

Supplemental Earnings Information



Fourth Quarter 2015



OPERATING RESULTS

Reported Net Income (Loss), Items Affecting Comparability & Adjusted Net Income (Loss) by Operating Activity



In millions, except per share data

	4Q 2015	4Q 2014	3Q 2015
<u>Net Income (Loss) Attributable to Hess Corporation (U.S. GAAP)</u>			
Exploration and Production	\$ (1,713)	\$ 83	\$ (188)
Bakken Midstream	11	8	16
Corporate and Other	(61)	(46)	(44)
Interest	(50)	(50)	(50)
Discontinued Operations	(8)	(3)	(13)
Net income (loss) attributable to Hess Corporation	\$ (1,821)	\$ (8)	\$ (279)
Net income (loss) per share (diluted)	\$ (6.43)	\$ (0.03)	\$ (0.98)
<u>Items Affecting Comparability of Earnings - Income (Expense)</u>			
Exploration and Production	\$ (1,385)	\$ (55)	\$ 33
Bakken Midstream	-	-	-
Corporate and Other	(32)	(3)	(8)
Discontinued Operations	(8)	(3)	(13)
Total items affecting comparability of earnings between periods	\$ (1,425)	\$ (61)	\$ 12

(Continued)

Reported Net Income (Loss), Items Affecting Comparability & Adjusted Net Income (Loss) by Operating Activity



In millions, except per share data

	4Q 2015	4Q 2014	3Q 2015
<u>Adjusted Net Income (Loss)*</u>			
Exploration and Production	\$ (328)	\$ 138	\$ (221)
Bakken Midstream	11	8	16
Corporate and Other	(29)	(43)	(36)
Interest	(50)	(50)	(50)
Discontinued Operations	-	-	-
Adjusted net income (loss) attributable to Hess Corporation	\$ (396)	\$ 53	\$ (291)
Adjusted net income (loss) per share (diluted)	\$ (1.40)	\$ 0.18	\$ (1.03)
Weighted average number of shares (diluted)	283.2	289.0	283.5

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

(Concluded)

Items Affecting Comparability of Earnings Between Periods



(Amounts are after income taxes)

4Q 2015

- **Exploration and Production** – Results include:
 - A nontaxable goodwill impairment charge of \$1,098 million related to the Corporation's offshore E&P business. This charge was allocated in the financial results to United States and International operations.
 - Exploration charges of \$178 million for the write-off of previously capitalized gas wells in Ghana, three previously capitalized wells in Australia that are not included in the most recent development concept, and the impairment of certain leasehold costs in the Gulf of Mexico.
 - An impairment charge of \$83 million associated with the Corporation's legacy conventional North Dakota assets.
 - Net charges of \$26 million that include adjustments for surplus materials and supplies inventory and reductions to the value of crude oil inventories.

- **Bakken Midstream** – None.

- **Corporate and Other** – Results include:
 - A charge of \$41 million for the Corporation's estimated liability resulting from HOVENSA LLC's bankruptcy settlement.
 - A gain of \$13 million from asset sales.
 - Charges of \$4 million for severance and other costs.

- **Discontinued Operations** – The Corporation incurred a loss of \$8 million, primarily related to sales and use tax adjustments.

(Continued)

Items Affecting Comparability of Earnings Between Periods



(Amounts are after income taxes)

4Q 2014

- **Exploration and Production** – Results include:
 - A charge of \$48 million for remeasurement of deferred taxes resulting from legal entity restructurings.
 - Charges of \$7 million for employee severance, exit costs and other charges.

- **Bakken Midstream** – None.

- **Corporate and Other** – Results include charges of \$3 million for severance and other costs.

- **Discontinued Operations** – The Corporation incurred a loss of \$3 million related to the continued exit from its downstream businesses.

(Continued)

Items Affecting Comparability of Earnings Between Periods



(Amounts are after income taxes)

3Q 2015

- **Exploration and Production** – Results include:
 - A gain of \$31 million from the sale of dry gas acreage in the Utica shale play.
 - A tax benefit of \$50 million associated with an international investment incentive.
 - A charge of \$26 million for undeveloped leasehold impairment.
 - A charge of \$17 million associated with exit costs in Kurdistan.
 - Charges of \$5 million for other costs.

- **Bakken Midstream** – None.

- **Corporate and Other** – A charge of \$8 million related to the HOVENSA LLC bankruptcy.

- **Discontinued Operations** – The Corporation incurred a loss of \$13 million, which primarily related to pension settlement charges.

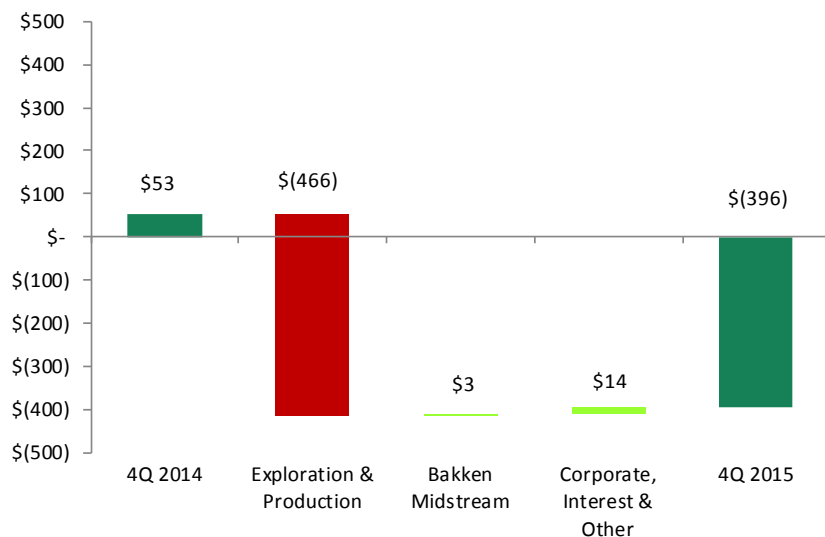
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Consolidated Adjusted Net Income (Loss)

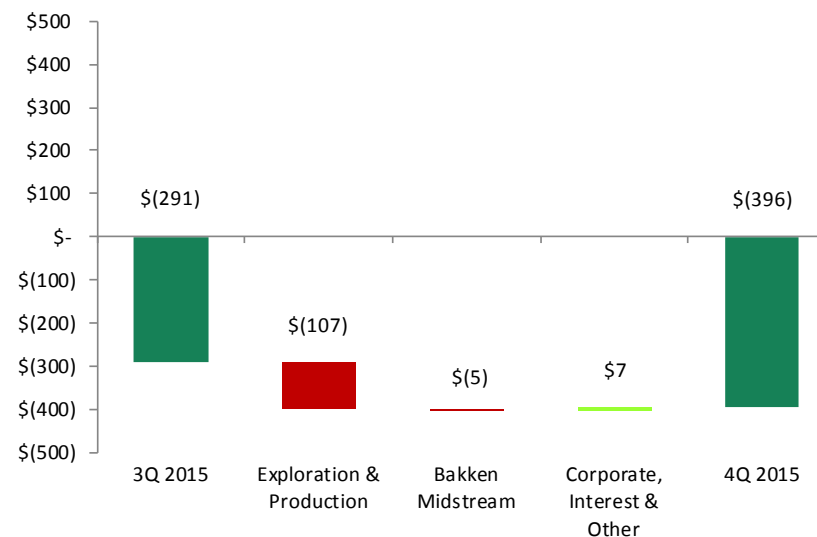


\$ Millions

4Q 2015 vs. 4Q 2014



4Q 2015 vs. 3Q 2015



	4Q 2015	4Q 2014	Incr. / (Decr.)
Exploration and Production	\$ (328)	\$ 138	\$ (466)
Bakken Midstream	11	8	3
Corporate, Interest and Other	(79)	(93)	14
Adjusted net income (loss) attributable to Hess Corporation	<u>\$ (396)</u>	<u>\$ 53</u>	<u>\$ (449)</u>

	4Q 2015	3Q 2015	Incr. / (Decr.)
Exploration and Production	\$ (328)	\$ (221)	\$ (107)
Bakken Midstream	11	16	(5)
Corporate, Interest and Other	(79)	(86)	7
Adjusted net income (loss) attributable to Hess Corporation	<u>\$ (396)</u>	<u>\$ (291)</u>	<u>\$ (105)</u>

Analysis of Consolidated Adjusted Net Income (Loss)



4Q 2015 vs. 4Q 2014

- **Exploration and Production** – The decrease in earnings was primarily attributable to lower realized selling prices and higher depreciation, depletion and amortization expenses, which were partially offset by lower exploration expense.
- **Bakken Midstream** – The increase in earnings was primarily due to higher throughput at the Tioga Gas Plant and an increase in gathering volumes.
- **Corporate, Interest and Other** – The decrease in corporate, interest and other costs primarily resulted from lower administrative expenses and professional fees.

4Q 2015 vs. 3Q 2015

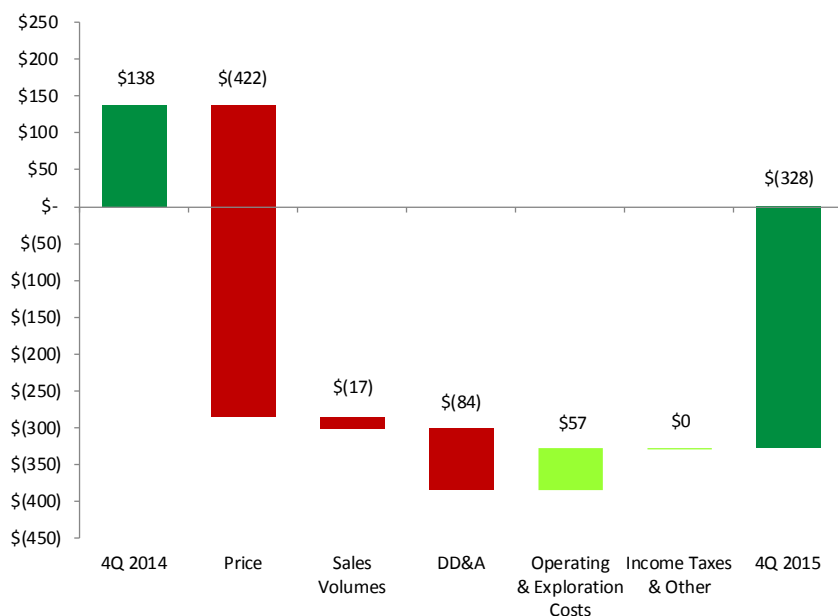
- **Exploration and Production** – The decrease in earnings was primarily attributable to lower realized selling prices and lower production.
- **Bakken Midstream** – The decrease in earnings was primarily due to lower volume throughput at the Tioga Gas Plant as a result of unplanned downtime and increased crude export via pipeline in response to market differentials.
- **Corporate, Interest and Other** – The decrease in corporate, interest and other costs primarily resulted from lower professional fees and other costs.

Exploration and Production – Adjusted Net Income (Loss)

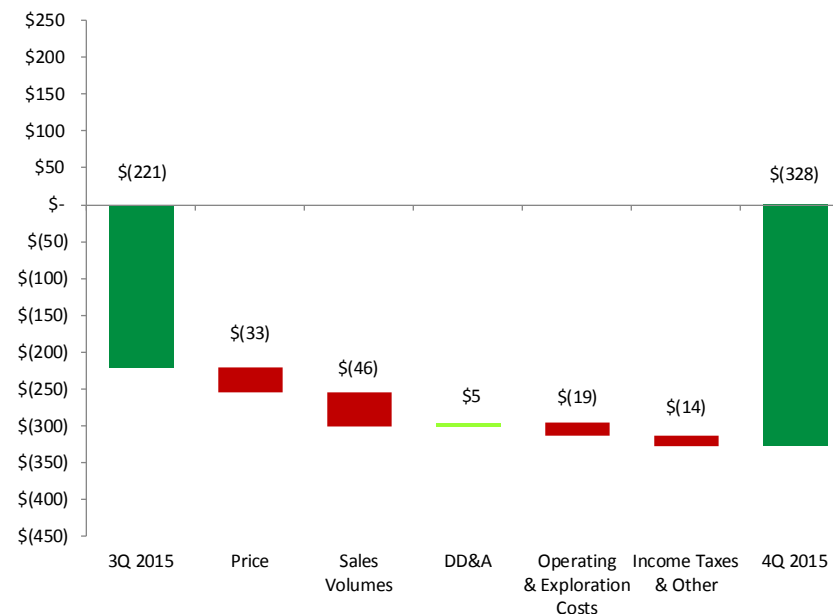


\$ Millions

4Q 2015 vs. 4Q 2014



4Q 2015 vs. 3Q 2015



	4Q 2015	4Q 2014	Incr. / (Decr.)
United States	\$ (296)	\$ 18	\$ (314)
International	(32)	120	(152)
Total	\$(328)	\$138	\$(466)

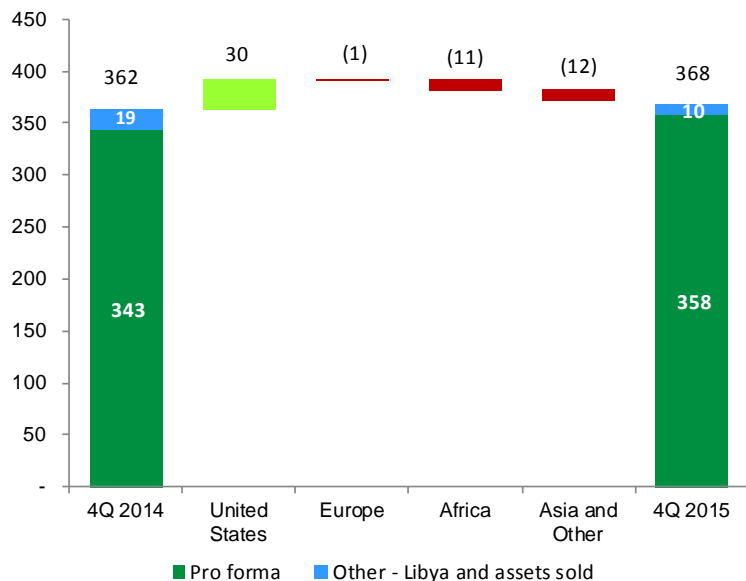
	4Q 2015	3Q 2015	Incr. / (Decr.)
United States	\$ (296)	\$ (249)	\$ (47)
International	(32)	28	(60)
Total	\$(328)	\$(221)	\$(107)

Worldwide Oil & Gas Production

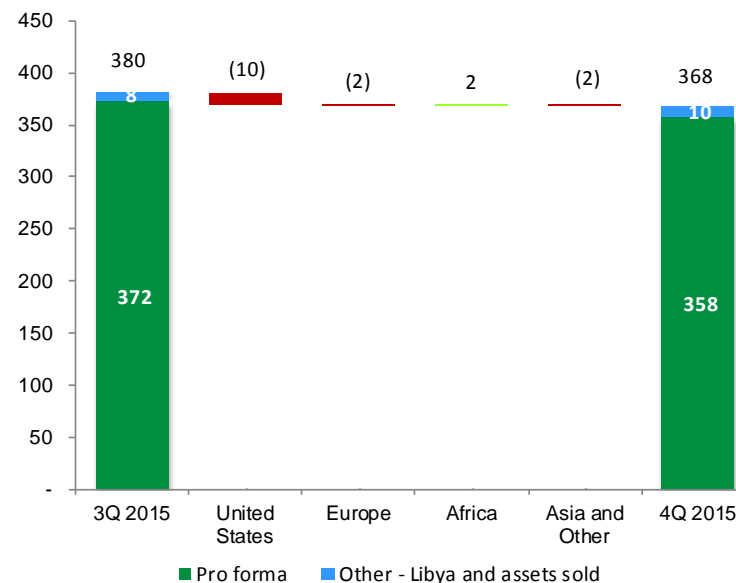


MBOEPD

4Q 2015 vs. 4Q 2014



4Q 2015 vs. 3Q 2015



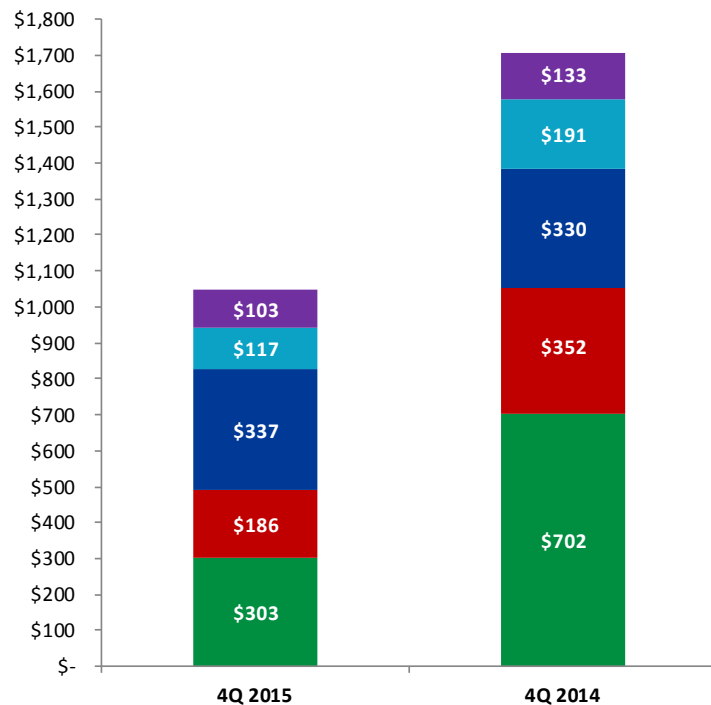
	4Q 2015	4Q 2014	Incr. / (Decr.)
United States			
Bakken	109	102	7
Other Onshore	46	30	16
Total Onshore	155	132	23
Offshore	73	66	7
Total United States	228	198	30
Europe	47	48	(1)
Africa	52	63	(11)
Asia and Other	41	53	(12)
Total	368	362	6

	4Q 2015	3Q 2015	Incr. / (Decr.)
United States			
Bakken	109	113	(4)
Other Onshore	46	42	4
Total Onshore	155	155	-
Offshore	73	83	(10)
Total United States	228	238	(10)
Europe	47	49	(2)
Africa	52	50	2
Asia and Other	41	43	(2)
Total	368	380	(12)

Capital and Exploratory Expenditures



\$ Millions



■ Bakken Midstream
 ■ Exploration
 ■ Development
■ Production
 ■ Unconventionals

E&P Capital and Exploratory Expenditures

United States		
Bakken	\$ 248	\$ 564
Other Onshore	72	179
Total Onshore	<u>320</u>	<u>743</u>
Offshore	257	241
Total United States	<u>577</u>	<u>984</u>
Europe	43	122
Africa	2	91
Asia and Other	321	378
E&P Capital and Exploratory Expenditures	\$ 943	\$ 1,575

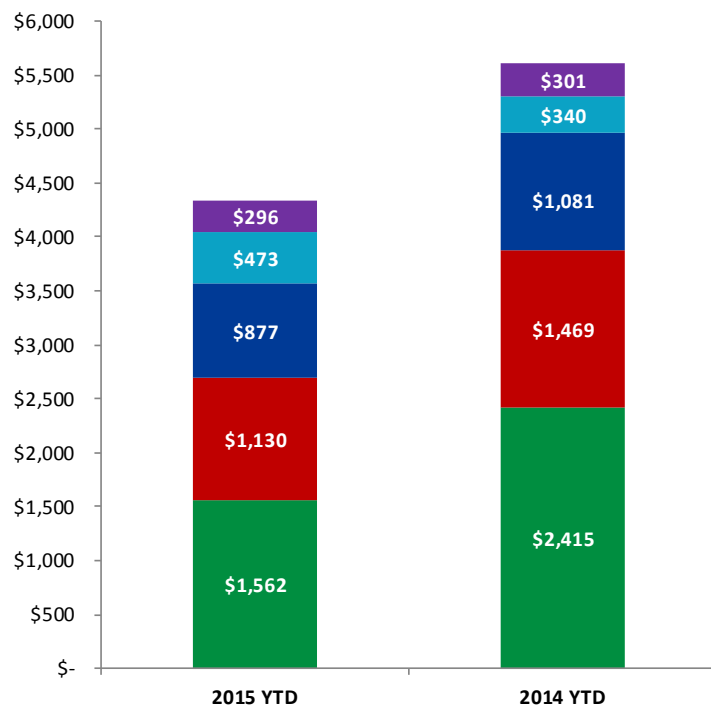
Total exploration expenses charged to income included above

	Three Months Ended December 31,	
	2015	2014
E&P Capital and Exploratory Expenditures	\$ 943	\$ 1,575
Total exploration expenses charged to income included above	\$ 105	\$ 144
Bakken Midstream Capital Expenditures	\$ 103	\$ 133

Capital and Exploratory Expenditures



\$ Millions



■ Bakken Midstream
 ■ Exploration
 ■ Development
■ Production
 ■ Unconventionals

E&P Capital and Exploratory Expenditures

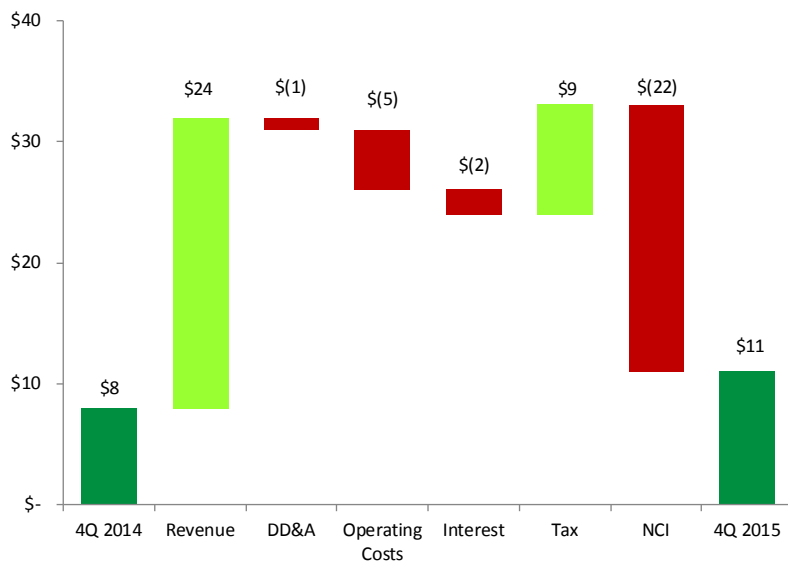
	Year Ended December 31,	
	2015	2014
United States		
Bakken	\$ 1,308	\$ 1,854
Other Onshore	332	725
Total Onshore	1,640	2,579
Offshore	923	765
Total United States	2,563	3,344
Europe	298	540
Africa	161	435
Asia and Other	1,020	986
E&P Capital and Exploratory Expenditures	\$ 4,042	\$ 5,305
Total exploration expenses charged to income included above	\$ 289	\$ 332
Bakken Midstream Capital Expenditures	\$ 296	\$ 301

Bakken Midstream – Adjusted Net Income & Throughput

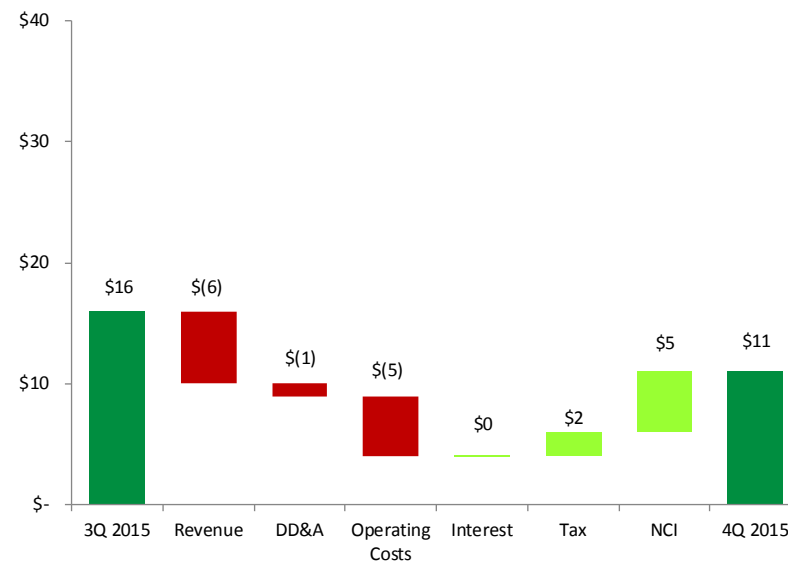


\$ Millions

4Q 2015 vs. 4Q 2014



4Q 2015 vs. 3Q 2015



In Thousands

MINIMUM VOLUME COMMITMENTS

	2016	4Q 2015	3Q 2015	2Q 2015	1Q 2015	4Q 2014	3Q 2014	2Q 2014	1Q 2014
Processing:									
Tioga gas plant - mcf of natural gas per day	186	186	210	202	179	160	139	121	6
Export:									
Terminal throughput - bopd	73	62	72	82	79	72	62	61	49
Tioga rail terminal crude loading - bopd	38	42	47	51	50	43	39	34	37
Rail services - bopd	43	43	45	44	40	41	34	34	38
Pipelines:									
Oil gathering - bopd	45	50	41	35	28	27	28	25	19
Gas gathering - mcf of natural gas per day	189	198	226	227	204	176	167	139	33



OTHER INFORMATION

2016 Guidance to Investors



	Guidance****	
	Full Year	1Q
<u>Production (MBOEPD)</u>		
Total	330 - 350	340 - 350
Bakken	95 - 105	95 - 105
<u>Unit Cost (\$/BOE)*</u>		
Cash Costs	\$14.50 - \$15.50	\$15.00 - \$16.00
DD&A	\$28.50 - \$29.50	\$29.00 - \$30.00
Total Production Costs	\$43.00 - \$45.00	\$44.00 - \$46.00
Bakken Midstream Tariff	\$3.55 - \$3.95	\$3.55 - \$3.65
Exploration Expenses, Excluding Dry Hole Costs (\$ Millions)*	\$260 - \$280	\$65 - \$75
E&P Effective Tax Rate**	41% - 45%	41% - 45%
<u>Capital and Exploratory Expenditures (\$ Millions)</u>		
Exploration and Production	\$2,400	\$700
Bakken Midstream	\$340	\$60
<u>Other (\$ Millions)*</u>		
Bakken Midstream Net Income Attributable to Hess Corporation***	\$40 - \$50	\$10 - \$15
Corporate Expenses, After-Taxes	\$110 - \$120	\$25 - \$30
Interest Expenses, After-Taxes	\$205 - \$215	\$50 - \$55

* Excludes "items affecting comparability".

** Based on current strip oil prices, the Corporation is forecasting a pre-tax loss for 2016, and as a result, the E&P effective tax rate, excluding items affecting comparability, is expected to be a benefit.

*** Reflects Hess Corporation's 50% ownership in the Bakken Midstream Joint Venture.

**** Guidance excludes any contribution from Libya.



BAKKEN OPERATIONAL DATA

Bakken Production - 2015



Net Production by Product

		2015				
		YTD Avg	4Q	3Q	2Q	1Q
Oil	MBBLPD	81	78	82	85	79
NGL	MBBLPD	20	21	20	22	19
Gas	MMCFPD	64	60	65	71	58
Total	MBOEPD*	112	109	113	119	108

Net Production by Operatorship

		2015				
		YTD Avg	4Q	3Q	2Q	1Q
Operated	MBOEPD	100	97	102	107	96
Outside Operated	MBOEPD	12	12	11	12	12
Total	MBOEPD	112	109	113	119	108
% Outside Operated		11%	11%	10%	10%	11%

* Includes natural gas production converted on the basis of relative energy content (six mcf equals one barrel of oil equivalent).

Bakken Production - 2014



Net Production by Product

		2014				
		YTD Avg	4Q	3Q	2Q	1Q
Oil	MBBLPD	66	78	63	64	58
NGL	MBBLPD	10	16	15	8	2
Gas	MMCFPD	40	50	46	48	15
Total	MBOEPD*	83	102	86	80	63

Net Production by Operatorship

		2014				
		YTD Avg	4Q	3Q	2Q	1Q
Operated	MBOEPD	73	90	76	70	54
Outside Operated	MBOEPD	10	12	10	10	9
Total	MBOEPD	83	102	86	80	63
% Outside Operated		12%	12%	12%	13%	14%

* Includes natural gas production converted on the basis of relative energy content (six mcf equals one barrel of oil equivalent).

Bakken Operational Well Statistics - 2015



Hess Operated Wells

		2015				
		YTD Avg	4Q	3Q	2Q	1Q
Rig Count						
Drilling	No. Rigs	8	7	7	8	12
Drilling Days	Spud-to-Spud	18	16	17	18	21
		2015				
		YTD	4Q	3Q	2Q	1Q
No. of Wells						
Drilled	by Qtr	182	35	42	45	60
Completion	by Qtr	212	35	42	62	73
On Production	by Qtr	219	34	48	67	70
On Production - Other	Cum. to date adj. *	-	-	-	-	-
On Production	Cum. to date	1,201	1,201	1,167	1,119	1,052
Well Performance						
Average Frac Stage	by Qtr	37	39	39	36	35
Average 30-day IPs	Gross BOPD**	861	829	887	835	871

Outside Operated Wells

		2015				
		YTD	4Q	3Q	2Q	1Q
No. of Wells						
On Production	by Qtr	63	11	17	20	15
On Production - Other	Cum. to date adj. *	72	8	39	9	16
On Production	Cum. to date	1,049	1,049	1,030	974	945

* Reflects changes arising from the impact of swaps, acquisitions, divestitures and other adjustments.

** Based on weighted average of total number of wells.

Bakken Operational Well Statistics - 2014



Hess Operated Wells							
			2014				
			YTD Avg	4Q	3Q	2Q	1Q
Rig Count							
Drilling	No. Rigs		17	17	17	17	17
Drilling Days	Spud-to-Spud		22	22	22	22	23
No. of Wells							
			YTD	4Q	3Q	2Q	1Q
Drilled	by Qtr		261	78	71	66	46
Completion	by Qtr		230	82	60	46	42
On Production	by Qtr		238	96	59	53	30
On Production - Other	Cum. to date adj. *		22	-	-	-	22
On Production	Cum. to date		982	982	886	827	774
Well Performance							
Average Frac Stage	by Qtr		34	35	35	33	33
Average 30-day IPs	Gross BOPD**		884	870	826	976	880
Outside Operated Wells							
			2014				
			YTD	4Q	3Q	2Q	1Q
No. of Wells							
On Production	by Qtr		146	36	47	30	33
On Production - Other	Cum. to date adj. *		9	23	4	12	(30)
On Production	Cum. to date		914	914	855	804	762

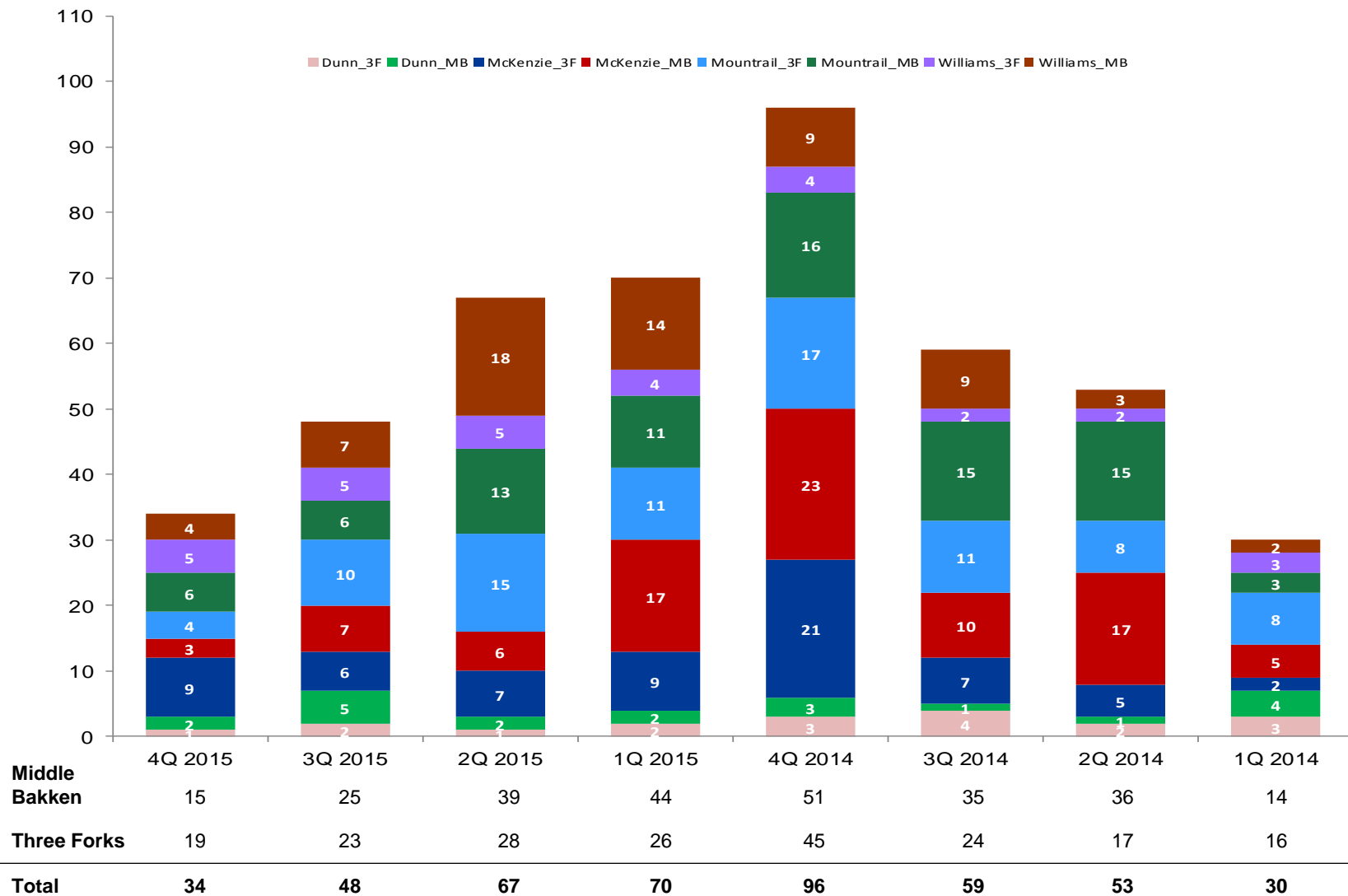
* Reflects changes arising from the impact of swaps, acquisitions, divestitures and other adjustments.

** Based on weighted average of total number of wells.

Hess Operated Bakken Wells Brought on Production by County and Formation



Bakken Wells



Bakken Well Costs, Working Interest and Acreage - 2015



Average Well Cost - Hess Operated

		2015				
		YTD Avg	4Q	3Q	2Q	1Q
Drilling	\$MMWell	\$ 3.5	\$ 3.2	\$ 3.2	\$ 3.5	\$ 3.9
Completion	\$MMWell	2.3	1.9	2.1	2.1	2.9
Total	\$MMWell	\$ 5.8	\$ 5.1	\$ 5.3	\$ 5.6	\$ 6.8

Average Working Interest of New Wells Spud Each Quarter

		2015				
		YTD Avg	4Q	3Q	2Q	1Q
Hess Operated	%	76%	77%	77%	76%	74%
Outside Operated	%	10%	10%	10%	10%	10%

Net Acreage Position

		2015			
		4Q	3Q	2Q	1Q
Total Acreage	'000 acres	583	605	605	609

Bakken Well Costs, Working Interest and Acreage - 2014



Average Well Cost - Hess Operated

		2014				
		YTD Avg	4Q	3Q	2Q	1Q
Drilling	\$MMWell	\$ 4.3	\$ 3.9	\$ 4.2	\$ 4.5	\$ 4.7
Completion	\$MMWell	3.0	3.2	3.0	2.9	2.8
Total	\$MMWell	\$ 7.3	\$ 7.1	\$ 7.2	\$ 7.4	\$ 7.5

Average Working Interest of New Wells Spud Each Quarter

		2014				
		YTD Avg	4Q	3Q	2Q	1Q
Hess Operated	%	75%	75%	76%	75%	74%
Outside Operated	%	12%	12%	11%	12%	12%

Net Acreage Position

		2014			
		4Q	3Q	2Q	1Q
Total Acreage	'000 acres	613	635	642	644



UTICA OPERATIONAL DATA

Utica Production - 2015



Net Production by Product

		2015				
		YTD Avg	4Q	3Q	2Q	1Q
Oil	MBBLPD	2	2	2	2	2
NGL	MBBLPD	7	8	8	7	4
Gas	MMCFPD	96	124	112	82	65
Total	MBOEPD*	24	30	28	22	17

Net Production by Operatorship

		2015				
		YTD Avg	4Q	3Q	2Q	1Q
Operated	MBOEPD	16	23	20	13	9
Outside Operated	MBOEPD	8	7	8	9	8
Total	MBOEPD	24	30	28	22	17
% Outside Operated		32%	23%	28%	41%	45%

* Includes natural gas production converted on the basis of relative energy content (six mcf equals one barrel of oil equivalent).

Utica Production - 2014



Net Production by Product

		2014				
		YTD Avg	4Q	3Q	2Q	1Q
Oil	MBBLPD	1	1	2	-	-
NGL	MBBLPD	2	4	2	1	1
Gas	MMCFPD	36	45	39	37	23
Total	MBOEPD*	9	13	11	7	5

Net Production by Operatorship

		2014				
		YTD Avg	4Q	3Q	2Q	1Q
Operated	MBOEPD	6	7	5	6	4
Outside Operated	MBOEPD	3	6	6	1	1
Total	MBOEPD	9	13	11	7	5

% Outside Operated	37%	49%	53%	10%	8%
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* Includes production from dry gas sale in first two quarters; natural gas production converted on the basis of relative energy content (six mcf equals one barrel of oil equivalent).

Utica Operational Well Statistics - 2015



Hess/CNX Operated Activities						
		2015				
		YTD Avg	4Q	3Q	2Q	1Q
Rig Count						
Drilling	No. Rigs	2	1	1	2	2
		2015				
		YTD	4Q	3Q	2Q	1Q
No. of Wells						
Drilled	by Qtr	24	4	5	10	5
Completion	by Qtr	32	8	5	15	4
On Production	by Qtr	32	8	11	9	4
On Production - Other	Cum. to date adj. *	1	-	-	1	-
On Production	Cum. to date	79	79	71	60	50
Well Performance - Hess Op Only						
Average Frac Stage	by Qtr	37	31	40	47	27
Average Lateral Length	Ft/Qtr	7,445	7,000	8,776	7,639	6,032

Outside Operated Wells (NOJV)						
		2015				
		YTD	4Q	3Q	2Q	1Q
No. of Wells						
On Production	by Qtr	1	-	-	-	1
On Production	Cum. to date	30	30	30	30	30

* Reflects changes arising from the impact of swaps, acquisitions, divestitures and other adjustments.

Utica Operational Well Statistics - 2014



Hess/CNX Operated Activities

			2014				
			YTD Avg	4Q	3Q	2Q	1Q
Rig Count							
Drilling	No. Rigs		4	3	4	4	4
			2014				
			YTD	4Q	3Q	2Q	1Q
No. of Wells							
Drilled	by Qtr		38	10	10	10	8
Completion	by Qtr		36	10	11	12	3
On Production	by Qtr		39	8	18	3	10
On Production	Cum. to date		46	46	38	20	17
Well Performance - Hess Op Only							
Average Frac Stage	by Qtr		40	41	41	43	34
Average Lateral Length	Ft/Qtr		8,587	8,957	8,669	9,373	7,543

Outside Operated Wells (NOJV)

			2014				
			YTD	4Q	3Q	2Q	1Q
No. of Wells							
On Production	by Qtr		22	5	9	8	-
On Production	Cum. to date		29	29	24	15	7

Utica Well Costs, Working Interest and Acreage - 2015



Average Well Cost - Hess Operated

		2015				
		YTD Avg	4Q	3Q	2Q	1Q
Drilling	\$MM/Well	\$ 5.3	\$ 4.4	\$ 5.4	\$ 4.8	\$ 6.5
Completion	\$MM/Well	4.3	3.8	5.2	4.2	3.9
Total	\$MM/Well	<u>\$ 9.6</u>	<u>\$ 8.2</u>	<u>\$ 10.6</u>	<u>\$ 9.0</u>	<u>\$ 10.4</u>
Drilling	\$/Ft	\$ 318	\$ 267	\$ 302	\$ 288	\$ 420
Completion	\$/Stage	\$ 124	\$ 122	\$ 130	\$ 103	\$ 142

Average Working Interest of Wells TD Cumulative Through Quarter

		2015				
		YTD Avg	4Q	3Q	2Q	1Q
Hess/CONSOL JV*	%	48%	48%	46%	46%	47%
NOJV	%	7%	7%	8%	8%	8%

Net Acreage Position (JV Core Acreage)

		2015			
		4Q	3Q	2Q	1Q
Total Acreage	'000 acres	50	47	47	45

* Excludes 25% CNX carry on eligible costs; \$335 MM total obligation.

Utica Well Costs, Working Interest and Acreage - 2014



Average Well Cost - Hess Operated

		2014				
		YTD Avg	4Q	3Q	2Q	1Q
Drilling	\$MM/Well	\$ 6.8	\$ 6.6	\$ 6.7	\$ 6.7	\$ 7.4
Completion	\$MM/Well	6.9	7.0	7.4	7.4	5.9
Total	\$MM/Well	<u>\$ 13.7</u>	<u>\$ 13.6</u>	<u>\$ 14.1</u>	<u>\$ 14.1</u>	<u>\$ 13.3</u>
Drilling	\$/Ft	\$ 381	\$ 362	\$ 362	\$ 351	\$ 445
Completion	\$/Stage	\$ 177	\$ 170	\$ 182	\$ 178	\$ 183

Average Working Interest of Wells TD Cumulative Through Quarter

		2014				
		YTD Avg	4Q	3Q	2Q	1Q
Hess/CONSOL JV*	%	47%	47%	47%	46%	46%
NOJV	%	8%	8%	7%	6%	6%

Net Acreage Position (JV Core Acreage)

		2014			
		4Q	3Q	2Q	1Q
Total Acreage	'000 acres	45	44	43	43

* Excludes 25% CNX carry on eligible costs; \$335 MM total obligation.