

# Hess Corporation



**WELLS FARGO ENERGY CONFERENCE**

**May 24, 2023**

# Forward-Looking Statements & Other Information



This presentation 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 (NGL) 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; information about sustainability goals and targets and planned social, safety and environmental policies, programs and initiatives; 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, NGL and natural gas and competition in the oil and gas exploration and production industry; reduced demand for our products, including due to perceptions regarding the oil and gas industry, 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, fracking bans as well as restrictions on oil and gas leases; operational changes and expenditures due to climate change and sustainability related initiatives; disruption or interruption of our operations due to catastrophic and other events, such as accidents, severe weather, geological events, shortages of skilled labor, cyber-attacks, public health measures or climate change; the ability of our contractual counterparties to satisfy their obligations to us, including the operation of joint ventures under which we may not control and exposure to decommissioning liabilities for divested assets in the event the current or future owners are unable to perform; 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 limitations on investment in oil and gas activities, rising interest rates or negative outcomes within commodity and financial markets; liability resulting from environmental obligations and 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 (SEC).

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.

We use certain terms in this presentation relating to resources other than proved reserves, such as unproved reserves or resources. Investors are urged to consider closely the oil and gas disclosures in Hess Corporation’s Form 10-K for the year ended December 31, 2022, 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](http://www.hess.com). You can also obtain this form from the SEC on the EDGAR system.

This presentation includes certain non-GAAP financial measures, including free cash flow and E&P debt to Adjusted EBITDAX. These Non-GAAP financial measures should be considered only as supplemental to, and not as superior to, financial measures prepared in accordance with GAAP. Please refer to the Appendix of this presentation for definitions and reconciliations, as applicable, of the non-GAAP financial measures included in this presentation to the most directly comparable financial measures prepared in accordance with GAAP.

# Uniquely Positioned To Deliver Long Term Value



## Deliver High Return Resource Growth

- Differentiated portfolio provides high financial returns and annualized production growth of >10% through 2027
- Guyana: Industry leading returns and line of sight on up to 10 FPSOs to develop >11 BBOE of gross discovered recoverable resource
- Bakken program optimized for ongoing free cash flow generation; average ~200 MBOED net production in 2025+

## Deliver Low Cost of Supply

- Five sanctioned Guyana developments have breakeven price of \$25-\$35/BBL Brent
- Expanding cash margins; portfolio cash costs forecast to decline by ~25% to ~\$10/BOE by 2027<sup>1</sup>
- Portfolio breakeven of ~\$50/BBL Brent by 2027<sup>1</sup>

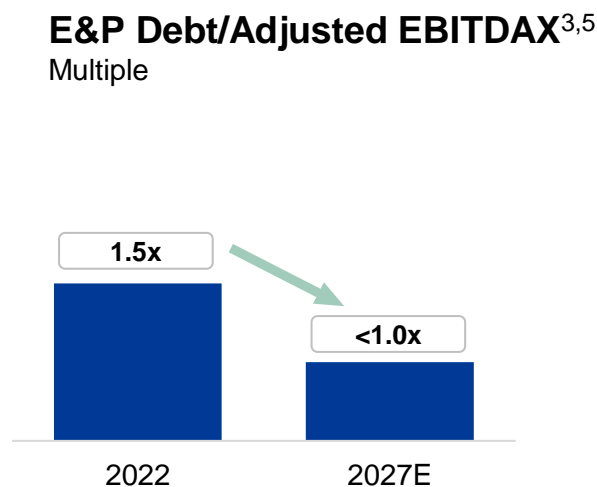
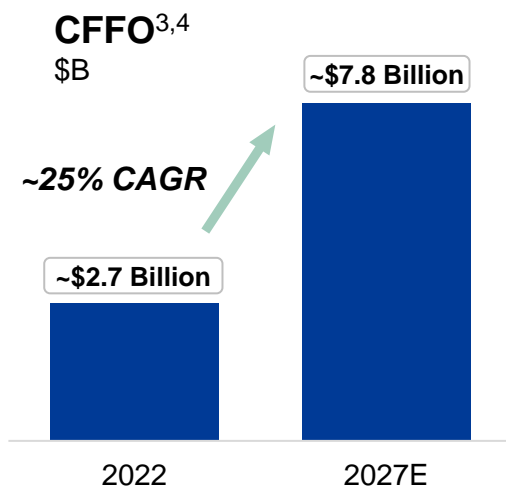
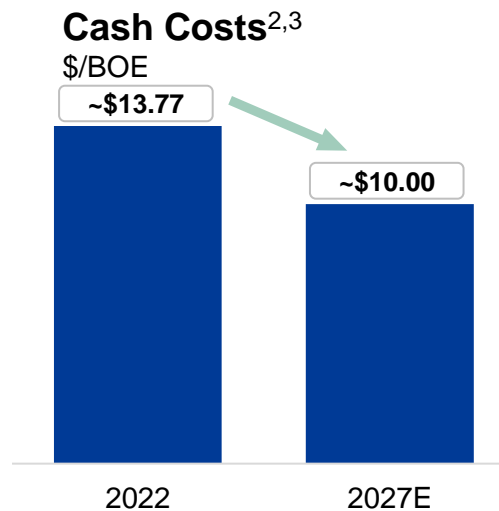
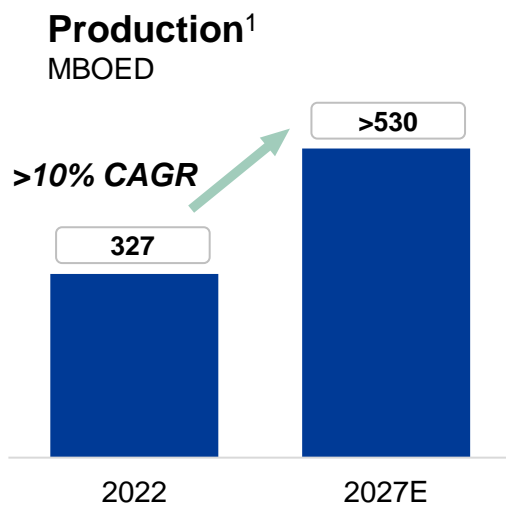
## Deliver Industry Leading Cash Flow Growth

- 2022-27 cash flow from operations CAGR of ~25%<sup>1</sup>
- E&P Debt/Adjusted EBITDAX 1.5x in 2022 and <1x in 2024<sup>1</sup>
- Up to 75% of annual free cash flow to be returned to shareholders through dividend increases and share repurchases<sup>2</sup>

(1) At \$75/BBL Brent, \$72/BBL WTI; excluding Libya. Free cash flow and E&P Debt/Adjusted EBITDAX are non-GAAP financial measures. For a definition and reconciliation, as applicable, to the most directly comparable financial measure prepared in accordance with GAAP, please refer to the Appendix. (2) Free cash flow is defined as net cash provided by operating activities less capital expenditures and adjusted for debt repayments and net Midstream financing activities.

# Superior Operating & Financial Metrics

Portfolio positioned to generate increasing cash flow...



Significant cash flow growth ~25% CAGR through 2027<sup>3</sup>

E&P Debt/Adjusted EBITDAX is <1x by 2024<sup>3,5</sup>

~\$50/BBL portfolio breakeven by 2027<sup>3</sup>

**Significant cash flow growth enables debt reduction & increasing returns to shareholders**

(1) Production excluding Libya. (2) Cash unit production costs exclude transportation costs included in realized hydrocarbon prices. (3) At \$75/BBL Brent, \$72/BBL WTI; excluding Libya. (4) 2022 GAAP net cash provided by operating activities is \$3,944 million. (5) E&P Debt/Adjusted EBITDAX is a non-GAAP financial measure. For a definition and reconciliation, as applicable, to the most directly comparable financial measure prepared in accordance with GAAP, please refer to the Appendix.

# Increasing Financial Strength

Portfolio to deliver strong cash flow growth and capital returns...

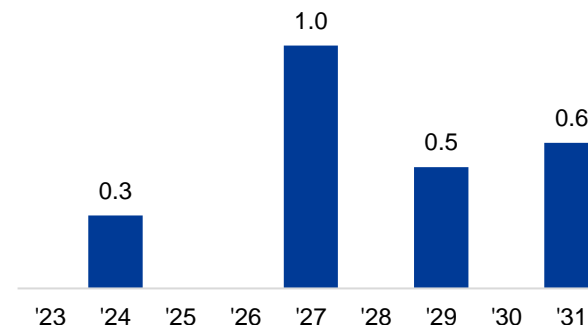


## Increasing Financial Strength

- \$2.1 B cash at March 31, 2023
- Currently have 130 MBOD hedged with put options in 2023
  - 80 MBOD WTI put options at \$70/BBL
  - 50 MBOD Brent put options at \$75/BBL
- Improving credit metrics
  - E&P Debt/Adjusted EBITDAX forecast to be <1x in 2024<sup>1</sup>

## Near Term Debt Maturities

\$B

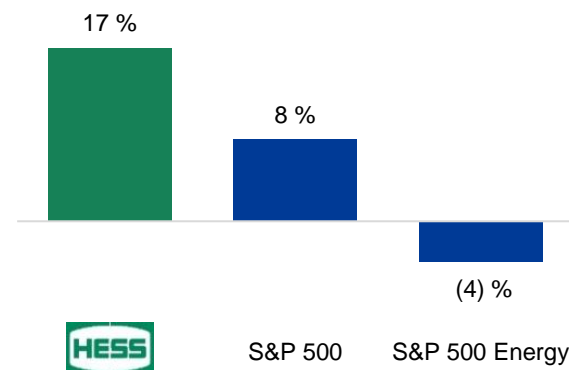


## Strong Cash Flow Growth and Increasing Capital Returns

- Differentiated portfolio provides superior investment opportunities
- Cash flow from operations forecast to grow at ~25% CAGR through 2027<sup>1, 2</sup>
- Commitment to return up to 75% of annual free cash flow<sup>3</sup> through dividend increases and share repurchases

## Consensus CFFO CAGR<sup>2</sup>

2022 to 2025



*Increasing financial strength and capacity for ongoing return of capital to shareholders*

(1) At \$75/BBL Brent, \$72/BBL WTI; excluding Libya. (2) CFFO: Cash Flow from Operations. CAGR: Compound Annual Growth Rate. Source: Bloomberg; market data as of April 21, 2023. Median value for S&P 500, S&P 500 Energy sector reflected. (3) Free cash flow is defined as net cash provided by operating activities less capital expenditures and adjusted for debt repayments and net Midstream financing activities.

# Return of Capital Framework

Commitment to increasing cash returns...



1

## Growing Regular Dividend

- Increased dividend by 17% on March 1, 2023
- Plan for ongoing increases to dividend
- Sustainable in lower commodity price environment

2

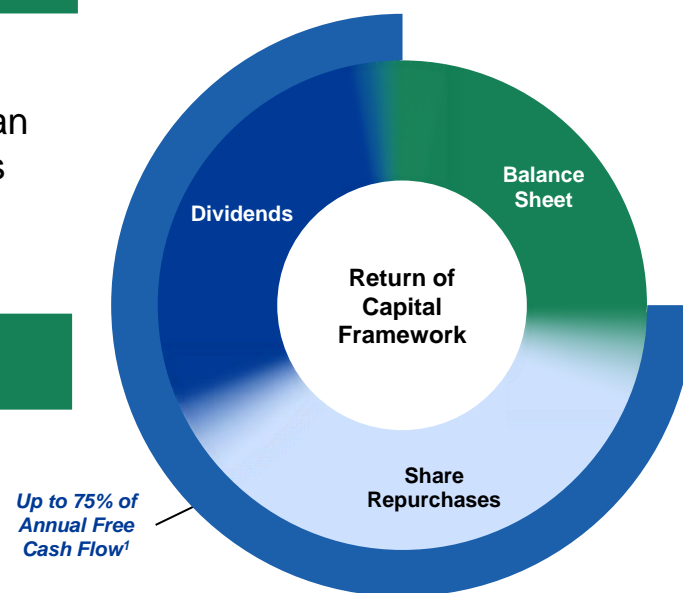
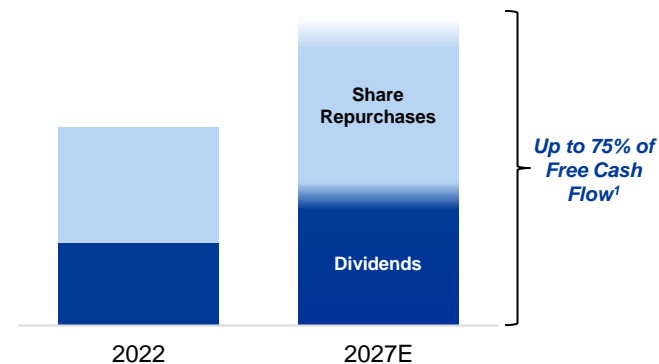
## Accelerating Share Repurchases

- Capital return up to 75% of annual free cash flow<sup>1</sup>
- Repurchased \$650MM of common stock in 2022 and plan to accelerate share repurchases as free cash flow grows
- Flexibility for further returns subject to commodity price environment

3

## Commitment to Strong Balance Sheet

- Repaid \$500MM term loan in February 2022
- Maintain >\$1B of cash
- Targeting E&P Debt/Adjusted EBITDAX <1x by 2024<sup>2</sup>



**Growing dividend and ongoing commitment to increase return of capital to shareholders**

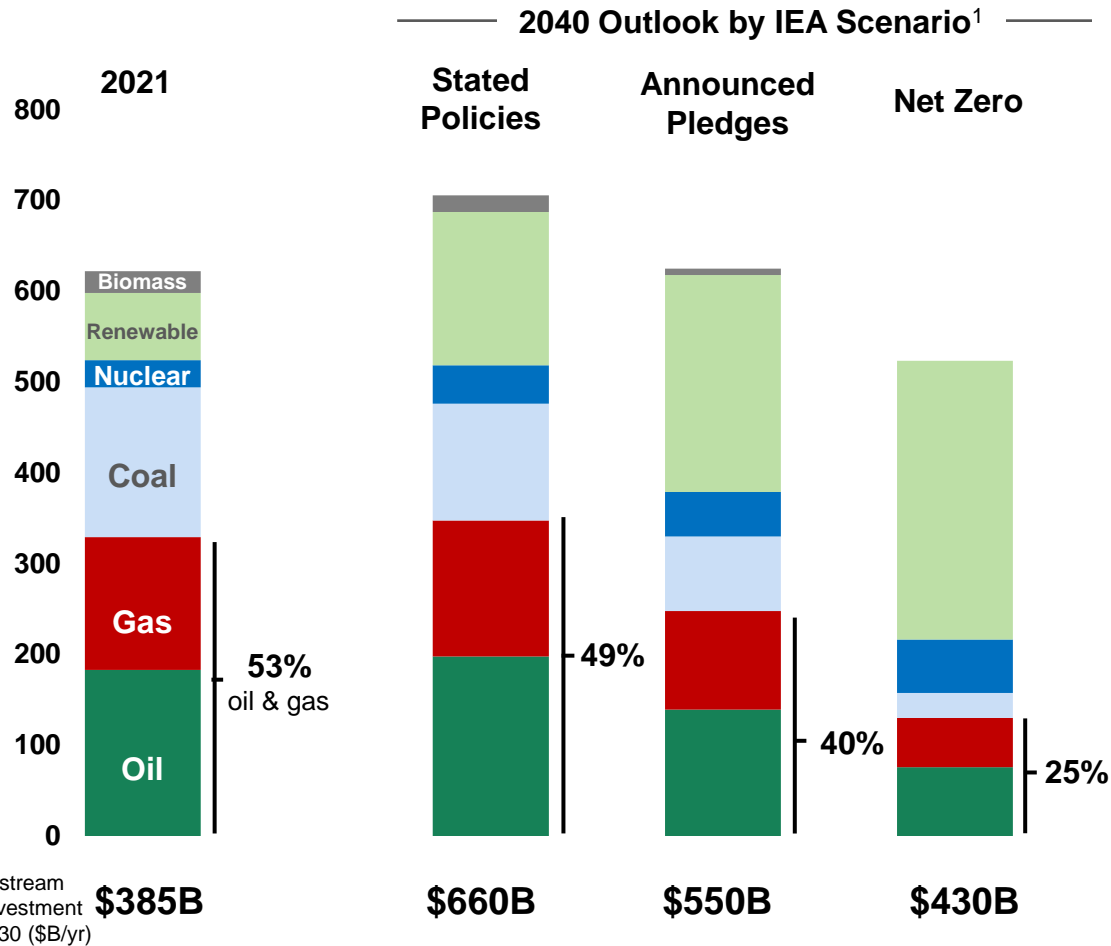
(1) Free cash flow is defined as net cash provided by operating activities less capital expenditures and adjusted for debt repayments and net Midstream financing activities. (2) Assumes \$75/BBL Brent, \$72/BBL WTI.

# Global Energy Demand

Oil & gas essential to meeting global energy demand...



## Primary Energy Demand Outlook (IEA) Exajoule (EJ)



Energy demand led by population and GDP growth increases ~20% through 2050<sup>2</sup>

Developing economies – predominantly Asia – drive global growth

Oil demand driven by transportation and petrochemicals

Potential of significant underinvestment

**Hess favorably positioned with low breakeven as Guyana developments progress**

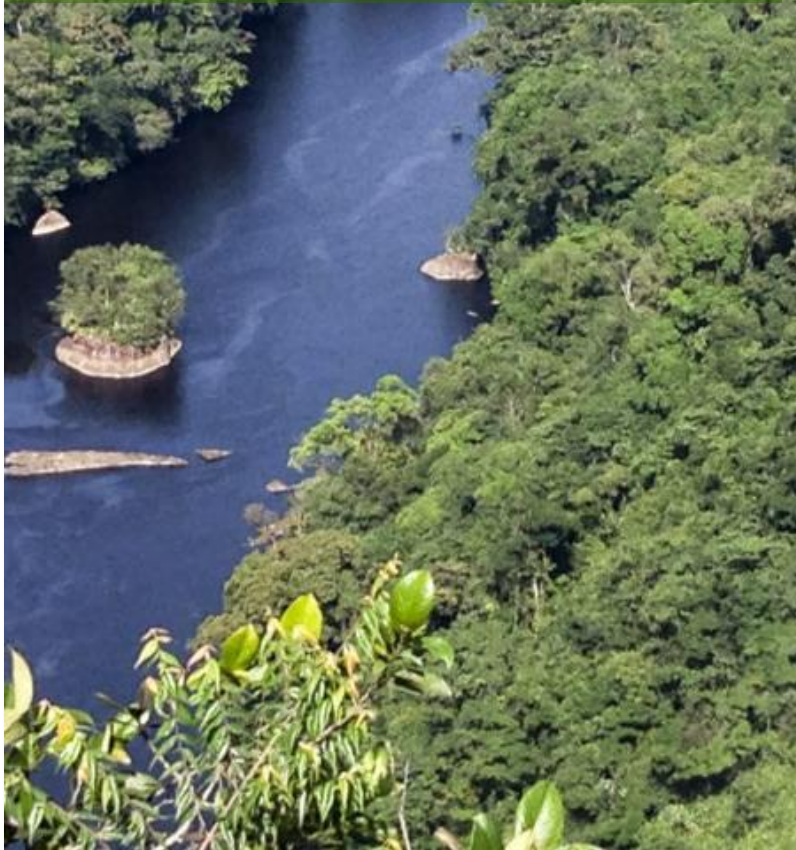
Source: IEA World Energy Outlook 2022. (1) Stated Policies Scenario represents the impact of announced policies. Announced Pledges assumes the countries that have made pledges so far being fulfilled in entirety and on time. Net Zero Scenario represents a normative path to achieve zero emissions on a net basis by 2050. (2) In Stated Policies Scenario.

# Historic Carbon Credits Agreement

Important part of our company's commitment to achieve net zero emissions



Hess to purchase high quality carbon credits from Government of Guyana for a minimum of \$750 MM between 2022 and 2032



Protecting the world's forests is key to achieving the Paris Agreement and the global ambition for net zero emissions by 2050

Deforestation and land degradation represent ~20% of the world's GHG emissions

>130 countries including Guyana pledged at COP26 to end deforestation by 2030

Guyana's 18 million hectares of forest store ~20 billion tonnes of carbon dioxide equivalent<sup>1</sup>

Agreement is for 37.5 MM high quality ART TREES carbon credits (current and future issuances)

Government plans to invest proceeds in sustainable development to improve the lives of the people of Guyana<sup>1</sup>

15% of proceeds (~\$112 MM) will be directed to indigenous communities<sup>1</sup>

***One of the largest private sector forest preservation agreements in the world***

<sup>1</sup>Government of Guyana's Low Carbon Development Strategy 2030



# Commitment to Sustainability

Taking action to reduce emissions...



## Strategy and reporting aligned with TCFD<sup>1</sup> recommendations

Support aim of Paris Agreement with **company commitment to achieve net zero scope 1 and 2** GHG emissions on a net equity basis by 2050

## Outperformed 5-year emission reduction targets for 2020

Reduced operated GHG<sup>2</sup> emissions intensity by **46% vs. 25% target** vs. 2014  
Reduced flaring intensity by **59% vs. 50% target** vs. 2014

## Set new 5-year emission reduction targets for 2025<sup>3</sup>

Reduce operated GHG<sup>2</sup> emissions intensity by **~50%** vs. 2017  
Reduce methane emissions intensity by **~50%** vs. 2017  
Zero routine flaring

## Among the largest private sector funders of forest protection

**Strategic agreement with Government of Guyana** to purchase high quality carbon credits for minimum of \$750MM over 11 years to help protect Guyana's vast forests

## Contributing \$50MM over 5 years to R&D at Salk Institute

**Groundbreaking research to develop plants** capable of storing potentially billions of tons of atmospheric carbon per year

## Executive compensation tied to EHS and climate change goals

**Bakken flaring reduction target** part of Annual Incentive Plan for all employees

For more information, please refer to our [2021 Sustainability Report](#) on [hess.com](#)

<sup>1</sup>Task Force on Climate Related Financial Disclosures

<sup>2</sup> Scope 1 and 2

<sup>3</sup> By year end 2025

# Commitment to Sustainability

Values drive value for the benefit of all stakeholders...



## Safety

- ✓ **Commitment to safety** embedded in Hess Values and organizational culture
- ✓ **Emphasize contractor engagement** in support of occupational and process safety goals – contractors represent ~65% of our total workforce hours
- ✓ **Utilize Hess Operational Management System** as an enterprisewide framework for continuous improvement in safety performance

## Social Responsibility

- ✓ Guided by **commitments to international voluntary initiatives** including the U.N. Global Compact
- ✓ Invest in community programs that **make a positive and lasting social impact** with a focus on **education, healthcare and workforce development**
- ✓ Committed to fostering a **diverse and inclusive work environment** and **promoting diversity and equity** in our company, supply chain and industry as a whole



DISCLOSURE INSIGHT ACTION

**14** consecutive years  
Leadership status

Member of  
**Dow Jones  
Sustainability Indices**

Powered by the S&P Global CSA

**13** consecutive years on  
North America Index; added  
to **DJSI World in 2022**



Second year with **AAA**  
**rating** after **10** consecutive  
years with AA rating



**FTSE4Good**  
**9** consecutive years  
on U.S. Index



**15** consecutive years on list;  
**Only** U.S. energy company in 2022



**4** consecutive  
years on Index



**100% score** on  
Corporate Equality Index

**Transition  
Pathway  
Initiative**

**Top (Level 4) ranking**  
for climate leadership

**Industry leader in ESG performance and disclosure**

# Guyana: Stabroek Block

World class petroleum province with potential for up to 10 FPSOs...



## Asset Highlights

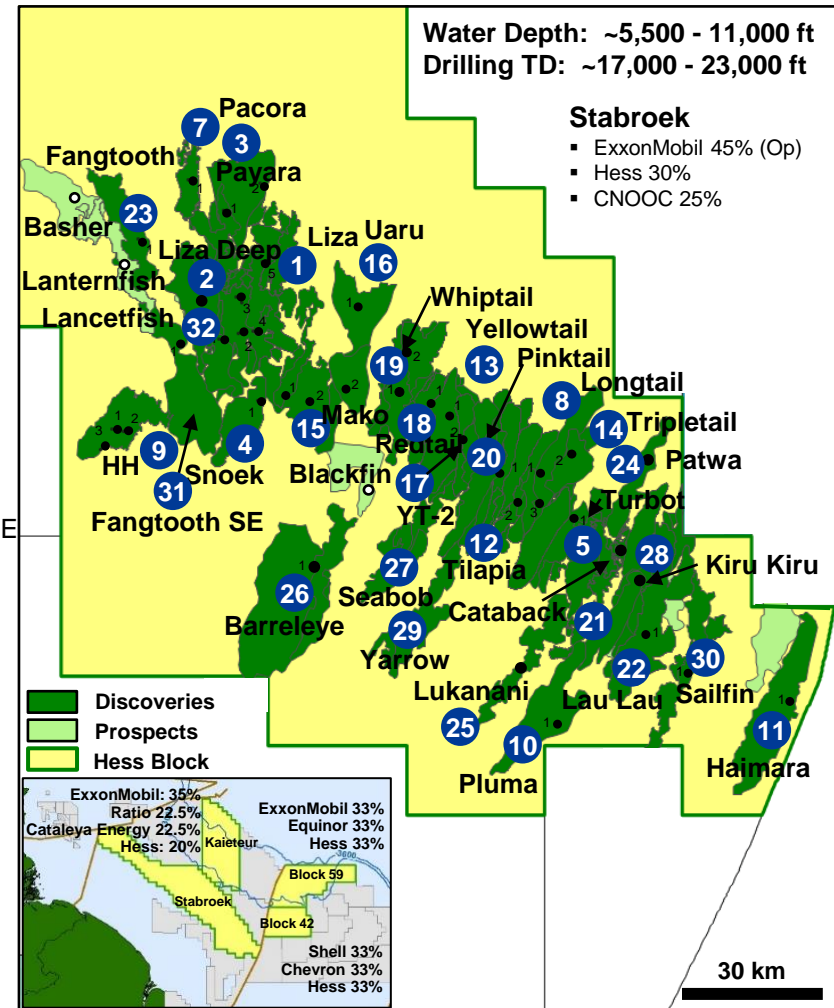
- Hess 30% interest; (Operator: **ExxonMobil**)
- 6.6 million acres (equal to 1,150 GoM blocks) and low entry cost
- 32 major discoveries to date

1 Liza	9 Hammerhead	17 Yellowtail 2	25 Lukanani
2 Liza Deep	10 Pluma	18 Redtail	26 Barreleye
3 Payara	11 Haimara	19 Whiptail	27 Seabob
4 Snoek	12 Tilapia	20 Pinktail	28 Kiru Kiru
5 Turbot	13 Yellowtail	21 Cataback	29 Yarrow
6 Ranger	14 Tripletail	22 Lau Lau	30 Sailfin
7 Pacora	15 Mako	23 Fangtooth	31 Fangtooth SE
8 Longtail	16 Uaru	24 Patwa	32 Lancetfish

- Liza Phase 1 and Phase 2 gross production averaged >375 MBOD in Q1 2023
- 5 sanctioned projects breakeven at oil price of \$25 - \$35/BBL Brent

## Next Steps

- Achieve Payara first oil in early Q4 in 2023
- Develop Yellowtail for 2025 startup
- Develop Uaru for a targeted startup in 2026
- Continue exploration and appraisal program



>11 BBOE gross discovered recoverable resource with multi billion barrels exploration upside

# Guyana: Stabroek Block

World class investment opportunity...



## ✓ Industry's largest new oil province in the last decade

- More than 11 BBOE gross discovered recoverable resource
- Multi billion barrels of remaining exploration upside
- Targeting six FPSOs with a gross production capacity of more than 1.2 MMBOD by the end of 2027

## ✓ Exceptional reservoir quality / low development costs

- ~\$35/BBL Brent breakeven for Liza Phase 1
- ~\$25/BBL Brent breakeven for Liza Phase 2
- ~\$32/BBL Brent breakeven for Payara
- ~\$29/BBL Brent breakeven for Yellowtail
- ~\$35/BBL Brent breakeven for Uaru

## ✓ Shallow producing horizons

- Less than ½ drilling time and costs vs. typical offshore deepwater exploration

## ✓ Strong execution

- Liza Phase 1 gross development costs reduced from \$4.4 billion to \$3.5 billion
- Liza Phase 2 development achieved first oil February 11<sup>th</sup>, 2022; on time and on budget
- Payara development accelerated with first oil expected early in the fourth quarter, in 2023
- Yellowtail development on track to achieve first oil in 2025
- Uaru development sanctioned with first oil targeted in 2026

## ✓ Operated by ExxonMobil

- One of most experienced developers in the world

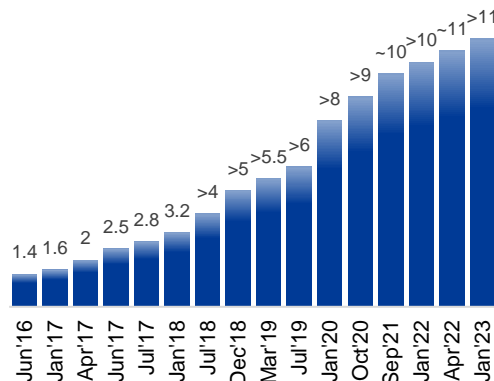
*Truly transformational opportunity for Hess*

# Guyana: Stabroek Block

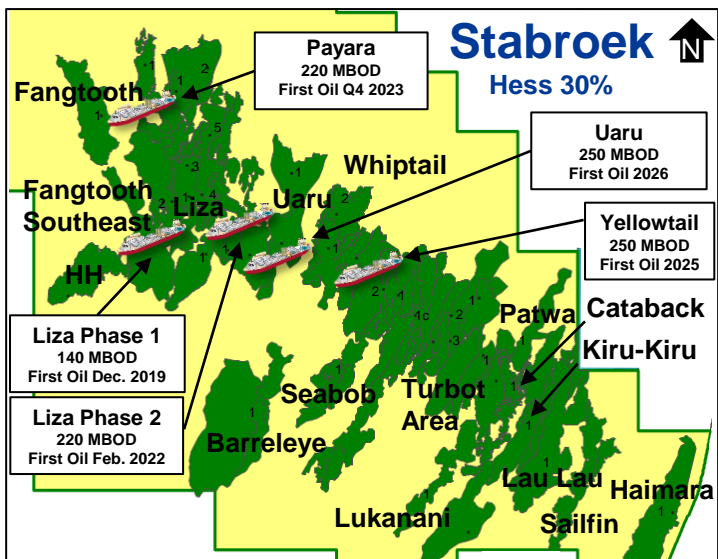
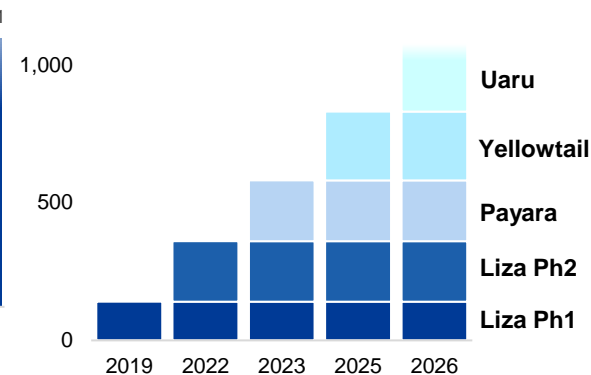
Guyana resources >11 BBOE...



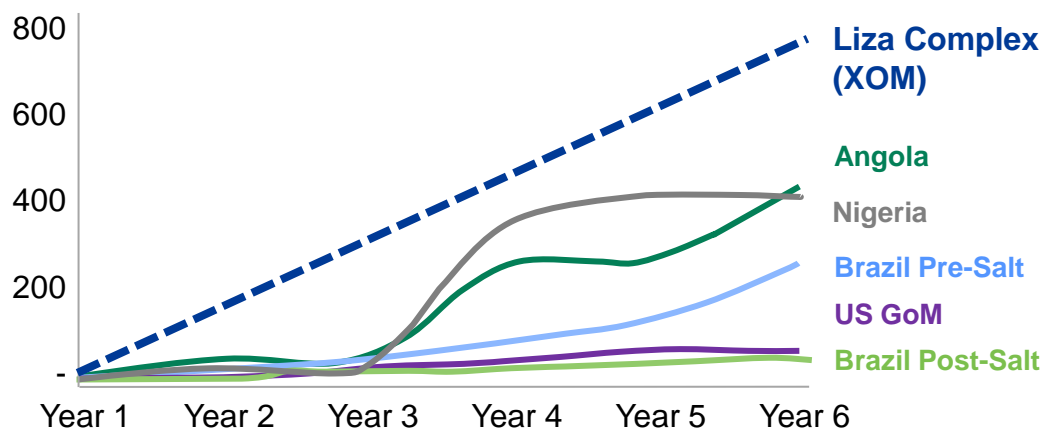
**Discovered Recoverable Resource**  
Cumulative BBOE<sup>1</sup>



**Guyana Production Capacity**  
Gross Production Capacity; MBOD<sup>1</sup>



**Production Ramp-up: Key Deepwater Areas<sup>2</sup>**  
MBOD; Indexed to first oil



**Potential for up to 6 FPSOs on the Stabroek block by the end of 2027**

(1) XOM and Hess public disclosures. (2) Wood Mackenzie.

# Guyana Developments

World class queue of projects ...



## Liza Phase 1: Destiny

~\$35 Breakeven

Discovered in 2015

First oil achieved 2019



### Phase 1

FPSO Oil Capacity <sup>1</sup>	140
Resources (MMBO)	500
Reservoirs	1
Development Wells	17
Flowlines	30 Km
Risers	6
Umbilicals	1
Installation Campaigns	1

## Liza Phase 2: Unity

~\$25 Breakeven

Discovered in 2015

First oil achieved 2022



### Phase 2

FPSO Oil Capacity	220
Resources (MMBO)	600
Reservoirs Developed	5
Development Wells	30
Flowlines	80 Km
Risers	10
Umbilicals	2
Installation Campaigns	2

## Payara: Prosperity

~\$32 Breakeven

Discovered in 2017

First oil anticipated 2023



### Payara

FPSO Oil Capacity	220
Resources (MMBO)	600
Reservoirs Developed	9
Development Wells	41
Flowlines	145 Km
Risers	11
Umbilicals	3
Installation Campaigns	3

## Yellowtail: One Guyana

~\$29 Breakeven

Discovered in 2019

First oil anticipated 2025



### Yellowtail

FPSO Oil Capacity	250
Resources (MMBO)	925
Reservoirs Developed	7
Development Wells	51
Flowlines	72 Km
Risers	11
Umbilicals	3
Installation Campaigns	2

## Uaru: Errea Wittu

~\$35 Breakeven

Discovered in 2016, 2019

First oil anticipated 2026



### Uaru

FPSO Oil Capacity	250
Resources (MMBO)	>800
Reservoirs Developed	4
Development Wells	44
Flowlines	153 Km
Risers	10
Umbilicals	3
Installation Campaigns	2

*Discovered resources to date underpin up to 10 FPSOs*

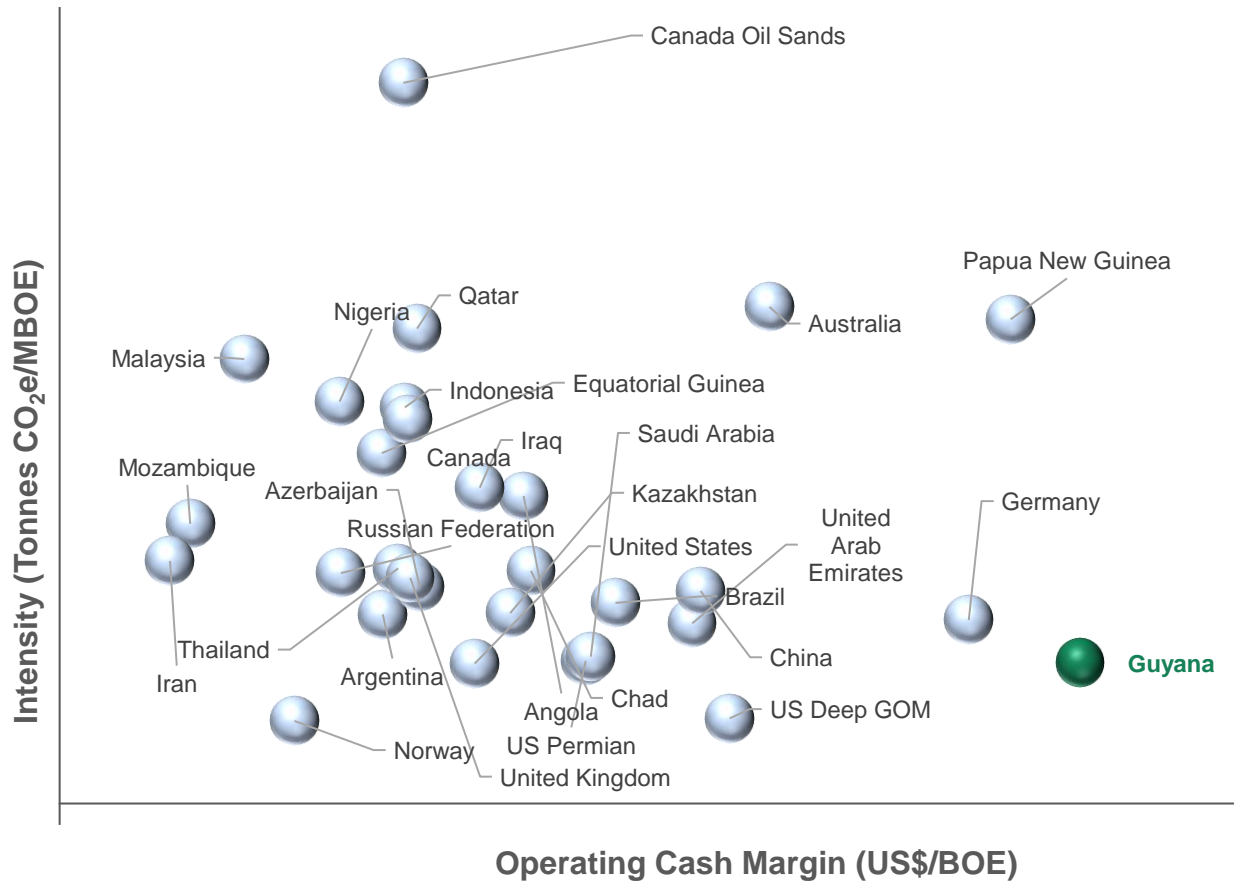
(1) After debottlenecking; Original capacity of 120 MBOPD

# Guyana: Industry Leading Metrics

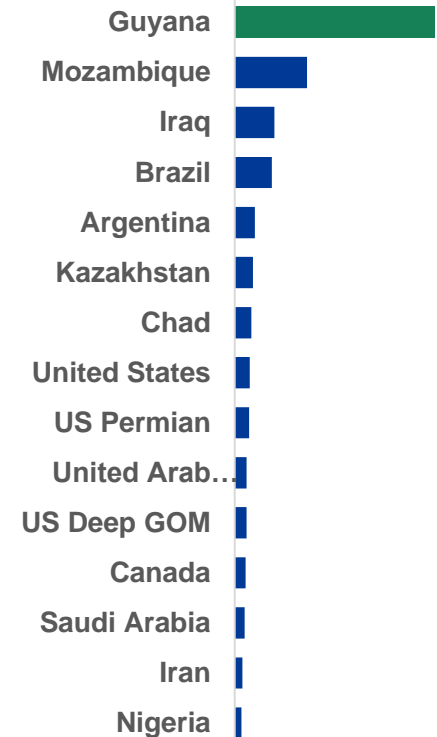
Global performance – Guyana in a league of its own...



## Operating Cash Margin vs. Scope 1+2 Emissions Intensity



## 2021-25 Production CAGR (BOE) Top 15



**Guyana positioned to be one of the highest margin, lowest carbon intensity, highest growth globally**

Source: Wood Mackenzie Lens. Data shows relative positioning in 2025. Operating cash margin defined as post tax cash flow with capex added back, divided by production.

# Southeast Asia: JDA and North Malay Basin

Stable long term free cash flow generation...

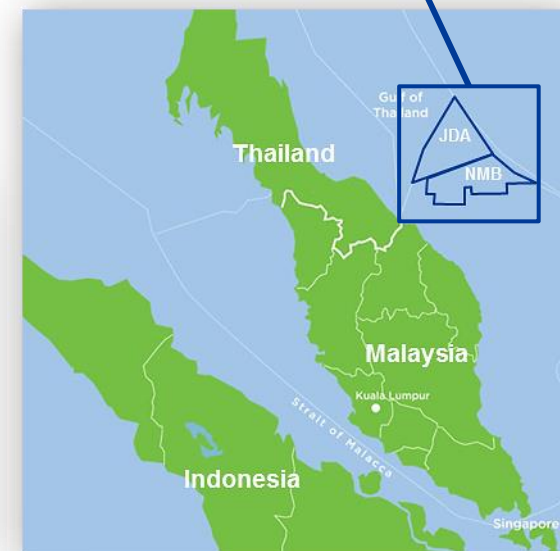
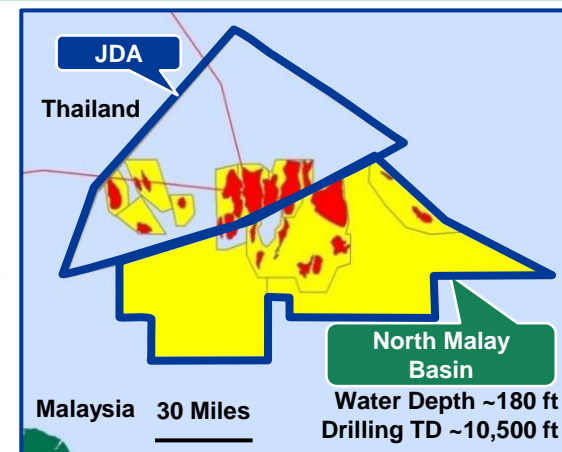


## Strategic/ Portfolio Context

- 2023 net production of ~65 MBOED
- 2023 net capex of \$225 MM
- Established operator, strong partnership with PETRONAS

## Asset Highlights

- Long-term Gas Sales Agreement with Take or Pay
- Production Sharing Contract provides downside protection in low oil price environment
- JDA PSC to 2029, NMB PSC to 2033



**Stable long-term cash generation... Production Sharing Contract provides low price resilience**



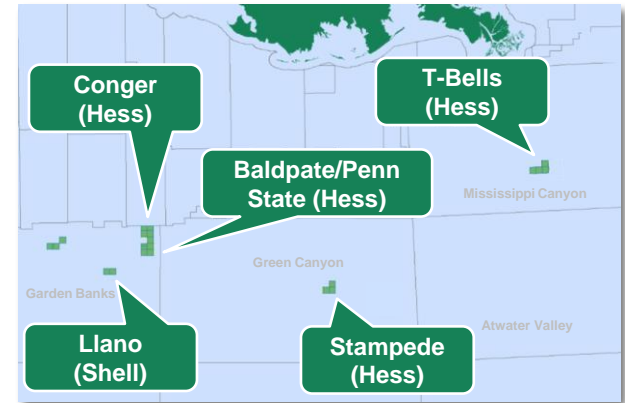
# Gulf of Mexico

Significant free cash flow generation, high returns with upside...



## Strategic/ Portfolio Context

- 2023 net production ~30 MBOED
- 2023 net capex of \$125 MM
- Plan a focused program of tie-backs and greenfield exploration to maintain production and sustain strong cash flow generation



## Asset Highlights

- Pickerel-1 infrastructure led exploration well on Mississippi Canyon 727 will spud in May and be a tie-back to Tubular Bells
- Also, plan to drill the Black Pearl prospect, which will tie back to Stampede and one hub class exploration well in Green Canyon area in 2023

>85  
leasehold blocks  
in the GoM

>15  
opportunities being  
matured

Baldpate/Penn State



Stampede



Tubular Bells



*Substantial cash engine and platform for future growth*

# Bakken

Cash engine generating significant free cash flow...



## Strategic/ Portfolio Context

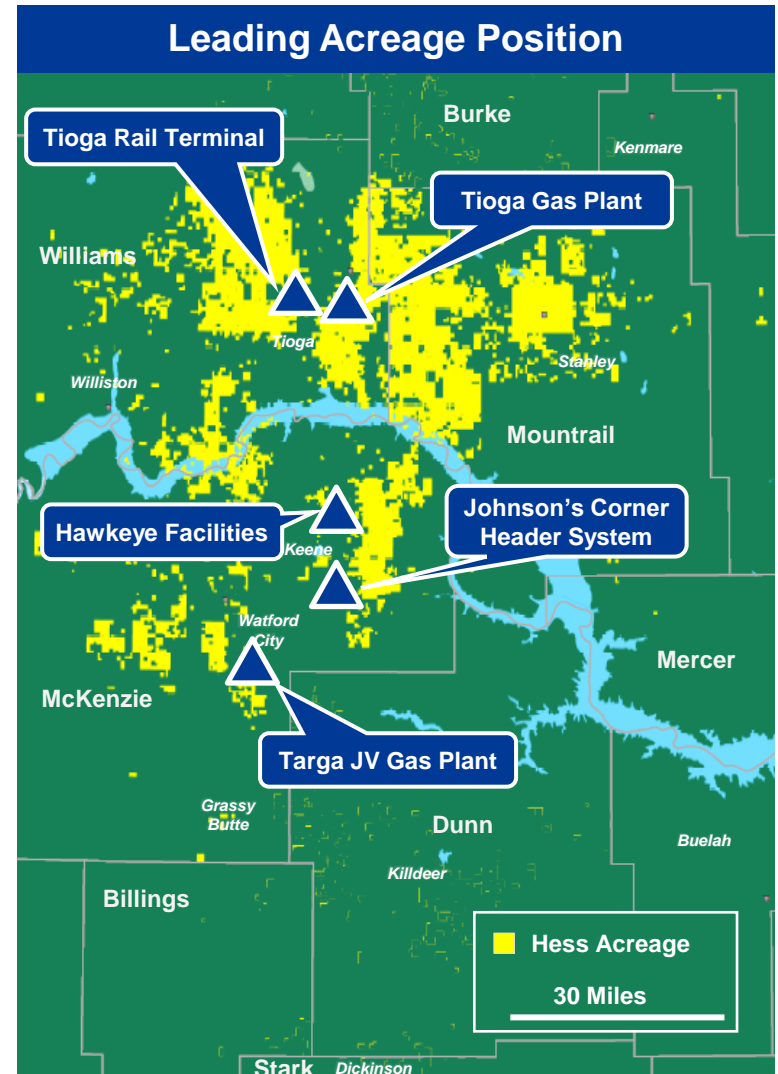
- Focus on efficiencies via Lean application to maximize cash flow and enhance returns
- Advantaged infrastructure delivers transport and market optionality, incremental value and sustainability leadership

## 2023 Guidance

- Net production: ~165-170 MBOED
- Average IP180: ~120 MBO
- Capex: \$1.1 Bn
- Average D&C cost: ~\$6.9 MM per well

## Resource Metrics

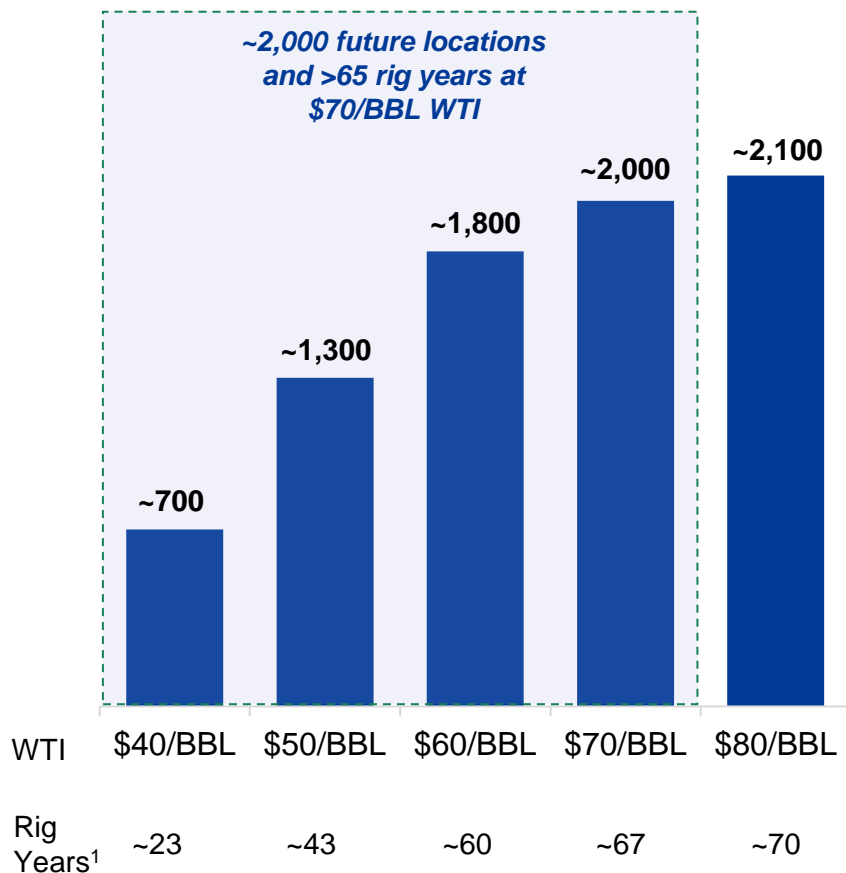
- ~465,000 net acres (Hess ~75% WI, operator)
- EUR: ~2.2 BBOE
- ~1.7 BBOE yet to produce



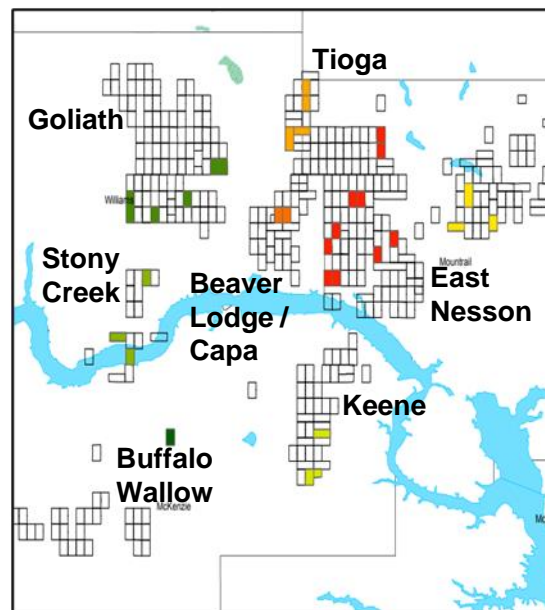
**Focus on maximizing free cash flow and optimizing infrastructure**

### Future Locations with IRRs at 15% or Above

Gross number of economic locations at various WTI prices<sup>1</sup>



### 2023 Bakken Development Well Plan



4 rig program

~110 new wells online in 2023

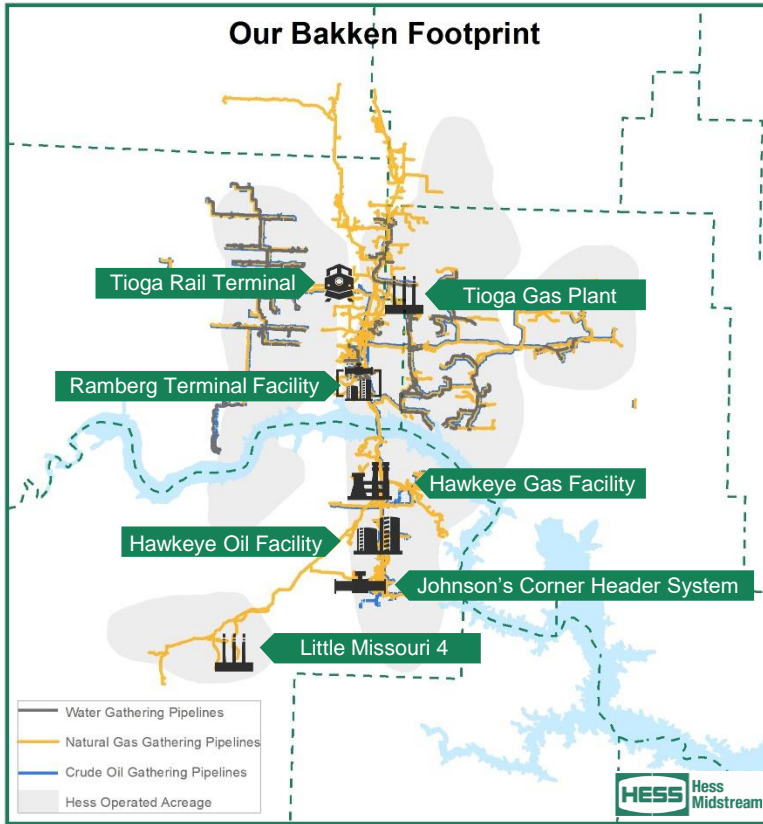
Continued focus on maximizing DSU value

	Keene / Stony Creek / East Nesson	Beaver Lodge / Buffalo Wallow / Capa / Goliath / Tioga
EUR (MBOE)	~1,300	~1,150
IP180 Oil (MBO)	~130	~115
IRR @ \$72 WTI(%)	>100%	>100%
2023 wells online	~50	~60

Table values approximate

**Optimized well spacing and completions... higher DSU NPV... higher asset value**

(1) Point forward January 2023, locations generating >15% after tax return. Assumes ~30 wells/rig/year. Operating cost assumptions include Hess net tariffs and field G&A.



### Strategic infrastructure supporting Hess' development

- Export flexibility provides access to highest value markets
- 250 MBD crude oil gathering; 500 MMCFD gas processing capacity
- Integrated service offering – crude oil gathering & terminaling, gas gathering & processing, water handling

### Significant Midstream value

- Material ownership value with operational control to support upstream growth
- Differentiated financial metrics, scale and broad investor base support incremental valuation uplift potential
- Sustained financial flexibility to support future growth and incremental return of capital to shareholders including Hess

**~\$4.5 billion**

Cash proceeds from Hess Midstream transactions<sup>1</sup>

**~\$2.5 billion**

Retained Hess Midstream equity value<sup>2</sup>

**Strategic infrastructure supports production growth while generating significant proceeds & value**

(1) Includes cash proceeds received to date for HESM IPO, HIP joint venture, HESM "Up-C" transactions, secondary offerings and share repurchases through May 19, 2023. (2) Based on Hess' ~38% ownership of Hess Midstream on a consolidated basis at May 19, 2023.

- **Grow the resource base and move down the cost curve**
- **Well positioned with low breakeven as Guyana developments progress**
- **Differentiated portfolio to drive industry leading cash flow growth and financial returns**
- **Recognized leader for our ESG performance and disclosure**
- **Unique value proposition to grow intrinsic value and cash returns through dividend increases and share repurchases**

*Portfolio positioned to deliver strong financial returns, production growth and free cash flow*



## Reconciliation of U.S. GAAP to Non-GAAP Measures

This presentation includes certain non-GAAP financial measures, including E&P Debt to Adjusted EBITDAX. This Non-GAAP financial measure should be considered only as supplemental to, and not as superior to, financial measures prepared in accordance with GAAP. "E&P Debt to Adjusted EBITDAX" is defined as the ratio of E&P Debt to Adjusted EBITDAX. "E&P Debt" is defined as total Hess consolidated debt including finance lease obligations less Midstream debt. "Adjusted EBITDAX" is defined as net income (loss) attributable to Hess Corporation adjusted for net income (loss) attributable to noncontrolling interests; provision (benefit) for income taxes; impairment and other; depreciation, depletion and amortization; interest expense; exploration expenses, including dry holes and lease impairment; (gains) losses on asset sales, net; noncash (gains) losses on commodity derivatives, net; and stock compensation expense, less items affecting comparability of EBITDAX between periods, less Midstream EBITDA (defined as Midstream segment results of operations before income taxes, plus interest expense and depreciation, depletion and amortization), plus HESM distributions to Hess Corporation. We are unable to reconcile E&P Debt to Adjusted EBITDAX projections with a reasonable degree of accuracy because this metric includes the impact of net income (loss), which requires a number of components, including certain items that are outside of our control and/or cannot be reasonably predicted. Therefore, Hess Corporation is unable to provide projected net income (loss), or the related reconciliation of projected E&P Debt to Adjusted EBITDAX to projected net income (loss) without unreasonable effort. Please see the following slide for a reconciliation of E&P Debt to Adjusted EBITDAX for 2022. Management uses "E&P Debt to Adjusted EBITDAX" to evaluate operating performance and believes that investors' understanding of the Corporation's performance is enhanced by disclosing this measure, which excludes certain items that management believes are not directly related to ongoing operations and are not indicative of future business trends and operations.

# Appendix: Reconciliation of Non-GAAP Measures



## E&P Debt/Adjusted EBITDAX

December 31, 2022

<i>(in millions)</i>	Hess Consolidated
Net Income (Loss) Attributable to Hess Corporation (GAAP)	\$ 2,223
+ Net income (loss) attributable to noncontrolling interests	351
+ Provision (benefit) for income taxes	1,107
+ Impairment and other	54
+ Depreciation, depletion and amortization	1,703
+ Interest expense	493
+ Exploration expenses, including dry holes and lease impairments	174
+ (Gains) losses on asset sales, net	(101)
+ Noncash (gains) losses on commodity derivatives, net	548
+ Stock compensation expense	83
Consolidated EBITDAX (Non-GAAP)	6,635
Less: Items affecting comparability of EBITDAX between periods <sup>1</sup>	2,225
Consolidated Adjusted EBITDAX (Non-GAAP)	4,410
Less: Midstream EBITDA	978
+ HESM distributions to Hess Corporation	221
<b>Adjusted EBITDAX (Non-GAAP)</b>	<b>\$ 3,653</b>
Total Hess Consolidated Debt (GAAP)	\$ 8,281
+ Long-term finance lease obligations	179
+ Current portion of finance lease obligations	21
Less: Midstream Debt	2,886
<b>E&amp;P Debt (Non-GAAP)</b>	<b>\$ 5,595</b>

**E&P Debt to Adjusted EBITDAX (Non-GAAP)**

**1.5x**

(1) Adjusted for items affecting comparability of EBITDAX between periods and Libya and reflects \$75/BBL Brent, \$72/BBL WTI. Please refer to our supplemental earnings information for Q4 2022 on our website at [www.hess.com](http://www.hess.com) for a historical calculation of E&P Debt to Adjusted EBITDAX for Q4 2021 through Q4 2022.

