



HESS CORPORATION

Supplemental Earnings Information

Second Quarter 2008

Reported Net Income, Items Affecting Comparability & Adjusted Earnings by Operating Activity



\$ Millions, except per share data

Income/(Expense)	2Q 2008	2Q 2007	1Q 2008
<u>Net Income (U.S. GAAP)</u>			
Exploration and Production	\$ 1,025	\$ 505	\$ 824
Marketing and Refining	(52)	122	16
Corporate	(33)	(32)	(39)
Interest	(40)	(38)	(42)
Net Income	<u>\$ 900</u>	<u>\$ 557</u>	<u>\$ 759</u>
Net Income Per Share (Diluted)	<u>\$ 2.76</u>	<u>\$ 1.75</u>	<u>\$ 2.34</u>
<u>Items Affecting Comparability</u>			
Exploration and Production	\$ --	\$ 15	\$ --
Marketing and Refining	--	--	--
Corporate	--	--	--
Total Items Affecting Comparability	<u>\$ --</u>	<u>\$ 15</u>	<u>\$ --</u>
<u>Adjusted Earnings (a)</u>			
Exploration and Production	\$ 1,025	\$ 490	\$ 824
Marketing and Refining	(52)	122	16
Corporate	(33)	(32)	(39)
Interest	(40)	(38)	(42)
Adjusted Earnings	<u>\$ 900</u>	<u>\$ 542</u>	<u>\$ 759</u>
Adjusted Earnings Per Share (Diluted)	<u>\$ 2.76</u>	<u>\$ 1.70</u>	<u>\$ 2.34</u>
Weighted Average Number of Shares (Diluted)	<u>326.2</u>	<u>318.6</u>	<u>323.8</u>

- (a) "Adjusted Earnings," presented throughout this supplemental earnings information, is defined as reported net income excluding discontinued operations, cumulative effect of changes in accounting principles, and items identified as affecting comparability of earnings between periods. We believe that investors' understanding of our performance is enhanced by disclosing this measure. This measure is not, and should not be viewed as, a substitute for U.S. GAAP net income.

Items Affecting Comparability Between Periods



(Amounts are after income taxes)

2Q 2008

- None reported.

2Q 2007

- **Exploration and Production** - Earnings in the second quarter of 2007 include a gain of \$15 million related to the sale of the Corporation's interests in the Scott and Telford fields located in the United Kingdom.

1Q 2008

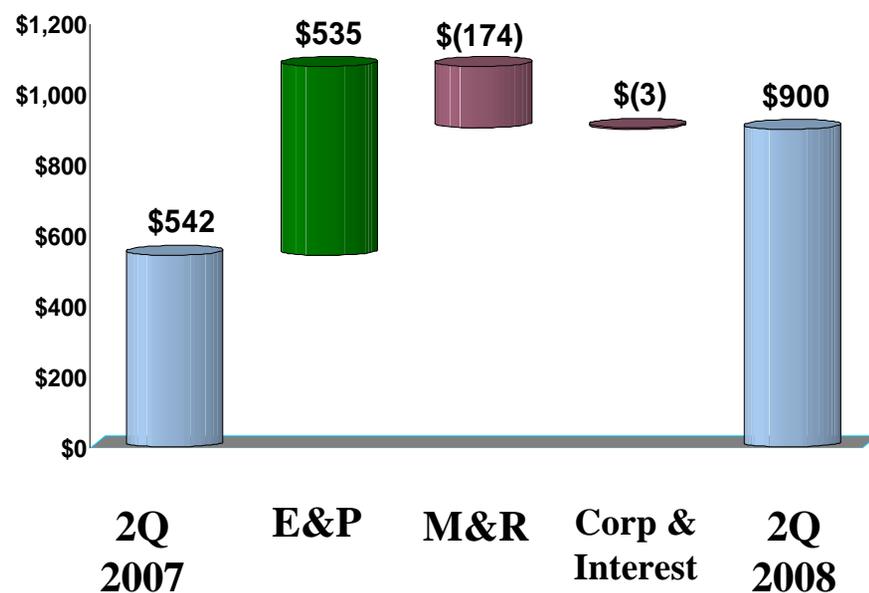
- None reported



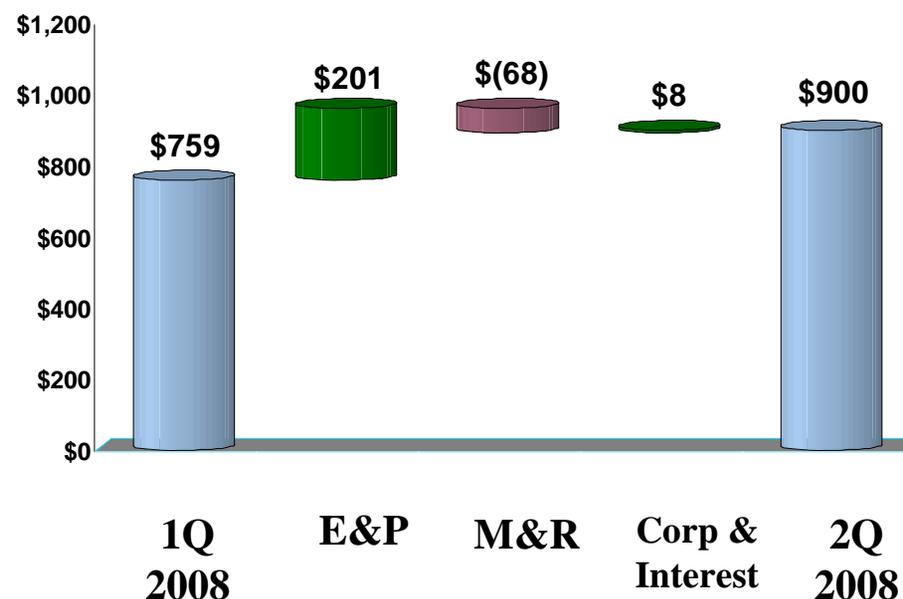
Consolidated Adjusted Earnings

\$ Millions

2Q 2008 vs. 2Q 2007



2Q 2008 vs. 1Q 2008





Analysis of Consolidated Adjusted Earnings

2Q 2008 vs. 2Q 2007

- **Exploration and Production** – The increase in earnings primarily reflects higher realized selling prices and natural gas production volumes partially offset by higher costs.
- **Marketing and Refining** – The decrease primarily reflects lower margins and trading results.

2Q 2008 vs. 1Q 2008

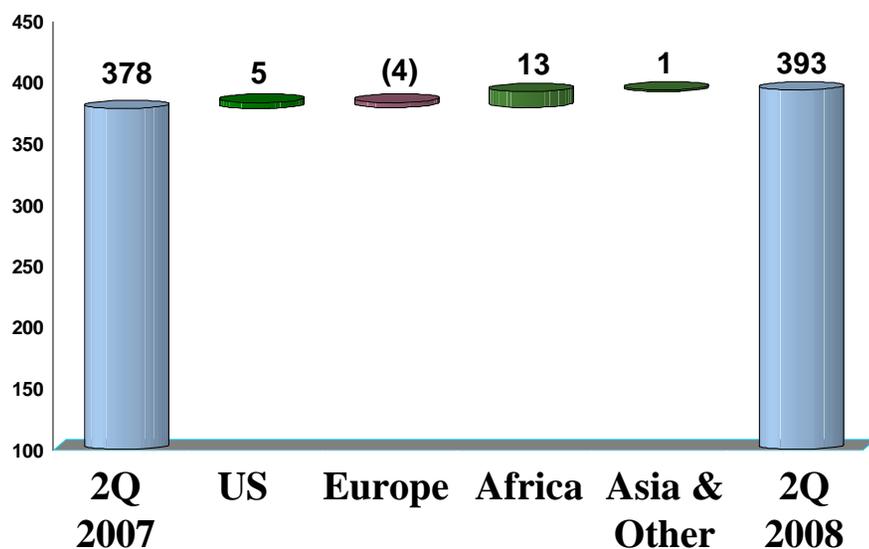
- **Exploration and Production** – The increase primarily reflects higher selling prices partially offset by higher costs.
- **Marketing and Refining** – The decrease primarily reflects seasonally lower margins and natural gas sales volumes.



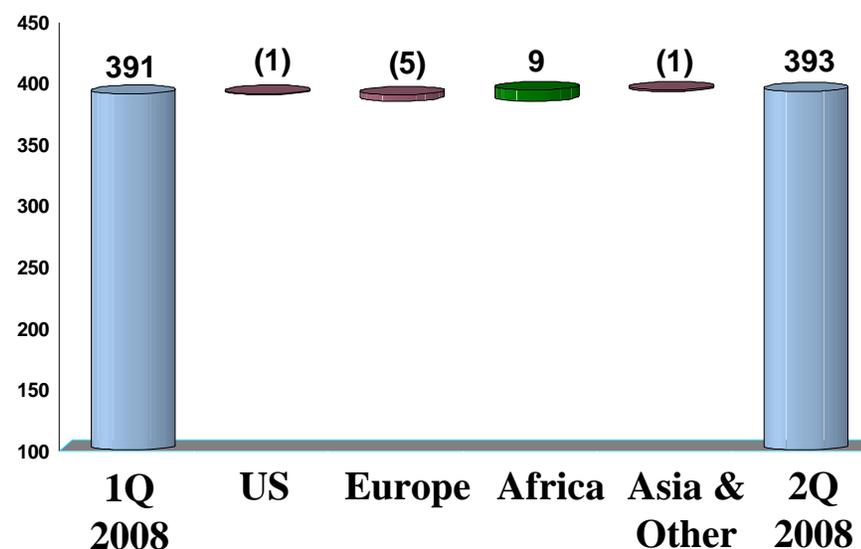
Worldwide Oil & Gas Production

(MBOEPD)

2Q 2008 vs. 2Q 2007



2Q 2008 vs. 1Q 2008



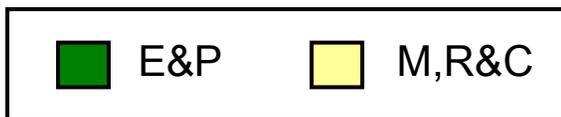
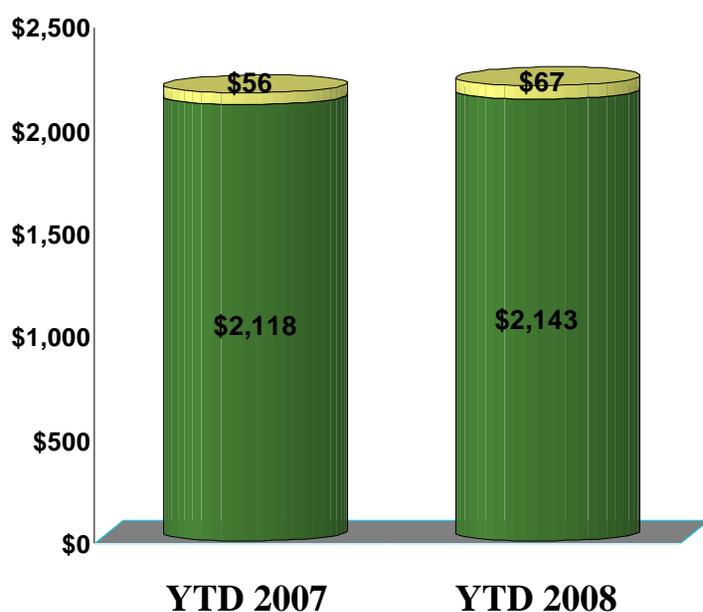
	<u>2Q 2007</u>	<u>2Q 2008</u>	<u>Inc/(Dec)</u>
United States	56	61	5
Europe	135	131	(4)
Africa	115	128	13
Asia & Other	<u>72</u>	<u>73</u>	<u>1</u>
Total	<u>378</u>	<u>393</u>	<u>15</u>

	<u>1Q 2008</u>	<u>2Q 2008</u>	<u>Inc/(Dec)</u>
United States	62	61	(1)
Europe	136	131	(5)
Africa	119	128	9
Asia & Other	<u>74</u>	<u>73</u>	<u>(1)</u>
Total	<u>391</u>	<u>393</u>	<u>2</u>



Capital & Exploratory Expenditures

\$ Millions



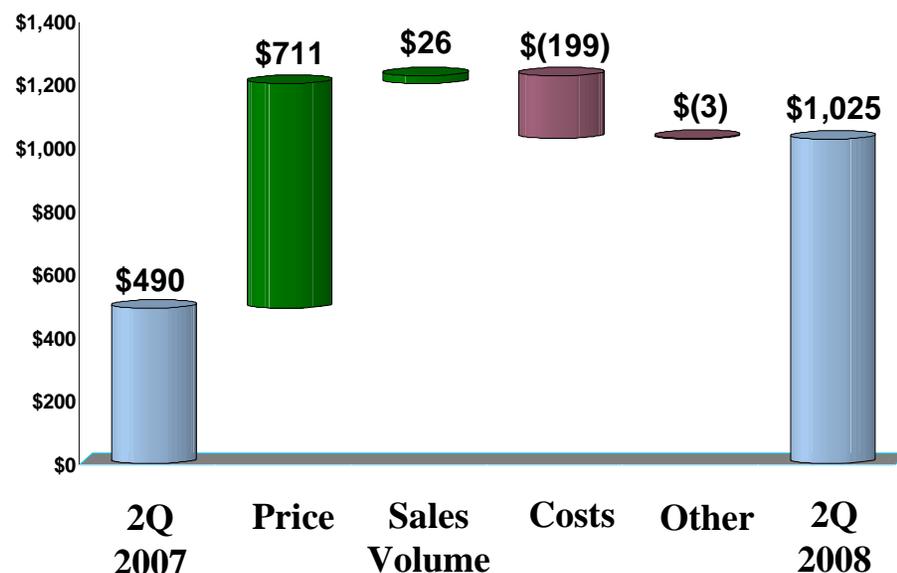
	Year to Date	
	2007	2008
Exploration & Production		
United States	\$ 1,042	\$ 1,136
International	<u>1,076</u>	<u>1,007</u>
Total E&P	2,118	2,143
Marketing, Refining & Corporate		
Total	<u>56</u>	<u>67</u>
Total	\$ 2,174	\$ 2,210
Exploration expenses included above:		
United States	\$ 82	\$ 106
International	<u>54</u>	<u>99</u>
Total	\$ 136	\$ 205



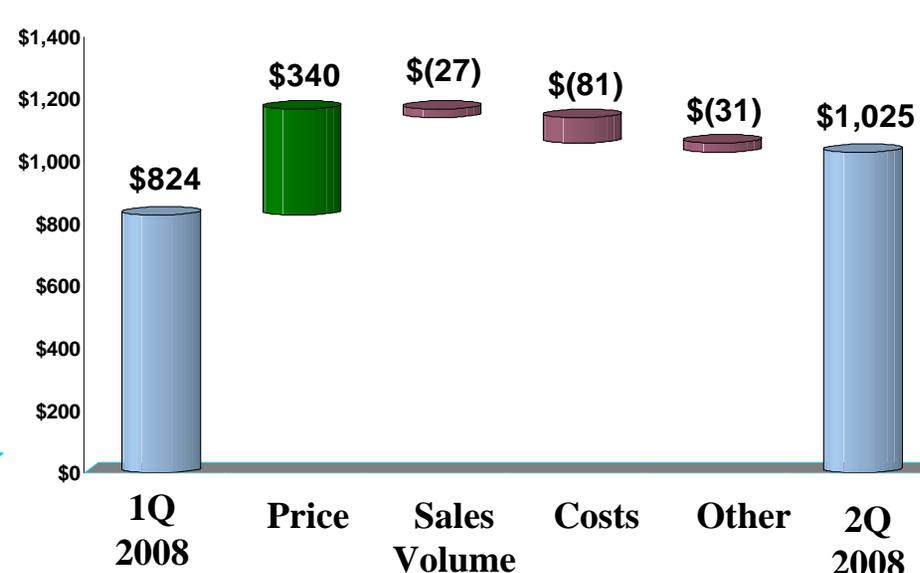
Exploration and Production Adjusted Earnings

\$ Millions

2Q 2008 vs. 2Q 2007



2Q 2008 vs. 1Q 2008



	<u>2Q 2007</u>	<u>2Q 2008</u>	<u>Inc/(Dec)</u>
United States	\$ 44	\$ 177	\$ 133
International	<u>446</u>	<u>848</u>	<u>402</u>
Total	<u>\$ 490</u>	<u>\$ 1,025</u>	<u>\$ 535</u>

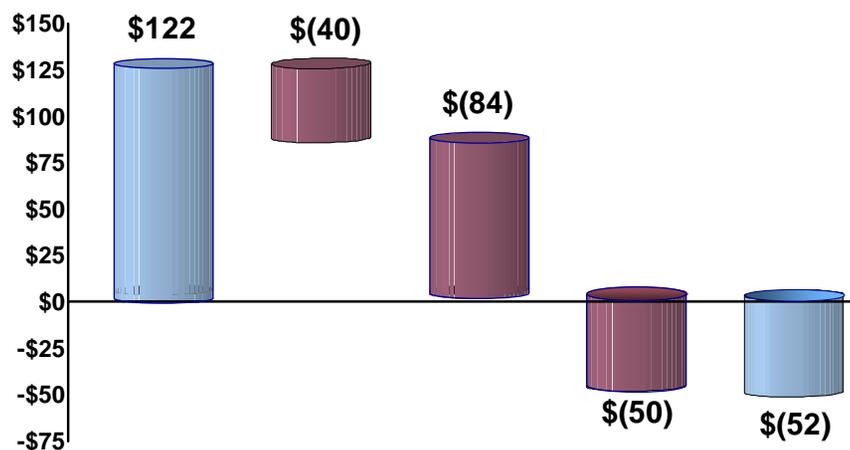
	<u>1Q 2008</u>	<u>2Q 2008</u>	<u>Inc/(Dec)</u>
United States	\$ 134	\$ 177	\$ 43
International	<u>690</u>	<u>848</u>	<u>158</u>
Total	<u>\$ 824</u>	<u>\$ 1,025</u>	<u>\$ 201</u>



Marketing and Refining Adjusted Earnings

\$ Millions

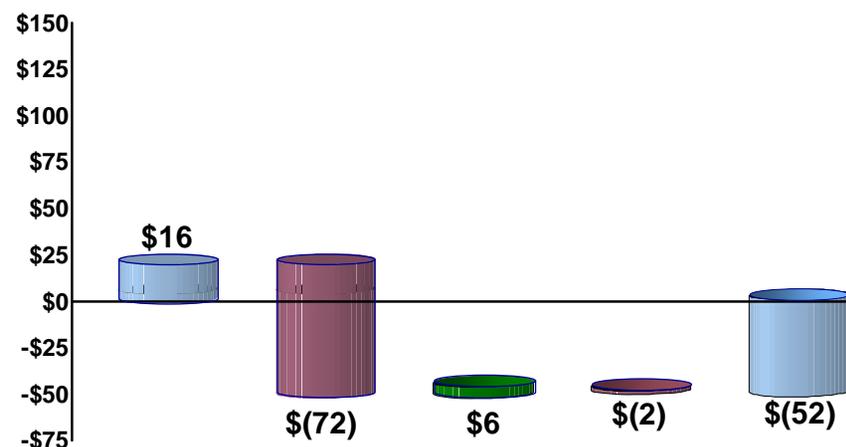
2Q 2008 vs. 2Q 2007



2Q 2007 Marketing Refining Trading 2Q 2008

	<u>2Q 2007</u>	<u>2Q 2008</u>	<u>Inc/(Dec)</u>
Marketing	\$ -	\$ (40)	\$ (40)
Refining	87	3	(84)
Trading	<u>35</u>	<u>(15)</u>	<u>(50)</u>
Total	<u>\$ 122</u>	<u>\$ (52)</u>	<u>\$ (174)</u>

2Q 2008 vs. 1Q 2008



1Q 2008 Marketing Refining Trading 2Q 2008

	<u>1Q 2008</u>	<u>2Q 2008</u>	<u>Inc/(Dec)</u>
Marketing	\$ 32	\$ (40)	\$ (72)
Refining	(3)	3	6
Trading	<u>(13)</u>	<u>(15)</u>	<u>(2)</u>
Total	<u>\$ 16</u>	<u>\$ (52)</u>	<u>\$ (68)</u>