



**HESS CORPORATION**

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***News Release***

**HESS REPORTS ESTIMATED RESULTS FOR THE FIRST QUARTER OF 2012**

**First Quarter Highlights:**

- **Net income was \$545 million, compared with \$929 million in the first quarter of 2011**
- **Net income excluding items affecting comparability between periods was \$509 million, compared with \$619 million in the first quarter of 2011**
- **Oil and gas production was 397,000 barrels of oil equivalent per day, compared with 399,000 in the first quarter of 2011**

**NEW YORK, April 25, 2012** -- Hess Corporation (NYSE: HES) reported net income of \$545 million for the first quarter of 2012 compared with \$929 million for the first quarter of 2011. The after-tax income (loss) by major operating activity was as follows:

	Three Months Ended March 31, (unaudited)	
	2012	2011
	(In millions, except per share amounts)	
Exploration and Production	\$ 635	\$ 979
Marketing and Refining	11	39
Corporate	(38)	(28)
Interest expense	(63)	(61)
Net income attributable to Hess Corporation	<u>\$ 545</u>	<u>\$ 929</u>
Net income per share (diluted)	<u>\$ 1.60</u>	<u>\$ 2.74</u>
Weighted average number of shares (diluted)	<u>340.3</u>	<u>339.2</u>

Note: See the following page for a table of items affecting comparability of earnings between periods.

Exploration and Production earnings were \$635 million in the first quarter of 2012 compared with \$979 million in the first quarter of 2011. The Corporation's average worldwide crude oil selling price, including the effect of hedging, was \$89.92 per barrel, up from \$87.22 per barrel in the same quarter a year ago. The average worldwide natural gas selling price was \$6.23 per mcf in the first quarter of 2012, up from \$5.84 per mcf in the first quarter of 2011. First quarter

oil and gas production was 397,000 barrels of oil equivalent per day compared with 399,000 barrels of oil equivalent per day in the first quarter a year ago.

Marketing and Refining earnings were \$11 million in the first quarter of 2012 compared with \$39 million in the same period in 2011. Marketing earnings, reflecting the impact of a mild winter on energy marketing operations, were \$22 million in the first quarter of 2012 compared with \$68 million in the first quarter of 2011. Refining operations incurred a loss of \$6 million in the first quarter of 2012, compared with a loss of \$48 million in the first quarter a year ago. Trading results were a loss of \$5 million in the first quarter of 2012, compared with income of \$19 million in the first quarter of last year.

The following table reflects the total after-tax income (expense) of items affecting comparability of earnings between periods:

	Three Months Ended March 31, (unaudited)	
	2012	2011
	(Millions of dollars)	
Exploration and Production	\$ 36	\$ 310

First quarter 2012 results included a gain of \$36 million related to the sale of the Corporation's interest in the Snohvit Field, offshore Norway.

Net cash provided by operating activities was \$988 million in the first quarter of 2012, compared with \$1,135 million in the same quarter of 2011. Capital and exploratory expenditures were \$1,986 million, of which \$1,963 million related to Exploration and Production operations. Capital and exploratory expenditures for the first quarter of 2011 were \$1,186 million, of which \$1,173 million related to Exploration and Production operations.

At March 31, 2012, cash and cash equivalents totaled \$396 million compared with \$351 million at December 31, 2011. Total debt was \$6,978 million at March 31, 2012 and \$6,057 million at December 31, 2011. The Corporation's debt to capitalization ratio at March 31, 2012 was 26.7 percent compared with 24.6 percent at the end of 2011.

Hess Corporation will review first quarter financial and operating results and other matters on a webcast at 10 a.m. today. For details about the event, refer to the Investor Relations section of our website at [www.hess.com](http://www.hess.com).

Hess Corporation, with headquarters in New York, is a global integrated energy company engaged in the exploration, production, purchase, transportation and sale of crude oil and natural gas, as well as the production and sale of refined petroleum products. More information on Hess Corporation is available at [www.hess.com](http://www.hess.com).

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*Forward-looking Statements*

Certain statements in this release may constitute "forward-looking statements" within the meaning of Section 21E of the United States Securities Exchange Act of 1934, as amended, and Section 27A of the United States Securities Act of 1933, as amended. Forward-looking statements are subject to known and unknown risks and uncertainties and other factors which may cause actual results to differ materially from those expressed or implied by such statements, including, without limitation, uncertainties inherent in the measurement and interpretation of geological, geophysical and other technical data.

**HESS CORPORATION AND CONSOLIDATED SUBSIDIARIES**  
**SUPPLEMENTAL FINANCIAL DATA (UNAUDITED)**  
**(IN MILLIONS OF DOLLARS)**

	First Quarter 2012	First Quarter 2011	Fourth Quarter 2011
<u>Income Statement</u>			
Revenues and Non-operating Income			
Sales (excluding excise taxes) and other operating revenues	\$ 9,682	\$ 10,215	\$ 9,733
Income (loss) from equity investment in HOVENSA L.L.C.	-	(48)	(940)
Other, net	65	348	31
Total revenues and non-operating income	9,747	10,515	8,824
Costs and Expenses			
Cost of products sold (excluding items shown separately below)	6,679	7,040	6,712
Production expenses	673	531	613
Marketing expenses	251	283	273
Exploration expenses, including dry holes and lease impairment	253	313	426
Other operating expenses	41	42	44
General and administrative expenses	167	164	187
Interest expense	104	99	93
Depreciation, depletion and amortization	681	558	674
Total costs and expenses	8,849	9,030	9,022
Income (loss) before income taxes	898	1,485	(198)
Provision (benefit) for income taxes	338	511	(64)
Net income (loss)	560	974	(134)
Less: Net income (loss) attributable to noncontrolling interests	15	45	(3)
Net income (loss) attributable to Hess Corporation	\$ 545	\$ 929	\$ (131)
<u>Supplemental Income Statement Information</u>			
Foreign currency gains (losses), after-tax	\$ 9	\$ (3)	\$ (8)
Capitalized interest	5	2	5
<u>Cash Flow Information</u>			
Net cash provided by operating activities (a)	\$ 988 (b)	\$ 1,135	\$ 1,138
<u>Capital and Exploratory Expenditures</u>			
Exploration and Production			
United States	\$ 1,241	\$ 540	\$ 1,372
International	722	633	813
Total Exploration and Production	1,963	1,173	2,185
Marketing, Refining and Corporate	23	13	51
Total Capital and Exploratory Expenditures	\$ 1,986	\$ 1,186	\$ 2,236
Exploration expenses charged to income included above			
United States	\$ 37	\$ 42	\$ 51
International	71	62	70
	\$ 108	\$ 104	\$ 121

(a) Includes changes in working capital.

(b) Net of payments to HOVENSA L.L.C. totaling \$487 million to fully fund our share of previously accrued refining shutdown costs.

**HESS CORPORATION AND CONSOLIDATED SUBSIDIARIES**  
**SUPPLEMENTAL FINANCIAL DATA (UNAUDITED)**  
**(IN MILLIONS OF DOLLARS)**

	<u>March 31,</u> <u>2012</u>	<u>December 31,</u> <u>2011</u>
<u>Balance Sheet Information</u>		
Cash and cash equivalents	\$ 396	\$ 351
Other current assets	7,816	7,988
Investments	415	384
Property, plant and equipment – net	26,052	24,712
Other long-term assets	<u>5,968</u>	<u>5,701</u>
Total assets	<u>\$ 40,647</u>	<u>\$ 39,136</u>
Short-term debt and current maturities of long-term debt	\$ 38	\$ 52
Other current liabilities	8,153	8,048
Long-term debt	6,940	6,005
Other long-term liabilities	6,359	6,439
Total equity excluding other comprehensive income (loss)	20,214	19,659
Accumulated other comprehensive income (loss)	<u>(1,057)</u>	<u>(1,067)</u>
Total liabilities and equity	<u>\$ 40,647</u>	<u>\$ 39,136</u>

**HESS CORPORATION AND CONSOLIDATED SUBSIDIARIES**  
**EXPLORATION AND PRODUCTION EARNINGS (UNAUDITED)**  
**(IN MILLIONS OF DOLLARS)**

	First Quarter 2012		
	United States	International	Total
Sales and other operating revenues	\$ 923	\$ 1,697	\$ 2,620
Other, net	-	63	63
Total revenues and non-operating income	923	1,760	2,683
Costs and expenses			
Production expenses, including related taxes	231	442	673
Exploration expenses, including dry holes and lease impairment	78	175	253
General, administrative and other expenses	38	27	65
Depreciation, depletion and amortization	279	380	659
Total costs and expenses	626	1,024	1,650
Results of operations before income taxes	297	736	1,033
Provision (benefit) for income taxes	110	288	398
Results of operations attributable to Hess Corporation	\$ 187 (a)	\$ 448 (b)	\$ 635

	First Quarter 2011		
	United States	International	Total
Sales and other operating revenues	\$ 746	\$ 1,867	\$ 2,613
Other, net	(1)	345	344
Total revenues and non-operating income	745	2,212	2,957
Costs and expenses			
Production expenses, including related taxes	137	394	531
Exploration expenses, including dry holes and lease impairment	109	204	313
General, administrative and other expenses	48	36	84
Depreciation, depletion and amortization	152	385	537
Total costs and expenses	446	1,019	1,465
Results of operations before income taxes	299	1,193	1,492
Provision (benefit) for income taxes	112	401	513
Results of operations attributable to Hess Corporation	\$ 187	\$ 792 (b)	\$ 979

	Fourth Quarter 2011		
	United States	International	Total
Sales and other operating revenues	\$ 937	\$ 1,662	\$ 2,599
Other, net	3	25	28
Total revenues and non-operating income	940	1,687	2,627
Costs and expenses			
Production expenses, including related taxes	170	443	613
Exploration expenses, including dry holes and lease impairment	118	308	426
General, administrative and other expenses	49	33	82
Depreciation, depletion and amortization	273	378	651
Total costs and expenses	610	1,162	1,772
Results of operations before income taxes	330	525	855
Provision (benefit) for income taxes	130	198	328
Results of operations attributable to Hess Corporation	\$ 200	\$ 327 (b)	\$ 527

(a) The after-tax losses from crude oil hedging activities were \$26 million.

(b) The after-tax losses from crude oil hedging activities were \$125 million in the first quarter of 2012, \$81 million in the first quarter of 2011 and \$83 million in the fourth quarter of 2011.

**HESS CORPORATION AND CONSOLIDATED SUBSIDIARIES**  
**EXPLORATION AND PRODUCTION SUPPLEMENTAL OPERATING DATA (UNAUDITED)**

	First Quarter 2012	First Quarter 2011	Fourth Quarter 2011
<u>Operating Data</u>			
<u>Net Production Per Day (in thousands)</u>			
Crude oil - barrels			
United States	95	77	89
Europe	94	99	95
Africa (a)	71	84	54
Asia	16	14	13
Total	<u>276</u>	<u>274</u>	<u>251</u>
Natural gas liquids - barrels			
United States	14	13	13
Europe	3	4	4
Asia	2	1	1
Total	<u>19</u>	<u>18</u>	<u>18</u>
Natural gas - mcf			
United States	100	106	90
Europe	61	107	92
Asia and other	449	430	408
Total	<u>610</u>	<u>643</u>	<u>590</u>
Barrels of oil equivalent	<u>397</u>	<u>399</u>	<u>367</u>
<u>Average Selling Price</u>			
Crude oil - per barrel (including hedging)			
United States	\$ 95.92	\$ 91.56	\$ 100.76
Europe	80.18	84.17	77.18
Africa	88.75	82.32	85.49
Asia	117.13	110.80	111.08
Worldwide	89.92	87.22	89.70
Crude oil - per barrel (excluding hedging)			
United States	\$ 100.87	\$ 91.56	\$ 100.76
Europe	82.77	84.17	77.18
Africa	120.59	102.58	109.28
Asia	123.72	110.80	111.08
Worldwide	100.50	92.35	95.16
Natural gas liquids - per barrel			
United States	\$ 49.26	\$ 57.31	\$ 57.86
Europe	90.43	80.29	66.47
Asia	86.50	73.35	66.18
Worldwide	59.53	63.45	59.81
Natural gas - per mcf			
United States	\$ 1.75	\$ 3.82	\$ 2.50
Europe	9.44	8.25	8.88
Asia and other	6.77	5.75	6.57
Worldwide	6.23	5.84	6.32

(a) Includes Libyan production of 18 thousand barrels of oil per day (bopd) in the first quarter of 2012, 14 thousand bopd in the first quarter of 2011 and 2 thousand bopd in the fourth quarter of 2011.

**HESS CORPORATION AND CONSOLIDATED SUBSIDIARIES**  
**MARKETING AND REFINING SUPPLEMENTAL FINANCIAL AND OPERATING DATA (UNAUDITED)**

	First Quarter 2012	First Quarter 2011	Fourth Quarter 2011
<u>Financial Information (in millions of dollars)</u>			
<u>Marketing and Refining Results</u>			
Income (loss) before income taxes	\$ 20	\$ 96	\$ (885)
Provision (benefit) for income taxes	9	57	(324)
Results of operations attributable to Hess Corporation	<u>\$ 11</u>	<u>\$ 39</u>	<u>\$ (561)</u>
<u>Summary of Marketing and Refining Results</u>			
Marketing	\$ 22	\$ 68	\$ 48
Refining	(6)	(48)	(598)
Trading	(5)	19	(11)
Results of operations attributable to Hess Corporation	<u>\$ 11</u>	<u>\$ 39</u>	<u>\$ (561)</u>
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<u>Operating Data</u>			
<u>Sales Volumes</u>			
Refined petroleum products (thousands of barrels per day)			
Gasoline	210	226	214
Distillates	115	134	143
Residuals	61	87	65
Other	18	20	19
Total	<u>404</u>	<u>467</u>	<u>441</u>
Natural gas (thousands of mcf per day)	<u>2,560</u>	<u>2,875</u>	<u>2,170</u>
Electricity (megawatts round the clock)	<u>4,350</u>	<u>4,345</u>	<u>4,110</u>
<u>Retail Marketing</u>			
Number of retail stations (a)	1,361	1,350	1,360
Convenience store revenue (in millions of dollars) (b)	\$ 272	\$ 278	\$ 290
Average gasoline volume per station (thousands of gallons per month) (b)	185	185	195
<u>Port Reading</u>			
Refinery throughput (thousands of barrels per day)	47	66	58
Refinery utilization (capacity - 70,000 barrels per day)	67.4 %	94.0 %	82.9 %

(a) Includes company operated, Wilco-Hess, dealer and branded retailer.

(b) Company operated only.