

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): July 30, 2008

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 July 30, 2008, Hess Corporation issued a news release reporting its results for the second quarter of 2008. A copy of this news release is attached hereto as Exhibit 99(1) and is hereby incorporated by reference.

Item 9.01. Financial Statements and Exhibits.

(c) Exhibits

99(1) News release dated July 30, 2008 reporting results for the second quarter of 2008.

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: July 30, 2008

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 July 30, 2008 reporting results for the second quarter of 2008. |

Hess Reports Estimated Results for the Second Quarter of 2008

Second Quarter Highlights:

- *Net Income was \$900 million compared with \$557 million in second quarter 2007*
- *Cash flows from operations were \$1.7 billion compared with \$1.2 billion in second quarter 2007*
- *Oil and gas production was 393,000 barrels per day, up from 378,000 in second quarter 2007*
- *Debt to capitalization ratio decreased to 26.2 percent at June 30, 2008, from 28.9 percent at December 31, 2007*

NEW YORK--(BUSINESS WIRE)--Hess Corporation (NYSE: HES) reported net income of \$900 million for the second quarter of 2008 compared with net income of \$557 million for the second quarter of 2007. The after-tax results by major operating activity were as follows:

| | Three Months Ended June 30, (unaudited) | | Six Months Ended June 30, (unaudited) | |
|---|--|----------------|--|----------------|
| | 2008 | 2007 | 2008 | 2007 |
| | (In millions, except per share amounts) | | | |
| Exploration and Production | \$ 1,025 | \$ 505 | \$ 1,849 | \$ 845 |
| Marketing and Refining | (52) | 122 | (36) | 223 |
| Corporate | (33) | (32) | (72) | (63) |
| Interest expense | (40) | (38) | (82) | (78) |
| Net income | <u>\$ 900</u> | <u>\$ 557</u> | <u>\$ 1,659</u> | <u>\$ 927</u> |
| Net income per share (diluted) | <u>\$ 2.76</u> | <u>\$ 1.75</u> | <u>\$ 5.11</u> | <u>\$ 2.92</u> |
| Weighted average number of shares (diluted) | <u>326.2</u> | <u>318.6</u> | <u>325.0</u> | <u>317.9</u> |

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

Exploration and Production earnings were \$1,025 million in the second quarter of 2008 compared with \$505 million in the second quarter of 2007. The Corporation's oil and gas production, on a barrel-of-oil equivalent basis, was 393,000 barrels per day in the second quarter of 2008, an increase of 4% from the second quarter of 2007. In the second quarter of 2008, the Corporation's average worldwide crude oil selling price, including the effect of hedging, was \$104.29 per barrel compared with \$60.05 per barrel in the second quarter of 2007. The Corporation's average worldwide natural gas selling price, including the effect of hedging, was \$7.81 per Mcf in the second quarter of 2008 compared with \$4.88 per Mcf in the second quarter of 2007.

Marketing and Refining generated a loss of \$52 million in the second quarter of 2008 compared with income of \$122 million in the second quarter of 2007, primarily reflecting lower margins and trading results. Refining earnings were \$3 million in the second quarter of 2008 compared with \$87 million in the second quarter of 2007. Marketing results were a loss of \$40 million in the second quarter of 2008 compared with breakeven results in the second quarter of 2007. Trading operations generated a loss of \$15 million in the second quarter of 2008 compared with income of \$35 million in the second quarter of 2007.

The following items, on an after-tax basis, are included in net income (in millions):

| | Three Months Ended June 30, | | Six Months Ended June 30, | |
|-----------------------------------|--------------------------------|-------|------------------------------|-------|
| | 2008 | 2007 | 2008 | 2007 |
| <u>Exploration and Production</u> | | | | |
| Gains from asset sales | \$ - | \$ 15 | \$ - | \$ 15 |

Net cash provided by operating activities was \$1,691 million in the second quarter of 2008 compared with \$1,199 million in the second quarter of 2007. Capital and exploratory expenditures for the second quarter of 2008 amounted to \$1,240 million, of which \$1,205 million related to Exploration and Production operations. Capital and exploratory expenditures for the second quarter of 2007 amounted to \$993 million, of which \$959 million related to Exploration and Production operations.

At June 30, 2008, cash and cash equivalents totaled \$1,479 million compared with \$607 million at December 31, 2007. Total debt was \$3,945 million at June 30, 2008 and \$3,980 million at December 31, 2007. The Corporation's debt to capitalization ratio at June 30, 2008 was 26.2 percent compared with 28.9 percent at the end of 2007.

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

Hess Corporation, with headquarters in New York, is a leading global independent energy company engaged in the exploration for and production of crude oil and natural gas, as well as in refining and marketing refined petroleum products, natural gas and electricity. 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)

| | Second Quarter 2008 | Second Quarter 2007 | First Quarter 2008 |
|--|---------------------------|---------------------------|--------------------------|
| <u>Income Statement</u> | | | |
| Revenues and Non-operating Income | | | |
| Sales (excluding excise taxes) and other operating revenues | \$ 11,717 | \$ 7,421 | \$ 10,667 |
| Equity in income (loss) of HOVENSA L.L.C. | (19) | 81 | (10) |
| Gain on asset sales | - | 21 | - |
| Other, net | 37 | 23 | 63 |
| | <u>11,735</u> | <u>7,546</u> | <u>10,720</u> |
| Costs and Expenses | | | |
| Cost of products sold (excluding items shown separately below) | 8,354 | 5,190 | 7,718 |
| Production expenses | 494 | 377 | 424 |
| Marketing expenses | 267 | 241 | 233 |
| Exploration expenses, including dry holes and lease impairment | 158 | 90 | 152 |
| Other operating expenses | 47 | 37 | 45 |
| General and administrative expenses | 156 | 142 | 152 |
| Interest expense | 65 | 62 | 67 |
| Depreciation, depletion and amortization | 482 | 354 | 452 |
| | <u>10,023</u> | <u>6,493</u> | <u>9,243</u> |
| Total costs and expenses | | | |
| | <u>10,023</u> | <u>6,493</u> | <u>9,243</u> |
| Income before income taxes | 1,712 | 1,053 | 1,477 |
| Provision for income taxes | 812 | 496 | 718 |
| | <u>1,712</u> | <u>1,053</u> | <u>1,477</u> |
| Net income | <u>\$ 900</u> | <u>\$ 557</u> | <u>\$ 759</u> |
| <u>Supplemental Income Statement Information</u> | | | |
| Foreign currency gains (losses), after-tax | \$ 1 | \$ (7) | \$ 11 |
| Capitalized interest | 1 | 16 | 1 |
| <u>Cash Flow Information</u> | | | |
| Net cash provided by operating activities (*) | \$ 1,691 | \$ 1,199 | \$ 1,176 |
| <u>Capital and Exploratory Expenditures</u> | | | |
| Exploration and Production | | | |
| United States | \$ 721 | \$ 391 | \$ 415 |
| International | 484 | 568 | 523 |
| | <u>1,205</u> | <u>959</u> | <u>938</u> |
| Marketing, Refining and Corporate | 35 | 34 | 32 |
| | <u>35</u> | <u>34</u> | <u>32</u> |
| Total Capital and Exploratory Expenditures | <u>\$ 1,240</u> | <u>\$ 993</u> | <u>\$ 970</u> |
| Exploration expenses charged to income included above | | | |
| United States | \$ 44 | \$ 42 | \$ 62 |
| International | 40 | 19 | 59 |
| | <u>84</u> | <u>61</u> | <u>121</u> |

(*) Includes changes in working capital

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

| | First Half | |
|--|------------|-----------|
| | 2008 | 2007 |
| <u>Income Statement</u> | | |
| Revenues and Non-operating Income | | |
| Sales (excluding excise taxes) and other operating revenues | \$ 22,384 | \$ 14,740 |
| Equity in income (loss) of HOVENSA L.L.C. | (29) | 137 |
| Gain on asset sales | - | 21 |
| Other, net | 100 | 22 |
| | 22,455 | 14,920 |
| | | |
| Costs and Expenses | | |
| Cost of products sold (excluding items shown separately below) | 16,072 | 10,600 |
| Production expenses | 918 | 724 |
| Marketing expenses | 500 | 463 |
| Exploration expenses, including dry holes and lease impairment | 310 | 183 |
| Other operating expenses | 92 | 70 |
| General and administrative expenses | 308 | 273 |
| Interest expense | 132 | 126 |
| Depreciation, depletion and amortization | 934 | 681 |
| | 19,266 | 13,120 |
| | | |
| Income before income taxes | 3,189 | 1,800 |
| Provision for income taxes | 1,530 | 873 |
| | 1,659 | 927 |
| | \$ 1,659 | \$ 927 |
| <u>Supplemental Income Statement Information</u> | | |
| Foreign currency gains (losses), after-tax | \$ 12 | \$ (11) |
| Capitalized interest | 2 | 31 |
| <u>Cash Flow Information</u> | | |
| Net cash provided by operating activities (*) | \$ 2,867 | \$ 1,838 |
| <u>Capital and Exploratory Expenditures</u> | | |
| Exploration and Production | | |
| United States | \$ 1,136 | \$ 1,042 |
| International | 1,007 | 1,076 |
| | 2,143 | 2,118 |
| Marketing, Refining and Corporate | 67 | 56 |
| | 2,210 | 2,174 |
| | \$ 2,210 | \$ 2,174 |
| | | |
| Exploration expenses charged to income included above | | |
| United States | \$ 106 | \$ 82 |
| International | 99 | 54 |
| | 205 | 136 |
| | \$ 205 | \$ 136 |

(*) Includes changes in working capital

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

| | June 30, 2008 | December 31, 2007 |
|--|------------------|----------------------|
| <u>Balance Sheet Information</u> | | |
| Cash and cash equivalents | \$ 1,479 | \$ 607 |
| Other current assets | 8,213 | 6,319 |
| Investments | 1,038 | 1,117 |
| Property, plant and equipment – net | 15,754 | 14,634 |
| Other long-term assets | 4,255 | 3,454 |
| Total assets | \$ 30,739 | \$ 26,131 |
| Current maturities of long-term debt | \$ 68 | \$ 62 |
| Other current liabilities | 11,169 | 7,962 |
| Long-term debt | 3,877 | 3,918 |
| Other long-term liabilities | 4,523 | 4,415 |
| Stockholders' equity excluding other comprehensive income (loss) | 13,370 | 11,615 |
| Accumulated other comprehensive income (loss) | (2,268) | (1,841) |
| Total liabilities and stockholders' equity | \$ 30,739 | \$ 26,131 |

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

| | Second Quarter 2008 | | |
|--|---------------------|---------------|-----------------|
| | United States | International | Total |
| Sales and other operating revenues | \$ 545 | \$ 2,530 | \$ 3,075 |
| Non-operating income | - | 22 | 22 |
| Total revenues and non-operating income | 545 | 2,552 | 3,097 |
| Costs and expenses | | | |
| Production expenses, including related taxes | 101 | 393 | 494 |
| Exploration expenses, including dry holes and lease impairment | 62 | 96 | 158 |
| General, administrative and other expenses | 36 | 37 | 73 |
| Depreciation, depletion and amortization | 61 | 401 | 462 |
| Total costs and expenses | 260 | 927 | 1,187 |
| Results of operations before income taxes | 285 | 1,625 | 1,910 |
| Provision for income taxes | 108 | 777 | 885 |
| Results of operations | \$ 177 | \$ 848 | \$ 1,025 |

| | Second Quarter 2007 | | |
|--|---------------------|---------------|---------------|
| | United States | International | Total |
| Sales and other operating revenues | \$ 273 | \$ 1,529 | \$ 1,802 |
| Non-operating income | - | 28 | 28 |
| Total revenues and non-operating income | 273 | 1,557 | 1,830 |
| Costs and expenses | | | |
| Production expenses, including related taxes | 70 | 307 | 377 |
| Exploration expenses, including dry holes and lease impairment | 51 | 39 | 90 |
| General, administrative and other expenses | 34 | 28 | 62 |
| Depreciation, depletion and amortization | 44 | 293 | 337 |
| Total costs and expenses | 199 | 667 | 866 |
| Results of operations before income taxes | 74 | 890 | 964 |
| Provision for income taxes | 30 | 429 | 459 |
| Results of operations | \$ 44 | \$ 461 | \$ 505 |

| | First Quarter 2008 | | |
|--|--------------------|---------------|---------------|
| | United States | International | Total |
| Sales and other operating revenues | \$ 448 | \$ 2,159 | \$ 2,607 |
| Non-operating income | 10 | 37 | 47 |
| Total revenues and non-operating income | 458 | 2,196 | 2,654 |
| Costs and expenses | | | |
| Production expenses, including related taxes | 70 | 354 | 424 |
| Exploration expenses, including dry holes and lease impairment | 83 | 69 | 152 |
| General, administrative and other expenses | 32 | 31 | 63 |
| Depreciation, depletion and amortization | 55 | 379 | 434 |
| Total costs and expenses | 240 | 833 | 1,073 |
| Results of operations before income taxes | 218 | 1,363 | 1,581 |
| Provision for income taxes | 84 | 673 | 757 |
| Results of operations | \$ 134 | \$ 690 | \$ 824 |

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

| | First Half 2008 | | |
|--|-----------------|-----------------|-----------------|
| | United States | International | Total |
| Sales and other operating revenues | \$ 993 | \$ 4,689 | \$ 5,682 |
| Non-operating income | 10 | 59 | 69 |
| Total revenues and non-operating income | <u>1,003</u> | <u>4,748</u> | <u>5,751</u> |
| Costs and expenses | | | |
| Production expenses, including related taxes | 171 | 747 | 918 |
| Exploration expenses, including dry holes and lease impairment | 145 | 165 | 310 |
| General, administrative and other expenses | 68 | 68 | 136 |
| Depreciation, depletion and amortization | 116 | 780 | 896 |
| Total costs and expenses | <u>500</u> | <u>1,760</u> | <u>2,260</u> |
| Results of operations before income taxes | 503 | 2,988 | 3,491 |
| Provision for income taxes | 192 | 1,450 | 1,642 |
| Results of operations | <u>\$ 311</u> | <u>\$ 1,538</u> | <u>\$ 1,849</u> |
| | First Half 2007 | | |
| | United States | International | Total |
| Sales and other operating revenues | \$ 514 | \$ 2,799 | \$ 3,313 |
| Non-operating income | 8 | 14 | 22 |
| Total revenues and non-operating income | <u>522</u> | <u>2,813</u> | <u>3,335</u> |
| Costs and expenses | | | |
| Production expenses, including related taxes | 129 | 595 | 724 |
| Exploration expenses, including dry holes and lease impairment | 101 | 82 | 183 |
| General, administrative and other expenses | 67 | 52 | 119 |
| Depreciation, depletion and amortization | 81 | 565 | 646 |
| Total costs and expenses | <u>378</u> | <u>1,294</u> | <u>1,672</u> |
| Results of operations before income taxes | 144 | 1,519 | 1,663 |
| Provision for income taxes | 56 | 762 | 818 |
| Results of operations | <u>\$ 88</u> | <u>\$ 757</u> | <u>\$ 845</u> |

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

| | Second Quarter 2008 | Second Quarter 2007 | First Quarter 2008 |
|--|---------------------------|---------------------------|--------------------------|
| <u>Operating Data</u> | | | |
| <u>Net Production Per Day (in thousands)</u> | | | |
| Crude oil - barrels | | | |
| United States | 36 | 31 | 36 |
| Europe | 83 | 96 | 83 |
| Africa | 128 | 115 | 119 |
| Asia and other | 12 | 26 | 17 |
| Total | <u>259</u> | <u>268</u> | <u>255</u> |
| Natural gas liquids - barrels | | | |
| United States | 11 | 10 | 11 |
| Europe | 4 | 4 | 4 |
| Total | <u>15</u> | <u>14</u> | <u>15</u> |
| Natural gas - mcf | | | |
| United States | 83 | 86 | 93 |
| Europe | 267 | 212 | 296 |
| Asia and other | 364 | 277 | 342 |
| Total | <u>714</u> | <u>575</u> | <u>731</u> |
| Barrels of oil equivalent | <u>393</u> | <u>378</u> | <u>391</u> |
| <u>Average Selling Price</u> | | | |
| Crude oil - per barrel (including hedging) | | | |
| United States | \$ 120.23 | \$ 61.41 | \$ 92.59 |
| Europe | 104.98 | 58.94 | 82.29 |
| Africa | 97.32 | 58.02 | 78.83 |
| Asia and other | 120.59 | 70.73 | 96.53 |
| Worldwide | 104.29 | 60.05 | 83.28 |
| Crude oil - per barrel (excluding hedging) | | | |
| United States | \$ 120.23 | \$ 61.41 | \$ 92.59 |
| Europe | 104.98 | 58.94 | 82.29 |
| Africa | 117.49 | 67.04 | 93.52 |
| Asia and other | 120.59 | 70.73 | 96.53 |
| Worldwide | 113.79 | 63.94 | 89.62 |
| Natural gas liquids - per barrel | | | |
| United States | \$ 76.60 | \$ 47.97 | \$ 64.83 |
| Europe | 92.67 | 58.26 | 76.50 |
| Worldwide | 81.52 | 51.68 | 67.70 |
| Natural gas - per mcf (including hedging) | | | |
| United States | \$ 11.00 | \$ 7.24 | \$ 8.53 |
| Europe | 10.33 | 4.54 | 8.96 |
| Asia and other | 5.23 | 4.42 | 5.01 |
| Worldwide | 7.81 | 4.88 | 7.06 |
| Natural gas - per mcf (excluding hedging) | | | |
| United States | \$ 11.00 | \$ 7.24 | \$ 8.53 |
| Europe | 10.84 | 4.54 | 9.05 |
| Asia and other | 5.23 | 4.42 | 5.01 |
| Worldwide | 8.01 | 4.88 | 7.10 |

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

| | First Half | |
|--|------------|------------|
| | 2008 | 2007 |
| Operating Data | | |
| <u>Net Production Per Day (in thousands)</u> | | |
| Crude oil - barrels | | |
| United States | 36 | 30 |
| Europe | 83 | 103 |
| Africa | 123 | 107 |
| Asia and other | 15 | 20 |
| Total | <u>257</u> | <u>260</u> |
| Natural gas liquids - barrels | | |
| United States | 11 | 10 |
| Europe | 4 | 5 |
| Total | <u>15</u> | <u>15</u> |
| Natural gas - mcf | | |
| United States | 88 | 88 |
| Europe | 282 | 280 |
| Asia and other | 353 | 260 |
| Total | <u>723</u> | <u>628</u> |
| Barrels of oil equivalent | <u>392</u> | <u>380</u> |
| <u>Average Selling Price</u> | | |
| Crude oil - per barrel (including hedging) | | |
| United States | \$ 106.42 | \$ 57.46 |
| Europe | 93.32 | 54.98 |
| Africa | 88.44 | 53.68 |
| Asia and other | 106.28 | 65.08 |
| Worldwide | 93.75 | 55.66 |
| Crude oil - per barrel (excluding hedging) | | |
| United States | \$ 106.42 | \$ 57.46 |
| Europe | 93.32 | 54.98 |
| Africa | 105.98 | 62.22 |
| Asia and other | 106.28 | 65.08 |
| Worldwide | 101.66 | 59.13 |
| Natural gas liquids - per barrel | | |
| United States | \$ 70.71 | \$ 45.36 |
| Europe | 85.78 | 52.44 |
| Worldwide | 74.90 | 48.06 |
| Natural gas - per mcf (including hedging) | | |
| United States | \$ 9.69 | \$ 7.22 |
| Europe | 9.61 | 4.66 |
| Asia and other | 5.12 | 4.49 |
| Worldwide | 7.43 | 4.95 |
| Natural gas - per mcf (excluding hedging) | | |
| United States | \$ 9.69 | \$ 7.22 |
| Europe | 9.90 | 4.66 |
| Asia and other | 5.12 | 4.49 |
| Worldwide | 7.55 | 4.95 |

HESS CORPORATION AND CONSOLIDATED SUBSIDIARIES
EXPLORATION AND PRODUCTION SUPPLEMENTAL HEDGING INFORMATION (UNAUDITED)

The following is a summary of the Corporation's outstanding crude oil hedges at June 30, 2008:

| Maturities | Brent Crude Oil(*) | |
|------------|-----------------------------|------------------------------------|
| | Average Selling Price | Thousands of Barrels per Day |
| 2008 | \$ 25.56 | 24 |
| 2009 | 25.54 | 24 |
| 2010 | 25.78 | 24 |
| 2011 | 26.37 | 24 |
| 2012 | 26.90 | 24 |

(*) There were no WTI crude oil hedges outstanding at June 30, 2008.

At June 30, 2008, the Corporation also had outstanding United Kingdom natural gas hedges of 50 thousand Mcf per day through October 2008 at an average selling price of approximately \$11.05 per Mcf.

The after-tax losses from crude oil and natural gas hedges were \$144 million in the second quarter of 2008 and \$56 million in the second quarter of 2007. The after-tax losses from crude oil and natural gas hedges were \$239 million in the first half of 2008 compared with \$95 million in the first half of 2007. At June 30, 2008, the after-tax deferred losses related to crude oil and natural gas hedges that were included in accumulated other comprehensive income amounted to \$2.5 billion.

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

| <u>Financial Information (in millions of dollars)</u> | Second Quarter 2008 | Second Quarter 2007 | First Quarter 2008 |
|---|---------------------------|---------------------------|--------------------------|
| <u>Marketing and Refining Results</u> | | | |
| Income (loss) before income taxes | \$ (85) | \$ 196 | \$ 21 |
| Provision (benefit) for income taxes | (33) | 74 | 5 |
| Marketing and Refining Earnings (Loss) | <u>\$ (52)</u> | <u>\$ 122</u> | <u>\$ 16</u> |
| <u>Summary of Marketing and Refining Results</u> | | | |
| Refining | \$ 3 | \$ 87 | \$ (3) |
| Marketing | (40) | - | 32 |
| Trading | (15) | 35 | (13) |
| Total Marketing and Refining Earnings (Loss) | <u>\$ (52)</u> | <u>\$ 122</u> | <u>\$ 16</u> |

Operating Data (barrels and gallons in thousands)

Refined Product Sales (barrels per day)

| | | | |
|-------------|------------|------------|------------|
| Gasoline | 236 | 224 | 223 |
| Distillates | 129 | 119 | 168 |
| Residuals | 49 | 52 | 67 |
| Other | 40 | 19 | 37 |
| Total | <u>454</u> | <u>414</u> | <u>495</u> |

Refinery Throughput (barrels per day)

| | | | |
|--------------------------|-----|-----|-----|
| HOVENSA - Crude runs | 471 | 397 | 446 |
| HOVENSA - Hess 50% share | 235 | 199 | 223 |
| Port Reading | 64 | 64 | 61 |

Refinery Utilization

Refinery Capacity
(barrels per day)

| | | | | |
|--------------|-------|-------|-------|-------|
| HOVENSA | | | | |
| Crude | 500 | 94.2% | 79.4% | 89.1% |
| FCC | 150 | 73.1% | 87.9% | 74.3% |
| Coker | 58 | 99.5% | 53.3% | 91.5% |
| Port Reading | 70(c) | 91.3% | 97.9% | 87.1% |

Retail Marketing

| | | | |
|---|--------|--------|--------|
| Number of retail stations (a) | 1,363 | 1,351 | 1,367 |
| Convenience store revenue (in millions of dollars) (b) | \$ 275 | \$ 274 | \$ 239 |
| Average gasoline volume per station (gallons per month) (b) | 218 | 228 | 195 |

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

(b) Company operated only.

(c) Refinery utilization in 2007 is based on capacity of 65 thousand barrels per day.

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

| <u>Financial Information (in millions of dollars)</u> | First Half | |
|---|--------------------------|-------------------|
| | 2008 | 2007 |
| <u>Marketing and Refining Results</u> | | |
| Income (loss) before income taxes | \$ (64) | \$ 355 |
| Provision (benefit) for income taxes | (28) | 132 |
| Marketing and Refining Earnings (Loss) | \$ (36) | \$ 223 |
| <u>Summary of Marketing and Refining Results</u> | | |
| Refining | \$ - | \$ 141 |
| Marketing | (8) | 43 |
| Trading | (28) | 39 |
| Total Marketing and Refining Earnings (Loss) | \$ (36) | \$ 223 |
| <hr/> | | |
| <u>Operating Data (barrels and gallons in thousands)</u> | | |
| <u>Refined Product Sales (barrels per day)</u> | | |
| Gasoline | 229 | 209 |
| Distillates | 149 | 146 |
| Residuals | 58 | 73 |
| Other | 39 | 24 |
| Total | 475 | 452 |
| <u>Refinery Throughput (barrels per day)</u> | | |
| HOVENSA - Crude runs | 458 | 434 |
| HOVENSA - Hess 50% share | 229 | 217 |
| Port Reading | 62 | 59 |
| <u>Refinery Utilization</u> | | |
| HOVENSA | <u>Refinery Capacity</u> | |
| Crude | 500 | (barrels per day) |
| FCC | 150 | 91.6% |
| Coker | 58 | 73.7% |
| Port Reading | 70(c) | 95.5% |
| | | 70.8% |
| | | 89.2% |
| | | 91.4% |
| <u>Retail Marketing</u> | | |
| Number of retail stations (a) | 1,363 | 1,351 |
| Convenience store revenue (in millions of dollars) (b) | \$ 514 | \$ 518 |
| Average gasoline volume per station (gallons per month) (b) | 207 | 210 |

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

(b) Company operated only.

(c) Refinery utilization in 2007 is based on capacity of 65 thousand barrels per day.

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