

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

FORM 8-K
CURRENT REPORT
Pursuant to Section 13 and 15(d) of
the Securities Exchange Act of 1934

Date of Report (Date of Earliest Event Reported): March 7, 2012

HESS CORPORATION
(Exact Name of Registrant as Specified in Its Charter)

DELAWARE
(State of Incorporation)

1-1204
(Commission File Number)

13-4921002
(IRS Employer
Identification No.)

1185 Avenue of the Americas
New York, New York 10036
(Address of Principal Executive Office)

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

(Not Applicable)
(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 (see General Instruction A.2. below):

- 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-2)
 - 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 5.02. Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

Annual Bonus Awards

On March 7, 2012, the Compensation and Management Development Committee (the "Committee") of the Board of Directors of Hess Corporation (the "Company") approved target cash bonuses for the chief executive officer, the chief financial officer and the three most highly compensated executive officers (other than the chief executive officer and chief financial officer) of the Company for 2012. One-third of the bonus is payable based upon attainment of a specified target level of a corporate performance measure, one-third is based upon the attainment of specified business unit metrics, and one-third is discretionary based on individual performance and other qualitative factors. Payouts may range from 0% to 150% for each component of the target bonus, based on the percentage of attainment of the corporate and business unit performance measures and, with respect to the individual performance component, the Committee's determination of an appropriate amount.

Amendment to Restricted Stock Awards

On March 7, 2012, the Committee approved a modification to the Company's form of restricted stock award agreement to be used for grants of restricted stock to officers under the Company's 2008 Long-Term Incentive Plan, as amended (the "Plan"). The modified form of restricted stock award agreement is filed herewith as Exhibit 10.3.

The award agreement provides that if the grantee dies, becomes totally and permanently disabled or retires after attaining normal retirement eligibility, but prior to the otherwise applicable vesting date, which is the third anniversary of the grant date, then the grantee's restricted stock immediately vests. If the grantee's employment terminates due to early retirement prior to the vesting date, the grantee's restricted stock is forfeited; provided, however, the Committee may, in its discretion, determine that a pro-rated portion (based on the number of calendar days of the three-year vesting period that have elapsed through the date of such early retirement) of the grantee's restricted stock will immediately vest. The modified form of award agreement conditions the normal retirement vesting and discretionary early retirement pro-rata vesting on the grantee having completed at least five years of continuous service with the Company at the time of such retirement or early retirement. The modified form of award agreement further provides that if, following termination of a grantee's employment with the Company due to early retirement where the grantee retains a pro-rata portion of his or her restricted stock, as described above, the Committee determines in its good faith discretion that the grantee has engaged in any "prohibited activity" (as described below) during the time through the third anniversary of the grant date, then the grantee is obligated to pay or deliver to the Company either (at the grantee's election): (a) a cash payment in an amount equal to the fair market value of the pro-rated number of shares of restricted stock retained (if any) as of the date of his or her early retirement, reduced by the amount of any employment taxes previously paid by the grantee to the Company in respect of such shares of restricted stock, or (b) a number of shares of common stock of the Company equal to the pro-rated number of shares of restricted stock retained (if any) in the case of his or her early retirement, reduced by a number of shares with a fair market value on the date of such delivery equal to the amount of such taxes referred to in clause (a) of this sentence. In general,

the grantee will have engaged in a prohibited activity, as defined in the award agreement, if the grantee: (1) provides services to, or has a material ownership interest in, an exploration and production company or a marketing and refining company that competes with the business of the Company in geographic areas where the grantee is aware that the Company is engaged or considering engaging, or (2) interferes with the relationship between the Company and any person that the grantee knows is, or was, a client, customer, supplier, licensee or partner of the Company, or had any other business relationship with the Company.

Shareholder Value Program

On March 7, 2012, the Committee approved a new executive long-term incentive compensation program known as the Shareholder Value Program. Pursuant to this new program, the Committee authorized awards under the Plan to the Company's executive officers and other employees. Each of these awards to officers, including the named executive officers, consists of one-half performance shares, as described below, and one-half shares of restricted stock. The performance awards link a significant portion of the grantees' potential compensation to the Company's performance over a specified future performance period. The performance awards are intended to induce grantees to remain in the Company's employ and as an incentive for improved performance towards corporate goals during such employment. Each named executive officer received a performance award and a restricted stock award, as described below. The form of award agreement for the performance award is filed herewith as Exhibit 10.2.

Performance Awards and Goals. Each performance award is denominated in performance shares, each of which corresponds to up to two shares of common stock of the Company, depending on the percentage of the performance shares earned, as described below. The number of shares received at the end of the three-year performance period, which runs from January 1, 2012 through December 31, 2014, will depend on a peer company comparison of total shareholder return (assuming reinvestment of dividends paid). The fifteen peer companies are: Anadarko Petroleum Corporation, Apache Corporation, BP plc, Chevron Corporation, ConocoPhillips Company, Devon Energy Corporation, EOG Resources, Inc., Exxon Mobil Corporation, Marathon Oil Corporation, Murphy Oil Corporation, Occidental Petroleum Corporation, Royal Dutch Shell plc, Statoil ASA, Talisman Energy Inc. and Total S.A. Depending on the Company's total shareholder return ranking compared to the total shareholder return rankings of these peer companies, the grantee will receive a payout ranging from 0 percent to 200 percent of the number of performance shares set forth in his or her award agreement, as follows:

| <u>TSR Ranking</u> | <u>Percentage of Performance Shares Earned</u> |
|--------------------|--|
| 1st | 200% |
| 2nd | 200% |
| 3rd | 200% |
| 4th | 200% |
| 5th | 175% |
| 6th | 150% |
| 7th | 125% |
| 8th | 100% |
| 9th | 88% |

| | |
|------|-----|
| 10th | 75% |
| 11th | 63% |
| 12th | 50% |
| 13th | 0% |
| 14th | 0% |
| 15th | 0% |
| 16th | 0% |

If the Company's total shareholder return for the performance period is negative, the percentage of performance shares earned may not exceed 100%. The award agreement provides alternate ranking schedules and procedures if the peer group is reduced because any peer company ceases to exist or be publicly traded or is removed from the peer group for another reason specified in the award agreement.

Payment of Awards. At its first regular meeting (the "vesting date") following the end of the performance period, the Committee will certify in writing the extent to which the Company achieved the total shareholder return ranking goal and the number of performance shares earned. The earned performance shares will be paid as soon as administratively practicable after the vesting date (but no later than March 15 of the calendar year following the end of the performance period) in shares of common stock of the Company, unless the Committee, in its sole discretion, affirmatively determines that such payments will be made in cash or a combination of shares and cash. If a cash payment is made in lieu of delivering shares of common stock, the amount of such payment will be equal to the Fair Market Value (as defined in the Plan) of such shares of common stock as of the trading date immediately prior to the date of such payment, less applicable tax withholdings in accordance with the Plan. At the end of the performance period, dividend equivalents will be paid with respect to the performance shares earned, if any, in an amount equal to the dividends declared per share of common stock during the performance period, plus interest thereon at a short-term rate determined by the Committee.

Termination of Employment. Payout of performance shares is generally conditioned on the grantee remaining employed by the Company through the vesting date. However, if the grantee dies, becomes totally and permanently disabled or retires after attaining normal retirement eligibility, but, in each case, prior to the vesting date, and, in the case of normal retirement, the grantee has completed at least five years of continuous service with the Company at the time of such normal retirement, the grantee will retain his or her performance shares, which may be earned and paid as described above as if the grantee continued to be employed through the vesting date. If the grantee's employment terminates due to early retirement prior to the vesting date, the performance shares are forfeited. If, however, the grantee has completed at least five years of continuous service with the Company, the Committee may, in its discretion, determine that the grantee will receive the same payment, if any, in respect of the performance shares as would have been payable, and at the same time and subject to the same conditions, had the grantee's employment continued until such vesting date, provided that such payment will be pro-rated based on the number of calendar days of the performance period elapsed through the date of such early retirement. If, following termination of a grantee's employment with the Company due to early retirement where the grantee retains a pro-rata portion of his or her performance shares, as described above, the Committee determines in its good faith discretion that the grantee has engaged in any "prohibited activity" (as described below) during the time through the scheduled vesting date, all of the grantee's performance shares will be immediately forfeited. In general, the grantee will have engaged in a prohibited

activity, as defined in the award agreement, if the grantee: (a) provides services to, or has a material ownership interest in, an exploration and production company or a marketing and refining company that competes with the business of the Company in geographic areas where the grantee is aware that the Company is engaged or considering engaging, or (b) interferes with the relationship between the Company and any person that the grantee knows is, or was, a client, customer, supplier, licensee or partner of the Company, or had any other business relationship with the Company.

Change of Control. In the event of a Change of Control (as defined in the Plan), the number of performance shares earned will be determined as follows: (a) for the portion of the performance period ending on the date prior to the date of the Change of Control, a pro-rata portion of the performance shares (based on the number of days elapsed during the performance period through the date prior to the Change of Control) may be earned based on the ranking of the Company's total shareholder return, determined as described above, through the date prior to the date of the Change of Control, and (b) for the portion of the performance period from and after the date of the Change of Control, a pro-rata portion of the performance shares (based on the number of days during the period from the date of the Change of Control through the end of the performance period) will be earned at the target (100%) level. These earned performance shares will be paid in cash, generally within five business days after the date of the Change of Control. The provisions of the award agreement providing for forfeiture if the grantee engages in prohibited activity cease to apply upon a Change of Control.

The following table sets forth performance share awards and restricted stock awards granted on March 7, 2012 under the Shareholder Value Program to the Company's Chief Executive Officer, Chief Financial Officer and each other named executive officer:

| <u>Name</u> | <u>Title</u> | <u>Number of Shares of Restricted Stock</u> | <u>Target Number of Performance Shares</u> |
|--------------------|--|---|--|
| John B. Hess | Chairman and Chief Executive Officer | 61,638 | 61,638 |
| John P. Rielly | Senior Vice President and Chief Financial Officer | 14,503 | 14,503 |
| Gregory P. Hill | Executive Vice President and President, Worldwide Exploration & Production | 25,381 | 25,381 |
| F. Borden Walker | Executive Vice President and President, Marketing & Refining | 18,129 | 18,129 |
| Timothy B. Goodell | Senior Vice President and General Counsel | 14,503 | 14,503 |

The description set forth above might not contain all of the information important to you and is subject to, and qualified in its entirety by, reference to the complete text of the Plan, the Form of Performance Award Agreement and the Modified Form of Restricted Stock Award Agreement under the Plan, which are filed as Exhibits 10.1, 10.2 and 10.3, respectively, to this Current Report on Form 8-K, and the terms of which are incorporated herein by reference.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits

- 10.1 Hess Corporation 2008 Long-Term Incentive Plan, incorporated by reference to Annex B of the Company's definitive proxy statement filed on March 27, 2008, as amended on March 3, 2010 and approved May 5, 2010, by the First Amendment to the Hess Corporation 2008 Long-Term Incentive Plan incorporated by reference to Annex B of the Company's definitive proxy statement filed on March 25, 2010.
 - 10.2 Form of Performance Award Agreement under the Hess Corporation 2008 Long-Term Incentive Plan, as amended.
 - 10.3 Modified Form of Restricted Stock Award Agreement under the Hess Corporation 2008 Long-Term Incentive Plan, as amended.
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SIGNATURE

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

Date: March 13, 2012

HESS CORPORATION

By: /s/ Timothy B. Goodell

Name: Timothy B. Goodell

Title: Senior Vice President
and General Counsel

EXHIBIT INDEX

| <u>Exhibit No.</u> | <u>Description</u> |
|------------------------|--|
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HESS CORPORATION 2008 LONG-TERM INCENTIVE PLAN
Performance Award Agreement

Participant: FIRST NAME – LAST NAME

Grant Date: DATE

Number of Performance Shares: # OF PERFORMANCE SHARES

* * * * *

This PERFORMANCE AWARD AGREEMENT (this “Agreement”), dated as of the Grant Date specified above, is entered into by and between HESS CORPORATION, a Delaware corporation (the “Corporation”), and the Participant specified above, pursuant to the Shareholder Value Program under the Hess Corporation 2008 Long-Term Incentive Plan, as in effect and as amended from time to time (the “Plan”).

WHEREAS, it has been determined under the Plan that it would be in the best interests of the Corporation to grant the Performance Award provided for herein to the Participant as an inducement to remain in the employment of the Corporation (and/or any Subsidiary), and as an incentive for improved performance toward corporate goals during such employment;

WHEREAS, pursuant to the provisions of the Plan, the Committee has authorized the grant to the Participant of a Performance Award in accordance with the terms and conditions of this Agreement; and

WHEREAS, the Participant and the Corporation desire to enter into this Agreement to evidence and confirm the grant of such Performance Award on the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the mutual covenants and premises hereinafter set forth and for other good and valuable consideration, the parties hereto hereby mutually covenant and agree as follows.

1. Incorporation By Reference; Document Receipt. This Agreement is subject in all respects to the terms and provisions of the Plan (including, without limitation, any amendments thereto adopted at any time and from time to time unless such amendments are expressly not intended to apply to the grant of the Performance Award hereunder), all of which terms and provisions are made a part of and incorporated in this Agreement as if each were expressly set forth mutatis mutandis herein. Any capitalized term not defined in this Agreement shall have the same meaning as is ascribed thereto under the Plan. The Participant hereby acknowledges receipt of a prospectus describing the Plan and the Awards thereunder and that he has read it carefully and fully understands its content. In the event of any conflict between the terms of this Agreement and the terms of the Plan, the terms of the Plan shall control.

2. Grant of Performance Award. Pursuant to the provisions of the Plan, the Corporation as of the date set forth above (the "Grant Date") has granted to the Participant, and hereby evidences the grant to the Participant of, subject to the terms and conditions set forth herein and in the Plan, a Performance Award consisting of the number of Performance Shares specified above. A Performance Share is an unfunded and unsecured obligation to deliver up to two Shares (or a portion thereof) or the cash equivalent thereof (determined in accordance with Section 3), subject to the terms and conditions of this Agreement and those of the Plan. References herein to Performance Shares are to the Performance Shares comprising such Performance Award granted pursuant to this Agreement.

3. Payment of Earned Performance Shares. Subject to the provisions of Section 5 and Section 6, after the end of the Performance Cycle described in Section 4(a), the Committee shall certify in writing on the date (the "vesting date") of its first regular meeting following the end of the Performance Cycle whether, and to what extent, the performance goal set forth in Section 4(b) has been achieved and determine and certify in writing the number of Performance Shares earned pursuant to Section 4. The number of such Performance Shares so earned shall be paid by the Corporation as soon as administratively practicable after the vesting date; provided that in no event shall such payment be made later than March 15 of the calendar year that immediately follows the last day of the Performance Cycle. To the extent that the Performance Shares are not earned pursuant to Section 4, such Performance Shares shall be forfeited. Payments hereunder shall be made in Shares, unless the Committee, in its sole discretion, affirmatively determines that such payments shall be made in cash, or a combination of Shares and cash. If a cash payment is made in lieu of delivering Shares, the amount of such payment shall be equal to the Fair Market Value of such Shares as of the trading date immediately prior to the date of such payment, less applicable tax withholdings in accordance with Section 12.03 of the Plan.

4. Vesting Criteria Applicable to Performance Shares.

(a) Performance Cycle. The Performance Cycle for the Performance Award granted pursuant to this Agreement shall commence on January 1, 2012, and shall end on December 31, 2014.

(b) Performance Goal. The performance goal for the Performance Cycle is the total return per Share to the Corporation's shareholders, inclusive of dividends paid, during the Performance Cycle in comparison to the total return per share of common stock, inclusive of dividends paid, during the Performance Cycle achieved by the companies that are listed in Exhibit A attached hereto (such companies, the "Comparison Companies"), as set forth in this Section 4(b). For purposes of this Agreement, such total shareholder return ("Total Shareholder Return") for the Corporation and each of the Comparison Companies shall be measured by dividing (A) the sum of (1) the dividends paid (regardless of whether paid in cash or property) on the common stock of such company during the Performance Cycle, assuming reinvestment of such dividends in such stock (based on the closing price of such stock on the date such dividend is paid), plus (2) the difference between the average closing price of a share of

such company's common stock on the principal United States exchange on which the stock trades for the 60 trading days occurring immediately prior to the first day of the Performance Cycle (the "Beginning Average Value") and the average closing price of a share of such stock on the principal United States exchange on which the stock trades for the 60 trading days immediately prior to and including the last day of the Performance Cycle (appropriately adjusted for any stock dividend, stock split, spin-off, merger or other similar corporate events), by (B) the Beginning Average Value. For the avoidance of doubt, it is intended that the foregoing calculation of Total Shareholder Return shall take into account not only the reinvestment of dividends in a share of common stock of the Corporation and any Comparison Company but also capital appreciation or depreciation in the shares deemed acquired by such reinvestment. All determinations under this Section 4 shall be made by the Committee.

(c) Percentage of Performance Shares Earned. Except as provided in Section 6, the Performance Shares shall be earned based on where the Corporation's Total Shareholder Return during the Performance Cycle ranks in comparison to the Total Shareholder Returns of the Comparison Companies during the Performance Cycle. As soon as practicable after the completion of the Performance Cycle, the Total Shareholder Returns of the Corporation and each of the Comparison Companies shall be calculated and ranked from first to last (the "TSR Ranking"). The extent to which Performance Shares shall become earned on the vesting date described in Section 3 shall be based on the TSR Ranking attained by the Corporation. The percentage of Performance Shares earned (the "Percentage of Performance Shares Earned") shall be the percentage set forth in the Percentage of Performance Shares Earned column of the schedule set forth in Exhibit B attached hereto that corresponds to the TSR Ranking attained by the Corporation set forth in the TSR Ranking column of such schedule. The number of Performance Shares earned shall be the product of the number of Performance Shares set forth in Section 2 multiplied by the Percentage of Performance Shares Earned. If at any time during the Performance Cycle, a Comparison Company is acquired, ceases to exist, ceases to be a publicly-traded company, files for bankruptcy, spins off 50% or more of its assets (except as otherwise provided in Exhibit A), or sells all, or substantially all, of its assets, such Comparison Company shall be removed and treated as if it had never been a Comparison Company. The Total Shareholder Returns of the Corporation and the remaining Comparison Companies shall be ranked from first to last, and the Percentage of Performance Shares Earned shall be determined as described in this Section 4(c) based on the Corporation's TSR Ranking among the remaining Comparison Companies: (i) to the extent the number of Comparison Companies plus the Corporation is reduced to 15, 14 or 13, in accordance with the percentage corresponding to Corporation's TSR Ranking as set forth in Exhibit C-1, C-2 or C-3 attached hereto, respectively, and (ii) to the extent that the number of Comparison Companies plus the Corporation is reduced to fewer than 13, in accordance with the percentage corresponding to the Corporation's TSR Ranking as set forth in Exhibit C-3, provided that (1) the Committee may use its negative discretion, consistent with Code Section 162(m), to reduce the Percentage of Performance Shares Earned corresponding to such TSR Ranking of the Corporation such that the Percentage of Performance Shares Earned shall be as reasonably commensurate as possible with the Percentage of Performance Shares Earned that would have resulted if the number of Comparison Companies plus the Corporation had been 13, and (2) if the Corporation ranks last among the remaining Comparison Companies, the Percentage of Performance Shares Earned shall be 0%. Notwithstanding the foregoing provisions of this Section 4(c)

to the contrary, if the Corporation's Total Shareholder Return during the Performance Cycle is negative, the Percentage of Performance Shares Earned shall not exceed 100%.

5. Termination of Employment. Except as provided in this Section 5, the Participant shall not have any right to any payment hereunder unless the Participant is employed by the Corporation or a Subsidiary on the vesting date pursuant to Section 3.

(a) Death, Permanent Total Disability or Normal Retirement. If (i) the Participant's employment with the Corporation or any Subsidiary terminates prior to the vesting date pursuant to Section 3 by reason of the Participant's death, permanent total disability or normal retirement under the Corporation's Employees' Pension Plan or any successor plan thereto or any similar plan maintained by a Subsidiary in which the Participant participates (such applicable pension plan, the "Pension Plan"), and (ii) at the time of such termination due to normal retirement, as applicable, the Participant shall have completed at least five years of continuous service with the Corporation or any Subsidiary, the Participant shall be entitled to receive the same payment, if any (without pro-ration), in respect of the Performance Shares as would have been payable, and at the same time and subject to the same conditions, had the Participant's employment continued until such vesting date. The existence and date of permanent total disability shall be determined by the Committee and its determination shall be final and conclusive.

(b) Other than Death, Permanent Total Disability or Normal Retirement. If the Participant's employment with the Corporation or any Subsidiary terminates prior to the vesting date pursuant to Section 3 for any reason other than the Participant's death, permanent total disability or normal retirement under the Pension Plan, all of the Performance Shares and the Participant's rights with respect thereto shall be immediately forfeited and cancelled without further action by the Corporation or the Participant as of the date of such termination of employment.

(c) Early Retirement. Notwithstanding Section 5(b), if (i) the Participant's employment with the Corporation or any Subsidiary terminates prior to the vesting date pursuant to Section 3 by reason of the Participant's early retirement under the Pension Plan, and (ii) at the time of such termination, the Participant shall have completed at least five years of continuous service with the Corporation or any Subsidiary, the Committee, in its sole discretion, may (but is not obligated to) determine that the Participant shall be entitled to receive the same payment, if any, in respect of the Performance Shares as would have been payable, and at the same time and subject to the same conditions, had the Participant's employment continued until such vesting date, provided that such payment shall be pro-rated based on the number of calendar days of the Performance Cycle elapsed through the date of such early retirement.

(d) Forfeiture Following Early Retirement. Notwithstanding any other provision of this Agreement to the contrary, if, following termination of the Participant's employment with the Corporation or any Subsidiary due to early retirement, as described in Section 5(c) where the Committee has previously determined that the Participant shall be entitled to receive any payments in respect of the Performance Shares

in accordance with Section 5(c), the Committee determines in its good faith discretion that the Participant shall have engaged in any Prohibited Activity (as hereinafter defined) at any time during the time through the otherwise applicable vesting date with respect to the Performance Cycle, all of the Performance Shares and the Participant's rights with respect thereto shall be immediately forfeited and cancelled without further action by the Corporation or the Participant as of the date on which the Participant shall have first entered into such Prohibited Activity. This Section 5(d) shall not constitute the Corporation's exclusive remedy for the Participant's engagement in any Prohibited Activity, and the Corporation may seek any additional legal or equitable remedy, including injunctive relief, in any such circumstances. If any provision contained in this Section 5(d) shall be held by any court of competent jurisdiction to be unenforceable, void or invalid, the parties intend that such provision be modified to make it valid and enforceable to the fullest extent permitted by law. If any such provision cannot be modified to be valid and enforceable, such provision shall be severed from this Agreement and the invalidity or unenforceability of such provision shall not affect the validity or enforceability of the remaining provisions. Notwithstanding any other provision of this Section 5(d) to the contrary, upon the occurrence of a Change of Control, the foregoing provisions of this Section 5(d) shall automatically terminate and cease to apply with respect to any Performance Shares that are outstanding and have not previously been forfeited under this Section 5(d). For purposes of this Agreement:

(i) "Prohibited Activity" shall mean either Competitive Activity or Interference.

(ii) "Competitive Activity" shall mean that the Participant, directly or indirectly, in any manner or capacity, shall be employed by, serve as a director or manager of, act as a consultant to or maintain any material ownership interest in, any E&P Company or M&R Company that competes with the business of the Corporation or any Subsidiary or affiliate thereof in geographical areas in which the Participant is aware that the Corporation or any Subsidiary or affiliate is engaged, or is considering engaging, unless the Committee agrees to such activity of the Participant in writing; provided, however, that the Participant's ownership solely as an investor of less than 1% of the outstanding securities of any publicly-traded securities of any E&P Company or M&R Company shall not, by itself, be considered to be Competitive Activity.

(iii) "Interference" shall mean that the Participant shall, directly or indirectly, interfere with the relationship between the Corporation or any Subsidiary or affiliate of the Corporation and any person (including, without limitation, any business or governmental entity) that to the Participant's knowledge is, or was, a client, customer, supplier, licensee or partner of the Corporation or any Subsidiary, or had any other business relationship with the Corporation or any Subsidiary.

(iv) "E&P Company" shall mean any business which is engaged in the business of exploring for, or developing or producing, crude oil or natural gas.

(v) “M&R Company” shall mean any business which is engaged in the manufacture, generation, purchase, marketing or trading of refined petroleum products, natural gas or electricity.

6. Change of Control. Notwithstanding anything in Section 3, 4, 5(a) or 5(c) to the contrary, in the event a Change of Control occurs during the Performance Cycle, the Corporation’s Total Shareholder Return, TSR Ranking and the Percentage of Performance Shares Earned shall be determined in accordance with Section 4 for the portion of the Performance Cycle that ends on the date immediately prior to the date of the Change of Control. Provided that the Performance Shares have not been forfeited pursuant to Section 5 prior to the date of the Change of Control, the number of the Performance Shares earned shall be the sum of (a) the product of the number of Performance Shares set forth in Section 2, multiplied by a fraction, the numerator of which is the number of calendar days of the Performance Cycle that elapse through the date immediately prior to the date of the Change of Control and the denominator of which is the full number of calendar days during the Performance Cycle, multiplied by the Percentage of Performance Shares Earned, plus (b) the product of the number of Performance Shares set forth in Section 2, multiplied by a fraction, the numerator of which is the number of calendar days remaining in the Performance Cycle on and following the date of the Change of Control and the denominator of which is the full number of calendar days during the Performance Cycle. Such number of earned Performance Shares shall be paid in cash on, or within 5 business days after, the date of such Change of Control based on the Change of Control Price; provided, however, that if such Change of Control does not constitute a “change in control event” within the meaning of Treasury Regulations Section 1.409A-3(i)(5), then any amounts payable under this Section 6 that constitute a “deferral of compensation” under Code Section 409A shall be made at the time specified in Section 2 as if such Change of Control had not occurred.

7. Dividend Equivalents. With respect to the number of Performance Shares set forth in Section 2, the Participant shall be credited with Dividend Equivalents with respect to each such Performance Share equal to the amount per Share of any ordinary cash dividends declared by the Board with record dates during the period beginning on the first day of the Performance Cycle and ending on the earliest to occur of: (a) the last day of the Performance Cycle; (b) the date of a Change of Control and (c) the date such Performance Share terminates or is forfeited under Section 3 or Section 5. The Corporation shall pay in cash to the Participant an amount equal to the product of (i) sum of the aggregate amount of such Dividend Equivalents credited to the Participant, plus interest at a short-term rate determined by the Committee that accrues on the amount of such Dividend Equivalents from the date each such Dividend Equivalent is credited hereunder until the date of such payment, multiplied by (ii) the Percentage of Performance Shares Earned, such amount to be paid as and when the related Performance Shares are paid in accordance with Section 3 or Section 6, as applicable. Any Dividend Equivalents (and any accrued interest thereon) shall be forfeited as and when the related Performance Shares are forfeited in accordance with Section 3 or Section 5.

8. No Rights as a Shareholder. Until shares of Common Stock are issued, if at all, in satisfaction of the Corporation's obligations under this Agreement, in the time and manner specified in Section 3 or 6, the Participant shall have no rights as a shareholder as to the Shares underlying the Performance Shares.

9. Beneficiary. The Participant may designate the beneficiary or beneficiaries to receive any payments which may be made in respect of the Performance Shares after the Participant's death. Any such designation shall be made by the Participant in writing on a beneficiary designation form provided by or on behalf of the Corporation and (unless the Participant has waived such right) may be changed by the Participant from time to time by filing a new beneficiary designation form as provided therein. If the Participant does not designate a beneficiary or if no designated beneficiary survives the Participant, the Participant's beneficiary shall be the legal representative of his estate.

10. Tax Withholding. No payment of Shares or cash in respect of the Performance Shares shall be made unless and until the Participant (or his or her beneficiary or legal representative) shall have made arrangements satisfactory to the Committee for the payment of any amounts required to be withheld with respect thereto under all present or future federal, state, local and non-United States tax laws and regulations and other laws and regulations in accordance with Section 12.03 of the Plan. The Corporation shall have the right to deduct from all amounts paid to the Participant in cash in respect of Performance Shares any such amounts. In the case of any payments of Performance Shares in the form of Shares, unless the Participant elects otherwise in advance in writing or is prohibited by law, upon payment of such Shares, such number of such Shares as shall be necessary to pay such amounts shall be sold by the Corporation or its designee on the Participant's behalf, and the proceeds thereof shall be delivered to the Corporation for remittance to the appropriate governmental authorities. In the event the Committee determines that any amounts are required to be withheld in respect of the Performance Shares prior to payment of such Performance Shares, the Participant shall thereupon pay to the Corporation in cash the full amount so required to be withheld.

11. Limitations; Governing Law. Nothing herein or in the Plan shall be construed as conferring on the Participant or anyone else the right to continue in the employ of the Corporation or any Subsidiary. The rights and obligations under this Agreement are governed by and construed in accordance with the laws of the State of Delaware, without reference to the principles of conflict of laws thereof.

12. Non-transferability. Except as otherwise provided by Section 8, the Performance Shares, and any rights and interests with respect thereto, may not be sold, exchanged, transferred, assigned or otherwise disposed of in any way by the Participant (or the Participant's beneficiary), and may not be pledged or encumbered in any way by the Participant (or the Participant's beneficiary), and shall not be subject to execution, attachment or similar legal process.

13. Entire Agreement; Amendment. This Agreement (including the Plan which is incorporated herein by reference) contains the entire agreement between the parties hereto with respect to the subject matter contained herein, and supersedes all prior agreements or prior understandings, whether written or oral, between the parties hereto relating to such subject matter. The Board has the right, in its sole discretion, to amend, alter, suspend, discontinue or terminate the Plan, and the Committee has the right, in its sole discretion, to amend, alter, suspend, discontinue or terminate this Agreement from time to time in accordance with and as provided in the Plan; provided, however, that no such amendment, alteration, suspension, discontinuance or termination of the Plan may materially impair the Participant's previously accrued rights under this Agreement or the Plan without the Participant's consent, except as otherwise provided in Section 11 of the Plan. This Agreement may also be modified, amended or terminated by a writing signed by the Participant and the Corporation.

14. Notices. Any notice which may be required or permitted under this Agreement shall be in writing and shall be delivered in person, or via facsimile transmission, overnight courier service or certified mail, return receipt requested, postage prepaid, properly addressed as follows:

(a) If the notice is to the Corporation, to the attention of the Secretary of Hess Corporation, 1185 Avenue of the Americas, New York, New York 10036, or at such other address as the Corporation by notice to the Participant may designate in writing from time to time.

(b) If the notice is to the Participant, at the Participant's address as shown on the Corporation's records, or at such other address as the Participant, by notice to the Corporation, may designate in writing from time to time.

15. Compliance with Laws. The issuance of any Shares pursuant to this Agreement shall be subject to, and shall comply with, any applicable requirements of federal and state securities laws, rules and regulations (including, without limitation, the provisions of the Securities Act of 1933, as amended, the Exchange Act and the respective rules and regulations promulgated thereunder), any applicable rules of any exchange on which the Common Stock is listed (including, without limitation, the rules and regulations of the New York Stock Exchange), and any other law, rule or regulation applicable thereto. The Corporation shall not be obligated to issue any of the Common Stock subject to this Agreement if such issuance would violate any such requirements and if issued shall be deemed void ab initio.

16. Binding Agreement; Further Assurances. This Agreement shall inure to the benefit of, be binding upon, and be enforceable by the Corporation and its successors and assigns. Each party hereto shall do and perform (or shall cause to be done and performed) all such further acts and shall execute and deliver all such other agreements, certificates, instruments and documents as any other party hereto reasonably may request in order to carry out the intent and accomplish the purposes of this Agreement and the Plan and the consummation of the transactions contemplated thereunder.

17. Counterparts; Headings. This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original, but all of which shall constitute one and the same instrument. The titles and headings of the various sections of this Agreement have been inserted for convenience of reference only and shall not be deemed to be a part of this Agreement.

18. Severability. The invalidity or unenforceability of any provisions of this Agreement in any jurisdiction shall not affect the validity, legality or enforceability of the remainder of this Agreement in such jurisdiction or the validity, legality or enforceability of any provision of this Agreement in any other jurisdiction, it being intended that all rights and obligations of the parties hereunder shall be enforceable to the fullest extent permitted by law.

19. Terms of Employment. The Plan is a discretionary plan. The Participant hereby acknowledges that neither the Plan nor this Agreement forms part of the Participant's terms of employment and nothing in the Plan may be construed as imposing on the Corporation or any Subsidiary a contractual obligation to offer participation in the Plan to any employee of the Corporation or any Subsidiary. Neither the Corporation nor any Subsidiary is under any obligation to grant any further Awards to the Participant under the Plan. If the Participant ceases to be an employee of the Corporation or any Subsidiary for any reason, the Participant shall not be entitled by way of compensation for loss of office or otherwise howsoever to any sum or other benefit to compensate the Participant for the loss of any rights under this Agreement or the Plan. The Participant also acknowledges that the Corporation has adopted a policy prohibiting recipients of equity awarded from the Corporation, including the Performance Shares, from trading in equity derivative instruments to hedge the economic risks of holding Corporation common stock or interests therein. The Participant hereby acknowledges that he will abide by such policy in all respects.

20. Data Protection. By signing this Agreement, the Participant hereby consents to the holding and processing of personal data provided by the Participant to the Corporation for all purposes necessary for the operation of the Plan. These include, but are not limited to:

- (a) administering and maintaining the Participant's records;
- (b) providing information to any registrars, brokers or third party administrators of the Plan; and
- (c) providing information to future purchasers of the Corporation or the business in which the Participant works.

21. Code Section 409A. Payment of the Performance Shares and this Agreement are intended to comply with, or be exempt from, Section 409A of the Code, and shall be administered and construed in accordance with such intent. Accordingly, the Corporation shall have the authority to take any action, or refrain from taking any action, with respect to this Agreement that it determines is necessary or appropriate to ensure

compliance with, or exemption from, Code Section 409A (provided that the Corporation shall choose the action that best preserves the value of payments provided to the Participant under this Agreement that is consistent with Code Section 409A). In furtherance, but not in limitation, of the foregoing:

(a) in no event may the Participant designate, directly or indirectly, the calendar year of any payment to be made hereunder;

(b) if at the time of the Participant's separation from service, the Corporation determines that the Participant is a "specified employee" within the meaning of Code Section 409A, payments, if any, hereunder that constitute a "deferral of compensation" under Code Section 409A and that would otherwise become due on account of such separation from service shall be delayed and all such delayed payments shall be paid in full upon the earlier to occur of (i) a date during the thirty-day period commencing six months and one day following such separation from service and (ii) the date of the Participant's death, provided that such delay shall not apply to any payment that is excepted from coverage by Code Section 409A, such as a payment covered by the short-term deferral exception described in Treasury Regulations Section 1.409A-1(b)(4); and

(c) notwithstanding any other provision of this Agreement to the contrary, a termination or retirement of Participant's employment hereunder shall mean and be interpreted consistent with a "separation from service" within the meaning of Code Section 409A with respect to any payments hereunder that constitute a "deferral of compensation" under Code Section 409A that become due on account of such separation from service.

IN WITNESS WHEREOF, the Corporation has caused this Agreement to be executed by its duly authorized officer, and the Participant has also executed this Agreement and acknowledged receipt of other related materials including the Plan prospectus, all as of the Grant Date.

HESS CORPORATION

By: _____

Name:

Title:

[NAME OF PARTICIPANT]

Comparison Companies

- Anadarko Petroleum Corporation
- Apache Corporation
- BP plc
- Chevron Corporation
- ConocoPhillips Company *
- Devon Energy Corporation
- EOG Resources, Inc.
- Exxon Mobil Corporation
- Marathon Oil Corporation
- Murphy Oil Corporation
- Occidental Petroleum Corporation
- Royal Dutch Shell plc
- Statoil ASA
- Talisman Energy Inc.
- Total S.A.

* It is intended that upon any reorganization in which this company is split into a separate exploration and production company and a separate marketing and refining company, the Comparison Companies listed herein shall include such exploration and production company, but not such marketing and refining company, and the readjusted historical common stock prices and dividends of such exploration and production company shall be used for computing the Total Shareholder Return of such company.

Percentage of Performance Shares Earned Schedule

Use this schedule if number of Comparison Companies plus the Corporation is 16:

| <u>TSR Ranking</u> | <u>Percentage of Performance Shares Earned</u> |
|--------------------|--|
| 1st | 200% |
| 2nd | 200% |
| 3rd | 200% |
| 4th | 200% |
| 5th | 175% |
| 6th | 150% |
| 7th | 125% |
| 8th | 100% |
| 9th | 88% |
| 10th | 75% |
| 11th | 63% |
| 12th | 50% |
| 13th | 0% |
| 14th | 0% |
| 15th | 0% |
| 16th | 0% |

Percentage of Performance Shares Earned Schedule

Use this schedule if number of Comparison Companies plus the Corporation is 15:

| <u>TSR Ranking</u> | <u>Percentage of Performance Shares Earned</u> |
|--------------------|--|
| 1st | 200% |
| 2nd | 200% |
| 3rd | 200% |
| 4th | 200% |
| 5th | 175% |
| 6th | 150% |
| 7th | 125% |
| 8th | 100% |
| 9th | 83% |
| 10th | 67% |
| 11th | 50% |
| 12th | 0% |
| 13th | 0% |
| 14th | 0% |
| 15th | 0% |

Percentage of Performance Shares Earned Schedule

Use this schedule if number of Comparison Companies plus the Corporation is 14:

| <u>TSR Ranking</u> | <u>Percentage of Performance Shares Earned</u> |
|--------------------|--|
| 1st | 200% |
| 2nd | 200% |
| 3rd | 200% |
| 4th | 175% |
| 5th | 150% |
| 6th | 125% |
| 7th | 100% |
| 8th | 88% |
| 9th | 75% |
| 10th | 63% |
| 11th | 50% |
| 12th | 0% |
| 13th | 0% |
| 14th | 0% |

Percentage of Performance Shares Earned Schedule

Use this schedule if number of Comparison Companies plus the Corporation is 13:

| <u>TSR Ranking</u> | <u>Percentage of Performance Shares Earned</u> |
|--------------------|--|
| 1st | 200% |
| 2nd | 200% |
| 3rd | 200% |
| 4th | 175% |
| 5th | 150% |
| 6th | 125% |
| 7th | 100% |
| 8th | 83% |
| 9th | 67% |
| 10th | 50% |
| 11th | 0% |
| 12th | 0% |
| 13th | 0% |

RESTRICTED STOCK AWARD AGREEMENT
pursuant to the

HESS CORPORATION
2008 LONG-TERM INCENTIVE PLAN

* * * * *

Awardee: FIRST NAME — LAST NAME

Grant Date: DATE

Number of Shares of Common # OF RESTRICTED SHARES

Stock Subject to such Award:

* * * * *

THIS RESTRICTED STOCK AWARD AGREEMENT (this “Agreement”), dated as of the Grant Date specified above, is entered into by and between Hess Corporation, a Delaware corporation (the “Corporation”), and the Awardee specified above, pursuant to the Hess Corporation 2008 Long-Term Incentive Plan, as in effect and as amended from time to time (the “Plan”); and

WHEREAS, it has been determined under the Plan that it would be in the best interests of the Corporation to grant the restricted stock award provided for herein to the Awardee as an inducement to remain in the employment of the Corporation (and/or any Subsidiary), and as an incentive for increased effort during such employment;

NOW, THEREFORE, in consideration of the mutual covenants and premises hereinafter set forth and for other good and valuable consideration, the parties hereto hereby mutually covenant and agree as follows:

The Compensation and Management Development Committee (the “Committee”) of the Board of Directors (the “Board”) of Hess Corporation has granted to you restricted shares of the Common Stock of the Corporation in accordance with the terms and provisions of the Plan and this agreement (the “Restricted Shares”). The Restricted Shares are restricted for a period commencing on the date of grant and ending on the third anniversary of the Grant Date and are otherwise subject to the terms and conditions set forth herein. If the conditions set forth in the Plan and this agreement are not satisfied, this agreement and the Restricted Shares awarded together with all rights and interests relating thereto, shall be void and of no force or effect.

1. Incorporation By Reference; Document Receipt. This agreement is subject in all respects to the terms and provisions of the Plan (including, without limitation, any amendments thereto adopted at any time and from time to time unless such amendments are expressly not intended to apply to the grant of Restricted Shares hereunder), all of which terms and provisions are made a part of and incorporated in this agreement as if each were expressly set forth mutatis mutandis herein. Any capitalized term not defined in this agreement will have the same meaning as is ascribed thereto under the Plan. You hereby acknowledge receipt of a prospectus describing the Plan and the Awards thereunder and that you have read it carefully and fully understand its content. In the event of any conflict between the terms of this agreement and the terms of the Plan, the terms of the Plan will control.

2. Restricted Stock. Restricted Shares will be issued in book-entry form in your name and deposited with The Bank of New York or other agent designated by the Committee, as escrow agent (the “Escrow Agent”). Prior to the issuance and deposit of the Restricted Shares with the Escrow Agent, you will have no rights of a shareholder, and you will not be entitled to vote the Restricted Shares or receive any dividends or other distributions, in respect of the Restricted Shares. The Restricted Shares will be held by the Escrow Agent pursuant to an agreement (the “Escrow Agreement”) between the Escrow Agent and the Corporation. You authorize the Escrow Agreement to transfer shares and otherwise act in accordance with instructions of the Corporation. You will furnish the Escrow Agent with stock transfer powers or

authorizations from time to time, if requested. Except to the extent otherwise provided in the Plan or this agreement, if you remain continuously employed by the Corporation or any Subsidiary until the third anniversary of the Grant Date, the Escrow Agent will, except as provided below, deliver to you shortly thereafter a new share certificate in your name representing the Restricted Shares; *provided, however*, that Restricted Shares may nevertheless be evidenced on a noncertificated basis, to the extent not prohibited by applicable law or the rules of any stock exchange. For as long as an account is maintained in your name with a broker, custodian, or other institution retained by the Corporation to assist in the administration of the Plan (the "Administrator"), such Restricted Shares will be deposited into such account.

3. Rights as a Stockholder. While the Restricted Shares are held by the Escrow Agent, you will be the record owner and will have all the rights of a stockholder with respect to the Restricted Shares, including (without limitation) the right to vote, subject to the restrictions provided for in the Plan, the Escrow Agreement and this agreement. From and after the date on which the Restricted Shares are issued in your name and deposited with the Escrow Agent, cash dividends and other distributions made or paid with respect to the Restricted Shares will be held by the Escrow Agent and may (but need not be) reinvested as determined by the Committee, and such dividends and distributions will be paid to you (or your account at the Administrator referred to in Section 2), together with interest or other earnings thereon (if any), at the time and to the extent pro tanto that the Restricted Shares become non-forfeitable and are delivered to you by the Escrow Agent. Any new, additional or different securities that you may become entitled to receive with respect to the Restricted Shares under the Plan by virtue of any reinvestment of any cash dividends paid on the Common Stock or any stock dividend, stock split, recapitalization, reorganization, merger, consolidation, split-up, or any similar change affecting the Common Stock, will be delivered to the Escrow Agent subject to the same restrictions, terms and conditions as apply to the related Restricted Shares.

4. Termination and Forfeiture.

4.1 If (i) your employment with the Corporation or any Subsidiary terminates prior to the third anniversary of the Grant Date by reason of your death, permanent total disability or normal retirement under the Corporation's Employees' Pension Plan or any successor plan thereto or any similar plan maintained by a Subsidiary in which you participate, and (ii) at the time of such termination due to normal retirement, as applicable, you shall have completed at least five years of continuous service with the Corporation or any Subsidiary, the Escrow Agent will, as promptly as practicable, deliver to you, or your account at the Administrator referred to in Section 2 (in the case of permanent total disability or your normal retirement), or your beneficiary(ies) (in the case of your death) a certificate representing all of the Restricted Shares awarded to you hereunder and all accumulated dividends on the Restricted Shares, together with interest or other earnings thereon (if any). The existence and date of permanent total disability will be determined by the Committee and its determination shall be final and conclusive.

4.2 If your employment with the Corporation or any Subsidiary terminates prior to the third anniversary of the Grant Date for any reason other than your death, permanent total disability or normal retirement under the Corporation's Employees' Pension Plan or any successor plan thereto or any similar plan maintained by a Subsidiary in which you participate, all of the Restricted Shares, and any rights thereto, awarded to you hereunder, all accumulated dividends in respect thereof and interest thereon (if any) will be forfeited by you and returned by the Escrow Agent to the Corporation and you will have no further rights with respect thereto.

4.3 Notwithstanding Section 4.2 above, if (i) your employment with the Corporation or any Subsidiary terminates prior to the third anniversary of the Grant Date by reason of your early retirement under the Corporation's Employees' Pension Plan or any successor plan thereto or any similar plan maintained by a Subsidiary in which you participate, and (ii) at the time of such termination, you shall have completed at least five years of continuous service with the Corporation or any Subsidiary, the Committee, in its sole discretion, may (but is not obligated to) determine that it will deliver to you, or your account at the Administrator referred to in Section 2, on a specified date a certificate representing a proportionate number of the Restricted Shares awarded to you hereunder based on the number of calendar days elapsed (as of the date of such early retirement) in the vesting period ending on the third anniversary of the Grant Date, together with a proportionate amount of the accumulated dividends in respect thereof also based on the number of calendar days elapsed (as of the date of such early retirement) in the vesting period ending on the third anniversary of the Grant Date, and any interest or other earnings on such proportionate amount (if any).

4.4 Notwithstanding any other provision of this Agreement to the contrary:

4.4.1 If, following termination of your employment with the Corporation or any Subsidiary due to early retirement, as described in Section 4.3 above, where the Committee has previously determined that you shall receive a proportionate number of the Restricted Shares in accordance with Section 4.3, the Committee determines in its good faith discretion that you shall have engaged in any Prohibited Activity (as hereinafter defined) at any time prior to the third anniversary of the Grant Date, then you shall be obligated to pay or deliver to the Corporation either (at your election): (a) a cash payment in an amount equal to the Fair Market Value of the proportionate number of Restricted Shares determined in accordance with Section 4.3 as of the date of such termination of your employment due to early retirement, reduced by the amount of any income and social security taxes that you previously paid to the Corporation or a Subsidiary in respect of such Shares, or (b) a number of Shares equal to the proportionate number of the Restricted Shares determined in accordance with Section 4.3 in the case of termination of your employment due to early retirement, reduced by a number of Shares with a Fair Market Value on the date of such delivery equal to the amount of such taxes referred to in clause (a) of this sentence. This Section 4.4 shall not constitute the Corporation's exclusive remedy for your engagement in any Prohibited Activity, and the Corporation may seek any additional legal or equitable remedy, including injunctive relief, in any such circumstances. If any provision contained in this Section 4.4 shall be held by any court of competent jurisdiction to be unenforceable, void or invalid, the parties intend that such provision be modified to make it valid and enforceable to the fullest extent permitted by law. If any such provision cannot be modified to be valid and enforceable, such provision shall be severed from this Agreement and the invalidity or unenforceability of such provision shall not affect the validity or enforceability of the remaining provisions. Notwithstanding any other provision of this Section 4.4 to the contrary, upon the occurrence of a Change of Control, the foregoing provisions of this Section 4.4 shall automatically terminate and cease to apply with respect to any Restricted Shares that are outstanding and have not previously been forfeited under this Section 4.4.

4.4.2 For purposes of this Agreement:

(a) "Prohibited Activity" shall mean either Competitive Activity or Interference.

(b) "Competitive Activity" shall mean that you, directly or indirectly, in any manner or capacity, shall be employed by, serve as a director or manager of, act as a consultant to or maintain any material ownership interest in, any E&P Company or M&R Company that competes with the business of the Corporation or any Subsidiary or affiliate thereof in geographical areas in which you are aware that the Corporation or any Subsidiary or affiliate is engaged, or is considering engaging, unless the Committee agrees to such activity of you in writing; provided, however, that your ownership solely as an investor of less than 1% of the outstanding securities of any publicly-traded securities of any E&P Company or M&R Company shall not, by itself, be considered to be Competitive Activity.

(c) "Interference" shall mean that you shall, directly or indirectly, interfere with the relationship between the Company or any Subsidiary or affiliate of the Company and any person (including, without limitation, any business or governmental entity) that to your knowledge is, or was, a client, customer, supplier, licensee or partner of the Company or any Subsidiary, or had any other business relationship with the Company or any Subsidiary.

(d) "E&P Company" shall mean any business which is engaged in the business of exploring for, or developing or producing, crude oil or natural gas.

(e) "M&R Company" shall mean any business which is engaged in the manufacture, generation, purchase, marketing or trading of refined petroleum products, natural gas or electricity.

5. Change of Control. The Restricted Shares awarded to you hereunder are subject to acceleration of vesting and "cash-out" at the discretion of the Committee upon the occurrence of a Change of Control, all as provided in and subject to Section 9 of the Plan.

6. Beneficiary. You may designate the beneficiary or beneficiaries to receive any Restricted Shares or other amounts which may be delivered in respect of this Award after your death. Such designation may be made by you on the enclosed beneficiary designation form and (unless you have waived such right) may be changed by you from time to time by filing

a new beneficiary designation form with the Committee. If you do not designate a beneficiary or if no designated beneficiary(ies) survives you, your beneficiary will be the legal representative of your estate.

7. Tax Withholding. No delivery of vested Restricted Shares or payment of any accumulated cash dividends in respect thereof or other amount in respect of this Award will be made unless and until you (or your beneficiary or legal representative) have made appropriate arrangements for the payment of any amounts required to be withheld with respect thereto under all present or future federal, state and local tax laws and regulations and other laws and regulations. Unless you elect otherwise in writing or are prohibited by law, upon expiration of the applicable restriction period such number of Restricted Shares as shall be necessary to pay such withholding amounts shall be sold by the Administrator on your behalf, and the proceeds thereof shall be delivered to the Corporation for remittance to the appropriate governmental authorities, and the remaining Restricted Shares shall be delivered to you, or your account at the Administrator referred to in Section 2.

Notwithstanding the immediately preceding paragraph, if you make an election pursuant to Section 83(b) of the Code, or the value of any Restricted Shares otherwise becomes includible in your gross income for income tax purposes prior to the expiration of the applicable restriction period, you agree to pay to the Corporation in cash (or make other arrangements, in accordance with Section 12.03 of the Plan, for the satisfaction of) any taxes of any kind required by law to be withheld with respect to such Restricted Shares. If you elect immediate Federal income taxation with respect to all or any portion of the Restricted Shares pursuant to Section 83(b) of the Code, you agree to deliver a copy of such election to the Corporation at the time such election is filed with the Internal Revenue Service.

8. Limitations; Governing Law. Nothing herein or in the Plan will be construed as conferring on you or anyone else the right to continue in the employ of the Corporation or any Subsidiary. The rights and obligations under this agreement and the Award are governed by and construed in accordance with the laws of the State of Delaware, without reference to the principles of conflict of laws thereof.

9. Non-transferability. The Restricted Shares, and any rights and interests with respect thereto, issued under this agreement and the Plan may not, prior to vesting, be sold, exchanged, transferred, assigned or otherwise disposed of in any way by you (or any of your beneficiary(ies)). The Restricted Shares, and any rights and interests with respect thereto, may not, prior to vesting, be pledged, encumbered or otherwise hypothecated in any way by you (or any of your beneficiary(ies)) and will not, prior to vesting, be subject to execution, attachment or similar legal process. Any attempt to sell, exchange, transfer, assign, pledge, encumber or otherwise dispose of or hypothecate in any way any of the Restricted Shares, or the levy of any execution, attachment or similar legal process upon the Restricted Shares, contrary to the terms and provisions of this agreement and/or the Plan will be null and void ab initio and without legal force or effect. Each certificate evidencing the Restricted Shares will bear a legend to this effect.

10. Entire Agreement; Amendment. This agreement (including the Plan which is incorporated herein by reference) contains the entire agreement between the parties hereto with respect to the subject matter contained herein, and supersedes all prior agreements or prior understandings, whether written or oral, between the parties hereto relating to such subject matter. The Board has the right, in its sole discretion, to amend, alter, suspend, discontinue or terminate the Plan, and the Committee has the right, in its sole discretion, to amend, alter, suspend, discontinue or terminate one or more of the Awards of Restricted Stock or this agreement from time to time in accordance with and as provided in the Plan; provided, however, that no such amendment, alteration, suspension, discontinuance or termination after initial shareholder approval of the Plan may materially impair your previously accrued rights under this agreement or the Plan without your consent. The Corporation will give you written notice of any such modification or amendment of this agreement as soon as practicable after the adoption thereof. This agreement may also be modified, amended or terminated by a writing signed by you and the Corporation.

11. Notices. Any notice which may be required or permitted under this agreement will be in writing and will be delivered in person, or via facsimile transmission, overnight courier service or certified mail, return receipt requested, postage prepaid, properly addressed as follows:

11.1 If the notice is to the Corporation, to the attention of the Secretary of Hess Corporation, 1185 Avenue of the Americas, New York, New York 10036, or at such other address as the Corporation by notice to you may designate in writing from time to time.

11.2 If the notice is to you, at your address as shown on the Corporation's records, or at such other address as you, by notice to the Corporation, may designate in writing from time to time.

12. Compliance with Laws. The issuance of the Restricted Shares pursuant to this will be subject to, and will comply with, any applicable requirements of federal and state securities laws, rules and regulations (including, without limitation, the provisions of the Securities Act of 1933, the Exchange Act and the respective rules and regulations promulgated thereunder), any applicable rules of any exchange on which the Common Stock is listed (including, without limitation, the rules and regulations of the New York Stock Exchange), and any other law, rule or regulation applicable thereto. The Corporation will not be obligated to issue any of the Common Stock subject to this agreement if such issuance would violate any such requirements and if issued will be deemed void ab initio.

13. Binding Agreement; Further Assurances. This agreement will inure to the benefit of, be binding upon, and be enforceable by the Corporation and its successors and assigns. Each party hereto will do and perform (or will cause to be done and performed) all such further acts and shall execute and deliver all such other agreements, certificates, instruments and documents as any other party hereto reasonably may request in order to carry out the intent and accomplish the purposes of this agreement and the Plan and the consummation of the transactions contemplated thereunder.

14. Counterparts; Headings. This agreement may be executed in one or more counterparts, each of which will be deemed to be an original, but all of which will constitute one and the same instrument. The titles and headings of the various sections of this agreement have been inserted for convenience of reference only and will not be deemed to be a part of this agreement.

15. Severability. The invalidity or unenforceability of any provisions of this agreement in any jurisdiction will not affect the validity, legality or enforceability of the remainder of this agreement in such jurisdiction or the validity, legality or enforceability of any provision of this agreement in any other jurisdiction, it being intended that all rights and obligations of the parties hereunder will be enforceable to the fullest extent permitted by law.

16. Terms of Employment. The Plan is a discretionary plan. You hereby acknowledge that neither the Plan nor this agreement forms part of your terms of employment and nothing in the Plan may be construed as imposing on the Corporation or any Subsidiary a contractual obligation to offer participation in the Plan to any employee of the Corporation or any Subsidiary. The Corporation or any Subsidiary is under no obligation to grant further Restricted Shares to you under the Plan. If you cease to be an employee of the Corporation or any Subsidiary for any reason, you shall not be entitled by way of compensation for loss of office or otherwise howsoever to any sum or other benefit to compensate you for the loss of any rights under this agreement or the Plan. You also acknowledge that the Corporation has adopted a policy prohibiting recipients of equity awarded from the Corporation, including the Restricted Shares, from trading in equity derivative instruments to hedge the economic risks of holding Corporation common stock or interests therein. You hereby acknowledge that you will abide by such policy in all respects.

17. Data Protection. By signing this agreement, you consent to the holding and processing of personal data provided by you to the Corporation for all purposes necessary for the operation of the Plan. These include, but are not limited to:

17.1 Administering and maintaining your records;

17.2 Providing information to any registrars, brokers or third party administrators of the Plan; and

17.3 Providing information to future purchasers of the Corporation or the business in which you work.

IN WITNESS WHEREOF, the Corporation has caused this agreement to be executed by its duly authorized officer, and you have also executed this agreement and acknowledged receipt of other related materials including the Plan prospectus, all as of the Grant Date.

Very truly yours,

HESS CORPORATION