

Supplemental Earnings Information



Second Quarter 2014



OPERATING RESULTS

Reported Net Income, Items Affecting Comparability and Adjusted Net Income by Operating Activity



In millions, except per share data

	2Q 2014	2Q 2013	1Q 2014
<u>Net Income (Loss) Attributable to Hess Corporation (U.S. GAAP)</u>			
Exploration and Production	\$ 1,057	\$ 1,533	\$ 508
Corporate	(38)	(55)	(38)
Interest	(53)	(73)	(51)
Downstream Businesses	(35)	26	(33)
Net income attributable to Hess Corporation	\$ 931	\$ 1,431	\$ 386
Net income per share (diluted)	\$ 2.96	\$ 4.16	\$ 1.20
<u>Items Affecting Comparability of Earnings - Income (Expense)</u>			
Exploration and Production	\$ 574	\$ 933	\$ (6)
Corporate	(9)	(1)	(8)
Downstream Businesses	(66)	(21)	(46)
Total items affecting comparability of earnings between periods	\$ 499	\$ 911	\$ (60)

(Continued)

Reported Net Income, Items Affecting Comparability and Adjusted Net Income by Operating Activity



In millions, except per share data

	2Q 2014	2Q 2013	1Q 2014
<u>Adjusted Net Income (Loss)*</u>			
Exploration and Production	\$ 483	\$ 600	\$ 514
Corporate	(29)	(54)	(30)
Interest	(53)	(73)	(51)
Downstream Businesses	31	47	13
Adjusted net income attributable to Hess Corporation	\$ 432	\$ 520	\$ 446
Adjusted net income per share (diluted)	\$ 1.38	\$ 1.51	\$ 1.38
Weighted average number of shares (diluted)	314.1	344.0	322.6

* The Corporation has used a non-GAAP financial measure in this supplemental earnings information. "Adjusted net income" presented throughout this supplemental information is defined as reported net income attributable to Hess Corporation excluding 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.

(Concluded)

Items Affecting Comparability Between Periods



(Amounts are after income taxes)

2Q 2014

- **Exploration and Production** – Earnings include:
 - A gain of \$706 million from the sale of the Corporation’s assets in Thailand and a gain of \$35 million from the sale of acreage and related wells in the Utica.
 - A charge of \$105 million to write-off a previously capitalized exploration well in the western half of Block 469 in the Gulf of Mexico, since the block will not be part of the unitized Stampede Development Project.
 - Charges totaling \$62 million primarily to write-off leasehold acreage in the Paris Basin of France, the Shakrok Block in Kurdistan and an interest in a natural gas exploration project, offshore Sabah, Malaysia.

- **Corporate** – Results include charges of \$9 million for severance, exit related costs and other charges.

- **Downstream Businesses** – Earnings include:
 - A charge of \$72 million related to the early buyout of leased retail gasoline stations acquired in the quarter in connection with the Corporation’s divestiture of its retail business.
 - Charges totaling \$18 million for severance, exit related costs and other charges.
 - Income of \$24 million resulting from the liquidation of last-in, first-out (LIFO) inventories.

(Continued)

Items Affecting Comparability Between Periods



(Amounts are after income taxes)

2Q 2013

- **Exploration and Production** – Earnings include:
 - A net gain of \$951 million related to the sale of the Corporation's 90 percent interest in its Russian subsidiary, Samara-Nafta.
 - A charge of \$18 million for employee severance and exit costs.

- **Corporate** – Results include a charge of \$1 million for employee severance costs.

- **Downstream Businesses** – Earnings include a charge of \$21 million for employee severance and costs to idle equipment at the Port Reading refining facility.

(Continued)

Items Affecting Comparability Between Periods



(Amounts are after income taxes)

1Q 2014

- **Exploration and Production** – Earnings include a charge of \$6 million for employee severance.

- **Corporate** – Results include charges of \$8 million for severance and other exit costs.

- **Downstream Businesses** – Earnings include:
 - A gain of \$24 million resulting from the required remeasurement of the Corporation's original 44 percent investment in WilcoHess at fair value following acquisition of the remaining interest in the venture.
 - Income of \$16 million resulting from the liquidation of LIFO inventories.
 - A charge of \$52 million to reduce the carrying value of the Corporation's joint venture interest in the Bayonne Energy Center (Hess 50 percent) to estimated fair value.
 - Charges totaling \$34 million for exit costs, severance and other charges.

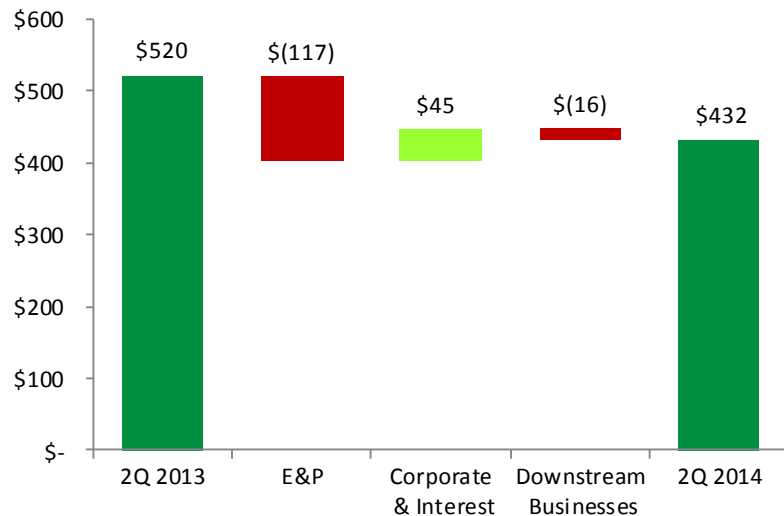
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Consolidated Adjusted Net Income

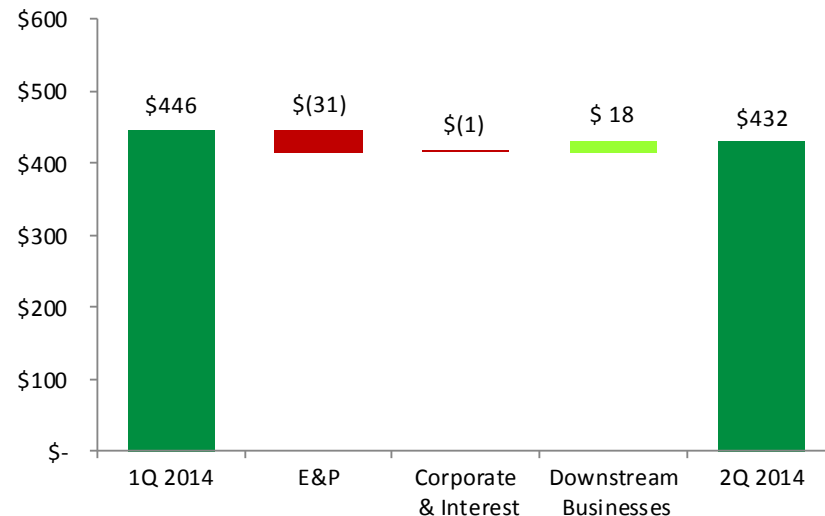


\$ Millions

2Q 2014 vs. 2Q 2013



2Q 2014 vs. 1Q 2014



	2Q 2014	2Q 2013	Incr. / (Decr.)
Exploration and Production	\$ 483	\$ 600	\$ (117)
Corporate and Interest	(82)	(127)	45
Downstream Businesses	31	47	(16)
Adjusted net income attributable to Hess Corporation	<u>\$ 432</u>	<u>\$ 520</u>	<u>\$ (88)</u>

	2Q 2014	1Q 2014	Incr. / (Decr.)
Exploration and Production	\$ 483	\$ 514	\$ (31)
Corporate and Interest	(82)	(81)	(1)
Downstream Businesses	31	13	18
Adjusted net income attributable to Hess Corporation	<u>\$ 432</u>	<u>\$ 446</u>	<u>\$ (14)</u>

Analysis of Consolidated Adjusted Net Income



2Q 2014 vs. 2Q 2013

- **Exploration and Production** – The decrease in earnings was primarily due to lower sales volumes, which reflect asset sales and the shut-in of Libyan production, and higher depreciation, depletion and amortization costs.
- **Corporate and Interest** – The decrease in expenses was primarily due to lower Corporate costs, principally professional fees, and lower interest expenses.
- **Downstream Businesses** – The decrease in earnings was primarily the result of the divestiture of certain downstream businesses and the wind down of operations.

2Q 2014 vs. 1Q 2014

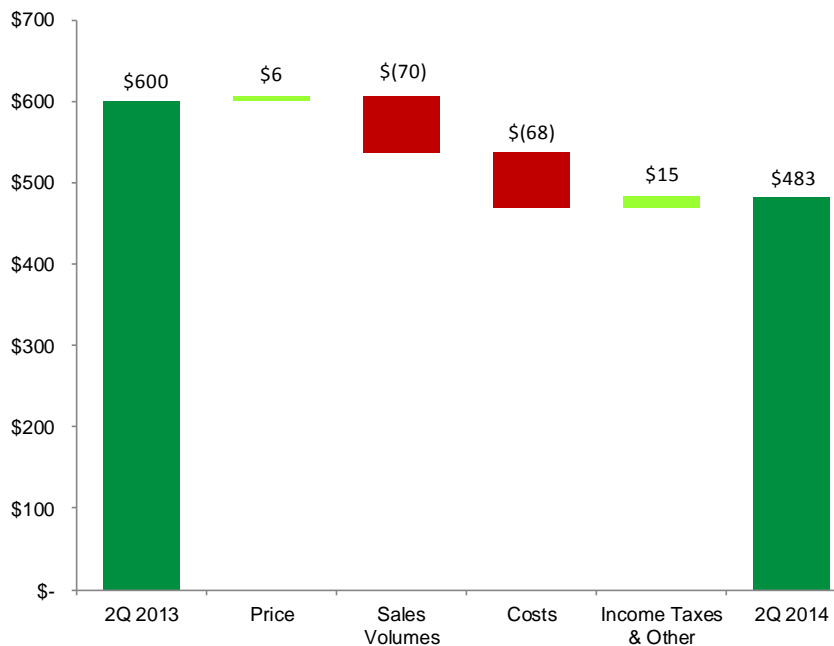
- **Exploration and Production** – The decrease in earnings was primarily due to higher operating and exploration costs, partially offset by higher sales volumes.
- **Downstream Businesses** – The increase in earnings was primarily due to improved retail marketing volumes and margins.

Exploration and Production Adjusted Net Income

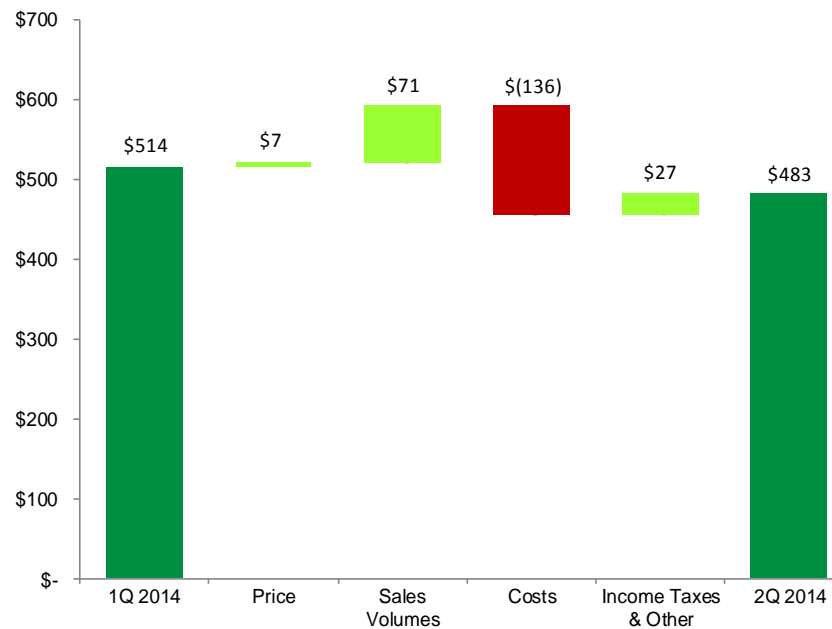


\$ Millions

2Q 2014 vs. 2Q 2013



2Q 2014 vs. 1Q 2014



	2Q 2014	2Q 2013	Incr. / (Decr.)
United States	\$ 257	\$ 256	\$ 1
International	226	344	(118)
Total	\$ 483	\$ 600	\$ (117)

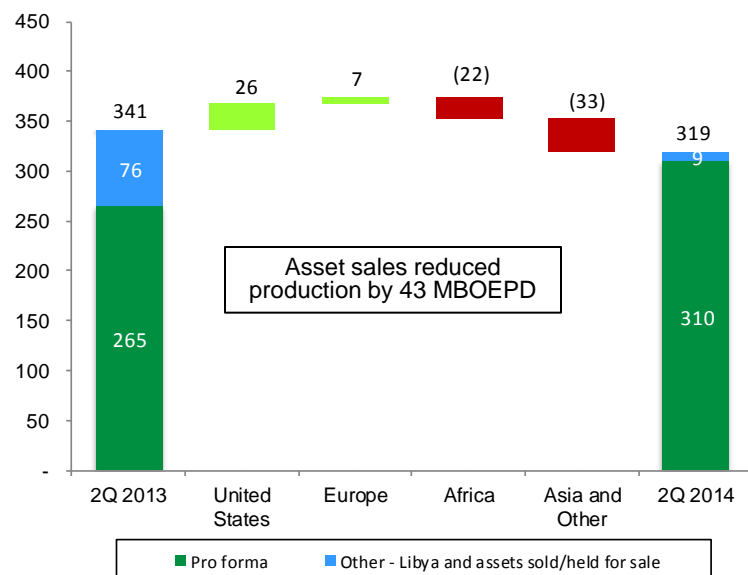
	2Q 2014	1Q 2014	Incr. / (Decr.)
United States	\$ 257	\$ 240	\$ 17
International	226	274	(48)
Total	\$ 483	\$ 514	\$ (31)

Worldwide Oil & Gas Production

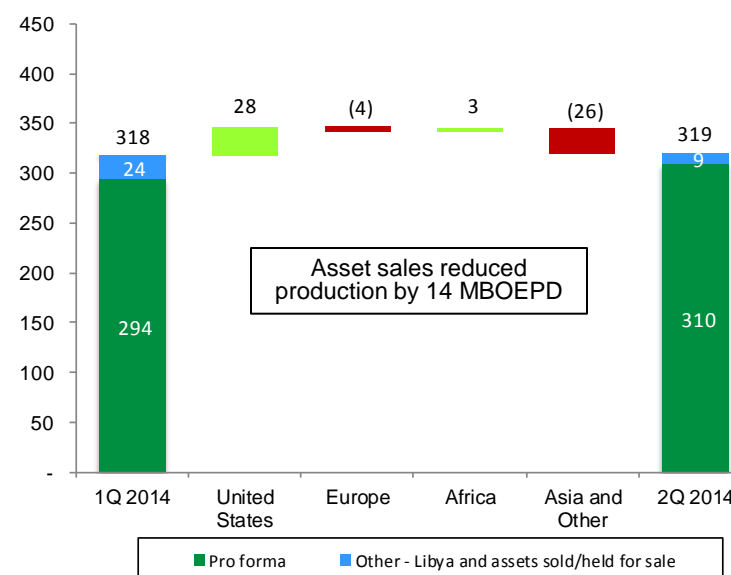


MBOEPD

2Q 2014 vs. 2Q 2013



2Q 2014 vs. 1Q 2014



	2Q 2014	2Q 2013	Incr. / (Decr.)
United States			
Bakken	80	64	16
Other Onshore	22	20	2
Total Onshore	102	84	18
Offshore	75	67	8
Total United States	177	151	26
Europe	43	36	7
Africa	51	73	(22)
Asia and other	48	81	(33)
Total	319	341	(22)

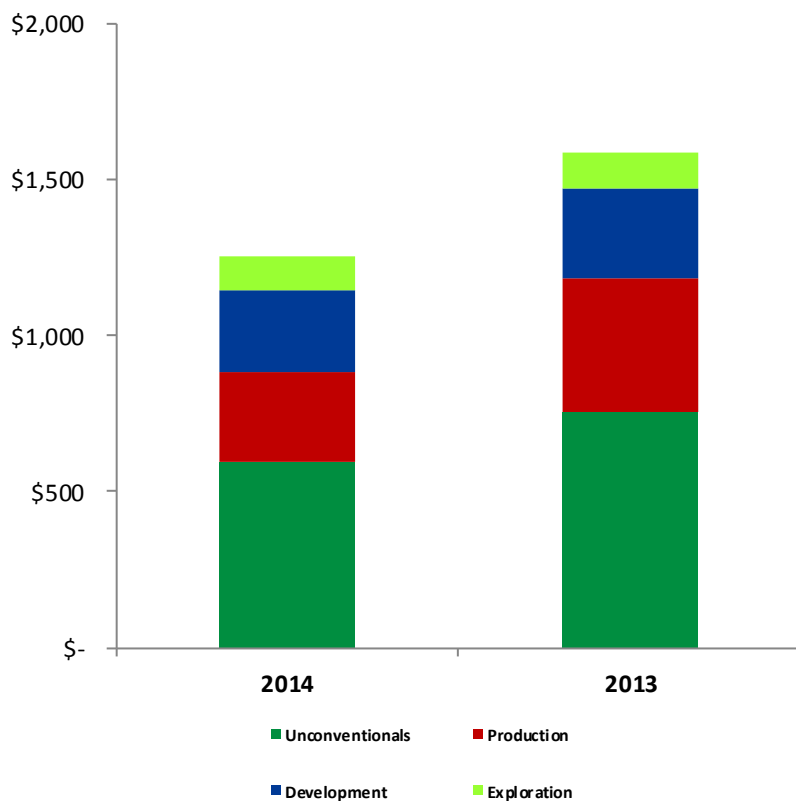
	2Q 2014	1Q 2014	Incr. / (Decr.)
United States			
Bakken	80	63	17
Other Onshore	22	15	7
Total Onshore	102	78	24
Offshore	75	71	4
Total United States	177	149	28
Europe	43	47	(4)
Africa	51	48	3
Asia and other	48	74	(26)
Total	319	318	1

2014 pro forma guidance of 305 – 315, up from 2013 actual pro forma of 270

Capital and Exploratory Expenditures – 2Q 2014 and 2013



\$ Millions



Exploration and Production

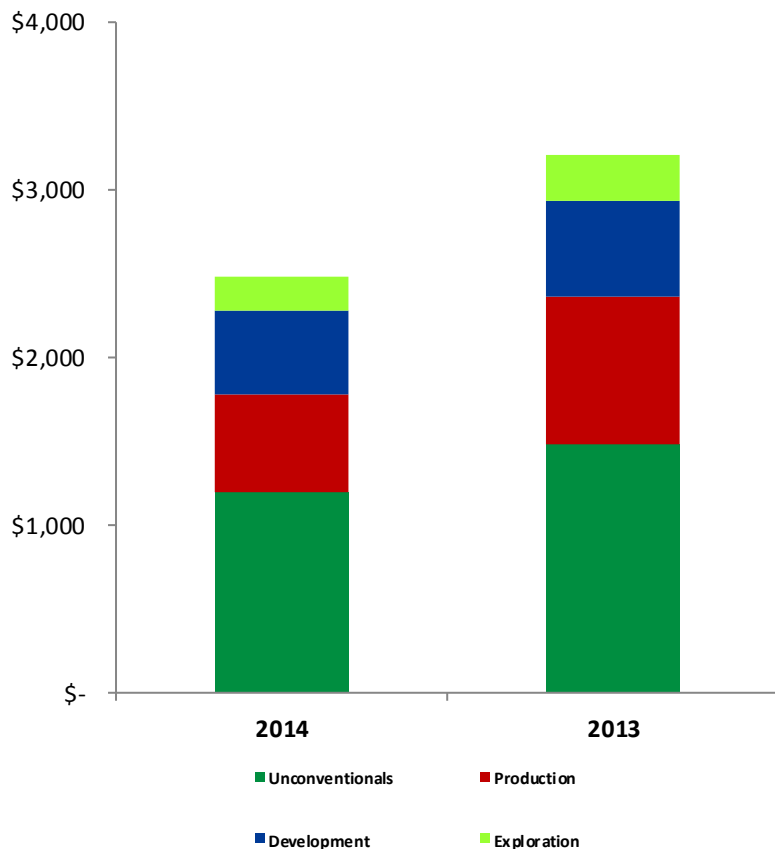
	Three Months Ended June 30,	
	2014	2013
United States		
Bakken	\$ 429	\$ 546
Other Onshore	190	210
Total Onshore	<u>619</u>	<u>756</u>
Offshore	157	217
Total United States	<u>776</u>	<u>973</u>
Europe	162	172
Africa	119	163
Asia and Other	199	278
Total Capital and Exploratory Expenditures	<u>\$ 1,256</u>	<u>\$ 1,586</u>
Total exploration expenses charged to income included above	<u>\$ 54</u>	<u>\$ 113</u>

(Continued)

Capital and Exploratory Expenditures – YTD 2014 and 2013



\$ Millions



Exploration and Production

	Six Months Ended June 30,	
	2014	2013
United States		
Bakken	\$ 880	\$ 1,081
Other Onshore	361	392
Total Onshore	<u>1,241</u>	<u>1,473</u>
Offshore	319	445
Total United States	<u>1,560</u>	<u>1,918</u>
Europe	307	391
Africa	219	392
Asia and Other	394	504
Total Capital and Exploratory Expenditures	<u><u>\$ 2,480</u></u>	<u><u>\$ 3,205</u></u>
Total exploration expenses charged to income included above	<u><u>\$ 132</u></u>	<u><u>\$ 223</u></u>

(Concluded)



OTHER INFORMATION

2014 Guidance to Investors



	Actual		Guidance	
	1Q	2Q	3Q	Full Year
<u>Production (MBOEPD)</u>				
Pro forma	294	310	300 - 305	305 - 315
Bakken	63	80	85 - 90	80 - 90
<u>Unit Cost (\$/BOE)*</u>				
Cash Costs	\$21.11	\$23.47	\$22.50 - \$23.50	\$21.50 - \$22.50
DD&A	\$25.19	\$26.88	\$29.00 - \$30.00	\$28.00 - \$29.00
Total production unit costs	\$46.30	\$50.35	\$51.50 - \$53.50	\$49.50 - \$51.50
E&P Effective Tax Rate*	39%	34%	33% - 35%	36% - 40%
<u>Capital and Exploratory Spend (\$ Millions)</u>				
Total	\$1,224	\$1,256		\$5,800
Bakken	\$451	\$429		\$2,200
<u>Other (\$ Millions)*</u>				
Corporate expenses, after-taxes	\$30	\$29	\$30 - \$35	\$125 - \$135
Interest expenses, after-taxes	\$51	\$53	\$55 - \$60	\$215 - \$225
<u>Hedged Volumes for 3Q and 4Q</u>				
WTI - MBOPD			20	
WTI - \$/BBL average			\$100.41	
Brent - MBOPD			40	
Brent - \$/BBL average			\$109.17	

* Excludes "items affecting comparability".

Current Enterprise Value Pro Forma for Announced Transactions



In millions, except share price data

	June 30, 2014	Announced Sales	Pro forma
Share Price	\$ 98.89		\$ 98.89
Shares ⁽¹⁾	311		311
Market Capitalization	\$ 30,755		\$ 30,755
Cash and Cash Equivalents ⁽²⁾	\$ 2,205	\$ 2,600	\$ 4,805
Debt	6,077		6,077
Net Debt	\$ 3,872	\$ (2,600)	\$ 1,272
Minority Interest	97		97
Enterprise Value	\$ 34,724	\$ (2,600)	\$ 32,124

Announced Sales

Retail	\$ 2,600	<i>Announced May 22; Expected to close by year-end. Total proceeds of \$2,874, comprising \$2,600 in cash plus \$274 for retail gasoline station leases.</i>
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(1) Weighted average fully diluted shares at June 30, 2014.

(2) Reflects final Q2 results.

Debt Adjusted Cash Flow (DACF)



	Six Months Ended June 30, 2014	
	\$ Millions	\$/BOE
Income from continuing operations	\$ 1,382	
Plus:		
Interest expense	166	
Provision for income taxes	338	
Depreciation, depletion and amortization	1,512	
Exploration expenses, including dry holes and lease impairment	579	
Items affecting comparability included in non-operating income	(683)	
Adjusted EBITDA	3,294	
Less: provision for current income taxes	260	
Cash margin (DACF) - continuing operations	\$ 3,034	\$ 52.55
Production (MBOEPD)	319	
Production (MMBOE)	57.7	

Basis of Presentation:

The calculation of debt adjusted cash flow (DACF) for the six months ended June 30, 2014 represents Adjusted EBITDA less current taxes from continuing operations. DACF is a non-GAAP measure that is commonly used to value exploration and production companies and should not be viewed as a substitute for U.S. GAAP net income or any other similar U.S. GAAP measure. A reconciliation of net income from continuing operations to DACF from continuing operations is provided above.

Definitions:

Adjusted EBITDA – Earnings before interest, taxes, depreciation and amortization from continuing operations plus exploration expenses, less items affecting comparability of earnings between periods included in non-operating income.



BAKKEN OPERATIONAL DATA

Bakken Production - 2014



Net Production by Product

		2014				
		YTD Avg	4Q	3Q	2Q	1Q
Oil	MBBLPD	61			64	58
NGL	MBBLPD	5			8	2
Gas	MMCFPD	31			48	15
Total	MBOEPD*	71			80	63

Net Production by Operatorship

		2014				
		YTD Avg	4Q	3Q	2Q	1Q
Operated	MBOEPD	62			70	54
Outside Operated	MBOEPD	9			10	9
Total	MBOEPD	71			80	63

% Outside Operated	13%			13%	14%
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Full Year 2014 Bakken Production Guidance 80 - 90 MBOEPD

* Includes natural gas production converted on the basis of relative energy content (six mcf equals one barrel).

Bakken Production - 2013



Net Production by Product

		2013				
		FY Avg	4Q	3Q	2Q	1Q
Oil	MBBLPD	55	57	57	52	53
NGL	MBBLPD	6	5	7	6	6
Gas	MMCFPD	38	33	44	39	34
Total	MBOEPD*	67	68	71	64	65

Net Production by Operatorship

		2013				
		FY Avg	4Q	3Q	2Q	1Q
Operated	MBOEPD	59	59	63	56	58
Outside Operated	MBOEPD	8	9	8	8	7
Total	MBOEPD	67	68	71	64	65
% Outside Operated		12%	13%	12%	12%	11%

* Includes natural gas production converted on the basis of relative energy content (six mcf equals one barrel).

Bakken Operational Well Statistics - 2014



		2014				
		YTD Avg	4Q	3Q	2Q	1Q
Rig Count						
Drilling	No. Rigs	17			17	17
Drilling Days	Spud-to-Spud	23			22	23
		2014				
		YTD	4Q	3Q	2Q	1Q
No. of Wells						
Drilled	by Qtr	112			66	46
Completion	by Qtr	88			46	42
On Production	by Qtr	83			53	30
On Production - Other	Cum. to date adj. *	22			-	22
On Production	Cum. to date	827			827	774
Well Performance						
Average Frac Stage	by Qtr	33			33	33
Average 30-day IPs	Gross BOPD **	926			976	880
Outside Operated Wells						
		2014				
		YTD	4Q	3Q	2Q	1Q
No. of Wells						
On Production	by Qtr	63			30	33
On Production - Other	Cum. to date adj. *	(18)			12	(30)
On Production	Cum. to date	804			804	762

* Reflects changes arising from the impact of swaps, acquisitions, divestitures and other working interest adjustments.

** Based on weighted average of total number of wells.

Bakken Operational Well Statistics - 2013



Hess Operated Wells

		2013				
		FY Avg	4Q	3Q	2Q	1Q
Rig Count						
Drilling	No. Rigs	14	14	14	14	15
Drilling Days	Spud-to-Spud	26	26	24	27	26

		2013				
		FY	4Q	3Q	2Q	1Q
No. of Wells						
Drilled	by Qtr	195	49	52	45	49
Completion	by Qtr	181	56	39	49	37
On Production	by Qtr	168	46	50	42	30
On Production	Cum. to date	722	722	676	626	584

Well Performance

Average Frac Stage	by Qtr	29	31	30	27	29
Average 30-day IPs	Gross BOPD	806	892	743	797	793

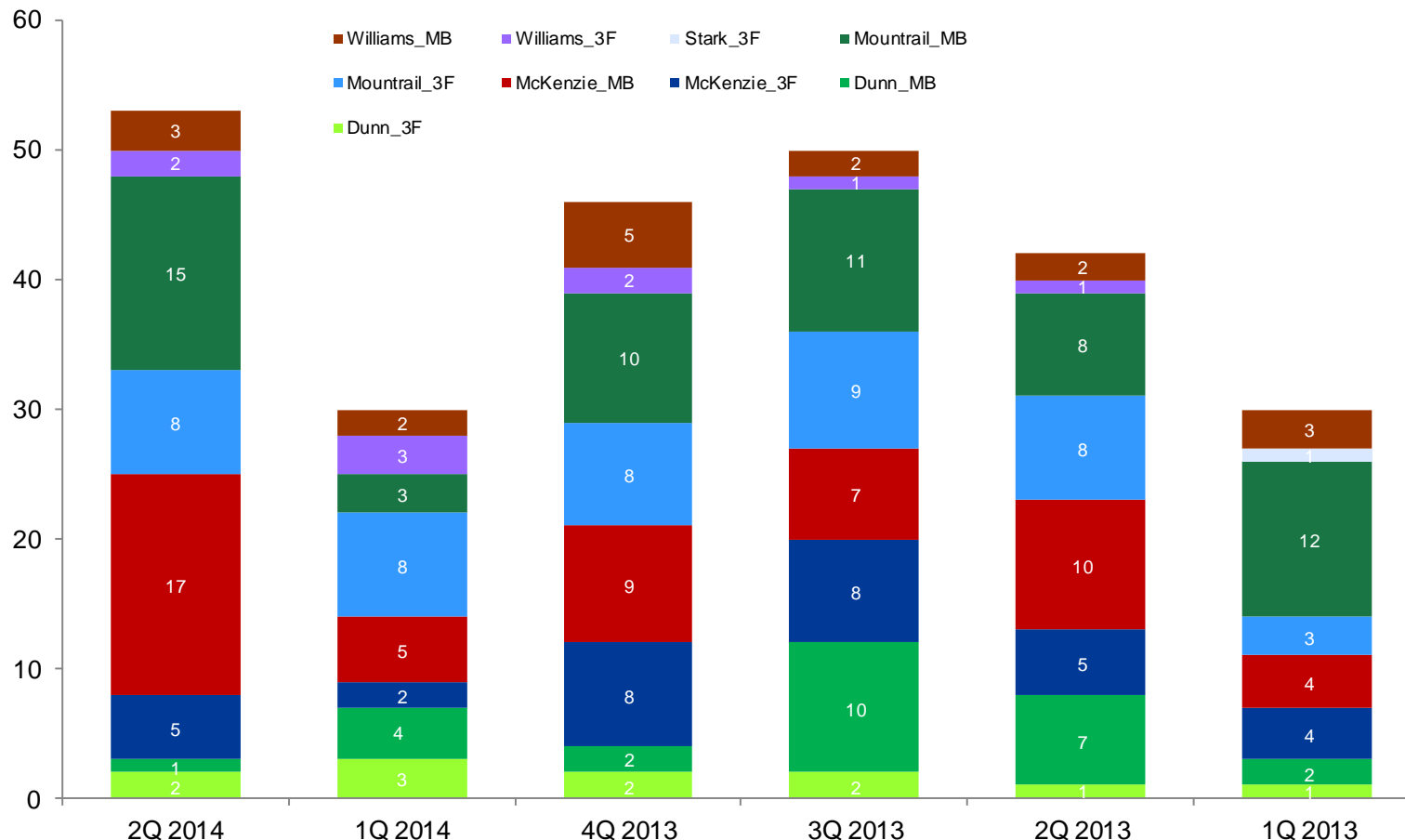
Outside Operated Wells

		2013				
		FY	4Q	3Q	2Q	1Q
No. of Wells						
On Production	by Qtr	162	42	54	37	29
On Production	Cum. to date	759	759	717	663	626

Hess Operated Bakken Wells Brought on Production by County and Formation



Bakken Wells



Middle Bakken	36	14	26	30	27	21
Three Forks	17	16	20	20	15	9
Total	53	30	46	50	42	30

Bakken Well Costs, Working Interest and Acreage - 2014



Average Well Cost - Hess Operated

		2014				
		YTD	4Q	3Q	2Q	1Q
Drilling	\$MMWell	\$ 4.6			\$ 4.5	\$ 4.7
Completion	\$MMWell	2.9			2.9	2.8
Total	\$MMWell	\$ 7.5			\$ 7.4	\$ 7.5

Average Working Interest of New Wells Spud each Quarter

		2014				
		YTD	4Q	3Q	2Q	1Q
Hess Operated	%	75%			75%	74%
Outside Operated	%	12%			12%	12%

Net Acreage Position

		2014			
		4Q	Q3	2Q	1Q
Total Acreage	'000 acres			642	644

Bakken Well Costs, Working Interest and Acreage - 2013



Average Well Cost - Hess Operated

		2013				
		FY	4Q	3Q	2Q	1Q
Drilling	\$MMWell	\$ 4.9	\$ 4.8	\$ 4.8	\$ 5.1	\$ 4.8
Completion	\$MMWell	3.2	2.8	3.0	3.3	3.8
Total	\$MMWell	\$ 8.1	\$ 7.6	\$ 7.8	\$ 8.4	\$ 8.6

Average Working Interest of New Wells Spud each Quarter

		2013				
		FY	4Q	3Q	2Q	1Q
Hess Operated	%	80%	74%	78%	83%	84%
Outside Operated	%	12%	12%	11%	12%	12%

Net Acreage Position

		2013			
		4Q	Q3	2Q	1Q
Total Acreage	'000 acres	645	648	645	665



UTICA OPERATIONAL DATA

Utica JV Operational Well Statistics - 2014



Rig Count					
2014					
	YTD Avg	4Q	3Q	2Q	1Q
Horizontal JV Rig Count - No. of Rigs					
Drilling - Hess Op	3			3	3
Drilling - Consol Op	1			1	1
Drilling - Total Utica JV	4	-	-	4	4

Well Count ¹						
2014						
	ITD ²	YTD	4Q	3Q	2Q	1Q
No. of JV Wells						
Drilled - Hess Op	26	9			3	6
Drilled - Consol Op	26	9			7	2
Drilled - Total Utica JV	52	18	-	-	10	8

Notes:

1. Well counts exclude Hess 100% and 3rd party wells.
2. Inception to date (ITD), includes wells drilled prior to 2014.

Utica Operational Well Statistics - 2013



Rig Count

	2013				
	FY Avg	4Q	3Q	2Q	1Q
Rig Count - No. of Rigs					
Drilling - Hess Op	2	2	2	2	2
Drilling - Consol Op	1	-	1	1	1
Drilling - Total Utica JV	3	2	3	3	3
Drilling - Hess 100%	1	1	1	1	1
Drilling - Total Utica	4	3	4	4	4

Well Count

	2013					
	ITD *	FY	4Q	3Q	2Q	1Q
No. of Wells						
Drilled - Hess Op	17	15	8	2	4	1
Drilled - Consol Op	17	9	-	3	4	2
Drilled - Total JV	34	24	8	5	8	3
Drilled - Hess 100%	7	5	-	2	2	1
Drilled - Total Utica	41	29	8	7	10	4

* Inception to date (ITD), includes wells drilled prior to 2013.

Utica JV Net Revenue Interest & Net Acreage - 2014



Joint Venture Average Net Revenue Interest

	2014				
	YTD Avg	4Q	3Q	2Q	1Q
JV Average Net Revenue Interest	95%			95%	95%

Joint Venture Net Acreage Position - '000 acres

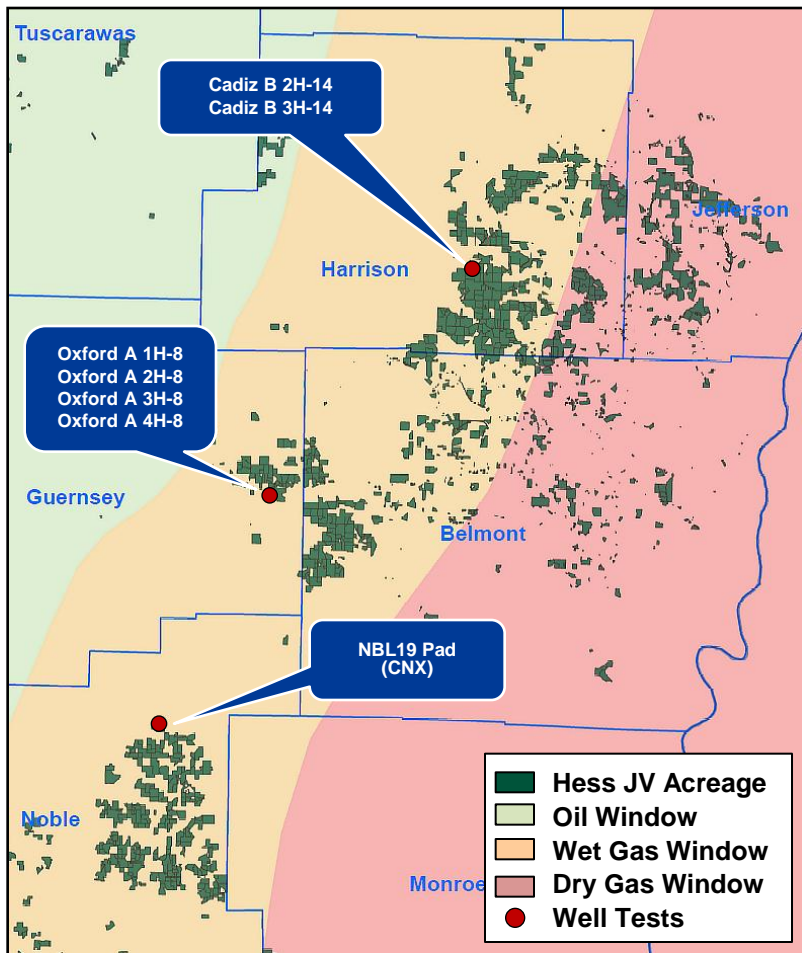
	2014			
	4Q	3Q	2Q	1Q
JV Net Acreage *			43	43

* Excludes approximately 30k net joint venture acreage to be jointly marketed with Consol and 2k net acres deemed to be outside of the Corporation's defined core area.

Note: In the first quarter of 2014, the Corporation reached an agreement to sell 74k net acres of its 100% owned acreage position. Sale status at end of 2Q 2014 is as follows:

- Closed on 47k acres in 1Q 2014 for \$587 million
- Closed on 30k acres and associated wells in 2Q for \$485 million

Utica JV Well Test Results – 2014



Well No	County	Well Test Results
2014 2Q		
Cadiz B 2H-14	Harrison	3,441 boe/d, 53% Liquids
Cadiz B 3H-14	Harrison	2,778 boe/d, 51% Liquids
2014 1Q		
Oxford A 1H-8	Guernsey	1,390 boe/d, 69% Liquids

Note: In addition, CONSOL released NBL19 pad test rates in their recent July 15, 2014 Operations Update news release:

“In the Utica Shale, CONSOL’s 3-well NBL19 pad in Noble County, Ohio... yielded 24-hour average per lateral rates over 23 MMcfe per day, which included condensate yields of 70 barrels per million cubic feet of gas and an estimated NGL yield of 55 barrels per million cubic feet of gas.”