
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 28, 2009

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))

Item 2.02. Results of Operations and Financial Condition.

On January 28, 2009, Hess Corporation issued a news release reporting its results for the fourth quarter of 2008. 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 at a public conference call held on January 28, 2009. A copy of his remarks is attached as Exhibit 99(2) and is incorporated herein by reference.

Item 9.01. Financial Statements and Exhibits.

(c) Exhibits

- 99(1) News release dated January 28, 2009 reporting results for the fourth quarter of 2008.
- 99(2) Prepared remarks of John B. Hess, Chairman of the Board of Directors and Chief Executive 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 28, 2009

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 28, 2009 reporting results for the fourth quarter of 2008.
99(2)	Prepared remarks of John B. Hess, Chairman of the Board of Directors and Chief Executive Officer.

Hess Reports Estimated Results for the Fourth Quarter of 2008

NEW YORK--(BUSINESS WIRE)--January 28, 2009--**Fourth Quarter Highlights:**

- **A net loss of \$74 million was reported for fourth quarter 2008 compared with net income of \$510 million in fourth quarter 2007**
- **Debt to capitalization ratio decreased to 24.3 percent at December 31, 2008, from 28.9 percent at December 31, 2007**
- **Oil and gas production was 379,000 barrels per day; lost production from hurricanes totaled 19,000 barrels per day**
- **Reserve replacement was 171 percent in 2008; reserve life increased to 10 years**

Hess Corporation (NYSE: HES) reported a net loss of \$74 million for the fourth quarter of 2008 compared with net income of \$510 million for the fourth quarter of 2007. The after-tax results by major operating activity were as follows:

	Three Months Ended December 31, (unaudited)		Year Ended December 31, (unaudited)	
	2008	2007	2008	2007
	(In millions, except per share amounts)			
Exploration and Production	\$ (125)	\$ 583	\$ 2,423	\$ 1,842
Marketing and Refining	152	31	277	300
Corporate	(59)	(59)	(173)	(150)
Interest expense	(42)	(45)	(167)	(160)
Net income (loss)	<u>\$ (74)</u>	<u>\$ 510</u>	<u>\$ 2,360</u>	<u>\$ 1,832</u>
Net income (loss) per share (diluted)	<u>\$ (.23)</u>	<u>\$ 1.59</u>	<u>\$ 7.24</u>	<u>\$ 5.74</u>
Weighted average number of shares (diluted)	<u>322.9</u>	<u>321.6</u>	<u>325.8</u>	<u>319.3</u>

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

Exploration and Production generated a loss of \$125 million in the fourth quarter of 2008 compared with income of \$583 million in the fourth quarter of 2007. Fourth quarter 2008 results included after-tax dry hole costs of \$86 million, foreign exchange losses of \$84 million and net income tax charges of \$20 million. The Corporation's oil and gas production, on a barrel-of-oil equivalent basis, was 379,000 barrels per day in the fourth quarter of 2008 compared with 390,000 barrels per day in the fourth quarter of the prior year. Production in the fourth quarter of 2008 was reduced by 19,000 barrels per day due to hurricane impacts. In the fourth quarter of 2008, the Corporation's average worldwide crude oil selling price, including the effect of hedging, was \$45.00 per barrel compared with \$76.11 per barrel in the fourth quarter of 2007. The Corporation's average worldwide natural gas selling price, including the effect of hedging, was \$6.26 per Mcf in the fourth quarter of 2008 compared with \$6.93 per Mcf in the fourth quarter of the prior year.

Oil and gas proved reserves increased to 1,432 million barrels of oil equivalent at the end of 2008 from 1,330 million barrels at the end of 2007. During 2008, the Corporation added 244 million barrels of oil equivalent to proved reserves. These additions, which are subject to final review, replaced approximately 171 percent of the Corporation's 2008 production and increased its reserve life to 10.0 years.

Marketing and Refining earnings were \$152 million in the fourth quarter of 2008 compared with \$31 million in the fourth quarter of 2007. Refining earnings were \$27 million in the fourth quarter of 2008 as they were in the same quarter a year earlier as improved margins offset lower volumes. Marketing earnings were \$138 million in the fourth quarter of 2008 up from \$19 million in the fourth quarter of 2007, reflecting higher margins. Trading operations generated losses of \$13 million in the fourth quarter of 2008 and \$15 million in the same quarter of 2007.

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

	Three Months Ended December 31,		Year Ended December 31,	
	2008	2007	2008	2007
Exploration and Production	\$ (26)	\$ (56)	\$ (26)	\$ (74)
Marketing and Refining	-	24	-	24
Corporate	-	(25)	-	(25)
	<u>\$ (26)</u>	<u>\$ (57)</u>	<u>\$ (26)</u>	<u>\$ (75)</u>

In the fourth quarter of 2008, the Corporation recorded after-tax charges of \$17 million related to asset impairments at fields located in the United States and U.K. North Sea. Also during the fourth quarter of 2008, the Corporation recorded after-tax charges of \$9 million associated with Hurricanes Gustav and Ike in the Gulf of Mexico.

Net cash provided by operating activities was \$4,567 million for the year 2008 compared with \$3,507 million for the year 2007. Capital and exploratory expenditures for 2008 amounted to \$4,828 million, of which \$4,641 million related to Exploration and Production operations. Capital and exploratory expenditures for 2007 amounted to \$3,926 million.

At December 31, 2008, cash and cash equivalents totaled \$908 million compared with \$607 million at December 31, 2007. Total debt was \$3,955 million at December 31, 2008 and \$3,980 million at December 31, 2007. The Corporation's debt to capitalization ratio at December 31, 2008 was 24.3 percent compared with 28.9 percent at the end of 2007.

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 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)

	Fourth Quarter 2008	Fourth Quarter 2007	Third Quarter 2008
<u>Income Statement</u>			
Revenues and Non-operating Income			
Sales (excluding excise taxes) and other operating revenues	\$ 7,383	\$ 9,456	\$ 11,398
Equity in income of HOVENSA L.L.C.	21	20	52
Other, net	(153)	24	(62)
Total revenues and non-operating income	7,251	9,500	11,388
Costs and Expenses			
Cost of products sold (excluding items shown separately below)	5,358	6,651	8,165
Production expenses	451	463	503
Marketing expenses	259	243	266
Exploration expenses, including dry holes and lease impairment	258	201	157
Other operating expenses	55	46	62
General and administrative expenses	194	208	170
Interest expense	67	71	68
Depreciation, depletion and amortization	598	530	497
Total costs and expenses	7,240	8,413	9,888
Income before income taxes	11	1,087	1,500
Provision for income taxes	85	577	725
Net income (loss)	\$ (74)	\$ 510	\$ 775
<u>Supplemental Income Statement Information</u>			
Foreign currency gains (losses), after-tax	\$ (84)	\$ 1	\$ (10)
Capitalized interest	3	1	2
<u>Cash Flow Information</u>			
Net cash provided by operating activities (*)	\$ 495	\$ 806	\$ 1,205
<u>Capital and Exploratory Expenditures</u>			
Exploration and Production			
United States	\$ 519	\$ 291	\$ 509
International	641	577	829
Total Exploration and Production	1,160	868	1,338
Marketing, Refining and Corporate	90	46	30
Total Capital and Exploratory Expenditures	\$ 1,250	\$ 914	\$ 1,368
Exploration expenses charged to income included above			
United States	\$ 49	\$ 43	\$ 56
International	45	66	35
	\$ 94	\$ 109	\$ 91

(*) Includes changes in working capital

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

	Year Ended December 31,	
	2008	2007
<u>Income Statement</u>		
<u>Revenues and Non-operating Income</u>		
Sales (excluding excise taxes) and other operating revenues	\$ 41,165	\$ 31,647
Equity in income of HOVENSA L.L.C.	44	176
Gain on asset sales	-	21
Other, net	(115)	80
	<u>41,094</u>	<u>31,924</u>
<u>Costs and Expenses</u>		
Cost of products sold (excluding items shown separately below)	29,595	22,573
Production expenses	1,872	1,581
Marketing expenses	1,025	944
Exploration expenses, including dry holes and lease impairment	725	515
Other operating expenses	209	161
General and administrative expenses	672	614
Interest expense	267	256
Depreciation, depletion and amortization	2,029	1,576
	<u>36,394</u>	<u>28,220</u>
Income before income taxes	4,700	3,704
Provision for income taxes	2,340	1,872
	<u>2,360</u>	<u>1,832</u>
Net income	<u>\$ 2,360</u>	<u>\$ 1,832</u>
<u>Supplemental Income Statement Information</u>		
Foreign currency gains (losses), after-tax	\$ (82)	\$ (9)
Capitalized interest	7	50
<u>Cash Flow Information</u>		
Net cash provided by operating activities (*)	\$ 4,567	\$ 3,507
<u>Capital and Exploratory Expenditures</u>		
<u>Exploration and Production</u>		
United States	\$ 2,164	\$ 1,603
International	2,477	2,183
	<u>4,641</u>	<u>3,786</u>
Marketing, Refining and Corporate	187	140
	<u>4,828</u>	<u>3,926</u>
<u>Exploration expenses charged to income included above</u>		
United States	\$ 211	\$ 192
International	179	156
	<u>390</u>	<u>348</u>

(*) Includes changes in working capital

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

	December 31	
	2008	2007
<u>Balance Sheet Information</u>		
Cash and cash equivalents	\$ 908	\$ 607
Other current assets	6,743	6,319
Investments	1,127	1,117
Property, plant and equipment – net	16,271	14,634
Other long-term assets	3,859	3,454
Total assets	\$ 28,908	\$ 26,131
Current maturities of long-term debt	\$ 143	\$ 62
Other current liabilities	7,906	7,962
Long-term debt	3,812	3,918
Other long-term liabilities	4,740	4,415
Stockholders' equity excluding other comprehensive income (loss)	14,315	11,615
Accumulated other comprehensive income (loss)	(2,008)	(1,841)
Total liabilities and stockholders' equity	\$ 28,908	\$ 26,131

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

	Fourth Quarter 2008		
	United States	International	Total
	\$	\$	\$
Sales and other operating revenues	199	1,264	1,463
Non-operating income (expenses)	-	(165)	(165)
Total revenues and non-operating income	199	1,099	1,298
Costs and expenses			
Production expenses, including related taxes	106	345	451
Exploration expenses, including dry holes and lease impairment	78	180	258
General, administrative and other expenses	50	32	82
Depreciation, depletion and amortization	63	514	577
Total costs and expenses	297	1,071	1,368
Results of operations before income taxes	(98)	28	(70)
Provision (benefit) for income taxes	(37)	92	55
Results of operations	\$ (61)	\$ (64)	\$ (125)
	Fourth Quarter 2007		
	United States	International	Total
	\$	\$	\$
Sales and other operating revenues	401	2,037	2,438
Non-operating income (expenses)	(1)	14	13
Total revenues and non-operating income	400	2,051	2,451
Costs and expenses			
Production expenses, including related taxes	71	392	463
Exploration expenses, including dry holes and lease impairment	122	79	201
General, administrative and other expenses	36	38	74
Depreciation, depletion and amortization	58	454	512
Total costs and expenses	287	963	1,250
Results of operations before income taxes	113	1,088	1,201
Provision for income taxes	44	574	618
Results of operations	\$ 69	\$ 514	\$ 583
	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	459	2,131	2,590
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	278	945	1,223
Results of operations before income taxes	181	1,186	1,367
Provision for income taxes	71	597	668
Results of operations	\$ 110	\$ 589	\$ 699

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

	Year Ended December 31, 2008		
	United States	International	Total
Sales and other operating revenues	\$ 1,652	\$ 8,154	\$ 9,806
Non-operating income (expenses)	9	(176)	(167)
Total revenues and non-operating income	1,661	7,978	9,639
Costs and expenses			
Production expenses, including related taxes	373	1,499	1,872
Exploration expenses, including dry holes and lease impairment	305	420	725
General, administrative and other expenses	159	143	302
Depreciation, depletion and amortization	238	1,714	1,952
Total costs and expenses	1,075	3,776	4,851
Results of operations before income taxes	586	4,202	4,788
Provision for income taxes	226	2,139	2,365
Results of operations	\$ 360	\$ 2,063	\$ 2,423

	Year Ended December 31, 2007		
	United States	International	Total
Sales and other operating revenues	\$ 1,211	\$ 6,287	\$ 7,498
Non-operating income (expenses)	8	57	65
Total revenues and non-operating income	1,219	6,344	7,563
Costs and expenses			
Production expenses, including related taxes	280	1,301	1,581
Exploration expenses, including dry holes and lease impairment	302	213	515
General, administrative and other expenses	130	127	257
Depreciation, depletion and amortization	187	1,316	1,503
Total costs and expenses	899	2,957	3,856
Results of operations before income taxes	320	3,387	3,707
Provision for income taxes	125	1,740	1,865
Results of operations	\$ 195	\$ 1,647	\$ 1,842

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

	Fourth Quarter 2008	Fourth Quarter 2007	Third Quarter 2008
<u>Net Production Per Day (in thousands)</u>			
Crude oil - barrels			
United States	27	34	31
Europe	84	83	80
Africa	129	121	121
Asia and other	11	22	12
Total	<u>251</u>	<u>260</u>	<u>244</u>
Natural gas liquids - barrels			
United States	8	11	9
Europe	5	5	4
Total	<u>13</u>	<u>16</u>	<u>13</u>
Natural gas - mcf			
United States	61	91	76
Europe	241	290	216
Asia and other	386	300	333
Total	<u>688</u>	<u>681</u>	<u>625</u>
Barrels of oil equivalent	<u>379</u>	<u>390</u>	<u>361</u>
<u>Average Selling Price</u>			
Crude oil - per barrel (including hedging)*			
United States	\$ 48.90	\$ 86.22	\$ 116.14
Europe	46.77	74.00	83.23
Africa	42.93	72.85	91.72
Asia and other	40.39	86.30	105.58
Worldwide	45.00	76.11	93.36
Crude oil - per barrel (excluding hedging)			
United States	\$ 48.90	\$ 86.22	\$ 116.14
Europe	46.77	74.00	83.23
Africa	49.90	84.84	108.49
Asia and other	40.39	86.30	105.58
Worldwide	48.31	81.87	102.80
Natural gas liquids - per barrel			
United States	\$ 36.83	\$ 63.51	\$ 77.50
Europe	44.05	70.86	81.84
Worldwide	39.00	66.13	78.50
Natural gas - per mcf (including hedging)*			
United States	\$ 5.56	\$ 6.47	\$ 8.57
Europe	8.46	8.92	10.12
Asia and other	4.99	5.13	5.77
Worldwide	6.26	6.93	7.60
Natural gas - per mcf (excluding hedging)			
United States	\$ 5.56	\$ 6.47	\$ 8.57
Europe	8.62	8.92	10.84
Asia and other	4.99	5.13	5.77
Worldwide	6.32	6.93	7.85

* The after-tax losses from crude oil and natural gas hedges were \$46 million in the fourth quarter of 2008, \$89 million in the fourth quarter of 2007 and \$138 million in the third quarter of 2008.

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

	Year Ended December 31,	
	2008	2007
Net Production Per Day (in thousands)		
Crude oil - barrels		
United States	32	31
Europe	83	93
Africa	124	115
Asia and other	13	21
Total	<u>252</u>	<u>260</u>
Natural gas liquids - barrels		
United States	10	10
Europe	4	5
Total	<u>14</u>	<u>15</u>
Natural gas - mcf		
United States	78	88
Europe	255	259
Asia and other	356	266
Total	<u>689</u>	<u>613</u>
Barrels of oil equivalent	<u>381</u>	<u>377</u>
Average Selling Price		
Crude oil - per barrel (including hedging)*		
United States	\$ 96.82	\$ 69.23
Europe	78.75	60.99
Africa	78.72	62.04
Asia and other	97.07	72.17
Worldwide	82.04	63.44
Crude oil - per barrel (excluding hedging)		
United States	\$ 96.82	\$ 69.23
Europe	78.75	60.99
Africa	93.57	71.71
Asia and other	97.07	72.17
Worldwide	89.23	67.79
Natural gas liquids - per barrel		
United States	\$ 64.98	\$ 51.89
Europe	74.63	57.20
Worldwide	67.61	53.72
Natural gas - per mcf (including hedging)*		
United States	\$ 8.61	\$ 6.67
Europe	9.44	6.13
Asia and other	5.24	4.71
Worldwide	7.17	5.60
Natural gas - per mcf (excluding hedging)		
United States	\$ 8.61	\$ 6.67
Europe	9.79	6.13
Asia and other	5.24	4.71
Worldwide	7.30	5.60

* The after-tax losses from crude oil and natural gas hedges were \$423 million for the year ended 2008 and \$244 million for the year ended 2007.

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

	Fourth Quarter 2008	Fourth Quarter 2007	Third Quarter 2008
<u>Financial Information (in millions of dollars)</u>			
<u>Marketing and Refining Results</u>			
Income before income taxes	\$ 241	\$ 51	\$ 262
Provision for income taxes	89	20	101
Marketing and Refining Earnings	<u>\$ 152</u>	<u>\$ 31</u>	<u>\$ 161</u>
<u>Summary of Marketing and Refining Results</u>			
Refining	\$ 27	\$ 27	\$ 46
Marketing	138	19	110
Trading	(13)	(15)	5
Total Marketing and Refining Earnings (Loss)	<u>\$ 152</u>	<u>\$ 31</u>	<u>\$ 161</u>
<u>Operating Data (barrels and gallons in thousands)</u>			
<u>Refined Product Sales (barrels per day)</u>			
Gasoline	225	205	249
Distillates	154	163	122
Residuals	62	57	46
Other	36	37	43
Total	<u>477</u>	<u>462</u>	<u>460</u>
<u>Refinery Throughput (barrels per day)</u>			
HOVENSA - Crude runs	392	488	457
HOVENSA - Hess 50% share	196	244	228
Port Reading	64	63	65
<u>Refinery Utilization</u>		<u>Refinery Capacity</u>	
HOVENSA	(barrels per day)		
Crude	500	78.4%	97.6%
FCC	150	70.5%	84.9%
Coker	58	73.5%	99.3%
Port Reading	70 (c)	92.0%	96.3%
<u>Retail Marketing</u>			
Number of retail stations (a)	1,366	1,371	1,357
Convenience store revenue (in millions of dollars) (b)	\$ 258	\$ 255	\$ 279
Average gasoline volume per station (gallons per month) (b)	200	209	215
(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)

	Year Ended December 31,	
	2008	2007
<u>Financial Information (in millions of dollars)</u>		
<u>Marketing and Refining Results</u>		
Income before income taxes	\$ 439	\$ 481
Provision for income taxes	162	181
Marketing and Refining Earnings	\$ 277	\$ 300
<u>Summary of Marketing and Refining Results</u>		
Refining	\$ 73	\$ 193
Marketing	240	83
Trading	(36)	24
Total Marketing and Refining Earnings (Loss)	\$ 277	\$ 300
<u>Operating Data (barrels and gallons in thousands)</u>		
<u>Refined Product Sales (barrels per day)</u>		
Gasoline	234	210
Distillates	143	147
Residuals	56	62
Other	39	32
Total	472	451
<u>Refinery Throughput (barrels per day)</u>		
HOVENSA - Crude runs	441	454
HOVENSA - Hess 50% share	221	227
Port Reading	64	61
<u>Refinery Utilization</u>		
HOVENSA	<u>Refinery Capacity</u>	
Crude	500	(barrels per day)
FCC	150	88.2%
Coker	58	72.7%
Port Reading	70 (c)	92.4%
		90.7%
		93.2%
<u>Retail Marketing</u>		
Number of retail stations (a)	1,366	1,371
Convenience store revenue (in millions of dollars) (b)	\$ 1,051	\$ 1,051
Average gasoline volume per station (gallons per month) (b)	207	215

(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.

CONTACT:

Hess Corporation

Investors:

Jay Wilson, 212-536-8940

or

Media:

Jon Pepper, 212-536-8550

2008 Fourth Quarter Earnings Conference Call

Thank you Jay. Welcome to our fourth quarter conference call. I would like to discuss the current financial environment, review key achievements of 2008 and provide guidance for 2009. John O'Connor will then discuss our Exploration and Production business, and John Rielly will review our financial results.

We have been experiencing a severe global economic crisis that has greatly reduced the demand for energy and has led to a precipitous drop in crude oil and natural gas prices. We have responded to this reduction in our projected cash flow from operations by sizing our 2009 capital and exploratory expenditure budget to \$3.2 billion compared with \$4.8 billion in 2008. The purpose of our investment program in 2009 is to maintain financial strength in this time of uncertainty while protecting our long term growth options. As in previous years, the majority of our 2009 spending will be targeted to Exploration and Production, with \$1.4 billion budgeted for production operations, \$900 million for developments and \$800 million for exploration.

In 2009, we forecast that crude oil and natural gas production will average between 380 and 390 thousand barrels of oil equivalent per day.

We begin 2009 having delivered strong financial performance in 2008. Full year results benefited from strong commodity prices which were partially offset by higher industry costs. Corporate net income for the year was a record \$2.36 billion. Exploration and Production earned \$2.4 billion and Marketing and Refining earned \$277 million.

In 2008 we also strengthened our financial position with debt to capitalization improving to 24.3 percent compared to 28.9 percent at the end of 2007.

With regard to operations, Exploration and Production achievements in 2008 included:

- growing proved reserves to 1.43 billion barrels of oil equivalent;
- replacing 171 percent of production, at a FD&A cost of about \$19.00 per barrel of oil equivalent; and
- achieving our reserve life target of 10 years, marking the sixth consecutive year in which we lengthened our reserve life.

During 2008, we advanced our field developments, including the Shenzi Field in the deepwater Gulf of Mexico and Pangkah Oil and LPG project in Indonesia, both of which are on schedule to commence production in the second quarter of 2009. We also continued to make progress in our onshore U.S. Bakken Shale and Seminole ROZ projects.

In exploration, we executed a successful program in 2008, which resulted in offshore discoveries in Australia, Libya, and Egypt. We conducted successful appraisal drilling on our Pony Field in the deepwater Gulf of Mexico. Also during the year, we made significant additions to our exploration acreage, including the acquisition of 47 new blocks in the deepwater Gulf of Mexico and the Semai V block in Indonesia.

With regard to Marketing and Refining, our 2008 financial results were similar to 2007. Refining results were negatively impacted by the significant decline in refining margins. However, Marketing results were up compared to last year. In Retail Marketing, higher margins more than offset weaker gasoline sales. In Energy Marketing, results reflected volume improvement and stronger margins.

While we have taken prudent steps to appropriately size our capital and exploratory expenditures program for 2009 in response to the weak economic environment, we remain committed to our strategy of investing in exploration and production to profitably grow our reserves and production on a sustainable basis. We are proud of our organizations ability to deliver performance and remain confident that our future investment opportunities will create value for our shareholders.

I am very pleased that Greg Hill has joined us as President, Worldwide Exploration and Production. He succeeds John O'Connor, who is retiring after more than seven years of outstanding leadership.

Greg had a distinguished 25-year career at Shell, where he most recently had been Executive Vice-President, Asia Pacific E&P. He also served in leadership roles in the United States and Europe. Greg brings global experience in operations excellence, technology, development projects and building world-class organizations through investment in people.

As this will be John O'Connor's final conference call, I want to express our deep appreciation for the extraordinary job he has done in building a global franchise in Exploration and Production. His vision to grow reserves and production on a sustainable and financially disciplined basis has built a strong foundation for the future.

We are grateful to John for his many invaluable contributions over the years. He has been a great partner and friend and we wish him health and happiness in his well-deserved retirement.

I will now turn the call over to John O'Connor.