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

Form 10-Q

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

For the quarter ended *March 31, 2023*

or

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

For the transition period from __________ to __________

Commission File Number 1-1204

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

DELAWARE
(State or Other Jurisdiction of Incorporation or Organization)

13-4921002
(I.R.S. Employer Identification Number)

1185 AVENUE OF THE AMERICAS, NEW YORK, NY
(Address of Principal Executive Offices)
10036
(Zip Code)

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

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	*Trading Symbol*	*Name of exchange on which registered*
Common Stock	HES	New York Stock Exchange

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☒	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☐
Emerging growth company	☐		

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

At March 31, 2023, there were 307,051,889 shares of Common Stock outstanding.

HESS CORPORATION
Form 10-Q
TABLE OF CONTENTS

Unless the context indicates otherwise, references to “Hess”, the “Corporation”, “Registrant”, “we”, “us”, “our” and “its” refer to the consolidated business operations of Hess Corporation and its subsidiaries.

PART I - FINANCIAL INFORMATION

Item 1. Financial Statements.

HESS CORPORATION AND CONSOLIDATED SUBSIDIARIES
CONSOLIDATED BALANCE SHEET (UNAUDITED)

	March 31, 2023	December 31, 2022
	(In millions, except share amounts)	
Assets		
Current Assets:		
Cash and cash equivalents	$ 2,100	$ 2,486
Accounts receivable:		
From contracts with customers	1,064	1,041
Joint venture and other	143	121
Inventories	229	217
Other current assets	263	66
Total current assets	3,799	3,931
Property, plant and equipment:		
Total — at cost	33,276	32,592
Less: Reserves for depreciation, depletion, amortization and lease impairment	17,864	17,494
Property, plant and equipment — net	15,412	15,098
Operating lease right-of-use assets — net	542	570
Finance lease right-of-use assets — net	121	126
Goodwill	360	360
Deferred income taxes	131	133
Post-retirement benefit assets	663	648
Other assets	910	829
Total Assets	$ 21,938	$ 21,695
Liabilities		
Current Liabilities:		
Accounts payable	$ 344	$ 285
Accrued liabilities	1,663	1,840
Taxes payable	59	47
Current portion of long-term debt	5	3
Current portion of operating and finance lease obligations	237	221
Total current liabilities	2,308	2,396
Long-term debt	8,382	8,278
Long-term operating lease obligations	422	469
Long-term finance lease obligations	174	179
Deferred income taxes	454	418
Asset retirement obligations	1,050	1,034
Other liabilities and deferred credits	427	425
Total Liabilities	13,217	13,199
Equity		
Hess Corporation stockholders' equity:		
Common stock, par value $1.00; Authorized — 600,000,000 shares		
Issued 307,051,889 shares (2022: 306,176,864)	307	306
Capital in excess of par value	6,254	6,206
Retained earnings	1,686	1,474
Accumulated other comprehensive income (loss)	(114)	(131)
Total Hess Corporation stockholders' equity	8,133	7,855
Noncontrolling interests	588	641
Total Equity	8,721	8,496
Total Liabilities and Equity	$ 21,938	$ 21,695

See accompanying Notes to Consolidated Financial Statements.

HESS CORPORATION AND CONSOLIDATED SUBSIDIARIES
STATEMENT OF CONSOLIDATED INCOME (UNAUDITED)

	Three Months Ended March 31, 2023	Three Months Ended March 31, 2022
	(In millions, except per share amounts)	
Revenues and Non-Operating Income		
Sales and other operating revenues	$ 2,411	$ 2,313
Gains on asset sales, net	—	22
Other, net	42	36
Total revenues and non-operating income	2,453	2,371
Costs and Expenses		
Marketing, including purchased oil and gas	603	682
Operating costs and expenses	382	313
Production and severance taxes	48	61
Exploration expenses, including dry holes and lease impairment	66	43
General and administrative expenses	136	110
Interest expense	123	123
Depreciation, depletion and amortization	491	337
Total costs and expenses	1,849	1,669
Income Before Income Taxes	604	702
Provision for income taxes	176	197
Net Income	428	505
Less: Net income attributable to noncontrolling interests	82	88
Net Income Attributable to Hess Corporation	$ 346	$ 417
Net Income Attributable to Hess Corporation Per Common Share:		
Basic	$ 1.13	$ 1.35
Diluted	$ 1.13	$ 1.34
Weighted Average Number of Common Shares Outstanding:		
Basic	305.4	308.9
Diluted	307.3	310.4
Common Stock Dividends Per Share	$ 0.4375	$ 0.3750

See accompanying Notes to Consolidated Financial Statements.

HESS CORPORATION AND CONSOLIDATED SUBSIDIARIES
STATEMENT OF CONSOLIDATED COMPREHENSIVE INCOME (UNAUDITED)

	Three Months Ended March 31, 2023	Three Months Ended March 31, 2022
	(In millions)	
Net Income	$ 428	$ 505
Other Comprehensive Income (Loss):		
Derivatives designated as cash flow hedges		
Effect of hedge (gains) losses reclassified to income	34	92
Income taxes on effect of hedge (gains) losses reclassified to income	—	—
Net effect of hedge (gains) losses reclassified to income	34	92
Change in fair value of cash flow hedges	(17)	(455)
Income taxes on change in fair value of cash flow hedges	—	—
Net change in fair value of cash flow hedges	(17)	(455)
Change in derivatives designated as cash flow hedges, after taxes	17	(363)
Pension and other postretirement plans		
(Increase) reduction in unrecognized actuarial losses	—	—
Income taxes on actuarial changes in plan liabilities	—	—
(Increase) reduction in unrecognized actuarial losses, net	—	—
Amortization of net actuarial losses	—	3
Income taxes on amortization of net actuarial losses	—	—
Net effect of amortization of net actuarial losses	—	3
Change in pension and other postretirement plans, after taxes	—	3
Other Comprehensive Income (Loss)	17	(360)
Comprehensive Income	445	145
Less: Comprehensive income attributable to noncontrolling interests	82	88
Comprehensive Income Attributable to Hess Corporation	$ 363	$ 57

See accompanying Notes to Consolidated Financial Statements.

HESS CORPORATION AND CONSOLIDATED SUBSIDIARIES
STATEMENT OF CONSOLIDATED CASH FLOWS (UNAUDITED)

	Three Months Ended March 31, 2023	Three Months Ended March 31, 2022
	(In millions)	
Cash Flows From Operating Activities		
Net income	$ 428	$ 505
Adjustments to reconcile net income to net cash provided by (used in) operating activities:		
(Gains) losses on asset sales, net	—	(22)
Depreciation, depletion and amortization	491	337
Exploratory dry hole costs	31	—
Exploration lease impairment	5	6
Stock compensation expense	35	33
Noncash (gains) losses on commodity derivatives, net	—	55
Provision for deferred income taxes and other tax accruals	42	38
Changes in operating assets and liabilities:		
(Increase) decrease in accounts receivable	(202)	(642)
(Increase) decrease in inventories	(12)	(20)
Increase (decrease) in accounts payable and accrued liabilities	(23)	81
Increase (decrease) in taxes payable	12	(399)
Changes in other operating assets and liabilities	(169)	(128)
Net cash provided by (used in) operating activities	638	(156)
Cash Flows From Investing Activities		
Additions to property, plant and equipment - E&P	(773)	(491)
Additions to property, plant and equipment - Midstream	(64)	(55)
Proceeds from asset sales, net of cash sold	—	24
Other, net	(4)	—
Net cash provided by (used in) investing activities	(841)	(522)
Cash Flows From Financing Activities		
Net borrowings (repayments) of debt with maturities of 90 days or less	103	1
Debt with maturities of greater than 90 days:		
Borrowings	—	—
Repayments	—	(505)
Cash dividends paid	(137)	(119)
Common stock acquired and retired	(20)	—
Noncontrolling interests, net	(131)	(74)
Employee stock options exercised	3	33
Payments on finance lease obligations	(2)	(2)
Other, net	1	1
Net cash provided by (used in) financing activities	(183)	(665)
Net Increase (Decrease) in Cash and Cash Equivalents	(386)	(1,343)
Cash and Cash Equivalents at Beginning of Year	2,486	2,713
Cash and Cash Equivalents at End of Period	$ 2,100	$ 1,370

See accompanying Notes to Consolidated Financial Statements.

HESS CORPORATION AND CONSOLIDATED SUBSIDIARIES
STATEMENT OF CONSOLIDATED EQUITY (UNAUDITED)

	Common Stock	Capital in Excess of Par	Retained Earnings	Accumulated Other Comprehensive Loss	Total Hess Stockholders' Equity	Noncontrolling Interests	Total Equity
For the Three Months Ended March 31, 2023							
Balance at January 1, 2023	$ 306	$ 6,206	$ 1,474	$ (131)	$ 7,855	$ 641	$ 8,496
Net income	—	—	346	—	346	82	428
Other comprehensive income (loss)	—	—	—	17	17	—	17
Share-based compensation	1	40	—	—	41	—	41
Dividends on common stock	—	—	(134)	—	(134)	—	(134)
Repurchase of Class B units of Hess Midstream Operations LP	—	8	—	—	8	(54)	(46)
Noncontrolling interests, net	—	—	—	—	—	(81)	(81)
Balance at March 31, 2023	$ 307	$ 6,254	$ 1,686	$ (114)	$ 8,133	$ 588	$ 8,721
For the Three Months Ended March 31, 2022							
Balance at January 1, 2022	$ 310	$ 6,017	$ 379	$ (406)	$ 6,300	$ 726	$ 7,026
Net income	—	—	417	—	417	88	505
Other comprehensive income (loss)	—	—	—	(360)	(360)	—	(360)
Share-based compensation	1	66	—	—	67	—	67
Dividends on common stock	—	—	(116)	—	(116)	—	(116)
Noncontrolling interests, net	—	—	—	—	—	(74)	(74)
Balance at March 31, 2022	$ 311	$ 6,083	$ 680	$ (766)	$ 6,308	$ 740	$ 7,048

See accompanying Notes to Consolidated Financial Statements.

HESS CORPORATION AND CONSOLIDATED SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

1. Basis of Presentation

The financial statements included in this report reflect all normal and recurring adjustments which, in the opinion of management, are necessary for a fair presentation of our consolidated financial position at March 31, 2023 and December 31, 2022, the consolidated results of operations for the three months ended March 31, 2023 and 2022, and consolidated cash flows for the three months ended March 31, 2023 and 2022. The unaudited results of operations for the interim periods reported are not necessarily indicative of results to be expected for the full year.

The financial statements were prepared in accordance with the requirements of the Securities and Exchange Commission (SEC) for interim reporting. As permitted under those rules, certain notes or other financial information that are normally required by generally accepted accounting principles (GAAP) in the United States have been condensed or omitted from these interim financial statements. These statements, therefore, should be read in conjunction with the consolidated financial statements and related notes included in the Corporation's Annual Report on Form 10-K for the year ended December 31, 2022.

2. Inventories

Inventories consisted of the following:

	March 31, 2023	December 31, 2022
	(In millions)	
Crude oil and natural gas liquids	$ 67	$ 63
Materials and supplies	162	154
Total Inventories	$ 229	$ 217

3. Property, Plant and Equipment

Capitalized Exploratory Well Costs:

The following table discloses the net changes in capitalized exploratory well costs pending determination of proved reserves during the three months ended March 31, 2023 (in millions):

Balance at January 1, 2023	$ 886
Additions to capitalized exploratory well costs pending the determination of proved reserves	49
Capitalized exploratory well costs charged to expense	(2)
Balance at March 31, 2023	$ 933

In the first quarter, additions to capitalized exploratory well costs pending determination of proved reserves primarily related to wells drilled on the Stabroek Block (Hess 30%), offshore Guyana. At March 31, 2023, 38 exploration and appraisal wells on the Stabroek Block, with a total cost of $776 million, were capitalized pending determination of proved reserves. The preceding table excludes well costs of $29 million that were incurred and expensed during the first three months of 2023.

At March 31, 2023, exploratory well costs capitalized for greater than one year following completion of drilling of $615 million was comprised of the following:

Guyana: Approximately 92% of the capitalized well costs in excess of one year relate to successful exploration wells where hydrocarbons were encountered on the Stabroek Block. In April 2023, the Government of Guyana and the partners sanctioned the development of the Uaru Field, the fifth sanctioned project on the block. Approximately $80 million of capitalized exploratory well costs at March 31, 2023 related to the Uaru Field will be reclassified to wells, facilities and equipment in the second quarter of 2023. The operator also plans further appraisal drilling on the block and is conducting pre-development planning for additional phases of development.

Joint Development Area (JDA): Approximately 6% of the capitalized well costs in excess of one year relate to the JDA (Hess 50%) in the Gulf of Thailand, where hydrocarbons were encountered in three successful exploration wells drilled in the western part of Block A-18. The operator has submitted a development plan concept to the regulator to facilitate ongoing commercial negotiations for an extension of the existing gas sales contract to include development of the western part of the block.

Malaysia: Approximately 2% of the capitalized well costs in excess of one year relate to the North Malay Basin (Hess 50%), offshore Peninsular Malaysia, where hydrocarbons were encountered in one successful exploration well. Pre-development studies are ongoing.

4. Hess Midstream LP

At March 31, 2023, Hess Midstream LP (Hess Midstream), a variable interest entity that is fully consolidated by Hess Corporation, had liabilities totaling $3,119 million (December 31, 2022: $3,027 million) that are on a nonrecourse basis to Hess Corporation, while Hess Midstream assets available to settle the obligations of Hess Midstream included cash and cash equivalents totaling $4 million (December 31, 2022: $3 million), property, plant and equipment with a carrying value of $3,183 million (December 31, 2022: $3,173 million) and an equity-method investment in the Little Missouri 4 (LM4) gas processing plant of $93 million (December 31, 2022: $94 million).

LM4 is a 200 million standard cubic feet per day gas processing plant located south of the Missouri River in McKenzie County, North Dakota, that was constructed as part of a 50/50 joint venture between Hess Midstream and Targa Resources Corp. Hess Midstream has a natural gas processing agreement with LM4 under which it pays a processing fee and reimburses LM4 for its proportionate share of electricity costs. The processing fees included in *Operating costs and expenses* in the *Statement of Consolidated Income* for the three months ended March 31, 2023 were $5 million (2022: $5 million).

In March 2023, Hess Midstream Operations LP (HESM Opco), a consolidated subsidiary of Hess Midstream LP, repurchased approximately 3.6 million HESM Opco Class B units held by a subsidiary of Hess Corporation and an affiliate of Global Infrastructure Partners (GIP) for $100 million, which was financed by HESM Opco's revolving credit facility. The transaction resulted in an increase in *Capital in excess of par* and a decrease in *Noncontrolling interests* of $8 million, and an increase in deferred tax assets and *Noncontrolling interests* of $4 million resulting from a change in the difference between the carrying amount and tax basis of Hess Midstream LP's investment in HESM Opco. The $50 million paid to GIP reduced *Noncontrolling interests*. After giving effect to this transaction, Hess Corporation continues to own an approximate 41% interest in Hess Midstream LP, on a consolidated basis, at March 31, 2023.

5. Accrued Liabilities

Accrued Liabilities consisted of the following:

	March 31, 2023	December 31, 2022
	(In millions)	
Accrued operating and marketing expenditures	$ 545	$ 522
Accrued capital expenditures	454	499
Accrued payments to royalty and working interest owners	190	201
Current portion of asset retirement obligations	176	207
Accrued interest on debt	111	143
Accrued compensation and benefits	67	132
Other accruals	120	136
Total Accrued Liabilities	$ 1,663	$ 1,840

6. Revenue

Revenue from contracts with customers on a disaggregated basis was as follows (in millions):

	Exploration and Production					Midstream	Eliminations	Total
	United States	Guyana	Malaysia and JDA	Other (a)	E&P Total			
Three Months Ended March 31, 2023								
Sales of net production volumes:								
Crude oil revenue	$ 669	$ 825	$ 29	$ —	$ 1,523	$ —	$ —	$ 1,523
Natural gas liquids revenue	141	—	—	—	141	—	—	141
Natural gas revenue	54	—	180	—	234	—	—	234
Sales of purchased oil and gas	527	17	—	—	544	—	—	544
Intercompany revenue	—	—	—	—	—	303	(303)	—
Total sales (b)	1,391	842	209	—	2,442	303	(303)	2,442
Other operating revenues (c)	(26)	(7)	—	—	(33)	2	—	(31)
Total sales and other operating revenues	**$ 1,365**	**$ 835**	**$ 209**	**$ —**	**$ 2,409**	**$ 305**	**$ (303)**	**$ 2,411**
Three Months Ended March 31, 2022								
Sales of net production volumes:								
Crude oil revenue	$ 836	$ 226	$ 31	$ 146	$ 1,239	$ —	$ —	$ 1,239
Natural gas liquids revenue	181	—	—	—	181	—	—	181
Natural gas revenue	85	—	190	5	280	—	—	280
Sales of purchased oil and gas	660	4	—	35	699	—	—	699
Intercompany revenue	—	—	—	—	—	312	(312)	—
Total sales (b)	1,762	230	221	186	2,399	312	(312)	2,399
Other operating revenues (c)	(58)	(15)	—	(13)	(86)	—	—	(86)
Total sales and other operating revenues	**$ 1,704**	**$ 215**	**$ 221**	**$ 173**	**$ 2,313**	**$ 312**	**$ (312)**	**$ 2,313**

(a) Other includes our interest in the Waha Concession in Libya, which was sold in November 2022.
(b) Guyana crude oil revenue includes $108 million of revenue from non-customers in the first quarter of 2023 (2022: $0 million).
(c) Other operating revenues are not a component of revenues from contracts with customers, and primarily includes gains (losses) on commodity derivatives.

There have been no significant changes to contracts with customers or the composition thereof during the three months ended March 31, 2023. Generally, we receive payments from customers on a monthly basis, shortly after the physical delivery of the crude oil, natural gas liquids, or natural gas. At March 31, 2023, contract liabilities of $24 million (December 31, 2022: $24 million) resulted from a take-or-pay deficiency payment received in the fourth quarter of 2021 that is subject to a make-up period expiring in December 2023. At March 31, 2023 and December 31, 2022, there were no contract assets.

7. Retirement Plans

Components of net periodic benefit cost consisted of the following:

	Three Months Ended March 31, 2023	Three Months Ended March 31, 2022
	(In millions)	
Service cost	$ 9	$ 13
Interest cost (a)	25	16
Expected return on plan assets (a)	(39)	(53)
Amortization of unrecognized net actuarial losses (a)	—	3
Net periodic benefit cost (income) (a)	$ (5)	$ (21)

(a) Net non-service cost, which is included in Other, net in the Statement of Consolidated Income, was income of $14 million for the three months ended March 31, 2023 (2022: $34 million of income).

In 2023, we expect to contribute approximately $2 million to our funded pension plans.

8. Weighted Average Common Shares

The Net income and weighted average number of common shares used in the basic and diluted earnings per share computations were as follows:

	Three Months Ended March 31,	
	2023	2022
	(In millions)	
Net income attributable to Hess Corporation:		
Net income	$ 428	$ 505
Less: Net income attributable to noncontrolling interests	82	88
Net income attributable to Hess Corporation	$ 346	$ 417
Weighted average number of common shares outstanding:		
Basic	305.4	308.9
Effect of dilutive securities		
Restricted common stock	0.7	0.7
Stock options	0.7	0.6
Performance share units	0.5	0.2
Diluted	307.3	310.4

The following table summarizes the number of antidilutive shares excluded from the computation of diluted shares:

	Three Months Ended March 31,	
	2023	2022
Restricted common stock	121,189	97
Stock options	52,973	75,413
Performance share units	—	31,352

During the three months ended March 31, 2023, we granted 446,508 shares of restricted stock (2022: 562,530), 130,272 performance share units (2022: 178,008) and 189,479 stock options (2022: 269,748).

9. Guarantees and Contingencies

We are subject to loss contingencies with respect to various claims, lawsuits and other proceedings. A liability is recognized in our consolidated financial statements when it is probable that a loss has been incurred and the amount can be reasonably estimated. If the risk of loss is probable, but the amount cannot be reasonably estimated or the risk of loss is only reasonably possible, a liability is not accrued; however, we disclose the nature of those contingencies. We cannot predict with certainty if, how or when existing claims, lawsuits and proceedings will be resolved or what the eventual relief, if any, may be, particularly for proceedings that are in their early stages of development or where plaintiffs seek indeterminate damages.

We, along with many companies that have been or continue to be engaged in refining and marketing of gasoline, have been a party to lawsuits and claims related to the use of methyl tertiary butyl ether (MTBE) in gasoline. A series of similar lawsuits, many involving water utilities or governmental entities, were filed in jurisdictions across the United States against producers of MTBE and petroleum refiners who produced gasoline containing MTBE, including us. The principal allegation in all cases was that gasoline containing MTBE was a defective product and that these producers and refiners are strictly liable in proportion to their share of the gasoline market for damage to groundwater resources and are required to take remedial action to ameliorate the alleged effects on the environment of releases of MTBE. The majority of the cases asserted against us have been settled. There are two remaining active cases, filed by Pennsylvania and Maryland. In June 2014, the Commonwealth of Pennsylvania filed a lawsuit alleging that we and all major oil companies with operations in Pennsylvania, have damaged the groundwater by introducing thereto gasoline with MTBE. The Pennsylvania suit has been forwarded to the existing MTBE multidistrict litigation pending in the Southern District of New York. In December 2017, the State of Maryland filed a lawsuit alleging that we and other major oil companies damaged the groundwater in Maryland by introducing thereto gasoline with MTBE. The suit, filed in Maryland state court, was served on us in January 2018 and has been removed to federal court by the defendants.

In March 2014, we received an Administrative Order from the EPA requiring us and 26 other parties to undertake the Remedial Design for the remedy selected by the EPA for the Gowanus Canal Superfund Site in Brooklyn, New York. Our alleged liability derives from our former ownership and operation of a fuel oil terminal and connected shipbuilding and repair facility adjacent to the Canal. The remedy selected by the EPA includes dredging of surface sediments and the placement of a cap over the deeper sediments throughout the Canal and in-situ stabilization of certain contaminated sediments that will remain in place below the cap. The EPA's original estimate was that this remedy would cost $506 million; however, the ultimate costs that will be incurred in connection with the design and implementation of the remedy remain uncertain. We have complied with the EPA's March 2014 Administrative Order and contributed funding for the Remedial Design based on an allocation of costs among the parties determined by a third-party expert. In January 2020, we received an additional Administrative Order from the EPA requiring us and several other parties to begin Remedial Action along the uppermost portion of the Canal. We intend to comply with this Administrative Order. The remediation work began in the fourth quarter of 2020. Based on currently known facts and circumstances, we do not believe that this matter will result in a significant liability to us, and the costs will continue to be allocated amongst the parties, as they were for the Remedial Design.

From time to time, we are involved in other judicial and administrative proceedings relating to environmental matters. We periodically receive notices from the EPA that we are a "potential responsible party" under the Superfund legislation with respect to various waste disposal sites. Under this legislation, all potentially responsible parties may be jointly and severally liable. For any site for which we have received such a notice, the EPA's claims or assertions of liability against us relating to these sites have not been fully developed, or the EPA's claims have been settled or a settlement is under consideration, in all cases for amounts that are not material. Beginning in 2017, certain states, municipalities and private associations in California, Delaware, Maryland, Rhode Island and South Carolina separately filed lawsuits against oil, gas and coal producers, including us, for alleged damages purportedly caused by climate change. These proceedings include claims for monetary damages and injunctive relief. Beginning in 2013, various parishes in Louisiana filed suit against approximately 100 oil and gas companies, including us, alleging that the companies' operations and activities in certain fields violated the State and Local Coastal Resource Management Act of 1978, as amended, and caused contamination, subsidence and other environmental damages to land and water bodies located in the coastal zone of Louisiana. The plaintiffs seek, among other things, the payment of the costs necessary to clear, re-vegetate and otherwise restore the allegedly impacted areas. The ultimate impact of such climate and other aforementioned environmental proceedings, and of any related proceedings by private parties, on our business or accounts cannot be predicted at this time due to the large number of other potentially responsible parties and the speculative nature of clean-up cost estimates.

Hess Corporation and its subsidiary HONX, Inc. have been named as defendants in various personal injury claims alleging exposure to asbestos and/or other alleged toxic substances while working at a former refinery (owned and operated by subsidiaries or related entities) located in St. Croix, U.S. Virgin Islands. On April 28, 2022, HONX, Inc. initiated a Chapter 11 § 524G process in the United States Bankruptcy Court for the Southern District of Texas, Houston Division, to resolve these asbestos-related claims. In February 2023, Hess, HONX, Inc., the Unsecured Creditors' Committee, and counsel representing claimants, reached a mediated resolution of the matter, contingent upon final approvals of all parties and confirmation by the Bankruptcy Court. As of March 31, 2023, we have a provision of $116 million for the amounts expected to be funded to the § 524G trust established for the settlement of claims, based on the mediated resolution.

We are also involved in other judicial and administrative proceedings from time to time in addition to the matters described above, including claims related to post-production deductions from royalty and working interest payments. We may also be exposed to future decommissioning liabilities for divested assets in the event the current or future owners of facilities previously owned by us are determined to be unable to perform such actions, whether due to bankruptcy or otherwise. We cannot predict with certainty if, how or when such proceedings will be resolved or what the eventual relief, if any, may be, particularly for proceedings that are in their early stages of development or where plaintiffs seek indeterminate damages. Numerous issues may need to be resolved, including through potentially lengthy discovery and determination of important factual matters before a loss or range of loss can be reasonably estimated for any proceeding.

Subject to the foregoing, in management's opinion, based upon currently known facts and circumstances, the outcome of lawsuits, claims and proceedings, including the matters disclosed above, is not expected to have a material adverse effect on our financial condition, results of operations or cash flows. However, we could incur judgments, enter into settlements, or revise our opinion regarding the outcome of certain matters, and such developments could have a material adverse effect on our results of operations in the period in which the amounts are accrued and our cash flows in the period in which the amounts are paid.

10. Segment Information

We currently have two operating segments, Exploration and Production and Midstream. All unallocated costs are reflected under Corporate, Interest and Other. The following table presents operating segment financial data:

	Exploration and Production	Midstream	Corporate, Interest and Other	Eliminations	Total
			(In millions)		
For the Three Months Ended March 31, 2023					
Sales and Other Operating Revenues	$ 2,409	$ 2	$ —	$ —	$ 2,411
Intersegment Revenues	—	303	—	(303)	—
Sales and Other Operating Revenues	$ 2,409	$ 305	$ —	$ (303)	$ 2,411
Net Income (Loss) attributable to Hess Corporation	$ 405	$ 61	$ (120)	$ —	$ 346
Depreciation, Depletion and Amortization	443	47	1	—	491
Provision for Income Taxes	170	6	—	—	176
Capital Expenditures	735	57	—	—	792
For the Three Months Ended March 31, 2022					
Sales and Other Operating Revenues	$ 2,313	$ —	$ —	$ —	$ 2,313
Intersegment Revenues	—	312	—	(312)	—
Sales and Other Operating Revenues	$ 2,313	$ 312	$ —	$ (312)	$ 2,313
Net Income (Loss) attributable to Hess Corporation	$ 460	$ 72	$ (115)	$ —	$ 417
Depreciation, Depletion and Amortization	292	45	—	—	337
Provision for Income Taxes	192	5	—	—	197
Capital Expenditures	543	37	—	—	580

Corporate, Interest and Other had interest income of $20 million in the first quarter of 2023 (2022 Q1: $0 million) which is included in *Other, net* in the *Statement of Consolidated Income*.

Identifiable assets by operating segment were as follows:

	March 31, 2023	December 31, 2022
	(In millions)	
Exploration and Production	$ 15,497	$ 15,022
Midstream	3,780	3,775
Corporate, Interest and Other	2,661	2,898
Total	$ 21,938	$ 21,695

11. Financial Risk Management Activities

In the normal course of our business, we are exposed to commodity risks related to changes in the prices of crude oil and natural gas, as well as changes in interest rates and foreign currency values. Financial risk management activities include transactions designed to reduce risk in the selling prices of crude oil or natural gas we produce or reduce our exposure to foreign currency or interest rate movements. Generally, futures, swaps or option strategies may be used to fix the forward selling price, or establish a floor price or a range banded with a floor and ceiling price, for a portion of our crude oil or natural gas production. Forward contracts or swaps may also be used to purchase certain currencies in which we conduct business with the intent of reducing exposure to foreign currency fluctuations. At March 31, 2023, these instruments relate to the British Pound and Malaysian Ringgit. Interest rate swaps may be used to convert interest payments on certain long-term debt from fixed to floating rates.

The notional amounts of outstanding financial risk management derivative contracts were as follows:

	March 31, 2023	December 31, 2022
	(In millions)	
Commodity - crude oil hedge contracts (millions of barrels)	35.8	—
Foreign exchange forwards / swaps	$ 184	$ 177
Interest rate swaps	$ 100	$ 100

In the first quarter of 2023, we have hedged 80,000 barrels of oil per day (bopd) with WTI put options with an average monthly floor price of $70 per barrel, and 50,000 bopd with Brent put options with an average monthly floor price of $75 per barrel for the remainder of 2023.

The table below reflects the fair values of risk management derivative instruments.

	Assets	Liabilities
	(In millions)	
March 31, 2023		
Derivative Contracts Designated as Hedging Instruments:		
Crude oil put options	$ 173	$ —
Interest rate swaps	—	(3)
Total derivative contracts designated as hedging instruments	173	(3)
Derivative Contracts Not Designated as Hedging Instruments:		
Foreign exchange forwards and swaps	—	(2)
Total derivative contracts not designated as hedging instruments	—	(2)
Gross fair value of derivative contracts	173	(5)
Gross amounts offset in the Consolidated Balance Sheet	—	—
Net Amounts Presented in the Consolidated Balance Sheet	$ 173	$ (5)
December 31, 2022		
Derivative Contracts Designated as Hedging Instruments:		
Interest rate swaps	$ —	$ (4)
Total derivative contracts designated as hedging instruments	—	(4)
Derivative Contracts Not Designated as Hedging Instruments:		
Foreign exchange forwards and swaps	—	(2)
Total derivative contracts not designated as hedging instruments	—	(2)
Gross fair value of derivative contracts	—	(6)
Gross amounts offset in the Consolidated Balance Sheet	—	—
Net Amounts Presented in the Consolidated Balance Sheet	$ —	$ (6)

The fair value of our crude oil hedge contracts is presented within *Other current assets* in our *Consolidated Balance Sheet*. The fair value of our interest rate swaps is presented within *Other liabilities and deferred credits* in our *Consolidated Balance Sheet*. The fair value of our foreign exchange forwards and swaps is presented within *Accrued liabilities* in our *Consolidated Balance Sheet*. All fair values in the table above are based on Level 2 inputs.

Derivative contracts designated as hedging instruments:

Crude oil derivatives designated as cash flow hedges: Crude oil hedging contracts decreased *Sales and other operating revenues* by $34 million in the three months ended March 31, 2023 (2022 Q1: decrease by $92 million). At March 31, 2023, pre-tax deferred gains in *Accumulated other comprehensive income (loss)* related to outstanding crude oil hedging contracts were $17 million ($17 million after income taxes), all of which will be reclassified into earnings during the remainder of 2023 as the hedged crude oil sales are recognized in earnings.

Derivative contracts not designated as hedging instruments:

Foreign exchange: Foreign exchange gains and losses, which are reported in *Other, net* in Revenues and non-operating income in the *Statement of Consolidated Income*, were gains of $2 million in the three months ended March 31, 2023 (2022 Q1: nil). A component of foreign exchange gains and losses is the result of foreign exchange derivative contracts that are not designated as hedges, which amounted to net losses of $2 million in the three months ended March 31, 2023 (2022 Q1: net gains of $4 million).

Fair Value Measurement:

At March 31, 2023, our total long-term debt, which was substantially comprised of fixed-rate debt instruments, had a carrying value of $8,387 million and a fair value of $8,460 million based on Level 2 inputs in the fair value measurement hierarchy. We also have short-term financial instruments, primarily cash equivalents, accounts receivable and accounts payable, for which the carrying value approximated fair value at March 31, 2023 and December 31, 2022.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

The following Management's Discussion and Analysis of Financial Condition and Results of Operations should be read together with the unaudited consolidated financial statements and accompanying footnotes for the quarter ended March 31, 2023 included under Item 1. Financial Statements of this Form 10-Q and the audited consolidated financial statements and related notes included in Item 8 of our Annual Report on Form 10-K for the year ended December 31, 2022. This discussion contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those discussed below. Factors that could cause or contribute to such differences include, but are not limited to, those discussed in Item 1A. Risk Factors of our Annual Report on Form 10-K for the year ended December 31, 2022.

Overview

Hess Corporation is a global E&P company engaged in exploration, development, production, transportation, purchase and sale of crude oil, natural gas liquids, and natural gas with production operations located in the United States, Guyana, the Malaysia/Thailand Joint Development Area (JDA) and Malaysia. We conduct exploration activities primarily offshore Guyana, in the U.S. Gulf of Mexico, and offshore Suriname and Canada. At the Stabroek Block (Hess 30%), offshore Guyana, we and our partners have discovered a significant resource base and are executing a multi-phased development of the block. We currently plan to have six FPSOs with an aggregate expected production capacity of more than 1.2 million gross bopd on the Stabroek Block by the end of 2027, and the potential for up to ten FPSOs to develop the current discovered recoverable resource base.

Our Midstream operating segment, which is comprised of Hess Corporation's approximate 41% consolidated ownership interest in Hess Midstream LP at March 31, 2023, provides fee-based services, including gathering, compressing and processing natural gas and fractionating natural gas liquids (NGL); gathering, terminaling, loading and transporting crude oil and NGL; storing and terminaling propane, and water handling services primarily in the Bakken shale play in the Williston Basin area of North Dakota.

2023 Outlook

Our E&P capital and exploratory expenditures are forecast to be approximately $3.7 billion for 2023. Oil and gas net production in 2023 is forecast to be in the range of 365,000 boepd to 375,000 boepd. For the remainder of 2023, we have WTI put options for 80,000 bopd with an average monthly floor price of $70 per barrel and Brent put options for 50,000 bopd with an average monthly floor price of $75 per barrel.

First Quarter Results

In the first quarter of 2023, net income was $346 million, compared with $417 million in the first quarter of 2022. Excluding items affecting comparability of earnings between periods detailed on page 23, adjusted net income was $404 million in the first quarter of 2022. The decrease in adjusted after-tax earnings in the first quarter of 2023 compared with the prior-year quarter was primarily due to lower realized selling prices partially offset by the net impact of higher production volumes in the first quarter of 2023.

Exploration and Production Results

In the first quarter of 2023, E&P had net income of $405 million compared with $460 million in the first quarter of 2022. Total net production averaged 374,000 boepd in the first quarter 2023, compared with 276,000 boepd, proforma for asset sold, in the first quarter of 2022. The average realized crude oil selling price, including hedging, was $74.23 per barrel in the first quarter of 2023, compared with $86.75 per barrel in the first quarter of 2022. The average realized NGL selling price in the first quarter of 2023 was $24.25 per barrel, compared with $39.79 per barrel in the prior-year quarter, while the average realized natural gas selling price was $4.39 per thousand cubic feet (mcf) in the first quarter of 2023, compared with $5.28 per mcf in the first quarter of 2022.

The following is an update of our ongoing E&P activities:

- In North Dakota, net production from the Bakken averaged 163,000 boepd for the first quarter of 2023 (2022 Q1: 152,000 boepd), primarily due to higher NGL volumes received under percentage of proceeds contracts and increased drilling and completion activity. We added a fourth drilling rig in July 2022 and drilled 25 wells, completed 26 wells, and brought 24 new wells online during the first quarter of 2023.
- In the Gulf of Mexico, net production for the first quarter of 2023 averaged 33,000 boepd (2022 Q1: 30,000 boepd) primarily due to an additional well brought online at the Llano Field.
- At the Stabroek Block (Hess 30%), offshore Guyana, net production from the Liza Destiny and Liza Unity FPSOs totaled 112,000 bopd for the first quarter of 2023 (2022 Q1: 30,000 bopd). Net production from Guyana in the first quarter of 2023 included 15,000 bopd of tax barrels (2022 Q1: 0 bopd). The Liza Unity FPSO, which commenced production in February 2022, reached its production capacity of approximately 220,000 gross bopd in July 2022. In the first quarter of 2023, we sold nine cargos of crude oil from Guyana compared with two cargos in the prior year quarter.

Overview (continued)

The third development, Payara, which will utilize the Prosperity FPSO with a production capacity of approximately 220,000 gross bopd, is targeted for startup early in the fourth quarter of 2023. The Prosperity FPSO arrived at the Stabroek Block on April 11th and hook-up and commissioning activities have commenced. The fourth development, Yellowtail, was sanctioned in April 2022 and will utilize the ONE GUYANA FPSO with a production capacity of approximately 250,000 gross bopd, with first production expected in 2025.

In April, we announced the final investment decision to proceed with the development of the Uaru Field, the fifth development on the Stabroek Block, after the development plan received approval from the Government of Guyana. Uaru will have a production capacity of approximately 250,000 gross bopd with production targeted to startup in 2026. Up to ten drill centers and 44 production and injection wells are planned.

In April, we announced an oil discovery at the Lancetfish-1 well which encountered approximately 92 feet of oil bearing sandstone reservoir. The well was drilled in 5,843 feet of water by the Noble Don Taylor and is located approximately 4 miles southeast of the Fangtooth discovery.

In April, the operator completed drilling of the Kokwari-1 exploration well. The well did not encounter commercial quantities of hydrocarbons and well costs of $20 million incurred through March 31, 2023 were expensed. We estimate approximately $10 million of exploration expense will be recognized in the second quarter of 2023 for well costs incurred after March 31, 2023.

- In the Gulf of Thailand, net production from Block A-18 of the JDA averaged 37,000 boepd for the first quarter of 2023 (2022 Q1: 38,000 boepd), including contribution from unitized acreage in Malaysia. Net production from North Malay Basin, offshore Peninsular Malaysia, averaged 29,000 boepd for the first quarter of 2023 (2022 Q1: 26,000 boepd).

The following is an update of significant Midstream activities:

- In March 2023, HESM Opco, a consolidated subsidiary of Hess Midstream LP, repurchased approximately 3.6 million HESM Opco Class B units held by a subsidiary of Hess Corporation and an affiliate of GIP for $100 million, financed by HESM Opco's revolving credit facility, of which we received net proceeds of $50 million. After giving effect to this transaction, we continue to own an approximate 41% interest in Hess Midstream LP, on a consolidated basis.

Consolidated Results of Operations

The after-tax income (loss) by major operating activity is summarized below:

	Three Months Ended March 31, 2023	Three Months Ended March 31, 2022
	(In millions, except per share amounts)	
Net Income Attributable to Hess Corporation:		
Exploration and Production	$ 405	$ 460
Midstream	61	72
Corporate, Interest and Other	(120)	(115)
Total	$ 346	$ 417
Net Income Attributable to Hess Corporation Per Common Share:		
Basic	$ 1.13	$ 1.35
Diluted	$ 1.13	$ 1.34

Items Affecting Comparability of Earnings Between Periods

The following table summarizes, on an after-tax basis, items of income (expense) that are included in net income and affect comparability of earnings between periods:

	Three Months Ended March 31, 2023	Three Months Ended March 31, 2022
	(In millions)	
Items Affecting Comparability of Earnings Between Periods, After-Tax:		
Exploration and Production	$ —	$ —
Midstream	—	—
Corporate, Interest and Other	—	13
Total	$ —	$ 13

The items in the table above are explained on page 23.

Reconciliations of GAAP and non-GAAP measures

The following table reconciles reported net income attributable to Hess Corporation and adjusted net income attributable to Hess Corporation:

	Three Months Ended March 31, 2023	Three Months Ended March 31, 2022
	(In millions)	
Adjusted Net Income Attributable to Hess Corporation:		
Net income attributable to Hess Corporation	$ 346	$ 417
Less: Total items affecting comparability of earnings between periods, after-tax	—	13
Adjusted Net Income Attributable to Hess Corporation	$ 346	$ 404

The following table reconciles reported net cash provided by (used in) operating activities and net cash provided by (used in) operating activities before changes in operating assets and liabilities:

	Three Months Ended March 31, 2023	Three Months Ended March 31, 2022
	(In millions)	
Net cash provided by (used in) operating activities before changes in operating assets and liabilities:		
Net cash provided by (used in) operating activities	$ 638	$ (156)
Changes in operating assets and liabilities	394	1,108
Net cash provided by (used in) operating activities before changes in operating assets and liabilities	$ 1,032	$ 952

Consolidated Results of Operations (continued)

Adjusted net income attributable to Hess Corporation is a non-GAAP financial measure, which we define as reported net income attributable to Hess Corporation excluding items identified as affecting comparability of earnings between periods, which are summarized on page 23. Management uses adjusted net income to evaluate the Corporation's operating performance and believes that investors' understanding of our 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.

Net cash provided by (used in) operating activities before changes in operating assets and liabilities presented in this report is a non-GAAP measure, which we define as reported net cash provided by (used in) operating activities excluding changes in operating assets and liabilities. Management uses net cash provided by (used in) operating activities before changes in operating assets and liabilities to evaluate the Corporation's ability to internally fund capital expenditures, pay dividends and service debt and believes that investors' understanding of our ability to generate cash to fund these items is enhanced by disclosing this measure, which excludes working capital and other movements that may distort assessment of our performance between periods.

These measures are not, and should not be viewed as, substitutes for U.S. GAAP net income and net cash provided by (used in) operating activities.

In the following discussion and elsewhere in this report, the financial effects of certain transactions are disclosed on an after-tax basis. Management reviews segment earnings on an after-tax basis and uses after-tax amounts in its review of variances in segment earnings. Management believes that after-tax amounts are a preferable method of explaining variances in earnings, since they show the entire effect of a transaction rather than only the pre-tax amount. After-tax amounts are determined by applying the income tax rate in each tax jurisdiction to pre-tax amounts.

Comparison of Results

Exploration and Production

Following is a summarized income statement of our E&P operations:

	Three Months Ended March 31,	
	2023	2022
	(In millions)	
Revenues and Non-Operating Income		
Sales and other operating revenues	$ 2,409	$ 2,313
Other, net	14	33
Total revenues and non-operating income	2,423	2,346
Costs and Expenses		
Marketing, including purchased oil and gas	619	703
Operating costs and expenses	323	251
Production and severance taxes	48	61
Midstream tariffs	283	287
Exploration expenses, including dry holes and lease impairment	66	43
General and administrative expenses	66	57
Depreciation, depletion and amortization	443	292
Total costs and expenses	1,848	1,694
Results of Operations Before Income Taxes	575	652
Provision for income taxes	170	192
Net Income Attributable to Hess Corporation	$ 405	$ 460

The changes in E&P results are primarily attributable to changes in selling prices, production and sales volumes, marketing expenses, cash operating costs, Midstream tariffs, depreciation, depletion and amortization, exploration expenses and income taxes, as discussed below.

Consolidated Results of Operations (continued)

Selling Prices: Lower realized selling prices in the first quarter of 2023 reduced after-tax earnings by approximately $410 million compared to the same period in 2022. Average selling prices were as follows:

	Three Months Ended March 31, 2023	Three Months Ended March 31, 2022
Average Selling Prices (a)		
Crude Oil – Per Barrel (Including Hedging)		
United States		
North Dakota	$ 68.63	$ 84.77
Offshore	68.12	85.17
Total United States	68.50	84.85
Guyana	79.15	90.90
Malaysia and JDA	72.91	89.27
Other (b)	—	90.91
Worldwide	74.23	86.75
Crude Oil – Per Barrel (Excluding Hedging)		
United States		
North Dakota	$ 71.78	$ 91.55
Offshore	71.27	91.52
Total United States	71.65	91.54
Guyana	79.86	99.76
Malaysia and JDA	72.91	89.27
Other (b)	—	101.04
Worldwide	76.02	94.04
Natural Gas Liquids – Per Barrel		
United States		
North Dakota	$ 24.25	$ 39.88
Offshore	24.28	37.48
Worldwide	24.25	39.79
Natural Gas – Per Mcf		
United States		
North Dakota	$ 2.54	$ 4.32
Offshore	2.42	4.46
Total United States	2.51	4.35
Malaysia and JDA	5.44	5.81
Other (b)	—	4.79
Worldwide	4.39	5.28

(a) Selling prices in the United States and Guyana are adjusted for certain processing and distribution fees included in Marketing expenses. Excluding these fees worldwide selling prices for the first quarter of 2023 would be $77.68 (2022 Q1: $91.18) per barrel for crude oil (including hedging), $79.47 (2022 Q1: $98.47) per barrel for crude oil (excluding hedging), $24.48 (2022 Q1: $39.98) per barrel for NGLs and $4.52 (2022 Q1: $5.39) per mcf for natural gas.

(b) Other includes our interest in the Waha Concession in Libya, which was sold in November 2022.

Crude oil hedging activities were a net loss of $34 million before and after income taxes in the first quarter of 2023, and a net loss of $92 million before and after income taxes in the first quarter of 2022. For the remainder of 2023, we have hedged 80,000 bopd with WTI put options with an average monthly floor price of $70 per barrel, and 50,000 bopd with Brent put options with an average monthly floor price of $75 per barrel. We expect noncash premium amortization, which will be reflected in realized selling prices, to reduce our results by approximately $50 million in the second quarter and by approximately $190 million for the full year 2023.

Consolidated Results of Operations (continued)

Production Volumes: Our daily worldwide net production was as follows:

	Three Months Ended March 31, 2023	2022
	(In thousands)	
Crude Oil – Barrels		
United States		
North Dakota	76	77
Offshore	24	22
Total United States	100	99
Guyana	112	30
Malaysia and JDA	4	3
Other (a)	—	19
Total	216	151
Natural Gas Liquids – Barrels		
United States		
North Dakota	61	49
Offshore	1	1
Total United States	62	50
Natural Gas – Mcf		
United States		
North Dakota	158	158
Offshore	47	43
Total United States	205	201
Malaysia and JDA	369	364
Other (a)	—	12
Total	574	577
Barrels of Oil Equivalent (b)	374	297
Crude oil and natural gas liquids as a share of total production	74 %	68 %

(a) Other includes our interest in the Waha Concession in Libya, which was sold in November 2022. Net production from Libya was 21,000 boepd in the first quarter of 2022.
(b) Reflects natural gas production converted based on relative energy content (six mcf equals one barrel). Barrel of oil equivalence does not necessarily result in price equivalence as the equivalent price of natural gas on a barrel of oil equivalent basis has been substantially lower than the corresponding price for crude oil over the recent past. In addition, NGLs do not sell at prices equivalent to crude oil. See the average selling prices in the table on page 19.

We forecast net production to be in the range of 355,000 boepd to 365,000 boped for the second quarter, and in the range of 365,000 boepd to 375,000 boepd for the full year 2023.

United States: North Dakota net production was higher in the first quarter of 2023, compared to the corresponding period in 2022, primarily due to higher NGL volumes received under percentage of proceeds contracts and increased drilling and completion activity. Total offshore net production was higher in the first quarter of 2023, compared to the corresponding period in 2022, primarily due to an additional well brought online at the Llano Field.

International: Net production in Guyana was higher in the first quarter of 2023, compared to the corresponding period in 2022, primarily due to production ramp up from the Liza Unity FPSO, which commenced production in February 2022 and reached its expected production capacity of approximately 220,000 gross bopd in July 2022. Net production from Guyana included 15,000 bopd of tax barrels in the first quarter of 2023 (2022 Q1: 0 bopd).

Consolidated Results of Operations (continued)

Sales Volumes: Higher sales volumes in the first quarter of 2023 increased after-tax earnings by approximately $590 million compared to the corresponding period in 2022. Net worldwide sales volumes from Hess net production, which excludes sales volumes of crude oil, NGLs and natural gas purchased from third parties, were as follows:

	Three Months Ended March 31, 2023	Three Months Ended March 31, 2022
	(In thousands)	
Crude oil – barrels	19,161	12,580
Natural gas liquids – barrels	5,761	4,539
Natural gas – mcf	51,692	51,898
Barrels of Oil Equivalent (a)	33,537	25,769
Crude oil – barrels per day	213	140
Natural gas liquids – barrels per day	64	50
Natural gas – mcf per day	574	577
Barrels of Oil Equivalent Per Day (a)	373	286

(a) Reflects natural gas production converted based on relative energy content (six mcf equals one barrel). Barrel of oil equivalence does not necessarily result in price equivalence as the equivalent price of natural gas on a barrel of oil equivalent basis has been substantially lower than the corresponding price for crude oil over the recent past. In addition, NGLs do not sell at prices equivalent to crude oil. See the average selling prices in the table on page 19.

Marketing, including Purchased Oil and Gas: Marketing expense is mainly comprised of costs to purchase crude oil, NGL and natural gas from our partners in Hess operated wells or other third parties, primarily in the United States, and transportation and other distribution costs for U.S. and Guyana marketing activities. Marketing expense was lower in the first quarter of 2023, compared with the corresponding period in 2022, primarily due to lower third party crude oil volumes purchased and prices paid for purchased volumes.

Cash Operating Costs: Cash operating costs consist of operating costs and expenses, production and severance taxes and E&P general and administrative expenses. Cash operating costs increased in the first quarter of 2023 compared with the corresponding period in 2022, primarily due to the production ramp up in Guyana from the Liza Unity FPSO, which commenced production in February 2022, increased maintenance activity in North Dakota, and higher workover costs in the Gulf of Mexico partially offset by lower production and severance taxes associated with lower crude oil prices. On a per-unit basis, the decrease in cash operating costs in the first quarter of 2023, compared with the corresponding period in 2022, primarily reflects the impact of the higher production volumes.

Midstream Tariffs Expense: Tariffs expense in the first quarter of 2023 was comparable with the corresponding period in 2022. We estimate Midstream tariffs expense to be in the range of $305 million to $315 million in the second quarter of 2023, and in the range of $1,230 million to $1,250 million for the full year 2023.

Depreciation, Depletion and Amortization (DD&A): DD&A expense and per-unit rates were higher in the first quarter of 2023, compared with the corresponding period in 2022, primarily due to higher production from Guyana following the start-up of Liza Phase 2 in February 2022.

Unit Costs: Unit cost per boe information is based on total net production volumes. Actual and forecast unit costs per boe are as follows:

	Actual		Forecast range	
	Three Months Ended March 31,		Three Months Ended June 30,	Twelve Months Ended December 31,
	2023	2022	2023	2023
Cash operating costs (a)	$ 12.96	$ 13.79	$ 15.50 — $ 16.00	$ 13.50 — $ 14.50
DD&A (b)	13.16	10.96	13.00 — 13.50	13.00 — 14.00
Total Production Unit Costs	$ 26.12	$ 24.75	$ 28.50 — $ 29.50	$ 26.50 — $ 28.50

(a) Cash operating costs per boe, excluding Libya (sold in November of 2022), were $14.54 in the first quarter of 2022.
(b) DD&A per boe, excluding Libya (sold in November of 2022), was $11.54 in the first quarter of 2022.

Consolidated Results of Operations (continued)

Exploration Expenses: Exploration expenses were as follows:

	Three Months Ended March 31,	
	2023	2022
	(In millions)	
Exploratory dry hole costs (a)	$ 31	$ —
Exploration lease impairment	5	6
Geological and geophysical expense and exploration overhead	30	37
Total Exploration Expense	$ 66	$ 43

(a) Exploratory dry hole costs in the first quarter of 2023 relate primarily to the Fish/Tarpon-1 and Kokwari-1 exploration wells at the Stabroek Block, offshore Guyana.

Exploration expenses, excluding dry hole expense, are estimated to be in the range of $40 million to $45 million in the second quarter of 2023 and in the range of $160 million to $170 million for the full year 2023.

Income Taxes: E&P income tax expense was $170 million in the first quarter of 2023 and $192 million in the first quarter of 2022. Income tax expense from Libya operations, sold in November 2022, was $154 million in the first quarter of 2022. The decrease in Libya income tax expense in the first quarter of 2023 compared to the first quarter of 2022 was partially offset by higher income tax expense in Guyana as a result of higher pre-tax income. We are generally not recognizing deferred tax benefit or expense in certain countries, primarily the United States (non-Midstream), and Malaysia, while we maintain valuation allowances against net deferred tax assets in these jurisdictions in accordance with U.S. generally accepted accounting principles. There is a reasonable possibility that if anticipated future earnings come to fruition and no other unforeseen negative evidence materializes, sufficient positive evidence may become available to support the release of all or a portion of the valuation allowance in these jurisdictions in the near term. This would result in the recognition of certain deferred tax assets and a decrease to income tax expense for the period in which the release is recorded. Excluding items affecting comparability of earnings between periods, E&P income tax expense is expected to be in the range of $170 million to $180 million for the second quarter of 2023 and in the range of $670 million to $680 million for the full year 2023.

Midstream

Following is a summarized income statement for our Midstream operations:

	Three Months Ended March 31,	
	2023	2022
	(In millions)	
Revenues and Non-Operating Income		
Sales and other operating revenues	$ 305	$ 312
Other, net	2	1
Total revenues and non-operating income	307	313
Costs and Expenses		
Operating costs and expenses	63	66
General and administrative expenses	6	6
Interest expense	42	31
Depreciation, depletion and amortization	47	45
Total costs and expenses	158	148
Results of Operations Before Income Taxes	149	165
Provision for income taxes	6	5
Net Income	143	160
Less: Net income attributable to noncontrolling interests	82	88
Net Income Attributable to Hess Corporation	$ 61	$ 72

Sales and other operating revenues for the first quarter of 2023 decreased, compared to the prior-year quarter, primarily due to lower minimum volume commitments in the first quarter of 2023. Interest expense for the first quarter of 2023 increased, compared to the corresponding period in 2022, primarily due to the $400 million of 5.500% fixed-rate senior unsecured notes issued in April 2022.

Consolidated Results of Operations (continued)

Excluding items affecting comparability of earnings, net income attributable to Hess Corporation from the Midstream segment is estimated to be in the range of $55 million to $60 million in the second quarter of 2023, and in the range of $255 million to $265 million for the full year 2023.

Corporate, Interest and Other

The following table summarizes Corporate, Interest and Other expenses:

	Three Months Ended March 31, 2023	Three Months Ended March 31, 2022
	(In millions)	
Corporate and other expenses (excluding items affecting comparability)	$ 39	$ 36
Interest expense	86	92
Less: Capitalized interest	(5)	—
Interest expense, net	81	92
Corporate, Interest and Other expenses before income taxes	120	128
Provision for income taxes	—	—
Net Corporate, Interest and Other expenses after income taxes	120	128
Items affecting comparability of earnings between periods, after-tax	—	(13)
Total Corporate, Interest and Other Expenses after income taxes	$ 120	$ 115

Corporate and other expenses, excluding items affecting comparability, were higher in the first quarter of 2023 compared to the prior-year quarter primarily due to higher legal and professional fees partially offset by higher interest income. Interest expense, net was lower in the first quarter of 2023, compared to the prior-year quarter, due to the repayment of the remaining $500 million outstanding under the Corporation's $1.0 billion term loan in February 2022, and capitalized interest that commenced upon sanctioning of the Yellowtail development in Guyana in April 2022.

Second quarter 2023 corporate expenses are expected to be approximately $30 million and in the range of $120 million to $130 million for the full year 2023. Interest expense, net is expected to be in the range of $80 million to $85 million for the second quarter and in the range of $305 million to $315 million for the full year 2023.

Items Affecting Comparability of Earnings Between Periods:

In the first quarter of 2022, results included a pre-tax gain of $22 million ($22 million after income taxes) associated with the sale of real property and a charge of $9 million ($9 million after income taxes) for litigation related costs associated with our former downstream business.

Other Items Potentially Affecting Future Results

Our future results may be impacted by a variety of factors, including but not limited to, volatility in the selling prices of crude oil, NGLs and natural gas, reserve and production changes, asset sales, impairment charges and exploration expenses, industry cost inflation and/or deflation, changes in foreign exchange rates and income tax rates, changes in deferred tax asset valuation allowances, the effects of weather, crude oil storage capacity, political risk, environmental risk and catastrophic risk. For a more comprehensive description of the risks that may affect our business, see *Item 1A. Risk Factors* in our Annual Report on Form 10-K for the year ended December 31, 2022.

Liquidity and Capital Resources

The following table sets forth certain relevant measures of our liquidity and capital resources:

	March 31, 2023	December 31, 2022
	(In millions, except ratio)	
Cash and cash equivalents (a)	$ 2,100	$ 2,486
Current portion of long-term debt	5	3
Total debt (b)	8,387	8,281
Total equity	8,721	8,496
Debt to capitalization ratio for debt covenants (c)	35.4 %	36.1 %

(a) Includes $4 million of cash attributable to our Midstream segment at March 31, 2023 (December 31, 2022: $4 million) of which $4 million is held by Hess Midstream LP at March 31, 2023 (December 31, 2022: $3 million).
(b) At March 31, 2023, includes $2,990 million of debt outstanding from our Midstream segment (December 31, 2022: $2,886 million) that is non-recourse to Hess Corporation.
(c) Total Consolidated Debt of Hess Corporation (including finance leases and excluding Midstream non-recourse debt) as a percentage of Total Capitalization of Hess Corporation as defined under Hess Corporation's revolving credit facility financial covenants. Total Capitalization excludes the impact of noncash impairment charges and non-controlling interests.

Cash Flows

The following table summarizes our cash flows:

	Three Months Ended March 31, 2023	Three Months Ended March 31, 2022
	(In millions)	
Net cash provided by (used in):		
Operating activities	$ 638	$ (156)
Investing activities	(841)	(522)
Financing activities	(183)	(665)
Net Increase (Decrease) in Cash and Cash Equivalents	$ (386)	$ (1,343)

Operating activities: Net cash provided by operating activities was $638 million in the first quarter of 2023, compared with net cash used in operating activities of $156 million in the first quarter of 2022. Net cash provided by operating activities before changes in operating assets and liabilities was $1,032 million in the first quarter of 2023, compared with $952 million in the first quarter of 2022. During the first quarter of 2023, changes in operating assets and liabilities reduced cash flow from operating activities by $394 million primarily due to premiums paid for crude oil hedge contracts and payments for abandonment activities. Changes in operating assets and liabilities in the first quarter of 2022 reduced cash flow from operating activities by $1,108 million reflecting payments of approximately $470 million for accrued Libyan income tax and royalties at December 31, 2021, premiums paid for crude oil hedge contracts and an increase in accounts receivable due to higher crude oil prices.

Investing activities: Additions to property, plant and equipment of $837 million in the first quarter of 2023 were up $291 million compared with the corresponding period in 2022. The increase is primarily due to higher drilling in the Bakken and development activities in Guyana.

Liquidity and Capital Resources (continued)

The following table reconciles capital expenditures incurred on an accrual basis to Additions to property, plant and equipment:

	Three Months Ended March 31, 2023	Three Months Ended March 31, 2022
	(In millions)	
Additions to property, plant and equipment - E&P:		
Capital expenditures incurred - E&P	$ (735)	$ (543)
Increase (decrease) in related liabilities	(38)	52
Additions to property, plant and equipment - E&P	$ (773)	$ (491)
Additions to property, plant and equipment - Midstream:		
Capital expenditures incurred - Midstream	$ (57)	$ (37)
Increase (decrease) in related liabilities	(7)	(18)
Additions to property, plant and equipment - Midstream	$ (64)	$ (55)

Financing activities: Common stock dividends paid were $137 million in the first quarter of 2023, compared to $119 million in the first quarter of 2022. Net cash outflows to noncontrolling interests were $131 million in the first quarter of 2023 and $74 million in the first quarter of 2022. Net borrowings (repayments) of debt with maturities of 90 days or less related to the HESM Opco revolving credit facility, which was used to finance the repurchase of approximately 3.6 million HESM Opco Class B units for $100 million. In the first quarter of 2022, we repaid the remaining $500 million outstanding under our $1.0 billion term loan.

Future Capital Requirements and Resources

At March 31, 2023, we had $2.1 billion in cash and cash equivalents, excluding Midstream, and total liquidity, including available committed credit facilities, of approximately $5.4 billion. We plan to return up to 75% of our annual adjusted free cash flow (defined as net cash provided by operating activities less capital expenditures and adjusted for debt repayments and net Midstream financing activities) to shareholders through dividend increases and common stock repurchases. In March 2023, we announced a 17% increase in our first quarter dividend on common stock and our Board of Directors approved a new authorization for the repurchase of our common stock in an aggregate amount of up to $1 billion.

Net production in 2023 is forecast to be in the range of 365,000 boepd to 375,000 boepd, and we expect our 2023 E&P capital and exploratory expenditures will be approximately $3.7 billion. In 2023, based on current forward strip crude oil prices, we expect cash flow from operating activities and cash and cash equivalents at March 31, 2023 will be sufficient to fund our capital investment and capital return programs. Depending on market conditions, we may take any of the following steps, or a combination thereof, to improve our liquidity and financial position: reduce the planned capital program and other cash outlays, including dividends, pursue asset sales, borrow against our committed revolving credit facility, or issue debt or equity securities.

The table below summarizes the capacity, usage, and available capacity for borrowings and letters of credit under committed and uncommitted credit facilities at March 31, 2023:

	Expiration Date	Capacity	Borrowings	Letters of Credit Issued	Total Used	Available Capacity
				(In millions)		
Hess Corporation						
Revolving credit facility	July 2027	$ 3,250	$ —	$ —	$ —	$ 3,250
Committed lines	Various (a)	100	—	—	—	100
Uncommitted lines	Various (a)	86	—	86	86	—
Total - Hess Corporation		$ 3,436	$ —	$ 86	$ 86	$ 3,350
Midstream						
Revolving credit facility (b)	July 2027	$ 1,000	$ 121	$ —	$ 121	$ 879
Total - Midstream		$ 1,000	$ 121	$ —	$ 121	$ 879

(a) Committed and uncommitted lines have expiration dates through 2024.
(b) This credit facility may only be utilized by HESM Opco and is non-recourse to Hess Corporation.

Liquidity and Capital Resources (continued)

Hess Corporation:

The revolving credit facility can be used for borrowings and letters of credit. Borrowings on the facility will generally bear interest at 1.400% above SOFR, though the interest rate is subject to adjustment based on the credit rating of the Corporation's senior, unsecured, non-credit enhanced long-term debt. The revolving credit facility is subject to customary representations, warranties, customary events of default and covenants, including a financial covenant limiting the ratio of Total Consolidated Debt to Total Capitalization of the Corporation and its consolidated subsidiaries to 65%, and a financial covenant limiting the ratio of secured debt to Consolidated Net Tangible Assets of the Corporation and its consolidated subsidiaries to 15% (as these capitalized terms are defined in the credit agreement for the revolving credit facility). The indentures for the Corporation's fixed-rate senior unsecured notes limit the ratio of secured debt to Consolidated Net Tangible Assets (as that term is defined in the indentures) to 15%. As of March 31, 2023, Hess Corporation was in compliance with these financial covenants. At March 31, 2023, Hess Corporation had no outstanding borrowings or letters of credit under its revolving credit facility.

All three major credit rating agencies that rate the senior unsecured debt of Hess Corporation have assigned an investment grade credit rating. In June 2022, Moody’s Investors Service upgraded our senior unsecured ratings from Ba1 to Baa3 with a stable outlook. In March 2023, Standard and Poor’s Ratings Services affirmed our credit rating at BBB- with stable outlook. Fitch Ratings affirmed our BBB- credit rating with a positive outlook in August 2022.

We have a shelf registration under which we may issue additional debt securities, warrants, common stock or preferred stock.

Midstream:

At March 31, 2023, HESM Opco, a consolidated subsidiary of Hess Midstream LP, had $1.4 billion senior secured syndicated credit facilities, consisting of a $1.0 billion revolving credit facility and a $400 million term loan facility. Borrowings under the term loan facility will generally bear interest at SOFR plus an applicable margin ranging from 1.650% to 2.550%, while the applicable margin for the syndicated revolving credit facility ranges from 1.375% to 2.050%. Pricing levels for the facility fee and interest-rate margins are based on HESM Opco’s ratio of total debt to EBITDA (as defined in the credit facilities). If HESM Opco obtains an investment grade credit rating, the pricing levels will be based on HESM Opco’s credit ratings in effect from time to time. The credit facilities contain covenants that require HESM Opco to maintain a ratio of total debt to EBITDA (as defined in the credit facilities) for the prior four fiscal quarters of not greater than 5.00 to 1.00 as of the last day of each fiscal quarter (5.50 to 1.00 during the specified period following certain acquisitions) and, prior to HESM Opco obtaining an investment grade credit rating, a ratio of secured debt to EBITDA for the prior four fiscal quarters of not greater than 4.00 to 1.00 as of the last day of each fiscal quarter. The credit facilities are secured by first-priority perfected liens on substantially all of the assets of HESM Opco and its direct and indirect wholly owned material domestic subsidiaries, including equity interests directly owned by such entities, subject to certain customary exclusions. At March 31, 2023, borrowings of $121 million were drawn under HESM Opco’s revolving credit facility, and borrowings of $400 million, excluding deferred issuance costs, were drawn under HESM Opco’s term loan facility. Borrowings under these credit facilities are non-recourse to Hess Corporation.

Market Risk Disclosures

We are exposed in the normal course of business to commodity risks related to changes in the prices of crude oil and natural gas, as well as changes in interest rates and foreign currency values. See *Note 11, Financial Risk Management Activities*, in the *Notes to Consolidated Financial Statements*.

We have outstanding foreign exchange contracts with notional amounts totaling $184 million at March 31, 2023 that are used to reduce our exposure to fluctuating foreign exchange rates for various currencies. The change in fair value of foreign exchange contracts from a 10% strengthening or weakening in the U.S. Dollar exchange rate is estimated to be a gain or loss of approximately $20 million, respectively, at March 31, 2023.

At March 31, 2023, our long-term debt, which was substantially comprised of fixed-rate instruments, had a carrying value of $8,387 million and a fair value of $8,460 million. A 15% increase or decrease in interest rates would decrease or increase the fair value of debt by approximately $445 million or $490 million, respectively. Any changes in interest rates do not impact our cash outflows associated with fixed-rate interest payments or settlement of debt principal, unless a debt instrument is repurchased prior to maturity.

At March 31, 2023, we have WTI put options with an average monthly floor price of $70 per barrel for 80,000 bopd, and Brent put options with an average monthly floor price of $75 per barrel for 50,000 bopd. As of March 31, 2023, an assumed 10% increase in the forward WTI and Brent crude oil prices used in determining the fair value of our put options would reduce the fair value of these derivative instruments by approximately $55 million, while an assumed 10% decrease in the same crude oil prices would increase the fair value of these derivative instruments by approximately $105 million.

Cautionary Note Regarding Forward-Looking Statements

This Quarterly Report on Form 10-Q, including information incorporated by reference herein, 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 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, natural gas liquids 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 the section entitled “Risk Factors” in Item 1A—Risk Factors in our Annual Report on Form 10-K for the year ended December 31, 2022 as well as any additional risks described in our other filings with the 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.

Item 3. Quantitative and Qualitative Disclosures about Market Risk.

The information required by this item is presented under Item 2, “Management’s Discussion and Analysis of Financial Condition and Results of Operations – Market Risk Disclosures.”

Item 4. Controls and Procedures.

Based upon their evaluation of the Corporation’s disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) as of March 31, 2023, John B. Hess, Chief Executive Officer, and John P. Rielly, Chief Financial Officer, concluded that these disclosure controls and procedures were effective as of March 31, 2023.

There was no change in internal control over financial reporting identified in connection with the evaluation required by paragraph (d) of Rules 13a-15 or 15d-15 in the quarter ended March 31, 2023 that has materially affected, or is reasonably likely to materially affect, internal control over financial reporting.

PART II – OTHER INFORMATION

Item 1. Legal Proceedings.

Information regarding legal proceedings is contained in *Note 9, Guarantees and Contingencies* in the *Notes to Consolidated Financial Statements* and is incorporated herein by reference.

Item 2. Share Repurchase Activities.

On March 1, 2023, our Board of Directors approved a new authorization for the repurchase of our common stock in an aggregate amount of up to $1 billion. This new authorization replaced our previous repurchase authorization which was fully utilized at the end of 2022. There were no shares of our common stock repurchased during the first three months of 2023.

Item 6. Exhibits.

Exhibits	
10(1)*	Form of 2023 Performance Award Agreement under the 2017 Long-Term Incentive Plan.
31(1)	Certification required by Rule 13a-14(a) (17 CFR 240.13a-14(a)) or Rule 15d-14(a) (17 CFR 240.15d-14(a)).
31(2)	Certification required by Rule 13a-14(a) (17 CFR 240.13a-14(a)) or Rule 15d-14(a) (17 CFR 240.15d-14(a)).
32(1)#	Certification required by Rule 13a-14(b) (17 CFR 240.13a-14(b)) or Rule 15d-14(b) (17 CFR 240.15d-14(b)) and Section 1350 of Chapter 63 of Title 18 of the United States Code (18 U.S.C. 1350).
32(2)#	Certification required by Rule 13a-14(b) (17 CFR 240.13a-14(b)) or Rule 15d-14(b) (17 CFR 240.15d-14(b)) and Section 1350 of Chapter 63 of Title 18 of the United States Code (18 U.S.C. 1350).
101(INS)	Inline XBRL Instance Document- the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.
101(SCH)	Inline XBRL Taxonomy Extension Schema Document.
101(CAL)	Inline XBRL Taxonomy Extension Calculation Linkbase Document.
101(LAB)	Inline XBRL Taxonomy Extension Label Linkbase Document.
101(PRE)	Inline XBRL Taxonomy Extension Presentation Linkbase Document.
101(DEF)	Inline XBRL Taxonomy Extension Definition Linkbase Document.
104	The cover page from the Company’s Quarterly Report on Form 10-Q for the quarter ended March 31, 2023, has been formatted in Inline XBRL.

* The exhibit relates to executive compensation plans and arrangements.

Furnished herewith.

SIGNATURES

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 thereunto duly authorized.

HESS CORPORATION
(REGISTRANT)

By /s/ John B. Hess
JOHN B. HESS
CHIEF EXECUTIVE OFFICER

By /s/ John P. Rielly
JOHN P. RIELLY
EXECUTIVE VICE PRESIDENT AND
CHIEF FINANCIAL OFFICER

Date: May 4, 2023

HESS CORPORATION 2017 LONG-TERM INCENTIVE PLAN
Performance Award Agreement

Participant:	FIRST NAME - LAST NAME
Grant Date:	DATE
Number of Target Performance Shares	# OF TARGET PERFORMANCE SHARE UNITS

* * * * *

This PERFORMANCE AWARD AGREEMENT (this "Agreement"), dated as of the Grant Date specified above, is entered into by and between HESS CORPORATION, a Delaware corporation (the "Corporation"), and the Participant specified above, pursuant to the Shareholder Value Program under the Hess Corporation 2017 Long-Term Incentive Plan, as in effect and as amended from time to time (the "Plan").

WHEREAS, it has been determined under the Plan that it would be in the best interests of the Corporation to grant the Performance Award provided for herein to the Participant as an inducement to remain in the employment of the Corporation (and/or any Subsidiary), and as an incentive for improved performance toward corporate goals during such employment;

WHEREAS, pursuant to the provisions of the Plan, the Committee has authorized the grant to the Participant of a Performance Award in accordance with the terms and conditions of this Agreement; and

WHEREAS, the Participant and the Corporation desire to enter into this Agreement to evidence and confirm the grant of such Performance Award on the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the mutual covenants and premises hereinafter set forth and for other good and valuable consideration, the parties hereto hereby mutually covenant and agree as follows.

1. Incorporation By Reference; Document Receipt. This Agreement is subject in all respects to the terms and provisions of the Plan (including, without limitation, any amendments thereto adopted at any time and from time to time unless such amendments are expressly not intended to apply to the grant of the Performance Award hereunder), all of which terms and provisions are made a part of and incorporated in this Agreement as if each were expressly set forth mutatis mutandis herein. Any capitalized term not defined in this Agreement shall have the same meaning as is ascribed thereto under the Plan. The Participant hereby acknowledges receipt of a prospectus describing the Plan and the Awards thereunder and that he has read it carefully and fully understands its content. In the event of any conflict between the terms of this Agreement and the terms of the Plan, the terms of the Plan shall control.

2. Grant of Performance Award. Pursuant to the provisions of the Plan, the Corporation as of the date set forth above (the "Grant Date") has granted to the Participant, and hereby evidences the grant to the Participant of, subject to the terms and conditions set forth herein and in the Plan, a Performance Award consisting of the number of Performance Shares. A Performance Share is an unfunded and unsecured obligation to deliver up to one Share (or a portion thereof) or the cash equivalent thereof (determined in accordance with Section 3), subject to the terms and conditions of this Agreement and those of the Plan. The target number of Performance Shares is specified above (the "Target Performance Shares"), provided that up to 210% of the Target Performance Shares may be earned under this Agreement. References herein to Performance Shares are to the Performance Shares comprising such Performance Award granted pursuant to this Agreement.

3. Payment of Earned Performance Shares. Subject to the provisions of Section 5 and Section 6, after the end of the Performance Cycle described in Section 4(a), the Committee shall certify in writing on the date (the "Vesting Date") of its first regular meeting following the end of the Performance Cycle whether, and to what extent, the performance goal set forth in Section 4(b) has been achieved and determine and certify in writing the number of Performance Shares earned pursuant to Section 4. The number of such Performance Shares so earned shall be paid by the Corporation as soon as administratively practicable after the Vesting Date; provided that in no event shall such payment be made later than March 15 of the calendar year that immediately follows the last day of the Performance Cycle. To the extent that the Performance Shares are not earned pursuant to Section 4, such Performance Shares shall be forfeited. Payments hereunder shall be made in Shares, unless the Committee, in its sole discretion, affirmatively determines that such payments shall be made in cash, or a combination 2 and cash. If a cash payment is made in lieu of delivering Shares, the amount of such payment shall be equal to the Fair Market Value of such Shares as of the trading date immediately prior to the date of such payment, less applicable tax withholdings in accordance with Section 12.03 of the Plan.

4. Vesting Criteria Applicable to Performance Shares.

(a) Performance Cycle. The Performance Cycle for the Performance Award granted pursuant to this Agreement shall commence on January 1, 2023, and shall end on December 31, 2025.

(b) Performance Goal. The performance goal for the Performance Cycle is the Hess Total Shareholder Return (TSR) Compound Annual Growth Rate (CAGR) per Share to the Corporation's shareholders, inclusive of dividends paid, during the Performance Cycle (the "HESS Total Shareholder Return (CAGR)") in comparison to the XOP index (S&P® Oil & Gas Exploration & Production ETF) Total Shareholder Return (TSR) Compound Annual Growth Rate (CAGR) (the "XOP Total Shareholder Return (CAGR)") and a modifier comparing the HESS Total Shareholder Return (CAGR) against the S&P® 500 Total Shareholder Return (TSR) Compound Annual Growth Rate (CAGR) (the "S&P 500 Total Shareholder Return (CAGR)"). For purposes of this Agreement, total shareholder return (CAGR) ("Total Shareholder Return CAGR") shall mean the year-over-year growth rate of an investment over the 3-year

Performance Cycle determined by (1) dividing the Ending Average Market Value by the Beginning Average Market Value, and (2) raising the resulting quotient to the power of 1/3 and (3) subtracting one from the resulting number and (4) multiplying the resulting number by 100. For purposes of determining "HESS Total Shareholder Return (CAGR)" under this Agreement, (i) "Ending Average Market Value" shall be the (A) the sum of (1) the dividends paid (regardless of whether paid in cash or property) on a Share during the Performance Cycle, assuming reinvestment of such dividends in such stock (based on the closing price of such stock on the date such dividend is paid), plus (2) the average closing price of a Share on the principal United States exchange on which the common stock of the Corporation trades for the 60 trading days immediately prior to and including the last day of the Performance Cycle (appropriately adjusted for any stock dividend, stock split, spin-off, merger or other similar corporate events) and (ii) "Beginning Average Market Value" shall be the average closing price of a Share on the principal United States exchange on which the stock trades for the 60 trading days occurring immediately prior to the first day of the Performance Cycle. For the avoidance of doubt, it is intended that the foregoing calculation of Hess Total Shareholder Return (CAGR) shall take into account not only the reinvestment of dividends in a share of common stock of the Corporation but also capital appreciation or depreciation in the shares deemed acquired by such reinvestment. For purposes of determining "XOP Total Shareholder Return (CAGR)" and "S&P 500 Total Shareholder Return (CAGR)" under this Agreement, (i) "Ending Average Market Value" shall be the average closing price of a share of the index on the principal United States exchange on which the index trades for the 60 trading days immediately prior to and including the last day of the Performance Cycle and (ii) "Beginning Average Market Value" shall be the average closing price of a share of the applicable index on the principal United States exchange on which the applicable index trades for the 60 trading days occurring immediately prior to the first day of the Performance Cycle. The Ending Average Market Value for the XOP Total Shareholder Return (CAGR) and the S&P 500 Total Shareholder Return (CAGR) shall include both the capital gains of its underlying securities but also assumes that all distributions, such as dividends, are reinvested back into the index. All determinations under this Section 4 shall be made by the Committee in its sole discretion.

(c) Percentage of Performance Shares Earned. As soon as practicable after the completion of the Performance Cycle, the Hess Total Shareholder Return (CAGR), the XOP Total Shareholder Return (CAGR) and the S&P 500 Total Shareholder Return (CAGR) shall be calculated by the Corporation. The percentage of Target Performance Shares earned shall be determined by subtracting the XOP Total Shareholder Return (CAGR) from the Hess Total Shareholder Return (CAGR) with such positive or negative result providing for the percentage of Target Performance Shares that will be earned and payable under this Agreement in accordance with the chart set forth on Exhibit A (the "XOP Calculation"). See Exhibit C for an example of the XOP Calculation. The percentage of Target Performance Shares earned in accordance with the XOP Calculation will then be subject to an upward or downward adjustment of up to 10% of the Target Performance Shares determined by subtracting the S&P 500 Total Shareholder Return (CAGR) from the Hess Total Shareholder Return (CAGR) with such positive or negative result providing for an adjustment to the percentage of Target Performance Shares earned under the XOP Calculation determined in accordance with the chart set forth on Exhibit B (the "S&P Calculation"). See Exhibit D for an example of the S&P Calculation. Notwithstanding the foregoing provisions of this Section 4(c) to the contrary, if the Hess Total Shareholder Return (CAGR) during the Performance Cycle is negative, the Percentage of Target Performance Shares Earned shall not exceed 100%.

5. Termination of Employment. Except as provided in this Section 5, the Participant shall not have any right to any payment hereunder unless the Participant is employed by the Corporation or a Subsidiary on the Vesting Date pursuant to Section 3.

(a) Death, Permanent Total Disability or Full Retirement. If (i) the Participant's employment with the Corporation or any Subsidiary terminates prior to the Vesting Date pursuant to Section 3 by reason of the Participant's death, permanent total disability or "Full Retirement" (as defined below), the Participant shall be entitled to receive the same payment, if any (without pro-ration), in respect of the Performance Shares as would have been payable, and at the same time and subject to the same conditions, had the Participant's employment continued until such Vesting Date. The existence and date of permanent total disability shall be determined by the Committee and its determination shall be final and conclusive. For purposes of this Agreement, "Full Retirement" shall mean voluntary retirement after attaining at least age 65 with at least five years of continuous service with the Corporation or any Subsidiary prior to the date of such retirement.

(b) Other than Death, Permanent Total Disability or Full Retirement. If the Participant's employment with the Corporation or any Subsidiary terminates prior to the Vesting Date pursuant to Section 3 for any reason other than the Participant's death, permanent total disability or Full Retirement, all of the Performance Shares and the Participant's rights with respect thereto shall be immediately forfeited and cancelled without further action by the Corporation or the Participant as of the date of such termination of employment.

(c) Early Retirement/Termination other than Cause. Notwithstanding Section 5(b), if (i) the Participant's employment with the Corporation or any Subsidiary terminates prior to the Vesting Date pursuant to Section 3 by reason of the Participant's "Early Retirement" (as defined below) or on account of a termination by the Corporation or a Subsidiary other than for Cause, the Participant shall be entitled to receive the same payment, if any, in respect of the Performance Shares as would have been payable, and at the same time and subject to the same conditions, had the Participant's employment continued until such Vesting Date, provided that such payment shall be pro-rated based on the number of calendar days of the Performance Cycle elapsed through the date of such Early Retirement or termination other than for Cause. For purposes of this Agreement, "Early Retirement" shall mean voluntary retirement after attaining at least age 55 with at least ten years of continuous service with the Corporation or any Subsidiary prior to the date of such retirement.

(d) Forfeiture Following Early Retirement or Termination other than Cause. Notwithstanding any other provision of this Agreement to the contrary, if, following termination of the Participant's employment with the Corporation or any Subsidiary due to Early Retirement or a termination other than for

Cause, as described in Section 5(c), the Committee determines in its good faith discretion that the Participant shall have engaged in any Prohibited Activity (as hereinafter defined) at any time during the time through the otherwise applicable Vesting Date with respect to the Performance Cycle, all of the Performance Shares and the Participant's rights with respect thereto shall be immediately forfeited and cancelled without further action by the Corporation or the Participant as of the date on which the Participant shall have first entered into such Prohibited Activity. This Section 5(d) shall not constitute the Corporation's exclusive remedy for the Participant's engagement in any Prohibited Activity, and the Corporation may seek any additional legal or equitable remedy, including injunctive relief, in any such circumstances. If any provision contained in this Section 5(d) shall be held by any court of competent jurisdiction to be unenforceable, void or invalid, the parties intend that such provision be modified to make it valid and enforceable to the fullest extent permitted by law. If any such provision cannot be modified to be valid and enforceable, such provision shall be severed from this Agreement and the invalidity or unenforceability of such provision shall not affect the validity or enforceability of the remaining provisions. Notwithstanding any other provision of this Section 5(d) to the contrary, upon the occurrence of a Change of Control, the foregoing provisions of this Section 5(d) shall automatically terminate and cease to apply with respect to any Performance Shares that are outstanding and have not previously been forfeited under this Section 5(d). For purposes of this Agreement:

(i) "Prohibited Activity" shall mean either Competitive Activity or Interference.

(ii) "Competitive Activity" shall mean that the Participant, directly or indirectly, in any manner or capacity, shall be employed by, serve as a director or manager of, act as a consultant to or maintain any material ownership interest in, any E&P Company or M&R Company that competes with the business of the Corporation or any Subsidiary or affiliate thereof in geographical areas in which the Participant is aware that the Corporation or any Subsidiary or affiliate is engaged, or is considering engaging, unless the Committee agrees to such activity of the Participant in writing; provided, however, that the Participant's ownership solely as an investor of less than 1% of the outstanding securities of any publicly-traded securities of any E&P Company or M&R Company shall not, by itself, be considered to be Competitive Activity.

(iii) "Interference" shall mean that the Participant shall, directly or indirectly, interfere with the relationship between the Corporation or any Subsidiary or affiliate of the Corporation and any person (including, without limitation, any business or governmental entity) that to the Participant's knowledge is, or was, a client, customer, supplier, licensee or partner of the Corporation or any Subsidiary, or had any other business relationship with the Corporation or any Subsidiary.

(iv) "E&P Company" shall mean any business which is engaged in the business of exploring for, or developing or producing, crude oil or natural gas.

(v) "M&R Company" shall mean any business which is engaged in the manufacture, generation, purchase, marketing or trading of refined petroleum products, natural gas or electricity.

6. Change of Control. Notwithstanding anything in Section 3, 4, 5(a) or 5(c) to the contrary, in the event a Change of Control occurs during the Performance Cycle, the HESS Total Shareholder Return (CAGR)"), XOP Total Shareholder Return (CAGR)") and S&P 500 Total Shareholder Return (CAGR)") shall be determined in accordance with Section 4 for the portion of the Performance Cycle that ends on the date immediately prior to the date of the Change of Control. Provided that the Performance Shares have not been forfeited pursuant to Section 5 prior to the date of the Change of Control, the percentage of Target Performance Shares earned shall be the sum of (a) the product of the number of Target Performance Shares set forth in Section 2, multiplied by a fraction, the numerator of which is the number of calendar days of the Performance Cycle that elapse through the date immediately prior to the date of the Change of Control and the denominator of which is the full number of calendar days during the Performance Cycle, multiplied by the percentage of Target Performance Shares Earned in accordance with Section 4, plus (b) the product of the number of Target Performance Shares set forth in Section 2, multiplied by a fraction, the numerator of which is the number of calendar days remaining in the Performance Cycle on and following the date of the Change of Control and the denominator of which is the full number of calendar days during the Performance Cycle. The amount payable subject to the terms and conditions hereof in respect of such earned Performance Shares shall be equal to the product of such number of earned Performance Shares multiplied by the Change of Control Price, without interest or other additional earnings (such amount, the "CoC Earned Performance Share Amount"). Except as otherwise provided in this Section 6, the CoC Earned Performance Share Amount shall be paid in a cash lump-sum during, and no later than March 15 of, the calendar year that immediately follows the date of the Change in Control. If, following a Change of Control, the Participant's employment with the Corporation or any Subsidiary terminates prior to payment of the CoC Earned Performance Share Amount by reason of (w) termination by the Corporation or such Subsidiary without Cause, (x) resignation by the Participant for Good Reason, (y) the Participant's death or permanent total disability (determined as described in Section 5(a)) or (z) the Participant's Full Retirement, the Participant shall be entitled to receive payment of the CoC Earned Performance Share Amount in a cash lump-sum not later than 5 business days after the effective date of such termination of employment, provided that if such payment would result in accelerated or additional taxes under Section 409A of the Code then such payment shall be made at the time specified in the immediately preceding sentence as if the Participant's employment had not so terminated. If, following a Change of Control, the Participant's employment with the Corporation or any Subsidiary terminates under any circumstances other than those described in the immediately preceding sentence, then the Participant shall not have any right to any payment in respect of the Performance Shares, whether or not earned.

7. Dividend Equivalents. With respect to the number of Target Performance Shares set forth in Section 2, the Participant shall be credited with Dividend Equivalents with respect to each such Target Performance Share equal to the amount per Share of any ordinary cash dividends declared by the Board with record dates during the period beginning on the first day of the Performance Cycle and ending on the earliest to

occur of: (a) the last day of the Performance Cycle; (b) the date of a Change of Control and (c) the date such Target Performance Share terminates or is forfeited under Section 3 or Section 5. The Corporation shall pay in cash to the Participant an amount equal to the product of (i) sum of the aggregate amount of such Dividend Equivalents credited to the Participant, multiplied by (ii) the percentage of Target Performance Shares earned in accordance with Section 4, such amount to be paid as and when the related Performance Shares are paid in accordance with Section 3 or Section 6, as applicable. Any Dividend Equivalents shall be forfeited as and when the related Performance Shares are forfeited in accordance with Section 3, Section 5 or Section 6.

8. No Rights as a Shareholder. Until Shares are issued, if at all, in satisfaction of the Corporation's obligations under this Agreement, in the time and manner specified in Section 3 or 6, the Participant shall have no rights as a shareholder as to the Shares underlying the Performance Shares.

9. Beneficiary. The Participant may designate the beneficiary or beneficiaries to receive any payments which may be made in respect of the Performance Shares after the Participant's death. Any such designation shall be made by the Participant in writing on a beneficiary designation form provided by or on behalf of the Corporation and (unless the Participant has waived such right) may be changed by the Participant from time to time by filing a new beneficiary designation form as provided therein. If the Participant does not designate a beneficiary or if no designated beneficiary survives the Participant, the Participant's beneficiary shall be the legal representative of his estate.

10. Tax Withholding. No payment of Shares or cash in respect of the Performance Shares shall be made unless and until the Participant (or his or her beneficiary or legal representative) shall have made arrangements satisfactory to the Committee for the payment of any amounts required to be withheld with respect thereto under all present or future federal, state, local and non-United States tax laws and regulations and other laws and regulations in accordance with Section 12.03 of the Plan. The Corporation shall have the right to deduct from all amounts paid to the Participant in cash in respect of Performance Shares any such amounts. In the case of any payments of Performance Shares in the form of Shares, unless the Participant elects otherwise in advance in writing or is prohibited by law, upon payment of such Shares, such number of such Shares as shall be necessary to pay such amounts shall be sold by the Corporation or its designee on the Participant's behalf, and the proceeds thereof shall be delivered to the Corporation for remittance to the appropriate governmental authorities. In the event the Committee determines that any amounts are required to be withheld in respect of the Performance Shares prior to payment of such Performance Shares, the Participant shall thereupon pay to the Corporation in cash the full amount so required to be withheld.

11. Limitations; Governing Law. Nothing herein or in the Plan shall be construed as conferring on the Participant or anyone else the right to continue in the employ of the Corporation or any Subsidiary. The rights and obligations under this Agreement are governed by and construed in accordance with the laws of the State of Delaware, without reference to the principles of conflict of laws thereof.

12. Non-transferability. Except as otherwise provided by Section 8, the Performance Shares, and any rights and interests with respect thereto, may not be sold, exchanged, transferred, assigned or otherwise disposed of in any way by the Participant (or the Participant's beneficiary), and may not be pledged or encumbered in any way by the Participant (or the Participant's beneficiary), and shall not be subject to execution, attachment or similar legal process.

13. Entire Agreement; Amendment. This Agreement (including the Plan which is incorporated herein by reference) contains the entire agreement between the parties hereto with respect to the subject matter contained herein, and supersedes all prior agreements or prior understandings, whether written or oral, between the parties hereto relating to such subject matter. The Board has the right, in its sole discretion, to amend, alter, suspend, discontinue or terminate the Plan, and the Committee has the right, in its sole discretion, to amend, alter, suspend, discontinue or terminate this Agreement from time to time in accordance with and as provided in the Plan; provided, however, that no such amendment, alteration, suspension, discontinuance or termination of the Plan may materially impair the Participant's previously accrued rights under this Agreement or the Plan without the Participant's consent, except as otherwise provided in Section 11 of the Plan. This Agreement may also be modified, amended or terminated by a writing signed by the Participant and the Corporation.

14. Notices. Any notice which may be required or permitted under this Agreement shall be in writing and shall be delivered in person, or via facsimile transmission, overnight courier service or certified mail, return receipt requested, postage prepaid, properly addressed as follows:

(a) If the notice is to the Corporation, to the attention of the Secretary of Hess Corporation, 1185 Avenue of the Americas, New York, New York 10036, or at such other address as the Corporation by notice to the Participant may designate in writing from time to time.

(b) If the notice is to the Participant, at the Participant's address as shown on the Corporation's records, or at such other address as the Participant, by notice to the Corporation, may designate in writing from time to time.

15. Compliance with Laws. The issuance of any Shares pursuant to this Agreement shall be subject to, and shall comply with, any applicable requirements of federal and state securities laws, rules and regulations (including, without limitation, the provisions of the Securities Act of 1933, as amended, the Exchange Act and the respective rules and regulations promulgated thereunder), any applicable rules of any exchange on which the common stock of the Corporation is listed (including, without limitation, the rules and regulations of the New York Stock Exchange), and any other law, rule or regulation applicable thereto. The Corporation shall not be obligated to issue any of the common stock subject to this Agreement if such issuance would violate any such requirements and if issued shall be deemed void ab initio.

16. Binding Agreement; Further Assurances. This Agreement shall inure to the benefit of, be binding upon, and be enforceable by the Corporation and its successors and assigns. Each party hereto shall do and perform (or shall cause to be done

and performed) all such further acts and shall execute and deliver all such other agreements, certificates, instruments and documents as any other party hereto reasonably may request in order to carry out the intent and accomplish the purposes of this Agreement and the Plan and the consummation of the transactions contemplated thereunder.

17. Counterparts; Headings. This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original, but all of which shall constitute one and the same instrument. The titles and headings of the various sections of this Agreement have been inserted for convenience of reference only and shall not be deemed to be a part of this Agreement.

18. Severability. The invalidity or unenforceability of any provisions of this Agreement in any jurisdiction shall not affect the validity, legality or enforceability of the remainder of this Agreement in such jurisdiction or the validity, legality or enforceability of any provision of this Agreement in any other jurisdiction, it being intended that all rights and obligations of the parties hereunder shall be enforceable to the fullest extent permitted by law.

19. Terms of Employment. The Plan is a discretionary plan. The Participant hereby acknowledges that neither the Plan nor this Agreement forms part of the Participant’s terms of employment and nothing in the Plan may be construed as imposing on the Corporation or any Subsidiary a contractual obligation to offer participation in the Plan to any employee of the Corporation or any Subsidiary. Neither the Corporation nor any Subsidiary is under any obligation to grant any further Awards to the Participant under the Plan. If the Participant ceases to be an employee of the Corporation or any Subsidiary for any reason, the Participant shall not be entitled by way of compensation for loss of office or otherwise howsoever to any sum or other benefit to compensate the Participant for the loss of any rights under this Agreement or the Plan. The Participant also acknowledges that the Corporation has adopted a policy prohibiting recipients of equity awarded from the Corporation, including the Performance Shares, from trading in equity derivative instruments to hedge the economic risks of holding Corporation common stock or interests therein. The Participant hereby acknowledges that he will abide by such policy in all respects.

20. Data Protection. By signing this Agreement, the Participant hereby consents to the holding and processing of personal data provided by the Participant to the Corporation for all purposes necessary for the operation of the Plan. These include, but are not limited to:

(a) administering and maintaining the Participant’s records;

(b) providing information to any registrars, brokers or third party administrators of the Plan; and

(c) providing information to future purchasers of the Corporation or the business in which the Participant works.

21. Code Section 409A. Payment of the Performance Shares and this

Agreement are intended to comply with Section 409A of the Code, and shall be administered and construed in accordance with such intent. Accordingly, the Corporation shall have the authority to take any action, or refrain from taking any action, with respect to this Agreement that it determines is necessary or appropriate to ensure compliance with Code Section 409A (provided that the Corporation shall choose the action that best preserves the value of payments provided to the Participant under this Agreement that is consistent with Code Section 409A). In furtherance, but not in limitation, of the foregoing, notwithstanding any other provisions of this Agreement to the contrary:

(a) in no event may the Participant designate, directly or indirectly, the calendar year of any payment to be made hereunder;

(b) if at the time of the Participant’s separation from service, the Corporation determines that the Participant is a “specified employee” within the meaning of Code Section 409A, payments, if any, hereunder that constitute a “deferral of compensation” under Code Section 409A and that would otherwise become due on account of such separation from service shall be delayed and all such delayed payments shall be paid in full upon the earlier to occur of (i) a date during the thirty-day period commencing six months and one day following such separation from service and (ii) the date of the Participant’s death, provided that such delay shall not apply to any payment that is excepted from coverage by Code Section 409A, such as a payment covered by the short-term deferral exception described in Treasury Regulations Section 1.409A-1(b)(4); and

(c) notwithstanding any other provision of this Agreement to the contrary, a termination or retirement of Participant's employment hereunder shall mean and be interpreted consistent with a “separation from service” within the meaning of Code Section 409A with respect to any payments hereunder that constitute a “deferral of compensation” under Code Section 409A that become due on account of such separation from service.

IN WITNESS WHEREOF, the Corporation has caused this Agreement to be executed by its duly authorized officer, and the Participant has also executed this Agreement and acknowledged receipt of other related materials including the Plan prospectus, all as of the Grant Date.

HESS CORPORATION

/s/ John B. Hess
John B. Hess
Chief Executive Officer

Acknowledged and Agreed to:

____

Exhibit A
Payout Schedule vs XOP Index

Achievement Level	Hess TSR CAGR vs. XOP TSR CAGR	% of Target Performance Shares Earned
Maximum	≥20%	200%
Target	0%	100%
Threshold	-20%	50%
Below Threshold	<-20%	0%

Payouts between “Threshold”, “Target”, and “Maximum” are linearly interpolated (e.g., in a scenario where Hess’ 3-year TSR CAGR is +10% above the XOP, would result in 150% of target shares being earned)

Exhibit B
Payout Schedule vs S&P 500

Achievement Level	Hess TSR CAGR vs. S&P 500 TSR CAGR	Modifier Impact (as a % of Target Performance Shares)
Maximum	≥20%	+10%
Target	0%	0%
Minimum	≤-20%	-10%

Modifier impact is linearly interpolated (e.g., in a scenario where Hess’ 3-year TSR CAGR is +10% above the S&P 500, would result in a modifier impact of +5%)

Exhibit C
Example of XOP Calculation

For example, if the Hess Total Shareholder Return (CAGR) is 8% and the XOP Total Shareholder Return (CAGR) is 2%, subtracting 2% from 8% results in a positive difference of 6% resulting in 130% of the Target Performance Shares being earned and payable in accordance with the chart on Exhibit A.

Exhibit D
Example of S&P Calculation

For example, consider the same facts in the example in Exhibit C above which resulted in 130% of the Target Performance Shares being earned based on a Hess Total Shareholder Return (CAGR) of 8%. In the event the S&P 500 Total Shareholder Return (CAGR) is 10%, the adjustment under the S&P Calculation will be determined by subtracting 10% from 8% which results in a difference of negative 2%. In accordance with the chart set forth on Exhibit B, a (-2%) difference results in a negative adjustment of 1% to the percentage of Target Performance Shares earned under the XOP Calculation. Accordingly, the final percentage of Target Performance Shares that will be earned under the XOP Calculation (as adjusted by the S&P Calculation) will be 129% (i.e., 130% minus 1%).

Exhibit 31(1)

CERTIFICATIONS

I, John B. Hess, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Hess Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

By /s/ John B. Hess
JOHN B. HESS
CHIEF EXECUTIVE OFFICER

Date: May 4, 2023

Exhibit 31(2)

I, John P. Rielly, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Hess Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

    (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

    (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

    (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

By /s/ John P. Rielly
JOHN P. RIELLY
EXECUTIVE VICE PRESIDENT AND
CHIEF FINANCIAL OFFICER

Date: May 4, 2023

Exhibit 32(1)

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of Hess Corporation (the "Corporation") on Form 10-Q for the period ending March 31, 2023 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, John B. Hess, Chief Executive Officer of the Corporation, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Corporation.

By /s/ John B. Hess
JOHN B. HESS
CHIEF EXECUTIVE OFFICER
Date: May 4, 2023

A signed original of this written statement required by Section 906 has been provided to Hess Corporation and will be retained by Hess Corporation and furnished to the Securities and Exchange Commission or its staff upon request.

Exhibit 32(2)

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Hess Corporation (the "Corporation") on Form 10-Q for the period ending March 31, 2023 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, John P. Rielly, Executive Vice President and Chief Financial Officer of the Corporation, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Corporation.

By /s/ John P. Rielly
JOHN P. RIELLY
EXECUTIVE VICE PRESIDENT AND
CHIEF FINANCIAL OFFICER
Date: May 4, 2023

A signed original of this written statement required by Section 906 has been provided to Hess Corporation and will be retained by Hess Corporation and furnished to the Securities and Exchange Commission or its staff upon request.