



Hess Announces 2016 E&P Capital and Exploratory Budget

January 26, 2016

NEW YORK--(BUSINESS WIRE)--Jan. 26, 2016-- Hess Corporation (NYSE: HES) announced today a 2016 E&P capital and exploratory budget of \$2.4 billion, a 40 percent reduction from its 2015 actual spend of \$4.0 billion and approximately 20 percent below preliminary 2016 guidance of \$2.9-\$3.1 billion provided in October.

The \$2.4 billion budget is allocated as follows: \$470 million (20 percent) for unconventional shale resources, \$610 million (25 percent) for production, \$820 million (34 percent) for developments and \$500 million (21 percent) for exploration and appraisal activities.

Net production is forecast to average between 330,000 and 350,000 barrels of oil equivalent per day in 2016. Bakken net production is forecast to average between 95,000 and 105,000 barrels of oil equivalent per day in 2016. These production forecasts are unchanged from preliminary guidance provided in October.

"In 2016 Hess will remain focused on preserving the strength of our balance sheet, our top quartile operating capabilities and our long term growth options," CEO John Hess said. "While we are well positioned to navigate the current low oil price environment with one of the strongest balance sheets and liquidity positions among our E&P peers, we are also well positioned to benefit from a recovery in prices, with a high quality portfolio that is leveraged to oil and offers attractive investment opportunities which will create long term value for our shareholders."

Greg Hill, President and COO, stated: "We take a long term view to managing our business and we will continue to invest in our growth projects and prospects, including exploration and appraisal activities. However, in response to the current low oil price environment, we have significantly decreased our 2016 capital and exploratory expenditures and we plan to reduce activity at all of our producing assets. Moreover, we will continue to pursue further cost reductions and efficiency gains across our portfolio."

Unconventionals - \$470 million, including:

- \$425 million to operate two rigs and bring online approximately 80 new wells in the Bakken Shale in North Dakota
- \$45 million to drill five wells and bring 14 new wells online in the Utica Shale in Ohio during the first quarter of 2016, after which the rig will be released

Production - \$610 million, including:

- \$375 million for production activities in the deepwater Gulf of Mexico, including the drilling and completion of a production well and completion of a water injection well at the Tubular Bells Field (Hess 57.1 percent and operator), a production well at the Conger Field (Hess 37.5 percent and operator) and a water injection well at the Shenzi Field (Hess 28 percent, BHP operator)
- \$140 million to complete the current stage of the Phase 3 drilling campaign at the South Arne Field (Hess 61.5 percent and operator) in Denmark by the end of the first quarter and for operations at the Valhall Field (Hess 64 percent, BP operator) in Norway
- \$50 million to complete the Booster Compression project and processing of new broadband seismic data in the Joint Development Area in the Gulf of Thailand (Hess 50 percent, Carigali Hess operator)

Developments - \$820 million, including:

- \$375 million to progress full field development of the North Malay Basin project (Hess 50 percent and operator) in Malaysia
- \$325 million to integrate hull and topsides, install subsea umbilicals, risers and flowlines and commence drilling at the Stampede Field (Hess 25 percent and operator) in the deepwater Gulf of Mexico
- \$70 million for pre-development activities at the Liza Field (Hess 30 percent, Esso Exploration and Production Guyana Limited operator) in Guyana

Exploration and Appraisal - \$500 million, including:

- \$250 million to drill up to four wells on the Stabroek Block, offshore Guyana that include evaluating the significant Liza discovery, a drill stem test, and additional exploration activities
- \$175 million for drilling in the deepwater Gulf of Mexico including an appraisal well to delineate the Sicily discovery (Hess 25 percent, Chevron operator) and an exploration well at the Melmar prospect (Hess 35 percent, ConocoPhillips operator), a large Paleogene four way structure in the Perdido Fold Belt, and other exploration activities

2016 Estimated Capital and Exploratory Expenditures

(\$ Millions)

By Segment:

Exploration and Production

Unconventionals	\$ 470
Production	610
Developments	820
Exploration and Appraisal	500
Total	\$ 2,400

By Region:

Exploration and Production

United States	\$ 1,400
Europe	140
Africa	40
Asia and Other	820
Total	\$ 2,400

Note: This budget excludes expenditures associated with Hess' 50 percent interest in Hess Infrastructure Partners, which has a 2016 capital budget of \$340 million and will be funded at the joint venture level.

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.

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