



Hess Announces 2021 E&P Capital and Exploratory Budget

January 25, 2021

Majority Allocated to World Class Guyana Developments and Bakken Two Rig Program

NEW YORK--(BUSINESS WIRE)--Jan. 25, 2021-- Hess Corporation (NYSE: HES) today announced a 2021 Exploration & Production capital and exploratory budget of \$1.9 billion, of which more than 80% will be allocated to Guyana and the Bakken.

Net production is forecast to average approximately 310,000 barrels of oil equivalent per day in 2021, excluding Libya. Bakken net production is forecast to average approximately 170,000 barrels of oil equivalent per day in 2021. This forecast includes the impact of operating a two rig program beginning in the first quarter and a planned 45-day turnaround and expansion tie-in at the Tioga Gas Plant in the third quarter, which is expected to reduce full year 2021 Bakken net production by approximately 7,500 barrels of oil equivalent per day.

"Our capital program reflects our disciplined approach in the current oil price environment to preserve cash, core capabilities and the long term value of our assets," CEO John Hess said. "The majority of our 2021 budget is allocated to Guyana, where our three sanctioned oil developments have a Brent breakeven oil price of between \$25 and \$35 per barrel, and to the Bakken, where we have a large inventory of future drilling locations that generate attractive financial returns at current prices. By investing only in high return, low cost opportunities, we have built a differentiated portfolio of assets that we believe will provide industry leading cash flow growth over the course of the decade."

Chief Operating Officer Greg Hill said: "In the Bakken, we plan to add a second rig during the first quarter, which will allow us to sustain production and cash flow generation from this important asset. Offshore Guyana, our focus in 2021 will be on advancing our next two sanctioned developments to first oil – Liza Phase 2 in early 2022 and Payara in 2024 – and on front end engineering and design work for future development phases on the Stabroek Block. We also will continue to invest in an active exploration and appraisal program, with 12-15 wells planned on the Stabroek Block."

The \$1.9 billion budget is allocated as follows: \$670 million (35%) for production, \$780 million (41%) for offshore Guyana developments and \$450 million (24%) for exploration and appraisal activities.

Production

- \$450 million to fund a two rig program in the Bakken. The company expects to drill approximately 55 gross operated wells and to bring online approximately 45 wells in 2021. Funds are also included for investment in nonoperated wells.
- \$165 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

- \$25 million associated with the Liza Phase 1 development on the Stabroek Block in Guyana (Hess 30%), where production reached nameplate capacity of 120,000 gross barrels of oil per day in December 2020.
- \$450 million for the Liza Phase 2 development with a capacity of up to 220,000 gross barrels of oil per day, with first production expected in early 2022.
- \$235 million for the Payara development with a capacity of up to 220,000 gross barrels of oil per day, with first production expected in 2024.
- \$70 million primarily for front end engineering and design work for future development phases on the Stabroek Block.

Exploration and Appraisal

- \$450 million to drill 12-15 exploration and appraisal wells on the Stabroek Block in Guyana (Hess 30%). Funds are also included for well planning on Block 42 in Suriname (Hess 33.3%), seismic acquisition and processing in Guyana and the Deepwater Gulf of Mexico and for license acquisitions.

2021 Estimated Capital and Exploratory Expenditures

(\$ Millions)

By Segment:

By Region:

Exploration and Production		Exploration and Production	
Production	\$670	United States	\$590
Developments	780	South America	1,125
Exploration and Appraisal	450	Asia and Other	185
Total	\$1,900		\$1,900

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 release contains "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Words such as "anticipate," "estimate," "expect," "forecast," "guidance," "could," "may," "should," "would," "believe," "intend," "project," "plan," "predict," "will," "target" and similar expressions identify forward-looking statements, which are not historical in nature. Our forward-looking statements may include, without limitation: our future financial and operational results; our business strategy; estimates of our crude oil and natural gas reserves and levels of production; benchmark prices of crude oil, natural gas liquids and natural gas and our associated realized price differentials; our projected budget and capital and exploratory expenditures; expected timing and completion of our development projects; and future economic and market conditions in the oil and gas industry.

Forward-looking statements are based on our current understanding, assessments, estimates and projections of relevant factors and reasonable assumptions about the future. Forward-looking statements are subject to certain known and unknown risks and uncertainties that could cause actual results to differ materially from our historical experience and our current projections or expectations of future results expressed or implied by these forward-looking statements. The following important factors could cause actual results to differ materially from those in our forward-looking statements: fluctuations in market prices of crude oil, natural gas liquids and natural gas and competition in the oil and gas exploration and production industry, including as a result of the global COVID-19 pandemic; reduced demand for our products, including due to the global COVID-19 pandemic or the outbreak of any other public health threat, or due to the impact of competing or alternative energy products and political conditions and events; potential failures or delays in increasing oil and gas reserves, including as a result of unsuccessful exploration activity, drilling risks and unforeseen reservoir conditions, and in achieving expected production levels; changes in tax, property, contract and other laws, regulations and governmental actions applicable to our business, including legislative and regulatory initiatives regarding environmental concerns, such as measures to limit greenhouse gas emissions and flaring as well as fracking bans; disruption or interruption of our operations due to catastrophic events, such as accidents, severe weather, geological events, shortages of skilled labor, cyber-attacks or health measures related to COVID-19; the ability of our contractual counterparties to satisfy their obligations to us, including the operation of joint ventures under which we may not control; unexpected changes in technical requirements for constructing, modifying or operating exploration and production facilities and/or the inability to timely obtain or maintain necessary permits; availability and costs of employees and other personnel, drilling rigs, equipment, supplies and other required services; any limitations on our access to capital or increase in our cost of capital, including as a result of weakness in the oil and gas industry or negative outcomes within commodity and financial markets; liability resulting from litigation, including heightened risks associated with being a general partner of Hess Midstream LP; and other factors described in Item 1A—Risk Factors in our Annual Report on Form 10-K and any additional risks described in our other filings with the Securities and Exchange Commission.

As and when made, we believe that our forward-looking statements are reasonable. However, given these risks and uncertainties, caution should be taken not to place undue reliance on any such forward-looking statements since such statements speak only as of the date when made and there can be no assurance that such forward-looking statements will occur and actual results may differ materially from those contained in any forward-looking statement we make. Except as required by law, we undertake no obligation to publicly update or revise any forward-looking statements, whether because of new information, future events or otherwise.

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