



HESS CORPORATION

Supplemental Earnings Information

Second Quarter 2007

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



Income/(Expense)	Second Quarter 2007	Second Quarter 2006	First Quarter 2007
<u>Net Income (U.S. GAAP)</u>			
Exploration and Production	\$ 505	\$ 501	\$ 340
Marketing and Refining	122	122 (a)	101
Corporate	(32)	(29)	(31)
Interest	(38)	(28)	(40)
Net Income	\$ 557	\$ 566	\$ 370
Net Income Per Share (Diluted)	\$ 1.75	\$ 1.79	\$ 1.17
<u>Items Affecting Comparability</u>			
Exploration and Production	\$ 15	\$ 32	\$ --
Marketing and Refining	--	--	--
Corporate	--	--	--
Total Items Affecting Comparability	\$ 15	\$ 32	\$ --
<u>Adjusted Earnings (b)</u>			
Exploration and Production	\$ 490	\$ 469	\$ 340
Marketing and Refining	122	122	101
Corporate	(32)	(29)	(31)
Interest	(38)	(28)	(40)
Adjusted Earnings	\$ 542	\$ 534	\$ 370
Adjusted Earnings Per Share (Diluted)	\$ 1.70	\$ 1.69	\$ 1.17
Weighted Average Number of Shares (Diluted)	318.6	315.5	317.3

- 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)

2Q 2007

- **Exploration and Production** – Earnings in the second quarter of 2007 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.

2Q 2006

- **Exploration and Production** – Earnings in the second quarter of 2006 include a gain of \$50 million related to the sale of onshore Gulf Coast oil and gas producing assets and a charge of \$18 million for vacated office space in the United Kingdom.

1Q 2007

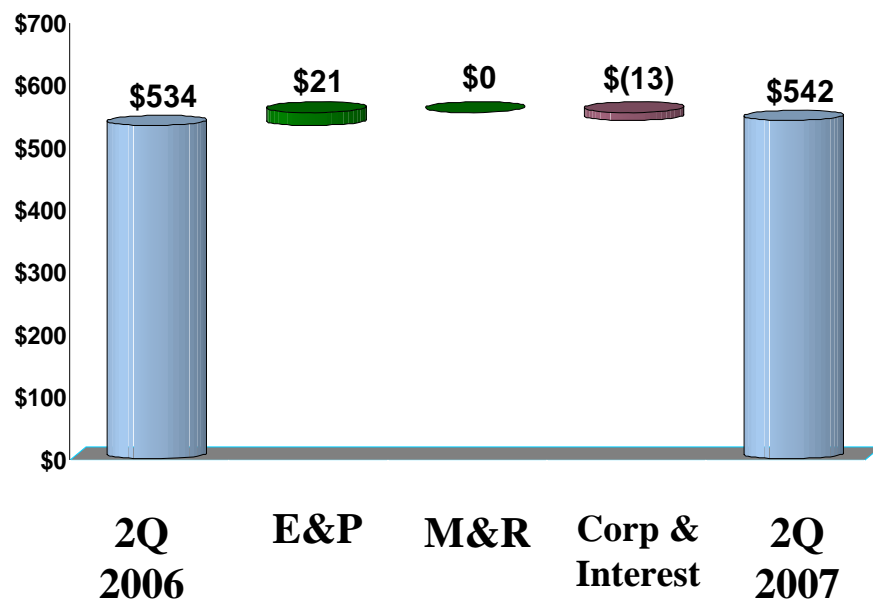
- None reported



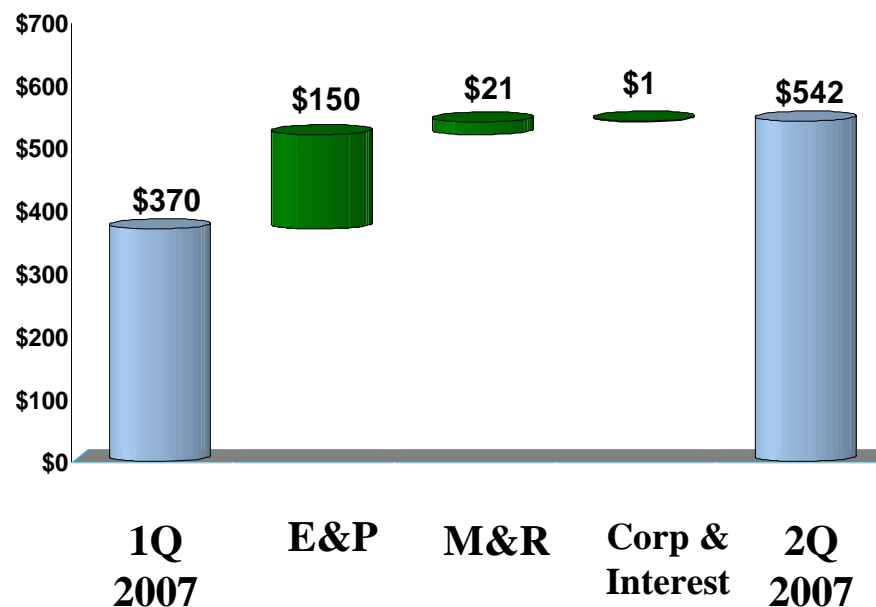
Consolidated Adjusted Earnings

\$ Millions

2Q 2007 vs. 2Q 2006



2Q 2007 vs. 1Q 2007





Analysis of Consolidated Adjusted Earnings

2Q 2007 vs. 2Q 2006

- **Exploration and Production** – The increase in earnings primarily reflects higher crude oil selling prices and sales volumes partially offset by higher operating expenses.
- **Marketing and Refining** – The results include higher trading earnings offset by lower marketing and refining results.

2Q 2007 vs. 1Q 2007

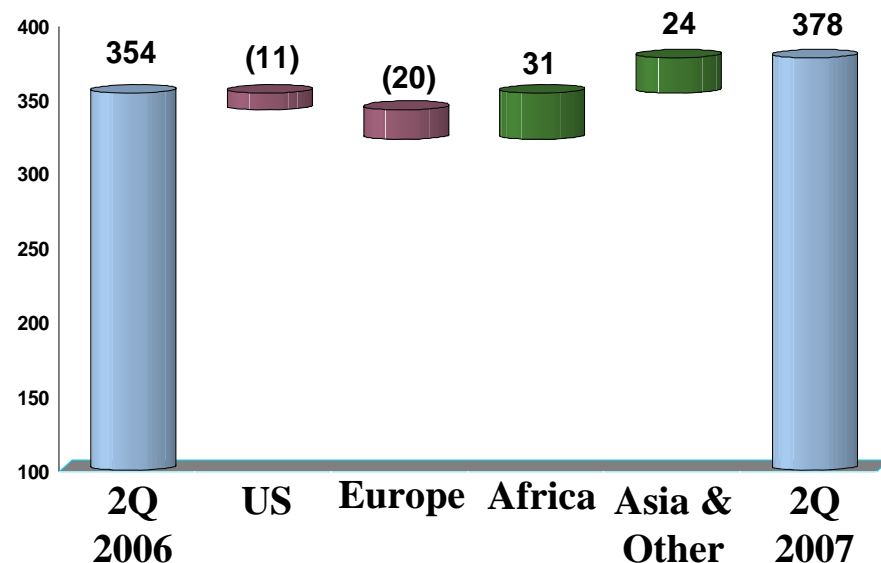
- **Exploration and Production** – The increase in earnings primarily reflects higher crude oil selling prices and sales volumes partially offset by higher operating expenses.
- **Marketing and Refining** – The increase in earnings reflects higher refining and trading results partially offset by lower marketing results.



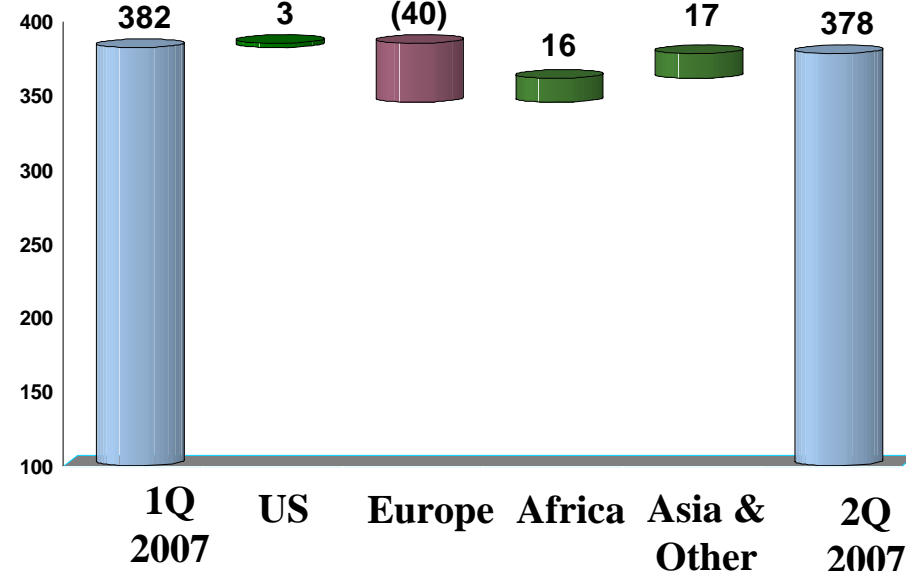
Worldwide Oil & Gas Production

(MBOEPD)

2Q 2007 vs. 2Q 2006



2Q 2007 vs. 1Q 2007



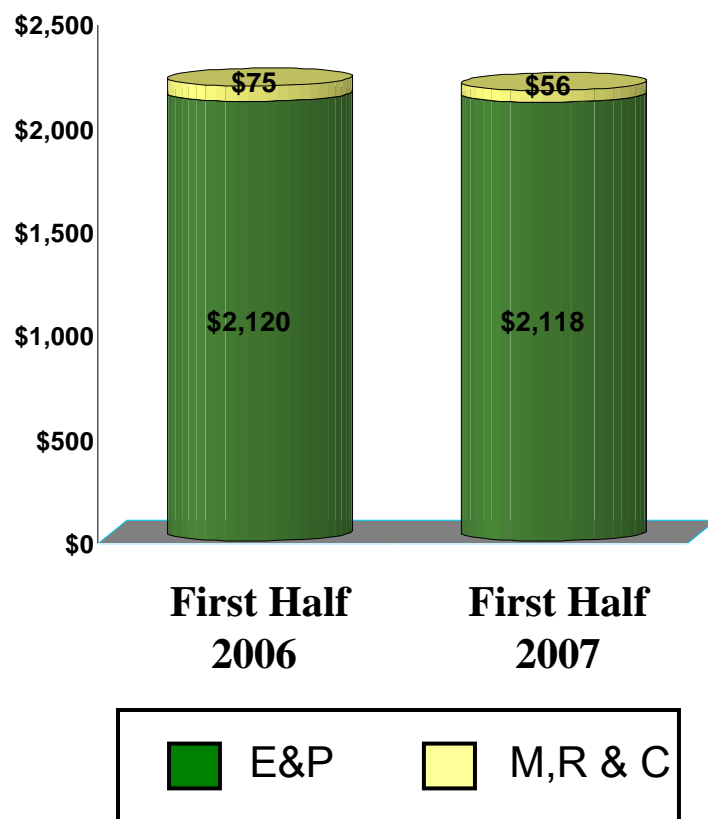
	<u>2Q 2006</u>	<u>2Q 2007</u>	<u>Inc/(Dec)</u>
United States	67	56	(11)
Europe	155	135	(20)
Africa	84	115	31
Asia & Other	<u>48</u>	<u>72</u>	<u>24</u>
Total	<u>354</u>	<u>378</u>	<u>24</u>

	<u>1Q 2007</u>	<u>2Q 2007</u>	<u>Inc/(Dec)</u>
United States	53	56	3
Europe	175	135	(40)
Africa	99	115	16
Asia & Other	<u>55</u>	<u>72</u>	<u>17</u>
Total	<u>382</u>	<u>378</u>	<u>(4)</u>



Capital & Exploratory Expenditures

\$ Millions



	<u>First Half 2006*</u>	<u>First Half 2007**</u>
Exploration & Production		
U.S.	\$ 387	\$ 1,042
International	<u>1,733</u>	<u>1,076</u>
Total E&P	2,120	2,118
Marketing, Refining & Corporate		
Total	<u>75</u>	<u>56</u>
Total	<u>\$ 2,195</u>	<u>\$ 2,174</u>
Exploration expenses included above:		
U.S.	\$ 49	\$ 82
International	<u>51</u>	<u>54</u>
Total	<u>\$ 100</u>	<u>\$ 136</u>

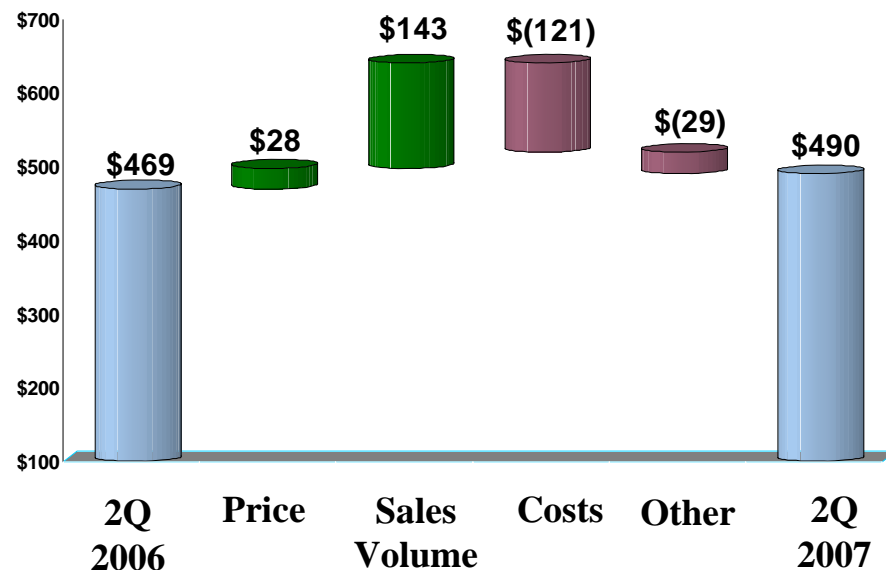
- * First half 2006 capital & exploratory expenditures include \$673 million for the acquisition of assets in Egypt and the re-entry into Libya.
- ** First half 2007 includes \$371 million for the acquisition of an interest in Genghis Khan, the western extension of the Shenzi Field in the deepwater Gulf of Mexico.



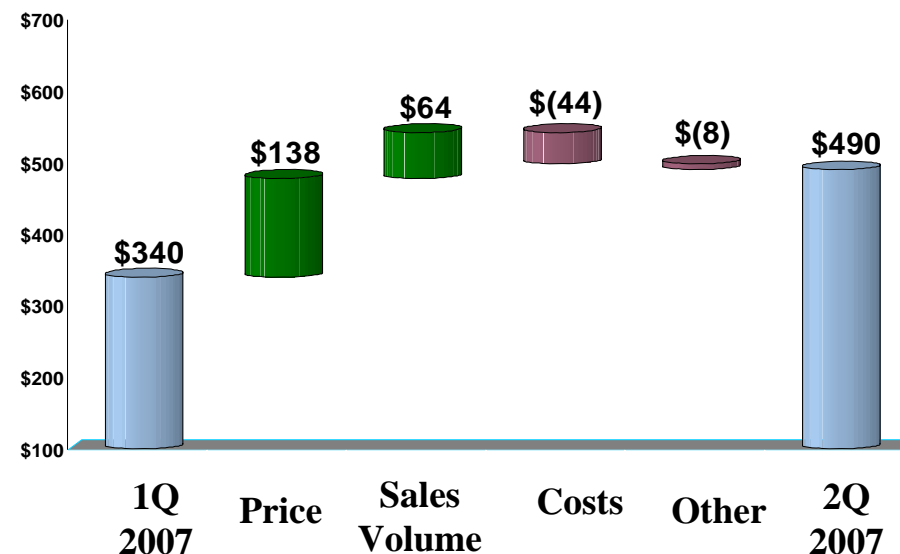
Exploration and Production Adjusted Earnings

\$ Millions

2Q 2007 vs. 2Q 2006



2Q 2007 vs. 1Q 2007



	<u>2Q 2006</u>	<u>2Q 2007</u>	<u>Inc/(Dec)</u>
United States	\$ 119	\$ 44	\$ (75)
International	<u>350</u>	<u>446</u>	<u>96</u>
Total	<u>\$ 469</u>	<u>\$ 490</u>	<u>\$ 21</u>

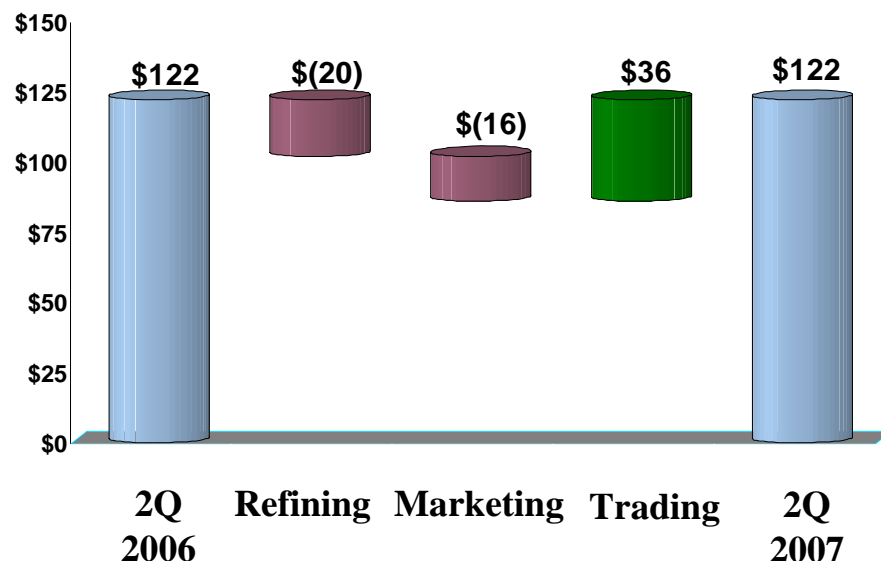
	<u>1Q 2007</u>	<u>2Q 2007</u>	<u>Inc/(Dec)</u>
United States	\$ 44	\$ 44	\$ -
International	<u>296</u>	<u>446</u>	<u>150</u>
Total	<u>\$ 340</u>	<u>\$ 490</u>	<u>\$ 150</u>



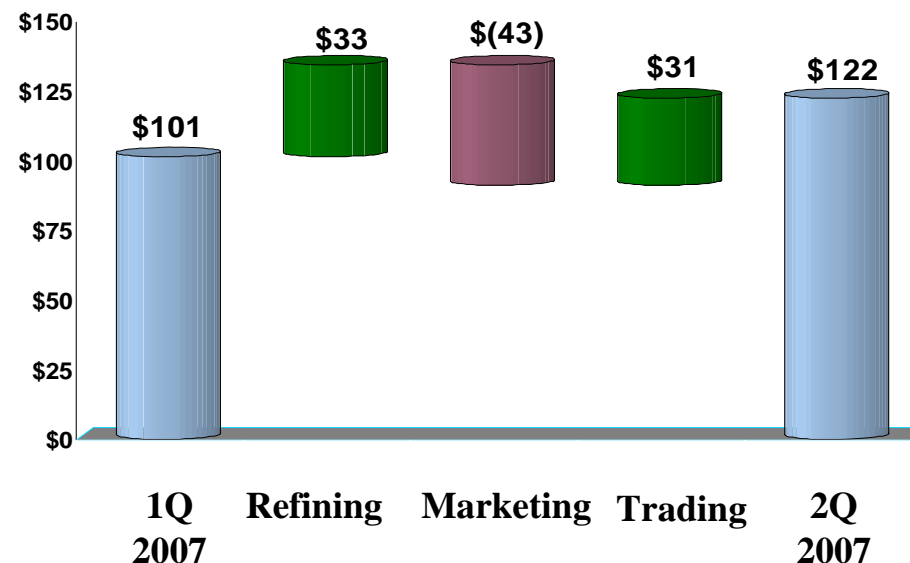
Marketing and Refining Adjusted Earnings

\$ Millions

2Q 2007 vs. 2Q 2006



2Q 2007 vs. 1Q 2007



	<u>2Q 2006</u>	<u>2Q 2007</u>	<u>Inc/(Dec)</u>
Refining	\$ 107	\$ 87	\$ (20)
Marketing	16	-	(16)
Trading	<u>(1)</u>	<u>35</u>	<u>36</u>
Total	<u>\$ 122</u>	<u>\$ 122</u>	<u>\$ -</u>

	<u>1Q 2007</u>	<u>2Q 2007</u>	<u>Inc/(Dec)</u>
Refining	\$ 54	\$ 87	\$ 33
Marketing	43	-	(43)
Trading	<u>4</u>	<u>35</u>	<u>31</u>
Total	<u>\$ 101</u>	<u>\$ 122</u>	<u>\$ 21</u>