

HESS CORPORATION



BANK OF AMERICA MERRILL LYNCH GLOBAL ENERGY CONFERENCE

NOVEMBER 16-17, 2016

Forward-looking statements and other information



This presentation contains projections and other forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. These projections and statements reflect the company's current views with respect to future events and financial performance.

No assurances can be given, however, that these events will occur or that these projections will be achieved, and actual results could differ materially from those projected as a result of certain risk factors. A discussion of these risk factors is included in the company's periodic reports filed with the Securities and Exchange Commission.

We use certain terms in this presentation relating to reserves other than proved, such as unproved resources. Investors are urged to consider closely the disclosure relating to proved reserves in Hess' Form 10-K, File No. 1-1204, available from Hess Corporation, 1185 Avenue of the Americas, New York, New York 10036 c/o Corporate Secretary and on our website at www.hess.com. You can also obtain this form from the SEC on the EDGAR system.

This presentation includes certain non-GAAP financial measures, including Net Debt, Cash Margin, and Adjusted Net Income. Non-GAAP financial measures such as Net Debt, Cash Margin, and Adjusted Net Income should be considered only as supplemental to, and not as superior to, financial measures prepared in accordance with GAAP. Please refer to the Appendix of this presentation for a reconciliation of the non-GAAP financial measures included in this presentation to the most directly comparable financial measures prepared in accordance with GAAP.

Our Strategy in the Low Oil Price Environment



Preserve Balance Sheet Strength

- \$2.9 billion cash & total liquidity of \$7.5 billion at Sept. 30, 2016¹
- Net Debt / Capitalization ratio of ~13%¹
- 2016 capital and exploratory budget reduced to \$2.0 billion - 50% below 2015 levels

Preserve Core Operating Capabilities

- Focused, resilient portfolio linked to our top quartile operating capabilities
- Balanced mix of high quality unconventional / conventional, onshore / offshore and US / International assets
- Leveraged to liquids with industry-leading cash margins

Preserve Long-Term Growth Options

- Leading positions in the Bakken and Utica shale plays with significant drilling inventory
- North Malay Basin and Stampede add significant production and cash flows in 2017 and 2018, respectively
- World class Liza oil discovery offshore Guyana; gross recoverable resource >1 BBOE

¹ Pro forma for \$625 million committed for debt retirement in October 2016 and excludes Hess Infrastructure Partners. Please see Appendix for reconciliation.

One of the Strongest Balance Sheets

And liquidity positions among E&P Peers



- **\$7.5 B of Liquidity Post Debt Refinancing***

- \$2.9 B Cash*
- \$4.0 B Unused Revolver
- \$0.6 B Unused Committed Lines

- **Net Debt-to-Capitalization ratio of approximately 13%***

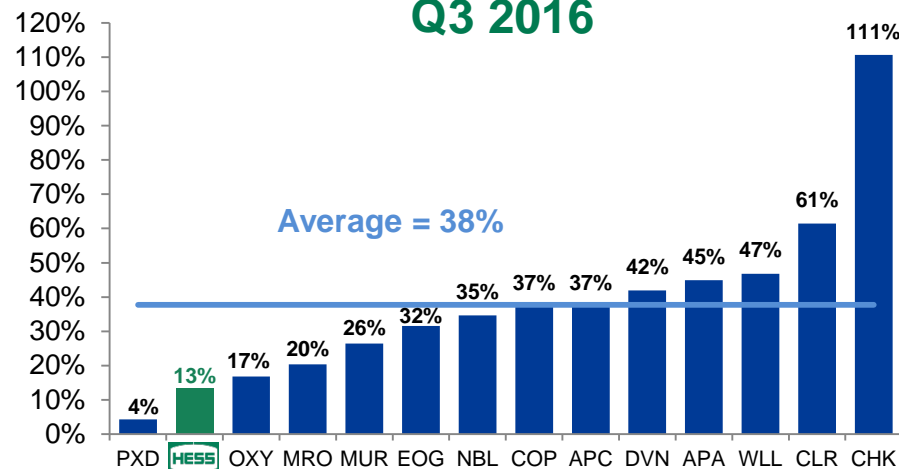
- **2016 E&P Capital & Exploratory Spend of \$2.0 B**

- 50% reduction in spend from 2015 in response to low oil prices

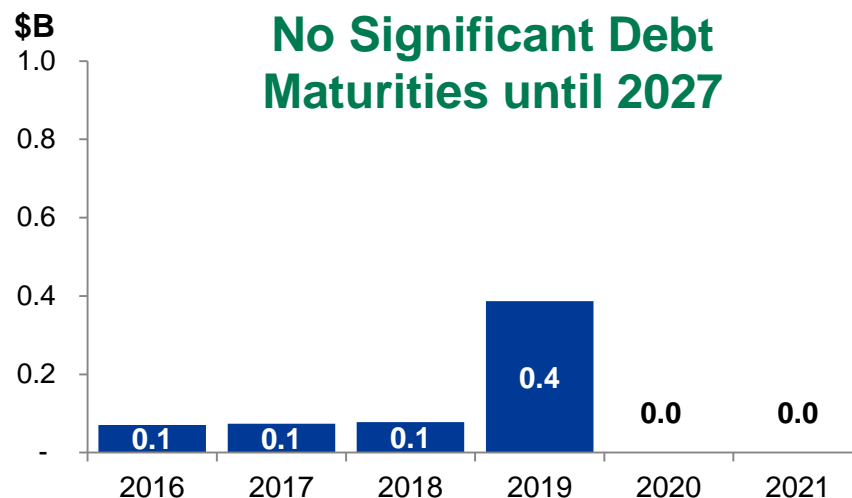
- **Joint Venture funds future Midstream capital expenditures**

- ~ \$290 million in 2016
- ~ \$175 - 225 million annually over next five years

Peer Net Debt-to-Capital Ratio Q3 2016



No Significant Debt Maturities until 2027



Source: Company filings

* Pro forma for \$625 million committed for debt retirement in October 2016 and excludes Hess Infrastructure Partners.

Focused Resilient Portfolio

Linked by operating capabilities



2016 Production: 315 - 325 MBOED
P1 Reserves: 1.1 BBOE
6P Resources: ~ 7.4 BBOE

Bakken

33% Prod
28% Res

Onshore USA

- Industry leading Bakken well costs and productivity. Lean manufacturing and advantaged infrastructure
- Utica leveraging Bakken capability and experience

Utica

9% Prod
2% Res

Valhall & South Arne

13% Prod
25% Res

North Sea

- Leveraging industry leading chalk reservoir drilling experience

Stampede

Equatorial Guinea

10% Prod
3% Res

JDA

10% Prod
10% Res

Deepwater GoM

- Deepwater developments and strong partner relationships
- Industry recognized development and deepwater drilling capability

Deepwater GoM

19% Prod
11% Res

Stabroek Block Guyana

Ghana

North Malay Basin

★ Base ★ Growth

West Africa

- Industry leading drilling performance, building on EG deepwater experience
- Optimizing value through seismic technology and drilling excellence

SE Asia

- Top quartile offshore project delivery and reservoir management
- Leverage JDA experience and strong partner relationship

Located in areas where Hess is competitively advantaged

Net Production: 2016 assumes zero contribution from Libya

Reserves: 2015 Year End Proven, includes Libya

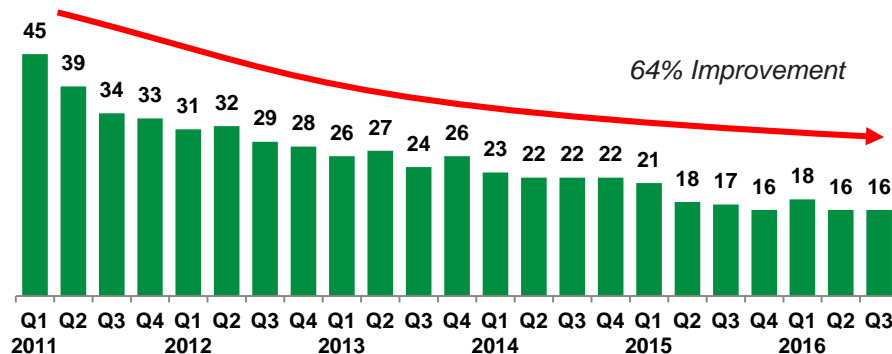
Industry Leading Operating Performance

Unconventionals - Bakken

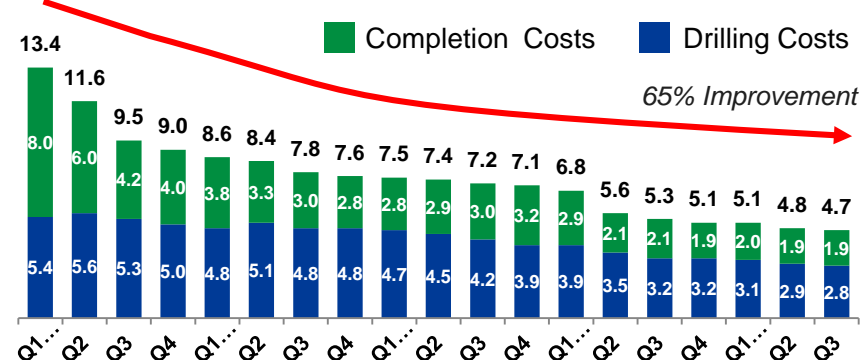


Reducing Well Costs...

Drilling Performance: Spud-to-Spud (Days)

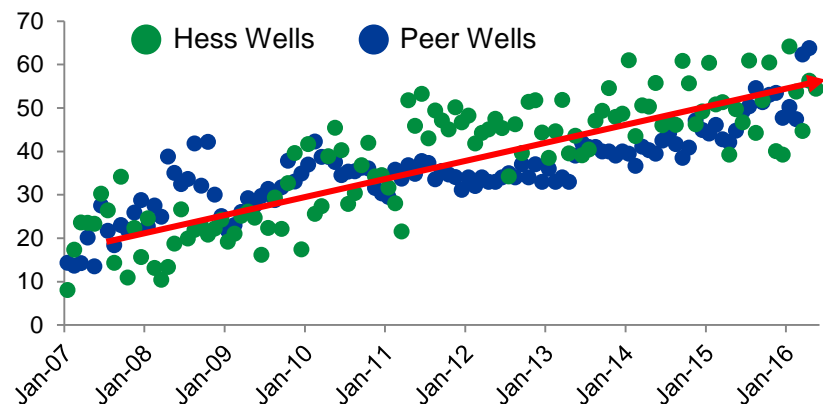


Drilling & Completions Performance: Costs (\$MM)

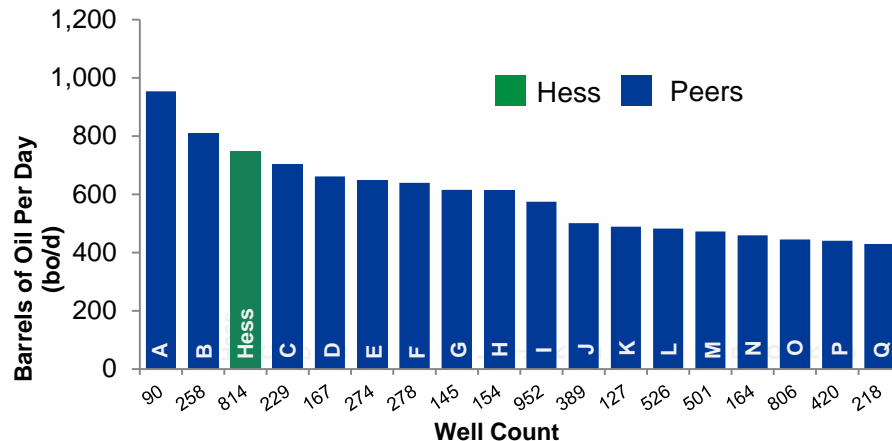


...While Optimizing Well Productivity

Average 90-Day Initial Production (MBO) by Completion Date



Operator Average 30-Day IP Rate (since 2012)



Low cost + high productivity + high margins = high returns

Industry Leading Operating Capabilities

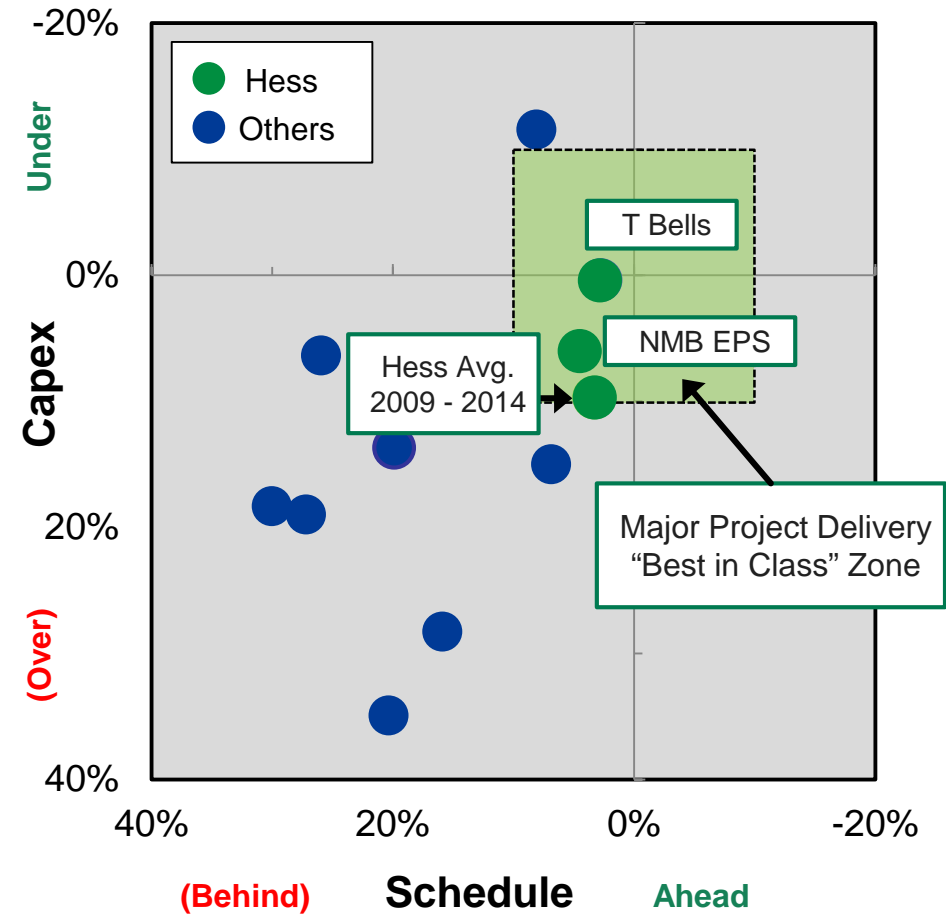
Offshore drilling and project delivery



Industry Project Delivery

(IPA Study 2005 - 2013)

Drilling Performance Quartile	1 st	2 nd	3 rd	4 th
Ghana	✓			
North Malay Basin	✓			
Tubular Bells	✓			
Equatorial Guinea	✓			
South Arne		✓		



Source: Rushmore data 2014

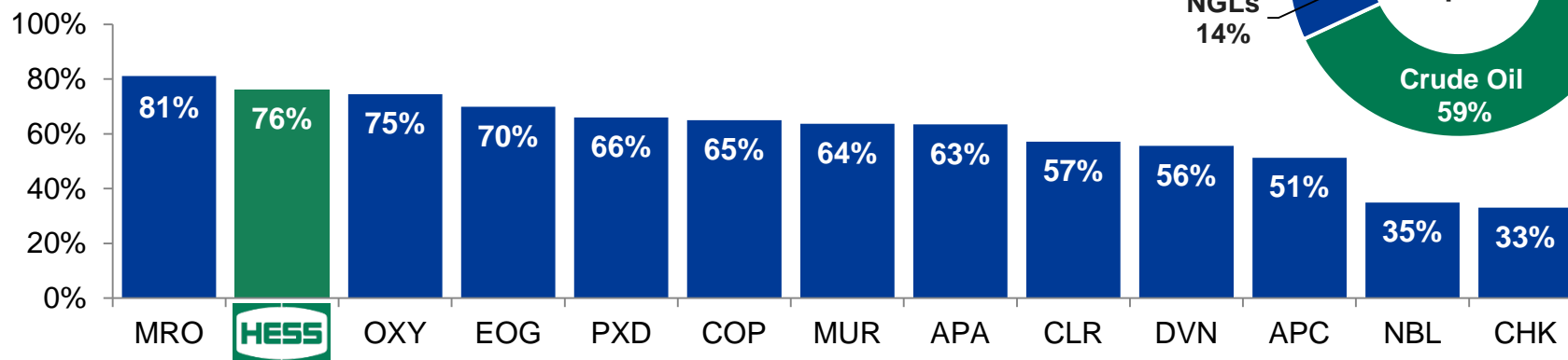
Source: IPA Study (2005 - 13) updated with recent Hess projects

Focused Resilient Portfolio

Leveraged to liquids with industry leading cash margins

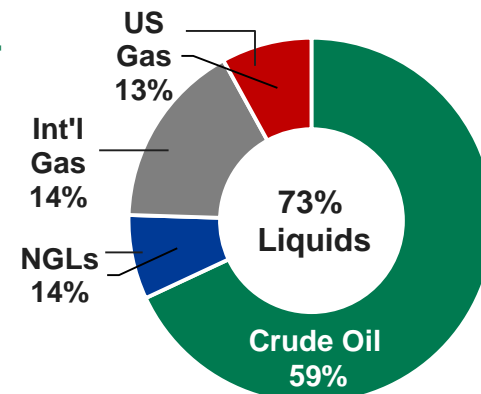


Liquids % of YE 2015 Reserves

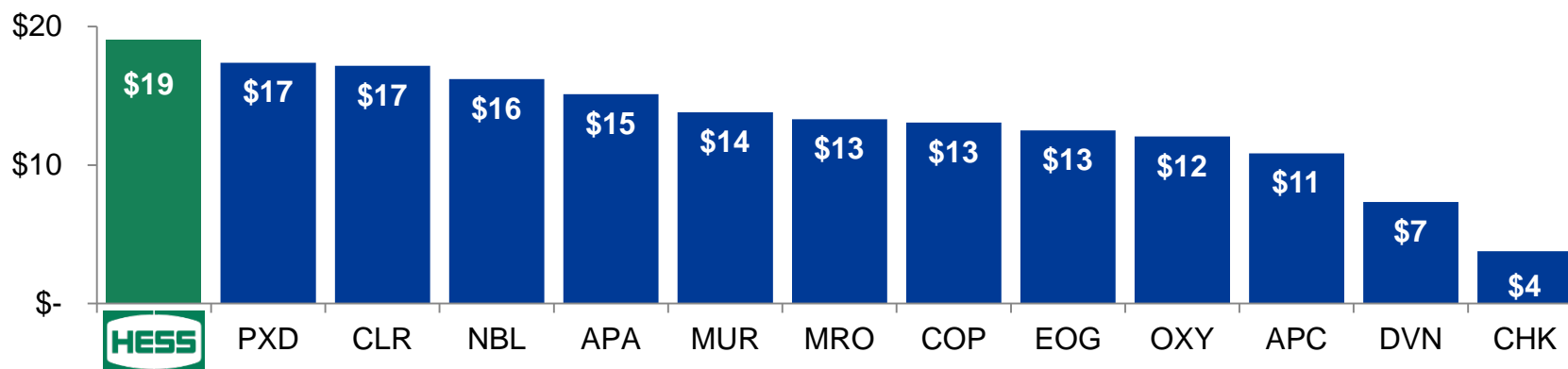


Source: Bloomberg

2016F Hess Production



YTD 2016 Cash Margin (9/30/16)

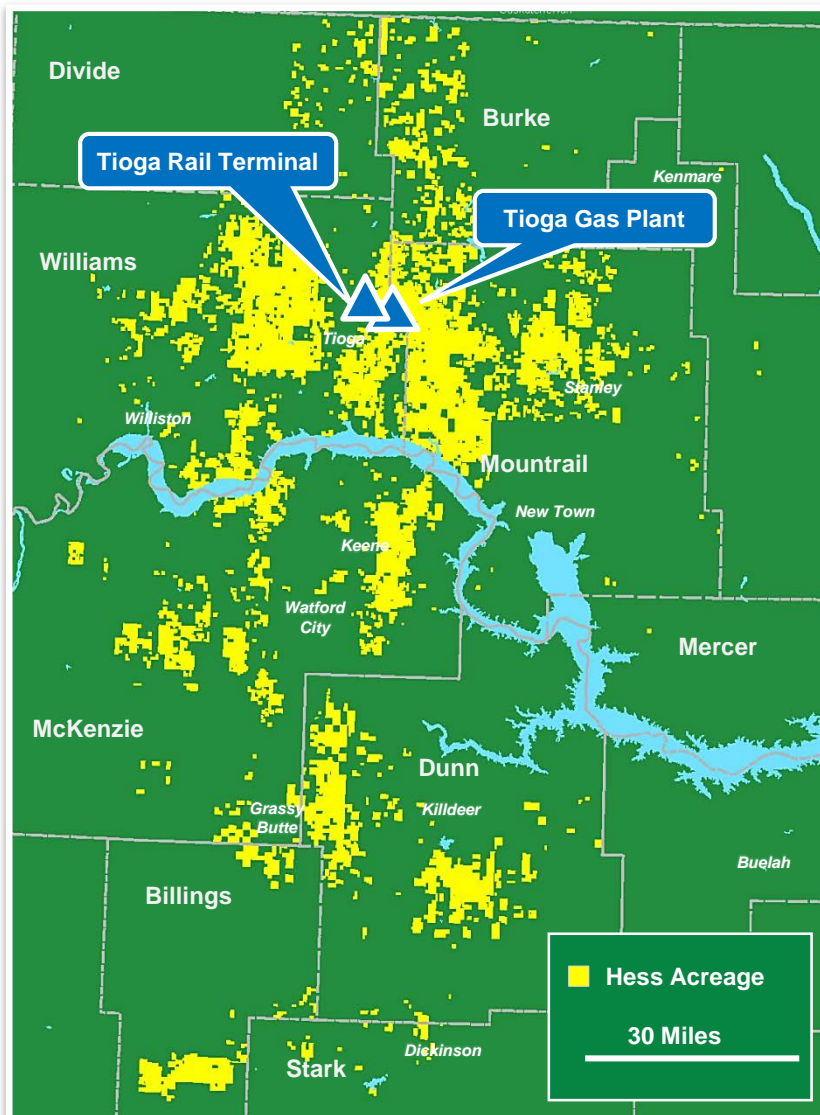


Source: Thomson One (Adjusted Net Income), 2016 10-Q SEC filings (DD&A, Exploration Expense).

Cash Margin = Adjusted Net Income [excluding special items] + DD&A + Exploration Expense. See Appendix for further detail on reconciliation.

One of the Best Positions in the Bakken

Competitively advantaged with Lean manufacturing process



• Strategic / Portfolio Context

- Industry leading acreage position in the core of the Middle Bakken and Three Forks
- Top quartile well cost and productivity, delivering some of the highest returns in play
- Advantaged infrastructure enhances netbacks

• Asset Details

- 577,000 net acres; Hess ~ 70% WI, operator
- 2016 net production ~105 MBOED
- Net Estimated Ultimate Recovery ~1.6 BBOE
- ~2,850 future operated drilling locations
- 30 Day IPs: 800 - 950 BOPD
- Plan to operate 2 rigs in 4Q16 and to ramp activity as oil prices recover
- 2016 Bakken E&P Capex: \$450 MM

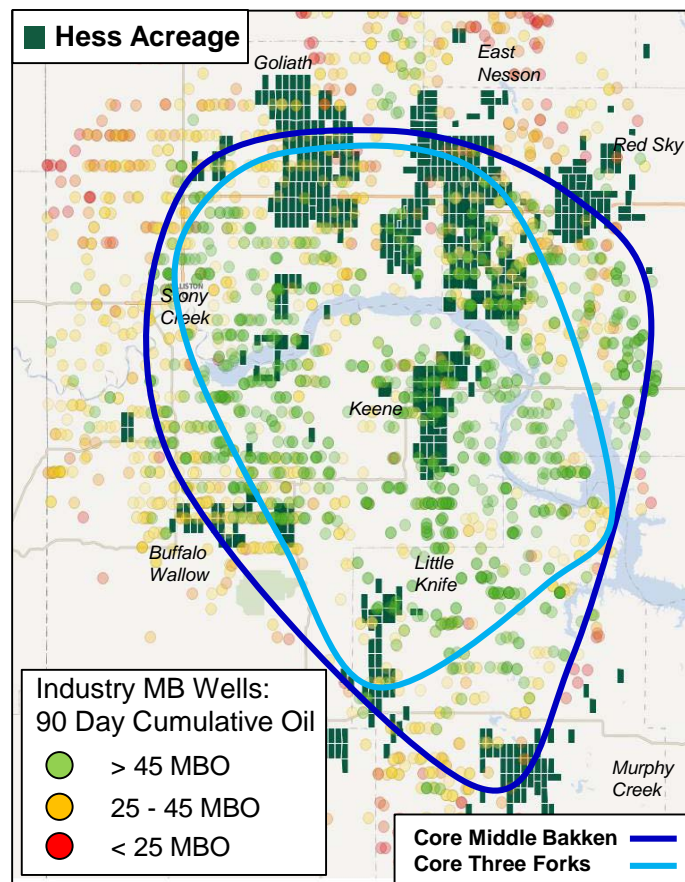
Major contributor to future reserve and production growth

One of the Best Positions in the Bakken

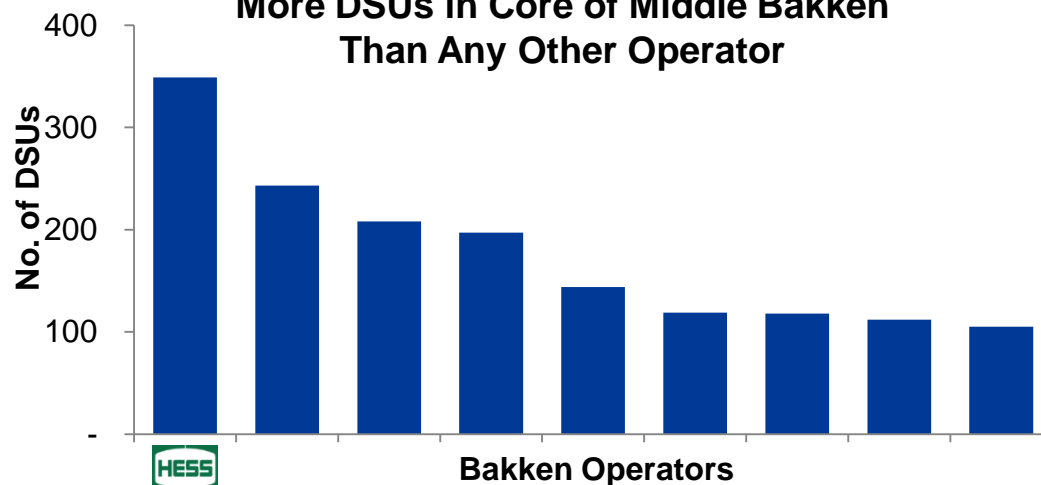
Material position in the core of the Bakken



30+ Stage Wells Since 2012

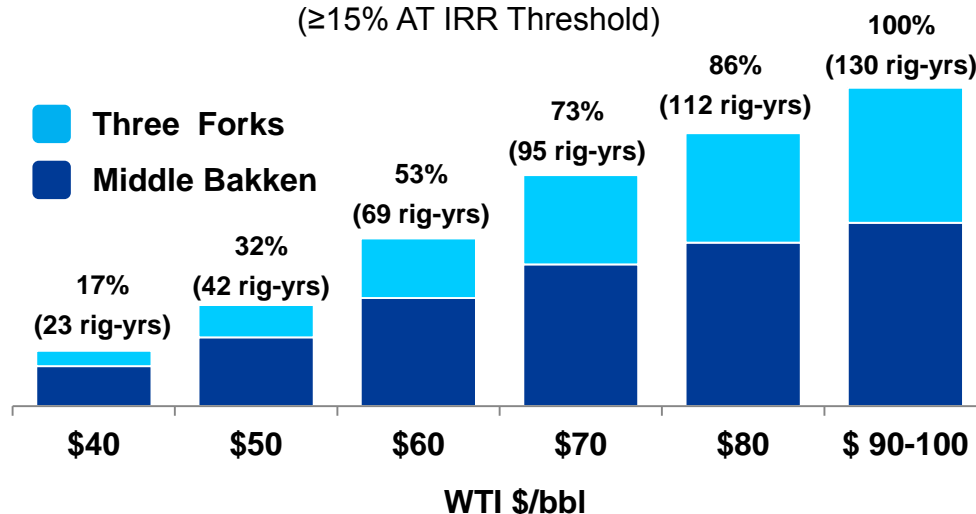


More DSUs in Core of Middle Bakken Than Any Other Operator



~2,850 Future¹ Operated Drilling Locations

% of Total Inventory & Implied Rig-Years vs WTI Price (≥15% AT IRR Threshold)



DSU: 1,280 acre Drilling Spacing Unit

Source: NDIC and Hess analysis

¹PF July 2016, assumes 22 wells/rig-year

One of the Best Positions in the Bakken

Advantaged infrastructure maximizing value



Tioga Rail Terminal



Tioga Gas Plant

- Hess sold 50% interest in Bakken Midstream assets to GIP for \$2.675 B
- Created new joint venture called Hess Infrastructure Partners
- Total after-tax cash proceeds to Hess of \$3.0 B, including JV debt issuance
- Hess retains operational control of Bakken Midstream assets
- Transaction delivered significant and immediate value to shareholders

Joint Venture committed to pursuing MLP IPO

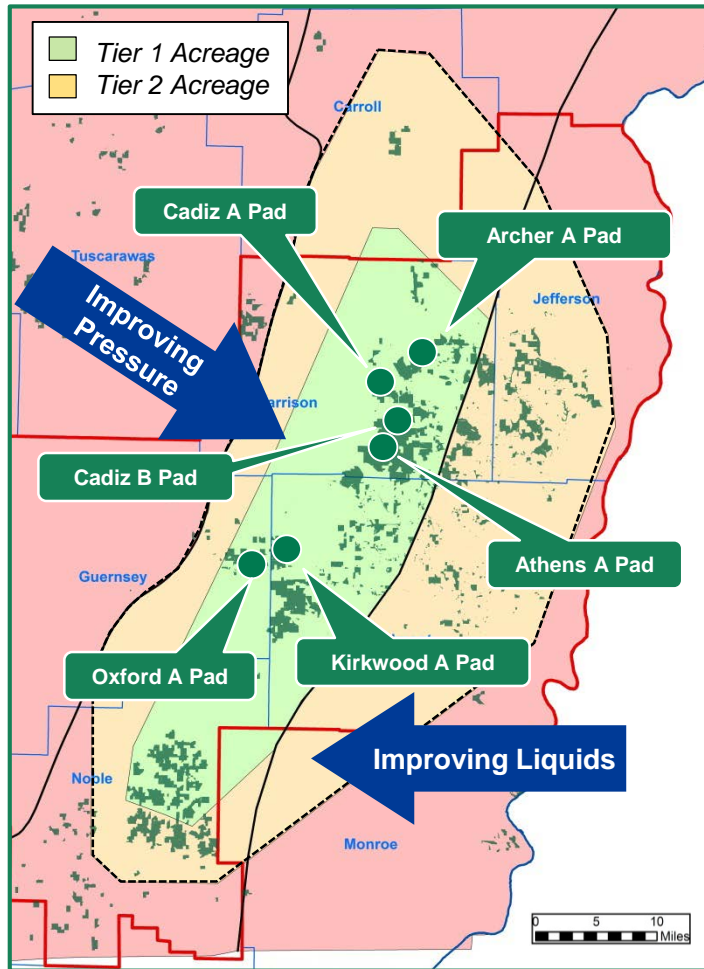
Utica: Material Position in the Wet Gas Window



Acreage in play sweet spot with high NRI

JV Acreage

Optimum Mix of Pressure and Liquid Content



• Strategic / Portfolio Context

- Wells highly productive, high liquids content
- Leveraging Bakken capability to maximize efficiency
- Drilling costs per foot reduced by ~75% and completion costs per foot by ~50% since inception

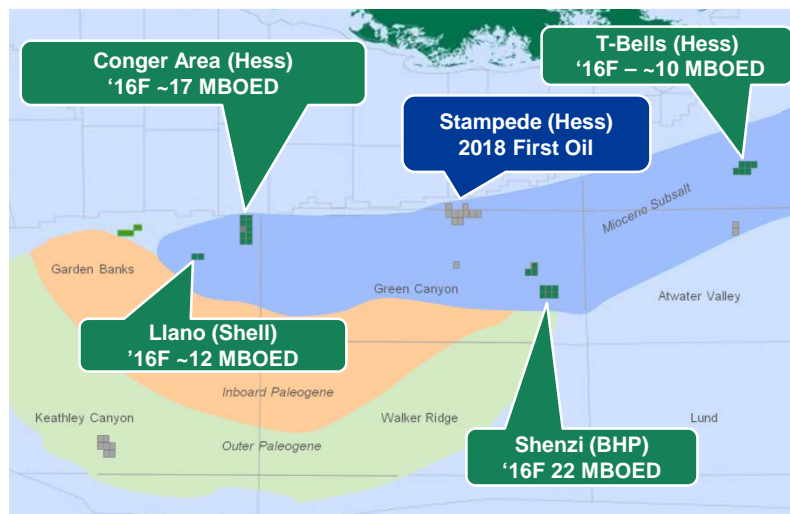
• Asset Details

- 50% WI; 95% gross NRI
- 50,000 net acres
- 2016 net production 25 - 30 MBOED
- Drilling pause until natural gas and NGL prices improve
- 2016 capex \$25 MM

Core position in prolific Utica Shale play

Deepwater Gulf of Mexico

Stable production with low cash costs and strong cash flow



• Strategic / Portfolio Context

- Leverages proven deepwater capability
- Inventory of high return infill drilling opportunities around existing hubs

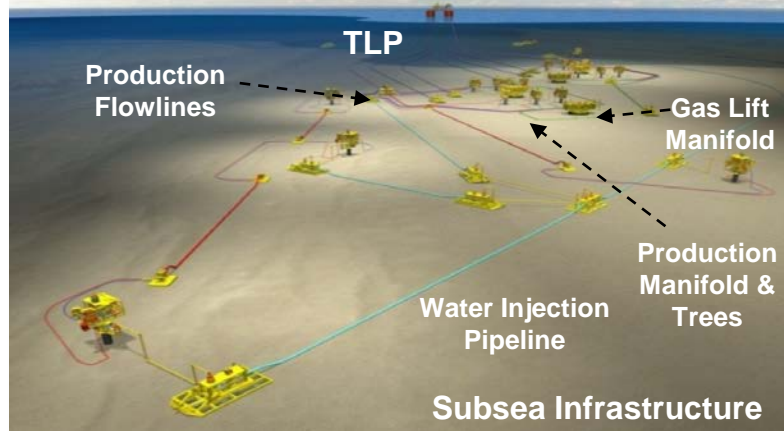
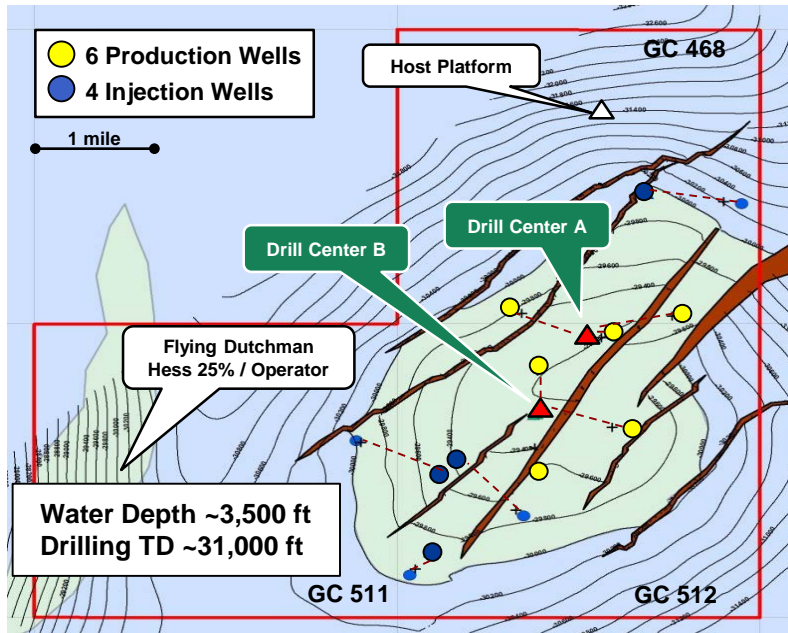
• Asset Details

- Plan to commence water inject. and drill fifth producer at Tubular Bells in 2H16
- Completed a producer at Conger in 3Q16
- Stampede development on track for first oil in 2018
- 2016 net production ~60 MBOED
- 2016 capex ~\$225 MM

Leveraging proven deepwater capabilities and strong partnerships to deliver profitable growth

Deepwater Gulf of Mexico: Stampede

Building on Tubular Bells success



• Strategic / Portfolio Context

- Leverages proven deepwater capability
- Significant contribution to 2018+ growth
- One of the largest undeveloped fields in GoM (300 - 350 MMBOE gross recoverable)

• Asset Details

- 25% WI, operator
- Progressing hull and topsides fabrication
- Commenced drilling in 2016
- First oil 2018; net production ~15 MBOED
- Mature captured near field exploitation
- 2016 capex ~\$325 MM

Adds ~15 MBOED production and becomes a long term cash generator in 2018

West Africa: Equatorial Guinea

Maximizing value through 4D seismic and drilling excellence

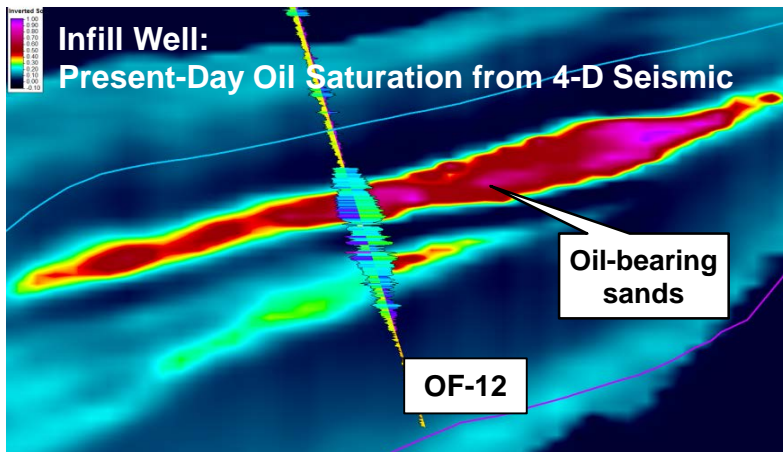


• Strategic / Portfolio Context

- Strong cash flow generation
- 4D seismic for continuing identification of high value drilling opportunities to maintain production plateau
- Leverages deepwater capability

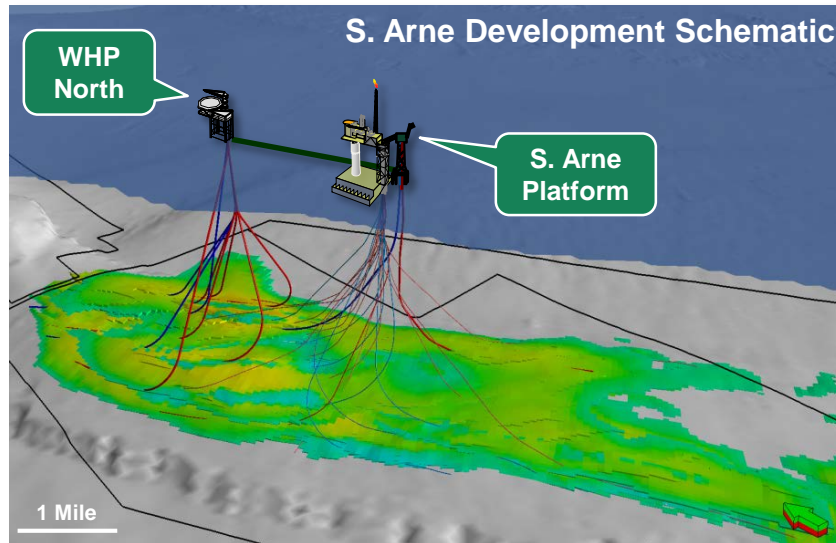
• Asset Details

- 85% WI, operator
- 2016 net production 30 - 35 MBOED
- Process new 4D seismic / mature further exploitation opportunities
- No drilling planned in 2016
- 2016 capex ~\$10 MM



North Sea Chalk: South Arne

Continuing low risk development potential



- **Strategic / Portfolio Context**

- Multi year drilling inventory
- Leveraging expertise in horizontal, managed pressure drilling in chalk reservoirs

- **Asset Details**

- 61.5% WI, operator
- 2016 net production 10-15 MBOED
- Drilling pause until oil prices improve
- 2016 capex ~\$50 MM

North Sea Chalk: Valhall

Long life asset with significant upside

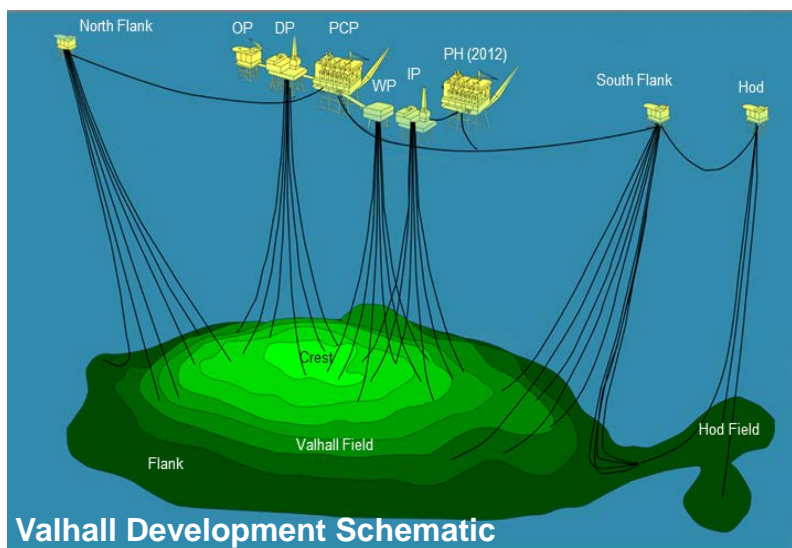


- **Strategic / Portfolio Context**

- Underdeveloped chalk reservoir; significant remaining upside
- Working with operator to leverage chalk expertise from South Arne

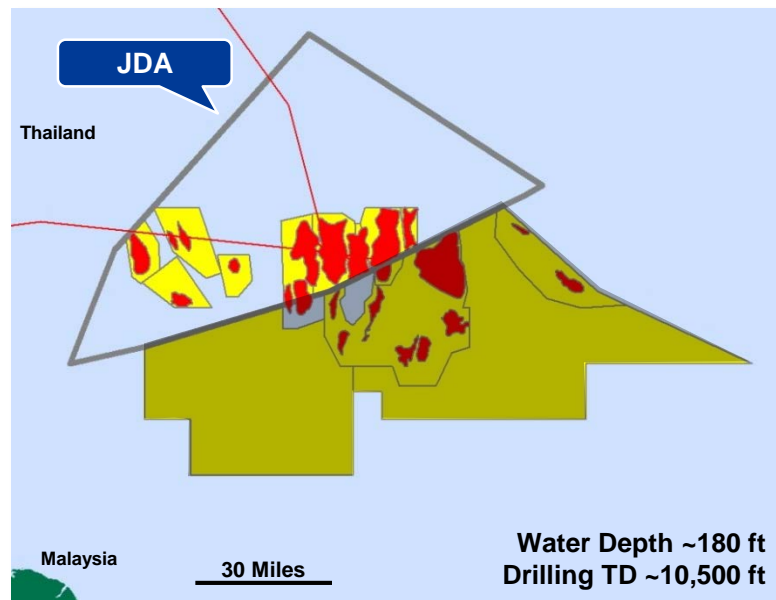
- **Asset Details**

- 64% WI, operated by Aker BP
- 2016 net production 25-30 MBOED
- Redevelopment completed 1Q13, extended life by 40 years
- 2016 capex ~\$15 MM



Malaysia Gas: Joint Development Area

Long term production and free cash flow



- **Strategic / Portfolio Context**

- Low cost, long life gas reserves with oil linked pricing
- Stable production, free cash flow
- Leverages shallow water offshore development capabilities

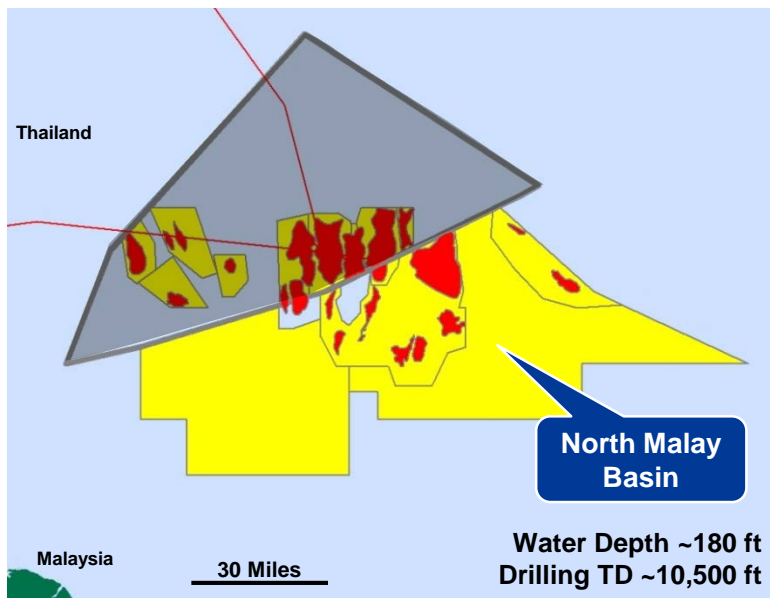
- **Asset Details**

- 50% WI, operated by Carigali-Hess
- 2016 net production ~200 MMSCFED
- PSC through 2029
- 2016 capex ~\$30 MM



Malaysia Gas: North Malay Basin

Low risk, oil linked gas development



• Strategic / Portfolio Context

- Premium gas market
- Low risk development of 9 discovered gas fields
- Significant production and cash flow 2017+
- Oil indexed GSA through 2033
- Leverages JDA experience and strong Petronas relationship

• Asset Details

- 50% WI, operator
- 2016 net production ~30 MMSCFED
- Full Field Development completion 3Q17; net production up to ~165 MMSCFED
- 2016 capex ~\$325 MM



Adds ~20 MBOED production and becomes long-term cash generator in 2017

Competitively Positioned for Growth

Significant captured growth options



Bakken

- 1.6 BBOE net EUR
- ~2,850 future drilling locations

Utica

- 300 MMBOE net EUR
- ~240 future drilling locations

North Malay Basin

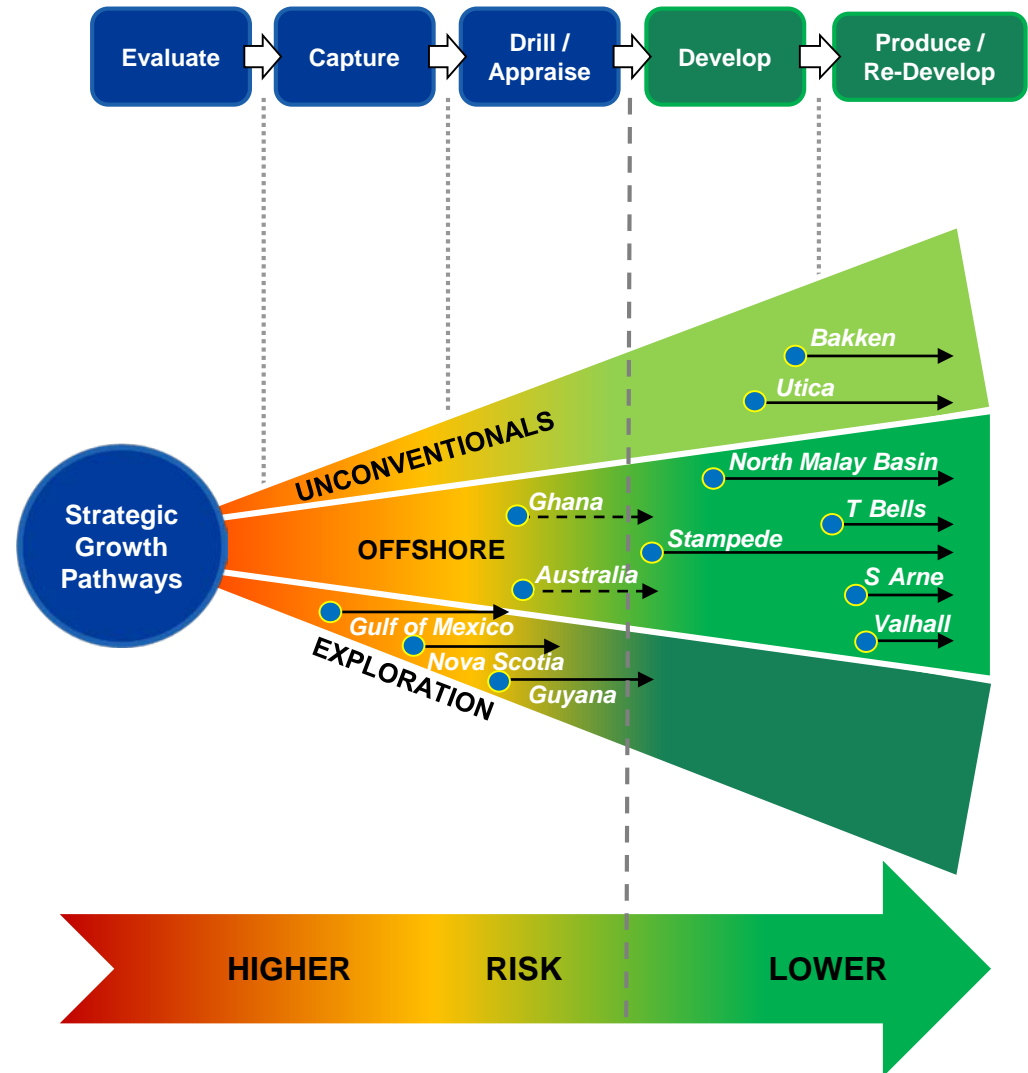
- Full field development underway
- Net production to quadruple to 165 MMSCFED by late 2017

Stampede

- First oil targeted in 2018
- Net production ~15 MBOED

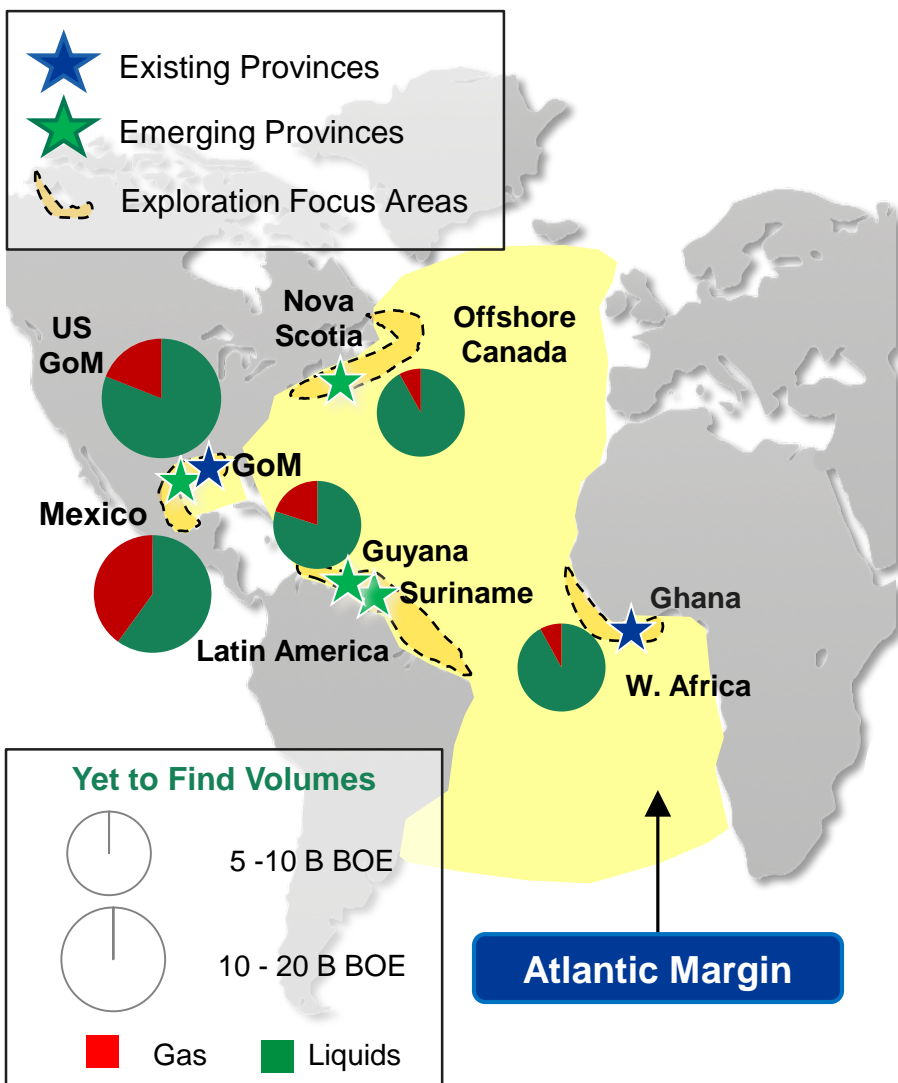
Exploration

- World class oil discovery in Guyana; >1 BBOE gross



Competitively Positioned for Growth

Exploration provides further upside to long term growth



- **Focused strategy to deliver material long term value**

- **Exploration themes:**

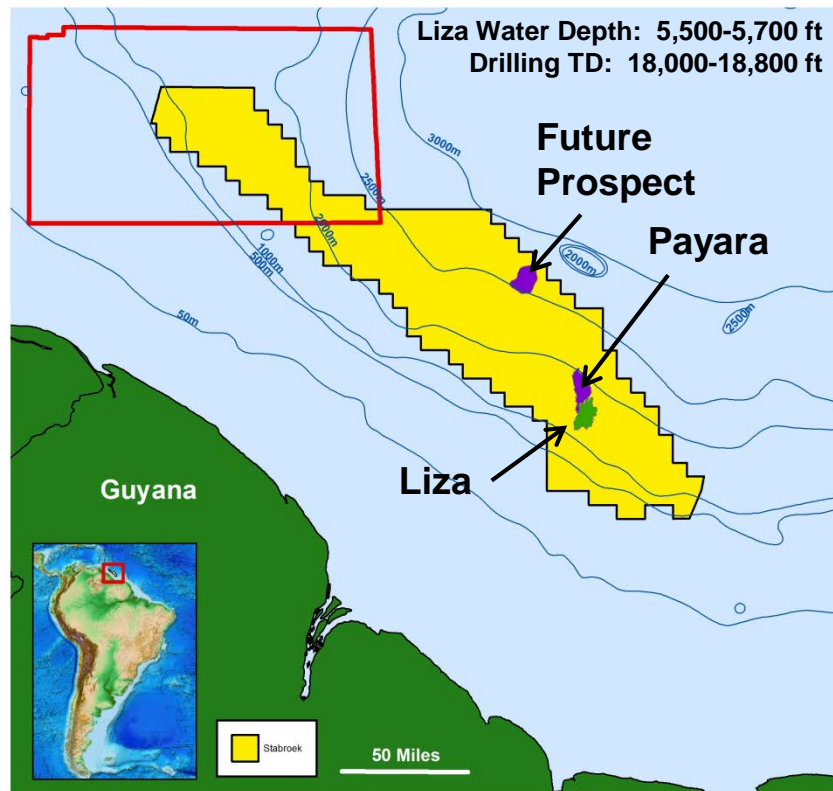
- **Focused:** In basins we understand and that leverage our capabilities
- **Balanced:** Between both proven and emerging areas
- **Impactful:** Materiality and running room
- **Value driven:** Through working interest management, liquids rich areas and attractive fiscal terms

- **Goals**

- Add 600 - 700 MMBOE resources over 5 years
- Achieve <\$20 / BOE F&D cost

Offshore Guyana: Stabroek License

Liza confirmed as world class oil discovery



GoM Green Canyon for scale

• Strategic / Portfolio Context

- 6.6 MM acres; ~1,150 GoM blocks
- Multiple prospects and play types
- Liza gross estimated recoverable resource greater than 1 billion BOE

• Forward Plan

- Liza-3 well ~200 feet of net pay
- Engineering plans underway for initial phase of 100 MBOD development
- Plan to spud Payara exploration well in November 2016
- Further exploration drilling planned

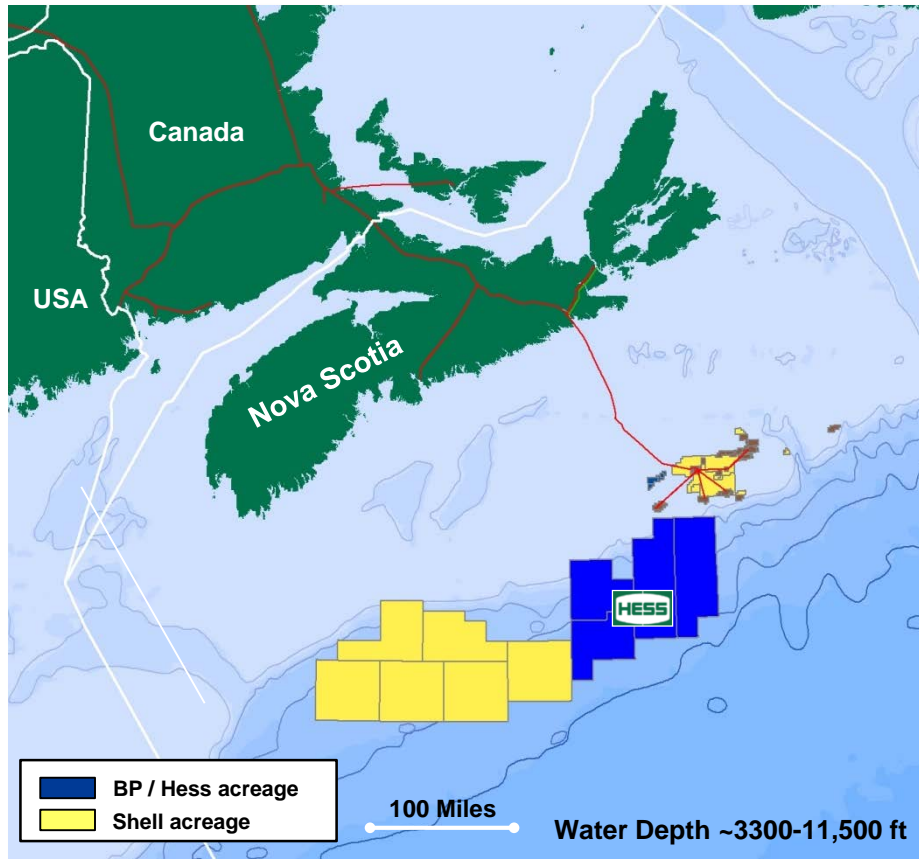
• Asset Details

- 30% WI, op. by Esso E&P Guyana Ltd.

Continued exploration of an emerging material deepwater play

Offshore Nova Scotia

Material position in emerging deepwater play



• Strategic / Portfolio Context

- 3.5 MM acres; ~ 600 GoM blocks
- Multiple leads in sub-salt play
- 800 MMBOE pre drill net risked resource
- GoM analogue trap styles
- Oil prone, Cretaceous reservoirs

• Forward Plan

- Finalize well locations and complete environmental impact assessment
- Plan first well in 2Q18

• Asset Details

- 40% WI, operated by BP

Access to a material deepwater Gulf of Mexico analogue

- **Preserve Balance Sheet Strength**
- **Preserve Core Operating Capabilities**
- **Preserve Long-Term Growth Options**

Appendix

Reconciliations of Non-GAAP Measures



Adjusted Net Income and Cash Margin

Nine Month Ended September 30, 2016
Millions of Dollars, Except Otherwise Noted

Net Income (Loss) Attributable to Hess Corporation	(\$1,240)
Adjustments: Items affecting the comparability of earnings between periods relating to (after income taxes):	
Exploratory dry hole cost	\$52
Contract termination costs	\$22
Gains on asset sale, net	(\$17)
Tax Benefits	(\$51)
Debt extinguishment charge	\$50
Adjusted Net Income (Loss)	(\$1,184)
Plus: Depreciation, depletion and amortization	\$2,476
Plus: Exploration expenses, including dry holes and lease impairment	\$409
Non-GAAP Measure-Cash Margin	\$1,701
Production (Thousand Barrels of Oil Equivalent Per Day)	326
Production (Million Barrels of Oil Equivalent)	89
Non-GAAP Measure-Cash Margin (Dollar per Barrel)	\$19

Appendix

Reconciliations of Non-GAAP Measures



Net Debt to Capitalization Ratio

	September 30, 2016	
<i>(in millions)</i>	Hess Consolidated	Hess Pro forma*
Total debt	\$7,337	\$6,095
Less: cash and cash equivalents	\$3,529	\$2,902
Net debt	\$3,808	\$3,193
Total debt	\$7,337	\$6,095
Add: Stockholder Equity	\$20,915	\$18,761
Capitalization	\$28,252	\$24,856
Net Debt to Capitalization Ratio	13%	13%

* Pro forma for \$625 million committed for debt retirement in October 2016 and excluding Hess Infrastructure Partners.

