

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

**CURRENT REPORT
PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934**

Date of Report (Date of Earliest Event Reported): January 26, 2011

HESS CORPORATION
(Exact Name of Registrant as Specified in Its Charter)

DELAWARE
(State or Other
Jurisdiction of
Incorporation)

No. 1-1204
(Commission
File Number)

No. 13-4921002
(IRS Employer
Identification No.)

1185 Avenue of the Americas
New York, New York 10036
(Address of Principal Executive Offices) (Zip Code)

Registrant's Telephone Number, Including Area Code: **(212) 997-8500**

N/A
(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 2.02. Results of Operations and Financial Condition.

On January 26, 2011, Hess Corporation issued a news release reporting estimated results for the fourth quarter of 2010. A copy of this news release is attached hereto as Exhibit 99(1) and is hereby incorporated by reference.

Item 7.01. Regulation FD Disclosure.

Furnished hereunder are the prepared remarks of John B. Hess, Chairman of the Board of Directors and Chief Executive Officer of Hess Corporation, and John P. Rielly, Senior Vice President and Chief Financial Officer of Hess Corporation, at a public conference call held on January 26, 2011. Copies of these remarks are attached, respectively, as Exhibit 99(2) and as Exhibit 99(3) and are incorporated herein by reference.

Item 9.01. Financial Statements and Exhibits.**(c) Exhibits**

- 99(1) News release dated January 26, 2011 reporting estimated results for the fourth quarter of 2010.
- 99(2) Prepared remarks of John B. Hess, Chairman of the Board of Directors and Chief Executive Officer.
- 99(3) Prepared remarks of John P. Rielly, Senior Vice President and Chief Financial Officer.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: January 26, 2011

HESS CORPORATION

By: /s/ John P. Rielly
Name: John P. Rielly
Title: Senior Vice President and
Chief Financial Officer

EXHIBIT INDEX

<u>Exhibit No.</u>	<u>Description</u>
99(1)	News release dated January 26, 2011 reporting estimated results for the fourth quarter of 2010.
99(2)	Prepared remarks of John B. Hess, Chairman of the Board of Directors and Chief Executive Officer.
99(3)	Prepared remarks of John P. Rielly, Senior Vice President and Chief Financial Officer.

Hess Reports Estimated Results for the Fourth Quarter of 2010

Fourth Quarter Highlights:

- Net income was \$58 million compared with \$358 million in the fourth quarter 2009
- Items affecting comparability include an after-tax charge of \$289 million relating to the impairment of our equity investment in HOVENSA L.L.C.
- Capital and exploratory expenditures, including acquisitions, were \$2,464 million, compared with \$992 million in the fourth quarter 2009
- Oil and gas production was 420,000 barrels per day, an increase from 415,000 in the fourth quarter 2009
- Year end total proved reserves were 1,537 million barrels; reserve replacement for 2010 was 176 percent

NEW YORK--(BUSINESS WIRE)--January 26, 2011--Hess Corporation (NYSE: HES) reported net income of \$58 million for the fourth quarter of 2010 compared with net income of \$358 million for the fourth quarter of 2009. The after-tax income (loss) by major operating activity was as follows:

	Three Months Ended December 31, (unaudited)		Year Ended December 31, (unaudited)	
	2010	2009	2010	2009
	(In millions, except per share amounts)			
Exploration and Production	\$ 420	\$ 494	\$ 2,736	\$ 1,042
Marketing and Refining	(261)	17	(231)	127
Corporate	(43)	(97)	(159)	(205)
Interest expense	(58)	(56)	(221)	(224)
Net income attributable to Hess Corporation	<u>\$ 58</u>	<u>\$ 358</u>	<u>\$ 2,125</u>	<u>\$ 740</u>
Net income per share (diluted)	<u>\$.18</u>	<u>\$ 1.10</u>	<u>\$ 6.47</u>	<u>\$ 2.27</u>
Weighted average number of shares (diluted)	<u>330.5</u>	<u>326.4</u>	<u>328.3</u>	<u>326.0</u>

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

Exploration and Production earnings were \$420 million in the fourth quarter of 2010 compared with \$494 million in the fourth quarter of 2009. Fourth quarter 2010 results included higher exploration expenses reflecting dry hole costs of \$111 million (\$72 million after-tax) associated with two exploration wells (Sabia and Azulão) located on Block BM-S-22 offshore Brazil. Fourth quarter oil and gas production was 420,000 barrels of oil equivalent per day, up from 415,000 barrels of oil equivalent per day in the fourth quarter a year ago. The Corporation's average worldwide crude oil selling price, including the effect of hedging, was \$71.73 per barrel, an increase from \$63.74 per barrel in the fourth quarter of 2009. The average worldwide natural gas selling price was \$5.30 per Mcf in the fourth quarter of 2010 compared with \$5.19 per Mcf in the same quarter a year ago.

Oil and gas proved reserves were 1,537 million barrels of oil equivalent at the end of 2010, compared to 1,437 million barrels at the end of 2009. During 2010, the Corporation added 274 million barrels of oil equivalent to proved reserves. These additions, which are subject to final review, replaced approximately 176 percent of the Corporation's 2010 production, resulting in a reserve life of 9.9 years.

Marketing and Refining results were a loss of \$261 million in the fourth quarter of 2010 compared with income of \$17 million in the same period of 2009. Refining operations incurred a loss of \$308 million in the fourth quarter of 2010, including the impairment charge discussed below, and a loss of \$40 million in the fourth quarter a year ago. Marketing earnings were \$37 million compared with \$45 million in the same quarter of 2009. Trading activities generated income of \$10 million in the fourth quarter of 2010 and \$12 million in the fourth quarter of last year.

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

	Three Months Ended December 31,		Year Ended December 31,	
	2010	2009	2010	2009
Exploration and Production	\$ (51)	\$ -	\$ 732	\$ 45
Marketing and Refining	(289)	-	(289)	12
Corporate	-	(44)	(7)	(60)
	<u>\$ (340)</u>	<u>\$ (44)</u>	<u>\$ 436</u>	<u>\$ (3)</u>

Fourth quarter 2010 results included an after-tax charge of \$51 million related to dry hole costs associated with the Azulão exploration well located offshore Brazil, which was drilled in 2009. The results also included an after-tax charge of \$289 million to reduce the carrying value of the Corporation's equity investment in HOVENSA L.L.C.

Net cash provided by operating activities was \$1,478 million in the fourth quarter of 2010, compared with \$1,271 million in the same quarter of 2009. Capital and exploratory expenditures were \$2,464 million, of which \$2,438 million related to Exploration and Production operations including \$1,067 million for the acquisition of 167,000 net acres in the Bakken oil play in North Dakota from TRZ Energy, LLC. Capital and exploratory expenditures for the fourth quarter of 2009 were \$992 million, of which \$957 million related to Exploration and Production operations.

At December 31, 2010, cash and cash equivalents totaled \$1,608 million compared with \$1,362 million at December 31, 2009. Total debt was \$5,583 million at December 31, 2010 and \$4,467 million at December 31, 2009. The Corporation's debt to capitalization ratio at December 31, 2010 was 24.9 percent compared with 24.8 percent at the end of 2009.

Hess Corporation will review fourth 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 global integrated energy company engaged in the exploration, production, purchase, transportation and sale of crude oil and natural gas, as well as the production and sale of refined petroleum products. 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)

	Fourth Quarter 2010	Fourth Quarter 2009	Third Quarter 2010
<u>Income Statement</u>			
Revenues and Non-operating Income			
Sales (excluding excise taxes) and other operating revenues	\$ 9,007	\$ 8,678	\$ 7,864
Income (loss) from equity investment in HOVENSA L.L.C.	(348)	(64)	(83)
Other, net	31	(56)	1,172
Total revenues and non-operating income	<u>8,690</u>	<u>8,558</u>	<u>8,953</u>
Costs and Expenses			
Cost of products sold (excluding items shown separately below)	6,221	6,005	5,330
Production expenses	532	492	475
Marketing expenses	291	266	232
Exploration expenses, including dry holes and lease impairment	317	157	225
Other operating expenses	42	49	39
General and administrative expenses	197	203	151
Interest expense	100	91	94
Depreciation, depletion and amortization	633	584	584
Asset impairments	-	-	532
Total costs and expenses	<u>8,333</u>	<u>7,847</u>	<u>7,662</u>
Income before income taxes	357	711	1,291
Provision for income taxes	274	341	200
Net income	83	370	1,091
Less: Net income (loss) attributable to noncontrolling interests	25	12	(63)
Net income attributable to Hess Corporation	<u>\$ 58</u>	<u>\$ 358</u>	<u>\$ 1,154</u>
<u>Supplemental Income Statement Information</u>			
Foreign currency gains (losses), after-tax	\$ 2	\$ (10)	\$ (5)
Capitalized interest	2	2	1
<u>Cash Flow Information</u>			
Net cash provided by operating activities (*)	\$ 1,478	\$ 1,271	\$ 1,246
<u>Capital and Exploratory Expenditures</u>			
Exploration and Production			
United States	\$ 1,820	\$ 392	\$ 379
International	618	565	1,169
Total Exploration and Production	<u>2,438</u>	<u>957</u>	<u>1,548</u>
Marketing, Refining and Corporate	26	35	19
Total Capital and Exploratory Expenditures	<u>\$ 2,464</u>	<u>\$ 992</u>	<u>\$ 1,567</u>
Exploration expenses charged to income included above			
United States	\$ 46	\$ 22	\$ 46
International	77	45	59
	<u>\$ 123</u>	<u>\$ 67</u>	<u>\$ 105</u>

(*) Includes changes in working capital

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

	Year Ended December 31,	
	2010	2009
<u>Income Statement</u>		
Revenues and Non-operating Income		
Sales (excluding excise taxes) and other operating revenues	\$ 33,862	\$ 29,614
Income (loss) from equity investment in HOVENSA L.L.C.	(522)	(229)
Other, net	1,273	184
Total revenues and non-operating income	34,613	29,569
Costs and Expenses		
Cost of products sold (excluding items shown separately below)	23,407	20,961
Production expenses	1,924	1,805
Marketing expenses	1,021	1,008
Exploration expenses, including dry holes and lease impairment	865	829
Other operating expenses	213	183
General and administrative expenses	662	647
Interest expense	361	360
Depreciation, depletion and amortization	2,317	2,200
Asset impairments	532	54
Total costs and expenses	31,302	28,047
Income before income taxes	3,311	1,522
Provision for income taxes	1,173	715
Net income	2,138	807
Less: Net income attributable to noncontrolling interests	13	67
Net income attributable to Hess Corporation	\$ 2,125	\$ 740
<u>Supplemental Income Statement Information</u>		
Foreign currency gains (losses), after-tax	\$ (8)	\$ (11)
Capitalized interest	5	6
<u>Cash Flow Information</u>		
Net cash provided by operating activities (*)	\$ 4,530	\$ 3,046
<u>Capital and Exploratory Expenditures</u>		
Exploration and Production		
United States	\$ 2,935	\$ 1,200
International	2,822	1,927
Total Exploration and Production	5,757	3,127
Marketing, Refining and Corporate	98	118
Total Capital and Exploratory Expenditures	\$ 5,855	\$ 3,245
Exploration expenses charged to income included above		
United States	\$ 154	\$ 144
International	209	183
	\$ 363	\$ 327

(*) Includes changes in working capital

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

<u>Balance Sheet Information</u>	December 31, 2010	December 31, 2009
Cash and cash equivalents	\$ 1,608	\$ 1,362
Other current assets	7,138	6,625
Investments	443	913
Property, plant and equipment – net	21,127	16,627
Other long-term assets	4,965	3,938
Total assets	\$ 35,281	\$ 29,465
Short-term debt and current maturities of long-term debt	\$ 46	\$ 148
Other current liabilities	7,533	6,702
Long-term debt	5,537	4,319
Other long-term liabilities	5,356	4,768
Total equity excluding other comprehensive income (loss)	17,968	15,203
Accumulated other comprehensive income (loss)	(1,159)	(1,675)
Total liabilities and equity	\$ 35,281	\$ 29,465

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

	Fourth Quarter 2010		
	United States	International	Total
Sales and other operating revenues	\$ 679	\$ 1,613	\$ 2,292
Other, net	(5)	13	8
Total revenues and non-operating income	674	1,626	2,300
Costs and expenses			
Production expenses, including related taxes	143	389	532
Exploration expenses, including dry holes and lease impairment	121	196	317
General, administrative and other expenses	56	24	80
Depreciation, depletion and amortization	184	425	609
Asset impairments	-	-	-
Total costs and expenses	504	1,034	1,538
Results of operations before income taxes	170	592	762
Provision for income taxes	72	270	342
Results of operations attributable to Hess Corporation	\$ 98	\$ 322	\$ 420
	Fourth Quarter 2009		
	United States	International	Total
Sales and other operating revenues	\$ 587	\$ 1,626	\$ 2,213
Other, net	-	(3)	(3)
Total revenues and non-operating income	587	1,623	2,210
Costs and expenses			
Production expenses, including related taxes	104	388	492
Exploration expenses, including dry holes and lease impairment	77	80	157
General, administrative and other expenses	33	40	73
Depreciation, depletion and amortization	165	397	562
Asset impairments	-	-	-
Total costs and expenses	379	905	1,284
Results of operations before income taxes	208	718	926
Provision for income taxes	79	353	432
Results of operations attributable to Hess Corporation	\$ 129	\$ 365	\$ 494
	Third Quarter 2010		
	United States	International	Total
Sales and other operating revenues	\$ 622	\$ 1,657	\$ 2,279
Other, net	(2)	1,159	1,157
Total revenues and non-operating income	620	2,816	3,436
Costs and expenses			
Production expenses, including related taxes	117	357	474
Exploration expenses, including dry holes and lease impairment	105	120	225
General, administrative and other expenses	37	33	70
Depreciation, depletion and amortization	172	388	560
Asset impairments	-	532	532
Total costs and expenses	431	1,430	1,861
Results of operations before income taxes	189	1,386	1,575
Provision for income taxes	71	227	298
Results of operations attributable to Hess Corporation	\$ 118	\$ 1,159	\$ 1,277

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

	Year Ended December 31, 2010		
	United States	International	Total
Sales and other operating revenues	\$ 2,453	\$ 6,291	\$ 8,744
Other, net	(3)	1,236	1,233
Total revenues and non-operating income	2,450	7,527	9,977
Costs and expenses			
Production expenses, including related taxes	489	1,435	1,924
Exploration expenses, including dry holes and lease impairment	364	501	865
General, administrative and other expenses	161	120	281
Depreciation, depletion and amortization	649	1,573	2,222
Asset impairments	-	532	532
Total costs and expenses	1,663	4,161	5,824

Results of operations before income taxes	787	3,366	4,153
Provision for income taxes	304	1,113	1,417
Results of operations attributable to Hess Corporation	<u>\$ 483</u>	<u>\$ 2,253</u>	<u>\$ 2,736</u>
Year Ended December 31, 2009			
	United States	International	Total
Sales and other operating revenues	\$ 1,611	\$ 5,224	\$ 6,835
Other, net	132	75	207
Total revenues and non-operating income	<u>1,743</u>	<u>5,299</u>	<u>7,042</u>
Costs and expenses			
Production expenses, including related taxes	431	1,374	1,805
Exploration expenses, including dry holes and lease impairment	383	446	829
General, administrative and other expenses	130	125	255
Depreciation, depletion and amortization	503	1,610	2,113
Asset impairments	-	54	54
Total costs and expenses	<u>1,447</u>	<u>3,609</u>	<u>5,056</u>
Results of operations before income taxes	296	1,690	1,986
Provision for income taxes	114	830	944
Results of operations attributable to Hess Corporation	<u>\$ 182</u>	<u>\$ 860</u>	<u>\$ 1,042</u>

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

<u>Operating Data</u>	Fourth Quarter 2010	Fourth Quarter 2009	Third Quarter 2010
<u>Net Production Per Day (in thousands)</u>			
Crude oil - barrels			
United States	76	76	78
Europe	103	86	82
Africa	99	105	117
Asia	13	15	13
Total	<u>291</u>	<u>282</u>	<u>290</u>
Natural gas liquids - barrels			
United States	14	12	15
Europe	4	3	3
Asia	1	1	-
Total	<u>19</u>	<u>16</u>	<u>18</u>
Natural gas - mcf			
United States	114	97	120
Europe	138	147	104
Asia and other	411	456	406
Total	<u>663</u>	<u>700</u>	<u>630</u>
Barrels of oil equivalent	<u>420</u>	<u>415</u>	<u>413</u>
<u>Average Selling Price</u>			
Crude oil - per barrel (including hedging)*			
United States	\$ 80.65	\$ 70.61	\$ 71.92
Europe	63.18	58.07	57.28
Africa	70.21	61.67	64.78
Asia	86.94	74.59	75.95
Worldwide	71.73	63.74	64.81
Crude oil - per barrel (excluding hedging)			
United States	\$ 80.65	\$ 70.61	\$ 71.92
Europe	63.18	58.07	57.28
Africa	86.40	74.41	75.70
Asia	86.94	74.59	75.95
Worldwide	77.17	68.50	69.47
Natural gas liquids - per barrel			
United States	\$ 51.89	\$ 47.12	\$ 43.20
Europe	64.65	59.31	57.69
Asia	70.22	57.40	53.60
Worldwide	55.00	50.21	46.10
Natural gas - per mcf			
United States	\$ 3.11	\$ 3.83	\$ 3.56
Europe	7.81	4.82	6.50
Asia and other	5.06	5.60	6.18
Worldwide	5.30	5.19	5.73

* The after-tax losses from crude oil hedging activities were \$86 million in the fourth quarter of 2010, \$88 million in the fourth quarter of 2009 and \$85 million in the third quarter of 2010.

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

	Year Ended December 31,	
	2010	2009
<u>Operating Data</u>		
<u>Net Production Per Day (in thousands)</u>		
Crude oil - barrels		
United States	75	60
Europe	88	83
Africa	113	120
Asia	13	16
Total	<u>289</u>	<u>279</u>
Natural gas liquids - barrels		
United States	14	11
Europe	3	3
Asia	1	-
Total	<u>18</u>	<u>14</u>
Natural gas - mcf		
United States	108	93
Europe	134	151
Asia and other	427	446
Total	<u>669</u>	<u>690</u>
Barrels of oil equivalent	<u>418</u>	<u>408</u>
<u>Average Selling Price</u>		
Crude oil - per barrel (including hedging)*		
United States	\$ 75.02	\$ 60.67
Europe	58.11	47.02
Africa	65.02	48.91
Asia	79.23	63.01
Worldwide	66.20	51.62
Crude oil - per barrel (excluding hedging)		
United States	\$ 75.02	\$ 60.67
Europe	58.11	47.02
Africa	78.31	60.79
Asia	79.23	63.01
Worldwide	71.40	56.74
Natural gas liquids - per barrel		
United States	\$ 47.92	\$ 36.57
Europe	59.23	43.23
Asia	63.50	46.48
Worldwide	50.49	38.47
Natural gas - per mcf		
United States	\$ 3.70	\$ 3.36
Europe	6.23	5.15
Asia and other	5.93	5.06
Worldwide	5.63	4.85

* The after-tax losses from hedging activities were \$338 million for the year ended December 31, 2010 and \$337 million for the year ended December 31, 2009.

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

	Fourth Quarter 2010	Fourth Quarter 2009	Third Quarter 2010
<u>Financial Information (in millions of dollars)</u>			
<u>Marketing and Refining Results</u>			
Income (loss) before income taxes	\$ (251)	\$ 16	\$ (78)
Provision (benefit) for income taxes	10	(1)	(40)
Results of operations attributable to Hess Corporation	\$ (261)	\$ 17	\$ (38)
<u>Summary of Marketing and Refining Results</u>			
Refining	\$ (308)	\$ (40)	\$ (50)
Marketing	37	45	40
Trading	10	12	(28)
Results of operations attributable to Hess Corporation	\$ (261)	\$ 17	\$ (38)

Operating Data (barrels and gallons in thousands)

Refined Product Sales (barrels per day)

Gasoline	225	241	253
Distillates	144	149	96
Residuals	78	67	56
Other	42	38	41
Total	489	495	446

Refinery Throughput (barrels per day)

HOVENSA - Crude runs	384	371	408
HOVENSA - Hess 50% share	192	185	204
Port Reading	60	61	61

Refinery Utilization

	<u>Refinery Capacity</u> (barrels per day)			
HOVENSA				
Crude	500	76.8%	74.1%	81.6%
FCC	150	57.3%	55.5%	76.1%
Coker	58	73.3%	75.8%	73.0%
Port Reading	70	86.0%	87.3%	87.7%

Retail Marketing

Number of retail stations (a)	1,362	1,357	1,360
Convenience store revenue (in millions of dollars) (b)	\$ 298	\$ 296	\$ 322
Average gasoline volume per station (gallons per month) (b)	201	196	204

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

(b) Company operated only.

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

	Year Ended December 31,	
	2010	2009
<u>Financial Information (in millions of dollars)</u>		
<u>Marketing and Refining Results</u>		
Income (loss) before income taxes	\$ (227)	\$ 151
Provision (benefit) for income taxes	4	24
Results of operations attributable to Hess Corporation	\$ (231)	\$ 127
<u>Summary of Marketing and Refining Results</u>		
Refining	\$ (445)	\$ (87)
Marketing	215	168
Trading	(1)	46
Results of operations attributable to Hess Corporation	\$ (231)	\$ 127
<hr/>		
<u>Operating Data (barrels and gallons in thousands)</u>		
<u>Refined Product Sales (barrels per day)</u>		
Gasoline	242	236
Distillates	120	134
Residuals	69	67
Other	40	36
Total	471	473
<u>Refinery Throughput (barrels per day)</u>		
HOVENSA - Crude runs	390	402
HOVENSA - Hess 50% share	195	201
Port Reading	55	63
<u>Refinery Utilization</u>	<u>Refinery Capacity</u>	
HOVENSA	(barrels per day)	
Crude	500	78.0%
FCC	150	66.5%
Coker	58	78.3%
Port Reading	70	78.1%
		90.2%
<u>Retail Marketing</u>		
Number of retail stations (a)	1,362	1,357
Convenience store revenue (in millions of dollars) (b)	\$ 1,213	\$ 1,164
Average gasoline volume per station (gallons per month) (b)	199	201

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

CONTACT:

Hess Corporation

Investors:

Jay Wilson, 212-536-8940

or

Media:

Jon Pepper, 212-536-8550

2010 Fourth Quarter Earnings Conference Call

Thank you Jay. Welcome to our fourth quarter conference call. I would like to review key achievements for 2010 and provide some guidance for 2011. Greg Hill will then discuss our Exploration and Production business and John Rielly will go through our financial results.

Corporate net income for the full year 2010 was \$2.1 billion. Exploration and Production earned \$2.7 billion and Marketing and Refining lost \$231 million. Our improved results reflect higher crude oil production and selling prices and increased retail and energy marketing earnings, which more than offset the impact of weaker refining results. Included in our financial results is a provision of \$289 million to reduce the carrying value of our interest in the HOVENSA joint venture refinery to \$158 million. This write down, which reflects our outlook for continued weakness in refining margins, reduces our share of the HOVENSA joint venture refinery to less than 1 percent of Hess' capital employed.

In 2011, our company's capital and exploratory expenditures are budgeted to be \$5.6 billion. Substantially all of our spending will be targeted to Exploration and Production, with \$3.1 billion for production, \$1.6 billion for developments and \$900 million for exploration. We expect to fund our capital program from internally generated cash flow.

With regard to Exploration and Production, in 2010 we replaced 176 percent of production, at a FD&A cost of about \$23 per barrel. At year end our proved reserves stood at 1.54 billion barrels of oil equivalent and our reserve life was 9.9 years.

In 2010, we increased our crude oil and natural gas production to 418 thousand barrels of oil equivalent per day from 408 thousand barrels of oil equivalent per day in 2009. In 2011, we forecast crude oil and natural gas production will average between 415 and 425 thousand barrels of oil equivalent per day. This forecast includes a net reduction of about 16

thousand barrels of oil equivalent per day resulting from the previously announced sale of non-core natural gas assets in the UK North Sea, which is expected to close in the first quarter.

Last year, we expanded our portfolio of unconventional resources. In the Bakken oil shale play in North Dakota, we completed the acquisitions of American Oil and Gas and TRZ Energy and commenced the expansion of key infrastructure. In addition, we acquired acreage in the Eagle Ford in South Texas and formed a partnership with Toreador Resources to explore the unconventional oil potential of the Paris Basin in France.

In Norway, we increased our interest in the Valhall Field to 64 percent from 28 percent via a strategic asset trade with Shell and an acquisition from Total.

In the Gulf of Mexico, we doubled our working interest in the Tubular Bells Field to 40 percent and took over as operator.

In 2011, we will be working with our partners to move this project toward sanction.

With regard to Marketing and Refining, our full year 2010 financial results were lower than 2009. Our HOVENSA joint venture refinery was negatively impacted by the continued weak margin environment, higher year over year fuel costs and unplanned downtime. In addition, both HOVENSA and our Port Reading, New Jersey facility completed FCC turnarounds in 2010.

This morning, HOVENSA announced that it would reduce crude oil distillation capacity to 350,000 barrels per day from 500,000 barrels per day by shutting down older, less efficient units. We expect this action will reduce HOVENSA's operating costs and capital expenditures and make it a more competitive and efficient refinery producing a greater percentage of higher margin products.

In Retail Marketing, 2010 convenience store sales were up by more than 4 percent, while average fuel volumes per station were down by about 1 percent. In Energy Marketing, we generated stronger earnings primarily as a result of improved margins in our natural gas and electricity businesses.

Our financial position remains strong. Our debt to capitalization ratio at year end was 24.9 percent, essentially unchanged from 2009. In August 2010 we issued \$1.25 billion of 30-year notes. Proceeds were used for the acquisitions of an additional 8 percent stake in the Valhall Field from Total and TRZ Energy. In December, we issued 8.6 million shares of stock to complete the acquisition of American Oil and Gas.

Our company made significant progress in 2010 in increasing our reserves and production and building our position in unconventional resources. We are committed to maintaining a strong balance sheet so that we will be able to fund our portfolio of attractive investment opportunities to generate long term profitable growth for our shareholders.

I will now turn the call over to Greg Hill.

HESS CORPORATION
FOURTH QUARTER 2010 ANALYSTS' CONFERENCE CALL

Introduction

Hello everyone. In my remarks today, I will compare fourth quarter 2010 results to the third quarter.

Consolidated Results of Operations

The Corporation generated consolidated net income of \$58 million in the fourth quarter of 2010, compared with \$1,154 million in the third quarter. Excluding the items affecting the comparability of earnings between periods, the Corporation had earnings of \$398 million in the fourth quarter compared with \$429 million in the third quarter.

Exploration and Production

Exploration and Production operations had income of \$420 million in the fourth quarter of 2010 compared with \$1,277 million in the third quarter. The fourth quarter results include an after-tax charge of \$51 million related to dry hole costs associated with the Azulão exploration well located offshore Brazil on Block BM-S-22. The costs related to this well, which were previously suspended in 2009, were expensed in the fourth quarter of 2010 following the unsuccessful Sabia well. Third quarter results included net after-tax income of \$725 million from items affecting comparability of earnings between periods. Excluding the effect of these matters, the changes in the after-tax components of the results are as follows:

	Increase (decrease) in earnings
	<u> </u>
Higher selling prices increased earnings by	\$ 99
Lower sales volumes decreased earnings by	(146)
Increased cash costs reduced earnings by	(32)
Increased depreciation reduced earnings by	(16)
All other items net to an increase in earnings of	<u> 14</u>
For an overall decrease in fourth quarter adjusted earnings of	<u><u>\$ (81)</u></u>

In the fourth quarter of 2010, our E&P operations were underlifted compared with production, resulting in decreased after-tax income in the quarter of approximately \$50 million. In addition, earnings were lower in the fourth quarter by approximately \$17 million due to deliveries of natural gas to settle take or pay obligations at the JDA for volumes previously paid for by the buyers at a lower price. All take or pay obligations with the buyers at the JDA have now been settled.

The E&P effective income tax rate was 44 percent for the quarter and the full year of 2010.

HESS CORPORATION
FOURTH QUARTER 2010 ANALYSTS' CONFERENCE CALL

Marketing and Refining

Marketing and Refining operations generated a loss of \$261 million in the fourth quarter of 2010 compared with a loss of \$38 million in the third quarter.

In the fourth quarter of 2010, we have recorded an after-tax impairment charge of \$289 million to reduce the carrying value of our equity investment in HOVENSA to the estimated fair value. Excluding the impact of this impairment, refining losses were \$19 million in the fourth quarter compared with \$50 million in the previous quarter. The Corporation's share of HOVENSA's results of operations was an after-tax loss of \$30 million in the fourth quarter compared with \$51 million in the third quarter. During the fourth quarter, HOVENSA reduced LIFO inventories. The effect of the LIFO inventory liquidation was to improve the Corporation's share of HOVENSA's results by approximately \$34 million after income taxes.

Port Reading reported income of \$11 million in the fourth quarter up from \$2 million in the third quarter.

Marketing earnings were \$37 million in the fourth quarter of 2010 compared with \$40 million in the prior quarter. Trading activities generated income of \$10 million in the fourth quarter compared with a loss of \$28 million in the third quarter.

Corporate and Interest

Net Corporate expenses were \$43 million in the fourth quarter of 2010 compared with \$26 million in the third quarter. Net corporate expenses were higher in the fourth quarter primarily reflecting the timing of expenses, including insurance costs, and pension plan settlement charges related to employee retirements, partially offset by an increase in the effective state income tax rate.

After-tax interest expense was \$58 million in the fourth quarter compared with \$59 million in the third quarter.

HESS CORPORATION
FOURTH QUARTER 2010 ANALYSTS' CONFERENCE CALL

Consolidated Cash Flows

Turning to cash flow –

Net cash provided by operating activities in the fourth quarter, including an increase of \$444 million from changes in working capital, was	\$	1,478
Capital expenditures were		(2,341)
All other items amounted to an increase in cash of		<u>118</u>
Resulting in a net decrease in cash and cash equivalents in the fourth quarter of	\$	<u>(745)</u>

We had \$1,608 million of cash and cash equivalents at December 31, 2010 and \$1,362 million at December 31, 2009. Our available revolving credit capacity was \$3 billion at December 31, 2010. Total debt was \$5,583 million at December 31, 2010 and \$4,467 million at December 31, 2009. The Corporation's debt to capitalization ratio at December 31, 2010 was 24.9% compared with 24.8% at the end of 2009.

2011 Guidance

In addition to the 2011 production and capital expenditure guidance given by John Hess, I would like to provide estimates for certain 2011 metrics. Our E&P cash operating costs are expected to be in the range of \$15.00 to \$16.00 per barrel of oil equivalent produced. Depreciation, depletion and amortization charges are expected to be in the range of \$14.50 to \$15.50 per barrel, for a total production unit cost of \$29.50 to \$31.50 per barrel. Actual 2010 total production unit costs were \$28.96 per barrel. For the full year of 2011, we expect our E&P effective tax rate to be in the range of 45% to 49%.

Net corporate expenses in 2011 are estimated to be in the range of \$165 to \$175 million and after-tax interest expense in 2011 is anticipated to be in the range of \$240 to \$250 million.

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

HESS CORPORATION
FOURTH QUARTER 2010 ANALYSTS' CONFERENCE CALL

Cautionary Note

The forgoing prepared remarks include certain forward-looking statements. These forward-looking statements are subject to risks and uncertainties that could cause actual results to differ materially from those expressed in the forward-looking statements.

Reconciliation of Segment Earnings to Earnings
Excluding Items Affecting Comparability

	Fourth Quarter 2010	Third Quarter 2010
Exploration & Production Segment Results	\$ 420	\$ 1,277
Items Affecting Comparability		
Gain on asset sale	-	(1,072)
Reductions in carrying values of assets	-	347
Dry hole costs for 2009 suspended well	51	-
	<u>471</u>	<u>552</u>
Exploration & Production Income Excluding Items Affecting Comparability	\$ 471	\$ 552
Marketing & Refining Segment Results	\$ (261)	\$ (38)
Items Affecting Comparability		
Impairment of equity investment	289	-
	<u>28</u>	<u>(38)</u>
Marketing & Refining Results Excluding Items Affecting Comparability	\$ 28	\$ (38)