



HESS CORPORATION

Supplemental Earnings Information

Third Quarter 2007

Reported Net Income, Items Affecting Comparability & Adjusted Earnings by Operating Activity



\$ Millions, except per share data

	Third Quarter 2007	Third Quarter 2006	Second Quarter 2007
Income/(Expense)			
Net Income (U.S. GAAP)			
Exploration and Production	\$ 414	\$ 206	\$ 505
Marketing and Refining	46	152 (a)	122
Corporate	(28)	(31)	(32)
Interest	(37)	(31)	(38)
Net Income	\$ 395	\$ 296	\$ 557
Net Income Per Share (Diluted)	\$ 1.23	\$ 0.94	\$ 1.75
Items Affecting Comparability			
Exploration and Production	\$ (33)	\$ (105)	\$ 15
Marketing and Refining	-	-	-
Corporate	-	-	-
Total Items Affecting Comparability	\$ (33)	\$ (105)	\$ 15
Adjusted Earnings (b)			
Exploration and Production	\$ 447	\$ 311	\$ 490
Marketing and Refining	46	152	122
Corporate	(28)	(31)	(32)
Interest	(37)	(31)	(38)
Adjusted Earnings	\$ 428	\$ 401	\$ 542
Adjusted Earnings Per Share (Diluted)	\$ 1.34	\$ 1.27	\$ 1.70
Weighted Average Number of Shares (Diluted)	319.9	316.0	318.6

- a. Reflects the impact of the retrospective adoption of a new accounting pronouncement related to refinery turnarounds. All of the financial information presented in this supplemental earnings report reflects this retrospective accounting change.
- b. "Adjusted Earnings," which are presented throughout this supplemental earnings information, is defined as reported net income excluding discontinued operations, cumulative effect of changes in accounting principles, and items identified as affecting comparability of earnings between periods. We believe that investors' understanding of our performance is enhanced by disclosing this measure. This measure is not, and should not be viewed as, a substitute for U.S. GAAP net income.

Items Affecting Comparability Between Periods



(Amounts are after income taxes)

3Q 2007

- **Exploration and Production** – Earnings include charges totaling \$33 million for production imbalances resulting from adjustments to meter readings at two offshore fields.

3Q 2006

- **Exploration and Production** – In July 2006, the United Kingdom (U.K.) increased by 10% the supplementary tax on petroleum operations with an effective date of January 1, 2006. As a result, the Corporation recorded a charge of \$105 million consisting of an incremental income tax of \$60 million on operating earnings for the first half of 2006 and \$45 million to adjust the U.K. deferred tax liability.

2Q 2007

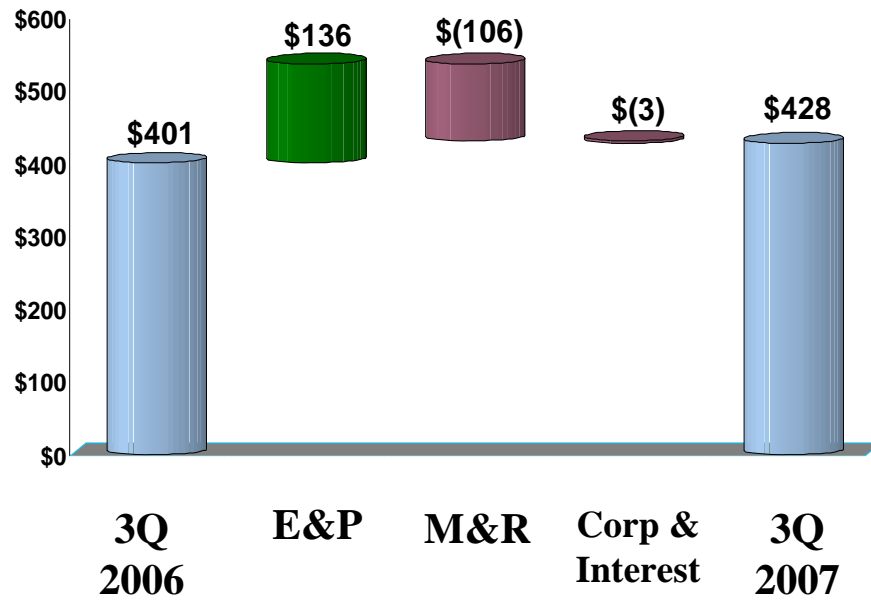
- **Exploration and Production** – Earnings include a gain of \$15 million related to the sale of the Corporation's interests in the Scott and Telford fields located in the United Kingdom.

Consolidated Adjusted Earnings

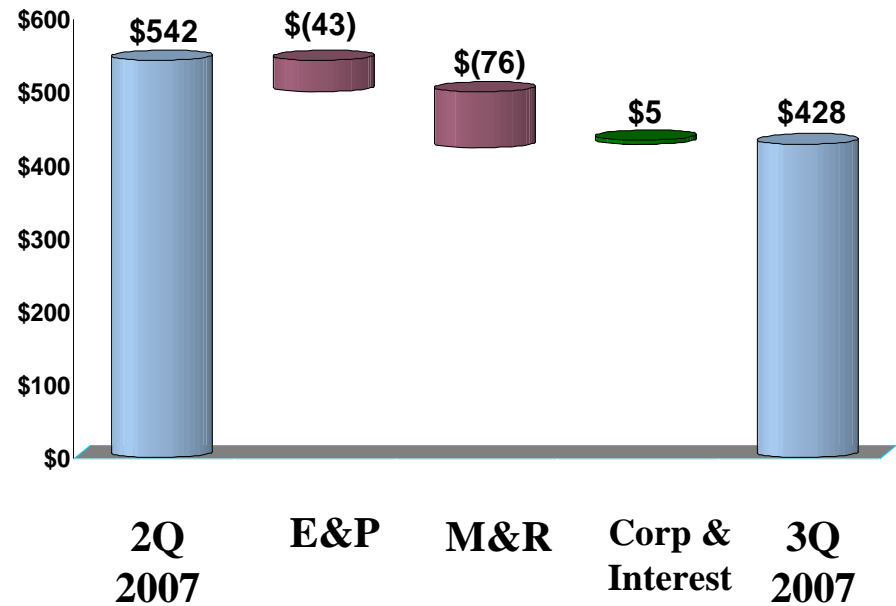


\$ Millions

3Q 2007 vs. 3Q 2006



3Q 2007 vs. 2Q 2007



Analysis of Consolidated Adjusted Earnings



3Q 2007 vs. 3Q 2006

- **Exploration and Production** –The increase in earnings primarily reflects higher selling prices and sales volumes partially offset by higher operating expenses.
- **Marketing and Refining** – The decrease in earnings primarily reflects lower margins and less favorable trading results.

3Q 2007 vs. 2Q 2007

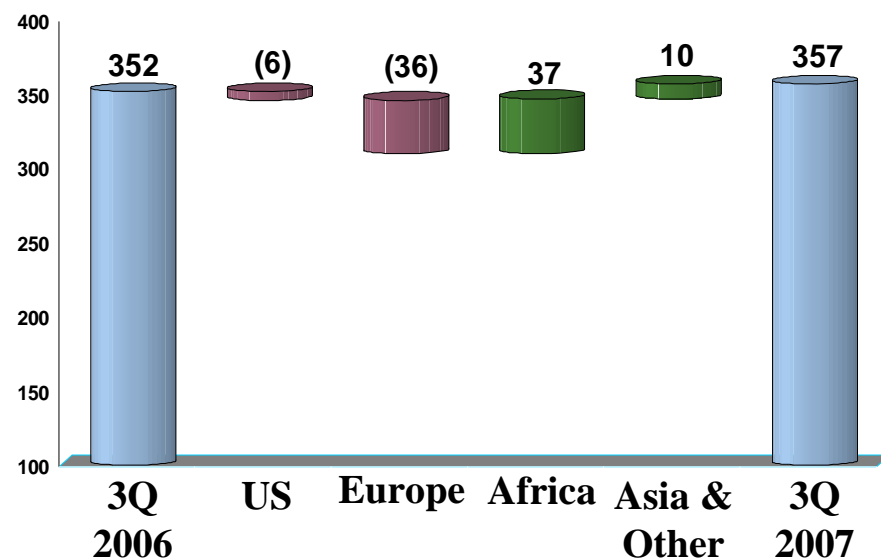
- **Exploration and Production** –The decrease primarily reflects lower sales volumes and higher costs partially offset by higher selling prices.
- **Marketing and Refining** –The decrease reflects lower refining earnings due to lower refined product margins and less favorable trading results, partially offset by higher marketing earnings.



Worldwide Oil & Gas Production

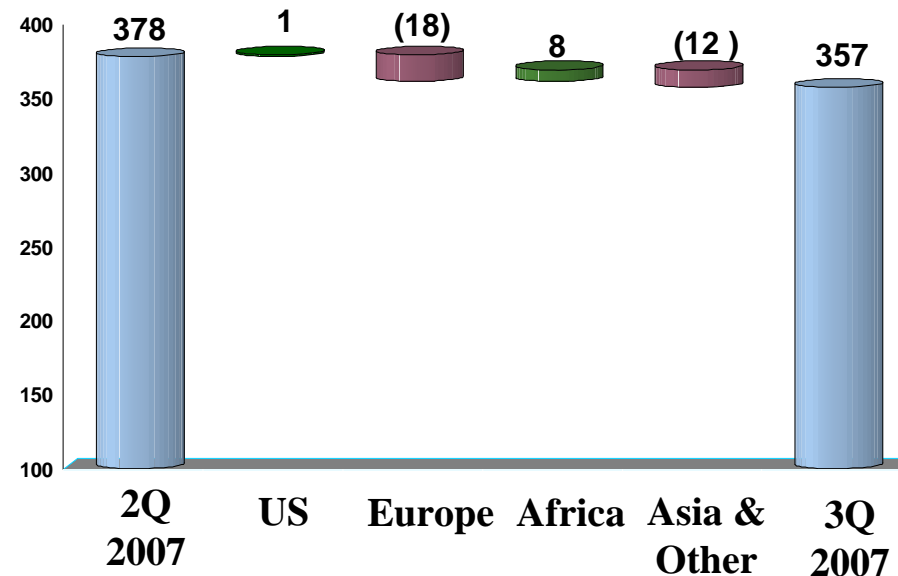
(MBOEPD)

3Q 2007 vs. 3Q 2006



	<u>3Q 2006</u>	<u>3Q 2007</u>	<u>Inc/(Dec)</u>
United States	63	57	(6)
Europe	153	117	(36)
Africa	86	123	37
Asia & Other	<u>50</u>	<u>60</u>	<u>10</u>
Total	<u>352</u>	<u>357</u>	<u>5</u>

3Q 2007 vs. 2Q 2007

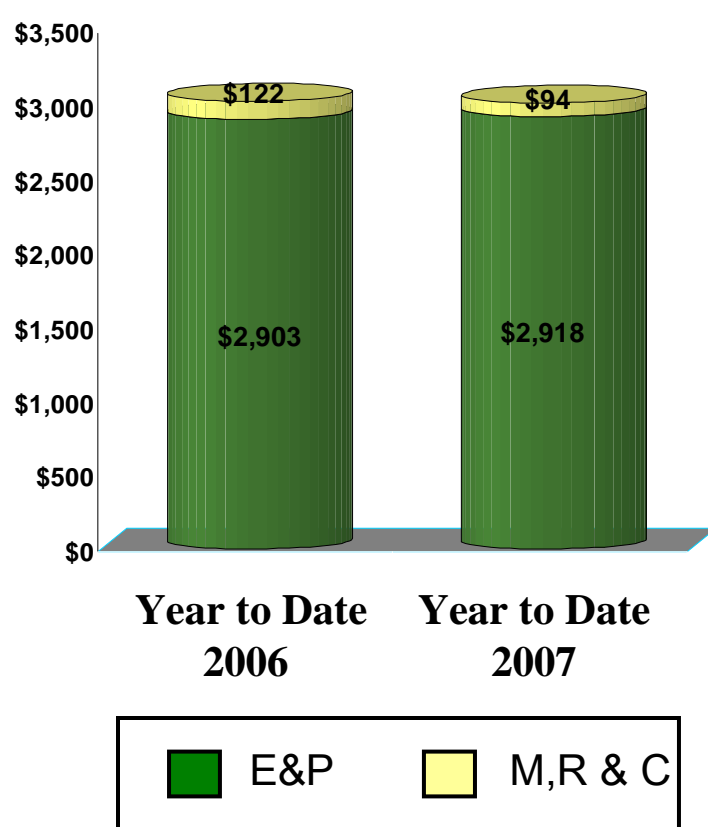


	<u>2Q 2007</u>	<u>3Q 2007</u>	<u>Inc/(Dec)</u>
United States	56	57	1
Europe	135	117	(18)
Africa	115	123	8
Asia & Other	<u>72</u>	<u>60</u>	<u>(12)</u>
Total	<u>378</u>	<u>357</u>	<u>(21)</u>



Capital & Exploratory Expenditures

\$ Millions



	<u>Year to Date 2006*</u>	<u>Year to Date 2007**</u>
Exploration & Production		
U.S.	\$ 639	\$ 1,312
International	<u>2,264</u>	<u>1,606</u>
Total E&P	2,903	2,918
Marketing, Refining & Corporate	<u>122</u>	<u>94</u>
Total	<u>\$ 3,025</u>	<u>\$ 3,012</u>
Exploration expenses included above:		
U.S.	\$ 68	\$ 149
International	<u>74</u>	<u>90</u>
Total	<u>\$ 142</u>	<u>\$ 239</u>

* Year to date 2006 capital & exploratory expenditures include \$673 million for the acquisition of assets in Egypt and the re-entry into Libya.

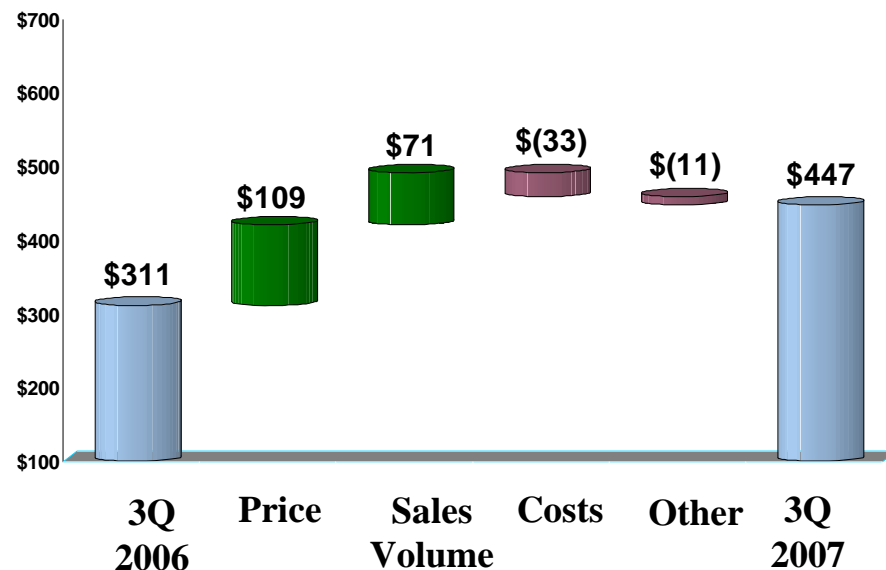
** Year to date 2007 includes \$371 million for the acquisition of an interest in Genghis Khan, the western extension of the Shenzi Field in the deepwater Gulf of Mexico.



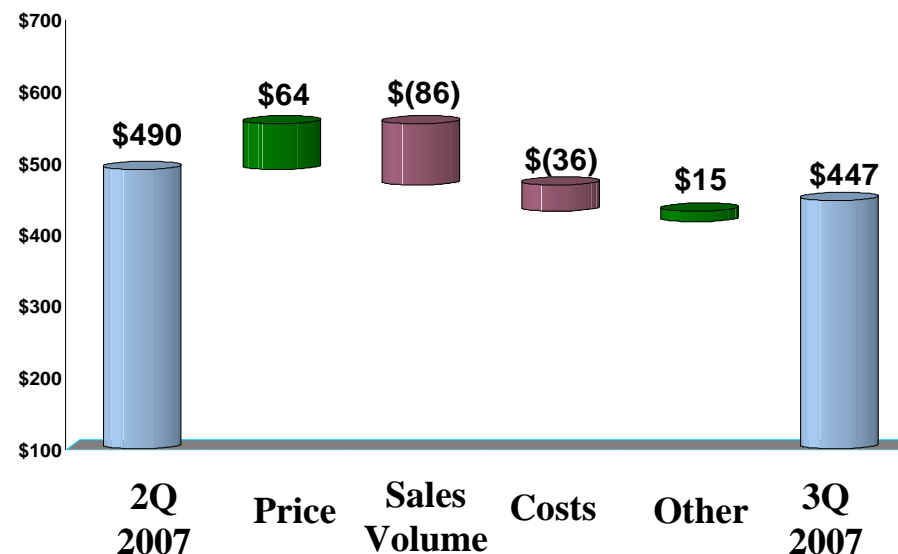
Exploration and Production Adjusted Earnings

\$ Millions

3Q 2007 vs. 3Q 2006



3Q 2007 vs. 2Q 2007



	<u>3Q 2006</u>	<u>3Q 2007</u>	<u>Inc/(Dec)</u>
United States	\$ 33	\$ 44	\$ 11
International	<u>278</u>	<u>403</u>	<u>125</u>
Total	<u>\$ 311</u>	<u>\$ 447</u>	<u>\$ 136</u>

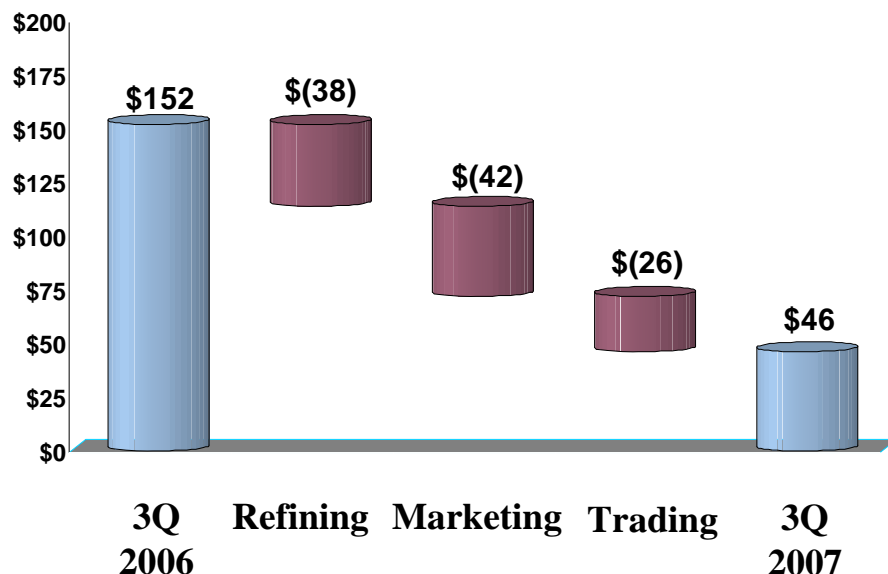
	<u>2Q 2007</u>	<u>3Q 2007</u>	<u>Inc/(Dec)</u>
United States	\$ 44	\$ 44	\$ -
International	<u>446</u>	<u>403</u>	<u>(43)</u>
Total	<u>\$ 490</u>	<u>\$ 447</u>	<u>\$ (43)</u>



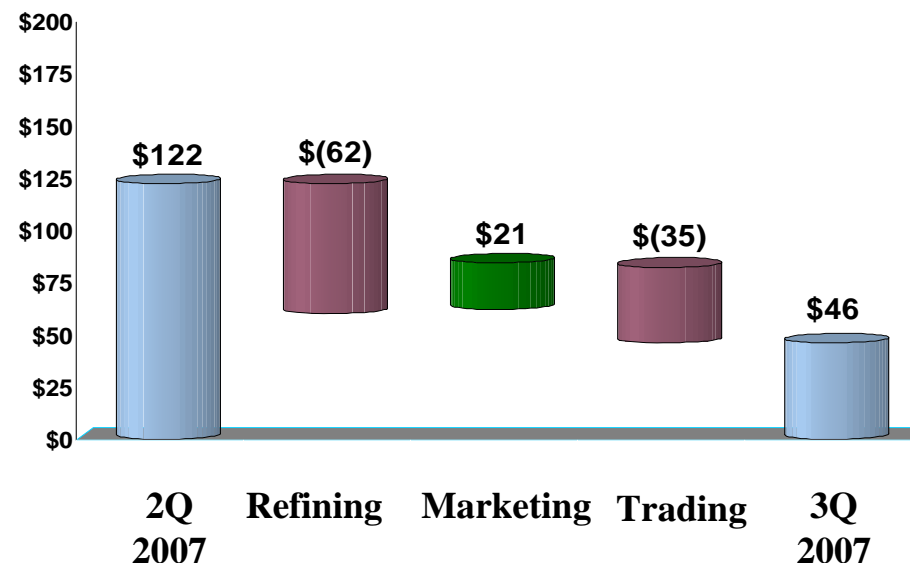
Marketing and Refining Adjusted Earnings

\$ Millions

3Q 2007 vs. 3Q 2006



3Q 2007 vs. 2Q 2007



	<u>3Q 2006</u>	<u>3Q 2007</u>	<u>Inc/(Dec)</u>
Refining	\$ 63	\$ 25	\$ (38)
Marketing	63	21	(42)
Trading	<u>26</u>	<u>-</u>	<u>(26)</u>
Total	<u>\$ 152</u>	<u>\$ 46</u>	<u>\$ (106)</u>

	<u>2Q 2007</u>	<u>3Q 2007</u>	<u>Inc/(Dec)</u>
Refining	\$ 87	\$ 25	\$ (62)
Marketing	-	21	21
Trading	<u>35</u>	<u>-</u>	<u>(35)</u>
Total	<u>\$ 122</u>	<u>\$ 46</u>	<u>\$ (76)</u>