
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

FORM 8-K

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

Date of Report (Date of Earliest Event Reported): July 29, 2015

HESS CORPORATION

(Exact Name of Registrant as Specified in Its Charter)

DELAWARE
(State or Other Jurisdiction
of Incorporation)

No. 1-1204
(Commission
File Number)

No. 13-4921002
(IRS Employer
Identification No.)

1185 Avenue of the Americas
New York, New York 10036
(Address of Principal Executive Offices) (Zip Code)

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

N/A
(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 2.02. Results of Operations and Financial Condition.

On July 29, 2015, Hess Corporation issued a news release reporting estimated results for the second quarter of 2015. A copy of this news release is attached hereto as Exhibit 99(1) and is hereby incorporated by reference.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibit

99(1) News release dated July 29, 2015 reporting estimated results for the second quarter of 2015.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: July 29, 2015

HESS CORPORATION

By: /s/John P. Rielly

Name: John P. Rielly

Title: Senior Vice President and
Chief Financial Officer

EXHIBIT INDEX

| <u>Exhibit No.</u> | <u>Description</u> |
|--------------------|--|
| 99(1) | News release dated July 29, 2015 reporting estimated results for the second quarter of 2015. |



HESS CORPORATION

News Release

HESS REPORTS ESTIMATED RESULTS FOR THE SECOND QUARTER OF 2015

Second Quarter Highlights:

- *Adjusted net loss was \$147 million or \$0.52 per share compared to net income of \$432 million or \$1.38 per share in the prior-year quarter; lower hydrocarbon prices reduced second quarter 2015 adjusted net income by approximately \$740 million, after-tax*
- *Net loss was \$567 million compared to net income of \$931 million in the second quarter of 2014*
- *Oil and gas production increased to 391,000 barrels of oil equivalent per day (boepd) compared to 319,000 boepd in the second quarter of 2014*
- *Oil and gas production in the Bakken was 119,000 boepd, up from 80,000 boepd in the year-ago quarter*
- *Announced sale of 50% interest in Bakken Midstream, resulting in \$3 billion of cash proceeds*
- *Capital and exploratory expenditures totaled \$1.1 billion in the second quarter down from \$1.3 billion in the prior-year quarter*
- *Liza-1 well completed on the Stabroek Block, offshore Guyana; announced as a significant discovery by the operator*

NEW YORK, July 29, 2015, — Hess Corporation (NYSE: HES) today reported an adjusted net loss, which excludes items affecting comparability, of \$147 million or \$0.52 per common share, for the second quarter of 2015 compared with adjusted net income of \$432 million or \$1.38 per share in the second quarter of 2014. Lower realized selling prices reduced adjusted net income by approximately \$740 million after-tax compared with the prior-year quarter. In addition, second quarter 2015 results benefitted from higher production, lower cash operating costs and reduced exploration expenses that were partially offset by higher depreciation, depletion, and amortization expense. On an unadjusted

basis, the Corporation reported a net loss of \$567 million for the second quarter of 2015, including a noncash goodwill impairment charge of \$385 million, and net income of \$931 million in the prior-year quarter.

“We achieved strong operating performance in the quarter and delivered significant and immediate value to our shareholders with the sale of a 50 percent interest in our Bakken midstream assets,” Chief Executive Officer John Hess said. “We remain confident that our financial strength, resilient portfolio and proven operating capabilities position us well in the current low oil price environment as well as for a future price recovery.”

After-tax income (loss) by major operating activity was as follows:

| | Three Months Ended June 30, (unaudited) | | Six Months Ended June 30, (unaudited) | |
|--|---|----------------|---|-----------------|
| | 2015 | 2014 | 2015 | 2014 |
| (In millions, except per share amounts) | | | | |
| Net Income (Loss) Attributable to Hess Corporation | | | | |
| Exploration and Production | \$ (502) | \$ 1,049 | \$ (816) | \$ 1,570 |
| Bakken Midstream | 32 | 7 | 59 | (6) |
| Corporate, Interest and Other | (83) | (82) | (172) | (226) |
| Net income (loss) from continuing operations | (553) | 974 | (929) | 1,338 |
| Discontinued operations | (14) | (43) | (27) | (21) |
| Net income (loss) attributable to Hess Corporation | <u>\$ (567)</u> | <u>\$ 931</u> | <u>\$ (956)</u> | <u>\$ 1,317</u> |
| Net income (loss) per share (diluted) | <u>\$ (1.99)</u> | <u>\$ 2.96</u> | <u>\$ (3.37)</u> | <u>\$ 4.13</u> |
| Adjusted Net Income (Loss) Attributable to Hess Corporation | | | | |
| Exploration and Production | \$ (96) | \$ 475 | \$ (317) | \$ 1,002 |
| Bakken Midstream | 32 | 7 | 59 | (6) |
| Corporate, Interest and Other | (83) | (73) | (168) | (157) |
| Adjusted net income (loss) from continuing operations | (147) | 409 | (426) | 839 |
| Discontinued operations | — | 23 | — | 39 |
| Adjusted net income (loss) attributable to Hess Corporation | <u>\$ (147)</u> | <u>\$ 432</u> | <u>\$ (426)</u> | <u>\$ 878</u> |
| Adjusted net income (loss) per share (diluted) | <u>\$ (0.52)</u> | <u>\$ 1.38</u> | <u>\$ (1.50)</u> | <u>\$ 2.75</u> |
| Weighted average number of shares (diluted) | <u>284.3</u> | <u>314.1</u> | <u>283.9</u> | <u>318.7</u> |

Exploration and Production:

The Corporation's Exploration and Production activities had a net loss of \$502 million in the second quarter of 2015, compared with net income of \$1,049 million in the second quarter of 2014. Adjusted net loss was \$96 million in the second quarter of 2015 compared with adjusted net income of \$475 million in the second quarter of 2014.

The Corporation's average worldwide crude oil selling price, including the effect of hedging, was down 45 percent to \$55.83 per barrel in the second quarter of 2015 from \$102.16 per barrel in the second quarter of last year. The average worldwide natural gas liquids selling price was \$11.06 per barrel, down from \$36.59 per barrel in the year-ago quarter while the average worldwide natural gas selling price was \$4.49 per mcf in the second quarter of 2015 compared with \$6.35 per mcf in the second quarter a year-ago.

Oil and gas production was 391,000 boepd, up 23 percent from 319,000 boepd in the second quarter of 2014. Assets contributing to the volume growth were primarily the Bakken shale play (39,000 boepd), the Utica shale play (19,000 boepd), the Joint Development Area of Malaysia/Thailand (11,000 boepd) and the Gulf of Mexico (9,000 boepd). Asset sales reduced production by 9,000 boepd.

Operational Highlights for the Second Quarter of 2015:

Bakken (Onshore U.S.): Net production from the Bakken increased approximately 49 percent to 119,000 boepd from the prior-year quarter due to continued drilling activities. The Corporation brought 67 gross operated wells on production in the second quarter of 2015 bringing the year-to-date total to 137 wells. Drilling and completion costs per operated well averaged \$5.6 million in the second quarter of 2015, down 24 percent from the year-ago quarter. During the second quarter, the Corporation operated 8 rigs.

Utica (Onshore U.S.): On the Corporation's joint venture acreage, 10 wells were drilled and net production averaged 22,000 boepd in the second quarter of 2015 compared with 3,000 boepd in the prior-year quarter.

Gulf of Mexico (Offshore U.S.): Net production from the Gulf of Mexico was up compared to the prior-year quarter with higher volumes from Tubular Bells, which totaled 23,000 boepd in the second quarter of 2015, being partially offset by lower production from the Conger and Llano Fields.

At the Corporation's non-operated Sicily exploration prospect in the Keathley Canyon area (Hess 25 percent), the operator successfully completed drilling and logging activities in the second quarter. The well was drilled to a depth of 30,214 feet and is being evaluated. The drilling of an appraisal well to further evaluate the discovery is expected late this year or in early 2016.

Guyana (Offshore): On the Stabroek Block (Hess 30 percent), the operator announced a significant oil discovery at the Liza #1 well and is now in the process of evaluating the resource potential on the block. The operator recently commenced the acquisition of 17,000 square kilometers of 3D seismic.

Bakken Midstream:

The Corporation's Bakken Midstream activities had net income of \$32 million in the second quarter of 2015 compared to \$7 million in the prior-year quarter primarily due to higher throughput throughout the system. In July 2015, the Corporation completed the sale of a 50 percent interest in its Bakken Midstream assets for cash consideration of \$2.7 billion. The joint venture incurred \$600 million of debt in July with proceeds distributed equally to both partners, resulting in total after-tax cash proceeds net to Hess of approximately \$3.0 billion. These transactions will be reflected in the Corporation's third quarter results. As a result of the joint venture transaction, Hess has reported its Bakken-related midstream operations as a separate Midstream segment in its consolidated financial statements and will begin disclosing certain historical and forward-looking financial information for this segment.

Capital and Exploratory Expenditures:

Capital and exploratory expenditures were \$1,071 million in the second quarter of 2015 down from \$1,256 million in the prior-year quarter of which \$1,006 million and \$1,208 million, respectively, relate to Exploration and Production activities. Second quarter 2015 Exploration and Production expenditures reflect reduced activity in assets including the Bakken, the Utica, Norway and Equatorial Guinea, partly offset by expenditures associated with development of the North Malay Basin project and exploratory activities in the Gulf of Mexico and Guyana.

Liquidity:

Net cash provided by operating activities was \$541 million in the second quarter of 2015, compared with \$911 million in the second quarter of 2014. At June 30, 2015, cash and cash

equivalents totaled \$931 million compared with \$2,444 million at December 31, 2014. Total debt was \$5,957 million at June 30, 2015 compared with \$5,987 million at December 31, 2014. The Corporation's debt to capitalization ratio at June 30, 2015 was 22.0 percent, compared with 21.2 percent at December 31, 2014. In July 2015, the Corporation received after-tax cash proceeds of approximately \$3 billion from the Bakken Midstream joint venture transaction described above.

During the second quarter, the Corporation hedged an additional 20,000 barrels per day of crude oil production for the remainder of 2015 by entering into West Texas Intermediate crude collars with a floor price of \$60 per barrel and a ceiling price of \$80 per barrel. The Corporation's crude oil hedging program for the remainder of 2015 is detailed on page 18.

Discontinued Operations:

Losses from discontinued operations amounted to \$14 million in the second quarter of 2015 compared to \$44 million in the prior-year quarter. The Corporation completed the sale of its energy trading partnership (HETCO) in the first quarter of 2015. Financial results for the second quarter of 2014 have been recast to report HETCO as discontinued operations in the consolidated income statement on page 7.

Items Affecting Comparability of Earnings Between Periods:

The following table reflects the total after-tax income (expense) of items affecting comparability of earnings between periods:

| | Three Months Ended June 30, (unaudited) | | Six Months Ended June 30, (unaudited) | |
|--|---|---------------|---|---------------|
| | 2015 | 2014 | 2015 | 2014 |
| | (In millions) | | | |
| Exploration and Production | \$ (406) | \$ 574 | \$ (499) | \$ 568 |
| Bakken Midstream | — | — | — | — |
| Corporate, Interest and Other | — | (9) | (4) | (69) |
| Discontinued operations | (14) | (66) | (27) | (60) |
| Total items affecting comparability of earnings between periods | \$ (420) | \$ 499 | \$ (530) | \$ 439 |

Second quarter 2015 results include a goodwill impairment charge of \$385 million associated with the Corporation's onshore reporting unit. As a result of establishing the Bakken Midstream business as a separate operating segment in the second quarter of 2015, U.S. GAAP required the reallocation of goodwill to the Bakken Midstream segment and a goodwill impairment test for each of the Corporation's reporting units. The nontaxable impairment charge for the onshore reporting unit

caused the Corporation's effective tax rate in the quarter to be substantially less than normal. In addition, the Corporation recognized after-tax charges totaling \$21 million (\$21 million pre-tax) associated with terminated international office space.

Reconciliation of U.S. GAAP to Non-GAAP measures:

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

| | Three Months Ended June 30, (unaudited) | | Six Months Ended June 30, (unaudited) | |
|---|---|---------------|---|---------------|
| | 2015 | 2014 | 2015 | 2014 |
| | (In millions) | | | |
| Net income (loss) attributable to Hess Corporation | \$ (567) | \$ 931 | \$ (956) | \$ 1,317 |
| Less: Total items affecting comparability of earnings between periods | (420) | 499 | (530) | 439 |
| Adjusted net income (loss) attributable to Hess Corporation | <u>\$ (147)</u> | <u>\$ 432</u> | <u>\$ (426)</u> | <u>\$ 878</u> |

Hess Corporation will review second quarter financial and operating results and other matters on a webcast at 10 a.m. today. For details about the event, refer to the Investor Relations section of our website at www.hess.com.

Hess Corporation is a leading global independent energy company engaged in the exploration and production of crude oil and natural gas. More information on Hess Corporation is available at www.hess.com.

Forward-looking Statements

Certain statements in this release may constitute "forward-looking statements" within the meaning of Section 21E of the United States Securities Exchange Act of 1934, as amended, and Section 27A of the United States Securities Act of 1933, as amended. Forward-looking statements are subject to known and unknown risks and uncertainties and other factors which may cause actual results to differ materially from those expressed or implied by such statements, including, without limitation, uncertainties inherent in the measurement and interpretation of geological, geophysical and other technical data. Estimates and projections contained in this release are based on the Company's current understanding and assessment based on reasonable assumptions. Actual results may differ materially from these estimates and projections due to certain risk factors discussed in the Corporation's periodic filings with the Securities and Exchange Commission and other factors.

Non-GAAP financial measure

The Corporation has used a non-GAAP financial measure in this earnings release. "Adjusted net income (loss)" presented in this release is defined as reported net income (loss) attributable to Hess Corporation excluding items identified as affecting comparability of earnings between periods. We believe that investors' understanding of our performance is enhanced by disclosing this measure. This measure is not, and should not be viewed as, a substitute for U.S. GAAP net income (loss). A reconciliation of reported net income (loss) attributable to Hess Corporation (U.S. GAAP) to adjusted net income (loss) is provided in the release.

For Hess Corporation

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HESS CORPORATION AND CONSOLIDATED SUBSIDIARIES
SUPPLEMENTAL FINANCIAL DATA (UNAUDITED)
(IN MILLIONS)

| | Second Quarter 2015 | Second Quarter 2014 | First Quarter 2015 |
|--|---------------------------|---------------------------|--------------------------|
| <u>Income Statement</u> | | | |
| Revenues and Non-operating Income | | | |
| Sales and other operating revenues | \$ 1,953 | \$ 2,829 | \$ 1,538 |
| Gains on asset sales, net | — | 779 | — |
| Other, net | (18) | (25) | 12 |
| Total revenues and non-operating income | <u>1,935</u> | <u>3,583</u> | <u>1,550</u> |
| Costs and Expenses | | | |
| Cost of products sold (excluding items shown separately below) | 356 | 421 | 278 |
| Operating costs and expenses | 503 | 545 | 506 |
| Production and severance taxes | 45 | 78 | 36 |
| Exploration expenses, including dry holes and lease impairment | 90 | 460 | 269 |
| General and administrative expenses | 151 | 143 | 147 |
| Interest expense | 86 | 85 | 85 |
| Depreciation, depletion and amortization | 1,028 | 785 | 956 |
| Impairment | 385 | — | — |
| Total costs and expenses | <u>2,644</u> | <u>2,517</u> | <u>2,277</u> |
| Income (loss) from continuing operations before income taxes | (709) | 1,066 | (727) |
| Provision (benefit) for income taxes | (156) | 92 | (351) |
| Income (loss) from continuing operations | (553) | 974 | (376) |
| Income (loss) from discontinued operations, net of income taxes | (14) | (44) | (13) |
| Net income (loss) | (567) | 930 | (389) |
| Less: Net income (loss) attributable to noncontrolling interests | — | (1) | — |
| Net income (loss) attributable to Hess Corporation | <u>\$ (567)</u> | <u>\$ 931</u> | <u>\$ (389)</u> |

See "Discontinued Operations" on page 5 for basis of presentation.

Cash Flow Information

| | | | |
|---|-----------------|---------------|-----------------|
| Net cash provided by (used in) operating activities (*) | \$ 541 | \$ 911 | \$ 362 |
| Net cash provided by (used in) investing activities | (1,016) | 232 | (1,152) |
| Net cash provided by (used in) financing activities | (100) | (226) | (148) |
| Net increase (decrease) in cash and cash equivalents | <u>\$ (575)</u> | <u>\$ 917</u> | <u>\$ (938)</u> |

(*) Includes changes in working capital.

HESS CORPORATION AND CONSOLIDATED SUBSIDIARIES
SUPPLEMENTAL FINANCIAL DATA (UNAUDITED)
(IN MILLIONS)

| | First half | |
|--|-----------------|-----------------|
| | 2015 | 2014 |
| <u>Income Statement</u> | | |
| Revenues and Non-operating Income | | |
| Sales and other operating revenues | \$ 3,491 | \$ 5,502 |
| Gains on asset sales, net | — | 789 |
| Other, net | (6) | (116) |
| Total revenues and non-operating income | <u>3,485</u> | <u>6,175</u> |
| Costs and Expenses | | |
| Cost of products sold (excluding items shown separately below) | 634 | 785 |
| Operating costs and expenses | 1,009 | 1,040 |
| Production and severance taxes | 81 | 140 |
| Exploration expenses, including dry holes and lease impairment | 359 | 579 |
| General and administrative expenses | 298 | 285 |
| Interest expense | 171 | 166 |
| Depreciation, depletion and amortization | 1,984 | 1,511 |
| Impairment | 385 | — |
| Total costs and expenses | <u>4,921</u> | <u>4,506</u> |
| Income (loss) from continuing operations before income taxes | (1,436) | 1,669 |
| Provision (benefit) for income taxes | (507) | 331 |
| Income (loss) from continuing operations | (929) | 1,338 |
| Income (loss) from discontinued operations, net of income taxes | (27) | 13 |
| Net income (loss) | (956) | 1,351 |
| Less: Net income (loss) attributable to noncontrolling interests | — | 34 |
| Net income (loss) attributable to Hess Corporation | <u>\$ (956)</u> | <u>\$ 1,317</u> |

See "Discontinued Operations" on page 5 for basis of presentation.

Cash Flow Information

| | | |
|---|-------------------|---------------|
| Net cash provided by (used in) operating activities (*) | \$ 903 | \$ 2,069 |
| Net cash provided by (used in) investing activities | (2,168) | (30) |
| Net cash provided by (used in) financing activities | (248) | (1,648) |
| Net increase (decrease) in cash and cash equivalents | <u>\$ (1,513)</u> | <u>\$ 391</u> |

(*) Includes changes in working capital.

HESS CORPORATION AND CONSOLIDATED SUBSIDIARIES
SUPPLEMENTAL FINANCIAL DATA (UNAUDITED)
(IN MILLIONS)

| | June 30, 2015 | December 31, 2014 |
|--|------------------|----------------------|
| <u>Balance Sheet Information</u> | | |
| Cash and cash equivalents | \$ 931 | \$ 2,444 |
| Other current assets | 2,995 | 4,243 |
| Property, plant and equipment – net | 27,298 | 27,517 |
| Other long-term assets | 4,334 | 4,374 |
| Total assets | <u>\$ 35,558</u> | <u>\$ 38,578</u> |
| Current maturities of long-term debt | \$ 69 | \$ 68 |
| Other current liabilities | 3,424 | 4,783 |
| Long-term debt | 5,888 | 5,919 |
| Other long-term liabilities | 5,074 | 5,488 |
| Total equity excluding other comprehensive income (loss) | 22,539 | 23,730 |
| Accumulated other comprehensive income (loss) | (1,436) | (1,410) |
| Total liabilities and equity | <u>\$ 35,558</u> | <u>\$ 38,578</u> |

HESS CORPORATION AND CONSOLIDATED SUBSIDIARIES
SUPPLEMENTAL FINANCIAL DATA (UNAUDITED)
(IN MILLIONS)

| | Second Quarter 2015 | Second Quarter 2014 | First Quarter 2015 |
|---|---------------------------|---------------------------|--------------------------|
| <u>Capital and Exploratory Expenditures</u> | | | |
| Exploration and Production | | | |
| United States | | | |
| Bakken | \$ 331 | \$ 385 | \$ 434 |
| Other Onshore | 110 | 186 | 80 |
| Total Onshore | 441 | 571 | 514 |
| Offshore | 188 | 157 | 279 |
| Total United States | 629 | 728 | 793 |
| Europe | 82 | 162 | 115 |
| Africa | 58 | 119 | 88 |
| Asia and other | 237 | 199 | 248 |
| Capital and Exploratory Expenditures - Exploration and Production | 1,006 | 1,208 | 1,244 |
| Bakken Midstream | 65 | 48 | 40 |
| Total Capital and Exploratory Expenditures | <u>\$ 1,071</u> | <u>\$ 1,256</u> | <u>\$ 1,284</u> |
| Total exploration expenses charged to income included above | <u>\$ 58</u> | <u>\$ 54</u> | <u>\$ 47</u> |

| | First half | |
|---|-----------------|-----------------|
| | 2015 | 2014 |
| <u>Capital and Exploratory Expenditures</u> | | |
| Exploration and Production | | |
| United States | | |
| Bakken | \$ 765 | \$ 765 |
| Other Onshore | 190 | 355 |
| Total Onshore | 955 | 1,120 |
| Offshore | 467 | 319 |
| Total United States | 1,422 | 1,439 |
| Europe | 197 | 307 |
| Africa | 146 | 219 |
| Asia and other | 485 | 394 |
| Capital and Exploratory Expenditures - Exploration and Production | 2,250 | 2,359 |
| Bakken Midstream | 105 | 121 |
| Total Capital and Exploratory Expenditures | <u>\$ 2,355</u> | <u>\$ 2,480</u> |
| Total exploration expenses charged to income included above | <u>\$ 105</u> | <u>\$ 132</u> |

HESS CORPORATION AND CONSOLIDATED SUBSIDIARIES
EXPLORATION AND PRODUCTION EARNINGS (UNAUDITED)
(IN MILLIONS)

| | Second Quarter 2015 | | |
|--|---------------------|------------------|-----------------|
| | United States | International | Total |
| Sales and other operating revenues | \$ 1,259 | \$ 694 | \$ 1,953 |
| Other, net | (13) | (4) | (17) |
| Total revenues and non-operating income | 1,246 | 690 | 1,936 |
| Costs and Expenses | | | |
| Cost of products sold (excluding items shown separately below) | 382 | 4 | 386 |
| Operating costs and expenses | 181 | 254 | 435 |
| Production and severance taxes | 44 | 1 | 45 |
| Bakken Midstream tariffs | 116 | — | 116 |
| Exploration expenses, including dry holes and lease impairment | 48 | 42 | 90 |
| General and administrative expenses | 79 | 18 | 97 |
| Depreciation, depletion and amortization | 609 | 395 | 1,004 |
| Impairment | 385 | — | 385 |
| Total costs and expenses | 1,844 | 714 | 2,558 |
| Results of operations before income taxes | (598) | (24) | (622) |
| Provision (benefit) for income taxes | (69) | (51) | (120) |
| Net income (loss) attributable to Hess Corporation | \$ (529) (a) | \$ 27 (b) | \$ (502) |

| | Second Quarter 2014 | | |
|--|---------------------|-------------------|-----------------|
| | United States | International | Total |
| Sales and other operating revenues | \$ 1,653 | \$ 1,176 | \$ 2,829 |
| Gains on asset sales, net | 62 | 704 | 766 |
| Other, net | (12) | (16) | (28) |
| Total revenues and non-operating income | 1,703 | 1,864 | 3,567 |
| Costs and Expenses | | | |
| Cost of products sold (excluding items shown separately below) | 412 | 32 | 444 |
| Operating costs and expenses | 190 | 308 | 498 |
| Production and severance taxes | 67 | 11 | 78 |
| Bakken Midstream tariffs | 58 | — | 58 |
| Exploration expenses, including dry holes and lease impairment | 208 | 252 | 460 |
| General and administrative expenses | 68 | 9 | 77 |
| Depreciation, depletion and amortization | 413 | 349 | 762 |
| Total costs and expenses | 1,416 | 961 | 2,377 |
| Results of operations before income taxes | 287 | 903 | 1,190 |
| Provision (benefit) for income taxes | 114 | 27 | 141 |
| Net income (loss) attributable to Hess Corporation | \$ 173 (a) | \$ 876 (b) | \$ 1,049 |

(a) The after-tax realized results from crude oil hedging activities amounted to a loss of \$1 million in the second quarter of 2015 and a loss of \$2 million in the second quarter of 2014. Unrealized changes in crude oil hedging contracts which are included in Other operating revenues, amounted to a gain of \$3 million in the second quarter of 2015 and loss of \$2 million in the second quarter of 2014.

(b) The after-tax realized loss from crude oil hedging activities amounted to \$8 million in the second quarter of 2015 and loss of \$2 million in the second quarter of 2014. Unrealized changes in crude oil hedging contracts, which are included in Other operating revenues, amounted to a loss of \$16 million after-tax in the second quarter of 2015 and was immaterial in the second quarter of 2014.

HESS CORPORATION AND CONSOLIDATED SUBSIDIARIES
EXPLORATION AND PRODUCTION EARNINGS (UNAUDITED)
(IN MILLIONS)

| | First Quarter 2015 | | |
|--|--------------------|----------------|---------------------|
| | United States | International | Total |
| Sales and other operating revenues | \$ 937 | \$ 601 | \$ 1,538 |
| Other, net | (7) | 18 | 11 |
| Total revenues and non-operating income | 930 | 619 | 1,549 |
| Costs and Expenses | | | |
| Cost of products sold (excluding items shown separately below) | 344 | (38) | 306 |
| Operating costs and expenses | 213 | 230 | 443 |
| Production and severance taxes | 34 | 2 | 36 |
| Bakken Midstream tariffs | 102 | — | 102 |
| Exploration expenses, including dry holes and lease impairment | 36 | 233 | 269 |
| General and administrative expenses | 76 | 10 | 86 |
| Depreciation, depletion and amortization | 528 | 404 | 932 |
| Total costs and expenses | 1,333 | 841 | 2,174 |
| Results of operations before income taxes | (403) | (222) | (625) |
| Provision (benefit) for income taxes | (142) | (169) | (311) |
| Net income (loss) attributable to Hess Corporation | \$ (261) | \$ (53) | (a) \$ (314) |

(a) The after-tax realized gains from crude oil hedging activities amounted to \$1 million in the first quarter of 2015. Unrealized changes in crude oil hedging contracts, which are included in Other operating revenues, amounted to gain of \$10 million after-tax.

HESS CORPORATION AND CONSOLIDATED SUBSIDIARIES
EXPLORATION AND PRODUCTION EARNINGS (UNAUDITED)
(IN MILLIONS)

| | First Half 2015 | | |
|--|-----------------|--------------------|---------------------|
| | United States | International | Total |
| Sales and other operating revenues | \$ 2,196 | \$ 1,295 | \$ 3,491 |
| Other, net | (20) | 14 | (6) |
| Total revenues and non-operating income | 2,176 | 1,309 | 3,485 |
| Costs and Expenses | | | |
| Cost of products sold (excluding items shown separately below) | 726 | (34) | 692 |
| Operating costs and expenses | 394 | 484 | 878 |
| Production and severance taxes | 78 | 3 | 81 |
| Bakken Midstream tariffs | 218 | — | 218 |
| Exploration expenses, including dry holes and lease impairment | 84 | 275 | 359 |
| General and administrative expenses | 155 | 28 | 183 |
| Depreciation, depletion and amortization | 1,137 | 799 | 1,936 |
| Impairment | 385 | — | 385 |
| Total costs and expenses | 3,177 | 1,555 | 4,732 |
| Results of operations before income taxes | (1,001) | (246) | (1,247) |
| Provision (benefit) for income taxes | (211) | (220) | (431) |
| Net income (loss) attributable to Hess Corporation | \$ (790) | (a) \$ (26) | (b) \$ (816) |

| | First Half 2014 | | |
|--|-----------------|---------------------|---------------------|
| | United States | International | Total |
| Sales and other operating revenues | \$ 3,198 | \$ 2,304 | \$ 5,502 |
| Gains on asset sales, net | 62 | 714 | 776 |
| Other, net | (14) | (20) | (34) |
| Total revenues and non-operating income | 3,246 | 2,998 | 6,244 |
| Costs and Expenses | | | |
| Cost of products sold (excluding items shown separately below) | 826 | 11 | 837 |
| Operating costs and expenses | 371 | 565 | 936 |
| Production and severance taxes | 125 | 15 | 140 |
| Bakken Midstream tariffs | 77 | — | 77 |
| Exploration expenses, including dry holes and lease impairment | 255 | 324 | 579 |
| General and administrative expenses | 124 | 31 | 155 |
| Depreciation, depletion and amortization | 764 | 710 | 1,474 |
| Total costs and expenses | 2,542 | 1,656 | 4,198 |
| Results of operations before income taxes | 704 | 1,342 | 2,046 |
| Provision for income taxes | 278 | 198 | 476 |
| Net income (loss) attributable to Hess Corporation | \$ 426 | (a) \$ 1,144 | (b) \$ 1,570 |

- (a) The after-tax realized loss from crude oil hedging activities amounted to \$1 million in the first six months of 2015 and a loss of \$2 million in the first six months of 2014. Unrealized changes in crude oil hedging contracts, which are included in Other operating revenues, amounted to gains of \$3 million after-tax in the first six months of 2015 and a loss of \$2 million after-tax in the first six months of 2014.
- (b) The after-tax realized loss from crude oil hedging activities amounted to \$7 million in the first six months of 2015 and was immaterial in the first six months of 2014. Unrealized changes in crude oil hedging contracts, which are included in Other operating revenues, amounted to a loss of \$6 million after-tax in the first six months of 2015 and gain of \$3 million after-tax in the first six months of 2014.

HESS CORPORATION AND CONSOLIDATED SUBSIDIARIES
EXPLORATION AND PRODUCTION SUPPLEMENTAL OPERATING DATA (UNAUDITED)

| | Second Quarter 2015 | Second Quarter 2014 | First Quarter 2015 |
|--|---------------------------|---------------------------|--------------------------|
| <u>Operating Data</u> | | | |
| <u>Net Production Per Day (in thousands)</u> | | | |
| Crude oil - barrels | | | |
| United States | | | |
| Bakken | 85 | 64 | 79 |
| Other Onshore | 11 | 9 | 11 |
| Total Onshore | 96 | 73 | 90 |
| Offshore | 61 | 54 | 50 |
| Total United States | 157 | 127 | 140 |
| Europe | 39 | 36 | 36 |
| Africa | 48 | 51 | 52 |
| Asia | 2 | 2 | 2 |
| Total | 246 | 216 | 230 |
| Natural gas liquids - barrels | | | |
| United States | | | |
| Bakken | 22 | 8 | 19 |
| Other Onshore | 12 | 5 | 9 |
| Total Onshore | 34 | 13 | 28 |
| Offshore | 6 | 7 | 6 |
| Total United States | 40 | 20 | 34 |
| Europe | 2 | 1 | 1 |
| Total | 42 | 21 | 35 |
| Natural gas - mcf | | | |
| United States | | | |
| Bakken | 71 | 48 | 58 |
| Other Onshore | 95 | 50 | 79 |
| Total Onshore | 166 | 98 | 137 |
| Offshore | 98 | 83 | 65 |
| Total United States | 264 | 181 | 202 |
| Europe | 41 | 35 | 36 |
| Asia and other | 312 | 275 | 336 |
| Total | 617 | 491 | 574 |
| Barrels of oil equivalent | 391 | 319 | 361 |

HESS CORPORATION AND CONSOLIDATED SUBSIDIARIES
EXPLORATION AND PRODUCTION SUPPLEMENTAL OPERATING DATA (UNAUDITED)

| | First half | |
|--|------------|------|
| | 2015 | 2014 |
| <u>Operating Data</u> | | |
| <u>Net Production Per Day (in thousands)</u> | | |
| Crude oil - barrels | | |
| United States | | |
| Bakken | 82 | 61 |
| Other Onshore | 11 | 9 |
| Total Onshore | 93 | 70 |
| Offshore | 55 | 53 |
| Total United States | 148 | 123 |
| Europe | 38 | 37 |
| Africa | 50 | 49 |
| Asia | 2 | 4 |
| Total | 238 | 213 |
| Natural gas liquids - barrels | | |
| United States | | |
| Bakken | 21 | 5 |
| Other Onshore | 10 | 4 |
| Total Onshore | 31 | 9 |
| Offshore | 6 | 7 |
| Total United States | 37 | 16 |
| Europe | 1 | 1 |
| Total | 38 | 17 |
| Natural gas - mcf | | |
| United States | | |
| Bakken | 65 | 31 |
| Other Onshore | 87 | 38 |
| Total Onshore | 152 | 69 |
| Offshore | 82 | 81 |
| Total United States | 234 | 150 |
| Europe | 39 | 36 |
| Asia and other | 324 | 345 |
| Total | 597 | 531 |
| Barrels of oil equivalent | 376 | 319 |

HESS CORPORATION AND CONSOLIDATED SUBSIDIARIES
EXPLORATION AND PRODUCTION SUPPLEMENTAL OPERATING DATA (UNAUDITED)

| | Second Quarter 2015 | Second Quarter 2014 | First Quarter 2015 |
|---|---------------------------|---------------------------|--------------------------|
| <u>Sales Volumes Per Day (in thousands)</u> | | | |
| Crude oil - barrels | 250 | 222 | 219 |
| Natural gas liquids - barrels | 42 | 21 | 35 |
| Natural gas - mcf | 617 | 491 | 574 |
| Barrels of oil equivalent | <u>395</u> | <u>325</u> | <u>349</u> |

| | | | |
|-------------------------------------|---------------|---------------|---------------|
| <u>Sales Volumes (in thousands)</u> | | | |
| Crude oil - barrels | 22,729 | 20,193 | 19,708 |
| Natural gas liquids - barrels | 3,848 | 1,942 | 3,119 |
| Natural gas - mcf | 56,179 | 44,662 | 51,641 |
| Barrels of oil equivalent | <u>35,940</u> | <u>29,578</u> | <u>31,434</u> |

| | First half | |
|---|------------|------------|
| | 2015 | 2014 |
| <u>Sales Volumes Per Day (in thousands)</u> | | |
| Crude oil - barrels | 234 | 210 |
| Natural gas liquids - barrels | 38 | 17 |
| Natural gas - mcf | 596 | 530 |
| Barrels of oil equivalent | <u>372</u> | <u>315</u> |

| | | |
|-------------------------------------|---------------|---------------|
| <u>Sales Volumes (in thousands)</u> | | |
| Crude oil - barrels | 42,436 | 37,943 |
| Natural gas liquids - barrels | 6,967 | 3,064 |
| Natural gas - mcf | 107,820 | 96,019 |
| Barrels of oil equivalent | <u>67,373</u> | <u>57,010</u> |

HESS CORPORATION AND CONSOLIDATED SUBSIDIARIES
EXPLORATION AND PRODUCTION SUPPLEMENTAL OPERATING DATA (UNAUDITED)

| | Second Quarter 2015 | Second Quarter 2014 | First Quarter 2015 |
|--|---------------------------|---------------------------|--------------------------|
| <u>Operating Data</u> | | | |
| <u>Average Selling Prices</u> | | | |
| Crude oil - per barrel (including hedging) | | | |
| United States | | | |
| Onshore | \$ 50.33 | \$ 93.84 | \$ 39.01 |
| Offshore | 57.82 | 100.42 | 43.55 |
| Total United States | 53.25 | 96.62 | 40.62 |
| Europe | 60.88 | 111.03 | 53.31 |
| Africa | 59.70 | 108.83 | 52.93 |
| Asia | 59.37 | 106.33 | 48.44 |
| Worldwide | 55.83 | 102.16 | 45.08 |
| Crude oil - per barrel (excluding hedging) | | | |
| United States | | | |
| Onshore | \$ 50.54 | \$ 93.84 | \$ 39.01 |
| Offshore | 57.82 | 101.09 | 43.55 |
| Total United States | 53.38 | 96.90 | 40.62 |
| Europe | 62.39 | 111.39 | 53.17 |
| Africa | 61.00 | 109.10 | 52.82 |
| Asia | 59.37 | 106.33 | 48.44 |
| Worldwide | 56.40 | 102.45 | 45.04 |
| Natural gas liquids - per barrel | | | |
| United States | | | |
| Onshore | \$ 9.47 | \$ 36.99 | \$ 14.22 |
| Offshore | 15.82 | 32.21 | 15.71 |
| Total United States | 10.46 | 35.39 | 14.47 |
| Europe | 27.53 | 55.77 | 27.58 |
| Worldwide | 11.06 | 36.59 | 14.91 |
| Natural gas - per mcf | | | |
| United States | | | |
| Onshore | \$ 1.81 | \$ 4.36 | \$ 2.07 |
| Offshore | 2.13 | 4.01 | 2.31 |
| Total United States | 1.93 | 4.22 | 2.15 |
| Europe | 7.35 | 10.51 | 7.95 |
| Asia and other | 6.27 | 7.24 | 5.95 |
| Worldwide | 4.49 | 6.35 | 4.74 |

HESS CORPORATION AND CONSOLIDATED SUBSIDIARIES
EXPLORATION AND PRODUCTION SUPPLEMENTAL OPERATING DATA (UNAUDITED)

| | First half | |
|--|------------|----------|
| | 2015 | 2014 |
| <u>Operating Data</u> | | |
| <u>Average Selling Prices</u> | | |
| Crude oil - per barrel (including hedging) | | |
| United States | | |
| Onshore | \$ 44.85 | \$ 91.67 |
| Offshore | 52.11 | 99.89 |
| Total United States | 47.56 | 95.19 |
| Europe | 57.42 | 110.10 |
| Africa | 56.54 | 108.65 |
| Asia | 56.85 | 104.66 |
| Worldwide | 50.99 | 100.96 |
| Crude oil - per barrel (excluding hedging) | | |
| United States | | |
| Onshore | \$ 44.97 | \$ 91.67 |
| Offshore | 52.11 | 100.24 |
| Total United States | 47.63 | 95.33 |
| Europe | 58.18 | 110.06 |
| Africa | 57.18 | 108.62 |
| Asia | 56.85 | 104.66 |
| Worldwide | 51.28 | 101.03 |
| Natural gas liquids - per barrel | | |
| United States | | |
| Onshore | \$ 11.58 | \$ 40.91 |
| Offshore | 15.77 | 33.14 |
| Total United States | 12.26 | 37.54 |
| Europe | 27.56 | 60.16 |
| Worldwide | 12.78 | 39.41 |
| Natural gas - per mcf | | |
| United States | | |
| Onshore | \$ 1.93 | \$ 4.87 |
| Offshore | 2.20 | 4.18 |
| Total United States | 2.03 | 4.52 |
| Europe | 7.63 | 11.01 |
| Asia and other | 6.11 | 7.23 |
| Worldwide | 4.61 | 6.72 |

The following is summary of the Corporation's commodity hedging program:

| | Brent | West Texas Intermediate |
|--|-------------------|-------------------------|
| <u>Q3 and Q4 2015 Hedging program:</u> | | |
| Daily production(bopd) | 50,000 | 20,000 |
| Ceiling price | \$80 | \$80 |
| Floor price | \$60 | \$60 |
| Program finishing date | December 31, 2015 | December 31, 2015 |

HESS CORPORATION AND CONSOLIDATED SUBSIDIARIES
BAKKEN MIDSTREAM EARNINGS (UNAUDITED)
(IN MILLIONS)

| | Second Quarter 2015 | Second Quarter 2014 | First Quarter 2015 |
|--|---------------------------|---------------------------|--------------------------|
| <u>Income Statement</u> | | | |
| Revenues and Non-operating Income | | | |
| Total revenues and non-operating income | \$ 145 | \$ 81 | \$ 130 |
| Costs and Expenses | | | |
| Operating costs and expenses | 68 | 47 | 63 |
| General and administrative expenses | 3 | 2 | 2 |
| Depreciation, depletion and amortization | 22 | 20 | 21 |
| Interest expense | 1 | 1 | 1 |
| Total costs and expenses | <u>94</u> | <u>70</u> | <u>87</u> |
| Results of operations before income taxes | 51 | 11 | 43 |
| Provision (benefit) for income taxes | 19 | 4 | 16 |
| Net income (loss) attributable to Hess Corporation | <u>\$ 32</u> | <u>\$ 7</u> | <u>\$ 27</u> |

| | First half | |
|--|--------------|---------------|
| | 2015 | 2014 |
| <u>Income Statement</u> | | |
| Revenues and Non-operating Income | | |
| Total revenues and non-operating income | \$ 275 | \$ 129 |
| Costs and Expenses | | |
| Operating costs and expenses | 131 | 104 |
| General and administrative expenses | 5 | 4 |
| Depreciation, depletion and amortization | 43 | 29 |
| Interest expense | 2 | 1 |
| Total costs and expenses | <u>181</u> | <u>138</u> |
| Results of operations before income taxes | 94 | (9) |
| Provision (benefit) for income taxes | 35 | (3) |
| Net income (loss) attributable to Hess Corporation | <u>\$ 59</u> | <u>\$ (6)</u> |

The reported amounts above represent 100 percent of the Bakken Midstream operating segment. On July 1, 2015, the Corporation completed the sale of a 50 percent interest in its Bakken Midstream segment. Our partner's 50 percent share of net income will be presented as a noncontrolling interest charge in the Bakken Midstream income statements beginning in the third quarter of 2015.