

Supplemental Earnings Information



Third Quarter 2019



OPERATING RESULTS

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



\$ In Millions, Except Per Share Data

	3Q 2019	3Q 2018	2Q 2019
<u>Net Income (Loss) Attributable to Hess Corporation (U.S. GAAP)</u>			
Exploration and Production	\$ (53)	\$ 50	\$ 68
Midstream	39	30	35
Corporate and Other	(114)	(38)	(29)
Interest	(77)	(84)	(80)
Net income (loss) attributable to Hess Corporation	\$ (205)	\$ (42)	\$ (6)
Net income (loss) per common share (diluted)*	\$ (0.68)	\$ (0.18)	\$ (0.02)
<u>Items Affecting Comparability of Earnings - Income (Expense)</u>			
Exploration and Production	\$ (19)	\$ (59)	\$ 22
Midstream	-	-	-
Corporate and Other	(88)	(12)	-
Total items affecting comparability of earnings between periods	\$ (107)	\$ (71)	\$ 22

* 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

	3Q 2019	3Q 2018	2Q 2019
<u>Adjusted Net Income (Loss)*</u>			
Exploration and Production	\$ (34)	\$ 109	\$ 46
Midstream	39	30	35
Corporate and Other	(26)	(26)	(29)
Interest	(77)	(84)	(80)
Adjusted net income (loss) attributable to Hess Corporation	<u>\$ (98)</u>	<u>\$ 29</u>	<u>\$ (28)</u>
Adjusted net income (loss) per common share (diluted)**	<u>\$ (0.32)</u>	<u>\$ 0.06</u>	<u>\$ (0.09)</u>
Weighted average number of common shares outstanding (diluted) [in millions]	<u>302.5</u>	<u>294.3</u>	<u>302.2</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)

3Q 2019

- **Exploration and Production** – Results included:
 - A charge of \$19 million related to a settlement on historical cost recovery balances in the Joint Development Area of Malaysia and Thailand that will be paid in cash. The charge is included in *Marketing, including purchased oil and gas* in the income statement.
- **Midstream** – None.
- **Corporate and Other** – Results included:
 - A noncash charge to recognize unamortized pension actuarial losses of \$88 million resulting from the purchase of a single premium annuity contract using funds of the pension plan to settle a portion of the plan's benefit obligations. The charge is included in *Other, net nonoperating income* in the income statement.

3Q 2018

- **Exploration and Production** – Results included:
 - A charge of \$73 million in connection with vacated office space, of which \$57 million is included in *General and administrative expenses* and \$16 million is included in *Depreciation, depletion and amortization* in the income statement.
 - A gain of \$14 million from the sale of the Corporation's joint venture interests in the Utica shale play.
- **Midstream** – None.
- **Corporate and Other** – Results included:
 - As required under accounting standards, an allocation of noncash income tax expense of \$12 million to offset the recognition of a noncash income tax benefit recorded in other comprehensive income resulting from changes in fair value of crude oil hedge contracts.

Items Affecting Comparability of Earnings Between Periods (Cont'd)



(Amounts, After Income Taxes)

2Q 2019

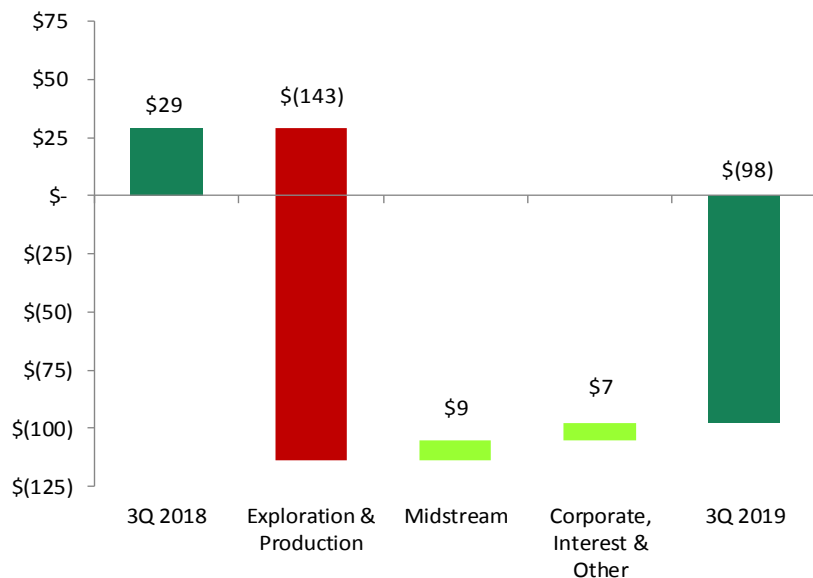
- **Exploration and Production** – Results included:
 - A gain of \$22 million associated with the sale of the Corporation's remaining acreage in the Utica shale play.
- **Midstream** – None.
- **Corporate and Other** – None.

Consolidated Adjusted Net Income (Loss)

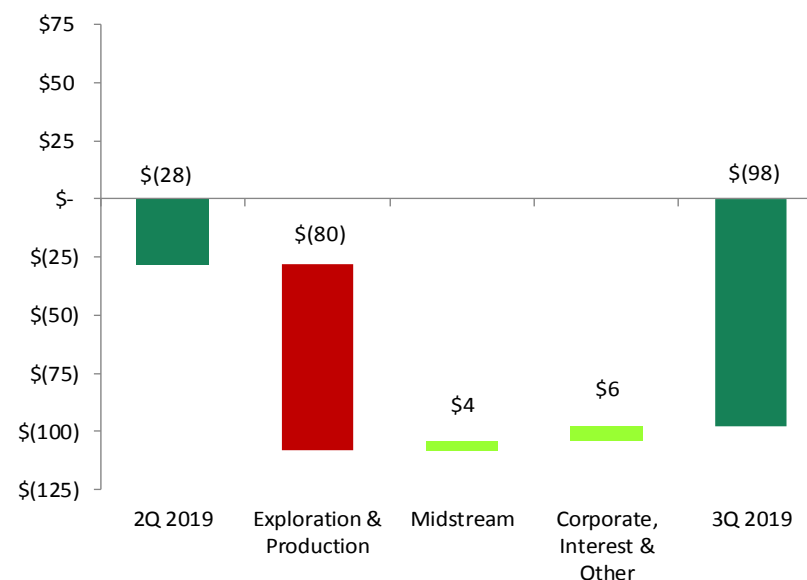


\$ In Millions

3Q 2019 vs. 3Q 2018



3Q 2019 vs. 2Q 2019



	3Q 2019	3Q 2018	Incr. / (Decr.)
Exploration and Production	\$ (34)	\$ 109	\$ (143)
Midstream	39	30	9
Corporate, Interest and Other	(103)	(110)	7
Adjusted net income (loss) attributable to Hess Corporation	<u>\$ (98)</u>	<u>\$ 29</u>	<u>\$ (127)</u>

	3Q 2019	2Q 2019	Incr. / (Decr.)
Exploration and Production	\$ (34)	\$ 46	\$ (80)
Midstream	39	35	4
Corporate, Interest and Other	(103)	(109)	6
Adjusted net income (loss) attributable to Hess Corporation	<u>\$ (98)</u>	<u>\$ (28)</u>	<u>\$ (70)</u>

Analysis of Consolidated Adjusted Net Income (Loss)



3Q 2019 vs. 3Q 2018

- **Exploration and Production** – The decrease in results primarily reflects lower realized selling prices, partially offset by reduced exploration expenses.
- **Midstream** – The increase in earnings primarily reflects a change in income tax allocations and higher throughput volumes, partially offset by higher operating costs due to higher maintenance activity.
- **Corporate and Other** – No significant changes.
- **Interest** – Interest expense decreased primarily due to higher capitalized interest.

3Q 2019 vs. 2Q 2019

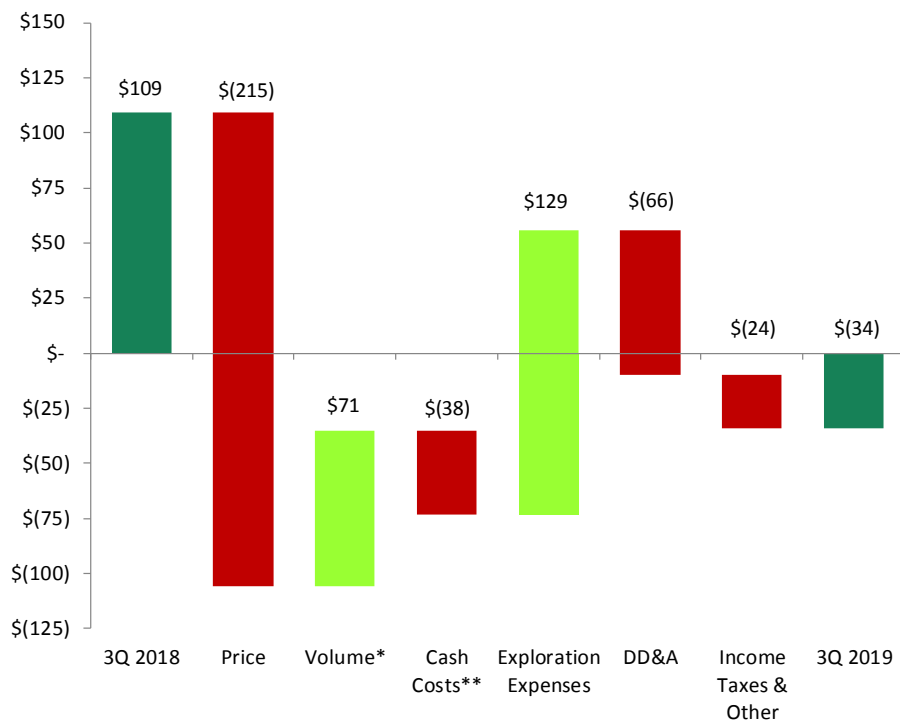
- **Exploration and Production** – The decrease in results primarily reflects lower realized selling prices and higher depreciation, depletion and amortization.
- **Midstream** – The increase in earnings primarily reflects higher throughput volumes, partially offset by higher operating costs due to higher maintenance activity.
- **Corporate and Other** – The decrease in corporate and other costs was primarily due to lower professional fees.
- **Interest** – Interest expense decreased primarily due to higher capitalized interest.

Exploration and Production – Adjusted Net Income (Loss)

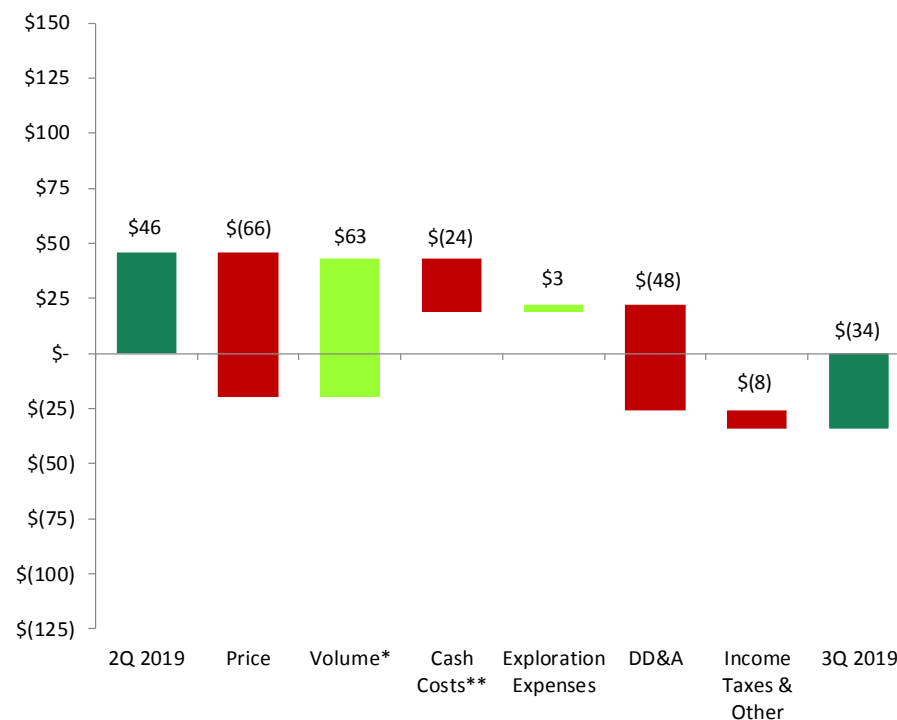


\$ In Millions

3Q 2019 vs. 3Q 2018



3Q 2019 vs. 2Q 2019



	3Q 2019	3Q 2018	Incr. / (Decr.)
United States	\$ (80)	\$ 159	\$ (239)
International	46	(50)	96
Total	<u>\$ (34)</u>	<u>\$ 109</u>	<u>\$ (143)</u>

	3Q 2019	2Q 2019	Incr. / (Decr.)
United States	\$ (80)	\$ 11	\$ (91)
International	46	35	11
Total	<u>\$ (34)</u>	<u>\$ 46</u>	<u>\$ (80)</u>

* Includes associated Marketing, including purchased oil and gas.

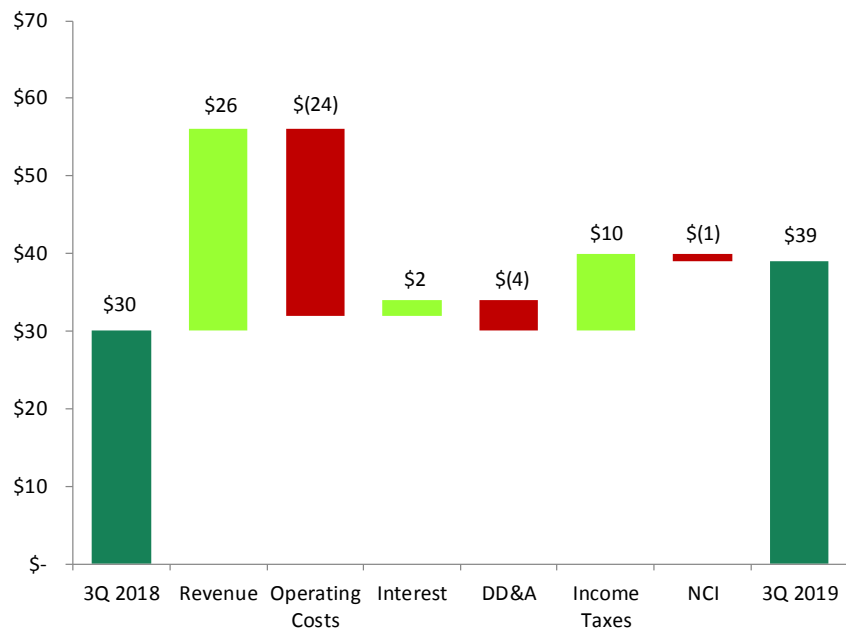
** Cash costs include Operating costs and expenses, Production and severance taxes, and E&P general and administrative expenses.

Midstream – Adjusted Net Income

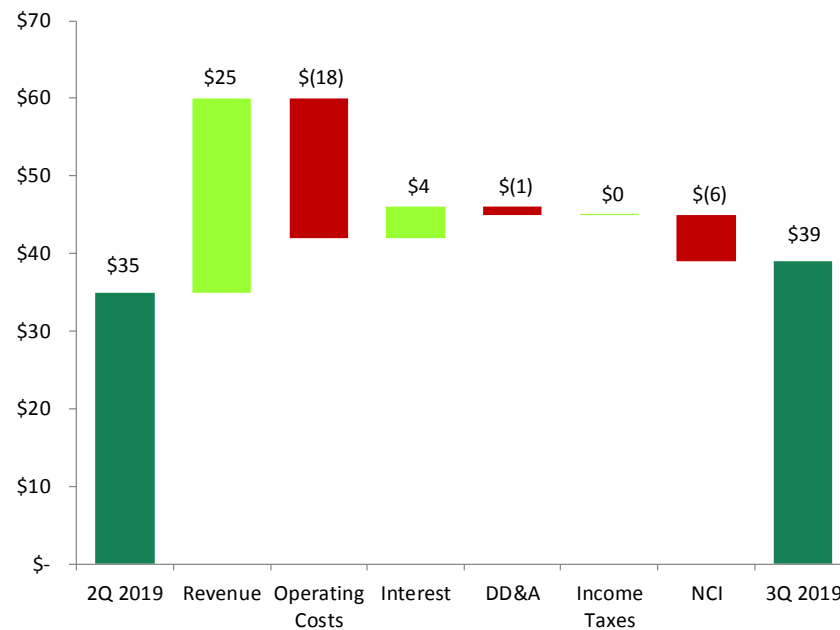


\$ In Millions

3Q 2019 vs. 3Q 2018



3Q 2019 vs. 2Q 2019

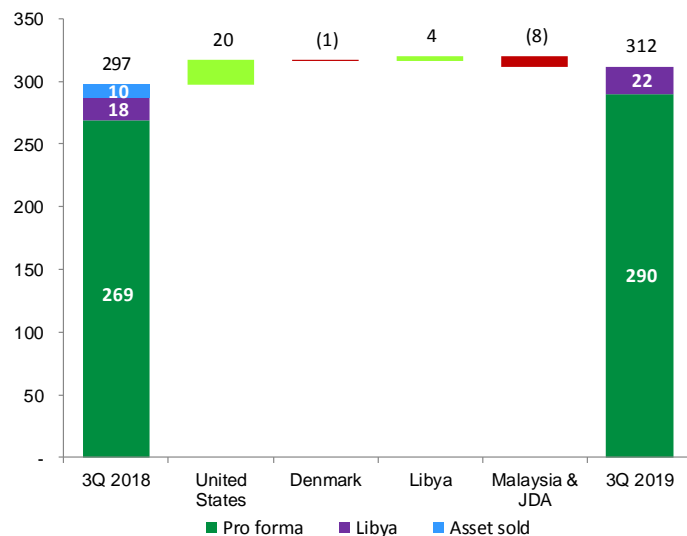


Worldwide Oil & Gas Production

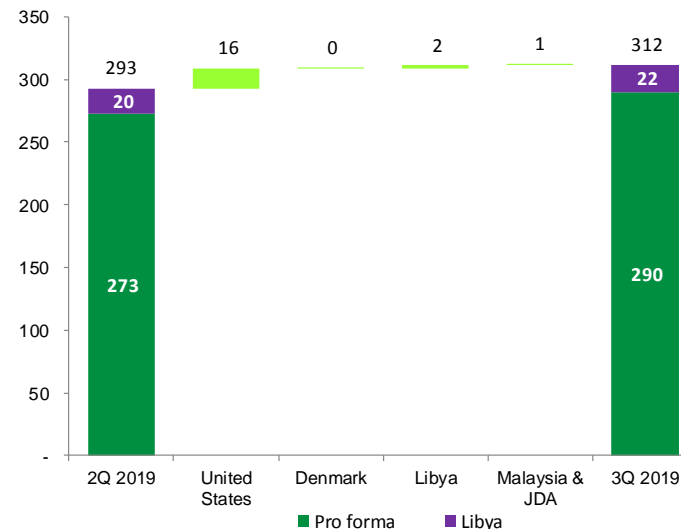


In MBOEPD

3Q 2019 vs. 3Q 2018



3Q 2019 vs. 2Q 2019



	3Q 2019	3Q 2018	Incr. / (Decr.)
United States			
North Dakota	164	122	42
Offshore	59	71	(12)
Other*	-	10	(10)
Total United States	<u>223</u>	<u>203</u>	<u>20</u>
Denmark	7	8	(1)
Libya	22	18	4
Malaysia and JDA	60	68	(8)
Total	<u>312</u>	<u>297</u>	<u>15</u>

	3Q 2019	2Q 2019	Incr. / (Decr.)
United States			
North Dakota	164	142	22
Offshore	59	65	(6)
Other*	-	-	-
Total United States	<u>223</u>	<u>207</u>	<u>16</u>
Denmark	7	7	-
Libya	22	20	2
Malaysia and JDA	60	59	1
Total	<u>312</u>	<u>293</u>	<u>19</u>

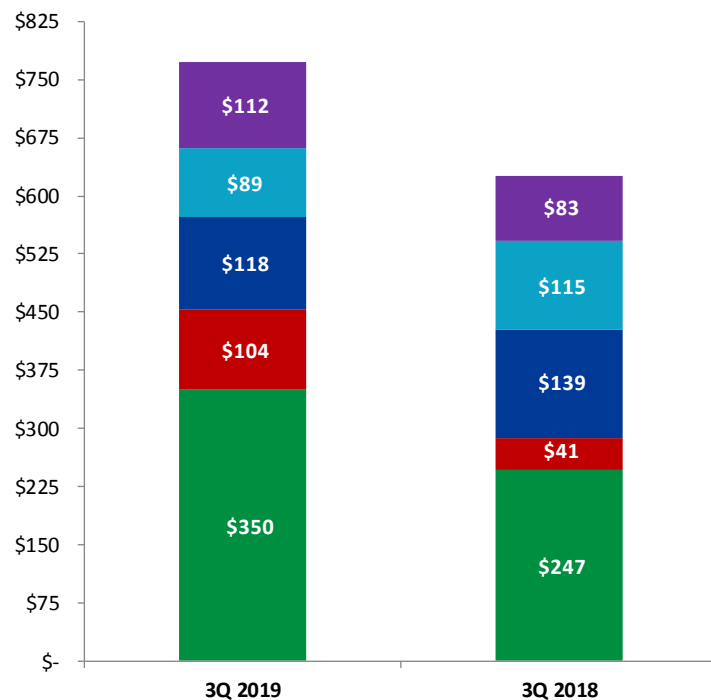
* Represents Utica asset, which was sold in August 2018.

Capital and Exploratory Expenditures



\$ In Millions

3Q 2019 vs. 3Q 2018



■ Midstream ■ Exploration ■ Development
■ Production ■ Unconventionals

E&P Capital and Exploratory Expenditures

United States		
North Dakota	\$	350
Offshore and Other		107
Total United States		<u>457</u>
Guyana		161
Malaysia and JDA		24
Other		19
E&P Capital and Exploratory Expenditures	\$	<u>661</u>

Total exploration expenses charged to income included above

Midstream Capital Expenditures

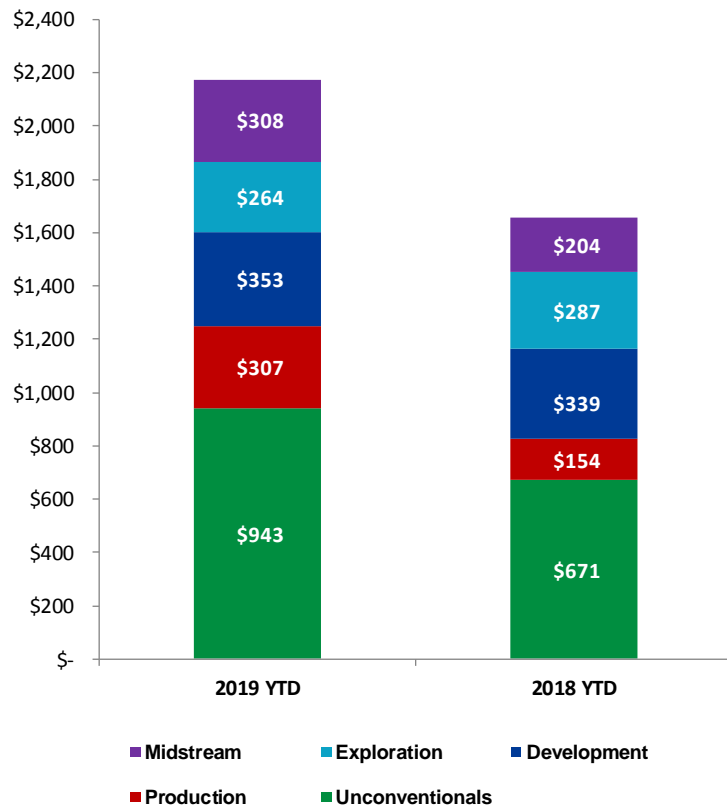
	Three Months Ended September 30,	
	2019	2018
E&P Capital and Exploratory Expenditures		
United States		
North Dakota	\$	245
Offshore and Other		94
Total United States		<u>339</u>
Guyana		110
Malaysia and JDA		30
Other		63
E&P Capital and Exploratory Expenditures	\$	<u>542</u>
Total exploration expenses charged to income included above	\$	<u>42</u>
Midstream Capital Expenditures	\$	<u>83</u>

Capital and Exploratory Expenditures (Cont'd)



\$ In Millions

3Q 2019 YTD vs. 3Q 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*

Nine Months Ended September 30,	
2019	2018
\$ 943	\$ 653
298	304
<u>1,241</u>	<u>957</u>
509	255
81	99
36	140
<u><u>1,867</u></u>	<u><u>\$ 1,451</u></u>
<u>\$ 103</u>	<u>\$ 111</u>
<u>\$ 308</u>	<u>\$ 204</u>

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



FINANCIAL INFORMATION

Consolidating Income Statement – 3Q 2019



\$ In Millions, Except Unit Costs Data

	Three Months Ended September 30, 2019				
	Exploration & Production	Midstream	Corporate, Interest & Other	Eliminations	Consolidated Total
	A	B	C	D	A + B + C + D
Revenue and Non-Operating Income					
Sales and other operating revenues	\$ 1,580	\$ 215	\$ -	\$ (215)	\$ 1,580
Gains (losses) on asset sales, net	-	-	-	-	-
Other, net	17	1	5	-	23
Total revenues and non-operating income	1,597	216	5	(215)	1,603
Costs and Expenses					
Marketing, including purchased oil and gas	432	-	-	(30)	402
Operating costs and expenses	251	73	-	(3)	321
Production and severance taxes	47	-	-	-	47
Midstream tariffs	182	-	-	(182)	-
Exploration expenses, including dry holes and lease impairment	40	-	-	-	40
General and administrative expenses	51	9	30	-	90
Interest expense	-	13	77	-	90
Depreciation, depletion and amortization	507	36	1	-	544
Total costs and expenses	1,510	131	108	(215)	1,534
Adjusted Income (Loss) Before Income Taxes	87	85	(103)	-	69
Provision (benefit) for income taxes	121	-	-	-	121
Adjusted Net Income (Loss)	(34)	85	(103)	-	(52)
Less: Net income (loss) attributable to noncontrolling interests	-	46	-	-	46
Adjusted Net Income (Loss) Attributable to Hess Corporation⁽¹⁾	\$ (34)	\$ 39	\$ (103)	\$ -	\$ (98)
Items affecting comparability of earnings (after tax)⁽¹⁾	(19)	-	(88)	-	(107)
Net Income (Loss) Attributable to Hess Corporation⁽¹⁾	\$ (53)	\$ 39	\$ (191)	\$ -	\$ (205)
Exploration & Production Unit Costs (\$/boe)⁽²⁾					
Cash Costs ⁽³⁾	\$ 12.13				
DD&A Costs	17.67				
Production Costs	<u>29.80</u>				
Production Volumes (mmboe) ⁽⁴⁾	<u>28.7</u>				
Midstream					
EBITDA ⁽⁵⁾	\$ 133				

⁽¹⁾ See footnote on page 3 regarding non-GAAP financial measures.

⁽²⁾ Unit costs exclude items affecting comparability of earnings.

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

⁽⁴⁾ mmboe represents millions of barrels of oil equivalent.

⁽⁵⁾ 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 – 3Q 2018



\$ In Millions, Except Unit Costs Data

	Three Months Ended September 30, 2018				
	Exploration & Production	Midstream	Corporate, Interest & Other	Eliminations	Consolidated Total
	A	B	C	D	A + B + C + D
Revenue and Non-Operating Income					
Sales and other operating revenues	\$ 1,793	\$ 184	\$ -	\$ (184)	\$ 1,793
Gains (losses) on asset sales, net	-	-	-	-	-
Other, net	12	2	7	-	21
Total revenues and non-operating income	1,805	186	7	(184)	1,814
Costs and Expenses					
Marketing, including purchased oil and gas	506	-	-	(15)	491
Operating costs and expenses	215	51	-	-	266
Production and severance taxes	47	-	-	-	47
Midstream tariffs	169	-	-	(169)	-
Exploration expenses, including dry holes and lease impairment	169	-	-	-	169
General and administrative expenses	49	3	34	-	86
Interest expense	-	15	84	-	99
Depreciation, depletion and amortization	441	32	-	-	473
Total costs and expenses	1,596	101	118	(184)	1,631
Adjusted Income (Loss) Before Income Taxes	209	85	(111)	-	183
Provision (benefit) for income taxes	100	10	(1)	-	109
Adjusted Net Income (Loss)	109	75	(110)	-	74
Less: Net income (loss) attributable to noncontrolling interests	-	45	-	-	45
Adjusted Net Income (Loss) Attributable to Hess Corporation⁽¹⁾	\$ 109	\$ 30	\$ (110)	\$ -	\$ 29
Items affecting comparability of earnings (after tax)⁽¹⁾	(59)	-	(12)	-	(71)
Net Income (Loss) Attributable to Hess Corporation⁽¹⁾	\$ 50	\$ 30	\$ (122)	\$ -	\$ (42)
Exploration & Production Unit Costs (\$/boe)⁽²⁾					
Cash Costs ⁽³⁾	\$ 11.41				
DD&A Costs	16.14				
Production Costs	<u>27.55</u>				
Production Volumes (mmboe) ⁽⁴⁾	<u>27.3</u>				
Midstream					
EBITDA ⁽⁵⁾	\$ 130				

⁽¹⁾ See footnote on page 3 regarding non-GAAP financial measures.

⁽²⁾ Unit costs exclude items affecting comparability of earnings.

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

⁽⁴⁾ mmboe represents millions of barrels of oil equivalent.

⁽⁵⁾ 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 – 3Q 2019 YTD



\$ In Millions, Except Unit Costs Data

	Nine Months Ended September 30, 2019				
	Exploration & Production	Midstream	Corporate, Interest & Other	Eliminations	Consolidated Total
	A	B	C	D	A + B + C + D
Revenue and Non-Operating Income					
Sales and other operating revenues	\$ 4,812	\$ 595	\$ -	\$ (595)	\$ 4,812
Gains (losses) on asset sales, net	-	-	-	-	-
Other, net	44	1	20	-	65
Total revenues and non-operating income	4,856	596	20	(595)	4,877
Costs and Expenses					
Marketing, including purchased oil and gas	1,364	-	-	(77)	1,287
Operating costs and expenses	695	186	-	(9)	872
Production and severance taxes	132	-	-	-	132
Midstream tariffs	509	-	-	(509)	-
Exploration expenses, including dry holes and lease impairment	117	-	-	-	117
General and administrative expenses	141	20	105	-	266
Interest expense	-	45	240	-	285
Depreciation, depletion and amortization	1,430	105	1	-	1,536
Total costs and expenses	4,388	356	346	(595)	4,495
Adjusted Income (Loss) Before Income Taxes	468	240	(326)	-	382
Provision (benefit) for income taxes	347	-	-	-	347
Adjusted Net Income (Loss)	121	240	(326)	-	35
Less: Net income (loss) attributable to noncontrolling interests	-	129	-	-	129
Adjusted Net Income (Loss) Attributable to Hess Corporation⁽¹⁾	\$ 121	\$ 111	\$ (326)	\$ -	\$ (94)
Items affecting comparability of earnings (after tax)⁽¹⁾	3	-	(88)	-	(85)
Net Income (Loss) Attributable to Hess Corporation⁽¹⁾	\$ 124	\$ 111	\$ (414)	\$ -	\$ (179)
Exploration & Production Unit Costs (\$/boe)⁽²⁾					
Cash Costs ⁽³⁾	\$ 11.75				
DD&A Costs	17.38				
Production Costs	29.13				
Production Volumes (mmboe) ⁽⁴⁾	82.2				
Midstream					
EBITDA ⁽⁵⁾	\$ 389				

⁽¹⁾ See footnote on page 3 regarding non-GAAP financial measures.

⁽²⁾ Unit costs exclude items affecting comparability of earnings.

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

⁽⁴⁾ mmboe represents millions of barrels of oil equivalent.

⁽⁵⁾ 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 – 3Q 2018 YTD



\$ In Millions, Except Unit Costs Data

	Nine Months Ended September 30, 2018				
	Exploration & Production	Midstream	Corporate, Interest & Other	Eliminations	Consolidated Total
	A	B	C	D	A + B + C + D
Revenue and Non-Operating Income					
Sales and other operating revenues	\$ 4,673	\$ 527	\$ -	\$ (527)	\$ 4,673
Gains (losses) on asset sales, net	3	-	5	-	8
Other, net	36	5	38	-	79
Total revenues and non-operating income	4,712	532	43	(527)	4,760
Costs and Expenses					
Marketing, including purchased oil and gas	1,343	-	-	(44)	1,299
Operating costs and expenses	684	139	-	-	823
Production and severance taxes	128	-	-	-	128
Midstream tariffs	483	-	-	(483)	-
Exploration expenses, including dry holes and lease impairment	268	-	-	-	268
General and administrative expenses	131	9	112	-	252
Interest expense	-	45	255	-	300
Depreciation, depletion and amortization	1,233	94	7	-	1,334
Total costs and expenses	4,270	287	374	(527)	4,404
Adjusted Income (Loss) Before Income Taxes	442	245	(331)	-	356
Provision (benefit) for income taxes	300	28	(2)	-	326
Adjusted Net Income (Loss)	142	217	(329)	-	30
Less: Net income (loss) attributable to noncontrolling interests	-	129	-	-	129
Adjusted Net Income (Loss) Attributable to Hess Corporation⁽¹⁾	\$ 142	\$ 88	\$ (329)	\$ -	\$ (99)
Items affecting comparability of earnings (after tax)⁽¹⁾	(86)	-	(93)	-	(179)
Net Income (Loss) Attributable to Hess Corporation⁽¹⁾	\$ 56	\$ 88	\$ (422)	\$ -	\$ (278)
Exploration & Production Unit Costs (\$/boe)⁽²⁾					
Cash Costs ⁽³⁾	\$ 12.68				
DD&A Costs	16.57				
Production Costs	<u>29.25</u>				
Production Volumes (mmboe) ⁽⁴⁾	<u>74.4</u>				
Midstream					
EBITDA ⁽⁵⁾	\$ 379				

⁽¹⁾ See footnote on page 3 regarding non-GAAP financial measures.

⁽²⁾ Unit costs exclude items affecting comparability of earnings.

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

⁽⁴⁾ mmboe represents millions of barrels of oil equivalent.

⁽⁵⁾ 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.



OTHER INFORMATION

2019 Guidance to Investors

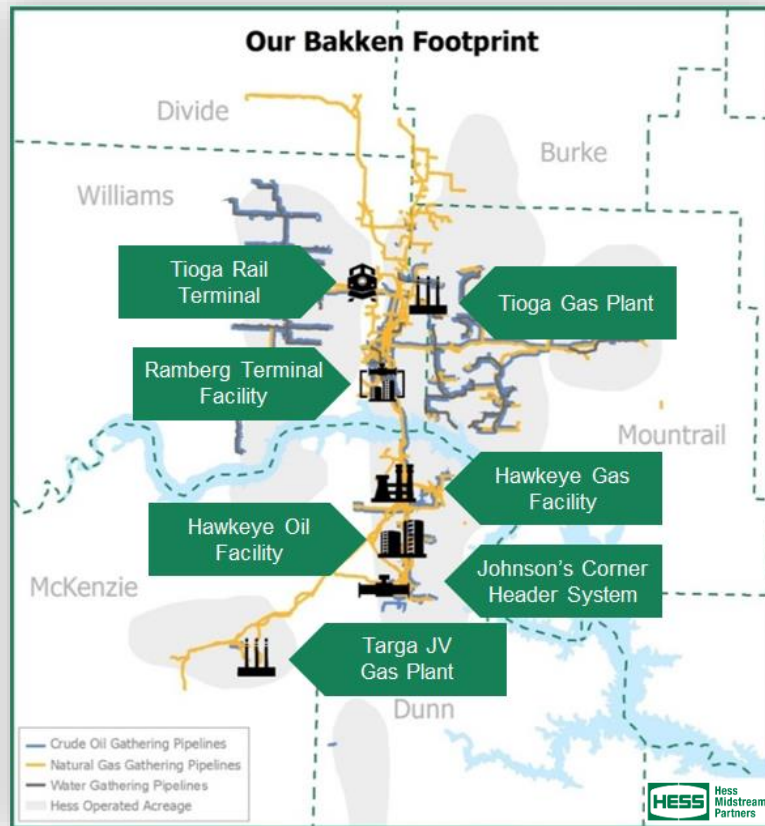


	GUIDANCE ⁽¹⁾		ACTUAL		
	Full Year	4Q	3Q	2Q	1Q
Production - Thousand Barrels of Oil Equivalent Per Day (MBOEPD)					
Total - excluding Libya	~285	~300	290	273	278
Bakken	~150	~165	163	140	130
Unit Cost - \$ Per Barrel of Oil Equivalent (\$/BOE)⁽²⁾					
Cash Costs	\$12.50 - \$13.00	\$12.50 - \$13.50	\$12.75	\$12.72	\$11.54
DD&A	\$18.00 - \$18.50	\$17.50 - \$18.50	\$18.79	\$18.31	\$18.37
Total Production Costs	\$30.50 - \$31.50	\$30.00 - \$32.00	\$31.54	\$31.03	\$29.91
Exploration Expenses, Excluding Dry Hole Costs (\$ Millions)	\$190 - \$195	\$70 - \$75	\$40	\$43	\$34
Midstream Tariff (\$ Millions)	~\$725	~\$215	\$182	\$165	\$162
Exploration and Production Effective Tax Rate Expense, excluding Libya⁽²⁾⁽³⁾	0% - 4%	0% - 4%	16%	15%	2%
Exploration and Production Capital and Exploratory Expenditures (\$ Millions)	~\$2,700	~\$850	\$661	\$664	\$542
Noncash Crude Oil Hedging Premium Amortization (\$ Millions)	~\$115	~\$29	\$29	\$29	\$29
Other (\$ Millions)					
Corporate Expenses	\$110 - \$115	\$25 - \$30	\$26	\$29	\$31
Interest Expenses	\$315 - \$320	\$75 - \$80	\$77	\$80	\$83
Midstream Net Income Attributable to Hess Corporation	~\$165	~\$55	\$39	\$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' 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

- New Hess Midstream structure will provide visibility to material ownership value, generate cash proceeds at closing of transaction
- Visible organic growth, scale, and broad investor base support incremental valuation uplift potential
- Retain operational control to support upstream growth

~\$3.3 billion

Cash proceeds from Hess Midstream transactions⁽¹⁾

~\$2.85 billion

Retained Hess Midstream equity value⁽²⁾

Strategic infrastructure supports production growth while generating significant proceeds & value

(1) Includes cash proceeds received to date for HESM IPO and HIP joint venture transactions and \$275 million to be received upon closing of the HESM "Up-C" transaction announced in October 2019.

(2) Based on Hess' retained HESM ownership of 47.0% and HESM closing price as of October 29, 2019.

Q3 2019: Net Hess Cash Outflow



<u>Bakken Net Production</u>	<u>Q3 2019</u>		
Bakken Net Production (MBOEPD)	163		
Bakken Net Production (MMBOE)	15.0		
<u>Midstream Tariffs on Hess Net Production</u>	<u>\$ Millions</u>	<u>\$/BOE</u>	<u>Description:</u>
Midstream Segment Revenue ⁽¹⁾	215		(Source: HES Supplemental Earnings Information)
Less: MVCs	(3)		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	(12)		Third party rail transportation costs included in realized price netback (Source: HESM 10Q)
Less: Revenue Recovery from Partners and 3rd parties	(59)		Tariffs recovered from 3 rd Party shippers and Royalty/Working Interest owners of Hess-operated acreage
Total Tariffs related to Hess Net Production	141	9.40	Share of tariff payments attributable to Hess net production
Less: Hess-owned share of Hess tariff payments	(66)		Revenue attributable to Hess ~47% ownership of HESM (~35%) and HIP (50%) that remains within Hess; does not affect Bakken well economics ⁽²⁾
Net Hess cash outflow for tariffs	75	5.00	Net outflow of tariff payments attributable to Hess net production
Memo: Midstream segment cash operating expense	82		Midstream segment operating expenses funded by HIP and HESM cashflows and capital structure (Source: HES 10Q)

- Tariff structure has generated ~\$3.3B cash proceeds⁽³⁾ and facilitated cash distributions to Hess
- Net Hess cash outflow for tariffs of \$75 million or \$5.00/BOE in Q3 2019
 - Comparable to \$82 million Midstream cash operating expense as reported in HES consolidated financial statements
 - Tariff structure transfers ongoing midstream capital expenditure to HESM/HIP

~\$3.3B 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 September 30, 2019.

(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 Management.

(3) Includes cash proceeds received to date for HESM IPO and HIP joint venture transactions and \$275 million to be received upon closing of the HESM "Up-C" transaction announced in October 2019.



BAKKEN OPERATIONAL DATA

Bakken Production - 2019



Net Production by Product

		2019				
		YTD Avg	4Q	3Q	2Q	1Q
Oil	MBBLPD	89		96	86	85
NGL	MBBLPD	39		47	37	33
Gas	MMCFPD	98		121	99	74
Total	MBOEPD ⁽¹⁾	144		163	140	130

Net Production by Operatorship

		2019				
		YTD Avg	4Q	3Q	2Q	1Q
Operated	MBOEPD	131		148	127	118
Outside Operated	MBOEPD	13		15	13	12
Total	MBOEPD	144		163	140	130
% Outside Operated		9%		9%	9%	9%

⁽¹⁾ 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 ⁽¹⁾	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%

⁽¹⁾ 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
Rig Count						
Drilling	No. Rigs	6		6	6	6
Drilling Days	Spud-to-Spud	14		13	14	14
		YTD	4Q	2019		
				3Q	2Q	1Q
No. of Wells						
Drilled	by Qtr	118		41	39	38
Completion	by Qtr	112		43	45	24
On Production	by Qtr	97		33	39	25
On Production - Other	by Qtr ⁽¹⁾	5		—	—	5
On Production	Cum. to date	1,516		1,516	1,483	1,444
		YTD	4Q	2019		
				3Q	2Q	1Q
No. of Wells						
On Production	by Qtr	97		55	32	10
On Production - Other	Cum. to date adj. ⁽¹⁾	(123)		—	—	(123)
On Production	Cum. to date	1,251		1,251	1,196	1,164

⁽¹⁾ 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
Rig Count						
Drilling	No. Rigs	5	6	5	4	4
Drilling Days	Spud-to-Spud	15	14	15	14	15

		2018				
		YTD	4Q	3Q	2Q	1Q
No. of Wells						
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 ⁽¹⁾	(5)	—	(5)	—	—
On Production	Cum. to date	1,414	1,414	1,379	1,355	1,328

Outside Operated Wells

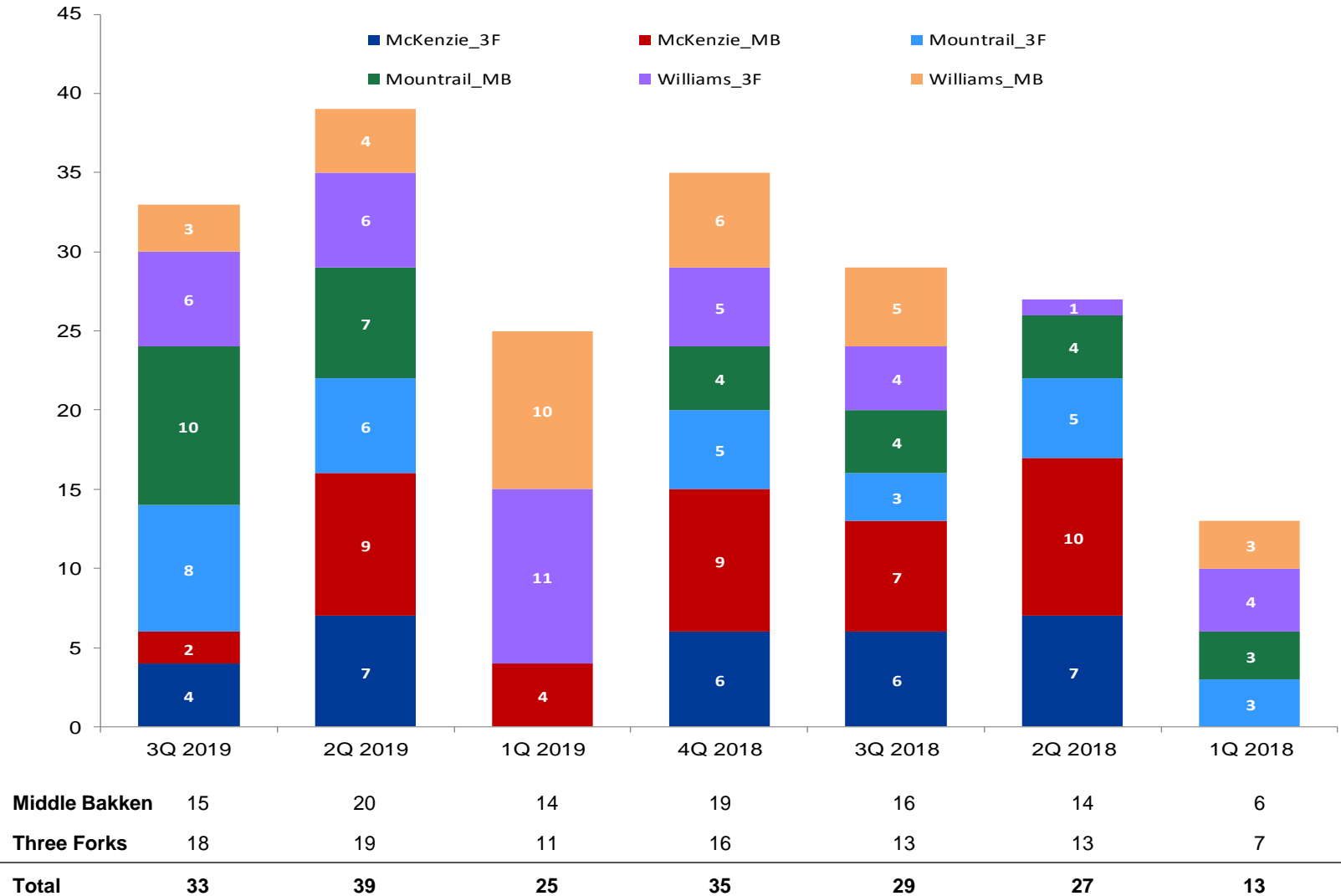
		2018				
		YTD	4Q	3Q	2Q	1Q
No. of Wells						
On Production	by Qtr	87	40	12	27	8
On Production - Other	Cum. to date adj. ⁽¹⁾	20	—	20	—	—
On Production	Cum. to date	1,277	1,277	1,237	1,205	1,178

⁽¹⁾ 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	\$ 2.5		\$ 2.5	\$ 2.6	\$ 2.5
Completion	\$MM/Well	4.4		4.2	4.4	4.8
Total ⁽¹⁾	\$MM/Well	\$ 6.9		\$ 6.7	\$ 7.0	\$ 7.3

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

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

⁽¹⁾ 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