



Hess Corporation, North Dakota Officials Gather to Celebrate Expansion of Tioga Gas Plant

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TIOGA, N.D.--(BUSINESS WIRE)--May 19, 2014-- Hess Corporation (NYSE:HES) was joined today by Governor Jack Dalrymple, Senator John Hoeven and a host of other government officials to commemorate the recently completed expansion of the Tioga Gas Plant, which more than doubles the operational capacity of the facility.

The project is part of a more than \$1.5 billion infrastructure investment made by Hess between 2012 and 2014 in North Dakota that has significantly increased production of propane, methane, butane and natural gasoline, and of ethane, a vital industrial product never before produced in the state. The expansion also brings a substantial improvement in efficiency and significantly reduces the amount of natural gas flared at Hess's operations, from about 25 percent before the plant was shut down for the expansion project to 15 to 20 percent today.

"The Tioga Gas Plant was built in 1954, just three years after we drilled the very first oil well in the state of North Dakota," said John Hess, Chief Executive Officer of Hess Corporation. "Today, as one of the largest oil and gas producers in the Bakken, we are committed to responsible long-term growth in North Dakota and proud to contribute to the state's infrastructure."

The plant is fully operational and is currently processing about 120 million standard cubic feet of gas per day (MMSCFD), with the expectation that through the combination of Hess and third-party gas it will soon process at least 250 MMSCFD with the potential to increase beyond 300 MMSCFD. Prior to expansion, the plant processed about 100 MMSCFD.

"North Dakota leads the oil and gas industry because it is an attractive place to invest, with strong public-private partnerships, responsible regulation and a firm commitment to work hand-in-hand with the business community," Hess said. "Since 2010, we have invested more than \$10 billion in North Dakota, we currently have a 17 rig drilling program with 2014 net production expected to average 80,000 to 90,000 barrels of oil equivalent per day, and are proud to contribute to the state's economic success. I would like to personally thank Governor Dalrymple, Senators Hoeven and Heitkamp, Rep. Cramer, and the state regulatory agencies that made these investments possible."

"I'm very excited about the opening of Hess Corporation's expanded gas plant in Tioga," Governor Jack Dalrymple said. "It means leadership for other companies that are taking advantage of the Bakken oil boom. It's an example of what we need to see, which is more capturing of natural gas and more added value to the product. We are very grateful to Hess for showing the way."

"We appreciate the tremendous investment Hess is making in North Dakota, which amounts to \$1.5 billion not only for this expansion, but also for four new gas gathering projects the company expects to complete by the end of the year," U.S. Senator John Hoeven said. "This new expansion more than doubles the plant's capacity to produce natural gas, more than triples the amount of propane available to North Dakota and the region, and at the same time significantly reduces flaring in the oil patch. That's a huge win for our state and our country."

"Hess has a long history in North Dakota, and it's great news the company is continuing to invest in our state and build on its current facilities," said U.S. Senator Heidi Heitkamp. "With natural gas, North Dakota has an excellent opportunity to greatly expand its already incredible energy production and move toward fully using our vast natural resources. To make this a reality, we need to make significant infrastructure investments, which is why the Tioga Gas Plant expansion is so important. For years, we have wasted valuable natural gas through flaring, but with critical investments in processing capacity, like we are celebrating today, we can move closer toward energy independence."

"The legacy of Hess in North Dakota is inseparable from the story of our booming economy. This expansion grows our portfolio of hydrocarbon and natural gas exports while reducing flaring, continuing their rich tradition of responsibly developing our state's energy capabilities," said Congressman Kevin Cramer.

Hess Corporation has a world-class acreage position, with 640,000 net acres in the Bakken. The company's full year 2014 production forecast for the Bakken is 80,000 to 90,000 barrels of oil equivalent per day. The gas plant expansion, as well as other recent infrastructure improvements made in North Dakota, is part of the company's growth strategy.

"As a leading operator in one of the best shale plays in the world, the Bakken will be the single biggest contributor to our production growth over the next five years," said Greg Hill, President and Chief Operating Officer of Exploration and Production for Hess. "We expect that by 2018, we'll be producing 150,000 barrels of oil equivalent per day from the Bakken."

Hill was proud to credit employees for the successful expansion project. "Our successes here are made possible by the incredibly talented employees and contractors we have in place, who have worked tirelessly to bring this plant online safely," Hill said.

At the peak of plant expansion, there were about 1,400 people working at the site, with more than 5 million total man-hours accumulated over about a 2 1/2 year period. During the final 9 months to complete the project and commission the plant, these crews worked 2.3 million man hours without a single recordable injury.

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>.

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