



## Hess Corporation Announces Capital and Exploratory Budget for 2012

January 12, 2012

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NEW YORK--(BUSINESS WIRE)--Jan. 12, 2012-- Hess Corporation (NYSE: HES) announced today a 2012 capital and exploratory budget of \$6.8 billion, nearly all of which is targeted for Exploration and Production: \$2.5 billion for unconventional, \$1.6 billion for production, \$1.8 billion for developments and \$800 million for exploration.

John B. Hess, Chairman and CEO, stated, "We believe that the investments we are making in unconventional are lower risk and will generate long term profitable growth for shareholders. We expect to fund the majority of our 2012 program from internally generated cash flow and asset sales."

Greg Hill, President of Worldwide Exploration and Production, said, "Our focus in 2012 will be on execution. We are committed to creating value and delivering sustainable growth in production and reserves from both our unconventional and conventional portfolios."

Unconventional production and development expenditures of approximately \$2.5 billion include:

- Development of the Bakken Shale in North Dakota, where Hess plans to continue to operate 16 rigs and progress the expansion the Tioga Gas Plant
- Drilling appraisal wells in the Eagle Ford Shale in Texas and the Utica Shale in Ohio

Production expenditures of approximately \$1.6 billion include:

- Drilling production and water injection wells at Shenzhi (Hess 28 percent), and drilling production wells at the Llano Field (Hess 50 percent) in the deepwater Gulf of Mexico
- Drilling production wells on Block G (Hess 85 percent - operator) in Equatorial Guinea

Development expenditures of approximately \$1.8 billion include:

- Commencing development drilling at the Tubular Bells Field (Hess 57 percent – operator) in the deepwater Gulf of Mexico
- Completion of field redevelopment and gas lift projects at the Valhall Field (Hess 64 percent) in Norway
- Concluding appraisal activities and progressing front end engineering and design work at WA-390-P (Hess 100 percent - operator) offshore Western Australia
- Progressing development of Block A-18 (Hess 50 percent) in the Joint Development Area (JDA) in the Gulf of Thailand, including wellhead platform installations and ongoing drilling activities

Exploration expenditures of approximately \$800 million include:

- Drilling exploration wells in Ghana, Indonesia, Brunei and the deepwater Gulf of Mexico
- Acquiring seismic at the Dinarta and Shakrok Blocks (Hess 80 percent - operator) in Iraqi Kurdistan

### 2012 Estimated Capital and Exploratory Expenditures

(\$ Millions)

#### By Segment:

#### Exploration and Production

Unconventionals	2,500
Production	1,600
Development	1,800
Exploration	800

Total Exploration and Production 6,700

Marketing, Refining and Corporate 100

**Total** 6,800

#### By Region:

#### Exploration and Production

United States	3,350
Europe	1,300
Africa	650
Asia and Other	1,400

6,700

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 <http://www.hess.com>.

*Cautionary Statements*

*This news release contains projections and other forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. These projections and statements reflect the company's current views with respect to future events and financial performance. No assurances can be given, however, that these events will occur or that these projections will be achieved, and actual results could differ materially from those projected as a result of certain risk factors. A discussion of these risk factors is included in the company's periodic reports filed with the Securities and Exchange Commission.*

Source: Hess Corporation

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