



## News Release

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

NEW YORK, April 25, 2007 -- Hess Corporation (NYSE: HES)

Hess Corporation reported net income of \$370 million for the first quarter of 2007 compared with net income of \$699 million for the first quarter of 2006. First quarter 2006 results included an after-tax gain of \$186 million related to the sale of certain United States producing properties. The after-tax results by major operating activities were as follows:

	Three months ended March 31 (unaudited)	
	2007	2006*
	(In millions, except per share amounts)	
Exploration and Production	\$ 340	\$ 706
Marketing and Refining	101	53
Corporate	(31)	(23)
Interest expense	(40)	(37)
Net income	<u>\$ 370</u>	<u>\$ 699</u>
Net income per share (diluted)	<u>\$ 1.17</u>	<u>\$ 2.22</u>
Weighted average number of shares (diluted)	<u>317.3</u>	<u>314.8</u>

\* Reflects the retrospective adoption of a new accounting pronouncement related to refinery turnarounds and the impact of the Corporation's 3-for-1 stock split on May 31, 2006.

Exploration and Production earnings were \$340 million in the first quarter of 2007 compared with \$706 million in the first quarter of 2006. The Corporation's oil and gas production, on a barrel-of-oil equivalent basis, was 382,000 barrels per day in the first quarter of 2007 compared with 361,000 barrels per day in the first quarter of 2006.

In the first quarter of 2007, the Corporation's average worldwide crude oil selling price, including the effect of hedging, was \$50.74 per barrel, a decrease of \$2.56 per barrel from the first quarter of 2006. The Corporation's average worldwide natural gas selling price was \$5.00 per Mcf in the first quarter of 2007, compared to \$6.73 per Mcf in the first quarter of 2006.

Marketing and Refining earnings were \$101 million in the first quarter of 2007 compared with \$53 million in the first quarter of 2006. Refining earnings were \$54 million in the first quarter of 2007 compared with \$25 million in the first quarter of 2006, reflecting higher refined product margins and volumes. In the first quarter of 2006, refining earnings were affected by the unscheduled shutdown and maintenance of the fluid catalytic cracking unit at HOVENSA. Marketing earnings were \$43 million in the first quarter of 2007 compared with \$12 million in the same period of 2006, primarily reflecting higher margins. Earnings from trading operations were \$4 million in the first quarter of 2007 compared to \$16 million in the first quarter of 2006.

Net cash provided by operating activities was \$639 million in the first quarter of 2007 compared with \$1,198 million in the first quarter of 2006. Capital and exploratory expenditures for the first quarter of 2007 amounted to \$1,181 million, of which \$1,159 million related to Exploration and Production operations. These expenditures include \$371 million for the acquisition of a 28% interest in the Genghis Khan oil and gas development in the deepwater Gulf of Mexico. Capital and exploratory expenditures for the first quarter of 2006 amounted to \$1,387 million, of which \$1,354 million related to Exploration and Production operations. These expenditures included \$673 million for the acquisition of assets in Egypt and the re-entry into Libya.

At March 31, 2007, cash and cash equivalents totaled \$249 million compared with \$383 million at December 31, 2006. Total debt was \$4,141 million at March 31, 2007 and \$3,772 million at December 31, 2006. The Corporation's debt to capitalization ratio at March 31, 2007 was 32.5% compared with 31.6% at the end of 2006.

Effective January 1, 2007, the Corporation retrospectively adopted a new accounting pronouncement related to refinery turnarounds. As a result of this accounting change, the Corporation's previously reported first quarter 2006 net income increased by \$4 million, fourth quarter 2006 net income was unchanged and retained earnings as of December 31, 2006 increased by \$36 million. All of the financial information presented in this release and the accompanying schedules reflect this retrospective accounting change.

Hess Corporation will review first 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.

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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 2007	First Quarter 2006	Fourth Quarter 2006
<u>Income Statement</u>			
Revenues and Non-operating Income			
Sales (excluding excise taxes) and other operating revenues	\$ 7,319	\$ 7,159	\$ 7,155
Non-operating income			
Equity in income of HOVENSA L.L.C.	56	3	29
Gain on asset sales	--	289	--
Other, net	(1)	15	22
Total revenues and non-operating income	<u>7,374</u>	<u>7,466</u>	<u>7,206</u>
Costs and Expenses			
Cost of products sold (excluding items shown separately below)	5,410	5,229	5,058
Production expenses	347	265	358
Marketing expenses	222	231	254
Exploration expenses, including dry holes and lease impairment	93	112	140
Other operating expenses	33	29	33
General and administrative expenses	131	106	117
Interest expense	64	57	51
Depreciation, depletion and amortization	327	266	353
Total costs and expenses	<u>6,627</u>	<u>6,295</u>	<u>6,364</u>
Income before income taxes	747	1,171	842
Provision for income taxes	377	472	483
Net income	<u>\$ 370</u>	<u>\$ 699</u>	<u>\$ 359</u>
Preferred stock dividends	--	12	8
Net income applicable to common stockholders	<u>\$ 370</u>	<u>\$ 687</u>	<u>\$ 351</u>
<u>Supplemental Income Statement Information</u>			
Foreign currency gains (losses) net, after-tax	\$ (4)	\$ 7	\$ 5
Capitalized interest	15	24	25
<u>Cash Flow Information</u>			
Net cash provided by operating activities *	\$ 639	\$ 1,198	\$ 779
<u>Capital and Exploratory Expenditures</u>			
Exploration and Production			
United States	\$ 651	\$ 160	\$ 269
International	508	1,194	715
Total Exploration and Production	<u>1,159</u>	<u>1,354</u>	<u>984</u>
Marketing, Refining and Corporate	22	33	47
Total Capital and Exploratory Expenditures	<u>\$ 1,181</u>	<u>\$ 1,387</u>	<u>\$ 1,031</u>
Exploration expenses charged to income included above			
United States	\$ 40	\$ 24	\$ 42
International	35	27	28
	<u>\$ 75</u>	<u>\$ 51</u>	<u>\$ 70</u>

\* includes changes in working capital

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

<u>Balance Sheet Information</u>	March 31 2007	December 31 2006
Cash and cash equivalents	\$ 249	\$ 383
Other current assets	4,978	5,465
Investments	1,234	1,243
Property, plant and equipment - net	13,143	12,308
Other long-term assets	3,123	3,043
Total assets	\$ 22,727	\$ 22,442
Current maturities of long-term debt	\$ 30	\$ 27
Other current liabilities	6,155	6,712
Long-term debt	4,111	3,745
Other long-term liabilities	3,818	3,811
Stockholders' equity excluding other comprehensive income (loss)	10,118	9,711
Accumulated other comprehensive income (loss)	(1,505)	(1,564)
Total liabilities and stockholders' equity	\$ 22,727	\$ 22,442

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

	First Quarter 2007		
	United States	International	Total
Sales and other operating revenues	\$ 241	\$ 1,270	\$ 1,511
Non-operating income	8	(14)	(6)
Total revenues	249	1,256	1,505
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	179	627	806
Results of operations before income taxes	70	629	699
Provision for income taxes	26	333	359
Results of operations	\$ 44	\$ 296	\$ 340

	First Quarter 2006		
	United States	International	Total
Sales and other operating revenues	\$ 344	\$ 1,207	\$ 1,551
Non-operating income	288	13	301
Total revenues	632	1,220	1,852
Costs and expenses			
Production expenses, including related taxes	52	213	265
Exploration expenses, including dry holes and lease impairment	62	50	112
General, administrative and other expenses	20	25	45
Depreciation, depletion and amortization	29	222	251
Total costs and expenses	163	510	673
Results of operations before income taxes	469	710	1,179
Provision for income taxes	167	306	473
Results of operations	\$ 302	\$ 404	\$ 706

	Fourth Quarter 2006		
	United States	International	Total
Sales and other operating revenues	\$ 244	\$ 1,438	\$ 1,682
Non-operating income	3	18	21
Total revenues	247	1,456	1,703
Costs and expenses			
Production expenses, including related taxes	59	299	358
Exploration expenses, including dry holes and lease impairment	94	46	140
General, administrative and other expenses	30	16	46
Depreciation, depletion and amortization	31	305	336
Total costs and expenses	214	666	880
Results of operations before income taxes	33	790	823
Provision for income taxes	12	461	473
Results of operations	\$ 21	\$ 329	\$ 350

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

	First Quarter 2007	First Quarter 2006	Fourth Quarter 2006
<u>Operating Data</u>			
<u>Net Production Per Day</u>			
Crude oil - barrels			
United States	29	41	29
Europe	110	113	111
Africa	99	82	89
Asia and other	15	10	13
Total	<u>253</u>	<u>246</u>	<u>242</u>
Natural gas liquids - barrels			
United States	9	9	9
Europe	7	4	7
Total	<u>16</u>	<u>13</u>	<u>16</u>
Natural gas - mcf			
United States	90	123	91
Europe	348	280	336
Asia and other	243	207	223
Total	<u>681</u>	<u>610</u>	<u>650</u>
Barrels of oil equivalent	<u>382</u>	<u>361</u>	<u>366</u>
<u>Average Selling Price</u>			
Crude oil - per barrel (including hedging)			
United States	\$ 53.19	\$ 57.39	\$ 53.64
Europe	51.32	54.98	50.01
Africa	48.17	45.67	49.77
Asia and other	56.44	59.04	57.09
Worldwide	50.74	53.30	50.76
Crude oil - per barrel (excluding hedging)			
United States	\$ 53.19	\$ 57.39	\$ 53.64
Europe	51.32	56.89	51.79
Africa	56.09	61.61	57.11
Asia and other	56.44	59.04	57.09
Worldwide	53.75	58.26	54.46
Natural gas liquids - per barrel			
United States	\$ 42.44	\$ 44.21	\$ 43.68
Europe	45.90	47.16	45.19
Worldwide	43.97	44.98	44.33
Natural gas - per mcf			
United States	\$ 7.21	\$ 7.73	\$ 6.27
Europe	4.74	8.39	5.55
Asia and other	4.56	3.89	4.39
Worldwide	5.00	6.73	5.25

**HESS CORPORATION AND CONSOLIDATED SUBSIDIARIES**  
**EXPLORATION AND PRODUCTION SUPPLEMENTAL HEDGING INFORMATION (UNAUDITED)**

The following is a summary of the Corporation's outstanding crude oil hedges at March 31, 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 March 31, 2007.

The after-tax losses from crude oil hedges were \$39 million in the first quarter of 2007, \$65 million in first quarter of 2006, and \$57 million in the fourth quarter of 2006. The after-tax deferred hedge loss included in accumulated other comprehensive income at March 31, 2007 amounted to \$1.3 billion.

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

	First Quarter 2007	First Quarter 2006	Fourth Quarter 2006
<u>Financial Information (in millions of dollars)</u>			
<u>Marketing and Refining Earnings</u>			
Income before income taxes	\$ 159	\$ 83	\$ 104
Provision for income taxes	58	30	37
Marketing and Refining Earnings	\$ 101	\$ 53	\$ 67
<u>Summary of Marketing and Refining Earnings</u>			
Refining	\$ 54	\$ 25	\$ 45
Marketing	43	12	17
Trading	4	16	5
Total Marketing and Refining Earnings	\$ 101	\$ 53	\$ 67
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<u>Operating Data (in thousands unless noted)</u>			
<u>Refined Product Sales (barrels per day)</u>			
Gasoline	194	226	210
Distillates	174	166	169
Residuals	94	85	57
Other	29	43	33
Total	491	520	469
<u>Refinery Throughput (barrels per day)</u>			
HOVENSA - Crude runs	470	420	469
HOVENSA - Hess 50% share	235	210	234
Port Reading	55	64	64
<u>Refinery Utilization</u>			
HOVENSA	<u>Refinery Capacity</u> (barrels per day)		
Crude	500	94.1%	84.0%
FCC	150	93.2%	66.4%
Coker	58	88.6%	85.7%
Port Reading	65	84.7%	98.6%
<u>Retail Marketing</u>			
Number of retail stations *	1,345	1,343	1,350
Convenience store revenue (in millions of dollars) **	\$ 244	\$ 233	\$ 253
Average gasoline volume per station (gallons per month) **	191	195	202

\* Includes company operated, Wilco-Hess, dealer and branded retailer.

\*\* Company operated only.