

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

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**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 28, 2010

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**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))

**Item 2.02. Results of Operations and Financial Condition.**

On July 28, 2010, Hess Corporation issued a news release reporting estimated results for the second quarter of 2010. A copy of this news release is attached hereto as Exhibit 99(1) and is hereby incorporated by reference.

**Item 7.01. Regulation FD Disclosure.**

Furnished hereunder are the prepared remarks of John B. Hess, Chairman of the Board of Directors and Chief Executive Officer of Hess Corporation at a public conference call held on July 28, 2010. A copy of his remarks is attached as Exhibit 99(2) and is incorporated herein by reference.

**Item 9.01. Financial Statements and Exhibits.**

(c) Exhibits

99(1) News release dated July 28, 2010 reporting estimated results for the second quarter of 2010.

99(2) Prepared remarks of John B. Hess, Chairman of the Board of Directors and Chief Executive Officer.

**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 28, 2010

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 28, 2010 reporting estimated results for the second quarter of 2010.
99(2)	Prepared remarks of John B. Hess, Chairman of the Board of Directors and Chief Executive Officer.

## Hess Reports Estimated Results for the Second Quarter of 2010

## Second Quarter Highlights:

- *Net Income was \$375 million compared with \$100 million in the second quarter 2009*
- *Oil and gas production was 415,000 barrels per day, compared with 407,000 in the second quarter 2009*
- *Net cash provided by operating activities was \$981 million, up from \$616 million in the second quarter 2009*
- *Capital and exploratory expenditures were \$963 million, up from \$780 million in the second quarter 2009*

NEW YORK--(BUSINESS WIRE)--July 28, 2010--Hess Corporation (NYSE: HES) reported net income of \$375 million for the second quarter of 2010 compared with net income of \$100 million for the second quarter of 2009. The after-tax income (loss) by major operating activity was as follows:

	Three Months Ended June 30, (unaudited)		Six Months Ended June 30, (unaudited)	
	2010	2009	2010	2009
	(In millions, except per share amounts)			
Exploration and Production	\$ 488	\$ 215	\$ 1,039	\$ 151
Marketing and Refining	(19)	(30)	68	72
Corporate	(42)	(26)	(90)	(75)
Interest expense	(52)	(59)	(104)	(107)
Net income attributable to Hess Corporation	<u>\$ 375</u>	<u>\$ 100</u>	<u>\$ 913</u>	<u>\$ 41</u>
Net income per share (diluted)	<u>\$ 1.15</u>	<u>\$ .31</u>	<u>\$ 2.79</u>	<u>\$ .13</u>
Weighted average number of shares (diluted)	<u>327.5</u>	<u>325.8</u>	<u>327.2</u>	<u>325.7</u>

Note: See the following page for a table of items affecting the comparability of earnings between periods.

Exploration and Production earnings were \$488 million in the second quarter of 2010 compared with \$215 million in the second quarter of 2009. The Corporation's oil and gas production was 415,000 barrels of oil equivalent per day in the second quarter of 2010, an increase of 2 percent from the second quarter of 2009. The Corporation's average worldwide crude oil selling price, including the effect of hedging, was \$64.81 per barrel in the second quarter of 2010 compared with \$49.27 per barrel in the second quarter of 2009. The Corporation's average worldwide natural gas selling price was \$5.57 per Mcf in the second quarter of 2010 compared with \$4.56 per Mcf in the second quarter of 2009.

Marketing and Refining generated a loss of \$19 million in the second quarter of 2010 compared with a loss of \$30 million in the second quarter of 2009. Refining operations incurred a loss of \$31 million compared with a loss of \$26 million in the second quarter of 2009. During the second quarter of 2010, the Port Reading refining facility was shutdown for 41 days for a scheduled turnaround. The after-tax expenses for the Port Reading turnaround were approximately \$27 million in the second quarter. Marketing earnings were \$17 million, an increase of \$30 million from the second quarter of 2009 primarily due to higher margins. Trading activities generated a loss of \$5 million, compared with income of \$9 million in the second quarter of 2009.

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2010	2009	2010	2009
Exploration and Production	\$ -	\$ (31)	\$ 58	\$ (44)
Corporate	-	-	(7)	(16)
	<u>\$ -</u>	<u>\$ (31)</u>	<u>\$ (51)</u>	<u>\$ (60)</u>

Net cash provided by operating activities was \$981 million compared with \$616 million in the second quarter of 2009. Capital and exploratory expenditures were \$963 million in the second quarter of 2010, of which \$930 million related to Exploration and Production operations. Capital and exploratory expenditures for the second quarter of 2009 were \$780 million, of which \$765 million related to Exploration and Production operations.

At June 30, 2010, cash and cash equivalents totaled \$1,363 million compared with \$1,362 million at December 31, 2009. Total debt was \$4,326 million at June 30, 2010 and \$4,467 million at December 31, 2009. The Corporation's debt to capitalization ratio at June 30, 2010 was 22.9 percent compared with 24.8 percent at the end of 2009.

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

Hess Corporation, with headquarters in New York, is a leading global independent energy company engaged in the exploration for and production of crude oil and natural gas, as well as in refining and in marketing refined petroleum products, natural gas and electricity. More information on Hess Corporation is available at [www.hess.com](http://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.

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

	Second Quarter 2010	Second Quarter 2009	First Quarter 2010
<u>Income Statement</u>			
Revenues and Non-operating Income			
Sales (excluding excise taxes) and other operating revenues	\$ 7,732	\$ 6,751	\$ 9,259
Equity in income (loss) of HOVENSA L.L.C.	(6)	(75)	(85)
Other, net	24	79	46
Total revenues and non-operating income	<u>7,750</u>	<u>6,755</u>	<u>9,220</u>
Costs and Expenses			
Cost of products sold (excluding items shown separately below)	5,316	4,705	6,540
Production expenses	440	444	477
Marketing expenses	245	245	253
Exploration expenses, including dry holes and lease impairment	172	312	151
Other operating expenses	80	43	52
General and administrative expenses	159	136	155
Interest expense	83	95	84
Depreciation, depletion and amortization	558	558	542
Total costs and expenses	<u>7,053</u>	<u>6,538</u>	<u>8,254</u>
Income before income taxes	697	217	966
Provision for income taxes	301	115	398
Net income	396	102	568
Less: Net income attributable to noncontrolling interests	21	2	30
Net income attributable to Hess Corporation	<u>\$ 375</u>	<u>\$ 100</u>	<u>\$ 538</u>
<u>Supplemental Income Statement Information</u>			
Foreign currency gains (losses), after-tax	\$ (4)	\$ 6	\$ (1)
Capitalized interest	1	2	1
<u>Cash Flow Information</u>			
Net cash provided by operating activities (*)	\$ 981	\$ 616	\$ 825
<u>Capital and Exploratory Expenditures</u>			
Exploration and Production			
United States	\$ 399	\$ 295	\$ 337
International	531	470	504
Total Exploration and Production	930	765	841
Marketing, Refining and Corporate	33	15	20
Total Capital and Exploratory Expenditures	<u>\$ 963</u>	<u>\$ 780</u>	<u>\$ 861</u>
Exploration expenses charged to income included above			
United States	\$ 21	\$ 47	\$ 41
International	41	48	32
	<u>\$ 62</u>	<u>\$ 95</u>	<u>\$ 73</u>

(\*) Includes changes in working capital

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

	First Half	
	2010	2009
<u>Income Statement</u>		
Revenues and Non-operating Income		
Sales (excluding excise taxes) and other operating revenues	\$ 16,991	\$ 13,666
Equity in income (loss) of HOVENSA L.L.C.	(91)	(116)
Other, net	70	77
Total revenues and non-operating income	16,970	13,627
Costs and Expenses		
Cost of products sold (excluding items shown separately below)	11,856	9,887
Production expenses	917	853
Marketing expenses	498	502
Exploration expenses, including dry holes and lease impairment	323	505
Other operating expenses	132	91
General and administrative expenses	314	296
Interest expense	167	172
Depreciation, depletion and amortization	1,100	1,044
Total costs and expenses	15,307	13,350
Income before income taxes	1,663	277
Provision for income taxes	699	192
Net income	964	85
Less: Net income attributable to noncontrolling interests	51	44
Net income attributable to Hess Corporation	\$ 913	\$ 41
<u>Supplemental Income Statement Information</u>		
Foreign currency gains (losses), after-tax	\$ (5)	\$ (4)
Capitalized interest	2	3
<u>Cash Flow Information</u>		
Net cash provided by operating activities (*)	\$ 1,806	\$ 1,241
<u>Capital and Exploratory Expenditures</u>		
Exploration and Production		
United States	\$ 736	\$ 610
International	1,035	914
Total Exploration and Production	1,771	1,524
Marketing, Refining and Corporate	53	61
Total Capital and Exploratory Expenditures	\$ 1,824	\$ 1,585
Exploration expenses charged to income included above		
United States	\$ 62	\$ 100
International	73	96
Total	\$ 135	\$ 196

(\*) Includes changes in working capital



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

<u>Balance Sheet Information</u>	June 30, 2010	December 31, 2009
Cash and cash equivalents	\$ 1,363	\$ 1,362
Other current assets	6,933	6,625
Investments	864	913
Property, plant and equipment – net	16,535	16,627
Other long-term assets	3,805	3,938
Total assets	\$ 29,500	\$ 29,465
Current maturities of long-term debt	\$ 33	\$ 148
Other current liabilities	6,297	6,702
Long-term debt	4,293	4,319
Other long-term liabilities	4,347	4,768
Total equity excluding other comprehensive income (loss)	16,133	15,203
Accumulated other comprehensive income (loss)	(1,603)	(1,675)
Total liabilities and equity	\$ 29,500	\$ 29,465

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

	Second Quarter 2010		
	United States	International	Total
Sales and other operating revenues	\$ 570	\$ 1,489	\$ 2,059
Other, net	5	9	14
<b>Total revenues and non-operating income</b>	<b>575</b>	<b>1,498</b>	<b>2,073</b>
Costs and expenses			
Production expenses, including related taxes	113	328	441
Exploration expenses, including dry holes and lease impairment	60	112	172
General, administrative and other expenses	32	32	64
Depreciation, depletion and amortization	157	377	534
<b>Total costs and expenses</b>	<b>362</b>	<b>849</b>	<b>1,211</b>
Results of operations before income taxes	213	649	862
Provision for income taxes	84	290	374
<b>Results of operations attributable to Hess Corporation</b>	<b>\$ 129</b>	<b>\$ 359</b>	<b>\$ 488</b>
	Second Quarter 2009		
	United States	International	Total
Sales and other operating revenues	\$ 358	\$ 1,341	\$ 1,699
Other, net	(3)	60	57
<b>Total revenues and non-operating income</b>	<b>355</b>	<b>1,401</b>	<b>1,756</b>
Costs and expenses			
Production expenses, including related taxes	109	335	444
Exploration expenses, including dry holes and lease impairment	139	173	312
General, administrative and other expenses	33	28	61
Depreciation, depletion and amortization	105	433	538
<b>Total costs and expenses</b>	<b>386</b>	<b>969</b>	<b>1,355</b>
Results of operations before income taxes	(31)	432	401
Provision (benefit) for income taxes	(11)	197	186
<b>Results of operations attributable to Hess Corporation</b>	<b>\$ (20)</b>	<b>\$ 235</b>	<b>\$ 215</b>
	First Quarter 2010		
	United States	International	Total
Sales and other operating revenues	\$ 582	\$ 1,532	\$ 2,114
Other, net	(1)	55	54
<b>Total revenues and non-operating income</b>	<b>581</b>	<b>1,587</b>	<b>2,168</b>
Costs and expenses			
Production expenses, including related taxes	116	361	477
Exploration expenses, including dry holes and lease impairment	78	73	151
General, administrative and other expenses	36	31	67
Depreciation, depletion and amortization	136	383	519
<b>Total costs and expenses</b>	<b>366</b>	<b>848</b>	<b>1,214</b>
Results of operations before income taxes	215	739	954
Provision for income taxes	77	326	403
<b>Results of operations attributable to Hess Corporation</b>	<b>\$ 138</b>	<b>\$ 413</b>	<b>\$ 551</b>

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

	First Half 2010		
	United States	International	Total
	\$	\$	\$
Sales and other operating revenues	1,152	3,021	4,173
Other, net	4	64	68
<b>Total revenues and non-operating income</b>	<b>1,156</b>	<b>3,085</b>	<b>4,241</b>
Costs and expenses			
Production expenses, including related taxes	229	689	918
Exploration expenses, including dry holes and lease impairment	138	185	323
General, administrative and other expenses	68	63	131
Depreciation, depletion and amortization	293	760	1,053
<b>Total costs and expenses</b>	<b>728</b>	<b>1,697</b>	<b>2,425</b>
Results of operations before income taxes	428	1,388	1,816
Provision for income taxes	161	616	777
<b>Results of operations attributable to Hess Corporation</b>	<b>\$ 267</b>	<b>\$ 772</b>	<b>\$ 1,039</b>
	First Half 2009		
	United States	International	Total
	\$	\$	\$
Sales and other operating revenues	525	2,305	2,830
Other, net	(5)	70	65
<b>Total revenues and non-operating income</b>	<b>520</b>	<b>2,375</b>	<b>2,895</b>
Costs and expenses			
Production expenses, including related taxes	221	632	853
Exploration expenses, including dry holes and lease impairment	250	255	505
General, administrative and other expenses	60	57	117
Depreciation, depletion and amortization	162	841	1,003
<b>Total costs and expenses</b>	<b>693</b>	<b>1,785</b>	<b>2,478</b>
Results of operations before income taxes	(173)	590	417
Provision (benefit) for income taxes	(64)	330	266
<b>Results of operations attributable to Hess Corporation</b>	<b>\$ (109)</b>	<b>\$ 260</b>	<b>\$ 151</b>

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

	Second Quarter 2010	Second Quarter 2009	First Quarter 2010
<u>Operating Data</u>			
<u>Net Production Per Day (in thousands)</u>			
Crude oil - barrels			
United States	73	58	71
Europe	81	76	86
Africa	118	124	118
Asia and other	14	16	14
Total	<u>286</u>	<u>274</u>	<u>289</u>
Natural gas liquids - barrels			
United States	12	10	13
Europe	3	3	3
Asia and other	1	1	1
Total	<u>16</u>	<u>14</u>	<u>17</u>
Natural gas - mcf			
United States	102	92	97
Europe	140	160	156
Asia and other	437	459	452
Total	<u>679</u>	<u>711</u>	<u>705</u>
Barrels of oil equivalent			
	<u>415</u>	<u>407</u>	<u>423</u>
<u>Average Selling Price</u>			
Crude oil - per barrel (including hedging)*			
United States	\$ 72.99	\$ 55.53	\$ 74.40
Europe	56.21	47.41	55.25
Africa	63.54	47.16	62.38
Asia and other	78.01	55.84	71.67
Worldwide	64.81	49.27	63.62
Crude oil - per barrel (excluding hedging)			
United States	\$ 72.99	\$ 55.53	\$ 74.40
Europe	56.21	47.41	55.25
Africa	77.03	57.13	75.96
Asia and other	78.01	55.84	71.67
Worldwide	70.15	54.03	69.06
Natural gas liquids - per barrel			
United States	\$ 45.84	\$ 31.03	\$ 51.11
Europe	54.61	36.51	59.38
Asia and other	60.89	35.92	63.92
Worldwide	48.10	32.97	52.93
Natural gas - per mcf			
United States	\$ 3.65	\$ 3.26	\$ 4.63
Europe	5.35	4.53	5.41
Asia and other	6.09	4.82	6.37
Worldwide	5.57	4.56	5.92

\* The after-tax losses from crude oil hedging activities were \$84 million in the second quarter of 2010, \$83 million in the second quarter of 2009 and first quarter of 2010.

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

	First Half	
	2010	2009
<u>Operating Data</u>		
<u>Net Production Per Day (in thousands)</u>		
Crude oil - barrels		
United States	72	45
Europe	83	82
Africa	118	125
Asia and other	14	16
Total	<u>287</u>	<u>268</u>
Natural gas liquids - barrels		
United States	12	10
Europe	3	3
Asia and other	1	-
Total	<u>16</u>	<u>13</u>
Natural gas - mcf		
United States	100	85
Europe	148	170
Asia and other	445	449
Total	<u>693</u>	<u>704</u>
Barrels of oil equivalent	<u>419</u>	<u>398</u>
<u>Average Selling Price</u>		
Crude oil - per barrel (including hedging)*		
United States	\$ 73.68	\$ 49.56
Europe	55.72	41.09
Africa	62.96	40.29
Asia and other	75.99	51.50
Worldwide	64.22	42.62
Crude oil - per barrel (excluding hedging)		
United States	\$ 73.68	\$ 49.56
Europe	55.72	41.09
Africa	76.50	51.58
Asia and other	75.99	51.50
Worldwide	69.61	47.84
Natural gas liquids - per barrel		
United States	\$ 48.50	\$ 30.12
Europe	57.00	36.61
Asia and other	62.11	35.92
Worldwide	50.51	32.25
Natural gas - per mcf		
United States	\$ 4.12	\$ 3.61
Europe	5.38	5.56
Asia and other	6.23	4.76
Worldwide	5.75	4.82

\* The after-tax losses from hedging activities were \$167 million for the six months ended June 30, 2010 and \$165 million for the six months ended June 30, 2009.

**HESS CORPORATION AND CONSOLIDATED SUBSIDIARIES**  
**MARKETING AND REFINING SUPPLEMENTAL FINANCIAL AND OPERATING DATA (UNAUDITED)**

	Second Quarter 2010	Second Quarter 2009	First Quarter 2010
<u>Financial Information (in millions of dollars)</u>			
<u>Marketing and Refining Results</u>			
Income (loss) before income taxes	\$ (37)	\$ (56)	\$ 139
Provision (benefit) for income taxes	(18)	(26)	52
Results of operations attributable to Hess Corporation	<u>\$ (19)</u>	<u>\$ (30)</u>	<u>\$ 87</u>
<u>Summary of Marketing and Refining Results</u>			
Refining	\$ (31)	\$ (26)	\$ (56)
Marketing	17	(13)	121
Trading	(5)	9	22
Results of operations attributable to Hess Corporation	<u>\$ (19)</u>	<u>\$ (30)</u>	<u>\$ 87</u>
<u>Operating Data (barrels and gallons in thousands)</u>			
<u>Refined Product Sales (barrels per day)</u>			
Gasoline	238	223	251
Distillates	112	126	126
Residuals	57	65	86
Other	28	41	51
Total	<u>435</u>	<u>455</u>	<u>514</u>
<u>Refinery Throughput (barrels per day)</u>			
HOVENSA - Crude runs	392	442	375
HOVENSA - Hess 50% share	196	221	188
Port Reading	35	65	62
<u>Refinery Utilization</u>			
	<u>Refinery Capacity</u>		
HOVENSA	(barrels per day)		
Crude	500	78.5%	88.4%
FCC	150	86.8%	71.2%
Coker	58	81.9%	91.2%
Port Reading	70	49.7%	93.0%
<u>Retail Marketing</u>			
Number of retail stations (a)	1,358	1,355	1,359
Convenience store revenue (in millions of dollars) (b)	\$ 317	\$ 300	\$ 276
Average gasoline volume per station (gallons per month) (b)	203	209	188

(a) Includes company operated, Wilco-Hess, dealer and branded retailer.

(b) Company operated only.

**HESS CORPORATION AND CONSOLIDATED SUBSIDIARIES**  
**MARKETING AND REFINING SUPPLEMENTAL FINANCIAL AND OPERATING DATA (UNAUDITED)**

	First Half	
	2010	2009
<u>Financial Information (in millions of dollars)</u>		
<u>Marketing and Refining Results</u>		
Income (loss) before income taxes	\$ 102	\$ 106
Provision for income taxes	34	34
Results of operations attributable to Hess Corporation	\$ 68	\$ 72
<u>Summary of Marketing and Refining Results</u>		
Refining	\$ (87)	\$ (44)
Marketing	138	88
Trading	17	28
Results of operations attributable to Hess Corporation	\$ 68	\$ 72
<u>Operating Data (barrels and gallons in thousands)</u>		
<u>Refined Product Sales (barrels per day)</u>		
Gasoline	245	225
Distillates	119	138
Residuals	71	75
Other	39	40
Total	474	478
<u>Refinery Throughput (barrels per day)</u>		
HOVENSA - Crude runs	384	426
HOVENSA - Hess 50% share	192	213
Port Reading	48	64
<u>Refinery Utilization</u>		
	<u>Refinery Capacity</u>	
	(barrels per day)	
HOVENSA		
Crude	500	76.8%
FCC	150	64.1%
Coker	58	83.4%
Port Reading	70	69.1%
		85.2%
		71.3%
		85.9%
		90.6%
<u>Retail Marketing</u>		
Number of retail stations (a)	1,358	1,355
Convenience store revenue (in millions of dollars) (b)	\$ 593	\$ 555
Average gasoline volume per station (gallons per month) (b)	195	204

(a) Includes company operated, Wilco-Hess, dealer and branded retailer.

(b) Company operated only.

**CONTACT:**

**Hess Corporation**

**Investors:**

**Jay Wilson, 212-536-8940**

**or**

**Media:**

**Jon Pepper, 212-536-8550**

## 2010 Second Quarter Earnings Conference Call

Thank you Jay, and welcome to our second quarter conference call. I will make a few brief comments after which John Rielly will review our financial results.

Net income for the second quarter of 2010 was \$375 million versus \$100 million a year ago. Our results were positively impacted by higher crude oil and natural gas selling prices and lower exploration expense compared to the year ago quarter.

Exploration and Production earned \$488 million. Crude oil and natural gas production averaged 415 thousand barrels of oil equivalent per day, which was 2 percent above the year ago period. Higher year-over-year production resulted primarily from increased volumes from the Shenzi Field in the deepwater Gulf of Mexico and the Valhall Field in Norway.

Net production from the Bakken is currently more than 16 thousand barrels of oil equivalent per day and we remain on track to exit this year at a net rate of about 20 thousand barrels of oil equivalent per day. We added three additional rigs during the second quarter and currently have eight rigs dedicated to drilling Bakken wells.

As a result of strong year to date production performance, we have raised our full year 2010 production forecast to a range of 405 to 415 thousand barrels of oil equivalent per day, from our previously forecasted range of 400 to 410 thousand barrels of oil equivalent per day.

Regarding the recent tragic accident in the deepwater Gulf of Mexico, we are deeply saddened by the devastating loss of life, ecological damage to the Gulf Coast and severe economic impact on local communities. While our company believes we have extremely high performance requirements for the safety of drilling operations, we and our industry need to do all we can to learn from this disaster and to take the necessary precautions to ensure such a tragedy never happens again.

The near-term impact of the moratorium on Hess is expected to be relatively minimal. Our only operated rig in the Gulf of Mexico, the Stena Forth, left the Pony #3 location on Green Canyon 469 in June as part of a preexisting farm-out agreement. We anticipate completing the Pony #3 well as soon as practicable following the lifting of the moratorium. The drilling of a production well at the Shenzi Field, in which Hess has a 28 percent interest, was suspended as a result of the moratorium, but this delay is expected to have only a very modest impact to our 2010 production.

In June we announced our intent to preempt BP on their acquisition of Total's interests in the Valhall and Hod Fields in Norway. Hess will pay \$496 million in cash for an additional 7.85 percent interest in the Valhall Field and 12.5 percent interest in the Hod Field, adding proved reserves of approximately 45 million barrels of oil equivalent. This preemption along with the previously announced asset swap with Shell will result in our share of the Valhall and Hod Fields increasing to 64.05 and 62.5 percent, respectively. Both transactions are expected to close by the end of the third quarter.

During the second quarter we made progress in our strategy to grow our global inventory of unconventional resource opportunities. In May, we announced a partnership with Toreador Resources under which Hess will invest up to \$65 million in an initial exploration phase and has the option to earn a 50 percent working interest and become the operator in more than one million gross acres in the Paris Basin in France. An initial six well program will commence in the fourth quarter and continue through 2011.

Yesterday we announced the acquisition of American Oil & Gas, Incorporated for 8.6 million shares of Hess common stock. This transaction will add approximately 85,000 net acres in the Williston Basin in North Dakota, build upon Hess' strong land position, leverage our infrastructure and enhance our growth profile in the Bakken oil play. The transaction is expected to close in the fourth quarter.

With regard to exploration, we drilled two wells on our 100 percent owned Permit WA-390-P in the Northwest Shelf of Australia resulting in one discovery and one dry hole. We have now drilled 14 wells on the block resulting in 11 discoveries. We expect to complete our remaining two commitment wells during the third quarter, followed by an appraisal program that will include additional drilling and flow testing of several wells. Commercial discussions with potential partners regarding WA-390-P are ongoing.

In the fourth quarter, we expect to spud exploration wells on our 40 percent owned BM-S-22 Block in Brazil and our 100 percent owned Tano Cape Three Points Block in Ghana. In addition, we plan to drill our 100 percent owned Semai V prospect in Indonesia during the first quarter of 2011.

Turning to Marketing and Refining, we reported a loss of \$19 million, an improvement over the year ago quarter.

Refining margins at our Hovensa joint venture refinery improved from last year's second quarter as a result of higher distillate crack spreads and wider light / heavy crude differentials. This improvement in Refining was more than offset by costs associated with the planned turnaround of the FCC and other related units at our Port Reading, New Jersey facility.

Marketing results were better than the year ago quarter principally due to improved margins. Although Retail marketing gasoline volumes on a per site basis were down 4 percent, total convenience store sales were up nearly 7 percent. In Energy Marketing, oil sales were higher year over year while natural gas and electricity sales were lower.

Capital and exploratory expenditures in the first half of 2010 were \$1.8 billion, substantially all of which were related to Exploration and Production activities. For the full year 2010, our capital and exploratory expenditures forecast has increased to \$5.5 billion from \$4.1 billion. The increase primarily reflects the acquisition of additional interests in the Valhall and Hod Fields from Total, the acquisition of American Oil & Gas and further appraisal of Permit WA-390-P in Australia.

We are pleased to make these acquisitions that will help us sustain profitable growth in reserves and production. At the same time, we are maintaining our financial strength, which will provide us the ability to fund future investments.

I will now turn the call over to John Rielly.