



HESS CORPORATION

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

News Release

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, July 30, 2008 -- 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		Six Months Ended	
	June 30, (unaudited)		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		Six Months Ended	
	June 30,		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 <u>2008</u>	Second Quarter <u>2007</u>	First Quarter <u>2008</u>
<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	<u>37</u>	<u>23</u>	<u>63</u>
Total revenues and non-operating income	<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	<u>482</u>	<u>354</u>	<u>452</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	<u>812</u>	<u>496</u>	<u>718</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	<u>484</u>	<u>568</u>	<u>523</u>
Total Exploration and Production	1,205	959	938
Marketing, Refining and Corporate	<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	<u>40</u>	<u>19</u>	<u>59</u>
	<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
Total revenues and non-operating income	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
Total costs and expenses	19,266	13,120
Income before income taxes	3,189	1,800
Provision for income taxes	1,530	873
Net income	\$ 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
Total Exploration and Production	2,143	2,118
Marketing, Refining and Corporate	67	56
Total Capital and Exploratory Expenditures	\$ 2,210	\$ 2,174
Exploration expenses charged to income included above		
United States	\$ 106	\$ 82
International	99	54
	\$ 205	\$ 136

(*) Includes changes in working capital

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

	<u>June 30,</u> <u>2008</u>	<u>December 31,</u> <u>2007</u>
<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	<u>4,255</u>	<u>3,454</u>
Total assets	<u>\$ 30,739</u>	<u>\$ 26,131</u>
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)	<u>(2,268)</u>	<u>(1,841)</u>
Total liabilities and stockholders' equity	<u>\$ 30,739</u>	<u>\$ 26,131</u>

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	<u>545</u>	<u>2,552</u>	<u>3,097</u>
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	<u>61</u>	<u>401</u>	<u>462</u>
Total costs and expenses	<u>260</u>	<u>927</u>	<u>1,187</u>
Results of operations before income taxes	285	1,625	1,910
Provision for income taxes	<u>108</u>	<u>777</u>	<u>885</u>
Results of operations	<u>\$ 177</u>	<u>\$ 848</u>	<u>\$ 1,025</u>
	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	<u>273</u>	<u>1,557</u>	<u>1,830</u>
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	<u>44</u>	<u>293</u>	<u>337</u>
Total costs and expenses	<u>199</u>	<u>667</u>	<u>866</u>
Results of operations before income taxes	74	890	964
Provision for income taxes	<u>30</u>	<u>429</u>	<u>459</u>
Results of operations	<u>\$ 44</u>	<u>\$ 461</u>	<u>\$ 505</u>
	First Quarter 2008		
	United States	International	Total
Sales and other operating revenues	\$ 448	\$ 2,159	\$ 2,607
Non-operating income	<u>10</u>	<u>37</u>	<u>47</u>
Total revenues and non-operating income	<u>458</u>	<u>2,196</u>	<u>2,654</u>
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	<u>55</u>	<u>379</u>	<u>434</u>
Total costs and expenses	<u>240</u>	<u>833</u>	<u>1,073</u>
Results of operations before income taxes	218	1,363	1,581
Provision for income taxes	<u>84</u>	<u>673</u>	<u>757</u>
Results of operations	<u>\$ 134</u>	<u>\$ 690</u>	<u>\$ 824</u>

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)

	<u>Second Quarter 2008</u>	<u>Second Quarter 2007</u>	<u>First Quarter 2008</u>
<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	<u>12</u>	<u>26</u>	<u>17</u>
Total	<u><u>259</u></u>	<u><u>268</u></u>	<u><u>255</u></u>
Natural gas liquids - barrels			
United States	11	10	11
Europe	<u>4</u>	<u>4</u>	<u>4</u>
Total	<u><u>15</u></u>	<u><u>14</u></u>	<u><u>15</u></u>
Natural gas - mcf			
United States	83	86	93
Europe	267	212	296
Asia and other	<u>364</u>	<u>277</u>	<u>342</u>
Total	<u><u>714</u></u>	<u><u>575</u></u>	<u><u>731</u></u>
Barrels of oil equivalent	<u><u>393</u></u>	<u><u>378</u></u>	<u><u>391</u></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
<u>Operating Data</u>		
<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	257	260
Natural gas liquids - barrels		
United States	11	10
Europe	4	5
Total	15	15
Natural gas - mcf		
United States	88	88
Europe	282	280
Asia and other	353	260
Total	723	628
Barrels of oil equivalent	392	380
<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:

	<u>Brent Crude Oil(*)</u>	
	<u>Average Selling Price</u>	<u>Thousands of Barrels per Day</u>
Maturities		
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)

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

Operating Data (barrels and gallons in thousands)

<u>Refined Product Sales (barrels per day)</u>			
Gasoline	236	224	223
Distillates	129	119	168
Residuals	49	52	67
Other	<u>40</u>	<u>19</u>	<u>37</u>
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

HOVENSA	<u>Refinery Capacity</u> (barrels per day)		
Crude	500	94.2%	79.4%
FCC	150	73.1%	87.9%
Coker	58	99.5%	53.3%
Port Reading	70 (c)	91.3%	97.9%

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)

	First Half	
	2008	2007
<u>Financial Information (in millions of dollars)</u>		
<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

Operating Data (barrels and gallons in thousands)

Refined Product Sales (barrels per day)

Gasoline	229	209
Distillates	149	146
Residuals	58	73
Other	39	24
Total	475	452

Refinery Throughput (barrels per day)

HOVENSA - Crude runs	458	434
HOVENSA - Hess 50% share	229	217
Port Reading	62	59

Refinery Utilization

HOVENSA			
Crude	500	91.6%	86.7%
FCC	150	73.7%	90.5%
Coker	58	95.5%	70.8%
Port Reading	70 (c)	89.2%	91.4%

Refinery Capacity

(barrels per day)

Retail Marketing

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.