

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

**CURRENT REPORT
PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934**

Date of Report (Date of Earliest Event Reported): January 27, 2010

HESS CORPORATION
(Exact Name of Registrant as Specified in Its Charter)

DELAWARE
(State or Other
Jurisdiction of
Incorporation)

No. 1-1204
(Commission
File Number)

No. 13-4921002
(IRS Employer
Identification No.)

1185 Avenue of the Americas
New York, New York 10036
(Address of Principal Executive Offices) (Zip Code)

Registrant's Telephone Number, Including Area Code: **(212) 997-8500**

N/A
(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 2.02. Results of Operations and Financial Condition.

On January 27, 2010, Hess Corporation issued a news release reporting estimated results for the fourth quarter of 2009. A copy of this news release is attached hereto as Exhibit 99(1) and is hereby incorporated by reference.

Item 7.01. Regulation FD Disclosure.

Furnished hereunder are the prepared remarks of John B. Hess, Chairman of the Board of Directors and Chief Executive Officer of Hess Corporation at a public conference call held on January 27, 2010. A copy of his remarks is attached as Exhibit 99(2) and is incorporated herein by reference.

Item 9.01. Financial Statements and Exhibits.

(c) Exhibits

- 99(1) News release dated January 27, 2010 reporting estimated results for the fourth quarter of 2009.
- 99(2) Prepared remarks of John B. Hess, Chairman of the Board of Directors and Chief Executive Officer.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: January 27, 2010

HESS CORPORATION

By: /s/ John P. Rielly
Name: John P. Rielly
Title: Senior Vice President and
Chief Financial Officer

EXHIBIT INDEX

<u>Exhibit No.</u>	<u>Description</u>
99(1)	News release dated January 27, 2010 reporting estimated results for the fourth quarter of 2009.
99(2)	Prepared remarks of John B. Hess, Chairman of the Board of Directors and Chief Executive Officer.

Hess Reports Estimated Results for the Fourth Quarter of 2009

Fourth Quarter Highlights:

- *Net Income was \$358 million compared with a loss of \$74 million in the fourth quarter 2008*
- *Oil and gas production was 415,000 barrels per day, up from 379,000 in the fourth quarter 2008*
- *Capital and exploratory expenditures were \$992 million, down from \$1,250 million in the fourth quarter 2008*
- *Year end total proved reserves were 1,437 million barrels; reserve replacement for 2009 was 103 percent*

NEW YORK--(BUSINESS WIRE)--January 27, 2010--Hess Corporation (NYSE: HES) reported net income of \$358 million for the fourth quarter of 2009 compared with a net loss of \$74 million for the fourth quarter of 2008. The after-tax results by major operating activity were as follows:

	Three Months Ended December 31. (unaudited)		Year Ended December 31. (unaudited)	
	2009	2008	2009	2008
	(In millions, except per share amounts)			
Exploration and Production	\$ 494	\$ (125)	\$ 1,042	\$ 2,423
Marketing and Refining	17	152	127	277
Corporate	(97)	(59)	(205)	(173)
Interest expense	(56)	(42)	(224)	(167)
Net income (loss) attributable to Hess Corporation	<u>\$ 358</u>	<u>\$ (74)</u>	<u>\$ 740</u>	<u>\$ 2,360</u>
Net income (loss) per share (diluted)	<u>\$ 1.10</u>	<u>\$ (.23)</u>	<u>\$ 2.27</u>	<u>\$ 7.24</u>
Weighted average number of shares (diluted)	<u>326.4</u>	<u>322.9</u>	<u>326.0</u>	<u>325.8</u>

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

Exploration and Production earnings were \$494 million in the fourth quarter of 2009 compared with a loss of \$125 million in the fourth quarter of 2008. The Corporation's oil and gas production was 415,000 barrels of oil equivalent per day in the fourth quarter of 2009, an increase of 9.5% from the fourth quarter of 2008. The Corporation's average worldwide crude oil selling price, including the effect of hedging, was \$63.74 per barrel in the fourth quarter of 2009 compared with \$45.00 per barrel in the fourth quarter of 2008. The Corporation's average worldwide natural gas selling price was \$5.19 per Mcf in the fourth quarter of 2009 compared with \$6.26 per Mcf in the fourth quarter of 2008.

Oil and gas proved reserves were 1,437 million barrels of oil equivalent at the end of 2009, compared to 1,432 million barrels at the end of 2008. During 2009, the Corporation added 157 million barrels of oil equivalent to proved reserves. These additions, which are subject to final review, replaced approximately 103 percent of the Corporation's 2009 production, resulting in a reserve life of 9.5 years.

Marketing and Refining earnings were \$17 million in the fourth quarter of 2009 compared with \$152 million in the fourth quarter of 2008. Refining operations generated a loss of \$40 million in the fourth quarter of 2009 compared with income of \$27 million in the fourth quarter of 2008, as a result of lower refining margins. Marketing earnings were \$45 million in the fourth quarter of 2009 compared with \$138 million in the fourth quarter of 2008, primarily due to lower margins. Trading activities produced income of \$12 million in the fourth quarter of 2009 and a loss of \$13 million in the fourth quarter of 2008.

The following table reflects the total after-tax impact of items affecting comparability of earnings between periods (in millions):

	Three Months Ended December 31,		Year Ended December 31,	
	2009	2008	2009	2008
Exploration and Production	\$ -	\$ (26)	\$ 45	\$ (26)
Marketing and Refining	-	-	12	-
Corporate	(44)	-	(60)	-
	<u>\$ (44)</u>	<u>\$ (26)</u>	<u>\$ (3)</u>	<u>\$ (26)</u>

In the fourth quarter of 2009, the Corporation recorded after-tax charges of \$34 million related to the repurchase of \$546 million of bonds that were scheduled to mature in 2011 and \$10 million for pension plan settlements related to employee retirements.

Net cash provided by operating activities was \$1,271 million in the fourth quarter of 2009 compared with \$493 million in the fourth quarter of 2008. Capital and exploratory expenditures were \$992 million in the fourth quarter of 2009, of which \$957 million related to Exploration and Production operations. Capital and exploratory expenditures for the fourth quarter of 2008 amounted to \$1,250 million, of which \$1,160 million related to Exploration and Production operations.

At December 31, 2009, cash and cash equivalents totaled \$1,362 million compared with \$908 million at December 31, 2008. Total debt was \$4,467 million at December 31, 2009 and \$3,955 million at December 31, 2008. The Corporation's debt to capitalization ratio at December 31, 2009 was 24.8 percent compared with 24.2 percent at the end of 2008.

Hess Corporation will review fourth 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.

Hess Corporation, with headquarters in New York, is a leading global independent energy company engaged in the exploration for and production of crude oil and natural gas, as well as in refining and marketing refined petroleum products, natural gas and electricity. More information on Hess Corporation is available at www.hess.com.

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)

	Fourth Quarter 2009	Fourth Quarter 2008	Third Quarter 2009
<u>Income Statement (*)</u>			
Revenues and Non-operating Income			
Sales (excluding excise taxes) and other operating revenues	\$ 8,678	\$ 7,380	\$ 7,270
Equity in income (loss) of HOVENSA L.L.C.	(64)	21	(49)
Other, net	(56)	(153)	163
Total revenues and non-operating income	8,558	7,248	7,384
Costs and Expenses			
Cost of products sold (excluding items shown separately below)	6,005	5,361	5,069
Production expenses	492	451	460
Marketing expenses	266	259	240
Exploration expenses, including dry holes and lease impairment	157	258	167
Other operating expenses	49	55	43
General and administrative expenses	203	194	148
Interest expense	91	67	97
Depreciation, depletion and amortization	584	598	626
Total costs and expenses	7,847	7,243	6,850
Income before income taxes	711	5	534
Provision for income taxes	341	85	182
Net income (loss)	370	(80)	352
Less: Net income (loss) attributable to noncontrolling interests	12	(6)	11
Net income (loss) attributable to Hess Corporation	\$ 358	\$ (74)	\$ 341
<u>Supplemental Income Statement Information</u>			
Foreign currency gains (losses), after-tax	\$ (10)	\$ (84)	\$ 3
Capitalized interest	2	3	1
<u>Cash Flow Information (*)</u>			
Net cash provided by operating activities (**)	\$ 1,271	\$ 493	\$ 534
<u>Capital and Exploratory Expenditures</u>			
Exploration and Production			
United States	\$ 392	\$ 519	\$ 198
International	565	641	448
Total Exploration and Production	957	1,160	646
Marketing, Refining and Corporate	35	90	22
Total Capital and Exploratory Expenditures	\$ 992	\$ 1,250	\$ 668
Exploration expenses charged to income included above			
United States	\$ 22	\$ 49	\$ 22
International	45	45	42
	\$ 67	\$ 94	\$ 64

(*) Reflects the retrospective adoption of a new accounting standard for noncontrolling interests in consolidated subsidiaries

(**) Includes changes in working capital

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

	Year Ended December 31,	
	2009	2008
<u>Income Statement (*)</u>		
Revenues and Non-operating Income		
Sales (excluding excise taxes) and other operating revenues	\$ 29,614	\$ 41,134
Equity in income (loss) of HOVENSA L.L.C.	(229)	44
Other, net	184	(115)
Total revenues and non-operating income	29,569	41,063
Costs and Expenses		
Cost of products sold (excluding items shown separately below)	20,961	29,567
Production expenses	1,805	1,872
Marketing expenses	1,008	1,025
Exploration expenses, including dry holes and lease impairment	829	725
Other operating expenses	183	209
General and administrative expenses	647	672
Interest expense	360	267
Depreciation, depletion and amortization	2,254	2,029
Total costs and expenses	28,047	36,366
Income before income taxes	1,522	4,697
Provision for income taxes	715	2,340
Net income	807	2,357
Less: Net income (loss) attributable to noncontrolling interests	67	(3)
Net income attributable to Hess Corporation	\$ 740	\$ 2,360
<u>Supplemental Income Statement Information</u>		
Foreign currency gains (losses), after-tax	\$ (11)	\$ (82)
Capitalized interest	6	7
<u>Cash Flow Information (*)</u>		
Net cash provided by operating activities (**)	\$ 3,046	\$ 4,688
<u>Capital and Exploratory Expenditures</u>		
Exploration and Production		
United States	\$ 1,200	\$ 2,164
International	1,927	2,477
Total Exploration and Production	3,127	4,641
Marketing, Refining and Corporate	118	187
Total Capital and Exploratory Expenditures	\$ 3,245	\$ 4,828
Exploration expenses charged to income included above		
United States	\$ 144	\$ 211
International	183	179
Total	\$ 327	\$ 390

(*) Reflects the retrospective adoption of a new accounting standard for noncontrolling interests in consolidated subsidiaries

(**) Includes changes in working capital

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

<u>Balance Sheet Information</u>	December 31, 2009	December 31, 2008
Cash and cash equivalents	\$ 1,362	\$ 908
Other current assets	6,625	6,424
Investments	913	1,127
Property, plant and equipment – net	16,627	16,271
Other long-term assets	3,892	3,859
Total assets	\$ 29,419	\$ 28,589
Current maturities of long-term debt	\$ 148	\$ 143
Other current liabilities	6,702	7,587
Long-term debt	4,319	3,812
Other long-term liabilities	4,722	4,656
Total equity excluding other comprehensive income (loss)	15,203	14,399
Accumulated other comprehensive income (loss)	(1,675)	(2,008)
Total liabilities and equity	\$ 29,419	\$ 28,589

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

	Fourth Quarter 2009		
	United States	International	Total
Sales and other operating revenues	\$ 587	\$ 1,626	\$ 2,213
Other, net	-	(3)	(3)
Total revenues and non-operating income	587	1,623	2,210
Costs and expenses			
Production expenses, including related taxes	104	388	492
Exploration expenses, including dry holes and lease impairment	77	80	157
General, administrative and other expenses	33	40	73
Depreciation, depletion and amortization	165	397	562
Total costs and expenses	379	905	1,284
Results of operations before income taxes	208	718	926
Provision for income taxes	79	353	432
Results of operations attributable to Hess Corporation	<u>\$ 129</u>	<u>\$ 365</u>	<u>\$ 494</u>
	Fourth Quarter 2008		
	United States	International	Total
Sales and other operating revenues	\$ 199	\$ 1,264	\$ 1,463
Other, net	-	(165)	(165)
Total revenues and non-operating income	199	1,099	1,298
Costs and expenses			
Production expenses, including related taxes	106	345	451
Exploration expenses, including dry holes and lease impairment	78	180	258
General, administrative and other expenses	50	32	82
Depreciation, depletion and amortization	63	514	577
Total costs and expenses	297	1,071	1,368
Results of operations before income taxes	(98)	28	(70)
Provision (benefit) for income taxes	(37)	92	55
Results of operations attributable to Hess Corporation	<u>\$ (61)</u>	<u>\$ (64)</u>	<u>\$ (125)</u>
	Third Quarter 2009		
	United States	International	Total
Sales and other operating revenues	\$ 499	\$ 1,293	\$ 1,792
Other, net	137	8	145
Total revenues and non-operating income	636	1,301	1,937
Costs and expenses			
Production expenses, including related taxes	106	354	460
Exploration expenses, including dry holes and lease impairment	56	111	167
General, administrative and other expenses	37	28	65
Depreciation, depletion and amortization	176	426	602
Total costs and expenses	375	919	1,294
Results of operations before income taxes	261	382	643
Provision for income taxes	99	147	246
Results of operations attributable to Hess Corporation	<u>\$ 162</u>	<u>\$ 235</u>	<u>\$ 397</u>

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

	Year Ended December 31, 2009		
	United States	International	Total
Sales and other operating revenues	\$ 1,611	\$ 5,224	\$ 6,835
Other, net	132	75	207
Total revenues and non-operating income	1,743	5,299	7,042
Costs and expenses			
Production expenses, including related taxes	431	1,374	1,805
Exploration expenses, including dry holes and lease impairment	383	446	829
General, administrative and other expenses	130	125	255
Depreciation, depletion and amortization	503	1,664	2,167
Total costs and expenses	1,447	3,609	5,056
Results of operations before income taxes	296	1,690	1,986
Provision for income taxes	114	830	944
Results of operations attributable to Hess Corporation	\$ 182	\$ 860	\$ 1,042

	Year Ended December 31, 2008		
	United States	International	Total
Sales and other operating revenues	\$ 1,652	\$ 8,154	\$ 9,806
Other, net	9	(176)	(167)
Total revenues and non-operating income	1,661	7,978	9,639
Costs and expenses			
Production expenses, including related taxes	373	1,499	1,872
Exploration expenses, including dry holes and lease impairment	305	420	725
General, administrative and other expenses	159	143	302
Depreciation, depletion and amortization	238	1,714	1,952
Total costs and expenses	1,075	3,776	4,851
Results of operations before income taxes	586	4,202	4,788
Provision for income taxes	226	2,139	2,365
Results of operations attributable to Hess Corporation	\$ 360	\$ 2,063	\$ 2,423

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

	Fourth Quarter 2009	Fourth Quarter 2008	Third Quarter 2009
Operating Data			
<u>Net Production Per Day (in thousands)</u>			
Crude oil - barrels			
United States	76	27	73
Europe	86	84	83
Africa	105	129	124
Asia and other	15	11	17
Total	<u>282</u>	<u>251</u>	<u>297</u>
Natural gas liquids - barrels			
United States	12	8	12
Europe	3	5	2
Asia and other	1	-	-
Total	<u>16</u>	<u>13</u>	<u>14</u>
Natural gas - mcf			
United States	97	61	105
Europe	147	241	120
Asia and other	456	386	429
Total	<u>700</u>	<u>688</u>	<u>654</u>
Barrels of oil equivalent	<u>415</u>	<u>379</u>	<u>420</u>
<u>Average Selling Price</u>			
Crude oil - per barrel (including hedging)*			
United States	\$ 70.61	\$ 48.90	\$ 63.79
Europe	58.07	46.77	47.34
Africa	61.67	42.93	54.97
Asia and other	74.59	40.39	67.49
Worldwide	63.74	45.00	56.07
Crude oil - per barrel (excluding hedging)			
United States	\$ 70.61	\$ 48.90	\$ 63.79
Europe	58.07	46.77	47.34
Africa	74.41	49.90	67.27
Asia and other	74.59	40.39	67.49
Worldwide	68.50	48.31	61.42
Natural gas liquids - per barrel			
United States	\$ 47.12	\$ 36.83	\$ 36.05
Europe	59.31	44.05	43.53
Asia and other	57.40	-	44.74
Worldwide	50.21	39.00	37.27
Natural gas - per mcf (including hedging)*			
United States	\$ 3.83	\$ 5.56	\$ 2.65
Europe	4.82	8.46	4.38
Asia and other	5.60	4.99	5.12
Worldwide	5.19	6.26	4.60
Natural gas - per mcf (excluding hedging)			
United States	\$ 3.83	\$ 5.56	\$ 2.65
Europe	4.82	8.62	4.38
Asia and other	5.60	4.99	5.12
Worldwide	5.19	6.32	4.60

* The after-tax losses from hedging activities were \$88 million in the fourth quarter of 2009, \$46 million in the fourth quarter of 2008 and \$84 million in the third quarter of 2009.

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

	Year Ended December 31,	
	2009	2008
<u>Operating Data</u>		
<u>Net Production Per Day (in thousands)</u>		
Crude oil - barrels		
United States	60	32
Europe	83	83
Africa	120	124
Asia and other	16	13
Total	<u>279</u>	<u>252</u>
Natural gas liquids - barrels		
United States	11	10
Europe	3	4
Asia and other	-	-
Total	<u>14</u>	<u>14</u>
Natural gas - mcf		
United States	93	78
Europe	151	255
Asia and other	446	356
Total	<u>690</u>	<u>689</u>
Barrels of oil equivalent	<u>408</u>	<u>381</u>
<u>Average Selling Price</u>		
Crude oil - per barrel (including hedging)*		
United States	\$ 60.67	\$ 96.82
Europe	47.02	78.75
Africa	48.91	78.72
Asia and other	63.01	97.07
Worldwide	51.62	82.04
Crude oil - per barrel (excluding hedging)		
United States	\$ 60.67	\$ 96.82
Europe	47.02	78.75
Africa	60.79	93.57
Asia and other	63.01	97.07
Worldwide	56.74	89.23
Natural gas liquids - per barrel		
United States	\$ 36.57	\$ 64.98
Europe	43.23	74.63
Asia and other	46.48	-
Worldwide	38.47	67.61
Natural gas - per mcf (including hedging)*		
United States	\$ 3.36	\$ 8.61
Europe	5.15	9.44
Asia and other	5.06	5.24
Worldwide	4.85	7.17
Natural gas - per mcf (excluding hedging)		
United States	\$ 3.36	\$ 8.61
Europe	5.15	9.79
Asia and other	5.06	5.24
Worldwide	4.85	7.30

* The after-tax losses from hedging activities were \$337 million for the year ended December 31, 2009 and \$423 million for the year ended December 31, 2008.

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

	Fourth Quarter 2009	Fourth Quarter 2008	Third Quarter 2009
<u>Financial Information (in millions of dollars)</u>			
<u>Marketing and Refining Results</u>			
Income before income taxes	\$ 16	\$ 241	\$ 29
Provision (benefit) for income taxes	(1)	89	(9)
Results of operations attributable to Hess Corporation	\$ 17	\$ 152	\$ 38
<u>Summary of Marketing and Refining Results</u>			
Refining	\$ (40)	\$ 27	\$ (3)
Marketing	45	138	35
Trading	12	(13)	6
Results of operations attributable to Hess Corporation	\$ 17	\$ 152	\$ 38
<hr/>			
<u>Operating Data (barrels and gallons in thousands)</u>			
<u>Refined Product Sales (barrels per day)</u>			
Gasoline	241	225	253
Distillates	149	154	113
Residuals	67	62	51
Other	38	36	26
Total	495	477	443
<u>Refinery Throughput (barrels per day)</u>			
HOVENSA - Crude runs	371	392	384
HOVENSA - Hess 50% share	185	196	192
Port Reading	61	64	65
<u>Refinery Utilization</u>	<u>Refinery Capacity</u>		
HOVENSA	(barrels per day)		
Crude	500	74.1%	78.4%
FCC	150	55.5%	70.5%
Coker	58	75.8%	73.5%
Port Reading	70	87.3%	92.0%
<u>Retail Marketing</u>			
Number of retail stations (a)	1,357	1,366	1,353
Convenience store revenue (in millions of dollars) (b)	\$ 296	\$ 258	\$ 313
Average gasoline volume per station (gallons per month) (b)	196	200	202

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

(b) Company operated only.

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

	Year Ended December 31,	
	2009	2008
<u>Financial Information (in millions of dollars)</u>		
<u>Marketing and Refining Results</u>		
Income before income taxes	\$ 151	\$ 439
Provision for income taxes	24	162
Results of operations attributable to Hess Corporation	<u>\$ 127</u>	<u>\$ 277</u>
<u>Summary of Marketing and Refining Results</u>		
Refining	\$ (87)	\$ 73
Marketing	168	240
Trading	46	(36)
Results of operations attributable to Hess Corporation	<u>\$ 127</u>	<u>\$ 277</u>

Operating Data (barrels and gallons in thousands)

Refined Product Sales (barrels per day)

Gasoline	236	234
Distillates	134	143
Residuals	67	56
Other	36	39
Total	<u>473</u>	<u>472</u>

Refinery Throughput (barrels per day)

HOVENSA - Crude runs	402	441
HOVENSA - Hess 50% share	201	221
Port Reading	63	64

Refinery Utilization

	<u>Refinery Capacity</u> (barrels per day)		
HOVENSA			
Crude	500	80.3%	88.2%
FCC	150	70.2%	72.7%
Coker	58	81.6%	92.4%
Port Reading	70	90.2%	90.7%

Retail Marketing

Number of retail stations (a)		1,357		1,366
Convenience store revenue (in millions of dollars) (b)	\$	1,164	\$	1,051
Average gasoline volume per station (gallons per month) (b)		201		207

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

(b) Company operated only.

CONTACT:

Hess Corporation

Investors:

Jay Wilson, 212-536-8940

or

Media:

Jon Pepper, 212-536-8550

2009 Fourth Quarter Earnings Conference Call

Thank you Jay. Welcome to our fourth quarter conference call. I would like to review key achievements of 2009 and provide some guidance for 2010. Greg Hill will then discuss our Exploration and Production business and John Rielly will review our financial results.

Corporate net income for the full-year 2009 was \$740 million. Exploration and Production earned \$1.04 billion and Marketing and Refining earned \$127 million. While our earnings were down versus the previous year, our results reflected strong production performance, increasing crude oil prices throughout 2009 and successful cost reduction efforts.

In terms of our 2010 capital and exploratory program, we are revising our budget to \$4.1 billion from \$3.9 billion. This increase of \$200 million is the result of the strategic asset trade with Shell, announced in December, in which we will assume Shell's interest in the Valhall and Hod Fields in Norway in exchange for Hess' interest in the Clair Field in the United Kingdom and all of Hess' interests in Gabon. The transaction is anticipated to close in the first quarter and be effective January 1, 2010. As another step to improve our portfolio we completed the sale earlier this month of our interest in Jambi Merang in Indonesia, receiving proceeds of \$180 million.

As in previous years, substantially all of our 2010 spending will be targeted to Exploration and Production, with \$2.4 billion budgeted for production operations, \$800 million for developments and \$850 million for exploration.

With regard to Exploration and Production, in 2009 we replaced 103 percent of production at a FD&A cost of about \$20 per barrel of oil equivalent. At year-end our proved reserves stood at 1.44 billion barrels of oil equivalent and our reserve life was 9.5 years.

In 2009, we increased crude oil and natural gas production 7 percent to 408 thousand barrels of oil equivalent per day. In 2010, we forecast that crude oil and natural gas production will average between 400 and 410 thousand barrels of oil equivalent per day. This forecast includes a net reduction of about 3 thousand barrels of oil equivalent per day resulting from the strategic asset trade with Shell.

With regard to developments, the Shenzi Field in the deepwater Gulf of Mexico, in which Hess has a 28 percent interest, commenced production in March and achieved a net rate of about 40 thousand barrels of oil equivalent per day during the second half of 2009.

We also sanctioned our Bakken Shale development in North Dakota. We plan to build up to a 10 rig program over the next 18 months and invest about \$1 billion per year over the next five years. As a result, we expect net production to increase from 10 thousand barrels of oil equivalent per day currently to 80 thousand barrels of oil equivalent per day in 2015.

In exploration, we had continued success at our 100 percent owned WA-390-P Block offshore Australia, where in 2009 we drilled seven wells, six of which were natural gas discoveries. In Libya, we successfully flow tested the A1 discovery well on our 100 percent owned Area 54 license and subsequently drilled and successfully flow tested a down-dip appraisal well.

With regard to Marketing and Refining, our full year 2009 financial results were lower than 2008 as the weak economy continued to have a negative impact on our business. Our HOVENSA joint venture refinery experienced losses as a result of significantly lower distillate crack spreads and narrower light/heavy crude oil differentials. In Retail Marketing, our financial results were adversely affected by lower gasoline volumes, which were 3 percent below last year, and weaker margins, partially offset by higher convenience store sales, which were up nearly 11 percent from last year. In Energy Marketing, we generated stronger financial results and increased sales of fuel oil and electricity.

In 2009, we maintained a strong financial position in the face of a difficult economic environment. Our debt to capitalization ratio at year end was 24.8 percent, a slight increase over 2008. Our liquidity was enhanced by the February 2009 issuance of \$1 billion of 10-year notes and \$250 million of five-year notes to reduce short-term debt. Also in the fourth quarter of 2009, we refinanced notes due in 2011 by issuing \$750 million of 30-year bonds.

We are pleased with our performance during 2009 despite a challenging and volatile year. We remain committed to our strategy of investing to profitably grow our reserves and production on a sustainable basis. We are excited about our future investment opportunities which we believe will create long-term value for our shareholders.

I will now turn the call over to Greg Hill.