstream debt is non-recourse to Hess Corporation.</i> | | |
| | | |
| | December 31, | |
| | 2017 | 2016 |
| <u>Debt to capitalization ratio</u> | | |
| Hess Consolidated | 36.1% | 30.4% |

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

| | Fourth Quarter 2017 | Fourth Quarter 2016 | Third Quarter 2017 |
|---|---------------------------|---------------------------|--------------------------|
| <u>Cash Flow Information</u> | | | |
| Cash Flows from Operating Activities | | | |
| Net income (loss) | \$ (2,635) | \$ (4,898) | \$ (593) |
| Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities | | | |
| (Gains) losses on asset sales, net | 362 | 4 | (274) |
| Depreciation, depletion and amortization | 646 | 768 | 759 |
| Impairment | 1,700 | 67 | 2,503 |
| Exploratory dry hole costs | 268 | 830 | — |
| Exploration lease and other impairment | 22 | 112 | 7 |
| Stock compensation expense | 21 | 4 | 21 |
| Non-cash (gains) losses on commodity derivatives, net | 54 | — | 13 |
| Provision (benefit) for deferred income taxes and other tax accruals | 54 | 3,173 | (2,008) |
| Loss on debt extinguishment | — | 68 | — |
| Cash provided by operating activities before changes in operating assets and liabilities | 492 | 128 | 428 |
| Changes in operating assets and liabilities | (149) | 198 | (340) |
| Net cash provided by (used in) operating activities | <u>343</u> | <u>326</u> | <u>88</u> |
| Cash Flows from Investing Activities | | | |
| Additions to property, plant and equipment - E&P | (513) | (399) | (489) |
| Additions to property, plant and equipment - Midstream | (41) | (88) | (24) |
| Proceeds from asset sales, net of cash sold | 2,513 | 60 | 604 |
| Other, net | — | 3 | (1) |
| Net cash provided by (used in) investing activities | <u>1,959</u> | <u>(424)</u> | <u>90</u> |
| Cash Flows from Financing Activities | | | |
| Net borrowings (repayments) of debt with maturities of 90 days or less | (168) | 57 | 11 |
| Debt with maturities of greater than 90 days | | | |
| Borrowings | 800 | — | — |
| Repayments | (352) | (649) | (30) |
| Common stock acquired and retired | (110) | — | — |
| Cash dividends paid | (90) | (90) | (91) |
| Noncontrolling interests, net | (35) | (23) | (33) |
| Other, net | (26) | 6 | (1) |
| Net cash provided by (used in) financing activities | <u>19</u> | <u>(699)</u> | <u>(144)</u> |
| Net Increase (Decrease) in Cash and Cash Equivalents | 2,321 | (797) | 34 |
| Cash and Cash Equivalents at Beginning of Period | 2,526 | 3,529 | 2,492 |
| Cash and Cash Equivalents at End of Period | <u>\$ 4,847</u> | <u>\$ 2,732</u> | <u>\$ 2,526</u> |

Additions to Property, Plant and Equipment included within Investing Activities:

| | | | |
|--|-----------------|-----------------|-----------------|
| Capital expenditures incurred | \$ (547) | \$ (409) | \$ (553) |
| Increase (decrease) in related liabilities | (7) | (78) | 40 |
| Additions to property, plant and equipment | <u>\$ (554)</u> | <u>\$ (487)</u> | <u>\$ (513)</u> |

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

| | Year Ended December 31, | |
|---|-------------------------|------------|
| | 2017 | 2016 |
| Cash Flow Information | | |
| Cash flows From Operating Activities | | |
| Net income (loss) | \$ (3,941) | \$ (6,076) |
| Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities | | |
| (Gains) losses on asset sales, net | 86 | (23) |
| Depreciation, depletion and amortization | 2,883 | 3,244 |
| Impairment | 4,203 | 67 |
| Exploratory dry hole costs | 268 | 1,064 |
| Exploration lease and other impairment | 44 | 145 |
| Stock compensation expense | 86 | 73 |
| Non-cash (gains) losses on commodity derivatives, net | 97 | — |
| Provision (benefit) for deferred income taxes and other tax accruals | (2,001) | 2,200 |
| Loss on debt extinguishment | — | 148 |
| Cash provided by operating activities before changes in operating assets and liabilities | 1,725 | 842 |
| Changes in operating assets and liabilities | (780) | (47) |
| Net cash provided by (used in) operating activities | 945 | 795 |
| Cash Flows from Investing Activities | | |
| Additions to property, plant and equipment - E&P | (1,788) | (1,974) |
| Additions to property, plant and equipment - Midstream | (149) | (277) |
| Proceeds from asset sales, net of cash sold | 3,296 | 140 |
| Other, net | (1) | 21 |
| Net cash provided by (used in) investing activities | 1,358 | (2,090) |
| Cash Flows from Financing Activities | | |
| Net borrowings (repayments) of debt with maturities of 90 days or less | (153) | 43 |
| Debt with maturities of greater than 90 days | | |
| Borrowings | 800 | 1,496 |
| Repayments | (459) | (1,455) |
| Proceeds from issuance of Hess Midstream Partnership LP units | 366 | — |
| Proceeds from issuance of preferred stock | — | 557 |
| Proceeds from issuance of common stock | — | 1,087 |
| Common stock acquired and retired | (110) | — |
| Cash dividends paid | (363) | (350) |
| Noncontrolling interests, net | (243) | (23) |
| Other, net | (26) | (44) |
| Net cash provided by (used in) financing activities | (188) | 1,311 |
| Net Increase (Decrease) in Cash and Cash Equivalents | 2,115 | 16 |
| Cash and Cash Equivalents at Beginning of Year | 2,732 | 2,716 |
| Cash and Cash Equivalents at End of Year | \$ 4,847 | \$ 2,732 |

Additions to Property, Plant and Equipment included within Investing Activities:

| | | |
|--|------------|------------|
| Capital expenditures incurred | \$ (1,973) | \$ (1,921) |
| Increase (decrease) in related liabilities | 36 | (330) |
| Additions to property, plant and equipment | \$ (1,937) | \$ (2,251) |

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

| | Fourth Quarter 2017 | Fourth Quarter 2016 | Third Quarter 2017 |
|--|---------------------------|---------------------------|--------------------------|
| <u>Capital and Exploratory Expenditures</u> | | | |
| E&P Capital and exploratory expenditures | | | |
| United States | | | |
| Bakken | \$ 200 | \$ 99 | \$ 186 |
| Other Onshore | 5 | 2 | 8 |
| Total Onshore | 205 | 101 | 194 |
| Offshore | 162 | 171 | 191 |
| Total United States | 367 | 272 | 385 |
| Europe | 51 | 2 | 34 |
| Africa | — | 3 | 13 |
| Asia and other | 150 | 134 | 126 |
| E&P Capital and exploratory expenditures | <u>\$ 568</u> | <u>\$ 411</u> | <u>\$ 558</u> |
| Total exploration expenses charged to income included above | <u>\$ 67</u> | <u>\$ 91</u> | <u>\$ 32</u> |
| Midstream Capital expenditures | <u>\$ 46</u> | <u>\$ 89</u> | <u>\$ 27</u> |
| Year Ended December 31, | | | |
| | 2017 | 2016 | |
| <u>Capital and Exploratory Expenditures</u> | | | |
| E&P Capital and exploratory expenditures | | | |
| United States | | | |
| Bakken | \$ 624 | \$ 429 | |
| Other Onshore | 30 | 46 | |
| Total Onshore | 654 | 475 | |
| Offshore | 702 | 735 | |
| Total United States | 1,356 | 1,210 | |
| Europe | 142 | 65 | |
| Africa | 30 | 10 | |
| Asia and other | 519 | 586 | |
| E&P Capital and exploratory expenditures | <u>\$ 2,047</u> | <u>\$ 1,871</u> | |
| Total exploration expenses charged to income included above | <u>\$ 195</u> | <u>\$ 233</u> | |
| Midstream Capital expenditures | <u>\$ 121</u> | <u>\$ 283</u> | |

HESS CORPORATION AND CONSOLIDATED SUBSIDIARIES
EXPLORATION AND PRODUCTION SUPPLEMENTAL OPERATING DATA

| <u>Income Statement</u> | Fourth Quarter 2017 | | |
|--|-----------------------|---------------------|-------------------|
| | United States | International | Total |
| Total revenues and non-operating income | | | |
| Sales and other operating revenues | \$ 1,064 | \$ 599 | \$ 1,663 |
| Gains (losses) on asset sales, net | (5) | (364) | (369) |
| Other, net | (4) | (10) | (14) |
| Total revenues and non-operating income | <u>1,055</u> | <u>225</u> | <u>1,280</u> |
| Costs and expenses | | | |
| Marketing, including purchased oil and gas (a) | 477 | 12 | 489 |
| Operating costs and expenses | 159 | 155 | 314 |
| Production and severance taxes | 30 | 1 | 31 |
| Midstream tariffs | 144 | — | 144 |
| Exploration expenses, including dry holes and lease impairment | 39 | 317 | 356 |
| General and administrative expenses | 52 | 9 | 61 |
| Depreciation, depletion and amortization | 453 | 163 | 616 |
| Impairment | 1,700 | — | 1,700 |
| Total costs and expenses | <u>3,054</u> | <u>657</u> | <u>3,711</u> |
| Results of operations before income taxes | | | |
| Provision (benefit) for income taxes | (1,999) | (432) | (2,431) |
| Net income (loss) attributable to Hess Corporation | <u>\$ (1,989) (b)</u> | <u>\$ (603) (c)</u> | <u>\$ (2,592)</u> |
| <u>Income Statement</u> | Fourth Quarter 2016 | | |
| | United States | International | Total |
| Total revenues and non-operating income | | | |
| Sales and other operating revenues | \$ 942 | \$ 445 | \$ 1,387 |
| Other, net | (8) | (3) | (11) |
| Total revenues and non-operating income | <u>934</u> | <u>442</u> | <u>1,376</u> |
| Costs and expenses | | | |
| Marketing, including purchased oil and gas (a) | 350 | 41 | 391 |
| Operating costs and expenses | 315 | 195 | 510 |
| Production and severance taxes | 26 | 1 | 27 |
| Midstream tariffs | 148 | — | 148 |
| Exploration expenses, including dry holes and lease impairment | 41 | 992 | 1,033 |
| General and administrative expenses | 55 | 2 | 57 |
| Depreciation, depletion and amortization | 471 | 261 | 732 |
| Total costs and expenses | <u>1,406</u> | <u>1,492</u> | <u>2,898</u> |
| Results of operations before income taxes | | | |
| Provision (benefit) for income taxes | (472) | (1,050) | (1,522) |
| Net income (loss) attributable to Hess Corporation | <u>\$ 969 (d)</u> | <u>\$ 1,458 (d)</u> | <u>\$ 2,427</u> |
| | <u>\$ (1,441)</u> | <u>\$ (2,508)</u> | <u>\$ (3,949)</u> |

(a) Includes amounts charged from the Midstream segment.

(b) After-tax results from crude oil hedging activities included \$25 million of option premium amortization for contracts expiring in the quarter, and unrealized losses of \$27 million.

(c) After-tax results from crude oil hedging activities included \$5 million of option premium amortization for contracts expiring in the quarter, and unrealized gains of \$3 million.

(d) Includes charges of \$1,144 million (U.S.) and \$1,776 million (International) to establish valuation allowances against net deferred tax assets.

HESS CORPORATION AND CONSOLIDATED SUBSIDIARIES
EXPLORATION AND PRODUCTION SUPPLEMENTAL OPERATING DATA

| <u>Income Statement</u> | Third Quarter 2017 | | |
|--|--------------------|--------------------|--------------------|
| | United States | International | Total |
| Total revenues and non-operating income | | | |
| Sales and other operating revenues | \$ 901 | \$ 446 | \$ 1,347 |
| Gain on asset sales, net | 330 | — | 330 |
| Other, net | (5) | 20 | 15 |
| Total revenues and non-operating income | <u>1,226</u> | <u>466</u> | <u>1,692</u> |
| Costs and expenses | | | |
| Marketing, including purchased oil and gas (a) | 337 | 14 | 351 |
| Operating costs and expenses | 148 | 162 | 310 |
| Production and severance taxes | 26 | 1 | 27 |
| Midstream tariffs | 140 | — | 140 |
| Exploration expenses, including dry holes and lease impairment | 16 | 24 | 40 |
| General and administrative expenses | 55 | — | 55 |
| Depreciation, depletion and amortization | 437 | 272 | 709 |
| Impairment | — | 2,503 | 2,503 |
| Total costs and expenses | <u>1,159</u> | <u>2,976</u> | <u>4,135</u> |
| Results of operations before income taxes | | | |
| Provision (benefit) for income taxes | 67 | (2,510) | (2,443) |
| Net income (loss) attributable to Hess Corporation | <u>\$ 65</u> | <u>(b)\$ (539)</u> | <u>(c)\$ (474)</u> |

(a) Includes amounts charged from the Midstream segment.

(b) After-tax results from crude oil hedging activities included \$7 million of option premium amortization, net of settlement proceeds, for contracts settling in the quarter, and unrealized gains of \$8 million.

(c) After-tax results from crude oil hedging activities included a gain of \$1 million of option premium amortization, net of settlement proceeds, for contracts settling in the quarter, and unrealized gains of \$4 million.

HESS CORPORATION AND CONSOLIDATED SUBSIDIARIES
EXPLORATION AND PRODUCTION SUPPLEMENTAL OPERATING DATA

| <u>Income Statement</u> | Year Ended December 31, 2017 | | |
|--|------------------------------|-------------------|-------------------|
| | United States | International | Total |
| Total revenues and non-operating income | | | |
| Sales and other operating revenues | \$ 3,686 | \$ 1,774 | \$ 5,460 |
| Gains (losses) on asset sales, net | 325 | (364) | (39) |
| Other, net | (19) | 21 | 2 |
| Total revenues and non-operating income | <u>3,992</u> | <u>1,431</u> | <u>5,423</u> |
| Costs and expenses | | | |
| Marketing, including purchased oil and gas (a) | 1,354 | (19) | 1,335 |
| Operating costs and expenses | 652 | 598 | 1,250 |
| Production and severance taxes | 116 | 3 | 119 |
| Midstream tariffs | 543 | — | 543 |
| Exploration expenses, including dry holes and lease impairment | 106 | 401 | 507 |
| General and administrative expenses | 208 | 17 | 225 |
| Depreciation, depletion and amortization | 1,819 | 917 | 2,736 |
| Impairment | 1,700 | 2,503 | 4,203 |
| Total costs and expenses | <u>6,498</u> | <u>4,420</u> | <u>10,918</u> |
| Results of operations before income taxes | | | |
| Provision (benefit) for income taxes | (2,506) | (2,989) | (5,495) |
| Net income (loss) attributable to Hess Corporation | <u>\$ (2,475)</u> | <u>\$ (1,178)</u> | <u>\$ (3,653)</u> |
| | | | |
| <u>Income Statement</u> | | | |
| | United States | International | Total |
| Total revenues and non-operating income | | | |
| Sales and other operating revenues | \$ 3,078 | \$ 1,677 | \$ 4,755 |
| Gains on asset sales, net | 27 | — | 27 |
| Other, net | (12) | 28 | 16 |
| Total revenues and non-operating income | <u>3,093</u> | <u>1,705</u> | <u>4,798</u> |
| Costs and expenses | | | |
| Marketing, including purchased oil and gas (a) | 1,023 | 105 | 1,128 |
| Operating costs and expenses | 920 | 742 | 1,662 |
| Production and severance taxes | 94 | 7 | 101 |
| Midstream tariffs | 497 | — | 497 |
| Exploration expenses, including dry holes and lease impairment | 342 | 1,100 | 1,442 |
| General and administrative expenses | 215 | 17 | 232 |
| Depreciation, depletion and amortization | 2,012 | 1,101 | 3,113 |
| Total costs and expenses | <u>5,103</u> | <u>3,072</u> | <u>8,175</u> |
| Results of operations before income taxes | | | |
| Provision (benefit) for income taxes | (2,010) | (1,367) | (3,377) |
| Net income (loss) attributable to Hess Corporation | <u>\$ 385</u> | <u>\$ 1,202</u> | <u>\$ 1,587</u> |
| | <u>(d)</u> | <u>(d)</u> | <u>(d)</u> |
| | <u>\$ (2,395)</u> | <u>\$ (2,569)</u> | <u>\$ (4,964)</u> |

(a) Includes amounts charged from the Midstream segment.

(b) After-tax results from crude oil hedging activities included \$31 million of option premium amortization, net of settlement proceeds, for contracts settling in the year, and unrealized losses of \$26 million.

(c) After-tax results from crude oil hedging activities included \$2 million of option premium amortization, net of settlement proceeds, for contracts settling in the year.

(d) Includes charges of \$1,144 million (U.S.) and \$1,776 million (International) to establish valuation allowances against net deferred tax assets.

HESS CORPORATION AND CONSOLIDATED SUBSIDIARIES
EXPLORATION AND PRODUCTION SUPPLEMENTAL OPERATING DATA

| | Fourth Quarter 2017 | Fourth Quarter 2016 | Third Quarter 2017 |
|---|---------------------------|---------------------------|--------------------------|
| <u>Net Production Per Day (in thousands)</u> | | | |
| Crude oil - barrels | | | |
| United States | | | |
| Bakken | 69 | 62 | 63 |
| Other Onshore (a) | 2 | 8 | 4 |
| Total Onshore | 71 | 70 | 67 |
| Offshore | 30 | 45 | 43 |
| Total United States | <u>101</u> | <u>115</u> | <u>110</u> |
| Europe (b) | 27 | 37 | 25 |
| Africa (c) (d) | 35 | 32 | 39 |
| Asia | 3 | 2 | 2 |
| Total | <u>166</u> | <u>186</u> | <u>176</u> |
| Natural gas liquids - barrels | | | |
| United States | | | |
| Bakken | 30 | 24 | 29 |
| Other Onshore (a) | 6 | 10 | 8 |
| Total Onshore | 36 | 34 | 37 |
| Offshore | 4 | 5 | 5 |
| Total United States | <u>40</u> | <u>39</u> | <u>42</u> |
| Europe (b) | 1 | 1 | 1 |
| Total | <u>41</u> | <u>40</u> | <u>43</u> |
| Natural gas - mcf | | | |
| United States | | | |
| Bakken | 66 | 52 | 63 |
| Other Onshore | 77 | 123 | 85 |
| Total Onshore | 143 | 175 | 148 |
| Offshore | 34 | 68 | 69 |
| Total United States | <u>177</u> | <u>243</u> | <u>217</u> |
| Europe (b) | 30 | 45 | 29 |
| Asia and other | 349 | 224 | 306 |
| Total | <u>556</u> | <u>512</u> | <u>552</u> |
| Barrels of oil equivalent | <u>300</u> | <u>311</u> | <u>311</u> |

- (a) The Corporation sold its Permian assets in August 2017. Production was 7,000 boepd in the fourth quarter of 2016 and 3,000 boepd in the third quarter of 2017.
- (b) The Corporation sold its Norway assets in December 2017. Production was 24,000 boepd in the fourth quarter of 2017, 32,000 boepd in the fourth quarter of 2016 and 20,000 boepd in the third quarter of 2017.
- (c) The Corporation sold its Equatorial Guinea assets in November 2017. Production was 17,000 boepd in the fourth quarter of 2017, 28,000 boepd in the fourth quarter of 2016 and 27,000 boepd in the third quarter of 2017.
- (d) Production from Libya recommenced in the fourth quarter of 2016. Production was 18,000 boepd in the fourth quarter of 2017, 4,000 bopd in the fourth quarter of 2016 and 12,000 bopd in the third quarter of 2017.

HESS CORPORATION AND CONSOLIDATED SUBSIDIARIES
EXPLORATION AND PRODUCTION SUPPLEMENTAL OPERATING DATA

| | Year Ended December 31, | |
|---|-------------------------|------------|
| | 2017 | 2016 |
| <u>Net Production Per Day (in thousands)</u> | | |
| Crude oil - barrels | | |
| United States | | |
| Bakken | 67 | 68 |
| Other Onshore (a) | 6 | 9 |
| Total Onshore | 73 | 77 |
| Offshore | 39 | 45 |
| Total United States | 112 | 122 |
| Europe (b) | 28 | 33 |
| Africa (c) (d) | 35 | 34 |
| Asia | 2 | 2 |
| Total | <u>177</u> | <u>191</u> |
| Natural gas liquids - barrels | | |
| United States | | |
| Bakken | 28 | 27 |
| Other Onshore (a) | 8 | 11 |
| Total Onshore | 36 | 38 |
| Offshore | 5 | 5 |
| Total United States | 41 | 43 |
| Europe (b) | 1 | 1 |
| Total | <u>42</u> | <u>44</u> |
| Natural gas - mcf | | |
| United States | | |
| Bakken | 62 | 61 |
| Other Onshore | 92 | 133 |
| Total Onshore | 154 | 194 |
| Offshore | 57 | 64 |
| Total United States | 211 | 258 |
| Europe (b) | 33 | 43 |
| Asia and other | 276 | 222 |
| Total | <u>520</u> | <u>523</u> |
| Barrels of oil equivalent | <u>306</u> | <u>322</u> |

- (a) The Corporation sold its Permian assets in August 2017. Production was 4,000 boepd for the year ended December 31, 2017 and 7,000 boepd for the year ended December 31, 2016.
- (b) The Corporation sold its Norway assets in December 2017. Production was 24,000 boepd for the year ended December 31, 2017 and 28,000 boepd for the year ended December 31, 2016.
- (c) The Corporation sold its Equatorial Guinea assets in November 2017. Production was 25,000 boepd for the year ended December 31, 2017 and 33,000 boepd for the year ended December 31, 2016.
- (d) Production from Libya recommenced in the fourth quarter of 2016. Production was approximately 10,000 bopd for the year ended December 31, 2017 and 1,000 bopd for the year ended December 31, 2016.

HESS CORPORATION AND CONSOLIDATED SUBSIDIARIES
EXPLORATION AND PRODUCTION SUPPLEMENTAL OPERATING DATA

| | Fourth Quarter 2017 | Fourth Quarter 2016 | Third Quarter 2017 |
|--|---------------------------|---------------------------|--------------------------|
|--|---------------------------|---------------------------|--------------------------|

Sales Volumes Per Day (in thousands) (a)

| | | | |
|-------------------------------|------------|------------|------------|
| Crude oil - barrels | 173 | 190 | 172 |
| Natural gas liquids - barrels | 41 | 40 | 43 |
| Natural gas - mcf | 556 | 512 | 552 |
| Barrels of oil equivalent | <u>307</u> | <u>315</u> | <u>307</u> |

Sales Volumes (in thousands) (a)

| | | | |
|-------------------------------|---------------|---------------|---------------|
| Crude oil - barrels | 15,969 | 17,432 | 15,897 |
| Natural gas liquids - barrels | 3,760 | 3,666 | 3,920 |
| Natural gas - mcf | 51,346 | 47,101 | 50,808 |
| Barrels of oil equivalent | <u>28,287</u> | <u>28,948</u> | <u>28,285</u> |

| | Year Ended December 31, | |
|--|-------------------------|------|
| | 2017 | 2016 |

Sales Volumes Per Day (in thousands) (a)

| | | |
|-------------------------------|------------|------------|
| Crude oil - barrels | 173 | 198 |
| Natural gas liquids - barrels | 42 | 44 |
| Natural gas - mcf | 520 | 523 |
| Barrels of oil equivalent | <u>302</u> | <u>329</u> |

Sales Volumes (in thousands) (a)

| | | |
|-------------------------------|----------------|----------------|
| Crude oil - barrels | 63,367 | 72,462 |
| Natural gas liquids - barrels | 15,152 | 16,055 |
| Natural gas - mcf | 190,089 | 191,482 |
| Barrels of oil equivalent | <u>110,201</u> | <u>120,431</u> |

(a) Sales volumes from purchased crude oil, natural gas liquids, and natural gas are not included in the sales volumes reported.

HESS CORPORATION AND CONSOLIDATED SUBSIDIARIES
EXPLORATION AND PRODUCTION SUPPLEMENTAL OPERATING DATA

| | Fourth Quarter 2017 | Fourth Quarter 2016 | Third Quarter 2017 |
|---|---------------------------|---------------------------|--------------------------|
| Average Selling Prices | | | |
| Crude oil - per barrel (including hedging) | | | |
| United States | | | |
| Onshore | \$ 51.66 | \$ 42.82 | \$ 42.14 |
| Offshore | 52.73 | 44.73 | 46.11 |
| Total United States | 51.98 | 43.57 | 43.66 |
| Europe | 62.10 | 50.37 | 53.89 |
| Africa | 58.98 | 49.15 | 51.62 |
| Asia | 61.26 | 40.96 | — |
| Worldwide | 55.44 | 45.97 | 46.97 |
| Crude oil - per barrel (excluding hedging) | | | |
| United States | | | |
| Onshore | \$ 54.06 | \$ 42.82 | \$ 42.85 |
| Offshore | 56.07 | 44.73 | 46.72 |
| Total United States | 54.66 | 43.57 | 44.33 |
| Europe | 63.13 | 50.37 | 53.77 |
| Africa | 59.58 | 49.15 | 51.51 |
| Asia | 61.26 | 40.96 | — |
| Worldwide | 57.32 | 45.97 | 47.36 |
| Natural gas liquids - per barrel | | | |
| United States | | | |
| Onshore | \$ 21.98 | \$ 13.70 | \$ 16.56 |
| Offshore | 26.32 | 18.89 | 20.41 |
| Total United States | 22.42 | 14.38 | 17.04 |
| Europe | 36.98 | 25.05 | 26.44 |
| Worldwide | 22.78 | 14.68 | 17.22 |
| Natural gas - per mcf | | | |
| United States | | | |
| Onshore | \$ 1.70 | \$ 1.99 | \$ 1.58 |
| Offshore | 1.67 | 2.66 | 2.26 |
| Total United States | 1.69 | 2.18 | 1.80 |
| Europe | 4.99 | 3.75 | 4.58 |
| Asia and other | 4.59 | 4.30 | 4.34 |
| Worldwide | 3.69 | 3.24 | 3.35 |

HESS CORPORATION AND CONSOLIDATED SUBSIDIARIES
EXPLORATION AND PRODUCTION SUPPLEMENTAL OPERATING DATA

| | Year Ended December 31, | |
|--|-------------------------|------|
| | 2017 | 2016 |

Average Selling Prices

Crude oil - per barrel (including hedging)

| | | | | | |
|---------------------|--|----|-------|----|-------|
| United States | | \$ | 46.04 | \$ | 36.92 |
| Onshore | | | 47.34 | | 37.47 |
| Offshore | | | | | |
| Total United States | | | 46.50 | | 37.13 |
| Europe | | | 55.03 | | 43.33 |
| Africa | | | 53.17 | | 41.88 |
| Asia | | | 56.99 | | 42.98 |
| Worldwide | | | 49.23 | | 39.20 |

Crude oil - per barrel (excluding hedging)

| | | | | | |
|---------------------|--|----|-------|----|-------|
| United States | | \$ | 46.76 | \$ | 36.92 |
| Onshore | | | 48.15 | | 37.47 |
| Offshore | | | | | |
| Total United States | | | 47.25 | | 37.13 |
| Europe | | | 55.14 | | 43.33 |
| Africa | | | 53.25 | | 41.88 |
| Asia | | | 56.99 | | 42.98 |
| Worldwide | | | 49.75 | | 39.20 |

Natural gas liquids - per barrel

| | | | | | |
|---------------------|--|----|-------|----|-------|
| United States | | \$ | 17.67 | \$ | 9.18 |
| Onshore | | | 21.34 | | 13.96 |
| Offshore | | | | | |
| Total United States | | | 18.10 | | 9.71 |
| Europe | | | 29.04 | | 19.48 |
| Worldwide | | | 18.35 | | 9.95 |

Natural gas - per mcf

| | | | | | |
|---------------------|--|----|------|----|------|
| United States | | \$ | 1.96 | \$ | 1.48 |
| Onshore | | | 2.22 | | 1.99 |
| Offshore | | | | | |
| Total United States | | | 2.03 | | 1.61 |
| Europe | | | 4.42 | | 3.97 |
| Asia and other | | | 4.27 | | 5.31 |
| Worldwide | | | 3.37 | | 3.37 |

The following is a summary of the Corporation's outstanding commodity hedging program by calendar year:

| | 2018 | |
|--|-------|----------------------------|
| | Brent | West Texas Intermediate |
| Outstanding average barrels of oil per day | — | 115,000 |
| Average monthly ceiling price | — | \$65 |
| Average monthly floor price | — | \$50 |