HESS CORPORATION

First Quarter 2021 Conference Call Remarks

Jay Wilson – Vice President, Investor Relations

Good morning, everyone, and thank you for participating in our first quarter earnings conference call. Our earnings release was issued this morning and appears on our website, www.hess.com.

Today's conference call contains projections and other forward-looking statements within the meaning of the Federal Securities laws. These statements are subject to known and unknown risks and uncertainties that may cause actual results to differ from those expressed or implied in such statements. These risks include those set forth in the Risk Factors section of Hess' annual and quarterly reports filed with the SEC.

Also, on today's conference call, we may discuss certain non-GAAP financial measures. A reconciliation of the differences between these non-GAAP financial measures and the most directly comparable GAAP financial measures can be found in the supplemental information provided on our website.

On the line with me today are John Hess, Chief Executive Officer; Greg Hill, Chief Operating Officer; and John Rielly, Chief Financial Officer. In case there are audio issues, we will be posting transcripts of each speakers prepared remarks on www.hess.com following the presentation. I'll now turn the call over to John Hess.

John Hess – Chief Executive Officer

Thank you Jay. Welcome to our first quarter conference call. We hope you and your families are well. Today, I will review our continued progress in executing our strategy. Then Greg Hill will discuss our operations, and John Rielly will review our financial performance.

Let's begin with our strategy, which has been – and continues to be – to grow our resource base, have a low cost of supply and sustain cash flow growth. By investing only in high return, low cost opportunities, we have built a differentiated portfolio that is balanced between short cycle and long cycle assets, with Guyana as our growth engine and the Bakken, Gulf of Mexico and Southeast Asia as our cash engines. Guyana is positioned to become a significant cash engine as multiple phases of low cost oil developments come online, which we expect will drive our portfolio breakeven Brent oil price below $40 per barrel by the middle of the decade. As our portfolio generates increasing free cash flow, we will first prioritize debt reduction and then cash returns to shareholders through dividend increases and opportunistic share repurchases.

Even as we have seen oil prices recover since the beginning of this year, our priorities continue to be to preserve cash, preserve our operating capability and preserve the long term value of our assets. In terms of preserving cash, at the end of March, we had $1.86 billion of cash on the balance sheet, a $3.5 billion

revolving credit facility, which is undrawn and was recently extended by one year to 2024, and no debt maturities until 2023.

We have maintained a disciplined capital and exploratory budget for 2021 of $1.9 billion. More than 80% of this year's capital spend is allocated to Guyana, where our three sanctioned oil developments have a Brent breakeven oil price of between $25 and $35 per barrel, and to the Bakken, where we have a large inventory of future drilling locations that generate attractive financial returns at $50 per barrel WTI. To manage downside risks, in 2021 we have hedged 120,000 barrels of oil per day with $55 per barrel WTI put options and 30,000 barrels of oil per day with $60 per barrel Brent put options.

To further optimize our portfolio and strengthen our cash and liquidity position, we recently announced two asset sales. In March, we entered into an agreement to sell our oil and gas interests in Denmark for a total consideration of $150 million, effective January 1st, 2021. This transaction is expected to close in the third quarter. On April 8th, we announced the sale of our Little Knife and Murphy Creek nonstrategic acreage interests in the Bakken for a total consideration of $312 million, effective March 1st, 2021. This acreage is located in the southernmost portion of our Bakken position and is not connected to Hess Midstream infrastructure. The sale of this acreage, most of which we were not planning to drill before 2026, brings material value forward. This transaction is expected to close within the next few weeks.

During the quarter, we also received $70 million in net proceeds from the public offering of a small portion of our Class A shares in Hess Midstream LP.

The Bakken remains a core part of our portfolio. In February, as WTI oil prices moved above $50 per barrel, we added a second rig, which will allow us to sustain production and strong cash flow generation from our largest operated asset.

In terms of preserving the long term value of our assets, Guyana – with its low cost of supply and industry leading financial returns – remains a top priority. On the Stabroek Block, where Hess has a 30 percent interest and ExxonMobil is the operator, we have made 18 significant discoveries to date with gross discovered recoverable resources of approximately 9 billion barrels of oil equivalent – and we continue to see multibillion barrels of future exploration potential remaining.

We have an active exploration and appraisal program this year on the Stabroek Block. Yesterday we announced a discovery at the Uaru-2 well with encouraging results that further define the large areal extent of this accumulation, underpinning a potential future oil development. In addition, drilling activities are underway for appraisal at the Longtail-3 well and for exploration at the Koebi-1 prospect.

Production from Liza Phase 1 ran at its full capacity of 120,000 gross barrels of oil per day during the first quarter. In mid April, production was curtailed for several days after a minor leak was detected in the flash gas compressor discharge silencer. Production has since ramped back up and is expected to remain in the range of 100,000 to 110,000 gross barrels of oil per day until repairs to the discharge silencer are completed in approximately three months. Following this repair, production is expected to return to or above Liza Destiny's nameplate capacity of 120,000 barrels of oil per day.

The Liza Phase 2 development is on track to achieve first oil in early 2022 with a capacity of 220,000 gross barrels of oil per day. Our third oil development on the Stabroek Block at the Payara Field is expected to achieve first oil in 2024, also with a capacity of 220,000 gross barrels of oil per day. Engineering work for a fourth development on the Stabroek Block, Yellowtail, is underway with anticipated startup in 2025, pending government approvals and project sanctioning. We continue to see

the potential for at least six FPSOs on the block by 2027, and longer term for up to 10 FPSOs to develop the discovered resources on the block.

As we execute our company's strategy, we will continue to be guided by our longstanding commitment to sustainability and are proud to be an industry leader in this area. We support the aim of the Paris Agreement and also a global ambition to achieve net zero emissions by 2050. As part of our sustainability commitment, our Board and our senior leadership have set aggressive targets for greenhouse gas emissions reduction. In 2020, we significantly surpassed our five year emissions reduction targets -- reducing operated Scope 1 and Scope 2 greenhouse gas emissions intensity by approximately 40% and flaring intensity by approximately 60% compared to 2014 levels. We recently announced our new five year emissions reduction targets for 2025, which are to reduce operated Scope 1 and Scope 2 greenhouse gas emissions intensity by approximately 44% and methane emissions intensity by approximately 50% from 2017 levels.

In addition, we are investing in technological and scientific advances designed to reduce, capture and store carbon emissions, including groundbreaking work being conducted by the Salk Institute to develop plants with larger root systems that according to the Salk Institute are capable of absorbing and storing potentially billions of tons of carbon per year from the atmosphere.

In summary, our company is executing our strategy that will deliver increasing financial returns, visible and low risk production growth and accelerating cash flow growth well into this decade. As we generate increasing free cash flow, we will first prioritize debt reduction and then the return of capital to our shareholders through dividend increases and opportunistic share repurchases.

I will now turn the call over to Greg for an operational update.

Greg Hill – Chief Operating Officer

Thanks, John. Overall, in the first quarter, we demonstrated strong execution and delivery across our portfolio. Company-wide net production averaged 315 thousand barrels of oil equivalent per day, excluding Libya, which was in line with our guidance.

The Bakken experienced extreme weather conditions and higher NGL prices during the quarter – both of which led to lower volumes. However, the higher NGL prices resulted in significantly higher net income and cash flows.

Bakken net production in the first quarter averaged 158 thousand barrels of oil equivalent per day, which was below our guidance of approximately 170 thousand barrels of oil equivalent per day. Of this shortfall, approximately 8 thousand barrels per day was due to the significant increase in NGL prices in the quarter. Much of our third party gas processing from our operated production is done under Percentage of Proceeds, or POP contracts, where we charge a fixed fee for processing wet gas but take NGL barrels as payment instead of cash. POP volumes from these contracts get reported as Hess net production. When NGL prices increase, as they did in the first quarter, it takes fewer barrels to cover our gas processing fees; hence our reported NGL production was reduced. But again, the higher NGL prices resulted in significantly higher earnings and cash flow.

The other factor that affected Bakken production in the quarter was related to winter storm Uri, which brought power outages and average wind chill temperatures of -34 degrees Fahrenheit for two weeks in February. These extreme temperatures were below safe operating conditions for our crews and led to

higher non-productive time on our drilling rigs, significantly higher workover backlogs and lower non-operated production.

As discussed in our January earnings call, we added a second rig in the Bakken in February. In the first quarter, we drilled 11 wells and brought 4 new wells online. In the second quarter, we expect to drill approximately 15 wells and to bring approximately 10 new wells online, and for the full year 2021, we expect to drill approximately 55 wells and to bring approximately 45 new wells online. Thanks to the continued application of Lean and technology, our drilling and completion costs are expected to average approximately $5.8 million per well in 2021, which represents a 6.5% reduction from $6.2 million in 2020 and a 15% reduction from $6.8 million in 2019.

For the second quarter, we forecast that our Bakken net production will average approximately 155 thousand barrels of oil equivalent per day and for the full year 2021, between 155 thousand and 160 thousand barrels of oil equivalent per day. This forecast reflects the residual weather impacts, higher NGL strip prices, the sale of our non-strategic Bakken acreage, and the planned turnaround of the Tioga Gas Plant in the third quarter. We expect net production to build in the second half of the year and forecast a 2021 exit rate of between 170 thousand and 175 thousand barrels of oil equivalent per day.

Moving to the offshore. In the deepwater Gulf of Mexico, first quarter net production averaged 56 thousand barrels of oil equivalent per day, reflecting strong operations following hurricane recovery in late 2020. In the second quarter, we forecast that Gulf of Mexico net production will average approximately 50 thousand barrels of oil equivalent per day. For the full year 2021, we maintain our guidance for Gulf of Mexico net production to average approximately 45 thousand barrels of oil equivalent per day, reflecting planned maintenance downtime and natural field declines.

In the Gulf of Thailand, net production in the first quarter was 64 thousand barrels of oil equivalent per day, as natural gas nominations continued to increase due to strong economic growth. Second quarter and full year 2021 net production are forecast to average approximately 60 thousand barrels of oil equivalent per day.

Now turning to Guyana. Our discoveries and developments on the Stabroek Block are world class in every respect, and with Brent breakeven oil prices of between $25 and $35 per barrel, represent some of the lowest project breakeven oil prices in the industry. Production from Liza Phase 1 averaged 121 thousand gross barrels of oil per day, or 31 thousand barrels of oil per day net to Hess in the first quarter.

As John mentioned, production at the Liza Destiny was curtailed for several days following the detection of a minor gas leak in the flash gas compressor's discharge silencer on April 11th. Production is currently averaging between 100 thousand and 110 thousand gross barrels of oil per day and is expected to stay in that range while repairs are made to the silencer. Upon reinstallation and restart of the flash gas compression system, expected in approximately 3 months, production is expected to return to or above nameplate capacity of 120 thousand barrels of oil per day. For the second quarter, we now forecast net production to average between 20 thousand and 25 thousand barrels of oil per day and our full year 2021 net production to average approximately 30 thousand barrels of oil per day.

SBM Offshore has placed an order for an upgraded flash gas compression system, which is expected to be installed in the fourth quarter of 2021. Production optimization work is now planned in the fourth quarter which will further increase the Liza Destiny's production capacity.

It is important to note that the overall performance of the subsurface in Liza 1 has been outstanding. We have seen very strong reservoir and well performance that has met or exceeded our expectations. Once the flash gas compressor is replaced, we are confident that we will see a significant improvement in uptime reliability.

At Liza Phase 2, the project is progressing to plan, with about 90% of the overall work completed, and first oil remains on track for early 2022. The Liza Unity FPSO, with a production capacity of 220 thousand gross barrels of oil per day, is preparing to sail from the Keppel yard in Singapore to Guyana midyear.

Our third development, Payara, is also progressing to plan, with about 38% of the overall work completed. The project will utilize the Liza Prosperity FPSO, which will have the capacity to produce up to 220 thousand gross barrels of oil per day. The FPSO hull is complete and topsides construction activities have commenced in Singapore. First oil remains on track for 2024.

Front end engineering and design work continues for the fourth development on the Stabroek Block at Yellowtail. The operator expects to submit a plan of development to the Government of Guyana in the second half of this year. Pending Government approval and project sanctioning, the Yellowtail project is expected to achieve first oil in 2025.

The Stabroek Block exploration program for the remainder of the year will focus on both Campanian, Liza-type reservoirs and on the deeper Santonian reservoirs. In addition, key appraisal activities will be targeted in the southeast portion of the Stabroek Block to inform future developments. In terms of drilling activity, as announced yesterday, the Uaru-2 well successfully appraised the Uaru-1 discovery and also made an incremental discovery in deeper intervals. The well encountered approximately 120 feet of high quality, oil bearing sandstone reservoir and was drilled 6.8 miles from the discovery well, implying a potentially large areal extent. The Stena DrillMax is currently appraising the Longtail discovery. Additional appraisal is planned at Mako and in the Turbot area, which will help define our fifth and sixth developments on the block.

The Stena Carron has commenced exploration drilling at the Koebi-1 well, and an exploration well at Whiptail is planned to spud in May. Further exploration and appraisal activities are planned for the second half of 2021 with a total of approximately 12 wells to be drilled this year.

The Noble Tom Madden, the Noble Bob Douglas and the Noble Sam Croft, which recently joined the fleet, will be primarily focused on development drilling.

Now, shifting back to production, companywide second quarter net production is forecast to average between 290 thousand and 295 thousand barrels of oil equivalent per day.

Full year 2021 net production is now also expected to average between 290 thousand and 295 thousand barrels of oil equivalent per day, compared to our previous forecast of approximately 310 thousand barrels of oil equivalent per day. This reduction reflects the following:

- Approximately 7 thousand barrels of oil equivalent per day due to lower entitlements resulting from the increase in NGL strip prices – again, this will be accretive overall to earnings and cash flow;
- Approximately 6 thousand barrels of oil equivalent per day related to the sale of our interests in Denmark and non-strategic acreage in North Dakota, for which we brought forward full value;

- The balance primarily reflects short term weather impacts in the Bakken, from which we expect to catch back up over the course of the year and again forecast a 2021 Bakken exit rate of between 170 thousand and 175 thousand barrels of oil equivalent per day.

In closing, our team once again demonstrated strong execution and delivery across our asset base under challenging conditions. Our distinctive capabilities and world class portfolio will enable us to deliver industry leading performance and value to our shareholders for many years to come.

I will now turn the call over to John Rielly.

John Rielly – Chief Financial Officer

Thanks Greg. In my remarks today, I will compare results from the first quarter of 2021 to the fourth quarter of 2020.

Consolidated Results of Operations

We had net income of $252 million in the first quarter of 2021 compared to an adjusted net loss of $176 million, which excluded an after-tax gain of $79 million from an asset sale in the fourth quarter of 2020.

Exploration and Production

E&P had net income of $308 million in the first quarter of 2021 compared to an adjusted net loss of $118 million in the previous quarter. The changes in the after-tax components of adjusted E&P results between the first quarter of 2021 and the fourth quarter of 2020 were as follows:

		Increase (Decrease) In Results
Higher realized crude oil, NGL, and natural gas selling prices increased earnings by	$	192
Higher sales volumes increased earnings by		99
Lower DD&A expense increased earnings by		88
Lower cash costs increased earnings by		39
All other items increased earnings by		8
For an overall increase in first quarter earnings of	$	426

Excluding the two VLCC cargo sales, our E&P sales volumes were overlifted compared with production by approximately 300,000 barrels, which improved after-tax results by approximately $10 million. The sales from the two VLCC cargos increased net income by approximately $70 million in the quarter. The impact of higher NGL prices improved first quarter earnings by approximately $55 million and reduced Bakken NGL volumes received under percentage of proceeds (POP) contracts by 9,000 barrels of oil equivalent per day compared with the fourth quarter of 2020.

Midstream Activities

The Midstream segment had net income of $75 million in the first quarter of 2021 compared to $62 million in the prior quarter. Midstream EBITDA, before noncontrolling interests, amounted to $225 million in the first quarter of 2021 compared to $198 million in the previous quarter. In March, Hess received net proceeds of $70 million from the public offering of 3,450,000 Hess-owned Class A shares in Hess Midstream.

Financial Position – Cash and Liquidity

At quarter end, excluding Midstream, cash and cash equivalents were approximately $1.86 billion, and our total liquidity was $5.5 billion including available committed credit facilities, while debt and finance lease obligations totaled $6.6 billion. Our fully undrawn $3.5 billion revolving credit facility is now committed through May 2024, following the amendment executed earlier this month to extend the maturity date by one year.

In the first quarter of 2021, net cash provided by operating activities before changes in working capital was $815 million compared with $532 million in the fourth quarter of 2020 primarily due to higher realized selling prices. In the first quarter, net cash provided from operating activities after changes in working capital was $591 million compared with $486 million in the prior quarter.

The sale of our Little Knife and Murphy Creek acreage in the Bakken for total consideration of $312 million is expected to close within the next few weeks and the sale of our interests in Denmark for total consideration of $150 million is expected to close in the third quarter of this year.

Second Quarter and Full Year Guidance

Exploration and Production

Our E&P cash costs were $9.81 per barrel of oil equivalent, including Libya and $10.21 per barrel of oil equivalent, excluding Libya in the first quarter of 2021. We project E&P cash costs, excluding Libya, to be in the range of $12.00 to $13.00 per barrel of oil equivalent for the second quarter primarily reflecting the timing of maintenance and workover spend. Full year E&P cash costs are expected to be in the range of $11.00 to $12.00 per barrel of oil equivalent, which is up from previous full year guidance of $10.50 to $11.50 per barrel of oil equivalent due to the impact of updated production guidance. DD&A expense was $11.83 per barrel of oil equivalent, including Libya and $12.36 per barrel of oil equivalent, excluding Libya in the first quarter. DD&A expense, excluding Libya, is forecast to be in the range of $11.50 to $12.50 per barrel of oil equivalent for the second quarter and full year guidance of $12.00 to $13.00 per barrel of oil equivalent is unchanged. This results in projected total E&P unit operating costs, excluding Libya, to be in the range of $23.50 to $25.50 per barrel of oil equivalent for the second quarter and $23.00 to $25.00 per barrel of oil equivalent for the full year of 2021.

Exploration expenses, excluding dry hole costs, are expected to be in the range of $40 million to $45 million in the second quarter and full year guidance of $170 million to $180 million is unchanged. The midstream tariff is projected to be in the range of $260 million to $270 million for the second quarter and full year guidance of $1,090 million to $1,115 million is unchanged.

E&P income tax expense, excluding Libya, is expected to be in the range of $25 million to $30 million for the second quarter and $105 million to $115 million for the full year, which is up from previous guidance of $80 million to $90 million due to higher commodity prices.

We expect non-cash option premium amortization will be approximately $65 million for the second quarter and approximately $245 million for the full year, which is up from previous guidance of $205 million reflecting additional premiums paid to increase the strike price on our crude oil hedging contracts. In the second quarter, we expect to sell two one-million barrel cargos from Guyana whereas we sold three one-million barrel cargos in the first quarter and we expect to sell five one-million barrel cargos over the second half of the year.

Our E&P capital and exploratory expenditures are expected to be approximately $500 million in the second quarter and the full year guidance of approximately $1.9 billion remains unchanged.

Midstream

We anticipate net income attributable to Hess from the Midstream segment to be in the range of $60 million to $70 million for the second quarter and the full year guidance of $280 million to $290 million remains unchanged.

Corporate and Interest

Corporate expenses are estimated to be in the range of $30 million to $35 million for the second quarter and full year guidance of $130 million to $140 million is unchanged. Interest expense is estimated to be in the range of $95 million to $100 million for the second quarter and full year guidance of $380 million to $390 million is unchanged.

This concludes my remarks. We will be happy to answer any questions. I will now turn the call over to the operator.

Forward-looking Statements

This script and accompanying release contain "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Words such as "anticipate," "estimate," "expect," "forecast," "guidance," "could," "may," "should," "would," "believe," "intend," "project," "plan," "predict," "will," "target" and similar expressions identify forward-looking statements, which are not historical in nature. Our forward-looking statements may include, without limitation: our future financial and operational results; our business strategy; estimates of our crude oil and natural gas reserves and levels of production; benchmark prices of crude oil, natural gas liquid (NGL) and natural gas and our associated realized price differentials; our projected budget and capital and exploratory expenditures; expected timing and completion of our development projects and proposed asset sales; and future economic and market conditions in the oil and gas industry.

Forward-looking statements are based on our current understanding, assessments, estimates and projections of relevant factors and reasonable assumptions about the future. Forward-looking statements are subject to certain known and unknown risks and uncertainties that could cause actual results to differ materially from our historical experience and our current projections or expectations of future results expressed or implied by these forward-looking statements. The following important factors could cause actual results to differ materially from those in our forward-looking statements: fluctuations in market prices of crude oil, NGL and natural gas and competition in the oil and gas exploration and production industry, including as a result of the global COVID-19 pandemic; reduced demand for our products, including due to the global COVID-19 pandemic or the outbreak of any other public health threat, or due to the impact of competing or alternative energy products and political conditions and events; potential failures or delays in increasing oil and gas reserves, including as a result of unsuccessful exploration

activity, drilling risks and unforeseen reservoir conditions, and in achieving expected production levels; changes in tax, property, contract and other laws, regulations and governmental actions applicable to our business, including legislative and regulatory initiatives regarding environmental concerns, such as measures to limit greenhouse gas emissions and flaring as well as fracking bans; disruption or interruption of our operations due to catastrophic events, such as accidents, severe weather, geological events, shortages of skilled labor, cyber-attacks or health measures related to the COVID-19 pandemic; the ability of our contractual counterparties to satisfy their obligations to us, including the operation of joint ventures under which we may not control; the ability to satisfy the closing conditions of the proposed asset sales; unexpected changes in technical requirements for constructing, modifying or operating exploration and production facilities and/or the inability to timely obtain or maintain necessary permits; availability and costs of employees and other personnel, drilling rigs, equipment, supplies and other required services; any limitations on our access to capital or increase in our cost of capital, including as a result of weakness in the oil and gas industry or negative outcomes within commodity and financial markets; liability resulting from litigation, including heightened risks associated with being a general partner of Hess Midstream LP; and other factors described in *Item 1A—Risk Factors* in our Annual Report on Form 10-K and any additional risks described in our other filings with the Securities and Exchange Commission (SEC).

As and when made, we believe that our forward-looking statements are reasonable. However, given these risks and uncertainties, caution should be taken not to place undue reliance on any such forward-looking statements since such statements speak only as of the date when made and there can be no assurance that such forward-looking statements will occur and actual results may differ materially from those contained in any forward-looking statement we make. Except as required by law, we undertake no obligation to publicly update or revise any forward-looking statements, whether because of new information, future events or otherwise.

Non-GAAP financial measures

The Corporation has used non-GAAP financial measures in this script and accompanying release. "Adjusted net income (loss)" presented in this script and accompanying release is defined as reported net income (loss) attributable to Hess Corporation excluding items identified as affecting comparability of earnings between periods. "Net cash provided by (used in) operating activities before changes in operating assets and liabilities" presented in this script and accompanying release is defined as Net cash provided by (used in) operating activities excluding changes in operating assets and liabilities. Management uses adjusted net income (loss) to evaluate the Corporation's operating performance and believes that investors' understanding of our performance is enhanced by disclosing this measure, which excludes certain items that management believes are not directly related to ongoing operations and are not indicative of future business trends and operations. Management believes that net cash provided by (used in) operating activities before changes in operating assets and liabilities demonstrates the Corporation's ability to internally fund capital expenditures, pay dividends and service debt. These measures are not, and should not be viewed as, a substitute for U.S. GAAP net income (loss) or net cash provided by (used in) operating activities. A reconciliation of reported net income (loss) attributable to Hess Corporation (U.S. GAAP) to adjusted net income (loss), and a reconciliation of net cash provided by (used in) operating activities (U.S. GAAP) to net cash provided by (used in) operating activities before changes in operating assets and liabilities are provided in the accompanying release.

Cautionary Note to Investors

We use certain terms in this script and accompanying release relating to resources other than proved reserves, such as unproved reserves or resources. Investors are urged to consider closely the oil and gas

disclosures in Hess Corporation's 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.