HESS CORP
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SCHEDULE 14A

PROXY STATEMENT PURSUANT TO SECTION 14(a) OF THE SECURITIES EXCHANGE ACT OF 1934

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PRESENTATION

Operator

Good day, ladies and gentlemen, and welcome to the Hess March 4, investor call. My name is Grant, and I'll be your operator for today. At this time all participants are in listen-only mode. We will be conduct a question and answer session toward the end of this conference.

(Operator Instructions)

As a reminder this call is being recorded for replay purposes. I would now like to turn the call over to Mr. Jay Wilson, Vice President Investor Relations. Please proceed, sir.

Jay Wilson - Hess Corp - VP, IR

Thank you, Grant. Good morning, everyone and thank you for joining us.

We have a lot to cover today, and I suggest that if you haven't done so already, turn to the slide presentation we posted at www.transforminghess.com. We'll ask you to follow along with our slides. John Hess will walk you through the first 18 slides. We encourage you to review the remaining slides, as well. I trust you've already seen the press release and a shareholder letter that we also released this morning. Both are also available on the website.

Before I turn it over to John Hess, some housekeeping. This presentation contains projections and other forward-looking statements within the meaning 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, excuse me, 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.

Finally, I will note that Hess, its directors, and certain of its executive officers may be deemed to be participants in the solicitations of proxies from shareholders in connection with the matters to be considered at our 2013 annual meeting. Hess intends to file a proxy statement and white proxy card with the US Securities and Exchange Commission in connection with any such solicitation of proxies from Hess shareholders. Investors and shareholders are strongly encouraged to read Hess's proxy statement and any other document filed with the SEC, carefully and in their entirety, when they become available, as they will contain important information.

With that, let me turn it over to John Hess, our Chairman and CEO, to get started.

John Hess - Hess Corp - Chairman of the Board & CEO

Thank you, Jay. Let me add my thanks to all of you for joining us this morning.

We will begin today on slide number 4. As many of you know, our board and management team have been in the process of transforming Hess into a more focused and higher growth exploration and production Company. Today we are announcing the culmination of that process by exiting our Downstream businesses and becoming a pure play E&P company.

Specifically, we will be divesting our Retail Energy marketing and Energy Trading businesses, divesting our E&P assets in Indonesia and Thailand, and pursuing the monetization of our Bakken midstream assets. Proceeds from all initiatives announced to date will be used, first to strengthen our balance sheet in order to fund future growth, and next, to increase current returns to all shareholders through a 150% increase of our annual dividends to $1 per share, commencing in the third quarter of 2013, as well as to re-purchase up to $4 billion of Hess shares. We also expect to return additional capital to shareholders in connection with the monetization of our midstream Bakken assets expected in 2015.

We are also adding six world class independent directors to board. Last August, we met with a search firm to begin identifying candidates. The six new independent directors are outstanding by any measure. They bring the right mix of top corporate leadership, operational and financial expertise, and top level E&P experience. With these six new directors,13 of the 14 members of our board will be independent.

Before I continue, I would like to recognize our existing directors. Former Treasury Secretary Nicholas Brady, former Governor Thomas Kean, former Senator Sam Nunn, and Frank Olson will be retiring from our board. Two of our senior executives, Greg Hill and Borden Walker, also are leaving the Board, but will continue in their current leadership roles. All of these directors have served with distinction. They, along with our management team, and our continuing directors, deserve significant credit for building our Company today, and positioning us to create near and long-term value for all of our shareholders.

The fact that Hess has some of the best oil and gas assets in our industry, including our leading position in the Bakken, is in large part due to their vision and commitment. They have my most sincere gratitude and respect, and I want to thank them for their service and many invaluable contributions to Hess over the years.

I am now looking at slide number 5. It was on our quarterly conference call in July 2012, that I first referred to the significant transformation which was underway at Hess. I described how we were at the midpoint of a five-year transformation process. Subsequently, our shareholders and Wall Street analysts indicated broad support for Hess's strategic transformation. From the date of that announcement, to the date we announced the sale of our terminal network, our stock has been up 34%.

There have been essentially three phases that this transformation has followed, and as you can see on this slide, we have made profound changes and taken a significant number of actions over the last several years. Beginning in 2010 with Phase I, we began a process of continuing to invest in our growth engines for the future, focusing the upstream business by pruning mature assets and reducing our exposure to the downstream business. Specifically, we substantially built upon our leadership position in the Bakken, including adding 250,000 net acres in 2010. We established a core position in the emerging Utica shale play, and through a series of transactions, we increased our ownership interest in Valhall. Lastly we closed our HOVENSA joint refinery in St. Croix, US Virgin Islands.

In terms of Phase II, on our July 2012 earnings call, for the first time we publicly communicated how we were at a midpoint of Hess's strategic transformation. On the call, we specified a number of steps that the Company was committed to making in the future in support of that process.

These steps included focusing our E&P strategy on lower risk and higher growth shale assets, including our Bakken and Utica positions, exploiting existing discoveries such as Tubular Bells in the North Malay Basin, narrowing our exploration focus to a few key areas such as offshore Ghana, further divesting upstream assets to focus on our growth engines, continuing to reduce our exposure to downstream, by completing our exit from the Refining business with a closure of our Port Reading, New Jersey refinery, and divesting our terminal network. We also reduced capital expenditures by increasing efficiencies in the Bakken and sharpening our focus in exploration.

With today's announcement, we are entering Phase III, completing our transformation to a pure play E&P company. We will exit what remains of the downstream and further focus our E&P portfolio on future growth. As slide number 6 makes clear, the market has been recognizing the value we are creating. From when we announced our July 2012 strategy update, our shares have outperformed our peer group. Our reported financial results have been strong, for the full year 2012, our net income of $2 billion was the third highest in Hess Company history and our cash flow of

$5.7 billion was the highest in our history. We are committed to delivering long-term, sustainable value to all of our shareholders, and the road map we have laid out today is going to help us do just that.

Let me take a moment now to sketch out the profile of the transformed Hess in greater detail. Moving to slide number 8. As I said with today's announcement, Hess will become a more focused, higher growth, lower risk, pure play E&P Company. We will deliver current returns to all shareholders while investing for future growth. With this focus, we expect to achieve a five-year compound average annual growth rate in production through 2017, of 5% to 8% off of 2012 pro forma production.

We also expect to grow our production in the mid-teens in aggregate, from 2012 pro forma to 2014. In addition, beginning in 2013, pro forma cash margin for BOE is expected to increase by $5. Importantly, we have the breadth of technical skills and operating capabilities to deliver this growth and profit. Sharing these capabilities and technical skills across all of our projects globally enables us to drive better returns through cost and other efficiencies.

As evidence of these capabilities, Hess is a partner of choice for leading international oil companies and host governments on major E&P projects. This recognition of our capabilities drives value creation for all of our shareholders now and for the future. We will also retain our financial flexibility to fund future development, return capital to shareholders, and allocate capital efficiently.

Moving to slide number 9. You can see our focus on the five key areas I mentioned earlier. This map shows that 78% of our proved reserves and

84% of our production is concentrated in five geographic locations. All of our long-term growth opportunities are close to our near term producing assets, and in many cases have been generated as a result thereof. These opportunities include, Tubular Bells in the Deep Water Gulf of Mexico, North Malay Basin, which is adjacent to and shares similar geology with the Malaysia Thailand joint development area in the Gulf of Thailand, Utica, where we are applying the expertise developed in the Bakken, and Ghana, which shares similar geology as Equatorial Guinea, where we have a strong operating position.

On slide number 10, you'll see that we have six core projects. Collectively they will underpin an expected five-year compound average annual growth rate in production through 2017, of 5% to 8%, off of 2012 pro forma production. Our production growth over the next two years will come from the continued development of the Bakken in Valhall and the start-up production in North Malay Basin and Tubular Bells. Utica will also support our longer term production growth, and Ghana is in the early stages. It is a promising longer term opportunity. We recently announced that we have seven consecutive discoveries in Ghana. We are planning appraisal activities there, and are conducting pre-development studies.

And as I noted before, beginning in 2013, pro forma cash margin per BOE is expected to increase by $5. Slide number 11 is a good snapshot of our proven reserve base. Simply put, we have the highest percentage of reserves that are liquids based among our peers. And as to production, 85% of our pro forma 2013, estimated crude oil production is Brent linked. Also, only 6% of our production is US natural gas. Our significantly oil-linked portfolio should allow us to achieve stronger cash margins and returns than our peers.

The next three slides show how the breadth of our world class technical capabilities translate into efficiencies, global synergies, higher returns, and new investment opportunities. Slide number 12 shows that we are a leader in the Bakken and are realizing significant operating efficiencies there, which is North America's most promising shale oil play. Our daily production is increasing, and we are demonstrating exceptional performance. On a 30-day initial production rate basis, for 2012, 3 of the top 5 wells in the Bakken and 10 out of the top 25, are Hess wells.

You can see along the top half of the slide, how we have substantially driven drilling and completion costs down and expect continued reductions as we have moved to pad drilling. We also have some of the best people in the industry working on the Bakken play. As shown on slide number

13, our well costs now rank us among the lowest cost and best in our peer group.

Please turn to slide number 14. We are a recognized quality global operator. Because of the breadth of our expertise and technical capabilities, we continue to be trusted and picked by leading international oil companies and host governments to operate major new oil and gas developments. For example, Chevron endorsed us as the operator of the $2.3 billion Tubular Bells Deep Water Gulf of Mexico development, and PETRONAS picked us as operator of the $2.9 million North Malay Basin offshore development. This breath of our technical capabilities Has delivered great opportunities to develop new areas of growth. Now, and in the future.

To highlight just three examples. We are currently at the employing our Bakken fracking methodology to our drilling and completions in the Malaysia Thailand joint development area. We are leveraging our managed pressure drilling expertise from South Arne in Denmark to the Utica shale play in Ohio. And we are using expertise gained in the Gulf of Mexico and Equatorial Guinea to drive our recent success in Ghana.

Turning to slide number 15. Our plan is laser focused on creating value for our shareholders, including returning capital to shareholders, retaining financial flexibility for future growth, and