



HESS CORPORATION

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News Release

HESS REPORTS ESTIMATED RESULTS FOR THE THIRD QUARTER OF 2006

NEW YORK, October 25, 2006 -- Hess Corporation (NYSE: HES)

Hess Corporation reported net income of \$297 million for the third quarter of 2006 compared with net income of \$272 million for the third quarter of 2005. The third quarter 2006 results include a \$105 million charge related to a United Kingdom supplementary tax enacted in July 2006. See the following page for a table and description of items affecting the comparability of earnings between periods. The after-tax results by major operating activity were as follows:

	Three months ended		Nine months ended	
	September 30 (unaudited)	September 30 (unaudited)	September 30 (unaudited)	September 30 (unaudited)
	2006	2005	2006	2005
	(In millions, except per share amounts)			
Exploration and Production	\$ 206	\$ 235	\$ 1,413	\$ 760
Marketing and Refining	153	125	323	286
Corporate	(31)	(54)	(83)	(151)
Interest expense	(31)	(34)	(96)	(105)
Net income	<u>\$ 297</u>	<u>\$ 272</u>	<u>\$ 1,557</u>	<u>\$ 790</u>
Net income per share (diluted)*	<u>\$ 0.94</u>	<u>\$ 0.87</u>	<u>\$ 4.93</u>	<u>\$ 2.54</u>
Weighted average number of shares (diluted)*	<u>316.0</u>	<u>313.2</u>	<u>315.5</u>	<u>311.4</u>

* Weighted average number of shares and per-share amounts in all periods reflect the impact of the 3-for-1 stock split on May 31, 2006.

Exploration and Production earnings were \$206 million in the third quarter of 2006 compared with \$235 million in the third quarter of 2005. Third quarter 2006 results include dry hole costs of \$152 million (\$93 million after tax), primarily associated with two deepwater Gulf of Mexico exploration wells. The Corporation's oil and gas production, on a barrel-of-oil equivalent basis, was 352,000 barrels per day in the third quarter of 2006 compared with 312,000 barrels per day in the third quarter of 2005.

In the third quarter of 2006, the Corporation's average worldwide crude oil selling price, including the effect of hedging, was \$58.81 per barrel, an increase of \$23.07 per barrel from the third quarter of 2005. The increase reflects higher crude oil prices and reduced hedge positions in 2006. The Corporation's average worldwide natural gas selling price was \$4.94 per Mcf in the third quarter of 2006, compared to \$5.26 per Mcf in the third quarter of 2005.

Marketing and Refining earnings were \$153 million in the third quarter of 2006 compared with \$125 million in the third quarter of 2005. Marketing earnings increased to \$63 million in the third quarter of 2006 compared with a loss of \$22 million in the same period of 2005, primarily reflecting stronger margins. Refining earnings decreased to \$64 million in the third quarter of 2006 compared with \$144 million in the third quarter of 2005 principally reflecting lower refined product margins. Earnings from trading operations were \$26 million in third quarter of 2006 compared to \$3 million in third quarter of 2005.

The following items, on an after-tax basis, are included in net income (in millions):

	Three months ended September 30		Nine months ended September 30	
	2006	2005	2006	2005
<u>Exploration and Production</u>				
Gains from asset sales	\$ -	\$ -	\$ 236	\$ 11
Income tax adjustments	(105)	-	(45)	11
Accrued office closing costs	-	-	(18)	-
Hurricane related costs	-	(14)	-	(14)
Legal settlement	-	-	-	11
<u>Corporate</u>				
Tax on repatriated earnings	-	(31)	-	(72)
Premiums on bond repurchases	-	-	-	(7)
	<u>\$ (105)</u>	<u>\$ (45)</u>	<u>\$ 173</u>	<u>\$ (60)</u>

In the third quarter of 2006 the United Kingdom enacted a 10% supplementary tax on petroleum operations with an effective date of January 1, 2006. As a result, the Corporation recorded a charge of \$105 million consisting of an incremental income tax of \$60 million on operating earnings for the first half of 2006 and \$45 million to adjust the United Kingdom deferred tax liability.

The gain from asset sales for the nine months ended September 30, 2006 relates to the sale of certain United States producing properties located in the Permian Basin and Gulf Coast. The results for the first nine months of 2006 also include a charge for vacated leased office space.

Capital and exploratory expenditures for the third quarter of 2006 amounted to \$830 million of which \$783 million related to Exploration and Production activities. Capital and exploratory expenditures for the third quarter of 2005 amounted to \$699 million, including \$674 million for Exploration and Production.

At September 30, 2006, cash and cash equivalents totaled \$546 million compared with \$315 million at December 31, 2005. The Corporation's debt to capitalization ratio at September 30, 2006 was 32.8% compared with 37.6% at the end of 2005. Total debt was \$3,775 million at September 30, 2006 and \$3,785 million at December 31, 2005.

Hess Corporation will review third 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 global integrated energy company engaged in the exploration for and the development, production, purchase, transportation and sale of crude oil and natural gas. The Corporation also manufactures, purchases, trades and markets refined petroleum and other energy products.

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)

	Third Quarter 2006	Third Quarter 2005	Second Quarter 2006
	<u> </u>	<u> </u>	<u> </u>
<u>Income Statement</u>			
Revenues and Non-operating Income			
Sales (excluding excise taxes) and other operating revenues	\$ 7,035	\$ 5,769	\$ 6,718
Non-operating income			
Equity in income of HOVENSA L.L.C.	70	151	103
Gain on asset sales	--	--	80
Other, net	25	36	19
Total revenues and non-operating income	<u>7,130</u>	<u>5,956</u>	<u>6,920</u>
Costs and Expenses			
Cost of products sold (excluding items shown separately below)	4,899	4,424	4,724
Production expenses	323	256	303
Marketing expenses	230	202	225
Exploration expenses, including dry holes and lease impairment	221	91	79
Other operating expenses	34	31	31
General and administrative expenses	115	83	134
Interest expense	49	54	44
Depreciation, depletion and amortization	323	251	283
Total costs and expenses	<u>6,194</u>	<u>5,392</u>	<u>5,823</u>
Income before income taxes	936	564	1,097
Provision for income taxes	639	292	532
Net income	<u>\$ 297</u>	<u>\$ 272</u>	<u>\$ 565</u>
Preferred stock dividends	12	12	12
Net income applicable to common stockholders	<u>\$ 285</u>	<u>\$ 260</u>	<u>\$ 553</u>
<u>Supplemental Income Statement Information</u>			
Foreign currency gains (losses), after-tax	\$ --	\$ 2	\$ (2)
Capitalized interest	25	22	26
<u>Cash Flow Information</u>			
Net cash provided by operating activities (*)	\$ 828	\$ 484	\$ 686
<u>Capital and Exploratory Expenditures</u>			
Exploration and Production			
United States	\$ 252	\$ 74	\$ 226
International	531	600	540
Total Exploration and Production	783	674	766
Marketing and Refining	47	25	42
Total Capital and Exploratory Expenditures	<u>\$ 830</u>	<u>\$ 699</u>	<u>\$ 808</u>
Exploration expenses charged to income included above			
United States	\$ 19	\$ 30	\$ 25
International	23	12	24
	<u>\$ 42</u>	<u>\$ 42</u>	<u>\$ 49</u>

(*) Includes changes in working capital

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

	Nine Months	
	2006	2005
<u>Income Statement</u>		
Revenues and Non-operating Income		
Sales (excluding excise taxes) and other operating revenues	\$ 20,912	\$ 15,688
Non-operating income		
Equity in income of HOVENSA L.L.C.	171	309
Gain on asset sales	369	18
Other, net	59	93
Total revenues and non-operating income	21,511	16,108
Costs and Expenses		
Cost of products sold (excluding items shown separately below)	14,854	11,674
Production expenses	892	722
Marketing expenses	686	604
Exploration expenses, including dry holes and lease impairment	412	310
Other operating expenses	95	100
General and administrative expenses	354	254
Interest expense	150	169
Depreciation, depletion and amortization	871	767
Total costs and expenses	18,314	14,600
Income before income taxes	3,197	1,508
Provision for income taxes	1,640	718
Net income	\$ 1,557	\$ 790
Preferred stock dividends	36	36
Net income applicable to common stockholders	\$ 1,521	\$ 754
<u>Supplemental Income Statement Information</u>		
Foreign currency gains, after-tax	\$ 5	\$ 16
Capitalized interest	75	57
<u>Cash Flow Information</u>		
Net cash provided by operating activities (*)	\$ 2,712	\$ 1,551
<u>Capital and Exploratory Expenditures</u>		
Exploration and Production		
United States	\$ 639	\$ 258
International	2,264	1,377
Total Exploration and Production	2,903	1,635
Marketing and Refining	122	73
Total Capital and Exploratory Expenditures	\$ 3,025	\$ 1,708
Exploration expenses charged to income included above		
United States	\$ 68	\$ 61
International	74	31
	\$ 142	\$ 92

(*) Includes changes in working capital

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

	September 30 <u>2006</u>	December 31 <u>2005</u>
<u>Balance Sheet Information</u>		
Cash and cash equivalents	\$ 546	\$ 315
Other current assets	4,709	4,975
Investments	1,279	1,389
Property, plant and equipment - net	11,942	9,512
Other long-term assets	<u>3,151</u>	<u>2,924</u>
Total assets	<u>\$ 21,627</u>	<u>\$ 19,115</u>
Current maturities of long-term debt	\$ 29	\$ 26
Other current liabilities	6,358	6,421
Long-term debt	3,746	3,759
Other long-term liabilities	3,764	2,623
Stockholders' equity excluding other comprehensive income (loss)	9,332	7,812
Accumulated other comprehensive income (loss)	<u>(1,602)</u>	<u>(1,526)</u>
Total liabilities and stockholders' equity	<u>\$ 21,627</u>	<u>\$ 19,115</u>

HESS CORPORATION AND CONSOLIDATED SUBSIDIARIES
EXPLORATION AND PRODUCTION EARNINGS (UNAUDITED)
(IN MILLIONS OF DOLLARS)

	Third Quarter 2006		
	United States	International	Total
Sales and other operating revenues	\$ 314	\$ 1,351	\$ 1,665
Non-operating income	14	1	15
Total revenues	328	1,352	1,680
Costs and expenses			
Production expenses, including related taxes	55	268	323
Exploration expenses, including dry holes and lease impairment	164	57	221
General, administrative and other expenses	21	25	46
Depreciation, depletion and amortization	35	271	306
Total costs and expenses	275	621	896
Results of operations before income taxes	53	731	784
Provision for income taxes	20	558	578
Results of operations	\$ 33	\$ 173	\$ 206

	Third Quarter 2005		
	United States	International	Total
Sales and other operating revenues	\$ 275	\$ 767	\$ 1,042
Non-operating income	--	16	16
Total revenues	275	783	1,058
Costs and expenses			
Production expenses, including related taxes	76	180	256
Exploration expenses, including dry holes and lease impairment	40	51	91
General, administrative and other expenses	13	19	32
Depreciation, depletion and amortization	36	200	236
Total costs and expenses	165	450	615
Results of operations before income taxes	110	333	443
Provision for income taxes	41	167	208
Results of operations	\$ 69	\$ 166	\$ 235

	Second Quarter 2006		
	United States	International	Total
Sales and other operating revenues	\$ 330	\$ 1,295	\$ 1,625
Non-operating income	80	12	92
Total revenues	410	1,307	1,717
Costs and expenses			
Production expenses, including related taxes	56	247	303
Exploration expenses, including dry holes and lease impairment	34	45	79
General, administrative and other expenses	22	50	72
Depreciation, depletion and amortization	32	235	267
Total costs and expenses	144	577	721
Results of operations before income taxes	266	730	996
Provision for income taxes	97	398	495
Results of operations	\$ 169	\$ 332	\$ 501

HESS CORPORATION AND CONSOLIDATED SUBSIDIARIES
EXPLORATION AND PRODUCTION EARNINGS (UNAUDITED)
(IN MILLIONS OF DOLLARS)

	Nine Months 2006		
	United States	International	Total
Sales and other operating revenues	\$ 988	\$ 3,854	\$ 4,842
Non-operating income	382	25	407
Total revenues	1,370	3,879	5,249
Costs and expenses			
Production expenses, including related taxes	162	730	892
Exploration expenses, including dry holes and lease impairment	259	153	412
General, administrative and other expenses	65	98	163
Depreciation, depletion and amortization	96	727	823
Total costs and expenses	582	1,708	2,290
Results of operations before income taxes	788	2,171	2,959
Provision for income taxes	284	1,262	1,546
Results of operations	\$ 504	\$ 909	\$ 1,413

	Nine Months 2005		
	United States	International	Total
Sales and other operating revenues	\$ 823	\$ 2,287	\$ 3,110
Non-operating income (expenses)	(4)	67	63
Total revenues	819	2,354	3,173
Costs and expenses			
Production expenses, including related taxes	183	539	722
Exploration expenses, including dry holes and lease impairment	200	110	310
General, administrative and other expenses	51	49	100
Depreciation, depletion and amortization	122	602	724
Total costs and expenses	556	1,300	1,856
Results of operations before income taxes	263	1,054	1,317
Provision for income taxes	98	459	557
Results of operations	\$ 165	\$ 595	\$ 760

HESS CORPORATION AND CONSOLIDATED SUBSIDIARIES
SUPPLEMENTAL OPERATING DATA
(IN THOUSANDS, EXCEPT FOR AVERAGE SELLING PRICES)

	Third Quarter 2006	Third Quarter 2005	Second Quarter 2006
<u>Operating Data</u>			
<u>Net Production Per Day</u>			
Crude oil - barrels			
United States	34	42	38
Europe	102	102	110
Africa	86	67	84
Asia and other	13	7	12
Total	<u>235</u>	<u>218</u>	<u>244</u>
Natural gas liquids - barrels			
United States	11	11	10
Europe	5	2	4
Total	<u>16</u>	<u>13</u>	<u>14</u>
Natural gas - mcf			
United States	109	125	117
Europe	274	218	244
Asia and other	226	141	214
Total	<u>609</u>	<u>484</u>	<u>575</u>
Barrels of oil equivalent	<u>352</u>	<u>312</u>	<u>354</u>
<u>Average Selling Price</u>			
Crude oil - per barrel (including hedging)			
United States	\$ 65.41	\$ 34.86	\$ 64.53
Europe	59.97	34.59	60.63
Africa	54.52	35.16	53.04
Asia and other	67.24	62.04	68.64
Worldwide	58.81	35.74	59.00
Crude oil - per barrel (excluding hedging)			
United States	\$ 65.41	\$ 58.32	\$ 64.53
Europe	62.79	59.47	63.27
Africa	66.43	59.30	67.18
Asia and other	67.24	62.04	68.64
Worldwide	64.73	59.28	65.03
Natural gas liquids - per barrel			
United States	\$ 49.17	\$ 40.90	\$ 47.35
Europe	50.30	36.77	47.44
Worldwide	49.54	39.92	47.38
Natural gas - per mcf			
United States	\$ 5.99	\$ 8.53	\$ 6.23
Europe	5.37	4.12	5.55
Asia and other	3.91	4.12	3.85
Worldwide	4.94	5.26	5.06

HESS CORPORATION AND CONSOLIDATED SUBSIDIARIES
SUPPLEMENTAL OPERATING DATA
(IN THOUSANDS, EXCEPT FOR AVERAGE SELLING PRICES)

	Nine Months	
	2006	2005
<u>Operating Data</u>		
<u>Net Production Per Day</u>		
Crude oil - barrels		
United States	38	46
Europe	109	113
Africa	84	67
Asia and other	11	6
Total	<u>242</u>	<u>232</u>
Natural gas liquids - barrels		
United States	10	12
Europe	4	5
Total	<u>14</u>	<u>17</u>
Natural gas - mcf		
United States	116	146
Europe	266	281
Asia and other	218	127
Total	<u>600</u>	<u>554</u>
Barrels of oil equivalent	<u>356</u>	<u>341</u>
<u>Average Selling Price</u>		
Crude oil - per barrel (including hedging)		
United States	\$ 62.22	\$ 33.10
Europe	58.41	33.00
Africa	51.86	31.34
Asia and other	64.39	54.25
Worldwide	57.10	33.13
Crude oil - per barrel (excluding hedging)		
United States	\$ 62.22	\$ 50.16
Europe	60.85	51.93
Africa	65.52	50.54
Asia and other	64.39	54.25
Worldwide	62.75	51.23
Natural gas liquids - per barrel		
United States	\$ 47.07	\$ 35.98
Europe	48.50	34.40
Worldwide	47.51	35.53
Natural gas - per mcf		
United States	\$ 6.68	\$ 6.94
Europe	6.47	4.79
Asia and other	3.93	4.01
Worldwide	5.59	5.18

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 September 30, 2006:

<u>Maturity</u>	<u>Brent Crude Oil*</u>	
	<u>Average Selling Price</u>	<u>Thousands of barrels per day</u>
2006 (4th Quarter)	\$ 27.75	30
2007	25.85	24
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 or natural gas hedges outstanding at September 30, 2006.

The after-tax losses from crude oil hedges were \$81 million in the third quarter of 2006, \$294 million in third quarter of 2005, and \$83 million in the second quarter of 2006. Hedge losses totaled \$228 million and \$720 million for the nine months ended September 30, 2006 and 2005, respectively. The after-tax deferred hedge loss included in accumulated other comprehensive income at September 30, 2006 amounted to \$1.4 billion.

HESS CORPORATION AND CONSOLIDATED SUBSIDIARIES
MARKETING AND REFINING SUPPLEMENTAL FINANCIAL AND OPERATING DATA (UNAUDITED)

	Third Quarter 2006	Third Quarter 2005	Second Quarter 2006
<u>Financial Information (in millions of dollars)</u>			
<u>Marketing and Refining Earnings</u>			
Income before income taxes	\$ 245	\$ 202	\$ 188
Provision for income taxes	92	77	67
Marketing and Refining Earnings	\$ 153	\$ 125	\$ 121
<u>Summary of Marketing and Refining Earnings</u>			
Refining	\$ 64	\$ 144	\$ 107
Marketing	63	(22)	15
Trading	26	3	(1)
Total Marketing and Refining Earnings	\$ 153	\$ 125	\$ 121
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<u>Operating Data (in thousands unless noted)</u>			
<u>Refined Product Sales (barrels per day)</u>			
Gasoline	212	226	223
Distillates	130	104	112
Residuals	54	43	42
Other	37	37	35
Total	433	410	412
<u>Refinery Throughput (barrels per day)</u>			
HOVENSA - Crude runs	475	413	430
HOVENSA - Hess 50% share	237	206	215
Port Reading	62	62	63
<u>Refinery Utilization</u>			
HOVENSA	<u>Refinery Capacity</u> (barrels per day)		
Crude	500	94.9%	82.5%
FCC	150	92.0%	89.7%
Coker	58	88.3%	92.4%
Port Reading	65	95.8%	95.5%
<u>Retail Marketing</u>			
Number of retail stations (a)	1,347	1,358	1,343
Convenience store revenue (in millions of dollars) (b)	\$ 271	\$ 260	\$ 258
Average gasoline volume per station (gallons per month) (b)	216	211	222

(a) Includes company operated, Wilco-Hess, dealer and branded retailer.

(b) Company operated only.

HESS CORPORATION AND CONSOLIDATED SUBSIDIARIES
MARKETING AND REFINING SUPPLEMENTAL FINANCIAL AND OPERATING DATA (UNAUDITED)

	Nine Months	
	2006	2005
<u>Financial Information (in millions of dollars)</u>		
<u>Marketing and Refining Earnings</u>		
Income before income taxes	\$ 509	\$ 455
Provision for income taxes	186	169
Marketing and Refining Earnings	\$ 323	\$ 286
<u>Summary of Marketing and Refining Earnings</u>		
Refining	\$ 191	\$ 263
Marketing	91	5
Trading	41	18
Total Marketing and Refining Earnings	\$ 323	\$ 286
<hr/>		
<u>Operating Data (in thousands unless noted)</u>		
<u>Refined Product Sales (barrels per day)</u>		
Gasoline	220	211
Distillates	136	125
Residuals	61	59
Other	38	40
Total	455	435
<u>Refinery Throughput (barrels per day)</u>		
HOVENSA - Crude runs	442	454
HOVENSA - Hess 50% share	221	227
Port Reading	63	52
<u>Refinery Utilization</u>		
HOVENSA	<u>Refinery Capacity</u> (barrels per day)	
Crude	500	88.3%
FCC	150	82.0%
Coker	58	82.4%
Port Reading	65	97.1%
		90.8%
		80.2%
		95.4%
		80.4%
<u>Retail Marketing</u>		
Number of retail stations (a)	1,347	1,358
Convenience store revenue (in millions of dollars) (b)	\$ 762	\$ 732
Average gasoline volume per station (gallons per month) (b)	211	206

(a) Includes company operated, Wilco-Hess, dealer and branded retailer.

(b) Company operated only.