



Hess Announces 2018 E&P Capital and Exploratory Budget

January 31, 2018

Planned Expenditures Flat with 2017; Focus on High Return Projects in Guyana and the Bakken

NEW YORK--(BUSINESS WIRE)--Jan. 31, 2018-- Hess Corporation (NYSE:HES) today announced its 2018 E&P capital and exploratory budget will be \$2.1 billion, the same as 2017. The 2018 budget allocates increased capital for continuing exploration and development activities offshore Guyana and for the Bakken, which includes growing the rig count from four rigs to six rigs. These increases are offset by lower capital allocated to the Gulf of Mexico and Malaysia compared to 2017.

"We are allocating approximately two thirds of our 2018 budget to our transformative investment opportunity in Guyana that continues to get bigger and better and to our low cost position in the core of the Bakken, which together are expected to drive industry leading returns for Hess shareholders for many years to come," CEO John Hess said. "Our 2018 budget is consistent with our strategy to grow our resource base in a capital disciplined manner, move down the cost curve so we are resilient in a low oil price environment, and be cash generative at a \$50 per barrel Brent oil price post 2020. As a result of our disciplined portfolio reshaping efforts over the past year, we are extremely well positioned to fund and execute on our strategy."

The \$2.1 billion budget is allocated as follows: \$1,170 million (56 percent) for production, \$555 million (26 percent) for offshore developments and \$375 million (18 percent) for exploration and appraisal activities.

Production

- \$900 million primarily to increase from four rigs to six rigs by the end of 2018 and to drill approximately 120 new wells and to bring online approximately 95 new wells in the Bakken Shale in North Dakota. Funds are also included for non-operated wells and pad construction in preparation for 2018-2019 drilling.
- \$175 million for production activities at North Malay Basin (Hess 50 percent and operator) and the Malaysia/Thailand Joint Development Area (Hess 50 percent) in the Gulf of Thailand.
- \$95 million for production operations in the deepwater Gulf of Mexico, completion of five previously drilled wells in the Utica Shale in Ohio (Hess 50 percent and operator), production operations in Libya (Hess 8.16 percent), and production operations at the South Arne Field (Hess 61.5 percent and operator) in Denmark, where a sales process is underway that is expected to be completed in 2018.

Developments

- \$250 million associated with the Liza Phase 1 development offshore Guyana (Hess 30 percent), where development drilling is expected to commence in the second quarter of 2018 with first production expected by 2020.
- \$65 million for front end engineering and design work for future development phases and capitalized interest in Guyana.
- \$240 million for continued development of the Stampede Field in the deepwater Gulf of Mexico (Hess 25 percent and operator), which is on track to start up in the first quarter of 2018.

Exploration and Appraisal

- \$375 million to drill exploration and appraisal wells on the Stabroek Block offshore Guyana (Hess 30 percent), one exploration well on Block 42 in Suriname (Hess 33 percent) and one exploration well offshore Nova Scotia, Canada (Hess 50 percent). Funds are also included for seismic acquisition and processing and for license acquisitions.

2018 Estimated Capital and Exploratory Expenditures

(\$ Millions)

By Segment:

Exploration and Production

Production

1,170

Developments

555

By Region:

Exploration and Production

United States

\$ 1,325

South America

500

Asia

175

Exploration and Appraisal	375	Other	100
Total	\$ 2,100		\$ 2,100

Note: This budget excludes expenditures associated with the Midstream segment. The Other category includes: Canada, Libya and Denmark.

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.

View source version on businesswire.com: <http://www.businesswire.com/news/home/20180131005681/en/>

Source: Hess Corporation

Hess Corporation

Investors:

Jay Wilson, 212-536-8940

jwilson@hess.com

or

Media:

Lorrie Hecker, 212-536-8250

lhecker@hess.com