



## HESS CORPORATION

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### ***News Release***

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#### **FOR IMMEDIATE RELEASE**

### **Hess Corporation Announces Capital and Exploratory Budget for 2011**

NEW YORK, Jan. 7, 2011 -- Hess Corporation (NYSE: HES) announced today a 2011 capital and exploratory budget of \$5.6 billion, nearly all of which is targeted for Exploration and Production: \$3.1 billion for production, \$1.6 billion for developments and \$900 million for exploration.

John B. Hess, Chairman and CEO, stated, "We are pleased to have a global portfolio of attractive investment opportunities. We expect to fund our 2011 program from internally generated cash flow."

Greg Hill, President of Worldwide Exploration and Production, said, "More than 35 percent of our capital and exploratory expenditures in 2011 are devoted to unconventional oil projects. We have a balanced program that will underpin our long term target of growing reserves and production by at least 3 percent per year."

Production expenditures of approximately \$3.1 billion include:

- Bakken oil shale in North Dakota, where Hess plans to operate 15 rigs and expand production facilities
- Drilling production and water injection wells at Valhall (Hess 64 percent working interest) in Norway and Shenzi (Hess 28 percent) in the deepwater Gulf of Mexico
- Well workovers and completions at Ceiba and Okume Complex (Hess 85 percent - operator) in Equatorial Guinea

Field development expenditures of \$1.6 billion include:

- Expansion of the Tioga Gas Plant and construction of a crude oil rail loading and storage facility to support the development of the Bakken oil shale in North Dakota
- Field redevelopment work at Valhall to increase production capacity and extend field life by 40 years is expected to be completed during 2011
- Pony (Hess 100 percent - operator) and Tubular Bells (Hess 40 percent - operator) in the deepwater Gulf of Mexico, where engineering and design work is progressing

Exploration expenditures are budgeted at \$900 million, including:

- Conventional deepwater drilling in Egypt, Ghana, Indonesia and Brunei
- Unconventional onshore drilling in the Eagle Ford Basin in Texas and the Paris Basin in France

**2011 Estimated Capital and Exploratory Expenditures**  
(\$ Millions)

<b>By Segment:</b>		<b>By Region:</b>	
<b>Exploration and Production</b>		<b>Exploration and Production</b>	
Production	3,100	United States	3,000
Development	1,550	Europe	1,125
Exploration	900	Africa	450
		Asia and Other	975
Total Exploration and Production	<u>5,550</u>		<u>5,550</u>
<b>Marketing, Refining and Corporate</b>	<u>85</u>		
<b>Total</b>	<u>5,635</u>		

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).

*Cautionary Statements*

*This news release contains projections and other forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. These projections and statements reflect the company's current views with respect to future events and financial performance. No assurances can be given, however, that these events will occur or that these projections will be achieved, and actual results could differ materially from those projected as a result of certain risk factors. A discussion of these risk factors is included in the company's periodic reports filed with the Securities and Exchange Commission.*

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