

Supplemental Earnings Information



FIRST QUARTER 2013

Reported Net Income, Items Affecting Comparability and Adjusted Earnings by Operating Activity



\$ Millions, Except Per Share Data

	1Q 2013	1Q 2012	4Q 2012
<u>Net income (loss) attributable to Hess Corporation (U.S. GAAP)</u>			
Exploration and Production	\$ 1,286	\$ 635	\$ 325
Corporate and Other	(110)	(102)	(110)
Net income from continuing operations	1,176	533	215
Discontinued operations - Marketing and Refining	100	12	159
Net income attributable to Hess Corporation	\$ 1,276	\$ 545	\$ 374
Net income per share from continuing operations (diluted)	\$ 3.43	\$ 1.57	\$ 0.63
Net income per share from discontinued operations (diluted)	0.29	0.03	0.47
Total net income per share	\$ 3.72	\$ 1.60	\$ 1.10
Weighted average number of shares (diluted)	342.6	340.3	340.5
<u>Items affecting comparability of earnings - income (expense)</u>			
Exploration and Production	\$ 588	\$ 36	\$ (106)
Corporate and Other	(11)	-	-
Total items affecting comparability of continuing operations	577	36	(106)
Discontinued operations - Marketing and Refining	30	-	71
Total items affecting comparability	\$ 607	\$ 36	\$ (35)

(Continued)

Reported Net Income, Items Affecting Comparability and Adjusted Earnings by Operating Activity – Cont'd



\$ Millions, Except Per Share Data

Adjusted earnings (losses) (a)

Exploration and Production

Corporate and Other

Adjusted earnings from continuing operations

Discontinued operations - Marketing and Refining

Adjusted earnings

Adjusted earnings per share from continued operations (diluted)

Adjusted earnings per share from discontinued operations (diluted)

Adjusted earnings per share (diluted)

Weighted average number of shares (diluted)

	1Q 2013	1Q 2012	4Q 2012
	\$ 698	\$ 599	\$ 431
	(99)	(102)	(110)
	599	497	321
	70	12	88
	\$ 669	\$ 509	\$ 409
	\$ 1.75	\$ 1.46	\$ 0.94
	0.20	0.04	0.26
	\$ 1.95	\$ 1.50	\$ 1.20
	342.6	340.3	340.5

(a) "Adjusted earnings (losses)," presented throughout this supplemental earnings information is defined as reported net income 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.

(Concluded)

Items Affecting Comparability Between Periods



(Amounts are after income taxes)

1Q 2013

▪ **Exploration and Production - Earnings include:**

- A gain of \$360 million from the sale of the Corporation's interests in the Azeri-Chirag-Guneshli fields in the Caspian Sea, offshore Azerbaijan and the associated Baku-Tbilisi-Ceyhan pipeline and a gain of \$323 million from the sale of the Beryl fields and associated assets in the United Kingdom North Sea.
- A charge of \$67 million for employee severance costs related to the Corporation's transformation into a more focused pure play exploration and production company.
- An income tax charge of \$28 million relating to a planned divestiture.

▪ **Corporate and Other - Results include:**

- A charge of \$11 million for employee severance costs related to the Corporation's transformation into a more focused pure play exploration and production company.

▪ **Discontinued operations - Marketing and Refining - Earnings include:**

- Income of \$137 million related to the liquidation of LIFO inventories as a result of the shutdown of refining operations at the Port Reading facility.
- A charge of \$64 million for accelerated depreciation and other shutdown costs related to Port Reading.
- A charge of \$43 million for employee severance costs related to the Corporation's planned exit from its downstream businesses.

(Continued)

Items Affecting Comparability Between Periods – Cont'd



(Amounts are after income taxes)

1Q 2012

▪ **Exploration and Production - Earnings include:**

- A gain of \$36 million related to the sale of the Corporation's interest in the Snohvit Field, offshore Norway.

4Q 2012

▪ **Exploration and Production - Earnings include:**

- A gain of \$172 million from the sale of the Corporation's interests in the Bittern Field and associated assets in the United Kingdom North Sea.
- An impairment charge of \$192 million related to the Corporation's interests in the Eagle Ford Shale in Texas.
- An income tax charge of \$86 million for a disputed application of an international tax treaty.

▪ **Discontinued operations - Marketing and Refining - Earnings include:**

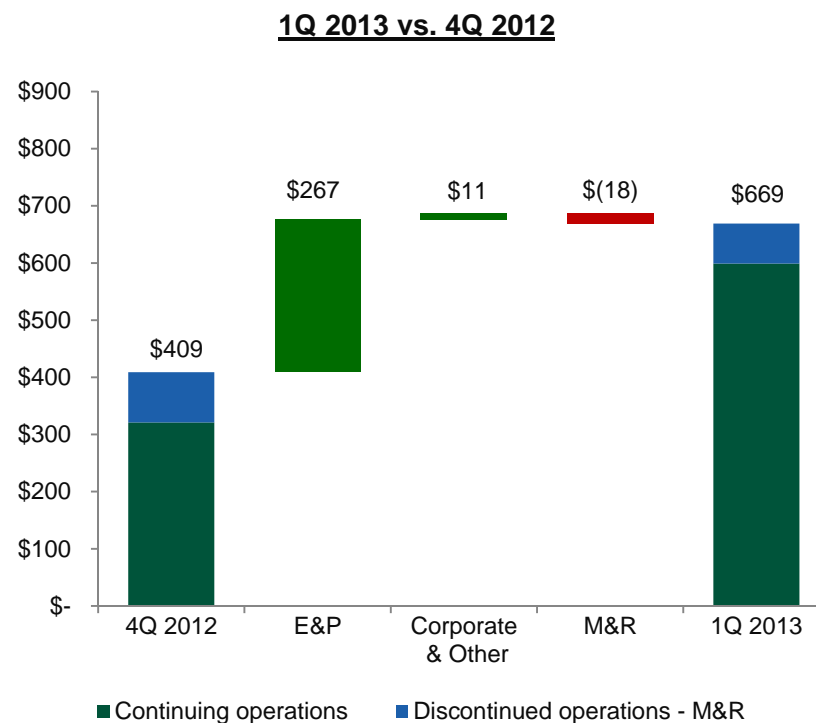
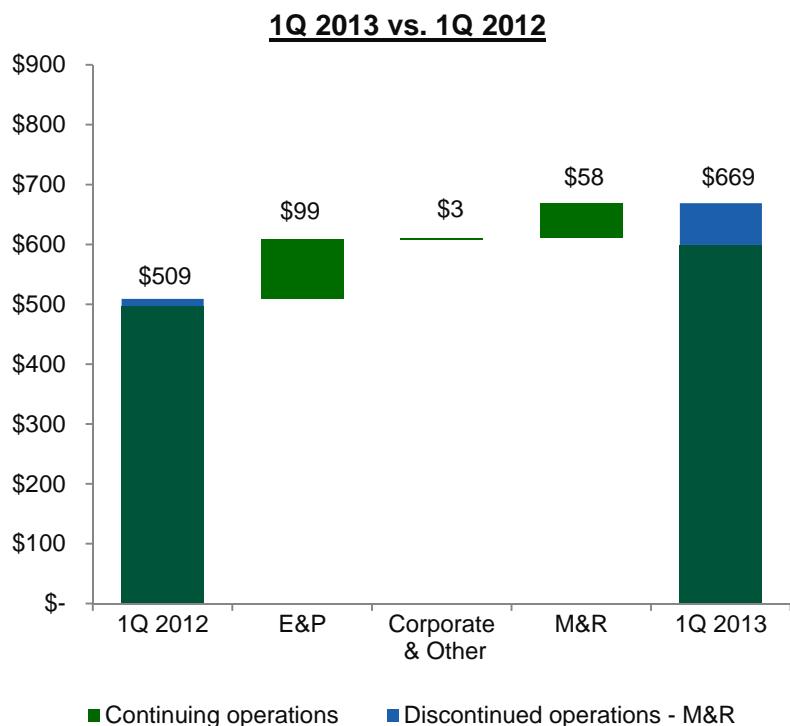
- Income of \$104 million from the partial liquidation of LIFO inventories.
- Charges totaling \$33 million for asset impairments and other charges.

(Concluded)

Consolidated Adjusted Earnings



\$ Millions



	1Q 2013	1Q 2012	Incr. / (Decr.)
Exploration and Production	\$ 698	\$ 599	\$ 99
Corporate and Other	(99)	(102)	3
Adjusted earnings from continuing operations	599	497	102
Discontinued operations - M&R	70	12	58
Adjusted earnings	\$ 669	\$ 509	\$ 160

	1Q 2013	4Q 2012	Incr. / (Decr.)
Exploration and Production	\$ 698	\$ 431	\$ 267
Corporate and Other	(99)	(110)	11
Adjusted earnings from continuing operations	599	321	278
Discontinued operations - M&R	70	88	(18)
Adjusted earnings	\$ 669	\$ 409	\$ 260

Analysis of Consolidated Adjusted Earnings



1Q 2013 vs. 1Q 2012

- **Exploration and Production** – The increase in earnings is primarily due to higher crude oil and natural gas selling prices together with higher sales volumes, partially offset by higher income taxes and other items.
- **Discontinued operations - Marketing and Refining** – The increase in earnings is primarily due to higher marketing income.

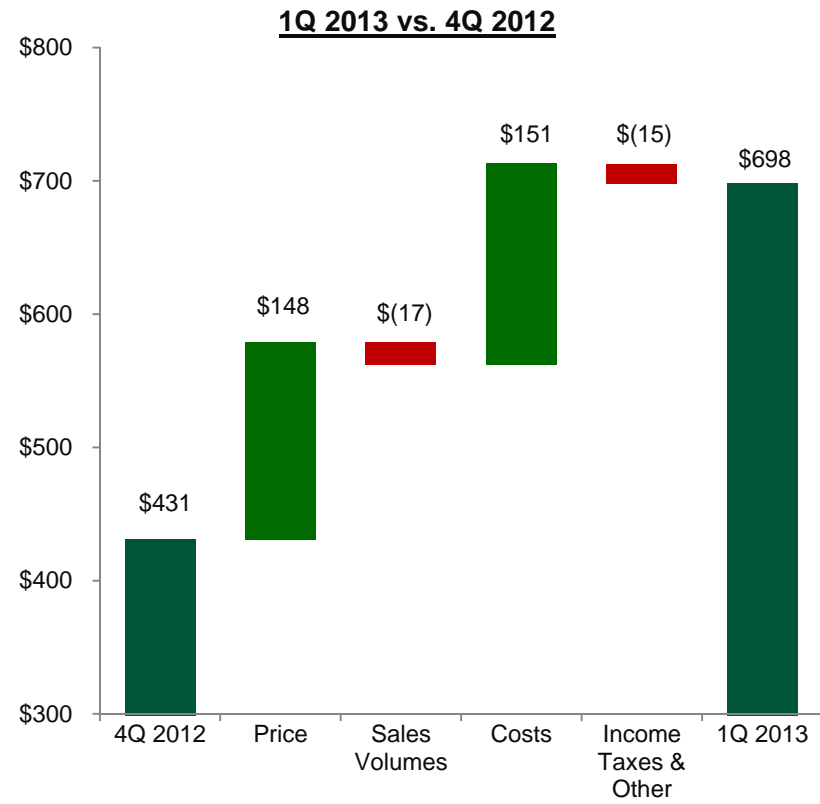
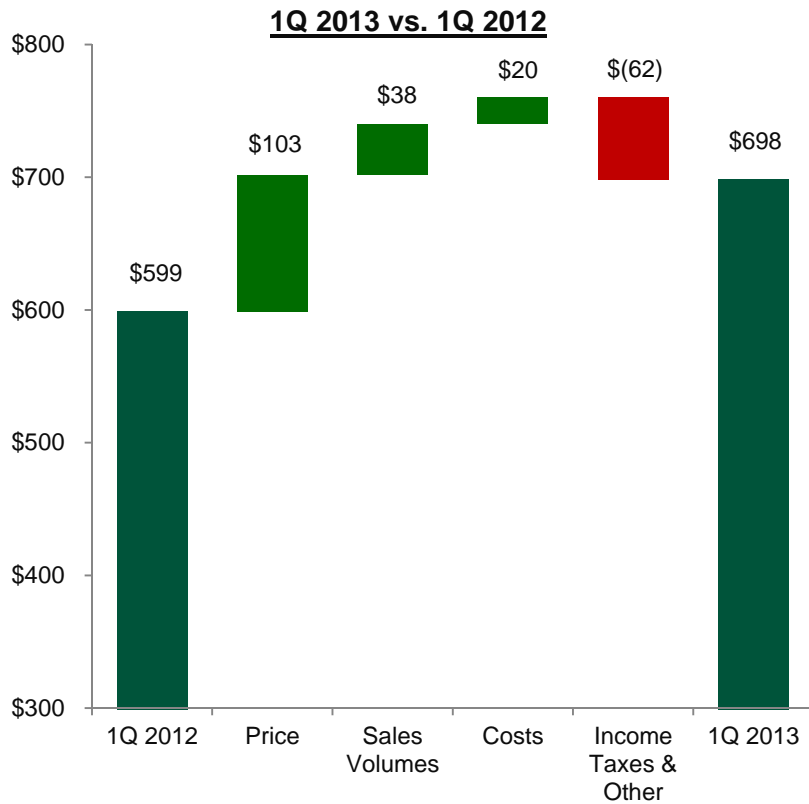
1Q 2013 vs. 4Q 2012

- **Exploration and Production** – The increase in earnings is primarily due to higher crude oil selling prices and lower operating costs.
- **Discontinued operations - Marketing and Refining** – The decrease in earnings is primarily due to losses from refining operations, which ceased in February 2013.

Exploration and Production Adjusted Earnings



\$ Millions



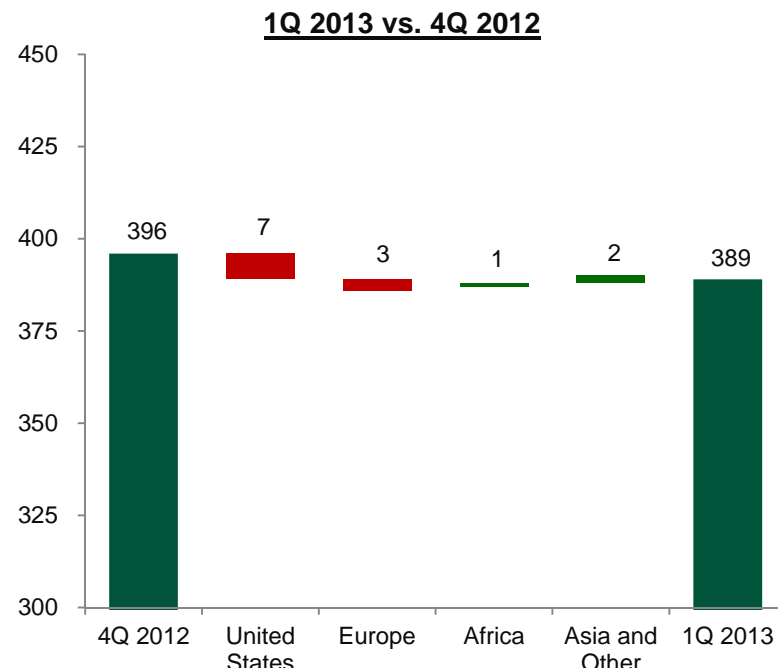
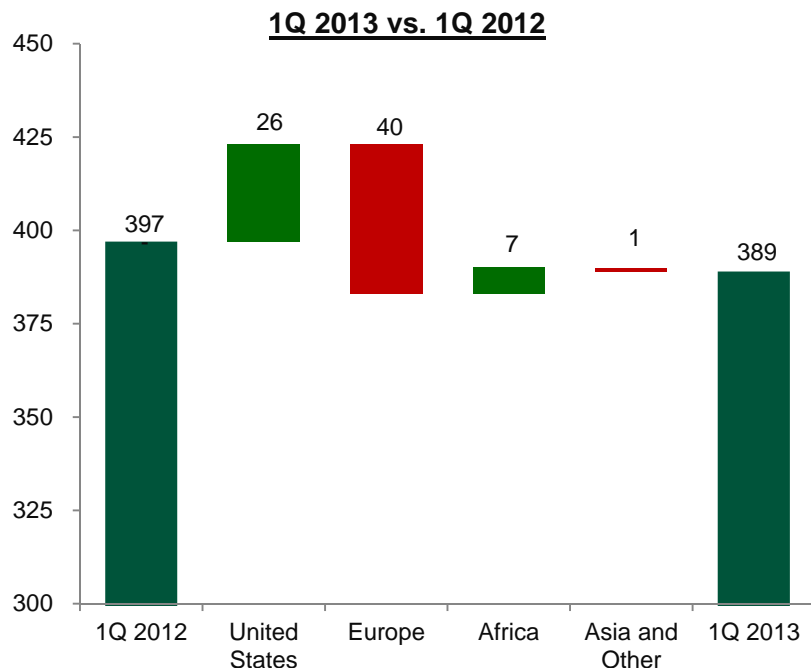
	1Q 2013	1Q 2012	Incr. / (Decr.)
United States	\$ 205	\$ 187	\$ 18
International	493	412	81
Total	\$ 698	\$ 599	\$ 99

	1Q 2013	4Q 2012	Incr. / (Decr.)
United States	\$ 205	\$ 143	\$ 62
International	493	288	205
Total	\$ 698	\$ 431	\$ 267

Worldwide Oil & Gas Production



MBOEPD



	1Q 2013	1Q 2012	Incr. / (Decr.)
United States			
Bakken	65	42	23
Other Onshore	21	23	(2)
Total Onshore	86	65	21
Offshore	66	61	5
Total United States	152	126	26
Europe	67	107	(40)
Africa	78	71	7
Asia and Other	92	93	(1)
Total	389	397	(8)

	1Q 2013	4Q 2012	Incr. / (Decr.)
United States			
Bakken	65	64	1
Other Onshore	21	23	(2)
Total Onshore	86	87	(1)
Offshore	66	72	(6)
Total United States	152	159	(7)
Europe	67	70	(3)
Africa	78	77	1
Asia and Other	92	90	2
Total	389	396	(7)

Average Selling Prices



	1Q 2013	1Q 2012	4Q 2012
<u>Operating Data</u>			
<u>Average Selling Prices</u>			
Crude oil - per barrel (including hedging)			
United States			
Onshore	\$ 89.46	\$ 88.64	\$ 85.38
Offshore	107.52	103.72	99.83
Total United States	97.03	95.92	91.74
Europe	63.51	80.18	61.01
Africa	109.81	88.75	87.27
Asia	110.70	117.13	106.28
Worldwide	94.50	89.92	84.46
Crude oil - per barrel (excluding hedging)			
United States			
Onshore	\$ 89.82	\$ 91.51	\$ 85.76
Offshore	108.70	110.91	101.35
Total United States	97.74	100.87	92.63
Europe	63.69	82.77	61.29
Africa	111.18	120.59	109.76
Asia	110.70	123.72	107.86
Worldwide	95.24	100.50	90.86

(Continued)

Average Selling Prices – Cont'd



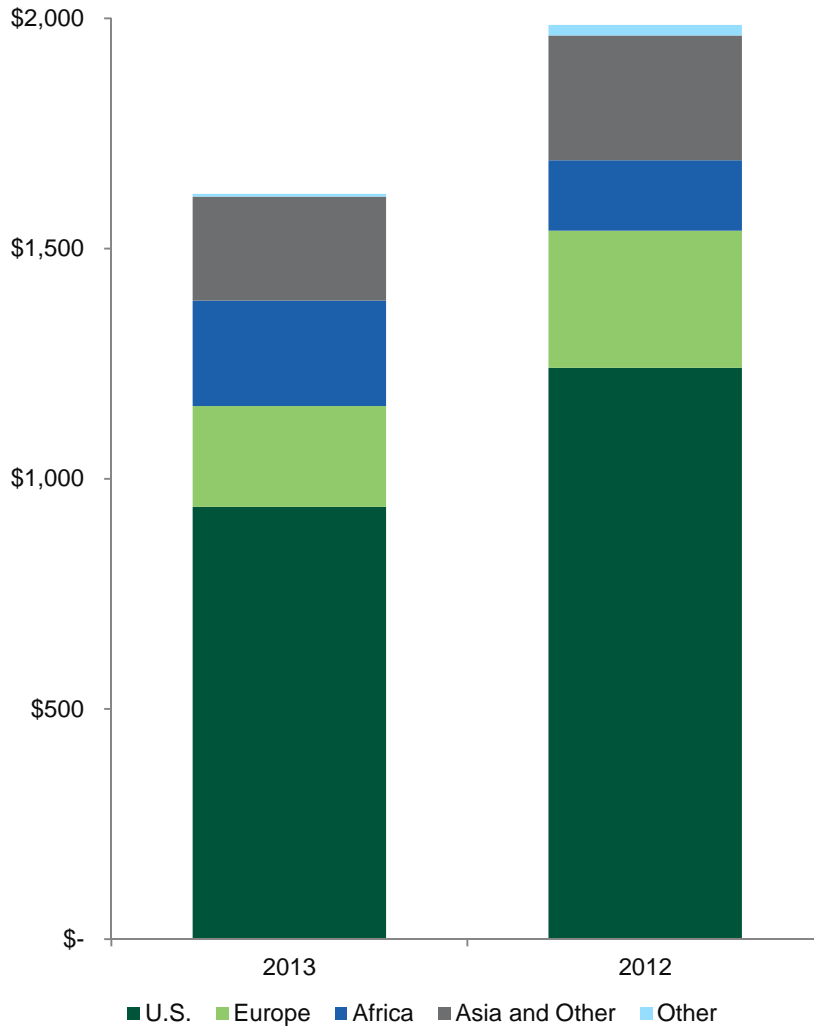
	1Q 2013	1Q 2012	4Q 2012
<u>Operating Data</u>			
<u>Average Selling Prices</u>			
Natural gas liquids - per barrel			
United States			
Onshore	\$ 43.47	\$ 52.23	\$ 40.78
Offshore	27.79	44.40	29.64
Total United States	37.29	49.26	36.21
Europe	45.77	90.43	85.62
Asia	79.44	86.50	85.24
Worldwide	38.67	59.53	44.66
Natural gas - per mcf			
United States			
Onshore	\$ 2.86	\$ 1.87	\$ 2.48
Offshore	2.54	1.67	2.92
Total United States	2.69	1.75	2.72
Europe	7.98	9.44	9.06
Asia and other	7.75	6.77	7.68
Worldwide	6.62	6.23	6.60

(Concluded)

Capital and Exploratory Expenditures



\$ Millions



**Three Months Ended
March 31,
2013 2012**

Exploration & Production

United States		
Bakken	\$ 535	\$ 852
Other Onshore	176	217
Total Onshore	<u>711</u>	<u>1,069</u>
Offshore	228	172
Total United States	<u>939</u>	<u>1,241</u>
Europe	219	298
Africa	229	153
Asia and Other	226	271
Total Exploration & Production	<u>1,613</u>	<u>1,963</u>
Other	<u>18</u>	<u>23</u>
Total Capital & Exploratory Expenditures	<u>\$ 1,631</u>	<u>\$ 1,986</u>
Total exploration expenses charged to income included above	<u>\$ 110</u>	<u>\$ 108</u>



**2012 – 2013 PRO FORMA
EXPLORATION AND PRODUCTION RESULTS**

Exploration and Production Pro forma – 1Q 2013



	Three Months Ended March 31, 2013			
	(\$ Millions)		(\$/BOE)	
	Actual	Pro Forma	Actual	Pro Forma
Total revenue	\$ 2,817	\$ 2,268	\$ 80.37	\$ 86.15
Costs and expenses				
Cash costs	743	555	21.20	21.08
Depreciation, depletion & amortization	676	591	19.28	22.45
Production costs	1,419	1,146	40.48	43.53
Exploration expense	205	181	5.84	6.87
Total costs and expenses	1,624	1,327	46.32	50.40
Adjusted earnings before taxes	1,193	941	34.05	35.75
Provision for income taxes	502	408	14.33	15.51
Adjusted earnings	\$ 691	\$ 533	\$ 19.72	\$ 20.24
Production (MBOEPD)	389	292		
Capital and exploratory expenditures	\$ 1,613	\$ 1,405		

Note: The summarized actual and pro forma adjusted earnings above for the Exploration and Production segment exclude hedging results and items affecting comparability of earnings between periods. In addition, the pro forma results assume the sale of the Corporation's interests in the ACG, Beryl, Bittern, Eagle Ford, Samara-Nafta, Schielhallion, and Snohvit fields and its properties in Indonesia and Thailand effective January 1, 2012. This measure of adjusted earnings is not, and should not, be viewed as a substitute for U.S. GAAP net income.

Exploration and Production Pro forma – 1Q 2012



	Three Months Ended March 31, 2012			
	(\$ Millions)		(\$/BOE)	
	Actual	Pro Forma	Actual	Pro Forma
Total revenue	\$ 2,892	\$ 2,131	\$ 79.96	\$ 83.94
Costs and expenses				
Cash costs	738	522	20.39	20.55
Depreciation, depletion & amortization	659	538	18.21	21.21
Production costs	1,397	1,060	38.60	41.76
Exploration expense	253	203	7.00	7.98
Total costs and expenses	1,650	1,263	45.60	49.74
Adjusted earnings before taxes	1,242	868	34.36	34.20
Provision for income taxes	491	298	13.59	11.75
Adjusted earnings	\$ 751	\$ 570	\$ 20.77	\$ 22.45
Production (MBOEPD)	397	279		
Capital and exploratory expenditures	\$ 1,963	\$ 1,709		

Note: The summarized actual and pro forma adjusted earnings above for the Exploration and Production segment exclude hedging results and items affecting comparability of earnings between periods. In addition, the pro forma results assume the sale of the Corporation's interests in the ACG, Beryl, Bittern, Eagle Ford, Samara-Nafta, Schielhallion, and Snohvit fields and its properties in Indonesia and Thailand effective January 1, 2012. This measure of adjusted earnings is not, and should not, be viewed as a substitute for U.S. GAAP net income.

Exploration and Production Pro forma – Full Year 2012



	Year Ended December 31, 2012			
	(\$ Millions)		(\$/BOE)	
	Actual	Pro Forma	Actual	Pro Forma
Total revenue	\$ 11,688	\$ 8,805	\$ 78.65	\$ 83.12
Costs and expenses				
Cash costs	3,066	2,192	20.63	20.69
Depreciation, depletion & amortization	2,853	2,328	19.20	21.98
Production costs	5,919	4,520	39.83	42.67
Exploration expense	984	830	6.62	7.83
Total costs and expenses	6,903	5,350	46.45	50.50
Adjusted earnings before taxes	4,785	3,455	32.20	32.62
Provision for income taxes	2,092	1,462	14.08	13.80
Adjusted earnings	\$ 2,693	\$ 1,993	\$ 18.12	\$ 18.82
Production (MBOEPD)	406	289		
Capital and exploratory expenditures	\$ 8,146	\$ 7,055		

Note: The summarized actual and pro forma adjusted earnings above for the Exploration and Production segment exclude hedging results and items affecting comparability of earnings between periods. In addition, the pro forma results assume the sale of the Corporation's interests in the ACG, Beryl, Bittern, Eagle Ford, Samara-Nafta, Schielhallion, and Snohvit fields and its properties in Indonesia and Thailand effective January 1, 2012. This measure of adjusted earnings is not, and should not, be viewed as a substitute for U.S. GAAP net income.



BAKKEN OPERATIONAL DATA

Bakken Production



		Net Production by Product							
		2013		2012					
		Q1	YTD	Q1	Q2	Q3	Q4	FY	
Oil	MBBLPD	53	53	37	47	52	53	47	
NGL	MBBLPD	6	6	2	4	5	6	4	
Gas	MMCFPD	34	34	16	23	35	32	27	
Total	MBOEPD	65	65	42	55	62	64	56	

		Net Production by Operatorship							
		2013		2012					
		Q1	YTD	Q1	Q2	Q3	Q4	FY	
Operated	MBOEPD	58	58	36	46	54	55	48	
Outside Operated	MBOEPD	7	7	6	9	8	9	8	
Total	MBOEPD	65	65	42	55	62	64	56	
% Outside Operated		11%	11%	14%	16%	13%	14%	14%	

2013 Bakken Production Guidance 64 - 70 MBOEPD

Bakken Operational Well Statistics

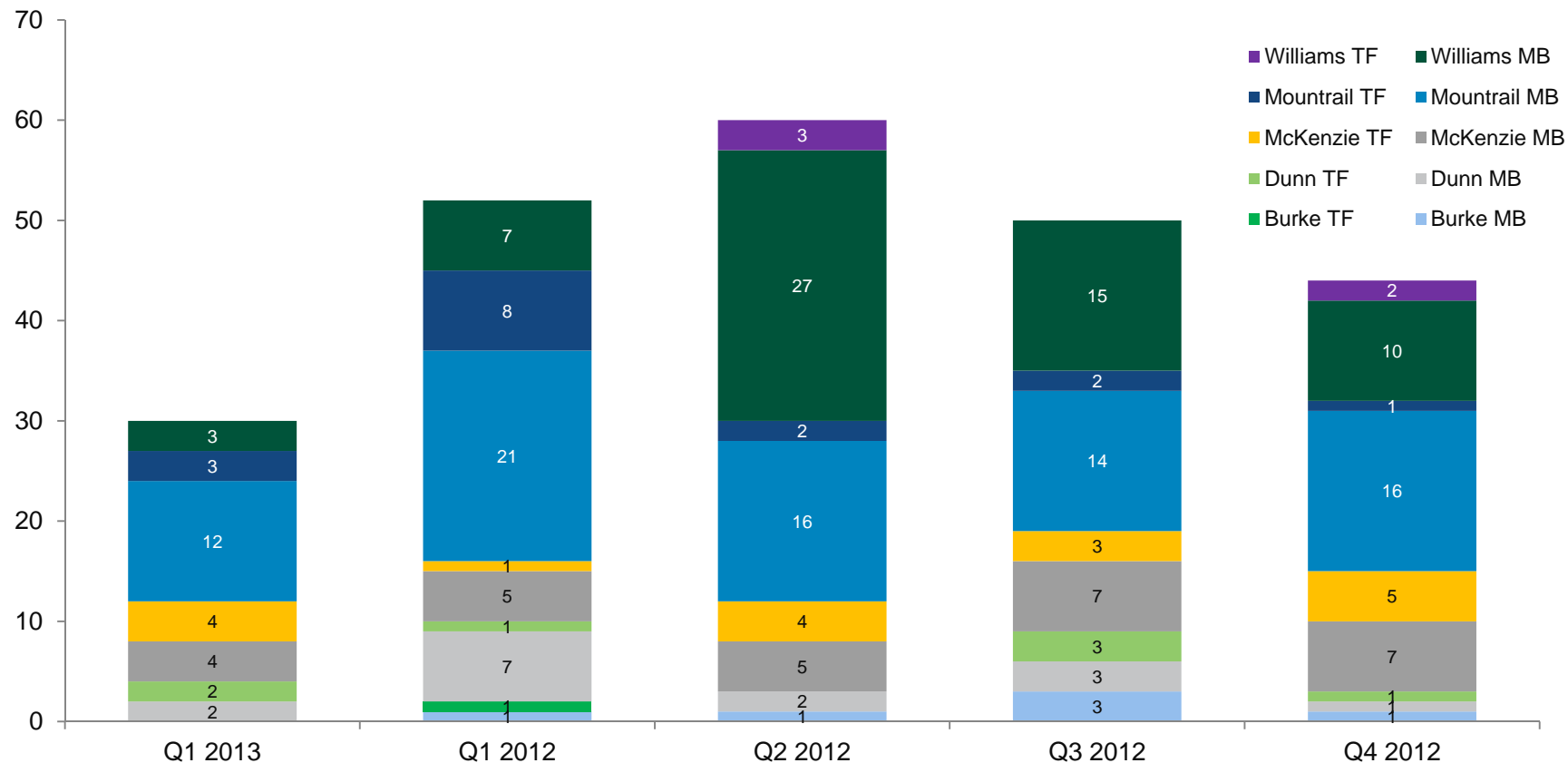


Hess Operated Wells								
		2013		2012				
		Q1	YTD	Q1	Q2	Q3	Q4	FY
Rig Count								
Drilling	No. Rigs	15	15	14	16	15	16	15
Drilling Days	Spud-to-Spud	26	26	31	32	29	28	30
No. of Wells								
Drilled	By Qtr	49	49	40	42	41	53	176
Completion	By Qtr	37	37	54	57	50	45	206
Average Frac Stage		29	29	34	34	31	29	32
On Production	By Qtr	30	30	52	60	50	44	206
On Production	Wells Cum ITD	584	584	400	460	510	554	554
Average 30-day IPs								
Gross	BOPD	793	793	750	776	759	841	782
Outside Operated Wells								
		2013		2012				
		Q1	YTD	Q1	Q2	Q3	Q4	FY
No. of Wells								
On Production	By Qtr	29	29	59	36	20	16	131
On Production	Wells Cum ITD	626	626	525	561	581	597	597

Hess Operated Bakken Wells Brought on Production by County and Formation



Bakken Wells



Middle Bakken	21	41	51	42	35
Three Forks	9	11	9	8	9
Total	30	52	60	50	44

Bakken Well Costs, Working Interest & Acreage



Average Well Cost - Hess Operated									
		2013			2012				
		Q1	YTD	Q1	Q2	Q3	Q4	FY	
Drilling	\$MM/Well	\$ 4.8	\$ 4.8	\$ 5.4	\$ 5.6	\$ 5.3	\$ 5.0	\$ 5.3	
Completion	\$MM/Well	3.8	3.8	8.0	6.0	4.2	4.0	5.7	
Total	\$MM/Well	\$ 8.6	\$ 8.6	\$ 13.4	\$ 11.6	\$ 9.5	\$ 9.0	\$ 11.0	

Average Working Interest of New Wells Spud each Quarter									
		2013		2012					
		Q1	YTD	Q1	Q2	Q3	Q4	FY	
Hess Operated	%	84%	84%	81%	80%	80%	79%	80%	
Outside Operated	%	12%	12%	12%	12%	11%	12%	12%	

Net Acreage Position									
		2013		2012					
		Q1		Q1	Q2	Q3	Q4		
Total Acreage	'000 acres	665		833	800	752	724		