



HESS CORPORATION

Supplemental Earnings Information

Fourth Quarter 2008

Consolidated After-tax Results by Major Operating Activity



\$ Millions, except per share data

Income (Expense)	4Q 2008	4Q 2007	3Q 2008
Net Income (U.S. GAAP)			
Exploration and Production	\$ (125)	\$ 583	\$ 699
Marketing and Refining	152	31	161
Corporate	(59)	(59)	(42)
Interest	(42)	(45)	(43)
Net Income (Loss)	\$ (74)	\$ 510	\$ 775
Net Income (Loss) Per Share (Diluted)	\$ (0.23)	\$ 1.59	\$ 2.37
Items Affecting Comparability			
Exploration and Production	\$ (26)	\$ (56)	\$ --
Marketing and Refining	--	24	--
Corporate	--	(25)	--
Total Items Affecting Comparability	\$ (26)	\$ (57)	\$ --
Adjusted Earnings (a)			
Exploration and Production	\$ (99)	\$ 639	\$ 699
Marketing and Refining	152	7	161
Corporate	(59)	(34)	(42)
Interest	(42)	(45)	(43)
Adjusted Earnings (Loss)	\$ (48)	\$ 567	\$ 775
Adjusted Earnings (Loss) Per Share (Diluted)	\$ (0.15)	\$ 1.76	\$ 2.37
Weighted Average Number of Shares (Diluted)	322.9	321.6	327.4

(a) "Adjusted Earnings," presented throughout this supplemental earnings information, is defined as reported net income excluding discontinued operations, cumulative effect of changes in accounting principles, and 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.

Items Affecting Comparability Between Periods



(Amounts are after income taxes)

4Q 2008

- **Exploration and Production** – Earnings include charges of \$17 million related to asset impairments in the U.S. and U.K. North Sea and \$9 million associated with Hurricanes Gustav and Ike in the Gulf of Mexico.

4Q 2007

- **Exploration and Production** – Earnings include a charge of \$56 million related to asset impairments at two mature fields in the U.K. North Sea.
- **Marketing and Refining** – Results include income of \$24 million related to the partial liquidation of prior year LIFO inventories.
- **Corporate** – Expenses include a charge of \$25 million related to MTBE litigation.

3Q 2008

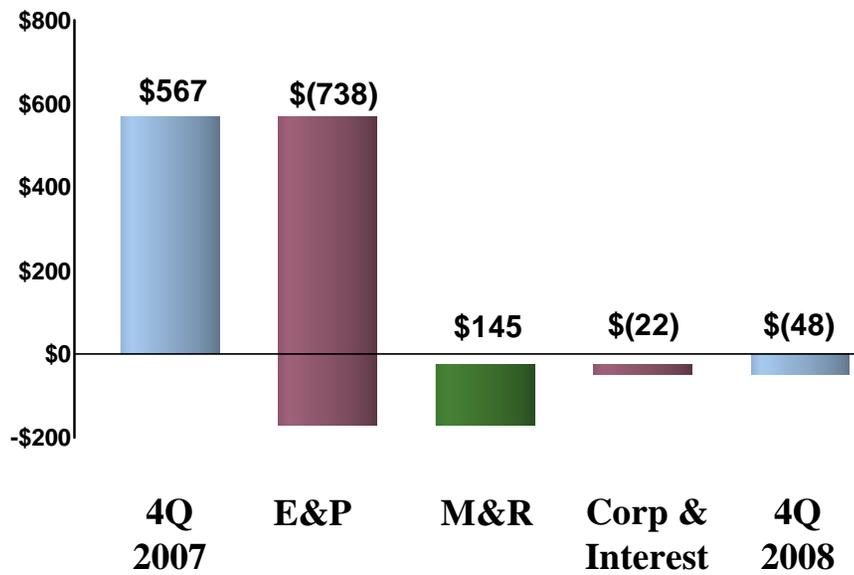
- None reported.

Consolidated Adjusted Earnings

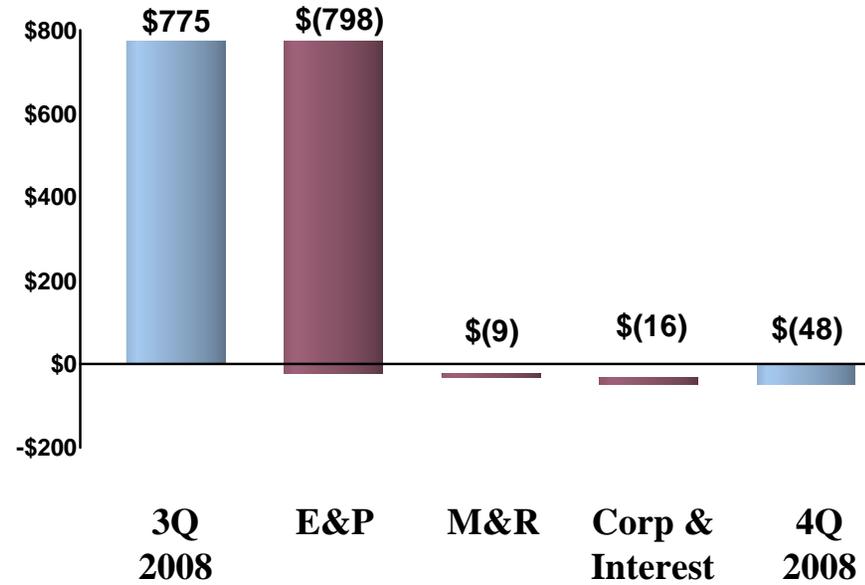


\$ Millions

4Q 2008 vs. 4Q 2007



4Q 2008 vs. 3Q 2008



Analysis of Consolidated Adjusted Earnings



4Q 2008 vs. 4Q 2007

- **Exploration and Production** – The decrease in earnings is primarily due to decreases in crude oil selling prices and sales volumes. Fourth quarter 2008 results include after-tax dry hole costs of \$86 million, foreign exchange losses of \$84 million, and net income tax charges of \$20 million.
- **Marketing and Refining** – The increase in earnings is primarily due to higher margins.

4Q 2008 vs. 3Q 2008

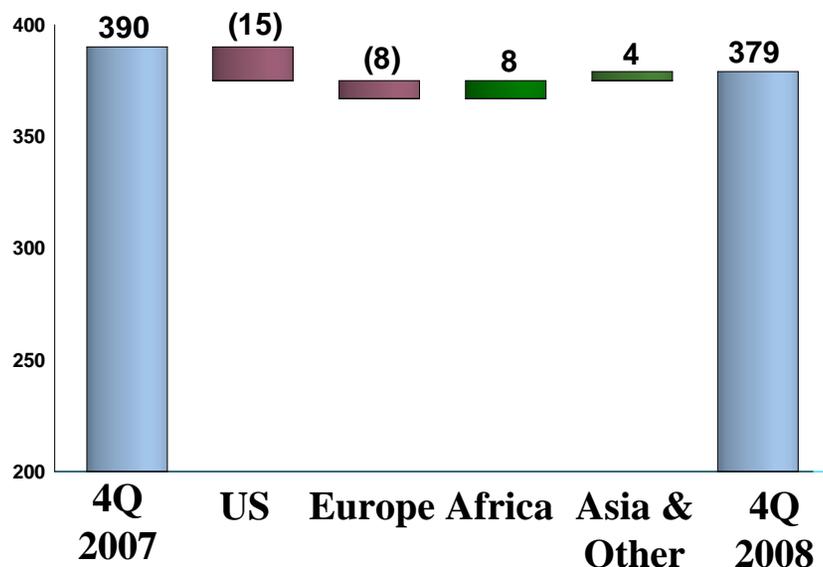
- **Exploration and Production** – The decrease in earnings is primarily due to decreases in crude oil selling prices. Fourth quarter 2008 results include after-tax dry hole costs of \$86 million, foreign exchange losses of \$84 million, and net income tax charges of \$20 million.
- **Marketing and Refining** – The decrease in earnings is primarily due to slightly lower margins.



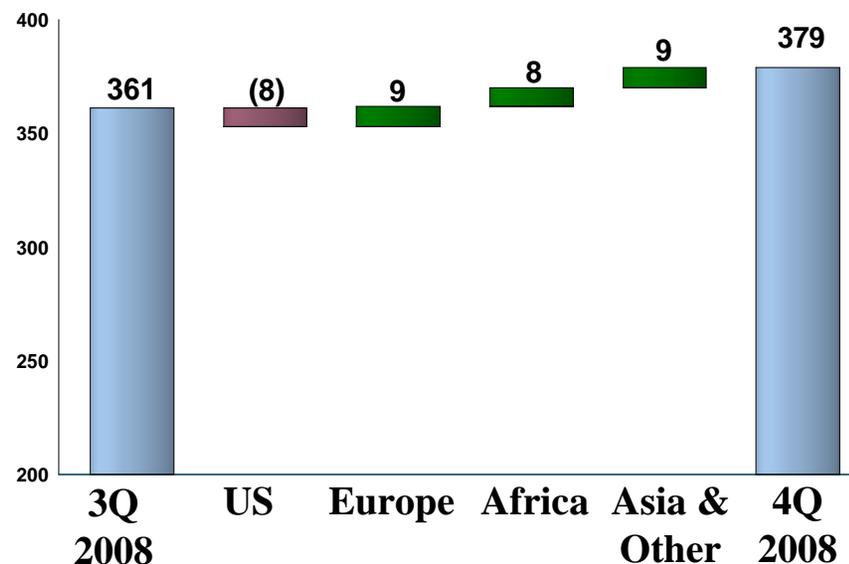
Worldwide Oil & Gas Production

(MBOEPD)

4Q 2008 vs. 4Q 2007



4Q 2008 vs. 3Q 2008



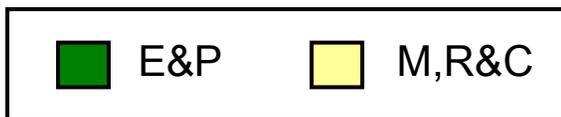
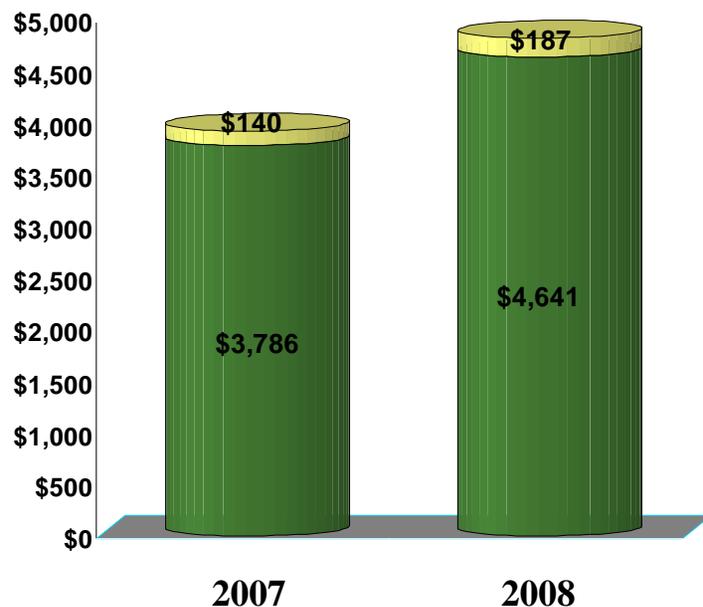
	<u>4Q 2007</u>	<u>4Q 2008</u>	<u>Inc/(Dec)</u>
United States	60	45	(15)
Europe	137	129	(8)
Africa	121	129	8
Asia & Other	<u>72</u>	<u>76</u>	<u>4</u>
Total	<u>390</u>	<u>379</u>	<u>(11)</u>

	<u>3Q 2008</u>	<u>4Q 2008</u>	<u>Inc/(Dec)</u>
United States	53	45	(8)
Europe	120	129	9
Africa	121	129	8
Asia & Other	<u>67</u>	<u>76</u>	<u>9</u>
Total	<u>361</u>	<u>379</u>	<u>18</u>



Capital & Exploratory Expenditures

\$ Millions



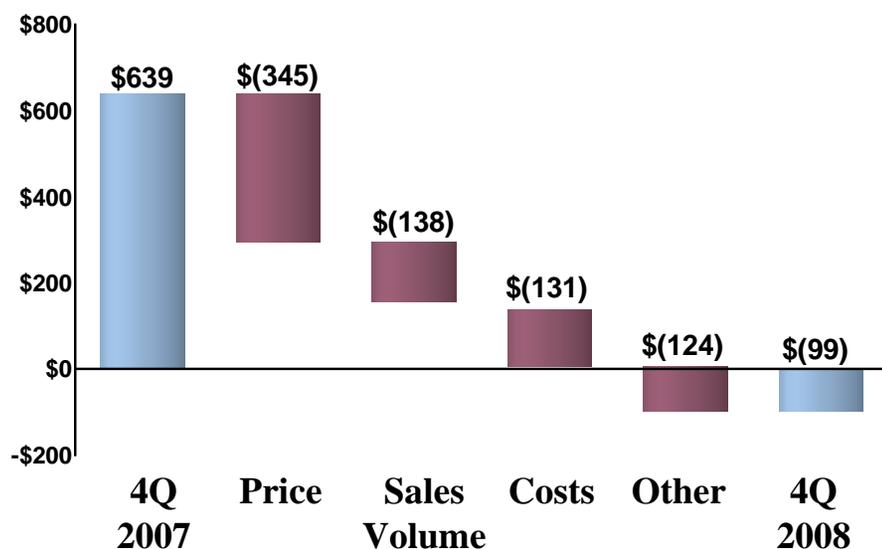
	Full Year	
	2007	2008
Exploration & Production		
United States	\$ 1,603	\$ 2,164
International	<u>2,183</u>	<u>2,477</u>
Total E&P	3,786	4,641
Marketing, Refining & Corporate		
Total	<u>140</u>	<u>187</u>
Total	<u>\$ 3,926</u>	<u>\$ 4,828</u>
Exploration expenses included above:		
United States	\$ 192	\$ 211
International	<u>156</u>	<u>179</u>
Total	<u>\$ 348</u>	<u>\$ 390</u>



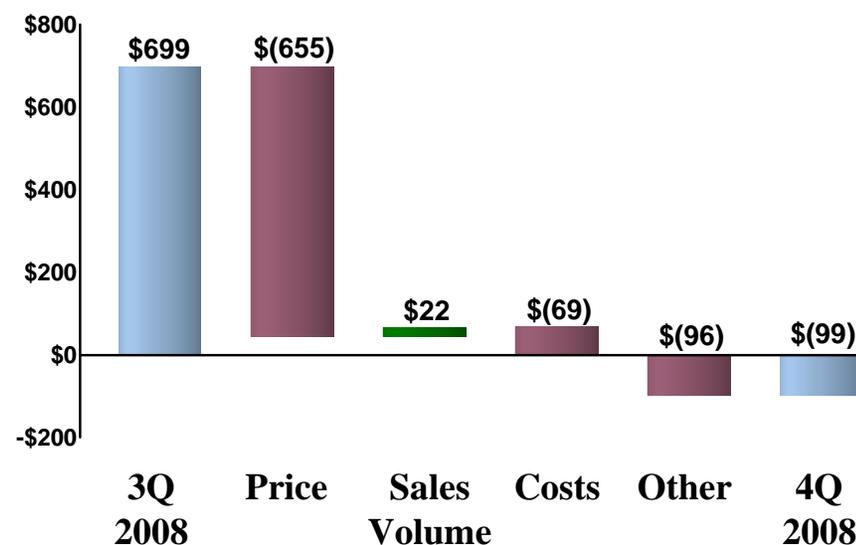
Exploration and Production Adjusted Earnings

\$ Millions

4Q 2008 vs. 4Q 2007



4Q 2008 vs. 3Q 2008



	<u>4Q 2007</u>	<u>4Q 2008</u>	<u>Inc/(Dec)</u>
United States	\$ 69	\$ (44)	\$ (113)
International	<u>570</u>	<u>(55)</u>	<u>(625)</u>
Total	<u>\$ 639</u>	<u>\$ (99)</u>	<u>\$ (738)</u>

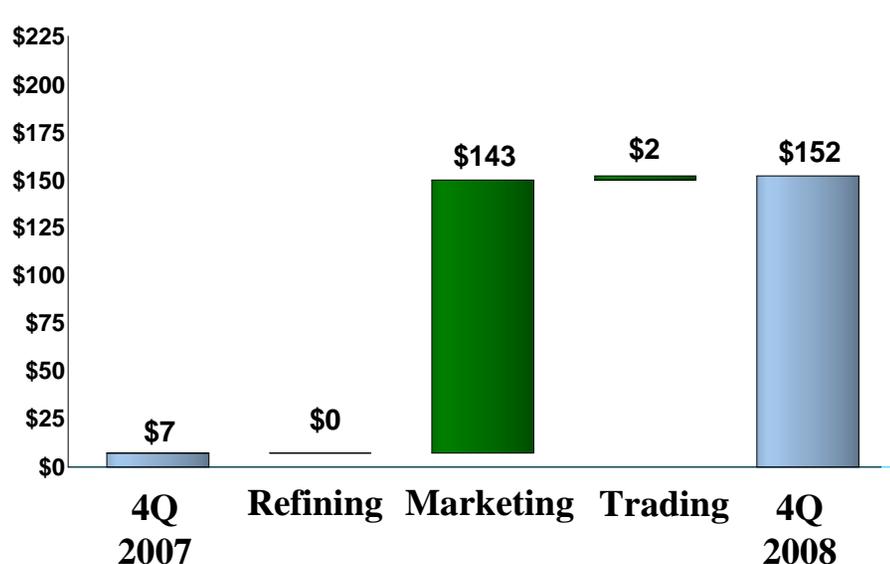
	<u>3Q 2008</u>	<u>4Q 2008</u>	<u>Inc/(Dec)</u>
United States	\$ 110	\$ (44)	\$ (154)
International	<u>589</u>	<u>(55)</u>	<u>(644)</u>
Total	<u>\$ 699</u>	<u>\$ (99)</u>	<u>\$ (798)</u>



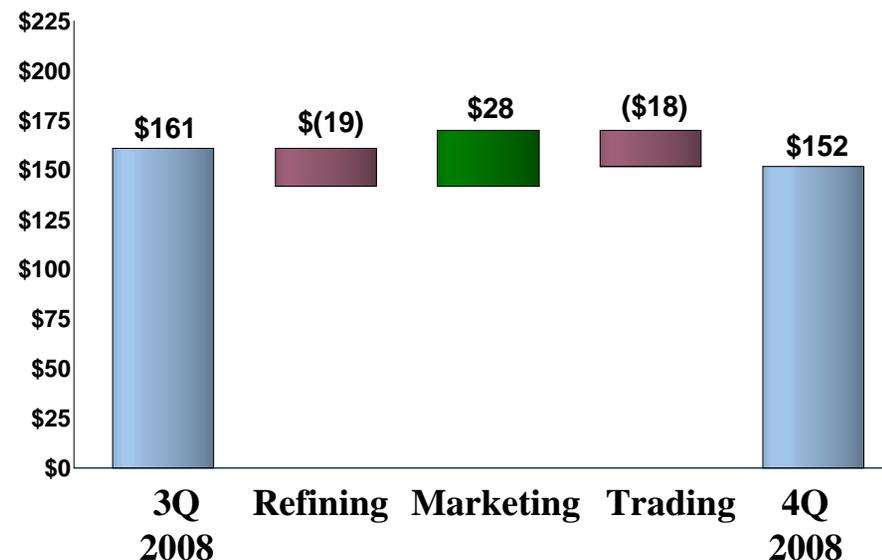
Marketing and Refining Adjusted Earnings

\$ Millions

4Q 2008 vs. 4Q 2007



4Q 2008 vs. 3Q 2008



	<u>4Q 2007</u>	<u>4Q 2008</u>	<u>Inc/(Dec)</u>
Refining	\$ 27	\$ 27	\$ -
Marketing	(5)	\$ 138	143
Trading	<u>(15)</u>	<u>(13)</u>	<u>2</u>
Total	<u>\$ 7</u>	<u>\$ 152</u>	<u>\$ 145</u>

	<u>3Q 2008</u>	<u>4Q 2008</u>	<u>Inc/(Dec)</u>
Refining	46	27	(19)
Marketing	\$ 110	\$ 138	\$ 28
Trading	<u>5</u>	<u>(13)</u>	<u>(18)</u>
Total	<u>\$ 161</u>	<u>\$ 152</u>	<u>\$ (9)</u>