



## HESS CORPORATION

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### News Release

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#### HESS REPORTS ESTIMATED RESULTS FOR THE SECOND QUARTER OF 2007

**NEW YORK, July 25, 2007** -- Hess Corporation (NYSE: HES) reported net income of \$557 million for the second quarter of 2007 compared with net income of \$566 million for the second quarter of 2006. The after-tax results by major operating activity were as follows:

	Three months ended June 30 (unaudited)		Six months ended June 30 (unaudited)	
	2007	2006	2007	2006
	(In millions, except per share amounts)			
Exploration and Production	\$ 505	\$ 501	\$ 845	\$ 1,207
Marketing and Refining	122	122	223	175
Corporate	(32)	(29)	(63)	(52)
Interest expense	(38)	(28)	(78)	(65)
Net income	<u>\$ 557</u>	<u>\$ 566</u>	<u>\$ 927</u>	<u>\$ 1,265</u>
Net income per share (diluted)	<u>\$ 1.75</u>	<u>\$ 1.79</u>	<u>\$ 2.92</u>	<u>\$ 4.01</u>
Weighted average number of shares (diluted)	<u>318.6</u>	<u>315.5</u>	<u>317.9</u>	<u>315.2</u>

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

Exploration and Production earnings were \$505 million in the second quarter of 2007 compared with \$501 million in the second quarter of 2006. The Corporation's oil and gas production, on a barrel-of-oil equivalent basis, was 378,000 barrels per day in the second quarter of 2007, a 7% increase from the second quarter of 2006. In the second quarter of 2007, the Corporation's average worldwide crude oil selling price, including the effect of hedging, was \$60.05 per barrel, an increase of \$1.05 per barrel from the second quarter of 2006. The Corporation's average worldwide natural gas selling price was \$4.88 per Mcf in the second quarter of 2007, compared to \$5.06 per Mcf in the second quarter of 2006.

Marketing and Refining earnings were \$122 million in the second quarter of both 2007 and 2006. Refining earnings were \$87 million in the second quarter of 2007 compared with \$107 million in the second quarter of 2006. During the second quarter of 2007, the coker unit at HOVENSA was shutdown for approximately 30 days for a scheduled turnaround. The expensing of the turnaround costs reduced refining earnings by approximately \$24 million for the quarter. Marketing results were breakeven in the second quarter of 2007, a decrease of \$16 million compared with the second quarter of 2006. Earnings from trading operations were \$35 million in the second quarter of 2007 compared with a loss of \$1 million in the second quarter of 2006.

The following items, on an after-tax basis, are included in net income (in millions):

	Three months ended		Six months ended	
	June 30		June 30	
	2007	2006	2007	2006
<u>Exploration and Production</u>				
Gains from asset sales	\$ 15	\$ 50	\$ 15	\$ 236
Accrued office closing costs	-	(18)	-	(18)
	<u>\$ 15</u>	<u>\$ 32</u>	<u>\$ 15</u>	<u>\$ 218</u>

Second quarter 2007 results included a gain related to the sale of the Corporation's interests in the Scott and Telford fields located in the United Kingdom.

Net cash provided by operating activities was \$1,199 million in the second quarter of 2007 compared with \$686 million in the second quarter of 2006. Capital and exploratory expenditures for the second quarter of 2007 amounted to \$993 million, of which \$959 million related to Exploration and Production operations. Capital and exploratory expenditures for the second quarter of 2006 amounted to \$808 million, of which \$766 million related to Exploration and Production operations.

At June 30, 2007, cash and cash equivalents totaled \$482 million compared with \$383 million at December 31, 2006. Total debt was \$3,991 million at June 30, 2007 and \$3,772 million at December 31, 2006. The Corporation's debt to capitalization ratio at June 30, 2007 was 30.5% compared with 31.6% at the end of 2006.

Hess Corporation will review second quarter financial and operating results and other matters on a webcast at 10 a.m. today. For details on 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 for and the development, production, purchase, transportation and sale of crude oil and natural gas. The Corporation also manufactures, purchases, transports, trades and markets refined petroleum and other energy products.

*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)**

	Second Quarter 2007	Second Quarter 2006	First Quarter 2007
	<u>          </u>	<u>          </u>	<u>          </u>
<u>Income Statement</u>			
Revenues and Non-operating Income			
Sales (excluding excise taxes) and other operating revenues	\$ 7,274	\$ 6,718	\$ 7,319
Non-operating income			
Equity in income of HOVENSA L.L.C.	81	102	56
Gain on asset sales	21	80	--
Other, net	23	19	(1)
Total revenues and non-operating income	<u>7,399</u>	<u>6,919</u>	<u>7,374</u>
Costs and Expenses			
Cost of products sold (excluding items shown separately below)	5,043	4,724	5,410
Production expenses	377	303	347
Marketing expenses	241	225	222
Exploration expenses, including dry holes and lease impairment	90	79	93
Other operating expenses	37	29	33
General and administrative expenses	142	134	131
Interest expense	62	44	64
Depreciation, depletion and amortization	354	283	327
Total costs and expenses	<u>6,346</u>	<u>5,821</u>	<u>6,627</u>
Income before income taxes	1,053	1,098	747
Provision for income taxes	496	532	377
Net income	<u>\$ 557</u>	<u>\$ 566</u>	<u>\$ 370</u>
Preferred stock dividends	--	12	--
Net income applicable to common stockholders	<u>\$ 557</u>	<u>\$ 554</u>	<u>\$ 370</u>
<u>Supplemental Income Statement Information</u>			
Foreign currency gains (losses), after-tax	\$ (7)	\$ (2)	\$ (4)
Capitalized interest	16	26	15
<u>Cash Flow Information</u>			
Net cash provided by operating activities (*)	\$ 1,199	\$ 686	\$ 639
<u>Capital and Exploratory Expenditures</u>			
Exploration and Production			
United States	\$ 391	\$ 226	\$ 651
International	568	540	508
Total Exploration and Production	959	766	1,159
Marketing and Refining	34	42	22
Total Capital and Exploratory Expenditures	<u>\$ 993</u>	<u>\$ 808</u>	<u>\$ 1,181</u>
Exploration expenses charged to income included above			
United States	\$ 42	\$ 25	\$ 40
International	19	24	35
	<u>\$ 61</u>	<u>\$ 49</u>	<u>\$ 75</u>

(\*) Includes changes in working capital

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

	First Half	
	2007	2006
<u>Income Statement</u>		
Revenues and Non-operating Income		
Sales (excluding excise taxes) and other operating revenues	\$ 14,593	\$ 13,877
Non-operating income		
Equity in income of HOVENSA L.L.C.	137	105
Gain on asset sales	21	369
Other, net	22	34
Total revenues and non-operating income	<u>14,773</u>	<u>14,385</u>
Costs and Expenses		
Cost of products sold (excluding items shown separately below)	10,453	9,955
Production expenses	724	569
Marketing expenses	463	456
Exploration expenses, including dry holes and lease impairment	183	191
Other operating expenses	70	57
General and administrative expenses	273	239
Interest expense	126	101
Depreciation, depletion and amortization	681	548
Total costs and expenses	<u>12,973</u>	<u>12,116</u>
Income before income taxes	1,800	2,269
Provision for income taxes	873	1,004
Net income	<u>\$ 927</u>	<u>\$ 1,265</u>
Preferred stock dividends	--	24
Net income applicable to common stockholders	<u>\$ 927</u>	<u>\$ 1,241</u>
<u>Supplemental Income Statement Information</u>		
Foreign currency gains (losses), after-tax	\$ (11)	\$ 5
Capitalized interest	31	50
<u>Cash Flow Information</u>		
Net cash provided by operating activities (*)	\$ 1,838	\$ 1,884
<u>Capital and Exploratory Expenditures</u>		
Exploration and Production		
United States	\$ 1,042	\$ 387
International	1,076	1,733
Total Exploration and Production	2,118	2,120
Marketing and Refining	56	75
Total Capital and Exploratory Expenditures	<u>\$ 2,174</u>	<u>\$ 2,195</u>
Exploration expenses charged to income included above		
United States	\$ 82	\$ 49
International	54	51
	<u>\$ 136</u>	<u>\$ 100</u>

(\*) Includes changes in working capital



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

	Second Quarter 2007		
	United States	International	Total
Sales and other operating revenues	\$ 273	\$ 1,529	\$ 1,802
Non-operating income	--	28	28
Total revenues	<u>273</u>	<u>1,557</u>	<u>1,830</u>
Costs and expenses			
Production expenses, including related taxes	70	307	377
Exploration expenses, including dry holes and lease impairment	51	39	90
General, administrative and other expenses	34	28	62
Depreciation, depletion and amortization	44	293	337
Total costs and expenses	<u>199</u>	<u>667</u>	<u>866</u>
Results of operations before income taxes	74	890	964
Provision for income taxes	30	429	459
Results of operations	<u>\$ 44</u>	<u>\$ 461</u>	<u>\$ 505</u>
	Second Quarter 2006		
	United States	International	Total
Sales and other operating revenues	\$ 330	\$ 1,295	\$ 1,625
Non-operating income	80	12	92
Total revenues	<u>410</u>	<u>1,307</u>	<u>1,717</u>
Costs and expenses			
Production expenses, including related taxes	56	247	303
Exploration expenses, including dry holes and lease impairment	34	45	79
General, administrative and other expenses	22	50	72
Depreciation, depletion and amortization	32	235	267
Total costs and expenses	<u>144</u>	<u>577</u>	<u>721</u>
Results of operations before income taxes	266	730	996
Provision for income taxes	97	398	495
Results of operations	<u>\$ 169</u>	<u>\$ 332</u>	<u>\$ 501</u>
	First Quarter 2007		
	United States	International	Total
Sales and other operating revenues	\$ 241	\$ 1,270	\$ 1,511
Non-operating income (expenses)	8	(14)	(6)
Total revenues	<u>249</u>	<u>1,256</u>	<u>1,505</u>
Costs and expenses			
Production expenses, including related taxes	59	288	347
Exploration expenses, including dry holes and lease impairment	50	43	93
General, administrative and other expenses	33	24	57
Depreciation, depletion and amortization	37	272	309
Total costs and expenses	<u>179</u>	<u>627</u>	<u>806</u>
Results of operations before income taxes	70	629	699
Provision for income taxes	26	333	359
Results of operations	<u>\$ 44</u>	<u>\$ 296</u>	<u>\$ 340</u>

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

	First Half 2007		
	United States	International	Total
Sales and other operating revenues	\$ 514	\$ 2,799	\$ 3,313
Non-operating income	8	14	22
Total revenues	<u>522</u>	<u>2,813</u>	<u>3,335</u>
Costs and expenses			
Production expenses, including related taxes	129	595	724
Exploration expenses, including dry holes and lease impairment	101	82	183
General, administrative and other expenses	67	52	119
Depreciation, depletion and amortization	81	565	646
Total costs and expenses	<u>378</u>	<u>1,294</u>	<u>1,672</u>
Results of operations before income taxes	144	1,519	1,663
Provision for income taxes	56	762	818
Results of operations	<u>\$ 88</u>	<u>\$ 757</u>	<u>\$ 845</u>
	First Half 2006		
	United States	International	Total
Sales and other operating revenues	\$ 674	\$ 2,503	\$ 3,177
Non-operating income	368	24	392
Total revenues	<u>1,042</u>	<u>2,527</u>	<u>3,569</u>
Costs and expenses			
Production expenses, including related taxes	107	462	569
Exploration expenses, including dry holes and lease impairment	95	96	191
General, administrative and other expenses	44	73	117
Depreciation, depletion and amortization	61	456	517
Total costs and expenses	<u>307</u>	<u>1,087</u>	<u>1,394</u>
Results of operations before income taxes	735	1,440	2,175
Provision for income taxes	264	704	968
Results of operations	<u>\$ 471</u>	<u>\$ 736</u>	<u>\$ 1,207</u>

**HESS CORPORATION AND CONSOLIDATED SUBSIDIARIES**  
**SUPPLEMENTAL OPERATING DATA**  
**(IN THOUSANDS, EXCEPT FOR AVERAGE SELLING PRICES)**

	Second Quarter 2007	Second Quarter 2006	First Quarter 2007
<u>Operating Data</u>			
<u>Net Production Per Day</u>			
Crude oil - barrels			
United States	31	38	29
Europe	96	110	110
Africa	115	84	99
Asia and other	26	12	15
Total	<u>268</u>	<u>244</u>	<u>253</u>
Natural gas liquids - barrels			
United States	10	10	9
Europe	4	4	7
Total	<u>14</u>	<u>14</u>	<u>16</u>
Natural gas - mcf			
United States	86	117	90
Europe	212	244	348
Asia and other	277	214	243
Total	<u>575</u>	<u>575</u>	<u>681</u>
Barrels of oil equivalent	<u>378</u>	<u>354</u>	<u>382</u>
<u>Average Selling Price</u>			
Crude oil - per barrel (including hedging)			
United States	\$ 61.41	\$ 64.53	\$ 53.19
Europe	58.94	60.63	51.32
Africa	58.02	53.04	48.17
Asia and other	70.73	68.64	56.44
Worldwide	60.05	59.00	50.74
Crude oil - per barrel (excluding hedging)			
United States	\$ 61.41	\$ 64.53	\$ 53.19
Europe	58.94	63.27	51.32
Africa	67.04	67.18	56.09
Asia and other	70.73	68.64	56.44
Worldwide	63.94	65.03	53.75
Natural gas liquids - per barrel			
United States	\$ 47.97	\$ 47.35	\$ 42.44
Europe	58.26	47.44	45.90
Worldwide	51.68	47.38	43.97
Natural gas - per mcf			
United States	\$ 7.24	\$ 6.23	\$ 7.21
Europe	4.54	5.55	4.74
Asia and other	4.42	3.85	4.56
Worldwide	4.88	5.06	5.00



**HESS CORPORATION AND CONSOLIDATED SUBSIDIARIES**  
**SUPPLEMENTAL OPERATING DATA**  
**(IN THOUSANDS, EXCEPT FOR AVERAGE SELLING PRICES)**

	First Half	
	2007	2006
<u>Operating Data</u>		
<u>Net Production Per Day</u>		
Crude oil - barrels		
United States	30	40
Europe	103	111
Africa	107	84
Asia and other	20	10
Total	<u>260</u>	<u>245</u>
Natural gas liquids - barrels		
United States	10	9
Europe	5	4
Total	<u>15</u>	<u>13</u>
Natural gas - mcf		
United States	88	120
Europe	280	262
Asia and other	260	211
Total	<u>628</u>	<u>593</u>
Barrels of oil equivalent	<u>380</u>	<u>357</u>
<u>Average Selling Price</u>		
Crude oil - per barrel (including hedging)		
United States	\$ 57.46	\$ 60.81
Europe	54.98	57.69
Africa	53.68	50.01
Asia and other	65.08	63.54
Worldwide	55.66	56.21
Crude oil - per barrel (excluding hedging)		
United States	\$ 57.46	\$ 60.81
Europe	54.98	59.95
Africa	62.22	64.89
Asia and other	65.08	63.54
Worldwide	59.13	61.72
Natural gas liquids - per barrel		
United States	\$ 45.36	\$ 45.87
Europe	52.44	47.33
Worldwide	48.06	46.30
Natural gas - per mcf		
United States	\$ 7.22	\$ 7.00
Europe	4.66	7.06
Asia and other	4.49	3.87
Worldwide	4.95	5.91

**HESS CORPORATION AND CONSOLIDATED SUBSIDIARIES**  
**EXPLORATION AND PRODUCTION HEDGED PRICES AND VOLUMES (UNAUDITED)**

The following is a summary of the Corporation's outstanding crude oil hedges at June 30, 2007:

<u>Maturity</u>	<u>Brent Crude Oil*</u>	
	<u>Average Selling Price</u>	<u>Thousands of barrels per day</u>
2007	\$ 25.85	24
2008	25.56	24
2009	25.54	24
2010	25.78	24
2011	26.37	24
2012	26.90	24

\* There were no WTI crude oil or natural gas hedges outstanding at June 30, 2007.

The after-tax losses from crude oil hedges were \$56 million in the second quarter of 2007 and \$83 million in the second quarter of 2006. After-tax hedge losses totaled \$95 million and \$147 million for the first half of 2007 and 2006, respectively. The after-tax deferred hedge loss included in accumulated other comprehensive income at June 30, 2007 amounted to \$1.4 billion.

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

	<u>Second Quarter 2007</u>	<u>Second Quarter 2006</u>	<u>First Quarter 2007</u>
<u>Financial Information (in millions of dollars)</u>			
<u>Marketing and Refining Earnings</u>			
Income before income taxes	\$ 196	\$ 189	\$ 159
Provision for income taxes	74	67	58
Marketing and Refining Earnings	<u>\$ 122</u>	<u>\$ 122</u>	<u>\$ 101</u>
<u>Summary of Marketing and Refining Earnings</u>			
Refining	\$ 87	\$ 107	\$ 54
Marketing	-	16	43
Trading	35	(1)	4
Total Marketing and Refining Earnings	<u>\$ 122</u>	<u>\$ 122</u>	<u>\$ 101</u>
<u>Operating Data (in thousands unless noted)</u>			
<u>Refined Product Sales (barrels per day)</u>			
Gasoline	224	223	194
Distillates	119	112	174
Residuals	52	42	94
Other	19	35	29
Total	<u>414</u>	<u>412</u>	<u>491</u>
<u>Refinery Throughput (barrels per day)</u>			
HOVENSA - Crude runs	397	430	470
HOVENSA - Hess 50% share	199	215	235
Port Reading	64	63	55
<u>Refinery Utilization</u>			
<u>Refinery Capacity</u>			
(barrels per day)			
HOVENSA	500		
Crude	150	79.4% (a)	85.9%
FCC	58	53.3% (a)	73.2%
Coker	65	97.9%	96.9%
Port Reading			84.7%
<u>Retail Marketing</u>			
Number of retail stations (b)	1,351	1,343	1,345
Convenience store revenue (in millions of dollars) (c)	\$ 274	\$ 258	\$ 244
Average gasoline volume per station (gallons per month) (c)	228	222	191

(a) The coker and related processing units were shutdown for a scheduled turnaround.

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

(c) Company operated only.

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

	First Half	
	2007	2006
<u>Financial Information (in millions of dollars)</u>		
<u>Marketing and Refining Earnings</u>		
Income before income taxes	\$ 355	\$ 272
Provision for income taxes	132	97
Marketing and Refining Earnings	\$ 223	\$ 175
 <u>Summary of Marketing and Refining Earnings</u>		
Refining	\$ 141	\$ 132
Marketing	43	28
Trading	39	15
Total Marketing and Refining Earnings	\$ 223	\$ 175

Operating Data (in thousands unless noted)

Refined Product Sales (barrels per day)

Gasoline	209	225
Distillates	146	139
Residuals	73	63
Other	24	39
Total	452	466

Refinery Throughput (barrels per day)

HOVENSA - Crude runs	434	425
HOVENSA - Hess 50% share	217	212
Port Reading	59	64

Refinery Utilization

<u>HOVENSA</u>	<u>Refinery Capacity</u> (barrels per day)		
Crude	500	86.7%	85.0%
FCC	150	90.5%	76.9%
Coker	58	70.8%	79.4%
Port Reading	65	91.4%	97.8%

Retail Marketing

Number of retail stations (a)		1,351		1,343
Convenience store revenue (in millions of dollars) (b)	\$	518	\$	492
Average gasoline volume per station (gallons per month) (b)		210		208

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

(b) Company operated only.