



Hess Sanctions Liza Phase 2 Development Offshore Guyana

May 3, 2019

- **Liza Phase 2 received government and regulatory approvals and is on track to startup by mid-2022, producing up to 220,000 barrels of oil per day**
- **Phase 1 on schedule for first oil by first quarter of 2020**
- **Investment by partners in Guyanese economy continues to increase**

NEW YORK--(BUSINESS WIRE)--May 3, 2019-- Hess Corporation (NYSE: HES) today announced it has received regulatory approval from the government of Guyana and has made a final investment decision to proceed with the second phase of development of the Liza Field on the Stabroek Block, offshore Guyana.

Liza Phase 2 will utilize the Liza Unity Floating Production, Storage and Offloading vessel (FPSO) which will have the capacity to produce up to 220,000 gross barrels of oil per day. Six drill centers are planned with a total of 30 wells, including 15 production wells, nine water injection wells and six gas injection wells. First oil is expected by mid-2022. The development is expected to have a gross capital cost of approximately US\$6 billion, including a lease capitalization cost of approximately US\$1.6 billion for the FPSO, and will develop approximately 600 million barrels of oil. Excluding pre-sanction and lease costs (which will be accounted for as operating expense), Hess' net share of development costs is forecast to be approximately US\$1.6 billion, of which US\$210 million is already included in Hess' 2019 capital and exploratory budget.

"We are excited to achieve another significant milestone in the development of the Stabroek Block," CEO John Hess said. "We look forward to continuing to work with the Government of Guyana and our partners to realize the extraordinary potential of this world class resource."

Update on Other Stabroek Developments

Liza Phase 1 remains on track to achieve first oil by the first quarter of 2020. It will produce up to 120,000 gross barrels of oil per day at peak rates utilizing the Liza Destiny FPSO, which is expected to arrive offshore Guyana in the third quarter of 2019.

A final investment decision is expected later this year for a third phase of development, Payara, subject to government and regulatory approvals. The Payara development is expected to produce between 180,000 and 220,000 gross barrels of oil per day with startup as early as 2023. Following the recent Yellowtail and Tilapia discoveries, the Turbot area is also expected to become another major development hub, and additional development potential is being evaluated in other areas of the Stabroek Block including at Hammerhead.

Exploration and Appraisal Update

Exploration activities continue at other locations on the Stabroek Block. Following completion of well operations at the recently announced Yellowtail discovery, the Noble Tom Madden will next drill the Hammerhead-2 well. The Stena Carron will next drill the Hammerhead-3 well and will drill a second well at the Ranger discovery later in 2019. The Noble Bob Douglas drillship is currently completing development drilling operations for the Liza Phase 1 development. ExxonMobil also will add another drillship, the Noble Don Taylor, in the fourth quarter bringing the number of drillships offshore Guyana to four.

Community Investment

The partners' investment in the Guyanese economy has continued to increase. The number of Guyanese nationals supporting project activities more than doubled in 2018 to more than 1,000. ExxonMobil and its co-venturers spent nearly US\$60 million with more than 500 Guyanese vendors in 2018. More than 1,500 Guyanese companies are registered with the Centre for Local Business Development, which was founded by ExxonMobil and its co-venturers in 2017 with the mission of supporting local businesses to become globally competitive.

The Stabroek Block is 6.6 million acres (26,800 square kilometers). Current gross discovered recoverable resources are estimated to be more than 5.5 billion barrels of oil equivalent. The 13 discoveries on the block to date have established the potential for at least five floating production, storage and offloading (FPSO) vessels producing more than 750,000 barrels of oil per day by 2025. ExxonMobil affiliate Esso Exploration and Production Guyana Limited is operator and holds 45 percent interest in the Stabroek Block. Hess Guyana Exploration Ltd. holds 30 percent interest and CNOOC Petroleum Guyana Limited, a wholly-owned subsidiary of CNOOC Limited, holds 25 percent interest.

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.

We use certain terms in this release relating to resources other than proved reserves, such as unproved reserves or resources. Investors are urged to consider closely the disclosure relating to proved reserves in Hess' Form 10-K, File No. 1-1204, available from Hess Corporation, 1185 Avenue of the

Americas, New York, New York 10036 c/o Corporate Secretary and on our website at www.hess.com You can also obtain this form from the SEC on the EDGAR system.

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