HESS CORPORATION

2014 ANNUAL REPORT

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OUR COMPANY

Hess Corporation is a leading global independent energy company engaged in the exploration and production of crude oil and natural gas.

We are committed to meeting the highest standards of corporate citizenship by protecting the health and safety of our employees, safeguarding the environment and making a positive impact on the communities in which we do business.

Cover: Tubular Bells, Gulf of Mexico

FINANCIAL AND OPERATING HIGHLIGHTS

HESS CORPORATION

Amounts in millions, except per share data

Financial — for the year	2014	2013
Sales and other operating revenues [(a)]	**$ 10,737**	$ 11,905
Net income attributable to Hess Corporation	**$ 2,317**	$ 5,052
Net income per share diluted	**$ 7.53**	$ 14.82
Common stock dividends per share	**$ 1.00**	$ 0.70
Net cash provided by operating activities	**$ 4,464**	$ 4,870
Capital and exploratory expenditures	**$ 5,606**	$ 6,209
Weighted average diluted shares outstanding	**307.7**	340.9

Financial — at year end	2014	2013
Total assets	**$ 38,578**	$ 42,754
Cash and cash equivalents	**$ 2,444**	$ 1,814
Total debt	**$ 5,987**	$ 5,798
Total equity	**$ 22,320**	$ 24,784
Debt to capitalization ratio [(b)]	**21.2%**	19.0%
Common stock price	**$ 73.82**	$ 83.00

Operating — for the year	2014	2013
Production — net		
Crude oil and natural gas liquids (thousands of barrels per day)		
United States	**150**	123
International	**94**	119
Total	**244**	242
Natural gas (thousands of mcf per day)		
United States	**165**	124
International	**348**	441
Total	**513**	565
Barrels of oil equivalent (thousands of barrels per day)	**329**	336

(a) Excludes sales and operating revenues related to discontinued operations.
(b) Total debt as a percentage of the sum of total debt and total equity.

LETTER TO SHAREHOLDERS

In 2014 our Company made significant progress in our plan to drive cash generative growth and sustainable returns for shareholders. While the year concluded with a dramatic decline in oil prices, the steps we have taken in the last several years have positioned us well to manage in this environment. Our Company is in a strong financial position with $2.4 billion of cash on our balance sheet and a debt to capitalization ratio of 21 percent at year end. In addition, we have a focused and resilient portfolio of world class assets that is balanced between:

- Unconventionals, which offer lower risk growth in a high price environment with the flexibility to moderate investment in a lower price environment, and
- Offshore assets, which generate significant cash flows and provide future growth opportunities.

The Company delivered strong operating results with outstanding execution in 2014, with industry leading performance in our unconventionals and offshore businesses. We earned $1.3 billion in adjusted net income and generated $5 billion of cash flow from operations before changes in working capital. Production averaged 318,000 barrels of oil equivalent per day on a pro forma basis, excluding divestitures and Libya. We replaced 158 percent of production at a finding, development and acquisition cost of approximately $28.75 per barrel of oil equivalent. At year end, our proved reserves stood at 1.4 billion barrels of oil equivalent and our reserve life was 11.7 years.

In our unconventionals business we are a leading operator with premier acreage in the core of two prime U.S. shale plays – the Bakken and the Utica. In the Bakken, our expansion of the Tioga gas processing plant, which came online in late March, increased its gross inlet capacity to 250 million cubic feet per day and more than doubled its natural gas liquids processing capacity. In the fourth quarter our net production in the Bakken reached a new milestone, exceeding 100,000 barrels of oil equivalent per day. Throughout 2014, our Bakken team continued to drive down drilling and completion costs and are delivering some of the highest return wells in the play.

In the Utica, where we are positioned in the heart of the wet gas window, our drilling and completion costs also moved steadily lower in 2014 as we began to apply the same lean manufacturing techniques that we have implemented successfully in the Bakken. Net production increased throughout 2014 to average 13,000 barrels of oil equivalent per day in the fourth quarter, as we continued to transition from appraisal to early development.

Offshore, we continued to employ our top quartile drilling and project delivery capabilities. A major accomplishment in 2014 was the startup of the Tubular Bells field in the Deepwater Gulf of Mexico. Hess has a 57.1 percent interest in the project and is the operator. The field achieved first production approximately three years after project sanction, safely and on budget. Net production is expected to average between 30,000 and 35,000 barrels of oil equivalent per day in 2015.

The Stampede project that Hess operates in the Deepwater Gulf of Mexico received full co-owner sanction for development in October 2014. Total recoverable resources for Stampede are estimated in the range of 300 million to 350 million barrels of oil equivalent, and first production is expected in 2018.

Our Exploration strategy is to deliver long term value by focusing on proven and emerging oil prone plays in basins we understand well and that leverage our capabilities. In 2014, we secured farm-in opportunities in three Deepwater blocks – Sicily in the Gulf of Mexico with Chevron as operator; the Stabroek Block in Guyana with Esso E&P Guyana Limited as operator; and in Nova Scotia with BP as operator.

With respect to divestitures, we completed asset sales totaling $5.9 billion during 2014 including the sale of our Retail business and exploration and production assets in Indonesia and Thailand. In total, our asset sales program has generated approximately $13 billion since the beginning of 2013.

We continue to progress our plans to monetize our Bakken midstream infrastructure through a master limited partnership and expect the initial public offering to occur in 2015 subject to market conditions.

Continuing Momentum in 2015

We enter 2015 a fully transformed company. As outlined at our Investor Day last November, our financial strategy is to invest for returns, manage our business to be cash generative over the long term, use our balance sheet in a given year to fund a shortfall in operating cash flow, and maintain our investment grade credit rating.

In keeping with this strategy, we are taking a disciplined approach to maintain our financial strength in the current environment while preserving our long term growth options. This includes reducing our 2015 capital and exploratory expenditure budget and significantly moderating the pace of our share repurchase program.

In 2015, we forecast production to average between 350,000 and 360,000 barrels of oil equivalent per day, excluding Libya – an increase of 10 to 13 percent over 2014. In the near term this growth will be underpinned by the Bakken, Tubular Bells and the Utica Shale play. Longer term growth will benefit from the North Malay Basin project in Malaysia and from Stampede, both of which are currently under development.

Safety and Social Responsibility

We believe sound sustainability practices create value and enhance business performance. Our Company remains steadfast in its commitment to operational excellence, protecting the environment and good corporate citizenship. We are proud to have been recognized throughout the year for the quality of our environment, social and governance disclosure and performance.

Overall workforce (employee and contractor) safety performance improved in 2014 as a result of our continued focus on leadership engagement, site visits, behavior based safety programs and improvements in our contractor management, selection and onboarding process.

In 2014 the Company engaged in a number of multi-stakeholder initiatives designed to advance transparency, environmental protection, human rights and good governance. Our social investment programs continued to make good progress in 2014, with a third year of success in our SUCCEED 2020 program in North Dakota and initiation of the second phase of our PRODEGE education initiative in Equatorial Guinea.

Our Commitment to Shareholders

While this coming year presents challenges for the entire industry, our Company is in a strong financial position and has a resilient portfolio that can deliver competitive growth once oil prices recover. We are well positioned with top quartile capabilities and some of the best people in the industry to execute our plans and maximize shareholder value.

We are proud of the progress our Company made in 2014 and grateful for the support of our Directors and the dedication of our employees. We thank you, our shareholders, for your support and continued interest in our Company.

Mark R. Williams

Mark R. Williams
Chairman of the Board

John B. Hess

John B. Hess
Chief Executive Officer
March 4, 2015

EXPLORATION AND PRODUCTION

Production

In 2014, net production averaged 329,000 barrels of oil equivalent per day, compared with 336,000 barrels of oil equivalent per day in 2013. The effect of asset sales, civil unrest in Libya and natural declines were partially offset by production growth in the Bakken and Utica shale plays, the Llano Field in the deepwater Gulf of Mexico and the Valhall Field offshore Norway.

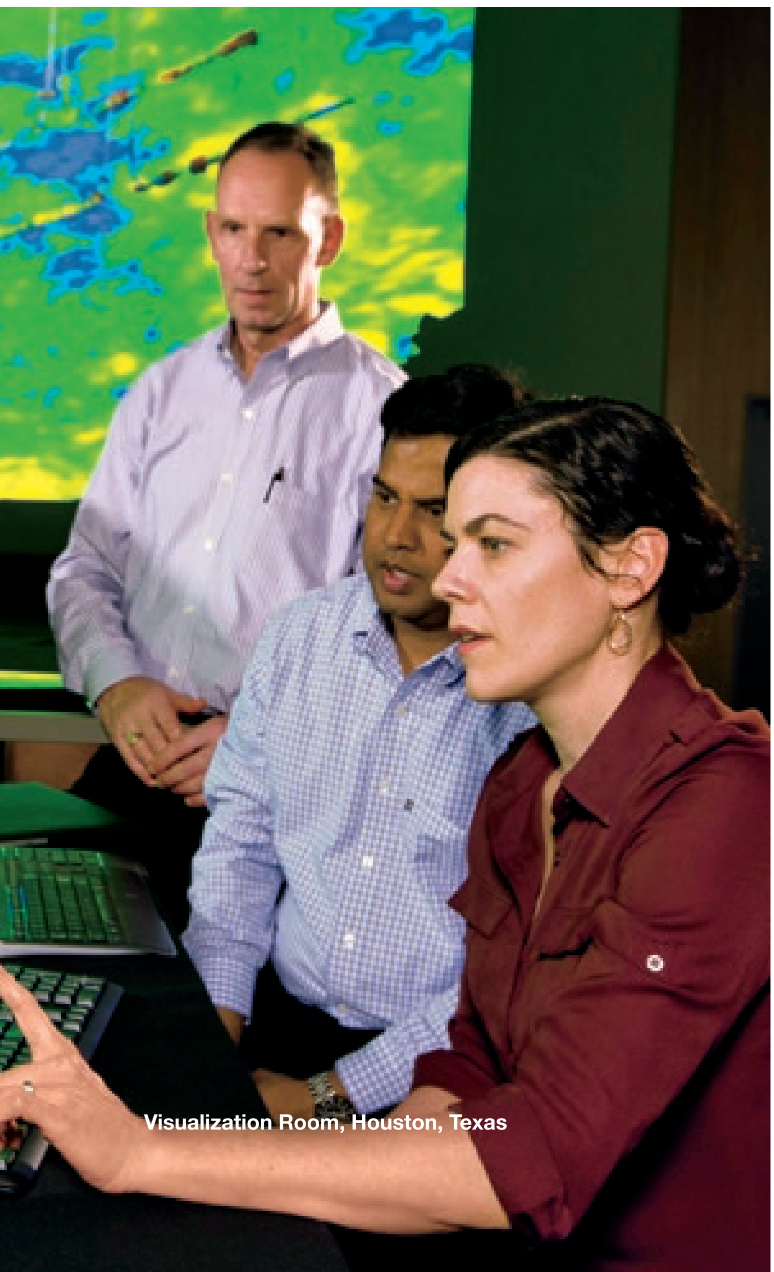
Net production from the Bakken rose 24 percent to 83,000 barrels of oil equivalent per day in 2014 from 67,000 barrels of oil equivalent per day in 2013. During 2014, the Company operated 17 rigs and brought online 238 new wells while continuing to invest in infrastructure projects including the Tioga Gas Plant expansion, which was operational at the end of the first quarter of 2014. The expanded Tioga Gas Plant allows processing of up to 250 million cubic feet of

Drilling Operations, North Dakota

natural gas per day, resulting in increased production of natural gas liquids and enabling a significant reduction in flaring. As a result of its successful downspacing pilot tests, the Company announced in November that 13 wells per 1,280 acre Drilling Spacing Unit (DSU) has become its standard basis for development in the Bakken, increasing the number of total drilling locations by approximately 33% to more than 4,000.

In the Utica Shale Play in eastern Ohio, where the Company participates in a 50% joint venture with its partner CONSOL Energy, net production increased to 9,000 barrels of oil equivalent per day from 2,000 barrels of oil equivalent per day in 2013. In 2014, the joint venture began to transition from appraisal to early development and during the year operated four rigs, drilled 38 wells, completed 36 wells and brought 39 new wells online. Also in 2014, Hess executed the sale of 77,000 net acres in the dry gas area of the play which generated cash proceeds of approximately $1.1 billion.

In the deepwater Gulf of Mexico, net production averaged 70,000 barrels of oil equivalent per day in 2014, compared to 59,000 barrels of oil equivalent per day in 2013. Production was higher as a result of a full year of production from the Llano-4 well and lower downtime.



Visualization Room, Houston, Texas

In West Africa, net production from Block G in Equatorial Guinea (85% working interest, operator) averaged 43,000 barrels of oil equivalent per day in 2014, compared to 44,000 barrels of oil equivalent per day in 2013. Drilling at the Okume Complex continued throughout 2014 with four new producers being completed and brought online to offset natural field decline.

In the Norwegian North Sea, net production from the Valhall Field (64% working interest) averaged 31,000 barrels of oil equivalent per day in 2014 compared to 23,000 barrels of oil equivalent per day in 2013. The higher year over year production reflects the completion of the Valhall Redevelopment Project during 2013. In the Danish North Sea, net production from the South Arne Field (62% working interest, operator) ramped up to 13,000 barrels of oil equivalent per day compared to 9,000 barrels of oil equivalent per day in 2013. Following the installation of two new wellhead platforms in 2013, four new wells were drilled and brought into production during 2014.

Developments

In the deepwater Gulf of Mexico, production facilities were successfully installed at the Tubular Bells Field (57% working interest, operator) and first production was achieved in the fourth quarter of 2014. The first three producers are now online and continue to ramp up with a fourth expected to be brought online during 2015. Net production is expected to average between 30,000 and 35,000 barrels of oil equivalent per day in 2015. Also in the Gulf of Mexico, the Stampede development (25% working interest, operator) was sanctioned by all project co-owners in October of 2014. Drilling is expected to commence in late 2015 with first oil targeted for 2018.

In Asia, the Malaysia/Thailand Joint Development Area (50% working interest) achieved first production at wellhead platform 11. The operator, Carigali Hess,


South Arne Platform, Danish North Sea

continued progress on the installation of wellhead platform 12 as well as the Booster Compression project. At the North Malay Basin project in the Gulf of Thailand (50% working interest, operator) progress continues on the first phase of full field development. Engineering, procurement and fabrication activities are underway and commencement of development drilling is planned by the fourth quarter of 2015. Net production in 2014 averaged 40 million cubic feet per day through the early production system and is expected to stay at this level through 2016. Upon completion of the Full Field Development project in 2017, net production is planned to increase to 165 million cubic feet per day.

In Australia, Hess signed a non-binding Letter of Intent with the North West Shelf joint venture to process gas through its liquefied natural gas (LNG) facilities at Karratha. Next steps will be to execute a binding agreement with the North West Shelf joint venture, finalize front end engineering and design (FEED) for the project and engage with LNG buyers.

Exploration

In 2014, the Company successfully completed the drilling of three appraisal wells and acquired 3D seismic in the deepwater Tano/Cape Three Points Block offshore Ghana. Hess holds a 44% paying interest and is the operator. Ghana National Petroleum holds an 11% paying interest and 10% carried interest in the block. These ownership percentages are based on terms of a farmout agreement with a third party that is subject to final approval by the Ghanaian government.

Hess also gained entry into deepwater acreage in 2014 including: the Chevron operated Sicily prospect in the Gulf of Mexico, the Esso E&P Guyana Limited operated Stabroek license offshore Guyana and four BP operated licenses offshore Nova Scotia. The Sicily-1 and Liza-1 wells in the Gulf of Mexico and Guyana, respectively, will be drilled in 2015.


Hess SUCCEED 2020 Educational Program, North Dakota

CORPORATE AND SOCIAL RESPONSIBILITY

As a Company, we believe that sound sustainability practices create value and enhance business performance. Despite the significant decline in oil prices that began at the end of 2014, our commitment to operational excellence, safety, environmental stewardship, stakeholder engagement and corporate citizenship is unwavering.

Hess workforce (employee and contractor) safety performance improved 26% between 2013 and 2014 and resulted in a Total Recordable Incident Rate of 0.39, our best safety performance since we began tracking data in 2004. We attribute this improvement to our continued focus on leadership engagement site visits, behavior based safety programs and improvements in our contractor management, selection and on-boarding process. In 2014, we conducted over 1,000 leadership site visits and 80,000 safety observations at our field locations. We also focused on closing out environment, health and safety audit findings, and sharing lessons learned across the enterprise. Looking forward, we plan to reinforce these programs in 2015 with the aim of "everyone, everywhere, every day, home safely."

Continuing to improve and enhance our process safety program is critical to strengthening our ability to manage potentially catastrophic risks in our business. We track our process safety performance using the International Oil and Gas Producers Recommended Practice for Key Performance Indicators and are expanding our use of leading indicators in 2015. To raise process safety awareness we conducted training in 2013 and 2014 for our employees across the enterprise. We plan to continue this training in 2015. We also addressed a majority of the process safety concerns identified during our 2013 Process Safety Health Checks, with the remaining action items to be completed primarily in 2015.

The company's health and wellness strategy includes health risk assessment and planning, industrial hygiene and control of workplace exposures, fitness for task assessment, medical emergency management and public health interface. We provide access to free preventive medical services, international travel vaccinations and flu shots to employees and family members. In 2014, we began conducting Health Gap Assessments at select locations. These Health Gap Assessments highlighted the need to focus on further industrial hygiene monitoring and practices. Onsite mobile health testing was implemented in North Dakota and Seminole to enhance our fitness-for-work and medical surveillance programs to ensure that employees are capable of safely doing their jobs. In addition to meeting Department of Transportation compliance requirements, in 2014 we expanded random Drug and Alcohol testing at U.S. onshore and offshore locations for employees and contractors.

As part of our diversification strategy, over 25% of our business is now concentrated in lower risk, high return unconventional resources. The potential effects of shale energy operations on the environment, public health and safety are well recognized by Hess, and we employ multi-disciplinary risk management to drive planning and decision making. Our unconventional activities undergo several stages of detailed, activity-based risk assessment during the capture, appraisal, drilling and production phases of operations to ensure that we are operating in a safe and environmentally responsible manner. We believe that shale energy development is a game changer for our industry which has helped move the United States towards energy independence and provide lower-cost affordable energy.

Meeting the long term global demand for energy will require a comprehensive strategy that includes fossil fuels as well as renewables for many years to come. We see climate change as a global challenge that requires cooperation between world leaders, civil society and industry to develop comprehensive energy

Hess sponsored school, Equatorial Guinea

and climate solutions. Hess will continue to do its part to monitor, measure and take steps to develop resources in an environmentally responsible manner.

Since 2008, we have reduced our greenhouse gas footprint by four million tonnes through improved operating practices and asset divestitures. Since 2008 we have reduced our flaring in Algeria by 95%. We are also on target to reduce our flaring rate at the wellhead in North Dakota to 10% by 2017, possibly earlier, depending on the timely completion of infrastructure projects, many of which are subject to obtaining permits and rights of way. Since 2012 we have factored in the cost of carbon in evaluating new projects over $50 million and have now integrated this assessment as part of annual asset value assurance reviews. This analysis enables us to understand and address potential regulatory risks and promote more carbon efficient choices for equipment investment decisions.

In 2014 the Company continued engagement in a number of multi-stakeholder initiatives designed to advance transparency, environmental protection, human rights and good governance. We presented on our progress in implementing our human rights policies at the annual plenary meeting of the Voluntary Principles on Security and Human Rights. We began work on a high level human rights risk assessment at one asset and conducted two security and human rights workshops. Hess continues to be actively involved in the United Nations Global Compact (UNGC) and serves on the Board of the US UNGC Network which shares best practices in sustainable business conduct across the private sector. Hess was also added to the United Nations Global Compact 100 index.

We recognize the important role stakeholders play in our access to resources and our license to operate. We have strengthened our approach to stakeholder engagement and are deepening our understanding of

Common Stock

Listed New York Stock Exchange (ticker symbol: HES)

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Shareholder website:
www.computershare.com/investor

Shareholder online inquiries:
https://www-us.computershare.com/investor/contact

Documents Available

Copies of the Corporation's 2014 Annual Report on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K and its annual proxy statement filed with the Securities and Exchange Commission, as well as the Corporation's Code of Business Conduct and Ethics, its Corporate Governance Guidelines, and charters of the Audit Committee, Compensation and Management Development Committee and Corporate Governance and Nominating Committee of the Board of Directors, are available, without charge, on our Web site listed below or upon written request to the Corporate Secretary,
e-mail: corporatesecretary@hess.com

The Corporation has also filed with the New York Stock Exchange ("NYSE") its annual certification that the Corporation's chief executive officer is not aware of any violation of the NYSE's corporate governance standards. The Corporation has also filed with the SEC the certifications of its chief executive officer and chief financial officer required under SEC Rule 13a-14(a) as exhibits to its 2014 Form 10-K.

Annual Meeting

The Annual Meeting of Shareholders will be held on Wednesday, May 6, 2015.

Dividend Reinvestment Plan

Information concerning the Dividend Reinvestment Plan available to holders of Hess Corporation common stock may be obtained by writing to Computershare, Dividend Reinvestment Department, P.O. Box 43006, Providence, RI 02940-3006, or by calling 1-866-203-6215

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