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): April 27, 2011

HESS CORPORATION
(Exact Name of Registrant as Specified in Its Charter)

DELAWARE	**No. 1-1204**	**No. 13-4921002**
(State or Other Jurisdiction of Incorporation)	(Commission File Number)	(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))

Item 2.02. Results of Operations and Financial Condition.

On April 27, 2011, Hess Corporation issued a news release reporting estimated results for the first 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, and John P. Rielly, Senior Vice President and Chief Financial Officer of Hess Corporation at a public conference call held on April 27, 2011. Copies of these remarks are attached as Exhibit 99(2) and as Exhibit 99(3), respectively, and are incorporated herein by reference.

Item 9.01. Financial Statements and Exhibits.

(c) Exhibits

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

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

99(3) Prepared remarks of John P. Rielly, Senior Vice President and Chief Financial 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: April 27, 2011

HESS CORPORATION

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

EXHIBIT INDEX

Exhibit No.	Description
99(1)	News release dated April 27, 2011 reporting estimated results for the first quarter of 2011.
99(2)	Prepared remarks of John B. Hess, Chairman of the Board of Directors and Chief Executive Officer.
99(3)	Prepared remarks of John P. Rielly, Senior Vice President and Chief Financial Officer.

Exhibit 99(1)

Hess Reports Estimated Results for the First Quarter of 2011

First Quarter Highlights:

- ***Net income was $929 million compared with $538 million in the first quarter of 2010***
- ***Net income included an after-tax gain of $310 million relating to asset sales***
- ***Net cash provided by operating activities was $1,135 million, compared with $825 million in the first quarter of 2010***
- ***Oil and gas production was 399,000 barrels per day, compared with 423,000 in the first quarter of 2010***

NEW YORK--(BUSINESS WIRE)--April 27, 2011--Hess Corporation (NYSE: HES) reported net income of $929 million for the first quarter of 2011 compared with $538 million for the first quarter of 2010. The after-tax income (loss) by major operating activity was as follows:

	Three Months Ended March 31, (unaudited)	
	2011	2010
	(In millions, except per share amounts)	
Exploration and Production	$ 979	$ 551
Marketing and Refining	39	87
Corporate	(28)	(48)
Interest expense	(61)	(52)
Net income attributable to Hess Corporation	$ 929	$ 538
Net income per share (diluted)	$ 2.74	$ 1.65
Weighted average number of shares (diluted)	339.2	327.0

Note: See the following page for a table of items affecting the comparability of earnings between periods.

Exploration and Production earnings were $979 million in the first quarter of 2011 compared with $551 million in the first quarter of 2010. The Corporation's first quarter oil and gas production was 399,000 barrels of oil equivalent per day, down from 423,000 barrels of oil equivalent per day in the first quarter a year ago, primarily reflecting the suspension of production in Libya in early March due to civil unrest and the sale of certain natural gas producing assets in the United Kingdom North Sea. The Corporation's average worldwide crude oil selling price, including the effect of hedging, was $87.22 per barrel, an increase from $63.62 per barrel in the first quarter of 2010. The average worldwide natural gas selling price was $5.84 per Mcf in the first quarter of 2011 compared with $5.92 per Mcf in the same quarter a year ago. First quarter 2011 results included higher exploration expenses reflecting dry hole costs of $121 million ($77 million after-tax) associated with an exploration well located on Block 1 offshore Egypt in the North Red Sea.

Marketing and Refining earnings were $39 million in the first quarter of 2011 compared with $87 million in the same period in 2010. Refining operations incurred a loss of $48 million in the first quarter of 2011 compared with a loss of $56 million in the first quarter a year ago. Marketing earnings were $68 million compared with $121 million in the first quarter of 2010. Trading activities generated income of $19 million in the first quarter of 2011 compared with $22 million in the first 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 March 31, (unaudited) (Millions of dollars)	
	2011	2010
Exploration and Production	$ 310	$ 58
Corporate	-	(7)
	$ 310	$ 51

First quarter 2011 results included an after-tax gain of $310 million related to the sale of the Corporation's interests in certain natural gas producing assets in the United Kingdom North Sea.

Net cash provided by operating activities was $1,135 million in the first quarter of 2011, compared with $825 million in the same quarter of 2010. Capital and exploratory expenditures were $1,186 million, of which $1,173 million related to Exploration and Production operations. Capital and exploratory expenditures for the first quarter of 2010 were $861 million, of which $841 million related to Exploration and Production operations.

At March 31, 2011, cash and cash equivalents totaled $1,968 million up from $1,608 million at December 31, 2010. Total debt was $5,552 million at March 31, 2011 and $5,583 million at December 31, 2010. The Corporation’s debt to capitalization ratio at March 31, 2011 improved to 23.5 percent compared with 24.9 percent at the end of 2010.

Hess Corporation will review first 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)

	First Quarter 2011	First Quarter 2010	Fourth Quarter 2010
Income Statement			
Revenues and Non-operating Income			
Sales (excluding excise taxes) and other operating revenues	$ 10,215	$ 9,259	$ 9,007
Income (loss) from equity investment in HOVENSA L.L.C.	(48)	(85)	(348)
Other, net	348	46	31
Total revenues and non-operating income	10,515	9,220	8,690
Costs and Expenses			
Cost of products sold (excluding items shown separately below)	7,040	6,540	6,221
Production expenses	531	477	532
Marketing expenses	283	253	291
Exploration expenses, including dry holes and lease impairment	313	151	317
Other operating expenses	42	52	42
General and administrative expenses	164	155	197
Interest expense	99	84	100
Depreciation, depletion and amortization	558	542	633
Total costs and expenses	9,030	8,254	8,333
Income before income taxes	1,485	966	357
Provision for income taxes	511	398	274
Net income	974	568	83
Less: Net income (loss) attributable to noncontrolling interests	45	30	25
Net income attributable to Hess Corporation	$ 929	$ 538	$ 58
Supplemental Income Statement Information			
Foreign currency gains (losses), after-tax	$ (3)	$ (1)	$ 2
Capitalized interest	2	1	2
Cash Flow Information			
Net cash provided by operating activities (*)	$ 1,135	$ 825	$ 1,478
Capital and Exploratory Expenditures			
Exploration and Production			
United States	$ 540	$ 337	$ 1,820
International	633	504	618
Total Exploration and Production	1,173	841	2,438
Marketing, Refining and Corporate	13	20	26
Total Capital and Exploratory Expenditures	$ 1,186	$ 861	$ 2,464
Exploration expenses charged to income included above			
United States	$ 42	$ 41	$ 46
International	62	32	77
	$ 104	$ 73	$ 123

(*) Includes changes in working capital

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

Balance Sheet Information	March 31, 2011	December 31, 2010
Cash and cash equivalents	$ 1,968	$ 1,608
Other current assets	7,468	7,172
Investments	446	443
Property, plant and equipment – net	21,759	21,127
Other long-term assets	4,996	5,046
Total assets	$ 36,637	$ 35,396
Short-term debt and current maturities of long-term debt	$ 35	$ 46
Other current liabilities	7,316	7,567
Long-term debt	5,517	5,537
Other long-term liabilities	5,652	5,437
Total equity excluding other comprehensive income (loss)	18,990	17,968
Accumulated other comprehensive income (loss)	(873)	(1,159)
Total liabilities and equity	$ 36,637	$ 35,396

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

	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

	First Quarter 2010		
	United States	International	Total
Sales and other operating revenues	$ 582	$ 1,532	$ 2,114
Other, net	(1)	55	54
Total revenues and non-operating income	581	1,587	2,168
Costs and expenses			
Production expenses, including related taxes	116	361	477
Exploration expenses, including dry holes and lease impairment	78	73	151
General, administrative and other expenses	36	31	67
Depreciation, depletion and amortization	136	383	519
Total costs and expenses	366	848	1,214
Results of operations before income taxes	215	739	954
Provision for income taxes	77	326	403
Results of operations attributable to Hess Corporation	$ 138	$ 413	$ 551

	Fourth Quarter 2010		
	United States	International	Total
Sales and other operating revenues	$ 679	$ 1,613	$ 2,292
Other, net	(5)	13	8
Total revenues and non-operating income	674	1,626	2,300
Costs and expenses			
Production expenses, including related taxes	143	389	532
Exploration expenses, including dry holes and lease impairment	121	196	317
General, administrative and other expenses	56	24	80
Depreciation, depletion and amortization	184	425	609
Total costs and expenses	504	1,034	1,538
Results of operations before income taxes	170	592	762
Provision for income taxes	72	270	342
Results of operations attributable to Hess Corporation	$ 98	$ 322	$ 420

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

	First Quarter 2011	First Quarter 2010	Fourth Quarter 2010
Operating Data			
Net Production Per Day (in thousands)			
Crude oil - barrels			
United States	77	71	76
Europe	99	86	103
Africa	84	118	99
Asia	14	14	13
Total	274	289	291
Natural gas liquids - barrels			
United States	13	13	14
Europe	4	3	4
Asia	1	1	1
Total	18	17	19
Natural gas - mcf			
United States	106	97	114
Europe	107	156	138
Asia and other	430	452	411
Total	643	705	663
Barrels of oil equivalent	399	423	420
Average Selling Price			
Crude oil - per barrel (including hedging)*			
United States	$ 91.56	$ 74.40	$ 80.65
Europe	84.17	55.25	63.18
Africa	82.32	62.38	70.21
Asia	110.80	71.67	86.94
Worldwide	87.22	63.62	71.73
Crude oil - per barrel (excluding hedging)			
United States	$ 91.56	$ 74.40	$ 80.65
Europe	84.17	55.25	63.18
Africa	102.58	75.96	86.40
Asia	110.80	71.67	86.94
Worldwide	92.35	69.06	77.17
Natural gas liquids - per barrel			
United States	$ 57.31	$ 51.11	$ 51.89
Europe	80.29	59.38	64.65
Asia	73.35	63.92	70.22
Worldwide	63.45	52.93	55.00
Natural gas - per mcf			
United States	$ 3.82	$ 4.63	$ 3.11
Europe	8.25	5.41	7.81
Asia and other	5.75	6.37	5.06
Worldwide	5.84	5.92	5.30

* The after-tax losses from crude oil hedging activities were $81 million in the first quarter of 2011, $83 million in the first quarter of 2010 and $86 million in the fourth quarter of 2010.

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

	First Quarter 2011	First Quarter 2010	Fourth Quarter 2010
Financial Information (in millions of dollars)			
Marketing and Refining Results			
Income (loss) before income taxes	$ 96	$ 139	$ (251)
Provision (benefit) for income taxes	57	52	10
Results of operations attributable to Hess Corporation	$ 39	$ 87	$ (261)
Summary of Marketing and Refining Results			
Refining	$ (48)	$ (56)	$ (308)
Marketing	68	121	37
Trading	19	22	10
Results of operations attributable to Hess Corporation	$ 39	$ 87	$ (261)

		First Quarter 2011	First Quarter 2010	Fourth Quarter 2010
Operating Data (barrels and gallons in thousands)				
Refined Product Sales (barrels per day)				
Gasoline		226	251	225
Distillates		134	126	144
Residuals		87	86	78
Other		20	51	42
Total		467	514	489
Refinery Throughput (barrels per day)				
HOVENSA - Crude runs		263	375	384
HOVENSA - Hess 50% share		132	188	192
Port Reading		66	62	60
Refinery Utilization	Refinery Capacity			
HOVENSA	(barrels per day)			
Crude	350 (a)	75.2%	75.1%	76.8%
FCC	150	65.6%	41.2%	57.3%
Coker	58	41.6%	85.0%	73.3%
Port Reading	70	94.0%	88.8%	86.0%
Retail Marketing				
Number of retail stations (b)		1,350	1,359	1,362
Convenience store revenue (in millions of dollars) (c)		$ 278	$ 276	$ 298
Average gasoline volume per station (gallons per month) (c)		185	188	201

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

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Exhibit 99(2)

2011 First Quarter Earnings Conference Call

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

Net income for the first quarter of 2011 was $929 million, including a $310 million gain on the sale of assets, versus $538 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 higher exploration expense.

Exploration and Production earned $979 million. Crude oil and natural gas production averaged 399 thousand barrels of oil equivalent per day, which was 6 percent below the year ago quarter. This decrease resulted primarily from the loss of production from Libya and the previously announced sale of mature natural gas assets in the United Kingdom.

In terms of our 2011 production forecast, we believe the implementation of US and international sanctions make it prudent to assume production from Libya will remain suspended for the balance of the year, resulting in a 20 thousand barrel per day reduction in our forecast. In addition, a shut in well at the outside operated Llano Field in the deepwater Gulf of Mexico and PSC effects related to higher oil prices combine to further reduce our forecast by 10 thousand barrels of oil equivalent per day. We now forecast 2011 net production to average between 385 thousand and 395 thousand barrels of oil equivalent per day, versus our previous forecast of 415 thousand to 425 thousand barrels of oil equivalent per day.

In North Dakota, net production from the Bakken averaged 25 thousand barrels of oil equivalent per day in the first quarter. We are currently operating an 18-rig program and focusing most of our drilling on the acreage we acquired last year from American Oil and Gas and TRZ Energy.

In South Texas, we have drilled seven wells in the Eagle Ford. We have completed two of these wells and expect to commence production in the second quarter. In total, we plan to drill about 25 Eagle Ford wells in 2011 and we continue to add acreage in the play.

In France, a political debate regarding hydraulic fracturing has delayed our drilling program in the Paris Basin. We are actively engaged with local and national stakeholders. While we believe it will take time to work through the issues, we are confident that the drilling and completion operations can be done safely and responsibly.

In Australia, appraisal activities are continuing on our 100 percent owned WA-390-P Permit and commercial discussions with potential partners are ongoing.

In the deepwater Gulf of Mexico, we continue to advance our Tubular Bells development, where we are operator and have a 40 percent working interest. Last week, we signed a letter of award to process production from the field at a third party owned SPAR facility. Project sanction is anticipated to occur later this year. We also continue to progress the engineering and design work for the Pony/Knotty Head Field and expect to sanction the project in 2012. In addition, we have joined the Marine Well Containment Company and also the Helix Well Containment Group to enable us to have access to both oil spill response capabilities to conduct drilling operations in the deepwater Gulf of Mexico.

With regard to exploration, we thought it appropriate to provide an update on the Paradise prospect in Ghana. As we have previously commented, we are drilling this prospect in 6,038 feet of water on the Deepwater Tano Cape Three Points Block. Hess is carrying 100 percent of the well cost and has a 90 percent working interest. The Ghana National Petroleum Corporation has the remaining 10 percent interest. While results are preliminary, intermediate wire line logs indicate that we have thus far encountered 370 feet of net hydrocarbon pay in two separate intervals. Our current plan is to drill an additional 1,100 feet to test a third stratigraphic interval, reaching a total depth of approximately 16,400 feet.

In Egypt, drilling of the Cherry prospect in the North Red Sea was recently completed resulting in a dry hole. Hess is operator and has an 80 percent working interest in the block. We will evaluate the results of the Cherry well to determine future plans for the block. We are currently negotiating an agreement with another operator to farm out the Stena Forth drillship through October of this year.

In Indonesia, we plan to spud the Andalan well on the Semai V block in the second quarter. 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 in the third quarter.

Turning to Marketing and Refining, we reported net income of $39 million for the first quarter of 2011. Financial results at our Hovensa joint venture refinery came in slightly better than the year ago quarter. During the first quarter Hovensa completed a reconfiguration of the refinery which reduced distillation capacity to 350,000 barrels per day from 500,000 barrels per day. This action will allow the refinery to produce a greater percentage of higher margin products, and reduce operating costs and capital expenditures.

Marketing earnings were lower than the first quarter last year. Retail marketing faced rising wholesale prices during the first quarter which put pressure on fuel margins. Gasoline volumes on a per site basis were down approximately 2 percent, while total convenience store sales were up nearly 1 percent. Our Energy Marketing business delivered strong operating results, but earnings were lower than last year's first quarter.

Solid operating performance, higher commodity prices and a new 5 year, $4 billion revolving credit facility have strengthened our financial position. We remain committed to maintaining a strong balance sheet to fund our future investment opportunities and profitably grow our reserves and production.

I will now turn the call over to John Rielly.

Exhibit 99(3)

HESS CORPORATION

FIRST QUARTER 2011 ANALYSTS' CONFERENCE CALL

Introduction

Hello everyone. In my remarks today, I will compare first quarter 2011 results to the fourth quarter of 2010.

Consolidated Results of Operations

The Corporation generated consolidated net income of $929 million in the first quarter of 2011, compared with $58 million in the fourth quarter of 2010. Excluding items affecting the comparability of earnings between periods, the Corporation had earnings of $619 million in the first quarter of 2011 compared with $398 million in the fourth quarter of 2010.

Exploration and Production

Exploration and Production operations had income of $979 million in the first quarter of 2011 compared with $420 million in the fourth quarter of 2010. The first quarter 2011 results include an after-tax gain of $310 million related to the sale of the Corporation's interests in certain natural gas producing assets in the United Kingdom North Sea. Fourth quarter 2010 results included an after-tax charge of $51 million from items affecting the comparability of earnings between periods. Excluding the effect of these items, the changes in the after-tax components of the results are as follows:

	Increase (decrease) in earnings
Higher selling prices increased earnings by	$ 231
Lower operating costs, principally DD&A, increased income by	25
Higher exploration expense decreased earnings by	(48)
All other items net to a decrease in earnings of	(10)
For an overall increase in first quarter adjusted earnings of	$ 198

Our E&P operations were overlifted compared with production, resulting in increased after-tax income in the quarter of approximately $25 million. The E&P effective income tax rate for the first quarter of 2011 was 42%, excluding items affecting the comparability of earnings between periods.

In March 2011, the government of the United Kingdom proposed increasing the supplementary tax on petroleum operations by an additional 12%. This supplementary tax is expected to be enacted in the third quarter and will be effective from March 24, 2011. As a result, we expect to record a charge in the third quarter that will include a provision representing the incremental tax on earnings from the effective date to the date of enactment and a charge to adjust the deferred tax liability in the UK.

Marketing and Refining

Marketing and Refining operations generated income of $39 million in the first quarter of 2011 compared with a loss of $261 million in the fourth quarter of 2010.

Fourth quarter 2010 results included an after-tax impairment charge of $289 million to reduce the carrying value of our equity investment in HOVENSA. Refining losses were $48 million in the first quarter of 2011 compared with $19 million in the fourth quarter of 2010, excluding the impact of the impairment. The Corporation's losses from its equity investment in HOVENSA were $48 million in the first quarter of 2011 compared with $30 million in the fourth quarter of last year, excluding the impairment.

Port Reading reported earnings of $2 million in the first quarter of 2011, down from $11 million in the fourth quarter of 2010.

Marketing earnings were $68 million in the first quarter of 2011 compared with $37 million in the fourth quarter of 2010. Trading activities generated income of $19 million in the first quarter of 2011 compared with $10 million in the fourth quarter of 2010.

Corporate and Interest

Net Corporate expenses were $28 million in the first quarter of 2011 compared with $43 million in the fourth quarter of 2010. After-tax interest expense was $61 million in the first quarter of 2011 compared with $58 million in the fourth quarter of 2010.

Consolidated Cash Flows

Turning to cash flow –

Net cash provided by operating activities in the first quarter, including a decrease of $325 million from changes in working capital, was	$	1,135
Capital expenditures were		(1,082)
Proceeds from the sale of United Kingdom gas producing assets		359
All other items amounted to a decrease in cash of		(52)
Resulting in a net increase in cash and cash equivalents in the first quarter of	$	360

We had $1,968 million of cash and cash equivalents at March 31, 2011 and $1,608 million at December 31, 2010. Our available revolving credit capacity was $3 billion at March 31, 2011. In April we established a new five-year revolving credit agreement, which increased our credit facility to $4 billion. Total debt was $5,552 million at March 31, 2011 and $5,583 million at December 31, 2010. The Corporation's debt to capitalization ratio at March 31, 2011 was 23.5% compared with 24.9% at the end of 2010.

Updated 2011 Guidance

I would like to update our 2011 guidance for certain metrics in light of recent events, including the suspension of Libyan production. The anticipated loss of Libyan production for the remainder of 2011 will raise our unit costs and lower our effective tax rate but it is not expected to have a significant adverse impact to net income and cash flow.

Our new guidance for unit costs for the full year is $33.50 to $35.50 per barrel, up from our previous guidance of $29.50 to $31.50 per barrel. E&P cash operating costs are now expected to be in the range of $18 to $19 per barrel and depreciation, depletion and amortization expenses are expected to be in the range of $15.50 to $16.50 per barrel. The higher unit costs are due to the expected loss of low cost Libyan barrels but also include the effect of increases in commodity price-driven production taxes in other geographical areas.

Our new guidance for our 2011 E&P effective tax rate is 38% to 42%, down from our previous guidance of 45% to 49%. The lower tax rate guidance reflects the absence of Libyan production taxed at an effective rate of 93.5% and the effect of the proposed higher UK supplementary tax on oil and gas operations.

This concludes my remarks. We will be happy to answer any questions. I will now turn the call over to the operator.

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Cautionary Note

The forgoing prepared remarks include certain forward-looking statements. These forward-looking statements are subject to risks and uncertainties that could cause actual results to differ materially from those expressed in the forward-looking statements.

Reconciliation of Segment Earnings to Earnings
Excluding Items Affecting Comparability

	First Quarter 2011	Fourth Quarter 2010
Exploration & Production Segment Results	$ 979	$ 420
Items Affecting Comparability		
Gain on asset sales	(310)	-
Dry hole costs for 2009 suspended well	-	51
Exploration & Production Income Excluding Items Affecting Comparability	$ 669	$ 471
Marketing & Refining Segment Results	$ 39	$ (261)
Items Affecting Comparability		
Impairment of equity investment	-	289
Marketing & Refining Income Excluding Items Affecting Comparability	$ 39	$ 28