



## Hess Corporation Announces 2014 Capital and Exploratory Budget

January 23, 2014

NEW YORK--(BUSINESS WIRE)--Jan. 23, 2014-- Hess Corporation (NYSE:HES) announced today a 2014 Exploration and Production capital and exploratory budget of \$5.8 billion. Of this, \$2.85 billion (49 percent) is dedicated to unconventional shale resources, with \$1.475 billion (25 percent) for production, \$925 million (16 percent) for developments and \$550 million (10 percent) for exploration.

John Hess, CEO, commented, "In 2010, we began focusing our portfolio around lower-risk, higher growth assets in regions where we have a distinct competitive advantage. Our transformation accelerated rapidly in 2013 and we have successfully positioned Hess for long term growth, cash generation and strong, sustainable returns for our shareholders. We are committed to ensuring that our capital and exploratory budget enables our goal of achieving 5-8 percent compound average production growth through 2017 while generating the highest possible risk adjusted returns."

Greg Hill, President and COO, stated, "Our expenditures in the Bakken are planned to be \$2.2 billion in 2014, flat with 2013. However, as a result of lower well costs and decreased investments in infrastructure projects we plan to operate 17 rigs versus 14 last year and to bring 225 new operated wells online in 2014 compared to 168 in 2013. In addition, we plan to increase our expenditures in the emerging Utica shale play to \$550 million from \$455 million last year, as we focus our activities on the appraisal and development of the wet gas window."

"In 2014, our budget includes development of the Tubular Bells Field in the deepwater Gulf of Mexico and the North Malay Basin Project in Malaysia, and ongoing drilling at the Valhall Field in Norway, the South Arne Field in Denmark, Block G in Equatorial Guinea, Block A-18 in the Joint Development Area in the Gulf of Thailand and the Shenzi Field in the deepwater Gulf of Mexico. Our exploration program includes wells in Ghana and Kurdistan."

### Unconventionals - \$2.85 billion:

- \$2.2 billion for the development of the Bakken Shale in North Dakota. Hess plans to operate 17 rigs and plans to bring 225 new operated wells online. Hess plans to invest \$350 million on major infrastructure projects including the completion of the expansion of the Tioga Gas Plant and associated pipeline and compression projects.
- \$550 million for drilling approximately 35 wells primarily in the wet gas window of the Utica Shale play in Ohio.

### Production - \$1.475 billion:

- \$350 million to drill five production wells at the Okume Complex and progress facility work at the Sendje Ceiba floating production, storage and offloading vessel (FPSO) at Block G (Hess 85 percent – operator) in Equatorial Guinea.
- \$300 million to drill three production wells and install gas lift on four flank wells at the Valhall Field (Hess 64 percent) in Norway.
- \$300 million to drill ten production wells, install two new wellhead platforms, and progress the Booster Compression Project at Block A-18 (Hess 50 percent) in the Joint Development Area in the Gulf of Thailand.
- \$200 million to drill three production wells and one water injection well at the South Arne Field (Hess 62 percent – operator) in Denmark.
- \$150 million to drill two production wells and one water injection well at the Shenzi Field (Hess 28 percent) in the deepwater Gulf of Mexico.

### Developments - \$925 million:

- \$400 million for the development and start-up of the Tubular Bells Field in the deepwater Gulf of Mexico (Hess 57 percent – operator). Hess will install the hull, topsides and subsea equipment, complete two production wells and drill a fourth production well.
- \$400 million to progress the full field development of the North Malay Basin project (Hess 50 percent – operator) in Malaysia.

### Exploration - \$550 million:

- Hess plans to drill three appraisal wells and perform one drill stem test on the Deepwater Tano / Cape Three Points Block (Hess 90 percent – operator) in Ghana.
- Complete drilling two wells at the Dinarta and Shakrok Blocks (Hess 80 percent – operator) in Iraqi Kurdistan.
- Conduct 3-D seismic and technical studies in the deepwater Gulf of Mexico in preparation for resuming drilling in 2015.

(\$ Millions)

**By Segment:**

**Exploration and Production**

Unconventionals	\$2,850
Production	1,475
Developments	925
Exploration	550
<b>Total</b>	<b>\$5,800</b>

**By Region:**

**Exploration and Production**

United States	\$3,700
Europe	525
Africa	650
Asia and Other	925
<b>Total</b>	<b>\$5,800</b>

\*Note: 2014 Capital and Exploratory expenditures of \$5.8 billion exclude capital spending associated with Retail Marketing and the \$290 million acquisition of the 56 percent equity interest in WilcoHess that Hess Corporation does not own. This transaction which was originally expected to close in the fourth quarter of 2013 is now anticipated to close in the first quarter of 2014. As previously announced, Hess Corporation plans to spin or sell its Retail Marketing business with completion expected in mid-2014.

Hess Corporation is a leading global independent energy company engaged in the exploration and production of crude oil and natural gas. 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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