



HESS CORPORATION

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News Release

HESS REPORTS ESTIMATED RESULTS FOR THE FOURTH QUARTER OF 2006

NEW YORK, January 31, 2007 -- Hess Corporation (NYSE: HES)

Hess Corporation reported net income of \$359 million for the fourth quarter of 2006 compared with net income of \$452 million for the fourth quarter of 2005. For the full year, net income was \$1,916 million compared with \$1,242 million in 2005. See the following page for a table and description of items affecting the comparability of earnings between periods. The after-tax results by major operating activity were as follows:

	Three months ended		Year ended	
	December 31		December 31	
	2006*	2005*	2006*	2005
	(In millions, except per share amounts)			
Exploration and Production	\$ 350	\$ 298	\$ 1,763	\$ 1,058
Marketing and Refining	67	229	390	515
Corporate	(27)	(41)	(110)	(191)
Interest expense	(31)	(34)	(127)	(140)
Net income	<u>\$ 359</u>	<u>\$ 452</u>	<u>\$ 1,916</u>	<u>\$ 1,242</u>
Net income per share (diluted)**	<u>\$ 1.13</u>	<u>\$ 1.44</u>	<u>\$ 6.07</u>	<u>\$ 3.98</u>
Weighted average number of shares (diluted)**	<u>316.4</u>	<u>314.5</u>	<u>315.7</u>	<u>312.1</u>

* Unaudited

** Weighted average number of shares and per-share amounts in all periods reflect the impact of the 3-for-1 stock split on May 31, 2006.

Exploration and Production earnings were \$350 million in the fourth quarter of 2006 compared with \$298 million in the fourth quarter of 2005. The Corporation's oil and gas production, on a barrel-of-oil equivalent basis, was 366,000 barrels per day in the fourth quarter of 2006 compared with 316,000 barrels per day in the fourth quarter of 2005.

In the fourth quarter of 2006, the Corporation's average worldwide crude oil selling price, including the effect of hedging, was \$50.76 per barrel, an increase of \$16.67 per barrel from the fourth quarter of 2005. The increase primarily reflects reduced hedge positions in 2006. The Corporation's average worldwide natural gas selling price was \$5.25 per Mcf in the fourth quarter of 2006, compared to \$7.14 per Mcf in the fourth quarter of 2005.

Marketing and Refining earnings were \$67 million in the fourth quarter of 2006 compared with \$229 million in the fourth quarter of 2005. Refining earnings were \$45 million in the fourth quarter of 2006 compared with \$83 million in the fourth quarter of 2005 principally reflecting lower refined product margins. Marketing earnings were \$17 million in the fourth quarter of 2006 compared with \$131 million in the same period of 2005, primarily reflecting lower margins. Earnings from trading operations were \$5 million in the fourth quarter of 2006 compared to \$15 million in the fourth quarter of 2005.

The following items, on an after-tax basis, are included in net income (in millions):

	Three months ended		Year ended	
	December 31		December 31	
	2006	2005	2006	2005
<u>Exploration and Production</u>				
Gains from asset sales	\$ -	\$ 30	\$ 236	\$ 41
Income tax adjustments	-	-	(45)	11
Accrued office closing costs	-	-	(18)	-
Hurricane related costs	-	(12)	-	(26)
Legal settlement	-	-	-	11
<u>Marketing and Refining</u>				
LIFO inventory liquidation	-	25	-	32
Charge related to customer bankruptcy	-	(8)	-	(8)
<u>Corporate</u>				
Tax on repatriated earnings	-	-	-	(72)
Premiums on bond repurchases	-	(19)	-	(26)
	<u>\$ -</u>	<u>\$ 16</u>	<u>\$ 173</u>	<u>\$ (37)</u>

The gains from asset sales for the year 2006 relate to the sale of certain United States producing properties. During 2006 the United Kingdom increased the supplementary tax on petroleum operations from 10% to 20%. As a result, the Corporation recorded a \$45 million adjustment to its United Kingdom deferred tax liability. The year 2006 results also include a charge for vacated leased office space.

Net cash provided by operating activities was \$3,491 million in 2006 compared with \$1,840 million in 2005. Proceeds from asset sales in 2006 totaled \$444 million. Capital and exploratory expenditures for the year 2006 amounted to \$4,056 million of which \$3,887 million related to Exploration and Production activities. Capital and exploratory expenditures for the year 2005 amounted to \$2,490 million, including \$2,384 million for Exploration and Production.

At December 31, 2006, cash and cash equivalents totaled \$383 million compared with \$315 million at December 31, 2005. Total debt was \$3,772 million at December 31, 2006 and \$3,785 million at December 31, 2005. The Corporation's debt to capitalization ratio at December 31, 2006 was 31.7% compared with 37.6% at the end of 2005.

Hess Corporation will review fourth 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.

Hess Corporation, with headquarters in New York, is a global integrated energy company engaged in the exploration for and the development, production, purchase, transportation and sale of crude oil and natural gas. The Corporation also manufactures, purchases, trades and markets refined petroleum and other energy products.

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)

	Fourth Quarter 2006	Fourth Quarter 2005	Third Quarter 2006
<u>Income Statement</u>			
Revenues and Non-operating Income			
Sales (excluding excise taxes) and other operating revenues	\$ 7,155	\$ 7,059	\$ 7,035
Non-operating income			
Equity in income of HOVENSA L.L.C.	32	67	70
Gain on asset sales	--	30	--
Other, net	22	(10)	25
Total revenues and non-operating income	<u>7,209</u>	<u>7,146</u>	<u>7,130</u>
Costs and Expenses			
Cost of products sold (excluding items shown separately below)	5,058	5,367	4,899
Production expenses	358	284	323
Marketing expenses	254	238	230
Exploration expenses, including dry holes and lease impairment	140	86	221
Other operating expenses	35	37	34
General and administrative expenses	117	103	115
Interest expense	51	55	49
Depreciation, depletion and amortization	353	258	323
Total costs and expenses	<u>6,366</u>	<u>6,428</u>	<u>6,194</u>
Income before income taxes	843	718	936
Provision for income taxes	484	266	639
Net income	<u>\$ 359</u>	<u>\$ 452</u>	<u>\$ 297</u>
Preferred stock dividends	8	12	12
Net income applicable to common stockholders	<u>\$ 351</u>	<u>\$ 440</u>	<u>\$ 285</u>
<u>Supplemental Income Statement Information</u>			
Foreign currency gains (losses) net, after-tax	\$ 5	\$ 2	\$ --
Capitalized interest	25	23	25
<u>Cash Flow Information</u>			
Net cash provided by operating activities (*)	\$ 779	\$ 289	\$ 828
<u>Capital and Exploratory Expenditures</u>			
Exploration and Production			
United States	\$ 269	\$ 95	\$ 252
International	715	654	531
Total Exploration and Production	<u>984</u>	<u>749</u>	<u>783</u>
Marketing, Refining and Corporate	47	32	47
Total Capital and Exploratory Expenditures	<u>\$ 1,031</u>	<u>\$ 781</u>	<u>\$ 830</u>
Exploration expenses charged to income included above			
United States	\$ 42	\$ 28	\$ 19
International	28	29	23
	<u>\$ 70</u>	<u>\$ 57</u>	<u>\$ 42</u>

(*) Includes changes in working capital

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

	Year	
	2006	2005
<u>Income Statement</u>		
Revenues and Non-operating Income		
Sales (excluding excise taxes) and other operating revenues	\$ 28,067	\$ 22,747
Non-operating income		
Equity in income of HOVENSA L.L.C.	203	376
Gain on asset sales	369	48
Other, net	81	84
Total revenues and non-operating income	<u>28,720</u>	<u>23,255</u>
Costs and Expenses		
Cost of products sold (excluding items shown separately below)	19,912	17,041
Production expenses	1,250	1,007
Marketing expenses	940	842
Exploration expenses, including dry holes and lease impairment	552	397
Other operating expenses	130	136
General and administrative expenses	471	357
Interest expense	201	224
Depreciation, depletion and amortization	1,224	1,025
Total costs and expenses	<u>24,680</u>	<u>21,029</u>
Income before income taxes	4,040	2,226
Provision for income taxes	2,124	984
Net income	<u>\$ 1,916</u>	<u>\$ 1,242</u>
Preferred stock dividends	44	48
Net income applicable to common stockholders	<u>\$ 1,872</u>	<u>\$ 1,194</u>
<u>Supplemental Income Statement Information</u>		
Foreign currency gains (losses) net, after-tax	\$ 10	\$ 18
Capitalized interest	100	80
<u>Cash Flow Information</u>		
Net cash provided by operating activities (*)	\$ 3,491	\$ 1,840
<u>Capital and Exploratory Expenditures</u>		
Exploration and Production		
United States	\$ 908	\$ 353
International	2,979	2,031
Total Exploration and Production	3,887	2,384
Marketing, Refining and Corporate	169	106
Total Capital and Exploratory Expenditures	<u>\$ 4,056</u>	<u>\$ 2,490</u>
Exploration expenses charged to income included above		
United States	\$ 110	\$ 89
International	102	60
	<u>\$ 212</u>	<u>\$ 149</u>

(*) Includes changes in working capital

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

	December 31 2006	December 31 2005
<u>Balance Sheet Information</u>		
Cash and cash equivalents	\$ 383	\$ 315
Other current assets	5,347	4,975
Investments	1,200	1,389
Property, plant and equipment - net	12,310	9,512
Other long-term assets	3,082	2,924
Total assets	\$ 22,322	\$ 19,115
Current maturities of long-term debt	\$ 27	\$ 26
Other current liabilities	6,579	6,421
Long-term debt	3,745	3,759
Other long-term liabilities	3,860	2,623
Stockholders' equity excluding other comprehensive income (loss)	9,675	7,812
Accumulated other comprehensive income (loss)	(1,564)	(1,526)
Total liabilities and stockholders' equity	\$ 22,322	\$ 19,115

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

	Fourth Quarter 2006		
	United States	International	Total
Sales and other operating revenues	\$ 244	\$ 1,438	\$ 1,682
Non-operating income	3	18	21
Total revenues	247	1,456	1,703
Costs and expenses			
Production expenses, including related taxes	59	299	358
Exploration expenses, including dry holes and lease impairment	94	46	140
General, administrative and other expenses	30	16	46
Depreciation, depletion and amortization	31	305	336
Total costs and expenses	214	666	880
Results of operations before income taxes	33	790	823
Provision for income taxes	12	461	473
Results of operations	\$ 21	\$ 329	\$ 350

	Fourth Quarter 2005		
	United States	International	Total
Sales and other operating revenues	\$ 274	\$ 826	\$ 1,100
Non-operating income	3	28	31
Total revenues	277	854	1,131
Costs and expenses			
Production expenses, including related taxes	70	214	284
Exploration expenses, including dry holes and lease impairment	34	52	86
General, administrative and other expenses	21	22	43
Depreciation, depletion and amortization	24	216	240
Total costs and expenses	149	504	653
Results of operations before income taxes	128	350	478
Provision for income taxes	43	137	180
Results of operations	\$ 85	\$ 213	\$ 298

	Third Quarter 2006		
	United States	International	Total
Sales and other operating revenues	\$ 314	\$ 1,351	\$ 1,665
Non-operating income	14	1	15
Total revenues	328	1,352	1,680
Costs and expenses			
Production expenses, including related taxes	55	268	323
Exploration expenses, including dry holes and lease impairment	164	57	221
General, administrative and other expenses	21	25	46
Depreciation, depletion and amortization	35	271	306
Total costs and expenses	275	621	896
Results of operations before income taxes	53	731	784
Provision for income taxes	20	558	578
Results of operations	\$ 33	\$ 173	\$ 206

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

	Year 2006		
	United States	International	Total
Sales and other operating revenues	\$ 1,232	\$ 5,292	\$ 6,524
Non-operating income	385	43	428
Total revenues	<u>1,617</u>	<u>5,335</u>	<u>6,952</u>
Costs and expenses			
Production expenses, including related taxes	221	1,029	1,250
Exploration expenses, including dry holes and lease impairment	353	199	552
General, administrative and other expenses	95	114	209
Depreciation, depletion and amortization	127	1,032	1,159
Total costs and expenses	<u>796</u>	<u>2,374</u>	<u>3,170</u>
Results of operations before income taxes	821	2,961	3,782
Provision for income taxes	296	1,723	2,019
Results of operations	<u>\$ 525</u>	<u>\$ 1,238</u>	<u>\$ 1,763</u>

	Year 2005		
	United States	International	Total
Sales and other operating revenues	\$ 1,097	\$ 3,113	\$ 4,210
Non-operating income (expenses)	(1)	95	94
Total revenues	<u>1,096</u>	<u>3,208</u>	<u>4,304</u>
Costs and expenses			
Production expenses, including related taxes	253	754	1,007
Exploration expenses, including dry holes and lease impairment	233	164	397
General, administrative and other expenses	74	66	140
Depreciation, depletion and amortization	145	820	965
Total costs and expenses	<u>705</u>	<u>1,804</u>	<u>2,509</u>
Results of operations before income taxes	391	1,404	1,795
Provision for income taxes	141	596	737
Results of operations	<u>\$ 250</u>	<u>\$ 808</u>	<u>\$ 1,058</u>

HESS CORPORATION AND CONSOLIDATED SUBSIDIARIES
SUPPLEMENTAL OPERATING DATA
(IN THOUSANDS, EXCEPT FOR AVERAGE SELLING PRICES)

	Fourth Quarter 2006	Fourth Quarter 2005	Third Quarter 2006
<u>Operating Data</u>			
<u>Net Production Per Day</u>			
Crude oil - barrels			
United States	29	37	34
Europe	111	105	102
Africa	89	66	86
Asia and other	13	10	13
Total	<u>242</u>	<u>218</u>	<u>235</u>
Natural gas liquids - barrels			
United States	9	9	11
Europe	7	4	5
Total	<u>16</u>	<u>13</u>	<u>16</u>
Natural gas - mcf			
United States	91	112	109
Europe	336	254	274
Asia and other	223	147	226
Total	<u>650</u>	<u>513</u>	<u>609</u>
Barrels of oil equivalent	<u>366</u>	<u>316</u>	<u>352</u>
<u>Average Selling Price</u>			
Crude oil - per barrel (including hedging)			
United States	\$ 53.64	\$ 30.95	\$ 65.41
Europe	50.01	33.50	59.97
Africa	49.77	34.08	54.52
Asia and other	57.09	55.30	67.24
Worldwide	50.76	34.09	58.81
Crude oil - per barrel (excluding hedging)			
United States	\$ 53.64	\$ 54.85	\$ 65.41
Europe	51.79	53.10	62.79
Africa	57.11	54.72	66.43
Asia and other	57.09	55.30	67.24
Worldwide	54.46	53.99	64.73
Natural gas liquids - per barrel			
United States	\$ 43.68	\$ 48.67	\$ 49.17
Europe	45.19	44.60	50.30
Worldwide	44.33	47.17	49.54
Natural gas - per mcf			
United States	\$ 6.27	\$ 11.75	\$ 5.99
Europe	5.55	6.91	5.37
Asia and other	4.39	4.04	3.91
Worldwide	5.25	7.14	4.94

HESS CORPORATION AND CONSOLIDATED SUBSIDIARIES
SUPPLEMENTAL OPERATING DATA
(IN THOUSANDS, EXCEPT FOR AVERAGE SELLING PRICES)

	Year	
	2006	2005
<u>Operating Data</u>		
<u>Net Production Per Day</u>		
Crude oil - barrels		
United States	36	44
Europe	109	110
Africa	85	67
Asia and other	12	7
Total	<u>242</u>	<u>228</u>
Natural gas liquids - barrels		
United States	10	12
Europe	5	4
Total	<u>15</u>	<u>16</u>
Natural gas - mcf		
United States	110	137
Europe	283	274
Asia and other	219	133
Total	<u>612</u>	<u>544</u>
Barrels of oil equivalent	<u>359</u>	<u>335</u>
<u>Average Selling Price</u>		
Crude oil - per barrel (including hedging)		
United States	\$ 60.45	\$ 32.64
Europe	56.19	33.13
Africa	51.18	32.10
Asia and other	61.52	54.71
Worldwide	55.31	33.38
Crude oil - per barrel (excluding hedging)		
United States	\$ 60.45	\$ 51.16
Europe	58.46	52.22
Africa	62.80	51.70
Asia and other	61.52	54.71
Worldwide	60.41	51.94
Natural gas liquids - per barrel		
United States	\$ 46.22	\$ 38.50
Europe	47.30	37.13
Worldwide	46.59	38.08
Natural gas - per mcf		
United States	\$ 6.59	\$ 7.93
Europe	6.20	5.29
Asia and other	4.05	4.02
Worldwide	5.50	5.65

HESS CORPORATION AND CONSOLIDATED SUBSIDIARIES
EXPLORATION AND PRODUCTION SUPPLEMENTAL HEDGING INFORMATION (UNAUDITED)

The following is a summary of the Corporation's outstanding crude oil hedges at December 31, 2006:

<u>Maturity</u>	<u>Brent Crude Oil*</u>	
	<u>Average Selling Price</u>	<u>Thousands of barrels per day</u>
2007	\$ 25.85	24
2008	25.56	24
2009	25.54	24
2010	25.78	24
2011	26.37	24
2012	26.90	24

* There were no WTI crude oil or natural gas hedges outstanding at December 31, 2006.

The after-tax losses from crude oil hedges were \$57 million in the fourth quarter of 2006, \$269 million in fourth quarter of 2005, and \$81 million in the third quarter of 2006. Hedge losses totaled \$285 million and \$989 million for the years ended December 31, 2006 and 2005, respectively. The after-tax deferred hedge loss included in accumulated other comprehensive income at December 31, 2006 amounted to \$1.3 billion.

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

	Fourth Quarter 2006	Fourth Quarter 2005	Third Quarter 2006
<u>Financial Information (in millions of dollars)</u>			
<u>Marketing and Refining Earnings</u>			
Income before income taxes	\$ 105	\$ 358	\$ 245
Provision for income taxes	38	129	92
Marketing and Refining Earnings	\$ 67	\$ 229	\$ 153
<u>Summary of Marketing and Refining Earnings</u>			
Refining	\$ 45	\$ 83	\$ 64
Marketing	17	131	63
Trading	5	15	26
Total Marketing and Refining Earnings	\$ 67	\$ 229	\$ 153
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<u>Operating Data (in thousands unless noted)</u>			
<u>Refined Product Sales (barrels per day)</u>			
Gasoline	210	218	212
Distillates	169	170	130
Residuals	57	78	54
Other	33	53	37
Total	469	519	433
<u>Refinery Throughput (barrels per day)</u>			
HOVENSA - Crude runs	469	482	475
HOVENSA - Hess 50% share	234	241	237
Port Reading	64	64	62
<u>Refinery Utilization</u>			
HOVENSA	<u>Refinery Capacity</u> (barrels per day)		
Crude	500	93.7%	96.3%
FCC	150	91.2%	87.1%
Coker	58	89.8%	85.3%
Port Reading	65	98.1%	98.5%
<u>Retail Marketing</u>			
Number of retail stations (a)	1,350	1,354	1,347
Convenience store revenue (in millions of dollars) (b)	\$ 253	\$ 241	\$ 271
Average gasoline volume per station (gallons per month) (b)	202	199	216

(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)

	Year	
	2006	2005
<u>Financial Information (in millions of dollars)</u>		
<u>Marketing and Refining Earnings</u>		
Income before income taxes	\$ 614	\$ 813
Provision for income taxes	224	298
Marketing and Refining Earnings	\$ 390	\$ 515
<u>Summary of Marketing and Refining Earnings</u>		
Refining	\$ 236	\$ 346
Marketing	108	136
Trading	46	33
Total Marketing and Refining Earnings	\$ 390	\$ 515
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<u>Operating Data (in thousands unless noted)</u>		
<u>Refined Product Sales (barrels per day)</u>		
Gasoline	218	213
Distillates	144	136
Residuals	60	64
Other	37	43
Total	459	456
<u>Refinery Throughput (barrels per day)</u>		
HOVENSA - Crude runs	448	461
HOVENSA - Hess 50% share	224	231
Port Reading	63	55
<u>Refinery Utilization</u>		
HOVENSA	<u>Refinery Capacity</u> (barrels per day)	
Crude	500	89.7%
FCC	150	84.3%
Coker	58	84.3%
Port Reading	65	97.4%
		85.3%
<u>Retail Marketing</u>		
Number of retail stations (a)	1,350	1,354
Convenience store revenue (in millions of dollars) (b)	\$ 1,015	\$ 973
Average gasoline volume per station (gallons per month) (b)	208	204

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

(b) Company operated only.