



Hess Corporation Announces 2013 Capital and Exploratory Budget

January 9, 2013

NEW YORK--(BUSINESS WIRE)--Jan. 9, 2013-- Hess Corporation (NYSE: HES) announced today a 2013 capital and exploratory budget of \$6.8 billion, which is down 18 percent from 2012 expenditures of approximately \$8.3 billion. Of the \$6.7 billion budgeted for Exploration and Production, \$2.7 billion (40 percent) is dedicated to unconventional shale resources and the remainder is focused on conventional resources, with \$1.85 billion (28 percent) for production, \$1.6 billion (24 percent) for developments and \$550 million (8 percent) for exploration. As in recent years, \$100 million is dedicated to Marketing and Refining and Corporate.

John Hess, Chairman and CEO, commented, "Our Corporation's capital and exploratory budget for 2013 is focused on attractive investment opportunities and consistent with our plan, announced in July 2012, to significantly reduce overall expenditures in 2013."

Greg Hill, President of Worldwide Exploration and Production, stated, "Our expenditures in the Bakken are planned to be \$2.2 billion in 2013 versus approximately \$3.1 billion in 2012. This reduced level of spend is driven by lower well costs associated with our transition to pad drilling from hold by production mode and decreased investments in infrastructure projects. In addition, we plan to increase our expenditures in the emerging Utica shale play to \$400 million from \$300 million last year."

"In 2013, our production budget includes infill drilling programs at Block G in Equatorial Guinea and the Valhall Field in Norway. Key development projects include Tubular Bells in the deepwater Gulf of Mexico and the North Malay Basin project in Malaysia. Our exploration program includes wells in Ghana and Kurdistan."

Unconventional expenditures of approximately \$2.7 billion include:

- Development of the Bakken Shale in North Dakota, where Hess plans to operate 14 rigs and complete the expansion of the Tioga Gas Plant
- Drilling appraisal wells in the Utica Shale in Ohio

Production expenditures of approximately \$1.85 billion include:

- Drilling production wells on Block G (Hess 85 percent – operator) in Equatorial Guinea
- Drilling production and water injection wells at the Valhall Field in Norway (Hess 64 percent) and the South Arne Field in Denmark (Hess 61 percent – operator)
- Drilling production and water injection wells at the Shenzi Field (Hess 28 percent) and drilling a production well at the Llano Field (Hess 50 percent) in the deepwater Gulf of Mexico

Development expenditures of approximately \$1.6 billion include:

- Development drilling at the Tubular Bells Field (Hess 57 percent – operator) in the deepwater Gulf of Mexico
- Installation of the early production system and front-end engineering and design for full field development of North Malay Basin (Hess 50 percent – operator)
- Continued development of Block A-18 (Hess 50 percent) in the Joint Development Area in the Gulf of Thailand

Exploration expenditures of approximately \$550 million include:

- Further exploration activities on the Deepwater Tano / Cape Three Points Block (Hess 90 percent – operator) in Ghana
- Completing seismic and drilling two wells at the Dinarta and Shakrok Blocks (Hess 80 percent – operator) in Iraqi Kurdistan

2013 Estimated Capital and Exploratory Expenditures

(\$ Millions)

By Segment:

Exploration and Production

Unconventionals	2,700
Production	1,850
Development	1,600

By Region:

Exploration and Production

United States	3,600
Europe	1,000
Africa	700

Exploration	550	Asia and Other	1,400
Total Exploration and Production	6,700		6,700
Marketing, Refining and Corporate	100		
Total	6,800		

Hess Corporation is a leading global independent energy company primarily engaged in the exploration for and production of crude oil and natural gas, and the marketing of refined petroleum products, natural gas and electricity. 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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