



Hess Announces 2020 E&P Capital and Exploratory Budget

January 28, 2020

Planned Expenditures in Line with Previous Guidance; Majority Allocated to High Return Investment Opportunities in Guyana and the Bakken

NEW YORK--(BUSINESS WIRE)--Jan. 28, 2020-- Hess Corporation (NYSE: HES) today announced a 2020 Exploration & Production capital and exploratory budget of \$3.0 billion, of which more than 80% will be allocated to high return investments in Guyana and the Bakken.

Net production is forecast to average between 330,000 and 335,000 barrels of oil equivalent per day in 2020, excluding Libya. Bakken net production is forecast to average approximately 180,000 barrels of oil equivalent per day in 2020.

"We continue to successfully execute our long term strategy, with the majority of our capital budget directed to Guyana and the Bakken -- two of the highest return investment opportunities in our industry that will become significant, long term cash generators for our company," CEO John Hess said. "We are well positioned to deliver industry leading cash flow growth while also achieving significant reductions in our unit costs, which will drive margin expansion and lower our breakeven oil price to below \$40 per barrel Brent by 2025."

Chief Operating Officer Greg Hill said: "In the Bakken, we plan to maintain a six rig program through the year, which is expected to result in our net production growing to approximately 200,000 barrels of oil equivalent per day by the end of 2020. Offshore Guyana, with the Liza Phase 1 development now on production, our focus in 2020 will be on the Liza Phase 2 development and on front end engineering design work to develop the Payara Field. We also will continue to invest in an active exploration and appraisal program in Guyana on both the Stabroek and Kaieteur Blocks and in the deepwater Gulf of Mexico."

The \$3.0 billion budget is allocated as follows: \$1.69 billion (56%) for production, \$860 million (29%) for offshore Guyana developments and \$450 million (15%) for exploration and appraisal activities.

Production

- \$1.375 billion to fund a six rig program in the Bakken. The company expects to drill approximately 170 new wells and to bring online approximately 175 new wells in 2020. Funds are also included for investment in non-operated wells.
- \$135 million for production operations in the deepwater Gulf of Mexico, including development of the Esox-1 tieback (Hess 57.14% and operator).
- \$170 million for production activities at North Malay Basin (Hess 50% and operator) and the Malaysia/Thailand Joint Development Area (Hess 50%) in the Gulf of Thailand.

Developments

- \$100 million associated with the Liza Phase 1 development offshore Guyana (Hess 30%), where first production was achieved in December 2019.
- \$400 million for the Liza Phase 2 development, where first production is expected by mid 2022.
- \$360 million to progress development plans for the Payara Field, where production is expected as early as 2023, and for front end engineering and design work for future developments.

Exploration and Appraisal

- \$450 million to drill exploration and appraisal wells on the Stabroek and Kaieteur Blocks offshore Guyana (Hess 30% and 15%, respectively) and two exploration wells in the Gulf of Mexico. Funds are also included for seismic acquisition and processing in Guyana, Suriname and the deepwater Gulf of Mexico, and for license acquisitions.

2020 Estimated Capital and Exploratory Expenditures

(\$ Millions)

By Segment:

By Region:

Exploration and Production	Exploration and Production		
Production	\$1,690	United States	\$1,730
Developments	860	International	1,270
Exploration and Appraisal	450		
Total	\$3,000		\$3,000

Note: This budget excludes expenditures associated with the Midstream segment.

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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