

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

FORM 8-K

**CURRENT REPORT
PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934**

Date of Report (Date of Earliest Event Reported): October 26, 2011

HESS CORPORATION

(Exact Name of Registrant as Specified in Its Charter)

DELAWARE
(State or Other
Jurisdiction of Incorporation)

No. 1-1204
(Commission
File Number)

No. 13-4921002
(IRS Employer
Identification No.)

1185 Avenue of the Americas
New York, New York 10036
(Address of Principal Executive Offices) (Zip Code)

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

N/A
(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 2.02. Results of Operations and Financial Condition.

On October 26, 2011, Hess Corporation issued a news release reporting estimated results for the third quarter of 2011. A copy of this news release is attached hereto as Exhibit 99(1) and is hereby incorporated by reference.

Item 7.01. Regulation FD Disclosure.

Furnished hereunder are the prepared remarks of John B. Hess, Chairman of the Board of Directors and Chief Executive Officer of Hess Corporation, and John P. Rielly, Senior Vice President and Chief Financial Officer of Hess Corporation at a public conference call held on October 26, 2011. Copies of these remarks are attached as Exhibit 99(2) and as Exhibit 99(3), respectively, and are incorporated herein by reference.

Item 9.01. Financial Statements and Exhibits.

(c) Exhibits

99(1) News release dated October 26, 2011 reporting estimated results for the third quarter of 2011.

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

99(3) Prepared remarks of John P. Rielly, Senior Vice President and Chief Financial Officer.

SIGNATURE

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

Date: October 26, 2011

HESS CORPORATION

By: /s/John P. Rielly

Name: John P. Rielly

Title: Senior Vice President and
Chief Financial Officer

EXHIBIT INDEX

<u>Exhibit No.</u>	<u>Description</u>
99(1)	News release dated October 26, 2011 reporting estimated results for the third quarter of 2011.
99(2)	Prepared remarks of John B. Hess, Chairman of the Board of Directors and Chief Executive Officer.
99(3)	Prepared remarks of John P. Rielly, Senior Vice President and Chief Financial Officer.



Investor Contact: Jay Wilson
(212) 536-8940
Media Contact: Jon Pepper
(212) 536-8550

News Release

HESS REPORTS ESTIMATED RESULTS FOR THE THIRD QUARTER OF 2011

Third Quarter Highlights:

- Net income was \$298 million, compared with \$1,154 million in the third quarter of 2010
- Net income excluding items affecting comparability between periods was \$379 million, compared with \$429 million in the third quarter of 2010
- Net cash provided by operating activities was \$1,022 million, down from \$1,246 million in the third quarter of 2010
- Oil and gas production was 344,000 barrels of oil equivalent per day, compared with 413,000 in the third quarter of 2010
- Capital and exploratory expenditures were \$2,550 million, including \$902 million for acquisitions, up from \$1,567 million in the third quarter of 2010

NEW YORK, October 26, 2011 -- Hess Corporation (NYSE: HES) reported net income of \$298 million for the third quarter of 2011 compared with \$1,154 million for the third quarter of 2010. The after-tax income (loss) by major operating activity was as follows:

	Three Months Ended September 30, (unaudited)		Nine Months Ended September 30, (unaudited)	
	2011	2010	2011	2010
	(In millions, except per share amounts)			
Exploration and Production	\$ 422	\$ 1,277	\$ 2,148	\$ 2,316
Marketing and Refining	(23)	(38)	(23)	30
Corporate	(44)	(26)	(114)	(116)
Interest expense	(57)	(59)	(177)	(163)
Net income attributable to Hess Corporation	<u>\$ 298</u>	<u>\$ 1,154</u>	<u>\$ 1,834</u>	<u>\$ 2,067</u>
Net income per share (diluted)	<u>\$.88</u>	<u>\$ 3.52</u>	<u>\$ 5.40</u>	<u>\$ 6.31</u>
Weighted average number of shares (diluted)	<u>340.2</u>	<u>327.6</u>	<u>339.8</u>	<u>327.3</u>

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

Exploration and Production earnings were \$422 million in the third quarter of 2011 compared with \$1,277 million in the third quarter of 2010. The Corporation's average worldwide crude oil selling price, including the effect of hedging, was \$85.81 per barrel, up from \$64.81 per barrel in the third quarter of 2010. The average worldwide natural gas selling price of \$5.74 per Mcf in the third quarter of 2011 was comparable with the selling price for the same quarter a year ago. Third quarter oil and gas production was 344,000 barrels of oil equivalent per day, down from 413,000 barrels of oil equivalent per day in the third quarter a year ago, due to production interruptions in Libya and at the Valhall and Llano fields, the sale of certain natural gas assets in the United Kingdom North Sea in February and natural field declines, partially offset by higher production from the Bakken oil shale play in North Dakota.

Marketing and Refining generated a loss of \$23 million in the third quarter of 2011 compared with a loss of \$38 million in the same period in 2010. Refining operations incurred a loss of \$38 million in the third quarter of 2011 compared with a loss of \$50 million in the year ago quarter. Marketing earnings of \$41 million were comparable to the earnings for the third quarter of 2010. Trading activities generated a loss of \$26 million in the third quarter of 2011 and a loss of \$28 million in the third quarter of last year.

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

	Three Months Ended September 30, (unaudited)		Nine Months Ended September 30, (unaudited)	
	2011	2010	2011	2010
	(Millions of dollars)			
Exploration and Production	\$ (81)	\$ 725	\$ 244	\$ 783
Corporate	-	-	-	(7)
	<u>\$ (81)</u>	<u>\$ 725</u>	<u>\$ 244</u>	<u>\$ 776</u>

Third quarter 2011 results include after-tax impairment charges of \$140 million that resulted from increases to the Corporation's abandonment liabilities, primarily for non-producing properties. A charge of \$44 million was also recorded as a result of the third quarter enactment of an additional 12 percent supplementary tax on petroleum operations in the United Kingdom with an effective date of March 24, 2011. The charge consists of incremental income tax of \$15 million on earnings from the effective date to the end of the second quarter and a charge of \$29 million to increase the United Kingdom deferred tax liability. The results

also include after-tax gains of \$103 million from the sales of the Corporation's interests in the Snorre Field, offshore Norway, and the Cook Field in the United Kingdom North Sea.

Net cash provided by operating activities was \$1,022 million in the third quarter of 2011, compared with \$1,246 million in the same quarter of 2010. Capital and exploratory expenditures were \$2,550 million, of which \$2,517 million related to Exploration and Production operations, including \$902 million for acreage acquisitions in the Utica Shale play in eastern Ohio and in the Kurdistan region of Iraq. Capital and exploratory expenditures for the third quarter of 2010 were \$1,567 million, of which \$1,548 million related to Exploration and Production operations.

At September 30, 2011, cash and cash equivalents totaled \$827 million compared with \$1,608 million at December 31, 2010. Total debt was \$5,592 million at September 30, 2011 and \$5,583 million at December 31, 2010. The Corporation's debt to capitalization ratio at September 30, 2011 was 22.8 percent compared with 24.9 percent at the end of 2010.

Hess Corporation will review third quarter financial and operating results and other matters on a webcast at 10 a.m. today. For details about the event, refer to the Investor Relations section of our website at www.hess.com.

Hess Corporation, with headquarters in New York, is a global integrated energy company engaged in the exploration, production, purchase, transportation and sale of crude oil and natural gas, as well as the production and sale of refined petroleum products. More information on Hess Corporation is available at www.hess.com.

Forward-looking Statements

Certain statements in this release may constitute "forward-looking statements" within the meaning of Section 21E of the United States Securities Exchange Act of 1934, as amended, and Section 27A of the United States Securities Act of 1933, as amended. Forward-looking statements are subject to known and unknown risks and uncertainties and other factors which may cause actual results to differ materially from those expressed or implied by such statements, including, without limitation, uncertainties inherent in the measurement and interpretation of geological, geophysical and other technical data.

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

	Third Quarter 2011	Third Quarter 2010	Second Quarter 2011
<u>Income Statement</u>			
Revenues and Non-operating Income			
Sales (excluding excise taxes) and other operating revenues	\$ 8,665	\$ 7,864	\$ 9,853
Income (loss) from equity investment in HOVENSA L.L.C.	(36)	(83)	(49)
Other, net	97	1,172	2
Total revenues and non-operating income	8,726	8,953	9,806
<u>Costs and Expenses</u>			
Cost of products sold (excluding items shown separately below)	6,181	5,330	6,841
Production expenses	609	475	599
Marketing expenses	266	232	247
Exploration expenses, including dry holes and lease impairment	199	225	257
Other operating expenses	43	39	42
General and administrative expenses	177	151	174
Interest expense	94	94	97
Depreciation, depletion and amortization	586	584	588
Asset impairments	358	532	-
Total costs and expenses	8,513	7,662	8,845
Income before income taxes	213	1,291	961
Provision (benefit) for income taxes	(54)	200	392
Net income	267	1,091	569
Less: Net income (loss) attributable to noncontrolling interests	(31)	(63)	(38)
Net income attributable to Hess Corporation	\$ 298	\$ 1,154	\$ 607
<u>Supplemental Income Statement Information</u>			
Foreign currency gains (losses), after-tax	\$ (2)	\$ (5)	\$ (2)
Capitalized interest	4	1	2
<u>Cash Flow Information</u>			
Net cash provided by operating activities (*)	\$ 1,022	\$ 1,246	\$ 1,689
<u>Capital and Exploratory Expenditures</u>			
Exploration and Production			
United States	\$ 1,600	\$ 379	\$ 793
International	917	1,169	676
Total Exploration and Production	2,517	1,548	1,469
Marketing, Refining and Corporate	33	19	21
Total Capital and Exploratory Expenditures	\$ 2,550	\$ 1,567	\$ 1,490
Exploration expenses charged to income included above			
United States	\$ 48	\$ 46	\$ 56
International	68	59	59
	\$ 116	\$ 105	\$ 115

(*) Includes changes in working capital

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

	Nine Months	
	2011	2010
Income Statement		
Revenues and Non-operating Income		
Sales (excluding excise taxes) and other operating revenues	\$ 28,733	\$ 24,855
Income (loss) from equity investment in HOVENSA L.L.C.	(133)	(174)
Other, net	447	1,242
Total revenues and non-operating income	29,047	25,923
Costs and Expenses		
Cost of products sold (excluding items shown separately below)	20,062	17,186
Production expenses	1,739	1,392
Marketing expenses	796	730
Exploration expenses, including dry holes and lease impairment	769	548
Other operating expenses	127	171
General and administrative expenses	515	465
Interest expense	290	261
Depreciation, depletion and amortization	1,732	1,684
Asset impairments	358	532
Total costs and expenses	26,388	22,969
Income before income taxes	2,659	2,954
Provision (benefit) for income taxes	849	899
Net income	1,810	2,055
Less: Net income (loss) attributable to noncontrolling interests	(24)	(12)
Net income attributable to Hess Corporation	\$ 1,834	\$ 2,067
Supplemental Income Statement Information		
Foreign currency gains (losses), after-tax	\$ (7)	\$ (10)
Capitalized interest	8	3
Cash Flow Information		
Net cash provided by operating activities (*)	\$ 3,846	\$ 3,052
Capital and Exploratory Expenditures		
Exploration and Production		
United States	\$ 2,933	\$ 1,115
International	2,226	2,204
Total Exploration and Production	5,159	3,319
Marketing, Refining and Corporate	67	72
Total Capital and Exploratory Expenditures	\$ 5,226	\$ 3,391
Exploration expenses charged to income included above		
United States	\$ 146	\$ 108
International	189	132
	\$ 335	\$ 240

(*) Includes changes in working capital

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

	September 30, 2011	December 31, 2010
<u>Balance Sheet Information</u>		
Cash and cash equivalents	\$ 827	\$ 1,608
Other current assets	6,652	7,172
Investments	391	443
Property, plant and equipment – net	24,167	21,127
Other long-term assets	5,302	5,046
Total assets	\$ 37,339	\$ 35,396
Current maturities of long-term debt	\$ 44	\$ 46
Other current liabilities	6,562	7,567
Long-term debt	5,548	5,537
Other long-term liabilities	6,271	5,437
Total equity excluding other comprehensive income (loss)	19,781	17,968
Accumulated other comprehensive income (loss)	(867)	(1,159)
Total liabilities and equity	\$ 37,339	\$ 35,396

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

	Third Quarter 2011		
	United States	International	Total
Sales and other operating revenues	\$ 830	\$ 1,307	\$ 2,137
Other, net	4	93	97
Total revenues and non-operating income	834	1,400	2,234
Costs and Expenses			
Production expenses, including related taxes	174	435	609
Exploration expenses, including dry holes and lease impairment	120	79	199
General, administrative and other expenses	44	27	71
Depreciation, depletion and amortization	209	355	564
Asset impairments	16	342	358
Total costs and expenses	563	1,238	1,801
Results of operations before income taxes	271	162	433
Provision (benefit) for income taxes	108	(97)	11
Results of operations attributable to Hess Corporation	\$ 163	\$ 259	\$ 422
	Third Quarter 2010		
	United States	International	Total
Sales and other operating revenues	\$ 622	\$ 1,657	\$ 2,279
Other, net	(2)	1,159	1,157
Total revenues and non-operating income	620	2,816	3,436
Costs and Expenses			
Production expenses, including related taxes	117	358	475
Exploration expenses, including dry holes and lease impairment	105	120	225
General, administrative and other expenses	37	32	69
Depreciation, depletion and amortization	172	388	560
Asset impairments	-	532	532
Total costs and expenses	431	1,430	1,861
Results of operations before income taxes	189	1,386	1,575
Provision (benefit) for income taxes	71	227	298
Results of operations attributable to Hess Corporation	\$ 118	\$ 1,159	\$ 1,277
	Second Quarter 2011		
	United States	International	Total
Sales and other operating revenues	\$ 858	\$ 1,840	\$ 2,698
Other, net	(13)	8	(5)
Total revenues and non-operating income	845	1,848	2,693
Costs and Expenses			
Production expenses, including related taxes	179	420	599
Exploration expenses, including dry holes and lease impairment	128	129	257
General, administrative and other expenses	49	27	76
Depreciation, depletion and amortization	166	387	553
Asset impairments	-	-	-
Total costs and expenses	522	963	1,485
Results of operations before income taxes	323	885	1,208
Provision (benefit) for income taxes	120	341	461
Results of operations attributable to Hess Corporation	\$ 203	\$ 544	\$ 747

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

	Nine Months 2011		
	United States	International	Total
Sales and other operating revenues	\$ 2,434	\$ 5,014	\$ 7,448
Other, net	(10)	446	436
Total revenues and non-operating income	2,424	5,460	7,884
Costs and Expenses			
Production expenses, including related taxes	490	1,249	1,739
Exploration expenses, including dry holes and lease impairment	357	412	769
General, administrative and other expenses	141	90	231
Depreciation, depletion and amortization	527	1,127	1,654
Asset impairments	16	342	358
Total costs and expenses	1,531	3,220	4,751
Results of operations before income taxes	893	2,240	3,133
Provision (benefit) for income taxes	340	645	985
Results of operations attributable to Hess Corporation	\$ 553	\$ 1,595	\$ 2,148
	Nine Months 2010		
	United States	International	Total
Sales and other operating revenues	\$ 1,774	\$ 4,678	\$ 6,452
Other, net	2	1,223	1,225
Total revenues and non-operating income	1,776	5,901	7,677
Costs and Expenses			
Production expenses, including related taxes	346	1,046	1,392
Exploration expenses, including dry holes and lease impairment	243	305	548
General, administrative and other expenses	105	96	201
Depreciation, depletion and amortization	465	1,148	1,613
Asset impairments	-	532	532
Total costs and expenses	1,159	3,127	4,286
Results of operations before income taxes	617	2,774	3,391
Provision (benefit) for income taxes	232	843	1,075
Results of operations attributable to Hess Corporation	\$ 385	\$ 1,931	\$ 2,316

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

	Third Quarter 2011	Third Quarter 2010	Second Quarter 2011
<u>Operating Data</u>			
<u>Net Production Per Day (in thousands)</u>			
Crude oil - barrels			
United States	82	78	77
Europe	68	82	93
Africa	59	117	66
Asia	15	13	12
Total	<u>224</u>	<u>290</u>	<u>248</u>
Natural gas liquids - barrels			
United States	13	15	13
Europe	3	3	3
Asia	1	-	1
Total	<u>17</u>	<u>18</u>	<u>17</u>
Natural gas - mcf			
United States	102	120	100
Europe	55	104	72
Asia and other	458	406	471
Total	<u>615</u>	<u>630</u>	<u>643</u>
Barrels of oil equivalent	<u>344</u>	<u>413</u>	<u>372</u>
<u>Average Selling Price</u>			
Crude oil - per barrel (including hedging)*			
United States	\$ 95.12	\$ 71.92	\$ 106.62
Europe	65.92	57.28	87.75
Africa	89.41	64.78	97.74
Asia	112.31	75.95	113.44
Worldwide	85.81	64.81	97.20
Crude oil - per barrel (excluding hedging)			
United States	\$ 95.12	\$ 71.92	\$ 106.62
Europe	65.92	57.28	87.75
Africa	113.03	75.70	118.19
Asia	112.31	75.95	113.44
Worldwide	92.33	69.47	102.73
Natural gas liquids - per barrel			
United States	\$ 57.72	\$ 43.20	\$ 61.57
Europe	82.18	57.69	69.99
Asia	71.30	53.60	79.63
Worldwide	63.64	46.10	64.05
Natural gas - per mcf			
United States	\$ 3.43	\$ 3.56	\$ 3.71
Europe	8.93	6.50	8.97
Asia and other	5.86	6.18	5.94
Worldwide	5.74	5.73	5.93

* The after-tax losses from crude oil hedging activities were \$82 million in the third quarter of 2011, \$85 million in the third quarter of 2010 and \$81 million in the second quarter of 2011.

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

	Nine Months	
	2011	2010
<u>Operating Data</u>		
<u>Net Production Per Day (in thousands)</u>		
Crude oil - barrels		
United States	78	74
Europe	86	83
Africa	70	117
Asia	14	14
Total	<u>248</u>	<u>288</u>
Natural gas liquids - barrels		
United States	13	13
Europe	3	3
Asia	1	1
Total	<u>17</u>	<u>17</u>
Natural gas - mcf		
United States	103	107
Europe	78	133
Asia and other	453	432
Total	<u>634</u>	<u>672</u>
Barrels of oil equivalent	<u>371</u>	<u>417</u>
<u>Average Selling Price</u>		
Crude oil - per barrel (including hedging)*		
United States	\$ 97.71	\$ 73.05
Europe	81.19	56.29
Africa	89.85	63.67
Asia	112.03	75.97
Worldwide	90.22	64.44
Crude oil - per barrel (excluding hedging)		
United States	\$ 97.71	\$ 73.05
Europe	81.19	56.29
Africa	111.20	76.19
Asia	112.03	75.97
Worldwide	95.89	69.56
Natural gas liquids - per barrel		
United States	\$ 58.86	\$ 46.49
Europe	78.09	57.28
Asia	74.18	60.15
Worldwide	63.70	48.84
Natural gas - per mcf		
United States	\$ 3.66	\$ 3.91
Europe	8.64	5.67
Asia and other	5.85	6.21
Worldwide	5.84	5.74

* The after-tax losses from crude oil hedging activities were \$244 million for the nine months ended September 30, 2011 and \$252 million for the nine months ended September 30, 2010.

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

	Third Quarter 2011	Third Quarter 2010	Second Quarter 2011
<u>Financial Information (in millions of dollars)</u>			
<u>Marketing and Refining Results</u>			
Income (loss) before income taxes	\$ (23)	\$ (78)	\$ (45)
Provision (benefit) for income taxes	-	(40)	(6)
Results of operations attributable to Hess Corporation	<u>\$ (23)</u>	<u>\$ (38)</u>	<u>\$ (39)</u>
<u>Summary of Marketing and Refining Results</u>			
Refining	\$ (38)	\$ (50)	\$ (44)
Marketing	41	40	28
Trading	(26)	(28)	(23)
Results of operations attributable to Hess Corporation	<u>\$ (23)</u>	<u>\$ (38)</u>	<u>\$ (39)</u>
<u>Operating Data (barrels and gallons in thousands)</u>			
<u>Refined Product Sales (barrels per day)</u>			
Gasoline	222	253	228
Distillates	100	96	114
Residuals	53	56	56
Other	14	41	28
Total	<u>389</u>	<u>446</u>	<u>426</u>
<u>Refinery Throughput (barrels per day)</u>			
HOVENSA - Crude runs	297	408	303
HOVENSA - Hess 50% share	149	204	152
Port Reading	63	61	66
<u>Refinery Utilization</u>			
HOVENSA	<u>Refinery Capacity</u>		
	(barrels per day)		
Crude	350 (a)	84.9%	81.6%
FCC	150	79.2%	76.1%
Coker	58	91.0%	73.0%
Port Reading	70	90.0%	87.7%
<u>Retail Marketing</u>			
Number of retail stations (b)	1,358	1,360	1,356
Convenience store revenue (in millions of dollars) (c)	\$ 316	\$ 322	\$ 305
Average gasoline volume per station (gallons per month) (c)	201	204	199

(a) HOVENSA's refining crude capacity was reduced to 350,000 from 500,000 barrels per day in the first quarter of 2011.

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

(c) Company operated only.

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

	Nine Months	
	2011	2010
<u>Financial Information (in millions of dollars)</u>		
<u>Marketing and Refining Results</u>		
Income (loss) before income taxes	\$ 28	\$ 24
Provision (benefit) for income taxes	51	(6)
Results of operations attributable to Hess Corporation	<u>\$ (23)</u>	<u>\$ 30</u>
<u>Summary of Marketing and Refining Results</u>		
Refining	\$ (130)	\$ (137)
Marketing	137	178
Trading	(30)	(11)
Results of operations attributable to Hess Corporation	<u>\$ (23)</u>	<u>\$ 30</u>
<u>Operating Data (barrels and gallons in thousands)</u>		
<u>Refined Product Sales (barrels per day)</u>		
Gasoline	226	247
Distillates	116	112
Residuals	65	66
Other	20	40
Total	<u>427</u>	<u>465</u>
<u>Refinery Throughput (barrels per day)</u>		
HOVENSA - Crude runs	288	392
HOVENSA - Hess 50% share	144	196
Port Reading	65	53
<u>Refinery Utilization</u>		
HOVENSA	<u>Refinery Capacity</u>	
	(barrels per day)	
Crude	350 (a)	82.3%
FCC	150	74.3%
Coker	58	76.4%
Port Reading	70	92.5%
<u>Retail Marketing</u>		
Number of retail stations (b)	1,358	1,360
Convenience store revenue (in millions of dollars) (c)	\$ 899	\$ 915
Average gasoline volume per station (gallons per month) (c)	195	198

(a) HOVENSA's refining crude capacity was reduced to 350,000 from 500,000 barrels per day in the first quarter of 2011.

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

(c) Company operated only.

2011 Third Quarter Earnings Conference Call

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

Net income for the third quarter of 2011 was \$298 million versus \$1.154 billion a year ago. Our third quarter results included charges of \$140 million for abandonment liabilities primarily in the UK North Sea and \$44 million for an increase in the UK supplemental petroleum tax rate. These charges were partially offset by a \$103 million gain from the sale of Hess' interests in the Snorre Field in Norway and the Cook Field in the United Kingdom. Also, last year's third quarter results included a net non-recurring gain of \$725 million. Excluding these adjustments, earnings for the third quarter of 2011 were \$379 million versus \$429 million a year ago.

Exploration and Production reported net income of \$422 million. Crude oil and natural gas production averaged 344

thousand barrels of oil equivalent per day, which was 17 percent below the year ago period. Aside from the sale of mature UK natural gas assets earlier in the year, most of the year over year production decline was due to several short term setbacks. We are pleased to say that most of these issues are being resolved and that with the exception of Libya we are in the process of recovering lost volumes.

In Norway, a fire at the outside operated Valhall Field in July resulted in the field being shut in for more than two months, negatively impacting third quarter production by approximately 20 thousand barrels of oil equivalent per day. Operations resumed September 17th and net production is currently averaging more than 30 thousand barrels of oil equivalent per day.

In the Gulf of Mexico, the Llano #3 well was producing at a net rate of approximately 10 thousand barrels of oil equivalent per day prior to being shut in due to mechanical issues in the first

quarter of this year. The operator plans to perform a workover and restore production in the first half of 2012.

In Libya, approximately 23 thousand barrels per day of net production remains shut in due to civil unrest. We cannot estimate when production will resume until security returns to the country.

With regard to the Bakken, net production averaged 32 thousand barrels of oil equivalent per day in the third quarter, up from 25 thousand barrels of oil equivalent per day in the second quarter. Currently net production from the Bakken is approximately 39 thousand barrels of oil equivalent per day. As a result of the increased acreage position from last year's acquisitions and positive well results year to date, we forecast net production from the Bakken will increase to 60 thousand barrels of oil equivalent per day in 2012 and to 120 thousand barrels of oil equivalent per day in 2015.

In September we announced the acquisition of 185,000 net acres in the emerging Utica Shale play in eastern Ohio principally through two separate transactions. We entered into an agreement with CONSOL Energy, which closed last week, to acquire a 50 percent interest in nearly 200,000 acres for aggregate payments of \$593 million over five years. We also acquired Marquette Exploration and other leasehold interests, which added another 85,000 net acres at a cost of approximately \$750 million. With these transactions, we have built a strategic acreage position in the Utica Shale – strengthening our portfolio of high quality unconventional assets, leveraging our operating expertise and creating significant potential for future growth in reserves and production. Appraisal activities on this acreage are planned to commence in the fourth quarter.

Yesterday, we also announced that we will proceed with the development of the Hess operated Tubular Bells Field in the Mississippi Canyon area of the Gulf of Mexico. The plan calls

for three subsea production wells and two water injection wells tied back to a third-party owned spar production facility. Drilling is scheduled to begin in 2012 and initial production is expected in 2014, subject to the receipt of necessary government permits. Annual net production is expected to peak at approximately 25,000 barrels of oil equivalent per day and net recoverable resources are estimated at more than 65 million barrels of oil equivalent. The net cost of the development is expected to be approximately \$1.3 billion. Following government approval of the recent assignment of BP's interest, Hess will hold a 57.14 percent interest and Chevron will hold the remaining 42.86 percent interest.

With regard to deepwater exploration, the Stena DrillMAX drillship has been contracted and we currently plan to drill a minimum of three exploration wells on our 90 percent owned Deepwater Tano Cape Three Points Block in Ghana commencing in the first quarter of 2012.

In Indonesia, we spud the Andalan well on the Semai V block July 12th. We are currently drilling below 17,000 feet and expect to reach total depth of about 22,000 feet during the fourth quarter. Hess has a 100 percent working interest in the block.

In Brunei, the operator of Block CA-1, in which Hess has a 13.5 percent interest, spud the Julong Centre well on September 1st. The well is expected to reach total depth in the fourth quarter and additional wells are planned in 2012.

Turning to Marketing and Refining, we reported a loss of \$23 million for the third quarter of 2011. Our share of the Hovensa refinery's losses was \$36 million, which was an improvement over the year ago quarter as a result of stronger gasoline and distillate crack spreads. While the refinery effectively broke even in July and August, a significant drop in gasoline refining margins in September contributed to the third quarter loss.

Marketing earnings of \$41 million were comparable to last year's third quarter. In Retail Marketing, gasoline volumes on a per site basis and convenience store sales were both down nearly 2 percent – reflecting the weak economy. In Energy Marketing, electricity sales volumes were up versus the year ago quarter while natural gas and fuel oil sales volumes were relatively flat.

Capital and exploratory expenditures in the first nine months of 2011 were approximately \$5.2 billion. For the full year, our capital and exploratory expenditures forecast has been increased to \$7.2 billion from \$6.2 billion. The acquisitions of acreage in the Utica and an additional 4 percent interest in the Hess operated South Arne Field in the Danish sector of the North Sea account for the increase.

We are excited to have acquired a strategic position in the emerging Utica Shale play, which strengthens our portfolio of unconventional resources. We remain committed to

maintaining a strong balance sheet to fund our future investment opportunities and profitably grow our reserves and production.

I will now turn the call over to John Rielly.

HESS CORPORATION
THIRD QUARTER 2011 ANALYSTS' CONFERENCE CALL

Introduction

Hello everyone. In my remarks today, I will compare third quarter 2011 results to the second quarter.

Consolidated Results of Operations

The Corporation generated consolidated net income of \$298 million in the third quarter of 2011 compared with \$607 million in the second quarter. The third quarter results included net after-tax charges of \$81 million from items affecting comparability of earnings between periods.

Exploration and Production

Exploration and Production had income of \$422 million in the third quarter of 2011 compared with \$747 million in the second quarter. Third quarter results included several items affecting the comparability of earnings between periods that were described earlier by John Hess. Excluding these items, the changes in the after-tax components of earnings are as follows:

	<u>Increase (decrease) in earnings</u>
Lower sales volumes decreased earnings by	\$ (171)
Lower selling prices decreased earnings by	(98)
Lower exploration expense increased earnings by	33
Higher operating costs decreased income by	(25)
All other items net to an increase in earnings of	<u>17</u>
For an overall decrease in third quarter adjusted earnings of	<u>\$ (244)</u>

Our E&P operations were underlifted in the quarter compared with production, resulting in decreased after-tax income of approximately \$30 million.

Our E&P total production unit costs were approximately \$39.35 per barrel in the third quarter. We estimate our total production unit costs will be approximately \$39 per barrel in the fourth quarter.

The charge of \$44 million for the additional 12% supplementary tax in the United Kingdom includes a provision of approximately \$15 million representing the incremental tax on earnings from the effective date of March 24, 2011 through the end of the second quarter and a charge of \$29 million to increase the United Kingdom deferred tax liabilities on the balance sheet. Excluding the impact of the items affecting comparability of earnings between periods, the E&P effective income tax rate was 27% for the third quarter, primarily reflecting the mix of earnings, and 37% for the first nine months of 2011.

HESS CORPORATION
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Marketing and Refining

Marketing and Refining generated a loss of \$23 million in the third quarter of 2011 compared with a loss of \$39 million in the second quarter.

Refining losses were \$38 million in the third quarter of 2011 compared with a loss of \$44 million in the second quarter. The Corporation's losses from its equity investment in HOVENSA were \$36 million in the third quarter of 2011 compared with \$49 million in the second quarter. Port Reading broke even in the third quarter of 2011, down from earnings of \$5 million in the second quarter.

Marketing earnings were \$41 million in the third quarter of 2011, an increase from \$28 million in the second quarter, principally reflecting higher margins in energy marketing. Trading activities generated a loss of \$26 million in the third quarter of 2011 compared with a loss of \$23 million in the second quarter.

Corporate and Interest

Net Corporate expenses were \$44 million in the third quarter of 2011 compared with \$42 million in the second quarter. After-tax interest expense was \$57 million in the third quarter of 2011 compared with \$59 million in the second quarter.

Consolidated Cash Flows

Turning to cash flow –

Net cash provided by operating activities in the third quarter, including a decrease of \$11 million from changes in working capital, was	\$ 1,022
Capital expenditures were	(2,434)
Proceeds from asset sales were	131
All other items amounted to a decrease in cash of	<u>(86)</u>
Resulting in a net decrease in cash and cash equivalents in the third quarter of	<u>\$ (1,367)</u>

We had \$827 million of cash and cash equivalents at September 30, 2011 and \$1,608 million at December 31, 2010. Total debt was \$5,592 million at September 30, 2011 and \$5,583 million at December 31, 2010. The Corporation's debt to capitalization ratio at September 30, 2011 was 22.8% compared with 24.9% at the end of 2010.

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

HESS CORPORATION
THIRD QUARTER 2011 ANALYSTS' CONFERENCE CALL

Cautionary Note

The forgoing prepared remarks include certain forward-looking statements. These forward-looking statements are subject to risks and uncertainties that could cause actual results to differ materially from those expressed in the forward-looking statements.

Reconciliation of Segment Earnings to Earnings
Excluding Items Affecting Comparability Between Periods

	Third Quarter 2011	Second Quarter 2011
Exploration & Production Segment Results	\$ 422	\$ 747
Items Affecting Comparability		
Asset impairments	140	—
Charge for United Kingdom supplementary tax increase	44	—
Gains on asset sales	(103)	—
Exploration & Production Income Excluding Items Affecting Comparability	<u>\$ 503</u>	<u>\$ 747</u>