

# Supplemental Earnings Information



Second Quarter 2019



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# OPERATING RESULTS

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# Reported Net Income (Loss), Items Affecting Comparability & Adjusted Net Income (Loss) by Operating Activity



\$ In Millions, Except Per Share Data

|  | 2Q<br>2019 | 2Q<br>2018 | 1Q<br>2019 |
|--|------------|------------|------------|
| <b><u>Net Income (Loss) Attributable to Hess Corporation (U.S. GAAP)</u></b> |            |            |            |
| Exploration and Production   | \$ 68      | \$ 31      | \$ 109     |
| Midstream  | 35         | 30         | 37         |
| Corporate and Other  | (29)       | (108)      | (31)       |
| Interest   | (80)       | (83)       | (83)       |
| Net income (loss) attributable to Hess Corporation                           | \$ (6)     | \$ (130)   | \$ 32      |
| Net income (loss) per common share (diluted)*                                | \$ (0.02)  | \$ (0.48)  | \$ 0.09    |
| <b><u>Items Affecting Comparability of Earnings - Income (Expense)</u></b>   |            |            |            |
| Exploration and Production   | \$ 22      | \$ 10      | \$ -       |
| Midstream  | -          | -          | -          |
| Corporate and Other  | -          | (84)       | -          |
| Total items affecting comparability of earnings between periods              | \$ 22      | \$ (74)    | \$ -       |

\* Calculated as net income (loss) attributable to Hess Corporation less preferred stock dividends, divided by weighted average number of diluted shares.

# Reported Net Income (Loss), Items Affecting Comparability & Adjusted Net Income (Loss) by Operating Activity (Cont'd)



\$ In Millions, Except Per Share Data

|  | 2Q<br>2019       | 2Q<br>2018       | 1Q<br>2019     |
|--|------------------|------------------|----------------|
| <b><u>Adjusted Net Income (Loss)*</u></b>                                    |                  |                  |                |
| Exploration and Production   | \$ 46            | \$ 21            | \$ 109         |
| Midstream  | 35               | 30               | 37             |
| Corporate and Other  | (29)             | (24)             | (31)           |
| Interest   | (80)             | (83)             | (83)           |
| Adjusted net income (loss) attributable to Hess Corporation                  | <u>\$ (28)</u>   | <u>\$ (56)</u>   | <u>\$ 32</u>   |
| Adjusted net income (loss) per common share (diluted)**                      | <u>\$ (0.09)</u> | <u>\$ (0.23)</u> | <u>\$ 0.09</u> |
| Weighted average number of common shares outstanding (diluted) [in millions] | <u>302.2</u>     | <u>297.5</u>     | <u>299.7</u>   |

\* The Corporation has used a non-GAAP financial measure in this supplemental earnings information. "Adjusted Net Income (Loss)" presented throughout this supplemental information is defined as reported net income (loss) attributable to Hess Corporation excluding items identified as affecting comparability of earnings between periods. Management uses adjusted net income (loss) 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. This measure is not, and should not be viewed as, a substitute for U.S. GAAP net income (loss).

\*\* Calculated as adjusted net income (loss) attributable to Hess Corporation less preferred stock dividends, divided by weighted average number of diluted shares.

# Items Affecting Comparability of Earnings Between Periods



(Amounts, After Income Taxes)

## 2Q 2019

- **Exploration and Production** – Results included:
  - A gain of \$22 million associated with the sale of the Corporation’s remaining acreage in the Utica shale play.
- **Midstream** – None.
- **Corporate and Other** – None.

## 2Q 2018

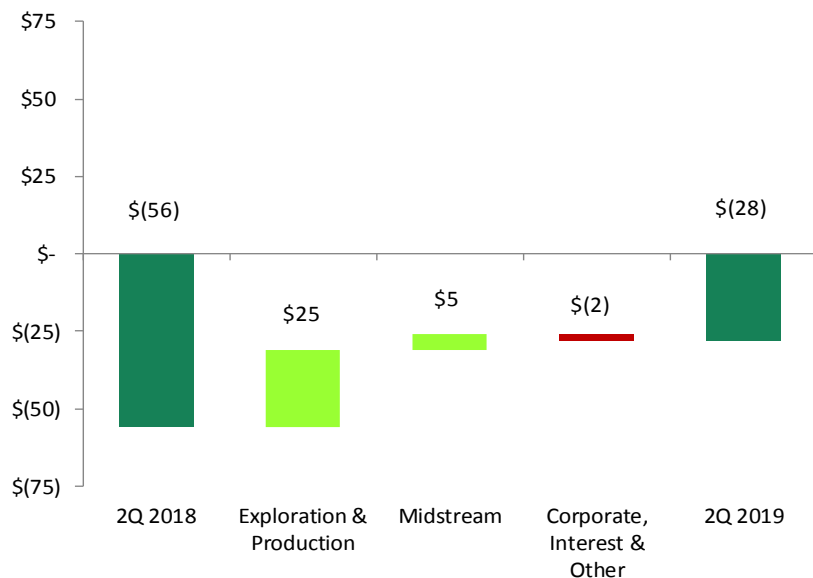
- **Exploration and Production** – Results included:
  - A gain of \$10 million associated with the sale of the Corporation’s interests in Ghana.
- **Midstream** – None.
- **Corporate and Other** – Results included:
  - A charge of \$26 million related to the premium paid for debt repurchases.
  - A charge of \$58 million resulting from the settlement of legal claims related to former downstream interests.

# Consolidated Adjusted Net Income (Loss)

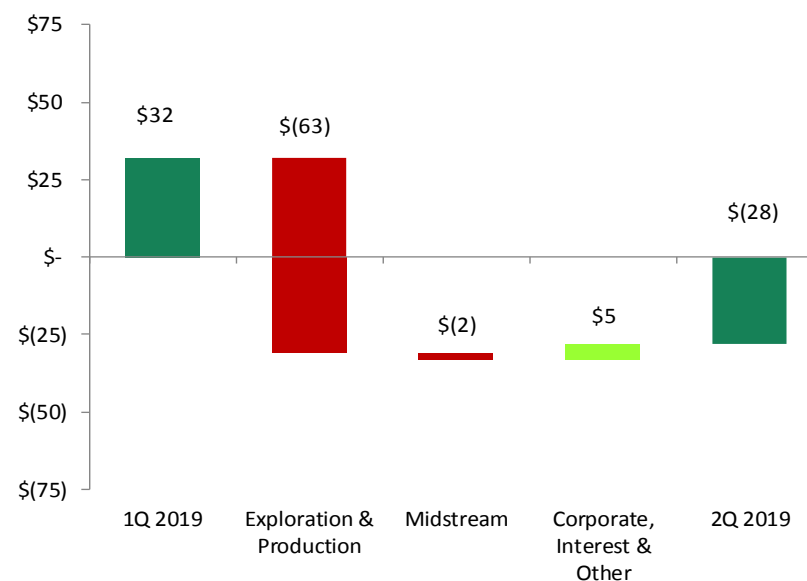


\$ In Millions

**2Q 2019 vs. 2Q 2018**



**2Q 2019 vs. 1Q 2019**



|   | 2Q 2019        | 2Q 2018        | Incr. / (Decr.) |
|---|----------------|----------------|-----------------|
| Exploration and Production                                  | \$ 46          | \$ 21          | \$ 25           |
| Midstream   | 35             | 30             | 5               |
| Corporate, Interest and Other                               | (109)          | (107)          | (2)             |
| Adjusted net income (loss) attributable to Hess Corporation | <u>\$ (28)</u> | <u>\$ (56)</u> | <u>\$ 28</u>    |

|   | 2Q 2019        | 1Q 2019      | Incr. / (Decr.) |
|---|----------------|--------------|-----------------|
| Exploration and Production                                  | \$ 46          | \$ 109       | \$ (63)         |
| Midstream   | 35             | 37           | (2)             |
| Corporate, Interest and Other                               | (109)          | (114)        | 5               |
| Adjusted net income (loss) attributable to Hess Corporation | <u>\$ (28)</u> | <u>\$ 32</u> | <u>\$ (60)</u>  |

# Analysis of Consolidated Adjusted Net Income (Loss)



## 2Q 2019 vs. 2Q 2018

- **Exploration and Production** – The increase in earnings primarily reflects increased U.S. crude oil production and reduced exploration expenses, partially offset by the impact of lower realized selling prices and higher depreciation, depletion and amortization expenses.
- **Midstream** – Excluding a change in income tax allocations, the decrease in earnings was primarily due to higher depreciation, depletion and amortization expenses.
- **Corporate and Other** – The change in corporate and other costs is primarily due to lower non-operating revenue in the second quarter of 2019.
- **Interest** – No significant changes.

## 2Q 2019 vs. 1Q 2019

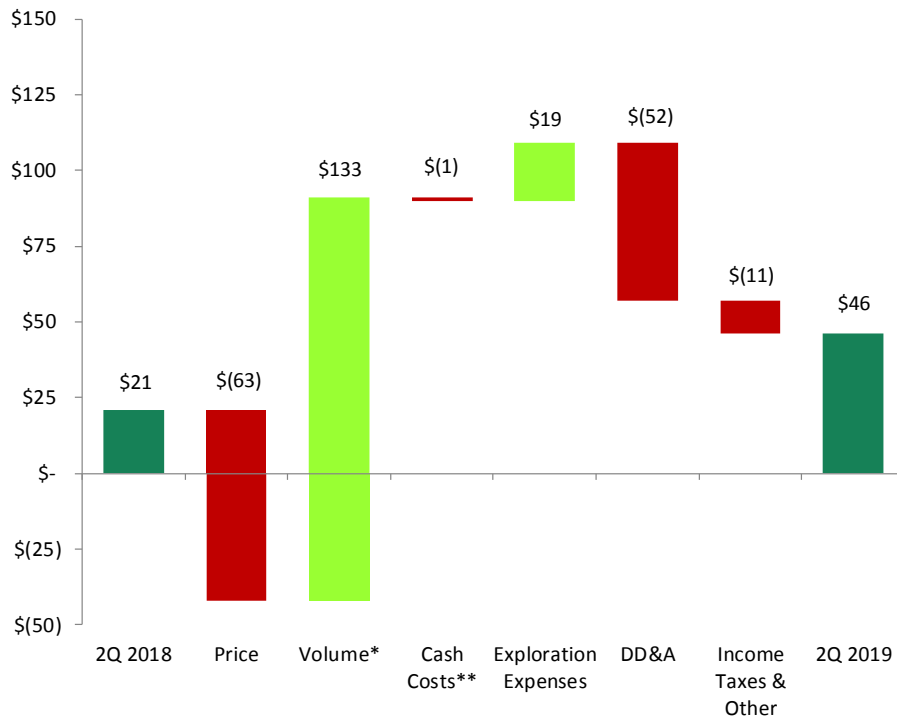
- **Exploration and Production** – The decrease in earnings primarily reflects higher operating costs, production and severance taxes and exploration expenses, and changes in foreign exchange.
- **Midstream** – No significant changes.
- **Corporate and Other** – The decrease in corporate and other costs was primarily due to lower employee costs.
- **Interest** – No significant changes.

# Exploration and Production – Adjusted Net Income (Loss)

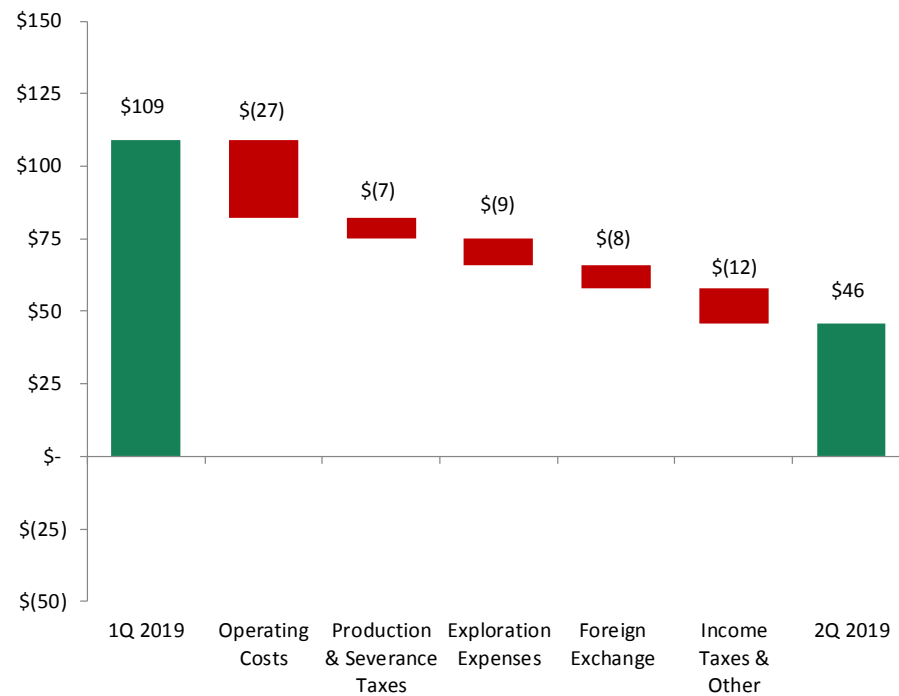


\$ In Millions

**2Q 2019 vs. 2Q 2018**



**2Q 2019 vs. 1Q 2019\*\*\***



|               | 2Q 2019      | 2Q 2018      | Incr. / (Decr.) |
|---------------|--------------|--------------|-----------------|
| United States | \$ 11        | \$ (19)      | \$ 30           |
| International | 35           | 40           | (5)             |
| Total         | <u>\$ 46</u> | <u>\$ 21</u> | <u>\$ 25</u>    |

|               | 2Q 2019      | 1Q 2019       | Incr. / (Decr.) |
|---------------|--------------|---------------|-----------------|
| United States | \$ 11        | \$ 42         | \$ (31)         |
| International | 35           | 67            | (32)            |
| Total         | <u>\$ 46</u> | <u>\$ 109</u> | <u>\$ (63)</u>  |

\* Includes associated Marketing, including purchased oil and gas.  
 \*\* Cash costs include Operating costs and expenses, Production and severance taxes, and E&P general and administrative expenses.  
 \*\*\* Price and volume variances were not material.

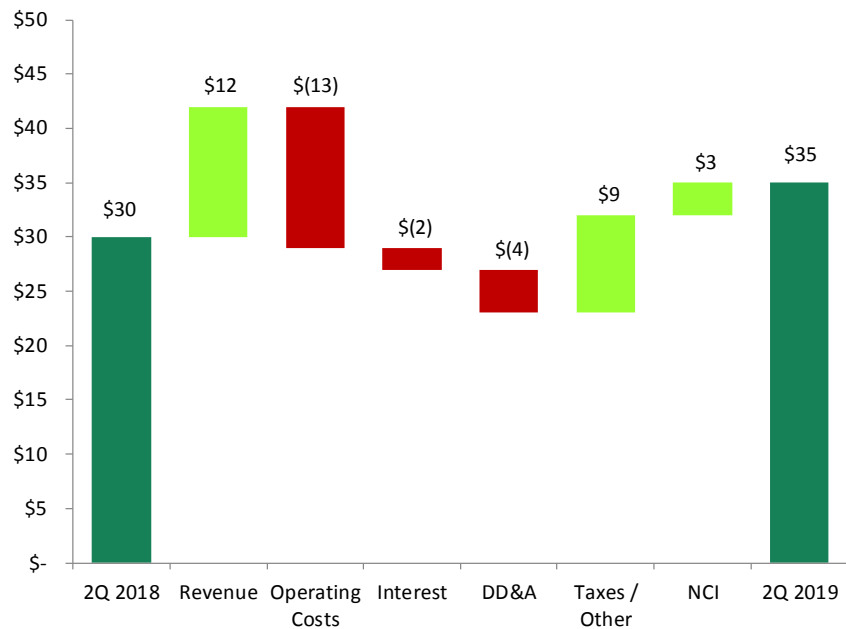


# Midstream – Adjusted Net Income

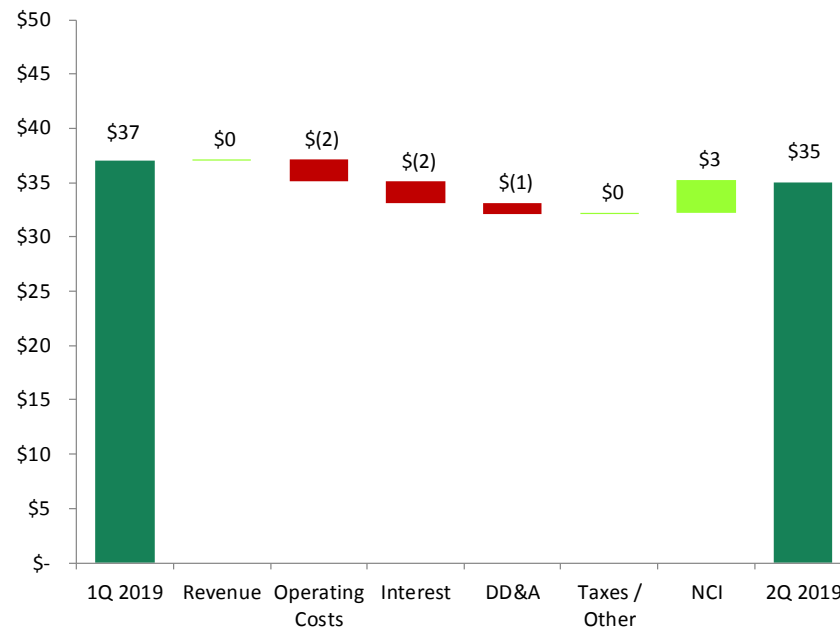


\$ In Millions

**2Q 2019 vs. 2Q 2018**



**2Q 2019 vs. 1Q 2019**

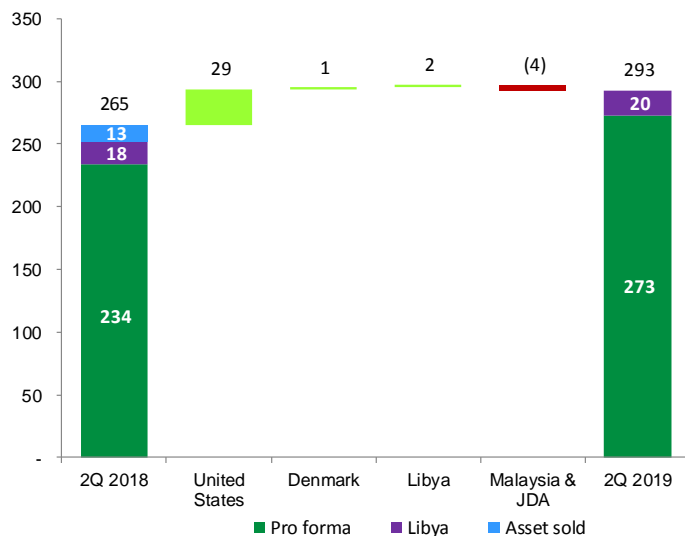


# Worldwide Oil & Gas Production

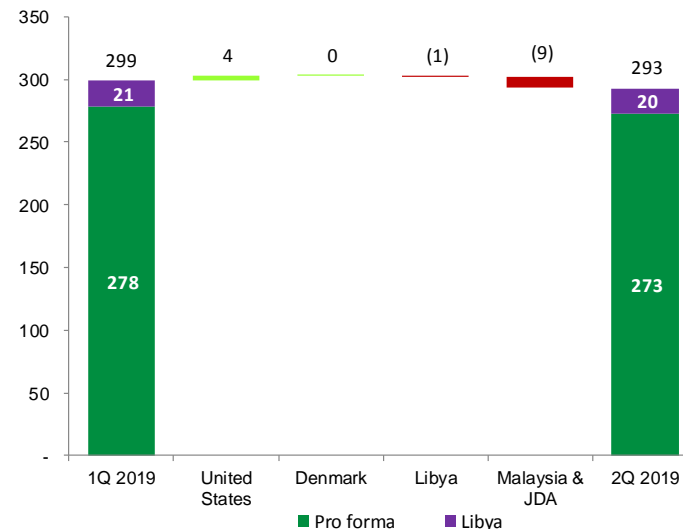


In MBOEPD

**2Q 2019 vs. 2Q 2018**



**2Q 2019 vs. 1Q 2019**



|                            | 2Q 2019    | 2Q 2018    | Incr. / (Decr.) |
|----------------------------|------------|------------|-----------------|
| <b>United States</b>       |            |            |                 |
| North Dakota               | 142        | 118        | 24              |
| Offshore                   | 65         | 47         | 18              |
| Other*                     | -          | 13         | (13)            |
| <b>Total United States</b> | <u>207</u> | <u>178</u> | <u>29</u>       |
| <b>Denmark</b>             | 7          | 6          | 1               |
| <b>Libya</b>               | 20         | 18         | 2               |
| <b>Malaysia and JDA</b>    | <u>59</u>  | <u>63</u>  | <u>(4)</u>      |
| <b>Total</b>               | <u>293</u> | <u>265</u> | <u>28</u>       |

|                            | 2Q 2019    | 1Q 2019    | Incr. / (Decr.) |
|----------------------------|------------|------------|-----------------|
| <b>United States</b>       |            |            |                 |
| North Dakota               | 142        | 133        | 9               |
| Offshore                   | 65         | 70         | (5)             |
| Other*                     | -          | -          | -               |
| <b>Total United States</b> | <u>207</u> | <u>203</u> | <u>4</u>        |
| <b>Denmark</b>             | 7          | 7          | -               |
| <b>Libya</b>               | 20         | 21         | (1)             |
| <b>Malaysia and JDA</b>    | <u>59</u>  | <u>68</u>  | <u>(9)</u>      |
| <b>Total</b>               | <u>293</u> | <u>299</u> | <u>(6)</u>      |

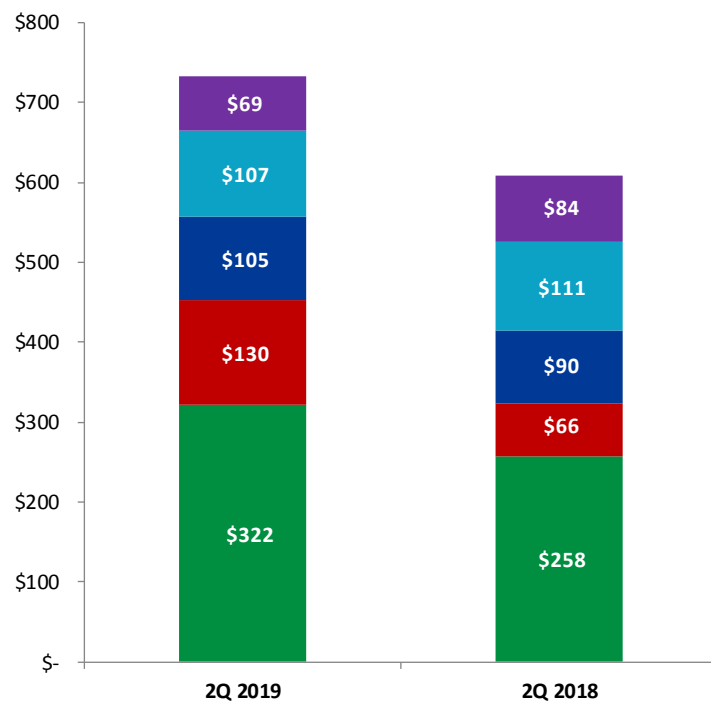
\* Represents Utica asset, which was sold in August 2018.

# Capital and Exploratory Expenditures



\$ In Millions

## 2Q 2019 vs. 2Q 2018



■ Midstream    ■ Exploration    ■ Development  
■ Production    ■ Unconventionals

### E&P Capital and Exploratory Expenditures

|   |               |
|---|---------------|
| United States                                       |               |
| North Dakota  | \$ 322        |
| Offshore and Other                                  | 139           |
| Total United States                                 | 461           |
| Guyana  | 167           |
| Malaysia and JDA                                    | 25            |
| Other   | 11            |
| <b>E&amp;P Capital and Exploratory Expenditures</b> | <b>\$ 664</b> |

Total exploration expenses charged to income included above

Midstream Capital Expenditures

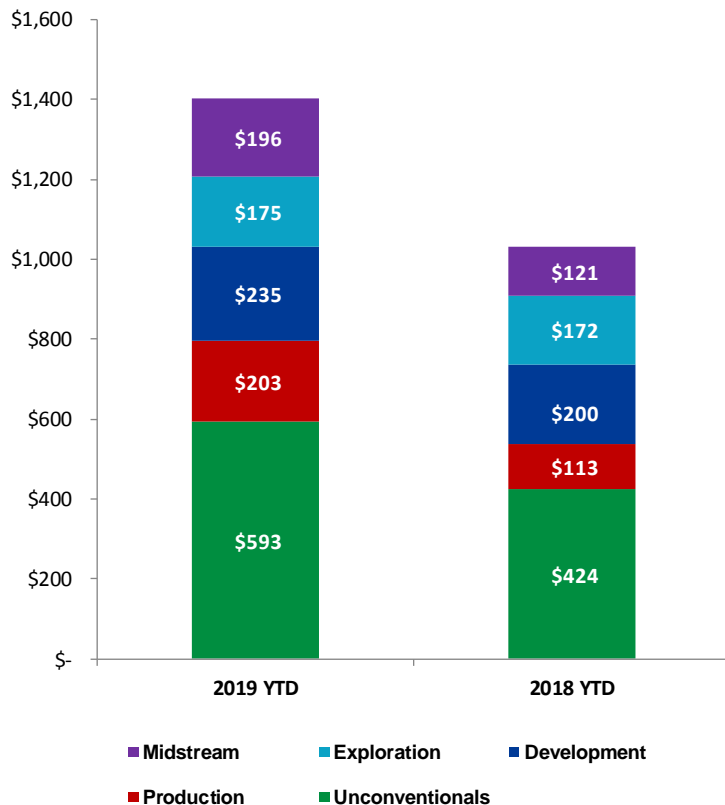
| Three Months Ended<br>June 30, |               |
|--------------------------------|---------------|
| 2019                           | 2018          |
| \$ 322                         | \$ 242        |
| 139                            | 117           |
| 461                            | 359           |
| 167                            | 71            |
| 25                             | 42            |
| 11                             | 53            |
| <b>\$ 664</b>                  | <b>\$ 525</b> |
| <b>\$ 39</b>                   | <b>\$ 39</b>  |
| <b>\$ 69</b>                   | <b>\$ 84</b>  |

# Capital and Exploratory Expenditures (Cont'd)



\$ In Millions

## 2Q 2019 YTD vs. 2Q 2018 YTD



### E&P Capital and Exploratory Expenditures

#### United States

North Dakota

Offshore and Other

Total United States

Guyana

Malaysia and JDA

Other

### E&P Capital and Exploratory Expenditures

Total exploration expenses charged to income included above

Midstream Capital Expenditures\*

|   | Six Months Ended<br>June 30, |               |
|---|------------------------------|---------------|
|   | 2019                         | 2018          |
| E&P Capital and Exploratory Expenditures                    |                              |               |
| United States   |                              |               |
| North Dakota  | \$ 593                       | \$ 408        |
| Offshore and Other  | 191                          | 210           |
| Total United States   | <u>784</u>                   | <u>618</u>    |
| Guyana  | 348                          | 145           |
| Malaysia and JDA  | 57                           | 69            |
| Other   | 17                           | 77            |
| E&P Capital and Exploratory Expenditures                    | <u>\$ 1,206</u>              | <u>\$ 909</u> |
| Total exploration expenses charged to income included above | <u>\$ 66</u>                 | <u>\$ 69</u>  |
| Midstream Capital Expenditures*                             | <u>\$ 196</u>                | <u>\$ 121</u> |

\* 2019 includes \$99 million related to purchase of crude oil, gas and water gathering assets in the first quarter.



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# FINANCIAL INFORMATION

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# Consolidating Income Statement – 2Q 2019



\$ In Millions, Except Unit Costs Data

|  | Three Months Ended June 30, 2019 |              |                             |              |                    |
|--|----------------------------------|--------------|-----------------------------|--------------|--------------------|
|  | Exploration & Production         | Midstream    | Corporate, Interest & Other | Eliminations | Consolidated Total |
|  | A                                | B            | C                           | D            | A + B + C + D      |
| <b>Revenue and Non-Operating Income</b>  |                                  |              |                             |              |                    |
| Sales and other operating revenues   | \$ 1,660                         | \$ 190       | \$ -                        | \$ (190)     | \$ 1,660           |
| Gains (losses) on asset sales, net   | -                                | -            | -                           | -            | -                  |
| Other, net   | 7                                | -            | 8                           | -            | 15                 |
| Total revenues and non-operating income  | 1,667                            | 190          | 8                           | (190)        | 1,675              |
| <b>Costs and Expenses</b>  |                                  |              |                             |              |                    |
| Marketing, including purchased oil and gas                                       | 498                              | -            | -                           | (21)         | 477                |
| Operating costs and expenses   | 231                              | 58           | -                           | (4)          | 285                |
| Production and severance taxes   | 46                               | -            | -                           | -            | 46                 |
| Midstream tariffs  | 165                              | -            | -                           | (165)        | -                  |
| Exploration expenses, including dry holes and lease impairment                   | 43                               | -            | -                           | -            | 43                 |
| General and administrative expenses  | 48                               | 5            | 36                          | -            | 89                 |
| Interest expense   | -                                | 17           | 80                          | -            | 97                 |
| Depreciation, depletion and amortization   | 459                              | 35           | -                           | -            | 494                |
| Total costs and expenses   | 1,490                            | 115          | 116                         | (190)        | 1,531              |
| Adjusted Income (Loss) Before Income Taxes                                       | 177                              | 75           | (108)                       | -            | 144                |
| Provision (benefit) for income taxes   | 131                              | -            | 1                           | -            | 132                |
| Adjusted Net Income (Loss)   | 46                               | 75           | (109)                       | -            | 12                 |
| Less: Net income (loss) attributable to noncontrolling interests                 | -                                | 40           | -                           | -            | 40                 |
| <b>Adjusted Net Income (Loss) Attributable to Hess Corporation<sup>(1)</sup></b> | <b>\$ 46</b>                     | <b>\$ 35</b> | <b>\$ (109)</b>             | <b>\$ -</b>  | <b>\$ (28)</b>     |
| <b>Items affecting comparability of earnings (after tax)<sup>(1)</sup></b>       | <b>22</b>                        | <b>-</b>     | <b>-</b>                    | <b>-</b>     | <b>22</b>          |
| <b>Net Income (Loss) Attributable to Hess Corporation<sup>(1)</sup></b>          | <b>\$ 68</b>                     | <b>\$ 35</b> | <b>\$ (109)</b>             | <b>\$ -</b>  | <b>\$ (6)</b>      |
| <b>Exploration &amp; Production Unit Costs (\$/boe)<sup>(2)</sup></b>            |                                  |              |                             |              |                    |
| Cash Costs <sup>(3)</sup>  | \$ 12.11                         |              |                             |              |                    |
| DD&A Costs   | 17.20                            |              |                             |              |                    |
| Production Costs   | \$ 29.31                         |              |                             |              |                    |
| Production Volumes (mmboe) <sup>(4)</sup>  | 26.7                             |              |                             |              |                    |
| <b>Midstream</b>   |                                  |              |                             |              |                    |
| EBITDA <sup>(5)</sup>  | \$ 127                           |              |                             |              |                    |

<sup>(1)</sup> See footnote on page 3 regarding non-GAAP financial measures.

<sup>(2)</sup> Unit costs exclude items affecting comparability of earnings.

<sup>(3)</sup> Cash costs include Operating costs and expenses, Production and severance taxes, and General and administrative expenses.

<sup>(4)</sup> mmboe represents millions of barrels of oil equivalent.

<sup>(5)</sup> EBITDA is calculated as net income before income taxes plus interest expense, and depreciation, depletion and amortization. Excludes items affecting comparability of earnings, and other, net.

# Consolidating Income Statement – 2Q 2018



\$ In Millions, Except Unit Costs Data

|  | Three Months Ended June 30, 2018 |              |                             |              |                    |
|--|----------------------------------|--------------|-----------------------------|--------------|--------------------|
|  | Exploration & Production         | Midstream    | Corporate, Interest & Other | Eliminations | Consolidated Total |
|  | A                                | B            | C                           | D            | A + B + C + D      |
| <b>Revenue and Non-Operating Income</b>  |                                  |              |                             |              |                    |
| Sales and other operating revenues   | \$ 1,534                         | \$ 176       | \$ -                        | \$ (176)     | \$ 1,534           |
| Gains (losses) on asset sales, net   | 1                                | -            | -                           | -            | 1                  |
| Other, net   | 9                                | 2            | 10                          | -            | 21                 |
| Total revenues and non-operating income  | 1,544                            | 178          | 10                          | (176)        | 1,556              |
| <b>Costs and Expenses</b>  |                                  |              |                             |              |                    |
| Marketing, including purchased oil and gas                                       | 463                              | -            | -                           | (13)         | 450                |
| Operating costs and expenses   | 241                              | 47           | -                           | -            | 288                |
| Production and severance taxes   | 42                               | -            | -                           | -            | 42                 |
| Midstream tariffs  | 163                              | -            | -                           | (163)        | -                  |
| Exploration expenses, including dry holes and lease impairment                   | 62                               | -            | -                           | -            | 62                 |
| General and administrative expenses  | 40                               | 3            | 28                          | -            | 71                 |
| Interest expense   | -                                | 15           | 83                          | -            | 98                 |
| Depreciation, depletion and amortization   | 407                              | 31           | 6                           | -            | 444                |
| Total costs and expenses   | 1,418                            | 96           | 117                         | (176)        | 1,455              |
| Adjusted Income (Loss) Before Income Taxes                                       | 126                              | 82           | (107)                       | -            | 101                |
| Provision (benefit) for income taxes   | 105                              | 9            | -                           | -            | 114                |
| Adjusted Net Income (Loss)   | 21                               | 73           | (107)                       | -            | (13)               |
| Less: Net income (loss) attributable to noncontrolling interests                 | -                                | 43           | -                           | -            | 43                 |
| <b>Adjusted Net Income (Loss) Attributable to Hess Corporation<sup>(1)</sup></b> | <b>\$ 21</b>                     | <b>\$ 30</b> | <b>\$ (107)</b>             | <b>\$ -</b>  | <b>\$ (56)</b>     |
| <b>Items affecting comparability of earnings (after tax)<sup>(1)</sup></b>       | <b>10</b>                        | <b>-</b>     | <b>(84)</b>                 | <b>-</b>     | <b>(74)</b>        |
| <b>Net Income (Loss) Attributable to Hess Corporation<sup>(1)</sup></b>          | <b>\$ 31</b>                     | <b>\$ 30</b> | <b>\$ (191)</b>             | <b>\$ -</b>  | <b>\$ (130)</b>    |
| <b>Exploration &amp; Production Unit Costs (\$/boe)<sup>(2)</sup></b>            |                                  |              |                             |              |                    |
| Cash Costs <sup>(3)</sup>  | \$ 13.37                         |              |                             |              |                    |
| DD&A Costs   | 16.85                            |              |                             |              |                    |
| Production Costs   | \$ 30.22                         |              |                             |              |                    |
| Production Volumes (mmbœ) <sup>(4)</sup>   | 24.2                             |              |                             |              |                    |
| <b>Midstream</b>   |                                  |              |                             |              |                    |
| EBITDA <sup>(5)</sup>  | \$ 126                           |              |                             |              |                    |

<sup>(1)</sup> See footnote on page 3 regarding non-GAAP financial measures.

<sup>(2)</sup> Unit costs exclude items affecting comparability of earnings.

<sup>(3)</sup> Cash costs include Operating costs and expenses, Production and severance taxes, and General and administrative expenses.

<sup>(4)</sup> mmbœ represents millions of barrels of oil equivalent.

<sup>(5)</sup> EBITDA is calculated as net income before income taxes plus interest expense, and depreciation, depletion and amortization. Excludes items affecting comparability of earnings, and other, net.

# Consolidating Income Statement – 2Q 2019 YTD



\$ In Millions, Except Unit Costs Data

|  | Six Months Ended June 30, 2019 |              |                             |              |                    |
|--|--------------------------------|--------------|-----------------------------|--------------|--------------------|
|  | Exploration & Production       | Midstream    | Corporate, Interest & Other | Eliminations | Consolidated Total |
|  | A                              | B            | C                           | D            | A + B + C + D      |
| <b>Revenue and Non-Operating Income</b>  |                                |              |                             |              |                    |
| Sales and other operating revenues   | \$ 3,232                       | \$ 380       | \$ -                        | \$ (380)     | \$ 3,232           |
| Gains (losses) on asset sales, net   | -                              | -            | -                           | -            | -                  |
| Other, net   | 27                             | -            | 15                          | -            | 42                 |
| Total revenues and non-operating income  | 3,259                          | 380          | 15                          | (380)        | 3,274              |
| <b>Costs and Expenses</b>  |                                |              |                             |              |                    |
| Marketing, including purchased oil and gas                                       | 932                            | -            | -                           | (47)         | 885                |
| Operating costs and expenses   | 444                            | 113          | -                           | (6)          | 551                |
| Production and severance taxes   | 85                             | -            | -                           | -            | 85                 |
| Midstream tariffs  | 327                            | -            | -                           | (327)        | -                  |
| Exploration expenses, including dry holes and lease impairment                   | 77                             | -            | -                           | -            | 77                 |
| General and administrative expenses  | 90                             | 11           | 75                          | -            | 176                |
| Interest expense   | -                              | 32           | 163                         | -            | 195                |
| Depreciation, depletion and amortization   | 923                            | 69           | -                           | -            | 992                |
| Total costs and expenses   | 2,878                          | 225          | 238                         | (380)        | 2,961              |
| Adjusted Income (Loss) Before Income Taxes                                       | 381                            | 155          | (223)                       | -            | 313                |
| Provision (benefit) for income taxes   | 226                            | -            | -                           | -            | 226                |
| Adjusted Net Income (Loss)   | 155                            | 155          | (223)                       | -            | 87                 |
| Less: Net income (loss) attributable to noncontrolling interests                 | -                              | 83           | -                           | -            | 83                 |
| <b>Adjusted Net Income (Loss) Attributable to Hess Corporation<sup>(1)</sup></b> | <b>\$ 155</b>                  | <b>\$ 72</b> | <b>\$ (223)</b>             | <b>\$ -</b>  | <b>\$ 4</b>        |
| <b>Items affecting comparability of earnings (after tax)<sup>(1)</sup></b>       | <b>22</b>                      | <b>-</b>     | <b>-</b>                    | <b>-</b>     | <b>22</b>          |
| <b>Net Income (Loss) Attributable to Hess Corporation<sup>(1)</sup></b>          | <b>\$ 177</b>                  | <b>\$ 72</b> | <b>\$ (223)</b>             | <b>\$ -</b>  | <b>\$ 26</b>       |
| <b>Exploration &amp; Production Unit Costs (\$/boe)<sup>(2)</sup></b>            |                                |              |                             |              |                    |
| Cash Costs <sup>(3)</sup>  | \$ 11.55                       |              |                             |              |                    |
| DD&A Costs   | 17.23                          |              |                             |              |                    |
| Production Costs   | \$ 28.78                       |              |                             |              |                    |
| Production Volumes (mmboe) <sup>(4)</sup>  | 53.6                           |              |                             |              |                    |
| <b>Midstream</b>   |                                |              |                             |              |                    |
| EBITDA <sup>(5)</sup>  | \$ 256                         |              |                             |              |                    |

<sup>(1)</sup> See footnote on page 3 regarding non-GAAP financial measures.

<sup>(2)</sup> Unit costs exclude items affecting comparability of earnings.

<sup>(3)</sup> Cash costs include Operating costs and expenses, Production and severance taxes, and General and administrative expenses.

<sup>(4)</sup> mmboe represents millions of barrels of oil equivalent.

<sup>(5)</sup> EBITDA is calculated as net income before income taxes plus interest expense, and depreciation, depletion and amortization. Excludes items affecting comparability of earnings, and other, net.



# Consolidating Income Statement – 2Q 2018 YTD



\$ In Millions, Except Unit Costs Data

|  | Six Months Ended June 30, 2018 |              |                             |              |                    |
|--|--------------------------------|--------------|-----------------------------|--------------|--------------------|
|  | Exploration & Production       | Midstream    | Corporate, Interest & Other | Eliminations | Consolidated Total |
|  | A                              | B            | C                           | D            | A + B + C + D      |
| <b>Revenue and Non-Operating Income</b>  |                                |              |                             |              |                    |
| Sales and other operating revenues   | \$ 2,880                       | \$ 343       | \$ -                        | \$ (343)     | \$ 2,880           |
| Gains (losses) on asset sales, net   | 3                              | -            | 5                           | -            | 8                  |
| Other, net   | 24                             | 3            | 31                          | -            | 58                 |
| Total revenues and non-operating income  | 2,907                          | 346          | 36                          | (343)        | 2,946              |
| <b>Costs and Expenses</b>  |                                |              |                             |              |                    |
| Marketing, including purchased oil and gas                                       | 837                            | -            | -                           | (29)         | 808                |
| Operating costs and expenses   | 469                            | 88           | -                           | -            | 557                |
| Production and severance taxes   | 81                             | -            | -                           | -            | 81                 |
| Midstream tariffs  | 314                            | -            | -                           | (314)        | -                  |
| Exploration expenses, including dry holes and lease impairment                   | 99                             | -            | -                           | -            | 99                 |
| General and administrative expenses  | 82                             | 6            | 78                          | -            | 166                |
| Interest expense   | -                              | 30           | 171                         | -            | 201                |
| Depreciation, depletion and amortization   | 792                            | 62           | 7                           | -            | 861                |
| Total costs and expenses   | 2,674                          | 186          | 256                         | (343)        | 2,773              |
| Adjusted Income (Loss) Before Income Taxes                                       | 233                            | 160          | (220)                       | -            | 173                |
| Provision (benefit) for income taxes   | 200                            | 18           | (1)                         | -            | 217                |
| Adjusted Net Income (Loss)   | 33                             | 142          | (219)                       | -            | (44)               |
| Less: Net income (loss) attributable to noncontrolling interests                 | -                              | 84           | -                           | -            | 84                 |
| <b>Adjusted Net Income (Loss) Attributable to Hess Corporation<sup>(1)</sup></b> | <b>\$ 33</b>                   | <b>\$ 58</b> | <b>\$ (219)</b>             | <b>\$ -</b>  | <b>\$ (128)</b>    |
| <b>Items affecting comparability of earnings (after tax)<sup>(1)</sup></b>       | <b>(27)</b>                    | <b>-</b>     | <b>(81)</b>                 | <b>-</b>     | <b>(108)</b>       |
| <b>Net Income (Loss) Attributable to Hess Corporation<sup>(1)</sup></b>          | <b>\$ 6</b>                    | <b>\$ 58</b> | <b>\$ (300)</b>             | <b>\$ -</b>  | <b>\$ (236)</b>    |
| <b>Exploration &amp; Production Unit Costs (\$/boe)<sup>(2)</sup></b>            |                                |              |                             |              |                    |
| Cash Costs <sup>(3)</sup>  | \$ 13.41                       |              |                             |              |                    |
| DD&A Costs   | 16.81                          |              |                             |              |                    |
| Production Costs   | \$ 30.22                       |              |                             |              |                    |
| Production Volumes (mmboe) <sup>(4)</sup>  | 47.1                           |              |                             |              |                    |
| <b>Midstream</b>   |                                |              |                             |              |                    |
| EBITDA <sup>(5)</sup>  | \$ 249                         |              |                             |              |                    |

<sup>(1)</sup> See footnote on page 3 regarding non-GAAP financial measures.

<sup>(2)</sup> Unit costs exclude items affecting comparability of earnings.

<sup>(3)</sup> Cash costs include Operating costs and expenses, Production and severance taxes, and General and administrative expenses.

<sup>(4)</sup> mmboe represents millions of barrels of oil equivalent.

<sup>(5)</sup> EBITDA is calculated as net income before income taxes plus interest expense, and depreciation, depletion and amortization. Excludes items affecting comparability of earnings, and other, net.



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## OTHER INFORMATION

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# 2019 Guidance to Investors

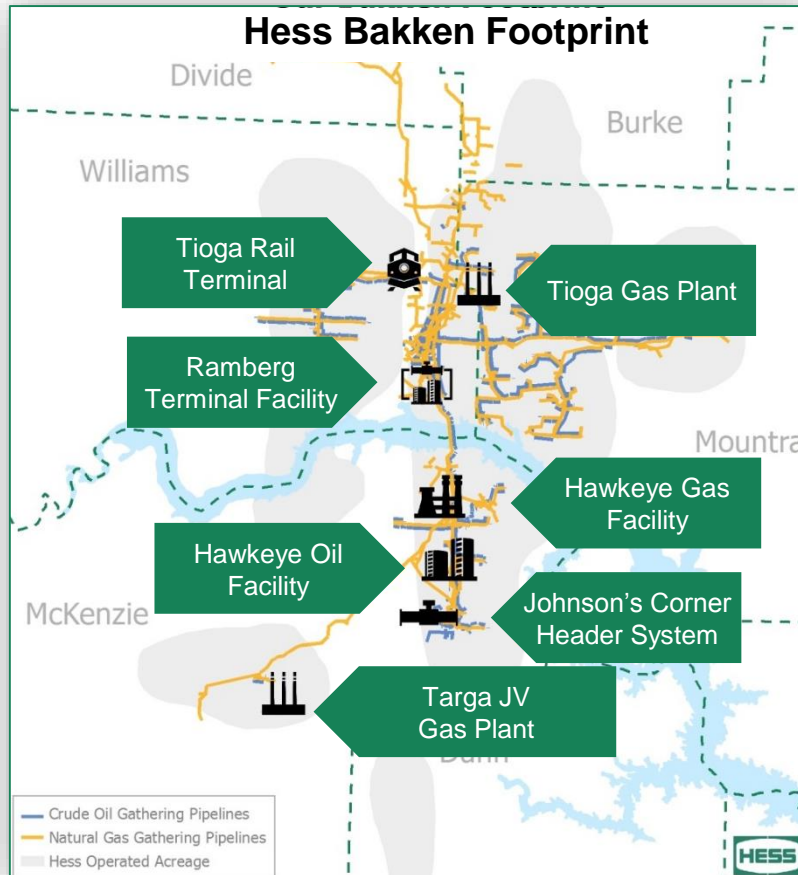


|  | GUIDANCE <sup>(1)</sup> |                   | ACTUAL  |         |
|--|-------------------------|-------------------|---------|---------|
|  | Full Year               | 3Q                | 2Q      | 1Q      |
| <b><u>Production - Thousand Barrels of Oil Equivalent Per Day (MBOEPD)</u></b>                 |                         |                   |         |         |
| Total - excluding Libya  | 275 - 280               | 270 - 280         | 273     | 278     |
| Bakken   | 140 - 145               | 145 - 150         | 140     | 130     |
| <b><u>Unit Cost - \$ Per Barrel of Oil Equivalent (\$/BOE)<sup>(2)</sup></u></b>               |                         |                   |         |         |
| Cash Costs   | \$12.50 - \$13.00       | \$13.00 - \$14.00 | \$12.72 | \$11.54 |
| DD&A   | \$18.00 - \$19.00       | \$18.00 - \$19.00 | \$18.31 | \$18.37 |
| Total Production Costs   | \$30.50 - \$32.00       | \$31.00 - \$33.00 | \$31.03 | \$29.91 |
| <b>Exploration Expenses, Excluding Dry Hole Costs (\$ Millions)</b>                            | \$200 - \$210           | \$50 - \$60       | \$43    | \$34    |
| <b>Midstream Tariff (\$ Millions)</b>  | \$740 - \$750           | ~\$185            | \$165   | \$162   |
| <b>Exploration and Production Effective Tax Rate Expense, excluding Libya<sup>(2)(3)</sup></b> | 0% - 4%                 | 0% - 4%           | 15%     | 2%      |
| <b>Exploration and Production Capital and Exploratory Expenditures (\$ Millions)</b>           | \$2,800                 | \$800             | \$664   | \$542   |
| <b>Noncash Crude Oil Hedging Premium Amortization (\$ Millions)</b>                            | ~\$115                  | ~\$29             | \$29    | \$29    |
| <b><u>Other (\$ Millions)</u></b>  |                         |                   |         |         |
| Corporate Expenses   | \$110 - \$115           | \$25 - \$30       | \$29    | \$31    |
| Interest Expenses  | \$315 - \$320           | \$75 - \$80       | \$80    | \$83    |
| <b>Midstream Net Income Attributable to Hess Corporation</b>                                   | \$170 - \$175           | ~\$40             | \$35    | \$37    |

(1) All guidance excludes "items affecting comparability".

(2) Guidance and Actual excludes "items affecting comparability" and Libya.

(3) The Corporation does not recognize deferred taxes in the United States, Denmark (hydrocarbon tax only), Malaysia & Guyana, which causes a lower effective tax rate.



### Strategic infrastructure supporting Hess' Bakken development

- Export flexibility provides access to highest value markets
- ~70% volume currently linked to Brent based pricing
- 350 MMCFD gas processing capacity, 380 MBD crude oil terminaling
- Integrated service offering – crude oil gathering & terminaling, gas gathering & processing, water handling

### Significant retained Midstream value

- Strong growth potential results in premium valuation
- Accelerating cash flows through HIP independent capital structure
- Further Hess assets available for potential sale to HIP / HESM

**>\$3 billion**

Cash proceeds received to date from Hess Midstream transactions

**~16-18x**

Implied EBITDA multiple from cash proceeds received in HESM and HIP transactions<sup>1</sup>

**>\$2 billion**

Combined equity value of HESM LP units & retained EBITDA (excluding GP interest)<sup>2</sup>

**Strategic infrastructure supports production growth while generating significant proceeds & value**

(1) Represents aggregate Enterprise Value (EV) implied at announcement of Hess Infrastructure Partners JV, at pricing of HESM IPO, and at the time of the Bakken Water Services transaction, each divided by the associated est. NTM EBITDA at time of each announcement (2) Based on HESM market cap 06/28/19 and reflects (i) market value of Hess ownership of HESM LP common units (~35%), and (ii) implied value of Hess ownership of HIP (50%), which retained 80% economic interest in joint interest assets post-IPO, net of HIP debt

# Q2 2019: Net Hess Cash Outflow



| <u>Bakken Net Production</u>                         | <u>Q2 2019</u>     |               |   |
|--|--------------------|---------------|---|
| Bakken Net Production (MBOEPD)                       | 140                |               |   |
| Bakken Net Production (MMBOE)                        | 12.7               |               |   |
| <u>Midstream Tariffs on Hess Net Production</u>      | <u>\$ Millions</u> | <u>\$/BOE</u> | <u>Description:</u>   |
| Midstream Segment Revenue <sup>(1)</sup>             | 190                |               | (Source: HES Supplemental Earnings Information)   |
| Less: MVCs   | (1)                |               | MVC shortfall fees not part of long term production costs as production expected to grow beyond MVC levels (Source: HESM Earnings Release)              |
| Less: Third Party Rail Transportation                | (4)                |               | Third party rail transportation costs included in realized price netback (Source: HESM 10Q)   |
| Less: Revenue Recovery from Partners and 3rd parties | (67)               |               | Tariffs recovered from 3 <sup>rd</sup> Party shippers and Royalty/Working Interest owners of Hess-operated acreage                                      |
| Total Tariffs related to Hess Net Production         | 118                | <b>9.26</b>   | Share of tariff payments attributable to Hess net production  |
| Less: Hess-owned share of Hess tariff payments       | (55)               |               | Revenue attributable to Hess ~47% ownership of HESM (~35%) and HIP (50%) that remains within Hess; does not affect Bakken well economics <sup>(2)</sup> |
| Net Hess cash outflow for tariffs                    | 63                 | <b>4.95</b>   | Net outflow of tariff payments attributable to Hess net production  |
| Memo: Midstream segment cash operating expense       | 63                 |               | Midstream segment operating expenses funded by HIP and HESM cashflows and capital structure (Source: HES Supplemental Earnings Information)             |

- Tariff structure has generated >\$3B cash proceeds<sup>(3)</sup> and facilitated cash distributions to Hess
- Net Hess cash outflow for tariffs of \$63mm or \$4.95/BOE in Q2 2019
  - Comparable to \$63mm Midstream cash operating expense as reported in HES consolidated financial statements
  - Tariff structure transfers ongoing midstream capital expenditure to HESM/HIP

**>\$3B cash proceeds with cash outflow comparable to midstream operating expense**

1) Reflects "Sales and other operating revenues" for the Midstream segment for the quarter ended 6/30/19.

2) Reflects Hess ownership of i) ~35% of HESM LP units and ii) 50% of HIP's retained 80% economic interest in joint interest assets post-IPO and Bakken Water Mgmt.

3) Cash proceeds received to date for HESM IPO and HIP joint venture transactions.



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# BAKKEN OPERATIONAL DATA

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# Bakken Production - 2019



## Net Production by Product

|       |                       | 2019    |    |    |     |     |
|-------|-----------------------|---------|----|----|-----|-----|
|       |                       | YTD Avg | 4Q | 3Q | 2Q  | 1Q  |
| Oil   | MBBLPD                | 86      |    |    | 86  | 85  |
| NGL   | MBBLPD                | 35      |    |    | 37  | 33  |
| Gas   | MMCFPD                | 86      |    |    | 99  | 74  |
| Total | MBOEPD <sup>(1)</sup> | 135     |    |    | 140 | 130 |

## Net Production by Operatorship

|                    |        | 2019    |    |    |     |     |
|--------------------|--------|---------|----|----|-----|-----|
|                    |        | YTD Avg | 4Q | 3Q | 2Q  | 1Q  |
| Operated           | MBOEPD | 123     |    |    | 127 | 118 |
| Outside Operated   | MBOEPD | 12      |    |    | 13  | 12  |
| Total              | MBOEPD | 135     |    |    | 140 | 130 |
| % Outside Operated |        | 9%      |    |    | 9%  | 9%  |

<sup>(1)</sup> Includes natural gas production converted on the basis of relative energy content (six mcf equals one barrel of oil equivalent).

# Bakken Production - 2018



## Net Production by Product

|       |                       | 2018    |     |     |     |     |
|-------|-----------------------|---------|-----|-----|-----|-----|
|       |                       | YTD Avg | 4Q  | 3Q  | 2Q  | 1Q  |
| Oil   | MBBLPD                | 76      | 83  | 76  | 72  | 72  |
| NGL   | MBBLPD                | 29      | 31  | 30  | 31  | 28  |
| Gas   | MMCFPD                | 70      | 74  | 72  | 68  | 66  |
| Total | MBOEPD <sup>(1)</sup> | 117     | 126 | 118 | 114 | 111 |

## Net Production by Operatorship

|                    |        | 2018    |     |     |     |     |
|--------------------|--------|---------|-----|-----|-----|-----|
|                    |        | YTD Avg | 4Q  | 3Q  | 2Q  | 1Q  |
| Operated           | MBOEPD | 105     | 113 | 105 | 102 | 100 |
| Outside Operated   | MBOEPD | 12      | 13  | 13  | 12  | 11  |
| Total              | MBOEPD | 117     | 126 | 118 | 114 | 111 |
| % Outside Operated |        | 10%     | 10% | 11% | 11% | 10% |

<sup>(1)</sup> Includes natural gas production converted on the basis of relative energy content (six mcf equals one barrel of oil equivalent).



# Bakken Operational Well Statistics - 2019



|                       |                                  | Hess Operated Wells |    |      |       |       |
|-----------------------|----------------------------------|---------------------|----|------|-------|-------|
|                       |                                  | YTD Avg             | 4Q | 2019 |       |       |
|                       |                                  |                     |    | 3Q   | 2Q    | 1Q    |
| <b>Rig Count</b>      |                                  |                     |    |      |       |       |
| Drilling              | No. Rigs                         | 6                   |    |      | 6     | 6     |
| Drilling Days         | Spud-to-Spud                     | 14                  |    |      | 14    | 14    |
|                       |                                  | YTD                 | 4Q | 2019 |       |       |
|                       |                                  |                     |    | 3Q   | 2Q    | 1Q    |
| <b>No. of Wells</b>   |                                  |                     |    |      |       |       |
| Drilled               | by Qtr                           | 77                  |    |      | 39    | 38    |
| Completion            | by Qtr                           | 69                  |    |      | 45    | 24    |
| On Production         | by Qtr                           | 64                  |    |      | 39    | 25    |
| On Production - Other | by Qtr <sup>(1)</sup>            | 5                   |    |      | —     | 5     |
| On Production         | Cum. to date                     | 1,483               |    |      | 1,483 | 1,444 |
|                       |                                  | YTD                 | 4Q | 2019 |       |       |
|                       |                                  |                     |    | 3Q   | 2Q    | 1Q    |
| <b>No. of Wells</b>   |                                  |                     |    |      |       |       |
| On Production         | by Qtr                           | 42                  |    |      | 32    | 10    |
| On Production - Other | Cum. to date adj. <sup>(1)</sup> | (123)               |    |      | —     | (123) |
| On Production         | Cum. to date                     | 1,196               |    |      | 1,196 | 1,164 |

<sup>(1)</sup> Reflects changes arising from the impact of swaps, acquisitions, divestitures and other adjustments.

# Bakken Operational Well Statistics - 2018



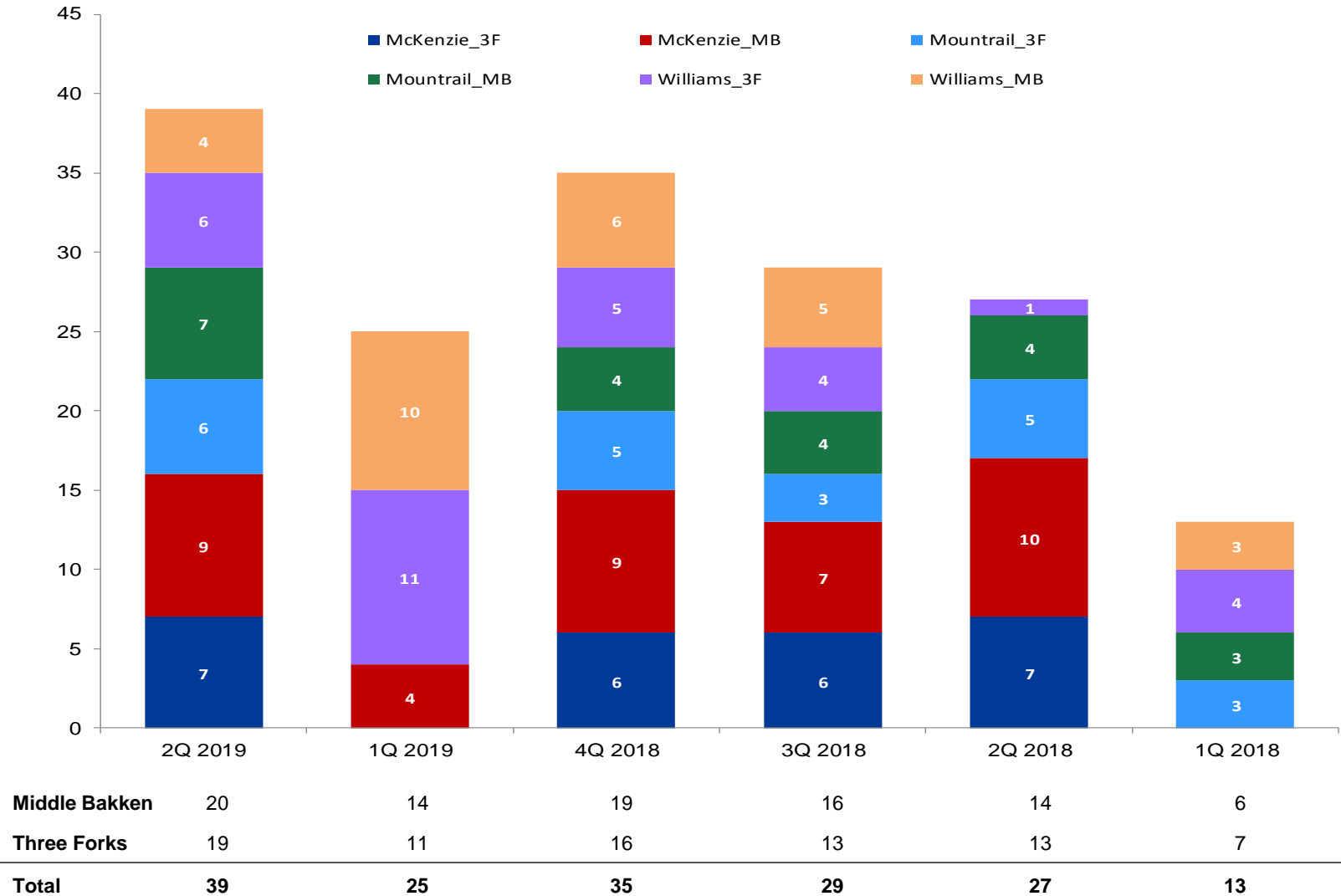
| Hess Operated Wells    |                                  |         |       |       |       |       |
|------------------------|----------------------------------|---------|-------|-------|-------|-------|
|                        |                                  | 2018    |       |       |       |       |
|                        |                                  | YTD Avg | 4Q    | 3Q    | 2Q    | 1Q    |
| <b>Rig Count</b>       |                                  |         |       |       |       |       |
| Drilling               | No. Rigs                         | 5       | 6     | 5     | 4     | 4     |
| Drilling Days          | Spud-to-Spud                     | 15      | 14    | 15    | 14    | 15    |
|                        |                                  | 2018    |       |       |       |       |
|                        |                                  | YTD     | 4Q    | 3Q    | 2Q    | 1Q    |
| <b>No. of Wells</b>    |                                  |         |       |       |       |       |
| Drilled                | by Qtr                           | 121     | 36    | 34    | 28    | 23    |
| Completion             | by Qtr                           | 118     | 34    | 37    | 24    | 23    |
| On Production          | by Qtr                           | 104     | 35    | 29    | 27    | 13    |
| On Production - Other  | by Qtr <sup>(1)</sup>            | (5)     | —     | (5)   | —     | —     |
| On Production          | Cum. to date                     | 1,414   | 1,414 | 1,379 | 1,355 | 1,328 |
| Outside Operated Wells |                                  |         |       |       |       |       |
|                        |                                  | 2018    |       |       |       |       |
|                        |                                  | YTD     | 4Q    | 3Q    | 2Q    | 1Q    |
| <b>No. of Wells</b>    |                                  |         |       |       |       |       |
| On Production          | by Qtr                           | 87      | 40    | 12    | 27    | 8     |
| On Production - Other  | Cum. to date adj. <sup>(1)</sup> | 20      | —     | 20    | —     | —     |
| On Production          | Cum. to date                     | 1,277   | 1,277 | 1,237 | 1,205 | 1,178 |

<sup>(1)</sup> Reflects changes arising from the impact of swaps, acquisitions, divestitures and other adjustments.

# Hess Operated Bakken Wells Brought on Production by County and Formation



## Bakken Wells



# Bakken Well Costs, Working Interest and Acreage - 2019



|                      |           | Average Well Cost - Hess Operated |    |    |        |        |
|----------------------|-----------|-----------------------------------|----|----|--------|--------|
|                      |           | 2019                              |    |    |        |        |
|                      |           | YTD Avg                           | 4Q | 3Q | 2Q     | 1Q     |
| Drilling             | \$MM/Well | \$ 2.6                            |    |    | \$ 2.6 | \$ 2.5 |
| Completion           | \$MM/Well | 4.5                               |    |    | 4.4    | 4.8    |
| Total <sup>(1)</sup> | \$MM/Well | \$ 7.1                            |    |    | \$ 7.0 | \$ 7.3 |

|               |   | Average Working Interest of New Wells Spud Each Quarter |    |    |     |     |
|---------------|---|---|----|----|-----|-----|
|               |   | 2019  |    |    |     |     |
|               |   | YTD Avg   | 4Q | 3Q | 2Q  | 1Q  |
| Hess Operated | % | 82%   |    |    | 78% | 87% |

|               |            | Net Acreage Position |    |     |     |
|---------------|------------|----------------------|----|-----|-----|
|               |            | 2019                 |    |     |     |
|               |            | 4Q                   | 3Q | 2Q  | 1Q  |
| Total Acreage | '000 acres |                      |    | 544 | 543 |

<sup>(1)</sup> Reflects average cost of high proppant plug & perf completions only.

# Bakken Working Interest and Acreage - 2018



## Average Working Interest of New Wells Spud Each Quarter

|               |   | 2018    |     |     |     |     |
|---------------|---|---------|-----|-----|-----|-----|
|               |   | YTD Avg | 4Q  | 3Q  | 2Q  | 1Q  |
| Hess Operated | % | 84%     | 84% | 86% | 79% | 88% |

## Net Acreage Position

|               |            | 2018 |     |     |     |
|---------------|------------|------|-----|-----|-----|
|               |            | 4Q   | 3Q  | 2Q  | 1Q  |
| Total Acreage | '000 acres | 543  | 545 | 554 | 554 |