



## Hess Corporation Announces 2015 Capital and Exploratory Budget

January 26, 2015

NEW YORK--(BUSINESS WIRE)--Jan. 26, 2015-- Hess Corporation (NYSE:HES) announced today a 2015 capital and exploratory budget of \$4.7 billion, a 16 percent reduction from its 2014 actual spend of \$5.6 billion.

Of this, \$2.1 billion (45 percent) is budgeted for unconventional shale resources, \$1.2 billion (26 percent) for production, \$1.0 billion (21 percent) for developments and \$0.4 billion (8 percent) for exploration.

CEO John Hess said: "Our company is well positioned to manage through the current price environment, with a strong balance sheet and resilient portfolio. Our 2015 budget reflects a disciplined approach to maintaining our financial strength and flexibility while preserving our long term growth options."

Greg Hill, President and COO, stated: "We are reducing our 2015 spending in the Bakken to \$1.8 billion, compared with \$2.2 billion in 2014. In 2015, we plan to operate an average of 9.5 rigs and bring approximately 210 new operated wells online, compared with 17 rigs and 238 operated wells brought online in 2014.

"Hess has some of the best acreage in the Bakken, and we will continue to drill in the core of the play which offers the most attractive returns. Substantially all our core acreage is held by production, which allows us to defer investment in the short term while maintaining the long term value and optionality of this important asset. As oil prices recover we will increase activity and production accordingly.

"In the Utica, we plan to spend \$290 million compared with approximately \$500 million last year, as we transition to early development at a measured pace in this price environment and as infrastructure builds out. Over 2015 our joint venture with CONSOL intends to execute a two rig program focused in the core of the wet gas window and bring 25-30 new wells online, compared with four rigs and 39 new wells in 2014.

"Our 2015 budget also includes continued offshore production drilling at the Tubular Bells and Shenzi fields in the deepwater Gulf of Mexico, at the South Arne Field in Denmark, the Valhall Field in Norway, the Okume Complex in Equatorial Guinea, and also in the Joint Development Area of the Gulf of Thailand. Additionally the budget will fund continued full field development of the North Malay Basin project in Malaysia and development of the Stampede Field in the deepwater Gulf of Mexico. Our 2015 exploration drilling program includes wells in the deepwater Gulf of Mexico, offshore Guyana and Kurdistan."

### Unconventionals - \$2.1 billion:

- \$1.8 billion for the development of the Bakken Shale in North Dakota. Approximately \$1.45 billion is dedicated to drilling and completion activities, pad level facilities and low pressure gathering lines; \$350 million is planned for major infrastructure projects
- \$290 million for drilling 20-25 wells in the core of the wet gas window of the Utica Shale play in Ohio

### Production - \$1.2 billion:

- \$300 million to drill four production wells and begin one water injection well at the South Arne Field (Hess 62 percent and operator) in Denmark, and to bring three production wells online and drill one new well at the Valhall Field in Norway (Hess 64 percent, BP operator)
- \$250 million to complete drilling of one production well and one water injection well, and for continued facilities work at the Tubular Bells Field (Hess 57.1 percent and operator) in the deepwater Gulf of Mexico
- \$220 million to drill two production wells (Hess 85 percent and operator) in Equatorial Guinea
- \$200 million to complete drilling of production, appraisal and water injection wells at the Shenzi Field (Hess 28 percent, BHP operator) and for small-scale well-related activity elsewhere in the deepwater Gulf of Mexico
- \$175 million to drill 8-10 wells and progress the ongoing Booster Compression project in the Joint Development Area (Hess 50 percent) in the Gulf of Thailand

### Developments - \$1.0 billion:

- \$600 million to install three wellhead platform jackets, progress fabrication and commence Phase 1 drilling for the North Malay Basin full field development project (Hess 50 percent and operator) in Malaysia
- \$300 million to progress hull and topsides fabrication and commence drilling at the Stampede Field (Hess 25 percent and operator) in the deepwater Gulf of Mexico

### Exploration - \$0.4 billion:

- Drill the Sicily well (Hess 25 percent, Chevron operator) in the deepwater Gulf of Mexico
- Drill the Liza well (Hess 30 percent, Esso Exploration and Production Guyana Limited operator) in offshore Guyana

- Complete drilling operations in the Dinarta block (Hess 80 percent and operator) in Kurdistan

**2015 Estimated Capital and Exploratory Expenditures**

(\$ Billions)

<b>By Segment:</b>		<b>By Region:</b>	
<b>Exploration and Production</b>		<b>Exploration and Production</b>	
Unconventionals	\$2.1	United States	\$3.1
Production	1.2	Europe	0.3
Developments	1.0	Africa	0.2
Exploration	0.4	Asia and Other	1.1
<b>Total</b>	<b>\$4.7</b>		<b>\$4.7</b>

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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