

Supplemental Earnings Information



Fourth Quarter 2013



OPERATING RESULTS

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



In millions, except per share data

	4Q 2013	4Q 2012	3Q 2013
<u>Net Income (Loss) Attributable to Hess Corporation (U.S. GAAP)</u>			
Exploration and Production	\$ 1,029	\$ 325	\$ 455
Corporate and Interest	(115)	(110)	(89)
Downstream Businesses	1,011	159	54
Net income attributable to Hess Corporation	\$ 1,925	\$ 374	\$ 420
Net income per share (diluted)	\$ 5.76	\$ 1.10	\$ 1.23
<u>Items Affecting Comparability of Earnings - Income (Expense)</u>			
Exploration and Production	\$ 593	\$ (106)	\$ (3)
Corporate and Interest	(7)	-	(5)
Downstream Businesses	1,020	71	23
Total items affecting comparability of earnings between periods	\$ 1,606	\$ (35)	\$ 15

(Continued)

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



In millions, except per share data

	4Q 2013	4Q 2012	3Q 2013
<u>Adjusted Earnings (Losses) (a)</u>			
Exploration and Production	\$ 436	\$ 431	\$ 458
Corporate and Interest	(108)	(110)	(84)
Downstream Businesses	(9)	88	31
Adjusted earnings attributable to Hess Corporation	\$ 319	\$ 409	\$ 405
Adjusted earnings per share (diluted)	\$ 0.96	\$ 1.20	\$ 1.18
Weighted average number of shares (diluted)	334.3	340.5	343.3

(a) The Corporation has used a non-GAAP financial measure in this supplemental earnings information. "Adjusted Earnings" 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)

4Q 2013

- **Exploration and Production** – Earnings include:
 - Net income of \$156 million associated with the divestiture of the Corporation's Indonesian assets.
 - Income of \$674 million to record an additional deferred tax asset as a result of enacted changes to the hydrocarbon income tax law in Denmark.
 - A charge of \$163 million to write off previously capitalized exploration wells in offshore Area 54 due to continued civil unrest in Libya.
 - A charge of \$23 million to write off Marcellus leasehold costs.
 - Charges of \$51 million for employee severance, income taxes and other exit related costs, which include closure of the London office in the quarter.

- **Corporate and Interest** – Results include charges of \$7 million for severance and other exit costs.

- **Downstream Businesses** – Earnings include:
 - A gain of \$464 million from the sale of the energy marketing business.
 - A gain of \$531 million from the sale of the terminals network.
 - Income of \$134 million resulting from the liquidation of last in, first out (LIFO) inventories.
 - Charges totaling \$109 million for severance, exit related costs and other charges.

(Continued)

Items Affecting Comparability Between Periods



(Amounts are after income taxes)

4Q 2012

- **Exploration and Production** – Earnings include:
 - A gain of \$172 million from the sale of the Corporation's interests in the Bittern Field in the United Kingdom North Sea.
 - An impairment charge of \$192 million related to the Corporation's interests in the Eagle Ford Shale in Texas.
 - An income tax charge of \$86 million for a disputed application of an international tax treaty.

- **Downstream Businesses** – Earnings include:
 - Income of \$104 million from the partial liquidation of LIFO inventories.
 - Charges totaling \$33 million for asset impairments and other charges.

3Q 2013

- **Exploration and Production** – Earnings include a charge of \$3 million for employee severance costs.

- **Corporate and Interest** – Results include a charge of \$5 million for employee severance costs.

- **Downstream Businesses** – Earnings include income totaling \$23 million resulting from the net impact of a gain on the liquidation of LIFO inventories, largely offset by non-cash mark-to-market adjustments in energy marketing, employee severance, Port Reading refinery shutdown costs and other charges.

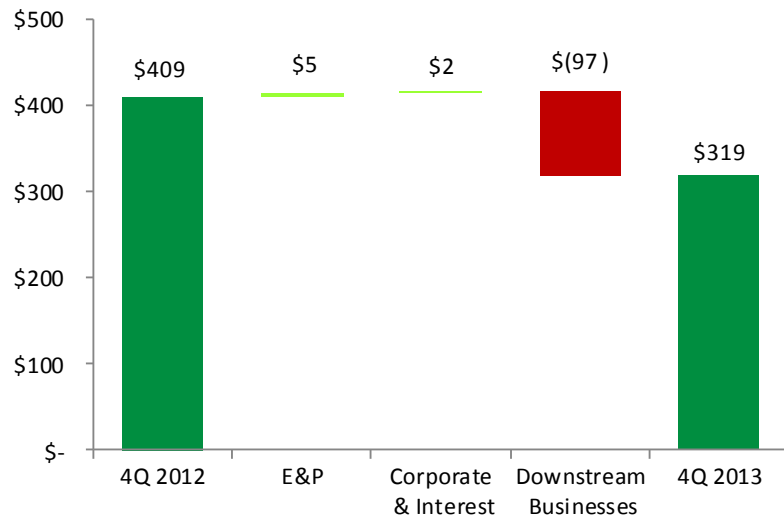
(Concluded)

Consolidated Adjusted Earnings

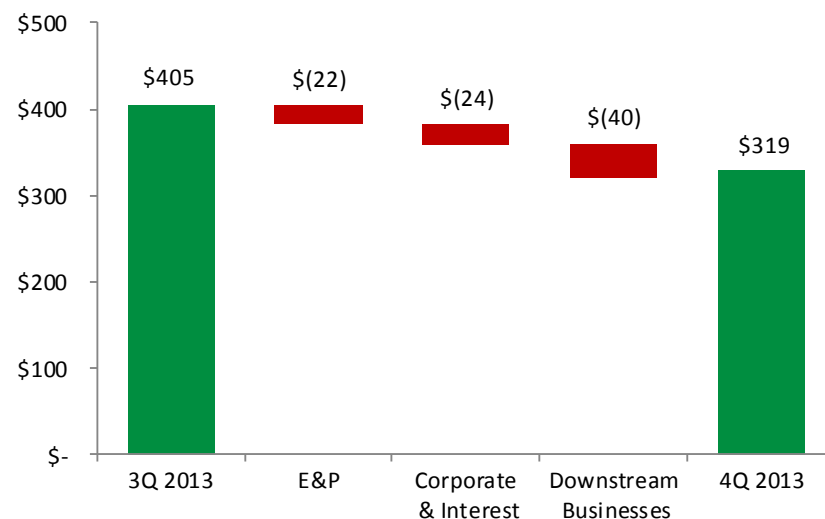


\$ Millions

4Q 2013 vs. 4Q 2012



4Q 2013 vs. 3Q 2013



	4Q 2013	4Q 2012	Incr. / (Decr.)
Exploration and Production	\$ 436	\$ 431	\$ 5
Corporate and Interest	(108)	(110)	2
Downstream Businesses	(9)	88	(97)
Adjusted earnings attributable to Hess Corporation	<u>\$ 319</u>	<u>\$ 409</u>	<u>\$ (90)</u>

	4Q 2013	3Q 2013	Incr. / (Decr.)
Exploration and Production	\$ 436	\$ 458	\$ (22)
Corporate and Interest	(108)	(84)	(24)
Downstream Businesses	(9)	31	(40)
Adjusted earnings attributable to Hess Corporation	<u>\$ 319</u>	<u>\$ 405</u>	<u>\$ (86)</u>

Analysis of Consolidated Adjusted Earnings



4Q 2013 vs. 4Q 2012

- **Exploration and Production** – The increase in earnings was primarily due to lower operating and exploration costs as well as higher realized selling prices, largely offset by lower sales volumes, which reflect asset sales and the shut in of Libyan production.
- **Corporate and Interest** – The decrease in expenses was primarily due to lower interest expenses, partially offset by higher Corporate costs.
- **Downstream Businesses** – The decrease in earnings was primarily the result of the wind down of operations associated with divesting our downstream businesses.

4Q 2013 vs. 3Q 2013

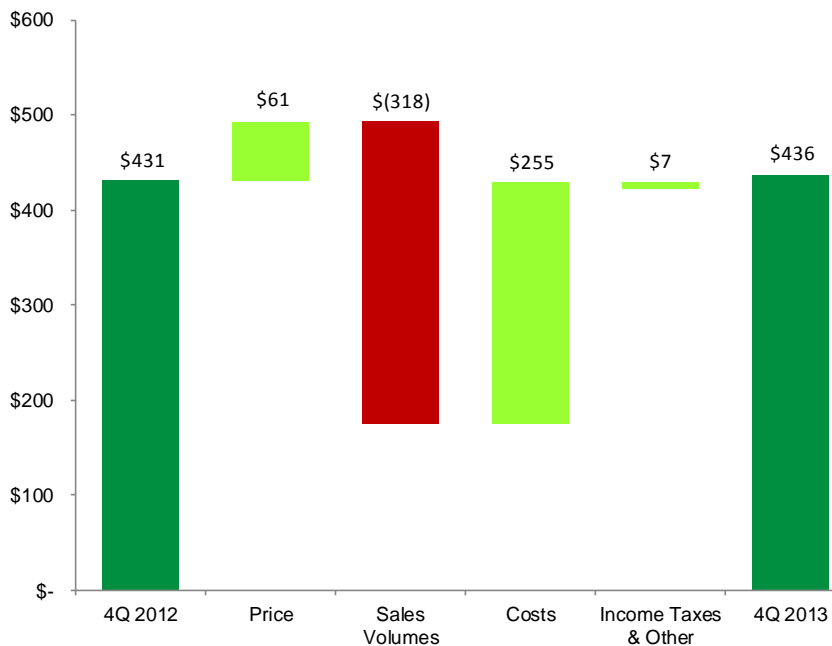
- **Exploration and Production** – The decrease in earnings was primarily due to lower crude oil selling prices and higher operating costs, partially offset by higher sales volumes.
- **Corporate and Interest** – The increase in expenses was primarily due to higher Corporate costs, increased letter of credit and bank fees and lower capitalized interest.
- **Downstream Businesses** – The decrease in earnings was primarily the result of the wind down of operations associated with divesting our downstream businesses.

Exploration and Production Adjusted Earnings

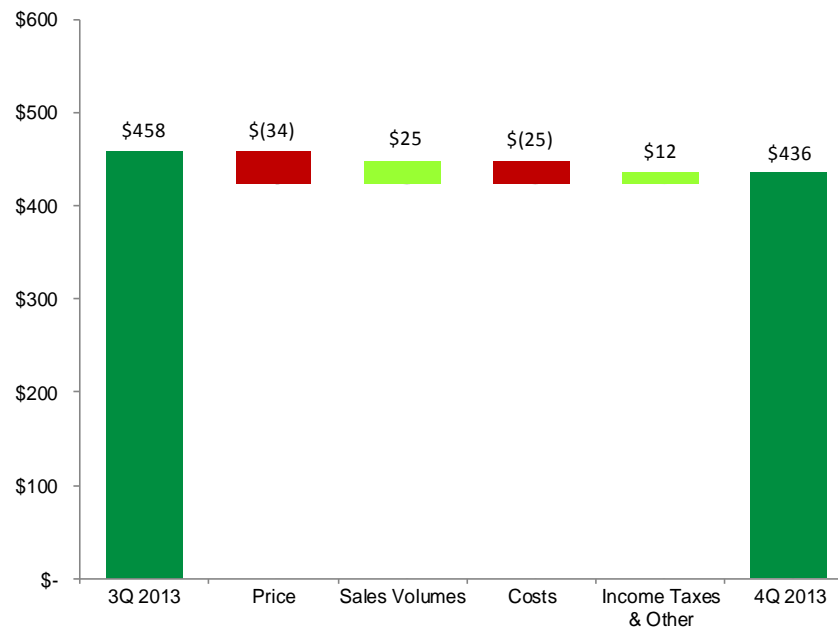


\$ Millions

4Q 2013 vs. 4Q 2012



4Q 2013 vs. 3Q 2013



	4Q 2013	4Q 2012	Incr. / (Decr.)
United States	\$ 141	\$ 143	\$ (2)
International	295	288	7
Total	\$ 436	\$ 431	\$ 5

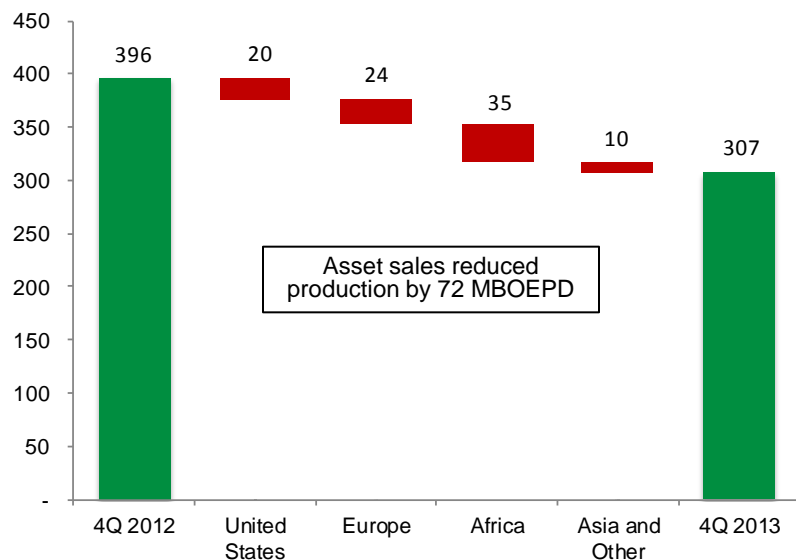
	4Q 2013	3Q 2013	Incr. / (Decr.)
United States	\$ 141	\$ 208	\$ (67)
International	295	250	45
Total	\$ 436	\$ 458	\$ (22)

Worldwide Oil & Gas Production

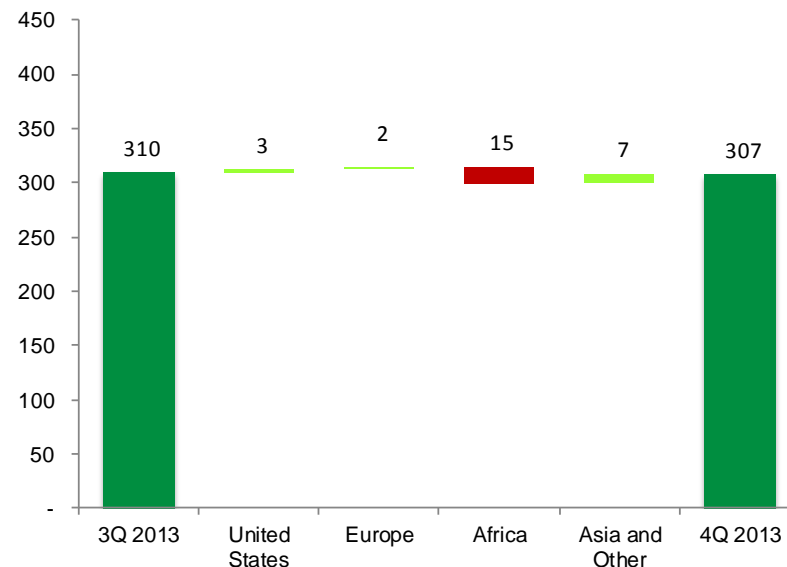


MBOEPD

4Q 2013 vs. 4Q 2012



4Q 2013 vs. 3Q 2013



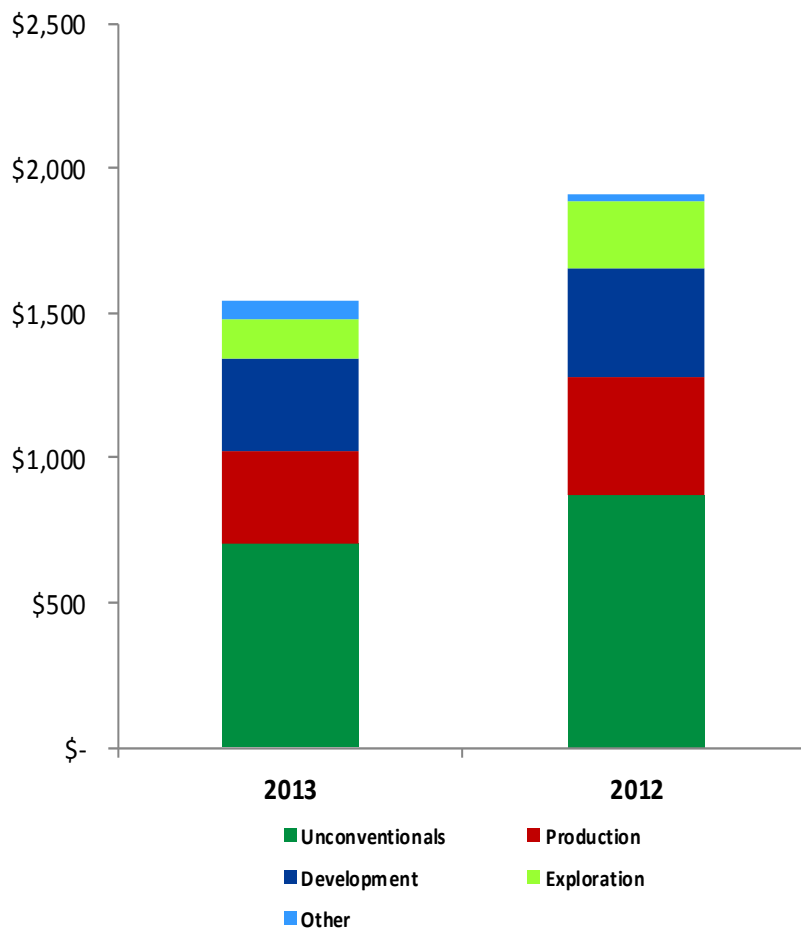
	4Q 2013	4Q 2012	Incr. / (Decr.)
United States			
Bakken	68	64	4
Other Onshore	16	23	(7)
Total Onshore	84	87	(3)
Offshore	55	72	(17)
Total United States	139	159	(20)
Europe	46	70	(24)
Africa	42	77	(35)
Asia and other	80	90	(10)
Total	307	396	(89)

	4Q 2013	3Q 2013	Incr. / (Decr.)
United States			
Bakken	68	71	(3)
Other Onshore	16	17	(1)
Total Onshore	84	88	(4)
Offshore	55	48	7
Total United States	139	136	3
Europe	46	44	2
Africa	42	57	(15)
Asia and other	80	73	7
Total	307	310	(3)

Capital and Exploratory Expenditures – 4Q 2013 and 2012



\$ Millions



Exploration and Production

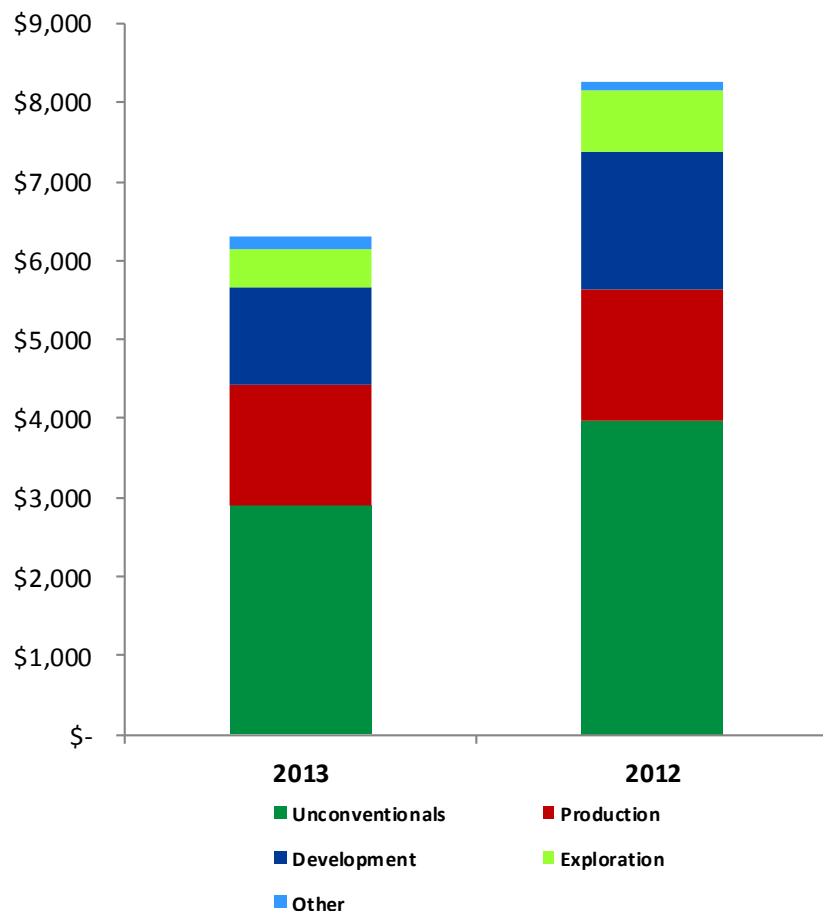
	Three Months Ended December 31,	
	2013	2012
United States		
Bakken	\$ 571	\$ 720
Other Onshore	176	154
Total Onshore	<u>747</u>	<u>874</u>
Offshore	212	195
Total United States	<u>959</u>	<u>1,069</u>
Europe	174	279
Africa	132	224
Asia and Other	211	315
Total Exploration and Production	<u>1,476</u>	<u>1,887</u>
Other	<u>68</u>	<u>27</u>
Total Capital and Exploratory Expenditures	<u><u>\$ 1,544</u></u>	<u><u>\$ 1,914</u></u>
Total exploration expenses charged to income included above	<u><u>\$ 123</u></u>	<u><u>\$ 135</u></u>

(Continued)

Capital and Exploratory Expenditures – FY 2013 and 2012



\$ Millions



Exploration and Production

	Years Ended December 31,	
	2013	2012
United States		
Bakken	\$ 2,231	\$ 3,164
Other Onshore	708	729
Total Onshore	<u>2,939</u>	<u>3,893</u>
Offshore	865	870
Total United States	<u>3,804</u>	<u>4,763</u>
Europe	724	1,381
Africa	630	771
Asia and Other	993	1,231
Total Exploration and Production	<u>6,151</u>	<u>8,146</u>
Other	<u>164</u>	<u>119</u>
Total Capital and Exploratory Expenditures	<u><u>\$ 6,315</u></u>	<u><u>\$ 8,265</u></u>
Total exploration expenses charged to income included above	<u><u>\$ 442</u></u>	<u><u>\$ 470</u></u>

(Concluded)



ASSET SALES

Progress on Asset Sales



Asset	Completion Date	After Tax Proceeds (in millions)
Beryl	Jan-13	\$440
Azerbaijan (ACG)	Mar-13	\$880
Russia (Samara-Nafta)	Apr-13	\$1,900
Eagle Ford	May-13	\$280
Energy Marketing	Nov-13	\$1,200
Terminal Network*	Dec-13	\$1,750
Indonesia (Natuna)	Dec-13	\$650
Indonesia (Pangkajene)	Jan-14	\$650
Thailand (Sinhuhorm + Pailin)	In Progress	-
Energy Trading (Hetco)	In Progress	-
Retail	In Progress	-
Bakken Midstream Assets	Preparing for monetization by 2015	-
Total: \$7.8 Billion		

* Includes related release of working capital.



2012 – 2013 PRO FORMA EXPLORATION AND PRODUCTION RESULTS

2012 – 2013 Pro forma Financial Information



Basis of Presentation:

The summarized actual and pro forma adjusted earnings for the Exploration and Production (E&P) segment exclude hedging results and items affecting comparability of earnings between periods. In addition, the pro forma results assume the sale of the Corporation's interests in the ACG, Beryl, Bittern, Eagle Ford, Schiehallion and Snohvit fields and its properties in Russia, Indonesia and Thailand effective January 1, 2012. This measure of adjusted earnings is not, and should not be viewed as, a substitute for U.S. GAAP net income.

Definitions:

- Cash Costs – Operating costs and expenses, production and severance taxes, and E&P general and administrative expenses.
- Cash Margin – Net revenue less cash costs and current income taxes.

Exploration and Production Pro forma – 4Q 2013



	Three Months Ended December 31, 2013			
	Actual	Pro Forma	Actual	Pro Forma
	(\$ Millions)		(\$/BOE)	
Net revenue	\$ 2,279	\$ 2,109	\$ 80.80	\$ 82.53
Costs and expenses				
Cash costs	711	647	25.19	25.31
Depreciation, depletion & amortization	693	691	24.58	27.04
Production costs	1,404	1,338	49.77	52.35
Exploration expense	158	151	5.58	5.90
Total costs and expenses	1,562	1,489	55.35	58.25
Adjusted earnings before taxes	717	620	25.45	24.28
Current income tax provision	57	(4)	2.03	(0.15)
Deferred income tax provision	212	217	7.53	8.49
Adjusted earnings	<u>\$ 448</u>	<u>\$ 407</u>	<u>\$ 15.89</u>	<u>\$ 15.94</u>
Effective Tax Rate	<u>38%</u>	<u>34%</u>		
Effective Tax Rate excluding Libya	<u>38%</u>	<u>35%</u>		
Production (MBOEPD)	<u>307</u>	<u>278</u>		
Capital and exploratory expenditures	<u>\$ 1,476</u>	<u>\$ 1,436</u>		
Cash Margin	<u>\$ 1,511</u>	<u>\$ 1,466</u>	<u>\$ 53.58</u>	<u>\$ 57.37</u>

Note – See basis of presentation and definitions on Page 15.

Exploration and Production Pro forma – FY 2013



	Year Ended December 31, 2013			
	Actual		Pro Forma	
	(\$ Millions)		(\$/BOE)	
Net revenue	\$ 9,932	\$ 8,789	\$ 80.87	\$ 84.46
Costs and expenses				
Cash costs	2,779	2,403	22.63	23.09
Depreciation, depletion & amortization	2,654	2,565	21.62	24.65
Production costs	5,433	4,968	44.25	47.74 *
Exploration expense	714	671	5.81	6.45
Total costs and expenses	6,147	5,639	50.06	54.19
Adjusted earnings before taxes	3,785	3,150	30.81	30.27
Current income tax provision	808	578	6.58	5.55
Deferred income tax provision	809	739	6.58	7.10
Adjusted earnings	\$ 2,168	\$ 1,833	\$ 17.65	\$ 17.62
Effective Tax Rate	43%	42%		
Effective Tax Rate excluding Libya	33%	30%		
Production (MBOEPD)	336	285		
Capital and exploratory expenditures	\$ 6,151	\$ 5,753		
Cash Margin	\$ 6,345	\$ 5,808	\$ 51.66	\$ 55.82

Note – See basis of presentation and definitions on Page 15.

* Pro forma production unit costs, excluding Libya, were \$49.80 per BOE in 2013.

Exploration and Production Pro forma – FY 2012



	Year Ended December 31, 2012			
	Actual		Pro Forma	
	(\$ Millions)		(\$/BOE)	
Net revenue	\$ 11,688	\$ 8,805	\$ 78.65	\$ 83.12
Costs and expenses				
Cash costs	3,066	2,192	20.63	20.69
Depreciation, depletion & amortization	2,853	2,328	19.20	21.98
Production costs	5,919	4,520	39.83	42.67
Exploration expense	984	830	6.62	7.83
Total costs and expenses	6,903	5,350	46.45	50.50
Adjusted earnings before taxes	4,785	3,455	32.20	32.62
Current income tax provision	1,885	1,270	12.69	11.99
Deferred income tax provision	207	192	1.39	1.81
Adjusted earnings	<u>\$ 2,693</u>	<u>\$ 1,993</u>	<u>\$ 18.12</u>	<u>\$ 18.82</u>
Effective Tax Rate	<u>44%</u>	<u>42%</u>		
Effective Tax Rate excluding Libya	<u>33%</u>	<u>26%</u>		
Production (MBOEPD)	<u>406</u>	<u>289</u>		
Capital and exploratory expenditures	<u>\$ 8,146</u>	<u>\$ 7,055</u>		
Cash Margin	<u>\$ 6,737</u>	<u>\$ 5,343</u>	<u>\$ 45.33</u>	<u>\$ 50.44</u>

Note – See basis of presentation and definitions on Page 15.



BAKKEN OPERATIONAL DATA

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%
--------------------	-----	-----	-----	-----	-----

2013 Bakken Production Guidance 64 - 70 MBOEPD

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

Bakken Production - 2012



Net Production by Product

		2012				
		FY Avg	4Q	3Q	2Q	1Q
Oil	MBBLPD	47	53	52	47	37
NGL	MBBLPD	5	6	5	4	2
Gas	MMCFPD*	27	32	35	23	16
Total	MBOEPD	56	64	62	55	42

Net Production by Operatorship

		2012				
		FY Avg	4Q	3Q	2Q	1Q
Operated	MBOEPD	48	55	54	46	36
Outside Operated	MBOEPD	8	9	8	9	6
Total	MBOEPD	56	64	62	55	42

% Outside Operated	14%	14%	13%	16%	14%
--------------------	-----	-----	-----	-----	-----

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

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
Average Frac Stage	by Qtr	29	31	30	27	29
On Production	by Qtr	168	46	50	42	30
On Production	Cum. to date	722	722	676	626	584

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

Bakken Operational Well Statistics - 2012



Hess Operated Wells

		2012				
		FY Avg	4Q	3Q	2Q	1Q
Rig Count						
Drilling	No. Rigs	15	16	15	16	14
Drilling Days	Spud-to-Spud	30	28	29	32	31

		2012				
		FY	4Q	3Q	2Q	1Q
No. of Wells						
Drilled	by Qtr	176	53	41	42	40
Completion	by Qtr	206	45	50	57	54
Average Frac Stage	by Qtr	32	29	31	34	34
On Production	by Qtr	206	44	50	60	52
On Production	Cum. to date	554	554	510	460	400

Average 30-day IPs

Gross	BOPD	782	841	759	776	750
-------	------	-----	-----	-----	-----	-----

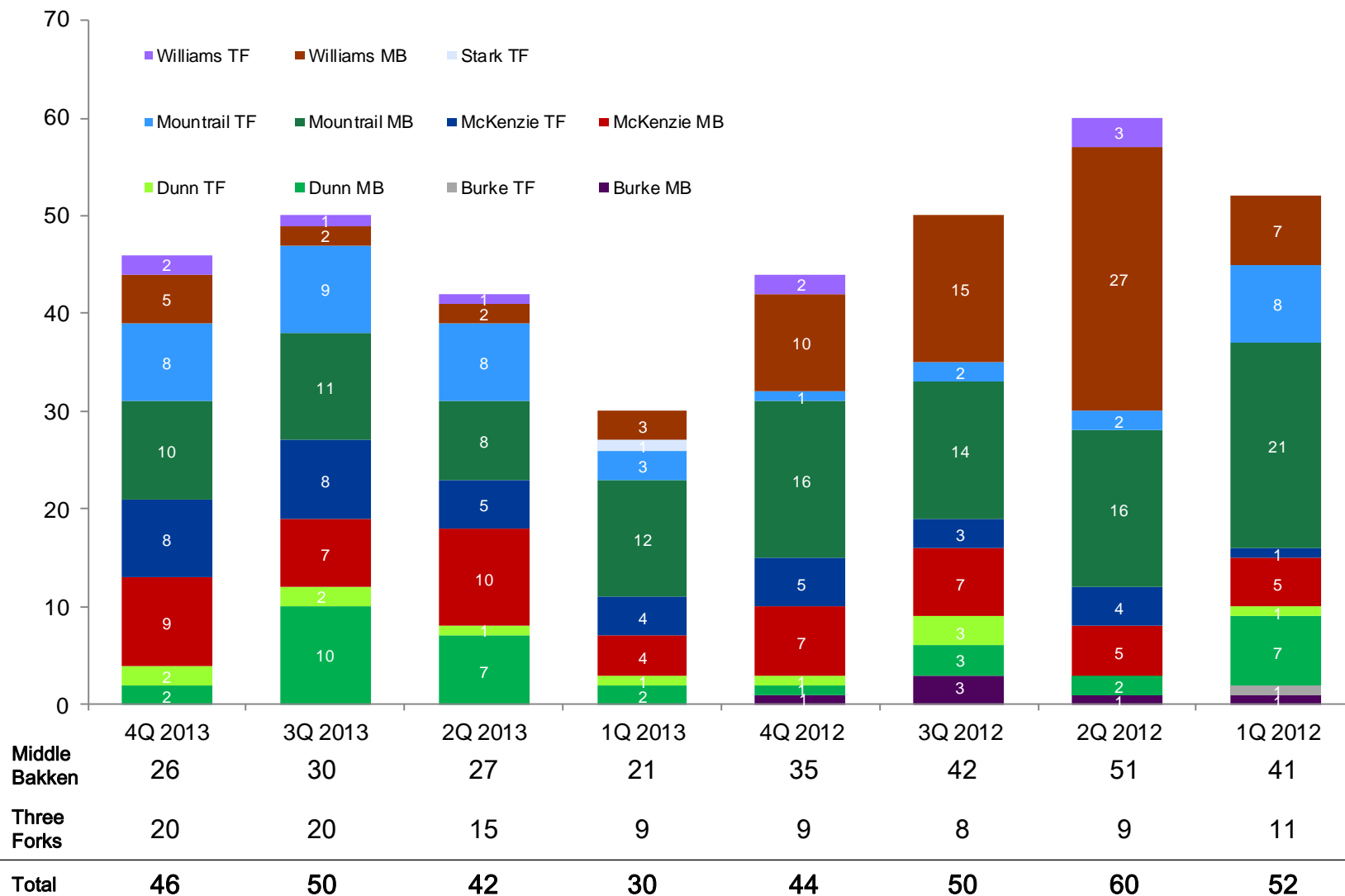
Outside Operated Wells

		2012				
		FY	4Q	3Q	2Q	1Q
No. of Wells						
On Production	by Qtr	131	16	20	36	59
On Production	Cum. to date	597	597	581	561	525

Hess Operated Bakken Wells Brought on Production by County and Formation



Bakken Wells



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

Bakken Well Costs, Working Interest and Acreage - 2012



Average Well Cost - Hess Operated

		2012				
		FY	4Q	3Q	2Q	1Q
Drilling	\$MMWell	\$ 5.3	\$ 5.0	\$ 5.3	\$ 5.6	\$ 5.4
Completion	\$MMWell	5.7	4.0	4.2	6.0	8.0
Total	\$MMWell	\$ 11.0	\$ 9.0	\$ 9.5	\$ 11.6	\$ 13.4

Average Working Interest of New Wells Spud each Quarter

		2012				
		FY	4Q	3Q	2Q	1Q
Hess Operated	%	80%	79%	80%	80%	81%
Outside Operated	%	12%	12%	11%	12%	12%

Net Acreage Position

		2012			
		4Q	3Q	2Q	1Q
Total Acreage	'000 acres	724	752	800	833



UTICA OPERATIONAL DATA

Utica Operational Well Statistics - 2013



Rig Count

	2013				
	FY Avg	4Q	3Q	2Q	1Q
Rig Count - No. of Rigs					
Drilling - 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 JV	17	15	8	2	4	1
Drilled - Consol JV	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 Net Revenue Interests and Acreage - 2013



Average Net Revenue Interest ⁽¹⁾					
	2013				
	FY Avg	4Q	3Q	2Q	1Q
Joint Venture Acreage	98%	96%	98%	98%	98%
100% Acreage	84%	83%	84%	84%	84%
Hess Average	89%	87%	90%	90%	90%

Net Acreage Position - '000 acres				
	2013			
	4Q	3Q	2Q	1Q
Joint Venture Acreage ⁽²⁾	42	73	72	105
100% Acreage	92	94	94	94
Total Acreage	134	167	166	199

Notes:

(1) JV interest shown on WI basis / Average NRI % calculated on pro rata acreage.

(2) Q4 excludes 31K non-core acres.

In the second quarter of 2013, the Corporation reached an agreement with its joint venture partner relating to ongoing title verification efforts. This agreement reduced the gross joint venture acreage by approximately 32,500 net acres and the Corporation's total carry obligation from \$534 million to \$335 million.

Utica Test Results - 2013



Op	Well No	County	Well Test Result	2013 Month
Hess	Capstone 2H-9 (Wheeling A)	Belmont	2,242 boe/d, 42% Liquids	January
Hess	NAC 4H-20 (Cross Creek A)	Jefferson	1,250 boe/d, 0% Liquids	March
Hess	Lude 1H-34 (Richland B)	Belmont	2,985 boe/d, 29% Liquids	June
Hess	Porterfield C 1H-17 (Richland A)	Belmont	3,421 boe/d, 21% Liquids	September
Hess	Wheeling A 3H-9	Belmont	2,026 boe/d, 41% Liquids	October
Hess	Cross Creek A 3H-20	Jefferson	2,952 boe/d, 0% Liquids	December
Hess	Smithfield A 1H-27	Jefferson	3,020 boe/d, 0% Liquids	December
Hess	CNXHAR 9N4W 1H-6 (Green A)	Harrison	1,432 boe/d, 20% Liquids	February
Hess	CNXHAR 10N5W 1H-23 (Cadiz A)	Harrison	2,251 boe/d, 57% Liquids	April
Hess	Athens A 2H-24	Harrison	2,489 boe/d, 48% Liquids	October
Hess	Athens A 3H-24	Harrison	2,111 boe/d, 49% Liquids	October
Hess	Oxford A 2H-8	Guernsey	1,421 boe/d, 66% Liquids	November
Hess	Oxford A 3H-8	Guernsey	1,211 boe/d, 65% Liquids	December
Hess	Oxford A 4H-8	Guernsey	1,819 boe/d, 67% Liquids	December

