Maximizing Recovery Through Increased Density Design

2014 Williston Basin Petroleum Conference

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Forward-Looking Statements and Other Information

This presentation contains projections and other forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. These projections and statements reflect the company’s current views with respect to future events and financial performance.

No assurances can be given, however, that these events will occur or that these projections will be achieved, and actual results could differ materially from those projected as a result of certain risk factors. A discussion of these risk factors is included in the company’s periodic reports filed with the Securities and Exchange Commission.

We use certain terms in this presentation relating to reserves other than proved, such as unproved resources. Investors are urged to consider closely the disclosure relating to proved reserves in Hess’ Form 10-K, File No. 1-1204, available from Hess Corporation, 1185 Avenue of the Americas, New York, New York 10036 c/o Corporate Secretary and on our website at www.hess.com. You can also obtain this form from the SEC on the EDGAR system.
Overview

1. Hess Global Overview
2. Bakken Asset Overview and Business Model
3. Spacing Pilot Update
4. Hess Unconventional Strategy
Hess Portfolio Focus Areas

Areas Where Hess is Competitively Advantaged

Pro Forma Metrics¹
- 2013A Production (Mboe/d)²: 285
- 2013A Reserves (MMboe): 1,362
- 2014E Production (Mboe/d): 305 – 315

Existing Key Assets
- Bakken
  - 23% Prod.
  - 31% Res.
- Valhall / South Arne
  - 11% Prod.
  - 24% Res.
- JDA
  - 15% Prod.
  - 9% Res.
- Equatorial Guinea
  - 15% Prod.
  - 4% Res.
- Ghana
- North Malay Basin
- Deepwater Gulf of Mexico
  - 21% Prod.
  - 10% Res.
- Tubular Bells
- Utica

New Growth Assets

Five Areas Represent 80% of Reserves / 87% of Production

¹ Beryl area, Azerbaijan assets, Eagle Ford, Russia subsidiary (Samara Nafta), Indonesia and Thailand assets assumed sold as of January 1, 2013.
² Actual 2013 production includes Libya (15 Mboe/d); 2014 production guidance excludes Libya
Hess in the Bakken

Program Highlights

- 640,000 net acres
- 2014 net prod. 80-90 Mboe/d
- 17 rig program, $2.2B in 2014
- 2016 goal of 125 Mboe/d
- 2018 goal of 150 Mboe/d
Significant Value Uplift from Bakken Infrastructure

- **Strategic / Portfolio Context**
  - Flexibility to access multiple markets
  - Provides operational flexibility/control

- **Tioga Rail Terminal – 54 Mbbbl/d**
  - Expandable to 120 Mbbbl/d

- **Tioga Gas Plant – 250 MMscf/d**
  - Opportunity to de-bottleneck plant 300+ MMSCFD
  - Ethane extraction unique to Hess in North Dakota
  - Contribute to reducing flaring in North Dakota
  - At capacity, plant will produce 62 MBOEPD gross liquids and 135 MMSCFD of residue gas

- **Field Compression and Pipe**
  - Existing footprint over majority of core acreage
  - Expansion of strategic Oil, Gas, NGL pipeline in 2014/2015
A Balanced Scorecard Tracks Performance

**Improving Safety Performance**

Total Recordable Incident Rate (TRIR)

- Hess
- Industry Benchmark

![Graph showing TRIR from 2011 to 2013]

**Lowering Well Costs**

Drilling and Completion Costs ($Million)

- Hess
- Industry Benchmark

42% Improvement.

![Graph showing drilling and completion costs from Q1 '12 to Q4 '13]

**Quality Well Performance**

Gross 30 Day IP since 2012 (bopd)

![Graph showing gross 30 Day IP]

**Delivery Against Plan**

Number of New Wells Online During 2013

- Budget Wells Online
- Actual Wells Online

![Graph showing number of new wells online]

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Flow-back Operations Adopt Standard Work Process

- **Standard Working Procedures**
  - Developed key guideline documents
  - Focused on “At Risk Behaviors”
    - Line of fire
    - Lifting and hoisting
    - Housekeeping / storage
    - Equipment selection
Improving Quality and Lowering Cost

- Everyday Innovation
- Managing Through Metrics
- Making Problems Visible

**Volume Pumped vs. Plan**

**Cycle Time Reduction**

Proximity to plan volume: <3%  3-10%  >10%

Days

Rig up → hand over to operations

1 Well Pad   2 Well Pad   3 Well Pad
4 Well Pad   5 Well Pad   6 Well Pad
Lateral Placement and Stage Count Impacting Productivity

Placement in Optimal Interval (MB)

Note: IP90 is average of wells online in month.
Early Spacing Pilot Suggests Possible Upside…

- Began trial spacing in 2011
- Evidence of communication during stimulation – but well performance as expected…
- Leveraging Hess global experience to model the Bakken

Long Term Performance as Expected

New Insights: Data + Models
SC-Barney (700-ft.) Pilot Results are Encouraging

- Cautiously optimistic after 150 days of production
  - Performance as per P-50 type curve expectation
  - Standard gas oil ratio (GOR) performance
  - 1st of 19 MB + TF spacing pilot tests in 2014 + 2015
AN-Evenson-152-95 Pilot: Testing 500-ft. Spacing

3D Seismic and Micro-seismic

1280 acre drilling spacing unit (DSU)

Pressure & Temp. Gauges

Open-hole logs and core samples

Distributed Temp/Acoustic Sensing (DTS/DAS)
### Supplementing Spacing Pilot Results with Dense Data Sets

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<thead>
<tr>
<th>Data Type</th>
<th>Purpose</th>
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<tr>
<td>Seismic/Microseismic</td>
<td>• Improved geo-steering and fracture identification</td>
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<td>• Completion efficiency</td>
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<td>Surface Read-Out Gauges</td>
<td>• Interference testing</td>
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<td>• Flow regimes</td>
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<td>Core</td>
<td>• Three Forks economic appraisal &amp; deeper bench potential evaluation</td>
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<td>• In place volume estimates</td>
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<td>Advanced Logging</td>
<td>• Quantify natural fracture network</td>
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<td>Distributed Temp/Acoustic</td>
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<td>• Behavior along lateral</td>
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<td>Downhole PVT Sample</td>
<td>• 3 Phase fluid behavior</td>
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<td>• Enhanced oil recovery</td>
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Dedicated Laboratory Focused on Bakken-Specific Opportunities and Challenges

- **Focused R&D Project Areas**
  - Displacement processes
  - Improving recovery factors
  - Distribution of fluids

- **Next Phase**
  - Enhanced oil recovery through stimulation
  - Tertiary recovery mechanism (gas, chemical, thermal)
Foundation of Hess Unconventional Strategy

DEVELOP THE BAKKEN
- Expand and high-grade acreage position
- Exploit Infrastructure
- Execute Lean manufacturing strategy

LEVERAGE CAPABILITY
- Leverage our Bakken capability to access other plays
- Obtain international acreage positions
- Establish relationships with potential partners

BUILD GLOBAL PORTFOLIO
- Increase growth opportunities
- Diversify portfolio
- Be recognized as a partner of choice

Existing Key Assets
- Bakken
- Utica
- California
- Paris
- China
- Canning Basin

Under Evaluation

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Culture of Performance and Quality

▪ Longed Lived Asset Requiring…
  • Continuous improvement
  • Army of problem solvers

▪ Endless Opportunities…
  • Coaching and teaching
  • A learning organization

“People Make the Difference at Hess”