Greg Hill, President & COO
Williston Basin Petroleum Conference, 2018

Back to the Future: The Bakken - an Engine of Growth
Forward-Looking Statements and Other Information

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Outlook for Global Energy Demand is Robust

...global oil demand continues to grow but energy mix changes.

Global Demand for Energy

Percentage of Primary Energy Demand

Global Oil Demand

Source: IEA WEO 2016
Investment Needed to Meet Global Demand

...renewed investment & growth in U.S. shale, lacking elsewhere

- Global investment in oil & gas insufficient to meet future demand and production declines
- Upstream industry investment down ~40% since 2014
- OPEC financial reserves down ~30%
- Exploration spend depressed; not expected to recover
- Only U.S. shale has seen resurgence in capital investment; 75% increase since 2016
- $540 Billion investment p.a. needed to meet global oil and gas demand

Source: IEA, IHS, Woodmac
All Sources Required to Meet Demand

... demand growth requires supply from conventional and tight oil production

**Global Oil Production**

**US Crude Oil Production**

* Assumes investment recovers to average $540B p.a.

Source: EIA, IEA
Southwest and Dakotas Drive U.S. Tight Oil Outlook

...Southwest leads growth in U.S. tight oil production but Dakotas/Rocky Mountains second largest contributor over the next 3 decades

Lower 48 Onshore Crude Oil Production by Region

Source: U.S EIA 2018 Outlook
Back to the Bakken

…Bakken positioned for long-term growth; renewed focus and interest in near term

- Rig counts are increasing
- Dramatic improvement in 30 day average initial production rates (IP)
- Improving price differentials due to expanding infrastructure/market access
- Over $5 billion in announced 2017 M&A
- 2018 Bakken output set to exceed 2014 record - 1.23 MMBOED
- Bakken to reach ~2.0 MMBDOE post 2030
Bakken Competitively Positioned

...Permian faces headwinds

Bakken – strong existing capability:
- Significant existing takeaway capacity
- Regulatory framework encouraging investment
- Market connectivity capturing higher net backs

Permian – faces near term challenges:
- Geologic uncertainty (GoRs, sweet spots etc)
- Availability of proppant, pressure pumping equipment
- Infrastructure / roads / truck constraints
- Workforce (frac crews / truckers) and pipeline capacity
- High cost of entry ; rising development & operating costs
Hess: Bakken a Key Asset in High Graded Portfolio

- Cash Costs <$10/BOE
- ~20% Production CAGR

- ~70% of Cash Flow from Operations through 2020
- ~20% of Capex through 2020

Cumulative Est. E&P Capital Allocation 2018 - 2020

- Bakken 43%
- Guyana 29%
- Cash Engines 20%
- Exploration 8%

¹ Includes exploration costs directly associated with Guyana and Suriname.
² Cash Engines include Deepwater Gulf of Mexico, Malaysia and Utica.
³ Excludes exploration costs directly associated with Guyana and Suriname.
Hess Positioned to Leverage Bakken Growth

- **Premier position in the Bakken**
  - 554,000 net acres
  - Net EUR: ~2.0 BBOE
  - ~1.7 BBOE yet to produce
  - ~2,900 future operated drilling locations

- **Growth engine for Hess portfolio**
  - Increasing rig count from 4 to 6 rigs in 2018
  - Growing production to ~175 Mboep/d by 2021
  - 2018 Bakken E&P Capex: ~$900MM
  - 2018 net production: 115-120 Mboep/d
  - Investing in midstream infrastructure to support growth – doubling CAPEX to $300M in 2018
Hess Positioned to Leverage Bakken Growth

More DSUs in the Core than any Other Operator

Abundant Inventory of Economic Locations

~2,900 Future Operated Drilling Locations¹
% of Total Inventory & Implied Rig-Years vs WTI
(≥15% After-Tax IRR Threshold)

Source: NDIC and Hess analysis; DSU: 1,280 acre Drilling Spacing Unit
¹PF Jan 2018, assumes 25 wells/rig-year.
Bakken: Enhanced Completions Driving Higher EURs and Returns

### 2018 Bakken Drilling Program

- **Goliath**
- **Stony Creek**
- **Capa**
- **Keene (Antelope/Blue Buttes)**
- **East Nesson South**

### Avg. Well Cumulative Oil Forecast by Field

<table>
<thead>
<tr>
<th>Field</th>
<th>MBO</th>
</tr>
</thead>
<tbody>
<tr>
<td>Keene (Antelope/Blue Buttes)</td>
<td></td>
</tr>
<tr>
<td>Stony Creek</td>
<td></td>
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<tr>
<td>East Nesson South</td>
<td></td>
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<tr>
<td>Capa</td>
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### IRR @ $50 WTI (%)

<table>
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<tr>
<th>Field</th>
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<th>Stony Creek</th>
<th>East Nesson South</th>
<th>Capa</th>
</tr>
</thead>
<tbody>
<tr>
<td>EUR (MBOE)</td>
<td>1125</td>
<td>1110</td>
<td>925</td>
<td>970</td>
</tr>
<tr>
<td>IP180 (MBO)</td>
<td>115</td>
<td>105</td>
<td>100</td>
<td>95</td>
</tr>
<tr>
<td>&gt;50%</td>
<td>50%</td>
<td>40%</td>
<td>45%</td>
<td></td>
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<tr>
<td>2018 Wells Online1</td>
<td>~40</td>
<td>~25</td>
<td>~20</td>
<td>~10</td>
</tr>
</tbody>
</table>

1. Includes ~25 limited entry plug and perf wells.

Bakken oil cut expected to average in low 60% range for next several years.
Midstream Infrastructure Supports Growth

- **Midstream strategic infrastructure in the core of the Bakken**
  - Offers export optionality to Hess and Third Parties
  - Optionality offered both north and south of the Missouri River

- **Significant capacity with room to grow**
  - **Gas Processing and Gathering**
    - Tioga Gas Plant (TGP) & Little Missouri 4 (LM4)
    - 350 MMcf/d gas processing capacity
  - **Oil Terminaling and Gathering**
    - Ramberg Terminal Facility (RTF) & Johnson’s Corner
    - Combined 382 MBbl/d of oil terminaling

- **Looking to the future**
  - Aligned with Hess Upstream plan to grow to 175 Mboep/d
  - Continue to offer processing, terminaling, and export optionality for Hess and Third Parties to multiple end markets
Outlook for the Bakken

...Bakken is a key growth engine for the U.S. & Hess

• The world needs production from the Bakken

• Bakken remains a premier shale play & investment opportunity

• Renewed industry focus on Bakken
  - 2018 output set to exceed 2014 record of 1.23 mb/d
  - Improving price differentials due to expanding infrastructure / market access
  - Permian growing pains

• Hess enhancing its industry leading Bakken position
  - Expanding production to meet demand growth
  - Investing in the Midstream to improved export optionality and connectivity to markets
  - Relentless focus on reducing costs and enhancing well productivity
Questions?