HESS CORPORATION

First Quarter 2020 Conference Call Remarks

Jay Wilson – Vice President, Investor Relations

Good morning, everyone, and thank you for participating in our first quarter earnings conference call. Our earnings release was issued this morning and appears on our website, www.hess.com.

I would first like to express our hope that all of you listening and your families are safe and well.

Today's conference call contains projections and other forward-looking statements within the meaning of the Federal Securities laws. These statements are subject to known and unknown risks and uncertainties that may cause actual results to differ from those expressed or implied in such statements. These risks include those set forth in the Risk Factors section of Hess' annual and quarterly reports filed with the SEC.

In light of the COVID-19 pandemic and reduced spending plans we've put in place, many of the forward-looking statements from our previous presentations and investor materials have changed and should not be relied upon. We will provide updated guidance during this call.

As a result of the COVID-19 pandemic, our operations, and those of our business partners, service companies and suppliers, have experienced and may continue to experience adverse effects, including disruptions, delays or temporary suspensions of operations and supply chains; temporary closures of facilities; and other employee impacts. In addition, the pandemic has adversely impacted and may continue to adversely impact oil demand and prices, export capacity and the availability of commercial storage options, which could lead to further curtailments and shut-ins of production by our industry. To the extent we or our business partners, service companies and suppliers experience these or other effects, our production, liquidity, financial condition, results of operations and future growth prospects may be adversely affected. The timeline and potential magnitude of the COVID-19 pandemic is currently unknown. To the extent the COVID-19 pandemic adversely affects our business and financial results, it may also have the effect of heightening many of the other risks described in our annual report on Form 10-K for the year ended December 31, 2019.

Also, on today's conference call, we may discuss certain non-GAAP financial measures. A reconciliation of the differences between these non-GAAP financial measures and the most directly comparable GAAP financial measures can be found in the supplemental information provided on our website.

On the line with me today are John Hess, Chief Executive Officer; Greg Hill, Chief Operating Officer; and John Rielly, Chief Financial Officer. In compliance with social distancing protocols, we are conducting the call remotely, so please bear with us. In case there are audio issues, we will be posting transcripts of each speakers prepared remarks on www.hess.com following the presentation. I'll now turn the call over to John Hess.

John Hess – Chief Executive Officer

Thank you Jay. Welcome to our first quarter conference call, and we hope you and your families are well and staying healthy. Today I will discuss our strategic response to the market downturn and the steps we are taking to manage in a sustained period of low oil prices. Then Greg Hill will discuss our operations, and John Rielly will review our financial results.

As we all know, the world has been battling a global pandemic and the danger it poses to society. Our hearts go out to those who have lost loved ones to COVID-19, and also to those who are struggling with the loss of jobs. Our top priority throughout this crisis is the safety of our workforce and the communities where we operate. A multidisciplinary Hess emergency response team has been overseeing our plans and precautions to reduce the risks of COVID-19 in our work environment. We are grateful to every healthcare worker and first responder for all they are doing during this very difficult time.

In addition, the pandemic has had a severe impact on near term oil demand, resulting in a sharp decline in oil prices. Our priorities in this low price environment are to preserve cash, preserve capability and preserve the long term value of our assets.

In terms of preserving cash, we came into 2020 with approximately 80 percent of our oil production hedged with put options for 130,000 barrels per day at $55 per barrel West Texas Intermediate and 20,000 barrels per day at $60 per barrel Brent. To maximize the value of our production, we have chartered three very large crude carriers or VLCCs to store 2 million barrels each of May, June and July Bakken crude oil production, which we expect to sell in the fourth quarter of 2020. As announced on March 17, we further strengthened the company's cash position and liquidity through a $1 billion three year term loan underwritten by JP Morgan Chase. We also have a $3.5 billion undrawn revolving credit facility and no material debt maturities until the term loan comes due in 2023.

We have further revised our 2020 capital and exploratory budget down to $1.9 billion, a 37 percent reduction from our original budget of $3.0 billion. This reduction will be achieved primarily by shifting from a six rig program to one rig in the Bakken by the end of this month, and the deferral of certain exploration and development expenditures in Guyana.

Continuing to operate one rig in the Bakken, our largest operated asset, will help us preserve our capability in Lean manufacturing, which over the years has generated significant cost efficiencies and productivity improvements. We plan to stay at one rig until WTI oil prices stabilize in a $50 per barrel range.

In terms of preserving the long term value of our assets, our top priority is Guyana, which is one of the industry's most attractive investments. On the Stabroek Block, where Hess has a 30 percent interest and ExxonMobil is the operator, we have made 16 discoveries since 2015. The current estimate of gross discovered recoverable resources for the block stands at more than 8 billion barrels of oil equivalent, with multibillion barrels of exploration potential remaining.

The Liza Phase 1 development achieved first production in December and is expected to reach its full capacity of 120,000 gross barrels of oil per day in June. The Liza Phase 2 development remains on track for a 2022 start up with a production capacity of 220,000 gross barrels of oil per day. Development of the Payara Field, with a production capacity of 220,000 gross barrels of oil per day, has been deferred 6 to 12 months pending government approval to proceed. In addition, pandemic-related travel restrictions have

temporarily slowed our drilling campaign. As a result, our production objective of more than 750,000 gross barrels of oil per day has been moved into 2026.

In summary, our company is in a strong position to manage through this low price environment and to prosper when the oil market recovers – with our low cost of supply and high return investments that will drive material cash flow growth and increasing financial returns.

Finally, we want to thank our employees for their strong commitment to operating safely and reliably during this pandemic. We are deeply proud of every member of our team and confident in our ability to meet the challenges ahead.

I will now turn the call over to Greg for an operational update.

Greg Hill – Chief Operating Officer

Thanks, John. I'd like to provide an update on our operations and additional detail on our response to the significant decline in oil prices. First, I'd like to describe the actions we're taking to protect the health and safety of our workforce and maintain business continuity in the midst of the global pandemic.

A cross-functional Hess response team has been implementing a variety of health and safety measures in consultation with suppliers and partners, which are based on the most current recommendations by government and public health agencies. This includes enhanced cleaning procedures, health screenings, travel restrictions, extended work schedules at offshore platforms, and social distancing initiatives such as remote working and reducing the number of personnel on work sites wherever possible. As a result of these measures, I am pleased to report that to date, we have had no reported cases of COVID-19 among Hess employees.

Turning to our operational results for the quarter, we delivered strong performance across our portfolio and especially in the Bakken. Companywide net production averaged 344 thousand barrels of oil equivalent per day, excluding Libya, which was above our guidance of 320 thousand to 325 thousand barrels of oil equivalent per day.

In the second quarter, we expect net production to be in the range of 310 thousand to 315 thousand barrels of oil equivalent per day, excluding Libya. This reduction from the first quarter is due to lower nominations in Southeast Asia caused by COVID-19 demand impacts, non-operated well shut-ins in the Bakken, and planned maintenance shut-downs in the Gulf of Mexico. For the full year 2020, net production is forecast to average approximately 320 thousand barrels of oil equivalent per day, excluding Libya.

In the Bakken, we are currently operating two rigs and expect to be down to one rig by the end of this month. Our plan is to remain at one rig until WTI oil prices move above $50 per barrel on a sustained basis. Operating one rig will allow us to maintain key operating capabilities that we have worked hard to build over the years, both within Hess and within our primary drilling and completion suppliers. Bakken capital spend is now expected to be approximately $740 million in 2020; and assuming a one rig program in 2021, Bakken capital spend would drop to approximately $300 million next year.

In the first quarter, our Bakken team delivered strong results, capitalizing on the success of our plug and perf completion designs and mild weather conditions. Before reducing the rig count, we achieved our goal of 200 thousand barrels of oil equivalent per day for 11 days in March – well ahead of schedule –

demonstrating the exceptional production capacity of our Bakken position. First quarter Bakken net production averaged 190 thousand barrels of oil equivalent per day, an increase of more than 46 percent from the year ago quarter and above our guidance of approximately 170 thousand barrels of oil equivalent per day.

In 2020, we now expect to drill approximately 70 Bakken wells and to bring approximately 110 new wells online. We plan to complete wells that are drilled and to keep wells online unless netback prices drop below variable cash production costs, or we are physically unable to move the barrels. In the second quarter, we forecast that our Bakken net production will average approximately 185 thousand barrels of oil equivalent per day. For the full year 2020, we continue to forecast net production to average approximately 175 thousand barrels of oil equivalent per day. Assuming a one rig program through next year, we forecast net Bakken production in 2021 will average between 155 thousand and 160 thousand barrels of oil equivalent per day – approximately 10 percent lower than this year.

We continue planning for the Tioga Gas Plant turnaround in the third quarter of 2020, while closely monitoring potential COVID-19 risks.

Moving to the offshore. In the deepwater Gulf of Mexico, first quarter net production averaged 74 thousand barrels of oil equivalent per day. The Esox-1 well, which came online in February, is expected to reach its plateau rate by the end of the second quarter. No other production wells are planned to be drilled in 2020. We will participate with a 25 percent working interest in the BP-operated Galapagos Deep well, expected to spud later this month. This is a hub-class, Cretaceous-aged opportunity in the Mississippi Canyon area.

In the second quarter, we forecast that Gulf of Mexico net production will average between 65 thousand and 70 thousand barrels of oil equivalent per day, reflecting planned maintenance shutdowns at Baldpate and Stampede. Planned 30 day shutdowns at Conger and Llano have been deferred to the third quarter. For the full year 2020, Gulf of Mexico net production is forecast to average approximately 65 thousand barrels of oil equivalent per day.

In the Gulf of Thailand, production in the first quarter was 58 thousand barrels of oil equivalent per day. During April, natural gas nominations were reduced due to slower economic activity associated with COVID-19. As a result, we now forecast second quarter net production to average approximately 35 thousand barrels of oil equivalent per day, and the full year 2020 to average approximately 50 thousand barrels of oil equivalent per day.

Now turning to Guyana. Our discoveries and developments on the Stabroek Block are world class in every respect, with some of the lowest breakeven oil prices in the industry. The adjustments we have made elsewhere in the portfolio are designed to protect the long term value of this extraordinary asset.

Production from Liza Phase 1 commenced in December and in the first quarter averaged 58 thousand gross barrels of oil per day – or 15 thousand barrels per day, net to Hess. As of this week, gross production has ramped to approximately 75 thousand barrels of oil per day and is expected to reach its full capacity of 120 thousand gross barrels of oil per day in June.

Liza Phase 2 will utilize the Liza Unity FPSO, which will have the capacity to produce up to 220 thousand gross barrels of oil per day. Despite some pandemic-related delays, the project is progressing to plan – with about 70 percent of the overall work completed – and first oil remains on track for 2022.

As announced by ExxonMobil, some activities for the planned Payara development are being deferred pending government approval, creating a potential delay in production startup of 6-12 months.

As a result of pandemic-related travel restrictions in Guyana, ExxonMobil has temporarily idled two drillships - the Stena Carron and the Noble Tom Madden. These vessels are expected to resume work by June. Development activities are continuing with the Noble Don Taylor and Noble Bob Douglas drillships. The Stabroek partnership has deferred the addition of a fifth drillship this year in Guyana.

The deferral of Payara and the reduced drilling activities due to COVID-19 travel restrictions has resulted in a reduction to our 2020 Guyana capital and exploratory budget of approximately $200 million.

In closing, our team once again demonstrated excellent execution and delivery across our asset base, under very challenging conditions. I would like to personally thank all of our employees for their hard work and dedication. We have taken actions to ensure the health and safety of our workforce – and to ensure that our company is well positioned for this historic downturn and for the recovery that is sure to come.

I will now turn the call over to John Rielly.

John Rielly – Chief Financial Officer

Thanks Greg. In my remarks today, I will discuss our ongoing efforts to preserve cash in this low price environment, review our first quarter financial results and update our 2020 guidance.

Preserve Cash
At quarter end, excluding Midstream, cash and cash equivalents were $2.1 billion and our total liquidity was $5.9 billion including available committed credit facilities, while debt and finance lease obligations totaled $6.6 billion. Our fully undrawn $3.5 billion revolving credit facility is committed through May 2023.

We have taken prudent steps to improve our liquidity and reduce costs. As John mentioned we have cut our 2020 E&P capital guidance another $300 million to $1.9 billion, which is $1.1 billion below our initial guidance from the beginning of the year. On March 16, 2020, we entered into a $1.0 billion three-year term loan agreement with JPMorgan Chase Bank. Aside from the term loan, which matures in March 2023, we have no other near-term debt maturities.

We also have more than 80% of our remaining 2020 oil production hedged with $55 WTI put options for 130,000 barrels of oil per day and $60 Brent put options for 20,000 barrels of oil per day. At April 30, 2020, realized settlements to date in 2020 were approximately $300 million, plus the unrealized fair value of open contracts of $1.05 billion, results in a total realized and unrealized value of approximately $1.35 billion, before considering premiums paid. Finally, in response to the current low oil price environment, we have actively cut costs to align with our lower planned activity levels and to remove discretionary spend, which has contributed to a decrease in our projected full year 2020 E&P cash operating costs of approximately $225 million. We are continuing to look for further capital and operating cost reductions.

Consolidated Results of Operations
We incurred a net loss of $2,433 million in the first quarter of 2020 including noncash impairment and other after-tax charges of $2,251 million resulting from the low price environment compared to a net loss of $222 million in the fourth quarter of 2019. On an adjusted basis, which excludes items affecting

comparability of earnings between periods, we incurred a net loss of $182 million in the first quarter of 2020 compared to an adjusted net loss of $180 million in the previous quarter.

Exploration and Production
On an adjusted basis, E&P incurred a net loss of $120 million in the first quarter of 2020 compared to a net loss of $124 million in the previous quarter.

The changes in the after-tax components of adjusted E&P results between the first quarter of 2020 and fourth quarter of 2019 were as follows:

	Increase (Decrease) In Results
Lower realized selling prices reduced results by	$ (147)
Higher sales volumes improved results by	22
Lower cash costs improved results by	78
Lower exploration expenses improved results by	66
All other items reduced results by	(15)
For an overall increase in first quarter results of	$ 4

Midstream Activities
On an adjusted basis, the Midstream segment had net income of $61 million in the first quarter of 2020 compared to $49 million in the previous quarter reflecting higher throughput volumes. Midstream EBITDA, on an adjusted basis and before noncontrolling interests, amounted to $193 million in the first quarter of 2020 compared to $157 million in the previous quarter.

Corporate and Interest

On an adjusted basis, after-tax Corporate and Interest expenses were $123 million in the first quarter of 2020 compared to $105 million in the previous quarter, which included capitalized interest expense of $11 million for the Liza Field. Capitalized interest for the Liza Field ceased upon first production in December 2019. First quarter 2020 corporate expenses included a non-recurring charge of $7 million for legal costs related to former downstream businesses.

Second Quarter and Full Year 2020 Guidance

Exploration and Production
As previously mentioned, our second quarter net production is estimated to be in the range of 310,000 to 315,000 barrels of oil equivalent per day. With the unprecedented reduction in oil demand due to COVID-19, U.S. commercial storage is approaching capacity resulting in a sharp decline in oil prices. To maximize the value of our Bakken production we have chartered three VLCC's and plan to store 2 million barrels each of May, June and July production on the VLCC's and sell these barrels in the 4th quarter. We have hedged the contango in the forward Brent curve for these barrels. We do not expect to shut-in any of our operated production due to our marketing arrangements and our VLCC storage. From an accounting standpoint, sales volumes will be underlifted by approximately 4 million barrels of oil in the second quarter and 2 million barrels of oil in the third quarter as a result of using the VLCCs. While we will

receive cash for settlement gains as the put option contracts mature, the net realized gain on contracts associated with the 6 million barrels of underlifted oil, comprised of the cash settlement less the associated amortization of premiums paid, will be deferred until the volumes stored in the VLCCs are sold.

We project E&P cash costs, excluding Libya, to be in the range of $10.00 to $10.50 per barrel of oil equivalent for the second quarter and for the full year of 2020, down from previous full year guidance of $11.50 to $12.50 per barrel of oil equivalent primarily due to cost reduction efforts. DD&A expense, excluding Libya, is forecast to be in the range of $14.00 to $15.00 per barrel of oil equivalent for the second quarter and $15.00 to $16.00 per barrel of oil equivalent for the full year of 2020, down from previous full year guidance of $16.50 to $17.50 per barrel of oil equivalent, as a result of the asset impairment charges. This results in projected total E&P unit operating costs, excluding Libya, to be in the range of $24.00 to $25.50 per barrel of oil equivalent for the second quarter and $25.00 to $26.50 per barrel of oil equivalent for the full year of 2020.

Exploration expenses, excluding dry hole costs, are expected to be in the range of $35 million to $40 million in the second quarter, with the full year 2020 guidance now expected to be $145 million to $155 million, down from previous full year guidance of $210 million to $220 million. The midstream tariff is projected to be in the range of $215 million to $230 million in the second quarter, and full year 2020 guidance in the range of $905 million to $930 million, down from previous full year guidance of $940 million to $965 million.

E&P income tax expense, excluding Libya, is expected to be in the range of $5 million to $10 million for the second quarter and in the range of $20 million to $30 million for the full year 2020, down from previous full year guidance of $80 million to $90 million.

Midstream

We anticipate net income attributable to Hess from the Midstream segment to be in the range of $40 million to $50 million in the second quarter, and full year 2020 guidance in the range of $185 million to $195 million, down from previous full year guidance of $205 million to $215 million.

Corporate and Interest

Corporate expenses are estimated to be in the range of $25 million to $30 million in the second quarter, and full year 2020 guidance in the range of $115 million to $125 million is unchanged. Interest expense is estimated to be in the range of $95 million to $100 million for the second quarter, with the full year 2020 guidance expected to be $375 million to $385 million, up from previous full year guidance of $350 million to $360 million due to the new term loan.

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

Forward-looking Statements

This script and accompanying release contain “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Words such as “anticipate,” “estimate,” “expect,” “forecast,” “guidance,” “could,” “may,” “should,” “would,” “believe,” “intend,” “project,” “plan,” “predict,” “will,” “target” and similar expressions identify forward-looking statements, which are not historical in nature. Our forward-looking statements may include, without limitation: our future financial and operational results; our business strategy; estimates of our crude oil and natural gas reserves and levels of production; benchmark prices of

crude oil, natural gas liquids and natural gas and our associated realized price differentials; our projected budget and capital and exploratory expenditures; our plan to syndicate the $1 billion term loan; expected timing and completion of our development projects; and future economic and market conditions in the oil and gas industry.

Forward-looking statements are based on our current understanding, assessments, estimates and projections of relevant factors and reasonable assumptions about the future. Forward-looking statements are subject to certain known and unknown risks and uncertainties that could cause actual results to differ materially from our historical experience and our current projections or expectations of future results expressed or implied by these forward-looking statements. The following important factors could cause actual results to differ materially from those in our forward-looking statements: fluctuations in market prices of crude oil, natural gas liquids and natural gas and competition in the oil and gas exploration and production industry, including as a result of the global COVID-19 pandemic; potential disruption or interruption of our operations due to catastrophic events, such as accidents, severe weather, geological events, shortages of skilled labor, cyber-attacks or health measures related to COVID-19; reduced demand for our products, including due to the global COVID-19 pandemic or the outbreak of any other public health threat or due to the impact of competing or alternative energy products and political conditions and events, such as instability, changes in governments, armed conflict, and economic sanctions; potential failures or delays in increasing oil and gas reserves, including as a result of unsuccessful exploration activity, drilling risks and unforeseen reservoir conditions; potential failures or delays in achieving expected production levels given inherent uncertainties in estimating quantities of proved reserves; changes in tax, property, contract and other laws, regulations and governmental actions applicable to our business, including legislative and regulatory initiatives regarding environmental concerns, such as measures to limit greenhouse gas emissions and well fracking bans; the ability of our contractual counterparties to satisfy their obligations to us, including the operation of joint ventures under which we may not control; unexpected changes in technical requirements for constructing, modifying or operating exploration and production facilities and/or the inability to timely obtain or maintain necessary permits; availability and costs of employees and other personnel, drilling rigs, equipment, supplies and other required services; any limitations on our access to capital or increase in our cost of capital, including our ability to fully syndicate the term loan, as a result of weakness in the oil and gas industry or negative outcomes within commodity and financial markets; liability resulting from litigation, including heightened risks associated with being a general partner of Hess Midstream LP; and other factors described in Item 1A—Risk Factors in our Annual Report on Form 10-K and any additional risks described in our other filings with the Securities and Exchange Commission (SEC).

As and when made, we believe that our forward-looking statements are reasonable. However, given these risks and uncertainties, caution should be taken not to place undue reliance on any such forward-looking statements since such statements speak only as of the date when made and there can be no assurance that such forward-looking statements will occur and actual results may differ materially from those contained in any forward-looking statement we make. Except as required by law, we undertake no obligation to publicly update or revise any forward-looking statements, whether because of new information, future events or otherwise.

Non-GAAP financial measures

The Corporation has used non-GAAP financial measures in this script and accompanying release. "Adjusted net income (loss)" presented in this script and accompanying release is defined as reported net income (loss) attributable to Hess Corporation excluding items identified as affecting comparability of earnings between periods. "Net cash provided by (used in) operating activities before changes in operating assets and liabilities" presented in this script and accompanying is defined as Net cash provided

by (used in) operating activities excluding changes in operating assets and liabilities. Management uses adjusted net income (loss) to evaluate the Corporation's operating performance and believes that investors' understanding of our performance is enhanced by disclosing this measure, 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 net cash provided by (used in) 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), and a reconciliation of net cash provided by (used in) operating activities (U.S. GAAP) to net cash provided by (used in) operating activities before changes in operating assets and liabilities are provided in the accompanying release.

Cautionary Note to Investors

We use certain terms in this script and accompanying 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 Corporation's 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.