



HESS CORPORATION

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News Release

HESS REPORTS ESTIMATED RESULTS FOR THE THIRD QUARTER OF 2008

Third Quarter Highlights:

- **Net Income was \$775 million compared with \$395 million in third quarter 2007**
- **Cash flows from operations were \$1.2 billion compared with \$863 million in third quarter 2007**
- **Oil and gas production was 361,000 barrels per day, up from 357,000 in third quarter 2007**
- **Debt to capitalization ratio decreased to 24.3 percent at September 30, 2008, from 28.9 percent at December 31, 2007**

NEW YORK, October 29, 2008 -- Hess Corporation (NYSE: HES) reported net income of \$775 million for the third quarter of 2008 compared with net income of \$395 million for the third quarter of 2007. The after-tax results by major operating activity were as follows:

	Three Months Ended		Nine Months Ended	
	September 30, (unaudited)		September 30, (unaudited)	
	2008	2007	2008	2007
	(In millions, except per share amounts)			
Exploration and Production	\$ 699	\$ 414	\$ 2,548	\$ 1,259
Marketing and Refining	161	46	125	269
Corporate	(42)	(28)	(114)	(91)
Interest expense	<u>(43)</u>	<u>(37)</u>	<u>(125)</u>	<u>(115)</u>
Net income	<u>\$ 775</u>	<u>\$ 395</u>	<u>\$ 2,434</u>	<u>\$ 1,322</u>
Net income per share (diluted)	<u>\$ 2.37</u>	<u>\$ 1.23</u>	<u>\$ 7.47</u>	<u>\$ 4.15</u>
Weighted average number of shares (diluted)	<u>327.4</u>	<u>319.9</u>	<u>325.7</u>	<u>318.6</u>

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

Exploration and Production earnings were \$699 million in the third quarter of 2008 compared with \$414 million in the third quarter of 2007. The Corporation's oil and gas production, on a barrel-of-oil equivalent basis, increased to 361,000 barrels per day in the third quarter of 2008 from 357,000 barrels per day in the third quarter of the prior year. In the third quarter of 2008, the Corporation's average worldwide crude oil selling price, including the effect of hedging, improved to \$93.36 per barrel from \$65.26 per barrel in the third quarter of 2007. The Corporation's average worldwide natural gas selling price, including the effect of hedging, was \$7.60 per Mcf in the third quarter of 2008 compared with \$5.38 per Mcf in the third quarter of the prior year.

Marketing and Refining earnings were \$161 million in the third quarter of 2008 compared with \$46 million in the third quarter of 2007, primarily reflecting higher margins. Refining earnings increased to \$46 million in the third quarter of 2008 compared with \$25 million in the third quarter of the prior year. Marketing earnings were \$110 million in the third quarter of 2008 up from \$21 million in the third quarter of 2007. Trading operations generated income of \$5 million in the third quarter of 2008 compared with breakeven results in the same quarter of 2007.

The following table reflects the total after-tax impact of items affecting comparability of earnings between periods (in millions):

	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2008	2007	2008	2007
Exploration and Production	\$ -	\$ (33)	\$ -	\$ (18)
Marketing and Refining	-	-	-	-
Corporate	-	-	-	-
	<u>\$ -</u>	<u>\$ (33)</u>	<u>\$ -</u>	<u>\$ (18)</u>

Net cash provided by operating activities was \$1,205 million in the third quarter of 2008 compared with \$863 million in the third quarter of 2007. Capital and exploratory expenditures for the third quarter of 2008 amounted to \$1,368 million, of which \$1,338 million related to Exploration and Production operations. Capital and exploratory expenditures for the third quarter of 2007 amounted to \$838 million, of which \$800 million related to Exploration and Production operations.

At September 30, 2008, cash and cash equivalents totaled \$1,380 million compared with \$607 million at December 31, 2007. Total debt was \$3,932 million at September 30, 2008 and \$3,980 million at December 31, 2007. The Corporation's debt to capitalization ratio at September 30, 2008 was 24.3 percent compared with 28.9 percent at the end of 2007.

Hess Corporation will review third quarter financial and operating results and other matters on a webcast at 10 a.m. today. For details on the event, refer to the Investor Relations section of our website at www.hess.com.

Hess Corporation, with headquarters in New York, is a leading global independent energy company engaged in the exploration for and production of crude oil and natural gas, as well as in refining and marketing refined petroleum products, natural gas and electricity. 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)

	Third Quarter <u>2008</u>	Third Quarter <u>2007</u>	Second Quarter <u>2008</u>
<u>Income Statement</u>			
Revenues and Non-operating Income			
Sales (excluding excise taxes) and other operating revenues	\$ 11,398	\$ 7,451	\$ 11,717
Equity in income (loss) of HOVENSA L.L.C.	52	19	(19)
Other, net	<u>(62)</u>	<u>34</u>	<u>37</u>
Total revenues and non-operating income	<u>11,388</u>	<u>7,504</u>	<u>11,735</u>
Costs and Expenses			
Cost of products sold (excluding items shown separately below)	8,165	5,322	8,354
Production expenses	503	394	494
Marketing expenses	266	238	267
Exploration expenses, including dry holes and lease impairment	157	131	158
Other operating expenses	62	45	47
General and administrative expenses	170	133	156
Interest expense	68	59	65
Depreciation, depletion and amortization	<u>497</u>	<u>365</u>	<u>482</u>
Total costs and expenses	<u>9,888</u>	<u>6,687</u>	<u>10,023</u>
Income before income taxes	1,500	817	1,712
Provision for income taxes	<u>725</u>	<u>422</u>	<u>812</u>
Net income	<u>\$ 775</u>	<u>\$ 395</u>	<u>\$ 900</u>
<u>Supplemental Income Statement Information</u>			
Foreign currency gains (losses), after-tax	\$ (10)	\$ 1	\$ 1
Capitalized interest	2	18	1
<u>Cash Flow Information</u>			
Net cash provided by operating activities (*)	\$ 1,205	\$ 863	\$ 1,691
<u>Capital and Exploratory Expenditures</u>			
Exploration and Production			
United States	\$ 509	\$ 270	\$ 721
International	<u>829</u>	<u>530</u>	<u>484</u>
Total Exploration and Production	1,338	800	1,205
Marketing, Refining and Corporate	<u>30</u>	<u>38</u>	<u>35</u>
Total Capital and Exploratory Expenditures	<u>\$ 1,368</u>	<u>\$ 838</u>	<u>\$ 1,240</u>
Exploration expenses charged to income included above			
United States	\$ 56	\$ 67	\$ 44
International	<u>35</u>	<u>36</u>	<u>40</u>
	<u>\$ 91</u>	<u>\$ 103</u>	<u>\$ 84</u>

(*) Includes changes in working capital

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

	Nine Months	
	2008	2007
<u>Income Statement</u>		
Revenues and Non-operating Income		
Sales (excluding excise taxes) and other operating revenues	\$ 33,782	\$ 22,191
Equity in income of HOVENSA L.L.C.	23	156
Gain on asset sales	-	21
Other, net	38	56
Total revenues and non-operating income	33,843	22,424
Costs and Expenses		
Cost of products sold (excluding items shown separately below)	24,237	15,922
Production expenses	1,421	1,118
Marketing expenses	766	701
Exploration expenses, including dry holes and lease impairment	467	314
Other operating expenses	154	115
General and administrative expenses	478	406
Interest expense	200	185
Depreciation, depletion and amortization	1,431	1,046
Total costs and expenses	29,154	19,807
Income before income taxes	4,689	2,617
Provision for income taxes	2,255	1,295
Net income	\$ 2,434	\$ 1,322
<u>Supplemental Income Statement Information</u>		
Foreign currency gains (losses), after-tax	\$ 2	\$ (10)
Capitalized interest	4	49
<u>Cash Flow Information</u>		
Net cash provided by operating activities (*)	\$ 4,072	\$ 2,701
<u>Capital and Exploratory Expenditures</u>		
Exploration and Production		
United States	\$ 1,645	\$ 1,312
International	1,836	1,606
Total Exploration and Production	3,481	2,918
Marketing, Refining and Corporate	97	94
Total Capital and Exploratory Expenditures	\$ 3,578	\$ 3,012
Exploration expenses charged to income included above		
United States	\$ 162	\$ 149
International	134	90
	\$ 296	\$ 239

(*) Includes changes in working capital

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

	September 30, <u>2008</u>	December 31, <u>2007</u>
<u>Balance Sheet Information</u>		
Cash and cash equivalents	\$ 1,380	\$ 607
Other current assets	6,786	6,319
Investments	1,108	1,117
Property, plant and equipment – net	16,656	14,634
Other long-term assets	<u>3,648</u>	<u>3,454</u>
Total assets	<u>\$ 29,578</u>	<u>\$ 26,131</u>
Current maturities of long-term debt	\$ 39	\$ 62
Other current liabilities	8,721	7,962
Long-term debt	3,893	3,918
Other long-term liabilities	4,694	4,415
Stockholders' equity excluding other comprehensive income (loss)	14,149	11,615
Accumulated other comprehensive income (loss)	<u>(1,918)</u>	<u>(1,841)</u>
Total liabilities and stockholders' equity	<u>\$ 29,578</u>	<u>\$ 26,131</u>

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

	Third Quarter 2008		
	United States	International	Total
Sales and other operating revenues	\$ 460	\$ 2,201	\$ 2,661
Non-operating income (expenses)	(1)	(70)	(71)
Total revenues and non-operating income	<u>459</u>	<u>2,131</u>	<u>2,590</u>
Costs and expenses			
Production expenses, including related taxes	96	407	503
Exploration expenses, including dry holes and lease impairment	82	75	157
General, administrative and other expenses	41	43	84
Depreciation, depletion and amortization	59	420	479
Total costs and expenses	<u>278</u>	<u>945</u>	<u>1,223</u>
Results of operations before income taxes	181	1,186	1,367
Provision for income taxes	71	597	668
Results of operations	<u>\$ 110</u>	<u>\$ 589</u>	<u>\$ 699</u>
	Third Quarter 2007		
	United States	International	Total
Sales and other operating revenues	\$ 296	\$ 1,451	\$ 1,747
Non-operating income (expenses)	1	29	30
Total revenues and non-operating income	<u>297</u>	<u>1,480</u>	<u>1,777</u>
Costs and expenses			
Production expenses, including related taxes	80	314	394
Exploration expenses, including dry holes and lease impairment	79	52	131
General, administrative and other expenses	27	37	64
Depreciation, depletion and amortization	48	297	345
Total costs and expenses	<u>234</u>	<u>700</u>	<u>934</u>
Results of operations before income taxes	63	780	843
Provision for income taxes	25	404	429
Results of operations	<u>\$ 38</u>	<u>\$ 376</u>	<u>\$ 414</u>
	Second Quarter 2008		
	United States	International	Total
Sales and other operating revenues	\$ 545	\$ 2,530	\$ 3,075
Non-operating income (expenses)	-	22	22
Total revenues and non-operating income	<u>545</u>	<u>2,552</u>	<u>3,097</u>
Costs and expenses			
Production expenses, including related taxes	101	393	494
Exploration expenses, including dry holes and lease impairment	62	96	158
General, administrative and other expenses	36	37	73
Depreciation, depletion and amortization	61	401	462
Total costs and expenses	<u>260</u>	<u>927</u>	<u>1,187</u>
Results of operations before income taxes	285	1,625	1,910
Provision for income taxes	108	777	885
Results of operations	<u>\$ 177</u>	<u>\$ 848</u>	<u>\$ 1,025</u>

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

	Nine Months 2008		
	United States	International	Total
Sales and other operating revenues	\$ 1,453	\$ 6,890	\$ 8,343
Non-operating income (expenses)	<u>9</u>	<u>(11)</u>	<u>(2)</u>
Total revenues and non-operating income	<u>1,462</u>	<u>6,879</u>	<u>8,341</u>
Costs and expenses			
Production expenses, including related taxes	267	1,154	1,421
Exploration expenses, including dry holes and lease impairment	227	240	467
General, administrative and other expenses	109	111	220
Depreciation, depletion and amortization	<u>175</u>	<u>1,200</u>	<u>1,375</u>
Total costs and expenses	<u>778</u>	<u>2,705</u>	<u>3,483</u>
Results of operations before income taxes	684	4,174	4,858
Provision for income taxes	<u>263</u>	<u>2,047</u>	<u>2,310</u>
Results of operations	<u>\$ 421</u>	<u>\$ 2,127</u>	<u>\$ 2,548</u>

	Nine Months 2007		
	United States	International	Total
Sales and other operating revenues	\$ 810	\$ 4,250	\$ 5,060
Non-operating income (expenses)	<u>9</u>	<u>43</u>	<u>52</u>
Total revenues and non-operating income	<u>819</u>	<u>4,293</u>	<u>5,112</u>
Costs and expenses			
Production expenses, including related taxes	209	909	1,118
Exploration expenses, including dry holes and lease impairment	180	134	314
General, administrative and other expenses	94	89	183
Depreciation, depletion and amortization	<u>129</u>	<u>862</u>	<u>991</u>
Total costs and expenses	<u>612</u>	<u>1,994</u>	<u>2,606</u>
Results of operations before income taxes	207	2,299	2,506
Provision for income taxes	<u>81</u>	<u>1,166</u>	<u>1,247</u>
Results of operations	<u>\$ 126</u>	<u>\$ 1,133</u>	<u>\$ 1,259</u>

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

	<u>Third Quarter 2008</u>	<u>Third Quarter 2007</u>	<u>Second Quarter 2008</u>
<u>Operating Data</u>			
<u>Net Production Per Day (in thousands)</u>			
Crude oil - barrels			
United States	31	31	36
Europe	80	83	83
Africa	121	123	128
Asia and other	<u>12</u>	<u>20</u>	<u>12</u>
Total	<u>244</u>	<u>257</u>	<u>259</u>
Natural gas liquids - barrels			
United States	9	11	11
Europe	<u>4</u>	<u>3</u>	<u>4</u>
Total	<u>13</u>	<u>14</u>	<u>15</u>
Natural gas - mcf			
United States	76	87	83
Europe	216	188	267
Asia and other	<u>333</u>	<u>241</u>	<u>364</u>
Total	<u>625</u>	<u>516</u>	<u>714</u>
Barrels of oil equivalent	<u>361</u>	<u>357</u>	<u>393</u>
<u>Average Selling Price</u>			
Crude oil - per barrel (including hedging)			
United States	\$ 116.14	\$ 73.20	\$ 120.23
Europe	83.23	62.06	104.98
Africa	91.72	64.38	97.32
Asia and other	105.58	70.69	120.59
Worldwide	93.36	65.26	104.29
Crude oil - per barrel (excluding hedging)			
United States	\$ 116.14	\$ 73.20	\$ 120.23
Europe	83.23	62.06	104.98
Africa	108.49	73.49	117.49
Asia and other	105.58	70.69	120.59
Worldwide	102.80	69.85	113.79
Natural gas liquids - per barrel			
United States	\$ 77.50	\$ 51.27	\$ 76.60
Europe	81.84	48.44	92.67
Worldwide	78.50	50.58	81.52
Natural gas - per mcf (including hedging)			
United States	\$ 8.57	\$ 5.80	\$ 11.00
Europe	10.12	6.09	10.33
Asia and other	5.77	4.69	5.23
Worldwide	7.60	5.38	7.81
Natural gas - per mcf (excluding hedging)			
United States	\$ 8.57	\$ 5.80	\$ 11.00
Europe	10.84	6.09	10.84
Asia and other	5.77	4.69	5.23
Worldwide	7.85	5.38	8.01

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

	Nine Months	
	2008	2007
<u>Operating Data</u>		
<u>Net Production Per Day (in thousands)</u>		
Crude oil - barrels		
United States	34	31
Europe	82	96
Africa	123	112
Asia and other	14	20
Total	<u>253</u>	<u>259</u>
Natural gas liquids - barrels		
United States	10	10
Europe	4	5
Total	<u>14</u>	<u>15</u>
Natural gas - mcf		
United States	84	87
Europe	260	249
Asia and other	346	254
Total	<u>690</u>	<u>590</u>
Barrels of oil equivalent	<u>382</u>	<u>372</u>
<u>Average Selling Price</u>		
Crude oil - per barrel (including hedging)		
United States	\$ 109.39	\$ 62.88
Europe	90.69	56.95
Africa	89.66	57.72
Asia and other	106.09	66.59
Worldwide	93.62	58.82
Crude oil - per barrel (excluding hedging)		
United States	\$ 109.39	\$ 62.88
Europe	90.69	56.95
Africa	106.91	66.47
Asia and other	106.09	66.59
Worldwide	102.03	62.66
Natural gas liquids - per barrel		
United States	\$ 72.79	\$ 47.43
Europe	84.77	51.55
Worldwide	75.96	48.83
Natural gas - per mcf (including hedging)		
United States	\$ 9.35	\$ 6.75
Europe	9.75	5.03
Asia and other	5.33	4.55
Worldwide	7.48	5.08
Natural gas - per mcf (excluding hedging)		
United States	\$ 9.35	\$ 6.75
Europe	10.16	5.03
Asia and other	5.33	4.55
Worldwide	7.64	5.08

HESS CORPORATION AND CONSOLIDATED SUBSIDIARIES
EXPLORATION AND PRODUCTION SUPPLEMENTAL HEDGING INFORMATION (UNAUDITED)

The following is a summary of the Corporation's outstanding Brent crude oil hedges at September 30, 2008:

Maturities	<u>Average Selling Price</u>	<u>Thousands of Barrels per Day</u>
2008	\$ 25.56	24
2009	25.54	24
2010	25.78	24
2011	26.37	24
2012	26.90	24

The after-tax losses from crude oil and natural gas hedges were \$138 million in the third quarter of 2008 and \$60 million in the third quarter of 2007. The after-tax losses from crude oil and natural gas hedges were \$377 million for the nine months of 2008 compared with \$155 million for the nine months of 2007. At September 30, 2008, the after-tax deferred losses related to crude oil and natural gas hedges that were included in accumulated other comprehensive income amounted to \$1.7 billion.

In October 2008, the Corporation closed its Brent crude oil hedge positions by entering into offsetting contracts covering 24,000 barrels per day from 2009 through 2012 at a per barrel price of \$86.95 each year. The fourth quarter 2008 hedges were not affected by these transactions and are still open. The deferred after-tax loss as of the date the positions were closed will be recorded in earnings as the contracts mature.

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

	<u>Third Quarter 2008</u>	<u>Third Quarter 2007</u>	<u>Second Quarter 2008</u>
<u>Financial Information (in millions of dollars)</u>			
<u>Marketing and Refining Results</u>			
Income (loss) before income taxes	\$ 262	\$ 75	\$ (85)
Provision (benefit) for income taxes	<u>101</u>	<u>29</u>	<u>(33)</u>
Marketing and Refining Earnings (Loss)	<u>\$ 161</u>	<u>\$ 46</u>	<u>\$ (52)</u>
<u>Summary of Marketing and Refining Results</u>			
Refining	\$ 46	\$ 25	\$ 3
Marketing	110	21	(40)
Trading	<u>5</u>	<u>-</u>	<u>(15)</u>
Total Marketing and Refining Earnings (Loss)	<u>\$ 161</u>	<u>\$ 46</u>	<u>\$ (52)</u>

Operating Data (barrels and gallons in thousands)

Refined Product Sales (barrels per day)

Gasoline	249	216	236
Distillates	122	134	129
Residuals	46	45	49
Other	<u>43</u>	<u>42</u>	<u>40</u>
Total	<u>460</u>	<u>437</u>	<u>454</u>

Refinery Throughput (barrels per day)

HOVENSA - Crude runs	457	459	471
HOVENSA - Hess 50% share	228	230	235
Port Reading	65	61	64

Refinery Utilization

HOVENSA	<u>Refinery Capacity</u> (barrels per day)			
Crude	500	91.3%	91.9%	94.2%
FCC	150	72.8%	82.4%	73.1%
Coker	58	105.4%	92.6%	99.5%
Port Reading	70 (c)	92.4%	93.8%	91.3%

Retail Marketing

Number of retail stations (a)	1,357	1,362	1,363
Convenience store revenue (in millions of dollars) (b)	\$ 279	\$ 279	\$ 275
Average gasoline volume per station (gallons per month) (b)	215	232	218

(a) Includes company operated, Wilco-Hess, dealer and branded retailer.

(b) Company operated only.

(c) Refinery utilization in 2007 is based on capacity of 65 thousand barrels per day.

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

	Nine Months	
	2008	2007
<u>Financial Information (in millions of dollars)</u>		
<u>Marketing and Refining Results</u>		
Income before income taxes	\$ 198	\$ 430
Provision for income taxes	73	161
Marketing and Refining Earnings (Loss)	\$ 125	\$ 269
<u>Summary of Marketing and Refining Results</u>		
Refining	\$ 46	\$ 166
Marketing	102	64
Trading	(23)	39
Total Marketing and Refining Earnings (Loss)	\$ 125	\$ 269

Operating Data (barrels and gallons in thousands)

Refined Product Sales (barrels per day)

Gasoline	236	212
Distillates	140	142
Residuals	54	63
Other	40	30
Total	470	447

Refinery Throughput (barrels per day)

HOVENSA - Crude runs	458	442
HOVENSA - Hess 50% share	229	221
Port Reading	63	60

Refinery Utilization

HOVENSA			
Crude	500	91.5%	88.4%
FCC	150	73.4%	87.8%
Coker	58	98.8%	78.1%
Port Reading	70 (c)	90.3%	92.2%

Retail Marketing

Number of retail stations (a)		1,357	1,362
Convenience store revenue (in millions of dollars) (b)	\$	793	\$ 796
Average gasoline volume per station (gallons per month) (b)		210	217

(a) Includes company operated, Wilco-Hess, dealer and branded retailer.

(b) Company operated only.

(c) Refinery utilization in 2007 is based on capacity of 65 thousand barrels per day.