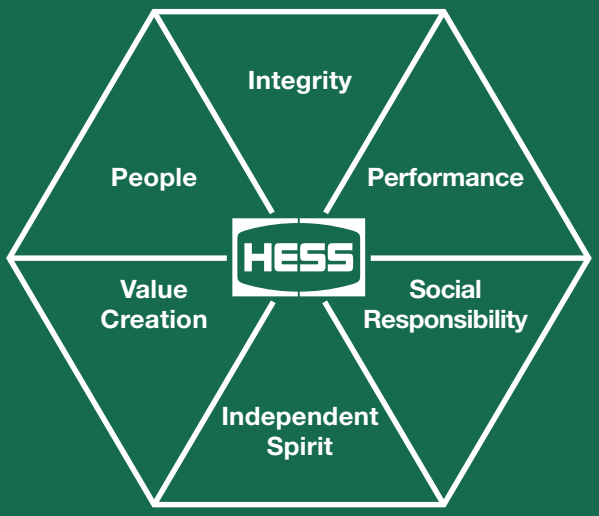
HESS CORPORATION

2013 Corporate Sustainability Report

HESS VALUES

Hess Values set the framework and establish the ethical standards by which we conduct our business.



Integrity. We are committed to the highest level of integrity in all our relationships.

People. We are committed to attracting, retaining and energizing the best people by investing in their professional development and providing them with challenging and rewarding opportunities for personal growth.

Performance. We are committed to a culture of performance that demands and rewards outstanding results throughout our business.

Value Creation. We are committed to creating shareholder value based on sustained financial performance and long term profitable growth.

Social Responsibility. We are committed to meeting the highest standards of corporate citizenship by protecting the health and safety of our employees, safeguarding the environment and creating a long lasting, positive impact on the communities where we do business.

Independent Spirit. We are committed to preserving the special qualities and unique personality that have made us a successful independent enterprise.

REPORT APPLICATION LEVELS

		C	C+	B	B+	A	A+
Mandatory	Self Declared		Report Externally Assured		Report Externally Assured		✓
Optional	Third Party Checked						✓
Optional	GRI Checked						

Note: Following a review by ERM CVS, our external verifier, Hess is self-declaring a GRI G3.1 Application level of A+ in conformance with the GRI Sustainability Reporting Guidelines.

THE GLOBAL COMPACT

This is our Communication on Progress in implementing the principles of the United Nations Global Compact.

We welcome feedback on its contents.

ASSURANCE

ERM Certification and Verification Services (ERM CVS) conducted representative site visits, reviewed source data and our internal data collection and aggregation system and conducted interviews to ensure the information presented is a reliable representation of our performance. An ERM CVS assurance statement has been included at the end of this report. ERM CVS also provided an opinion on the GRI Application Level.

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On the cover: Utica Drilling Operations, Ohio

MESSAGE FROM THE CEO

In 2013 our company made remarkable progress in our plan to transform Hess into a pure play exploration and production (E&P) company with a balanced portfolio of higher growth, lower risk assets. While our transformation has resulted in significant changes across our company, we are unwavering in our commitment to being a trusted energy partner that helps meet the world's growing energy needs in a safe, environmentally responsible, socially sensitive and profitable way. We believe that proactive stakeholder engagement and sustainable business practices enhance performance and are essential to ensuring our license to operate.

Our long term vision for the future is based on the Hess Values of Integrity, People, Performance, Value Creation, Social Responsibility and Independent Spirit. Our Code of Business Conduct and Ethics operationalizes our Values and guides the way we do business as we develop trusted relationships with our stakeholders, including communities, employees, customers, business partners and shareholders.

The safety of our employees and contractors is an integral part of our company culture and a foremost priority. In 2013 we saw noteworthy improvements in safety performance across the company. Compared with 2012, the combined employee and contractor Total Recordable Incident Rate was down 14 percent and the Lost Time Incident Rate decreased by 26 percent. We made progress in enhancing our fitness for work, industrial hygiene and medical surveillance programs to ensure that employees are capable of safely doing their jobs and protected from potential exposure. We continued to undertake appropriate reviews to improve contractor transparency and ensure their safety and health systems and programs align with ours.

Process safety remains a focal point as we advance our workforce's knowledge and understanding through training objectives. In 2013 we introduced new process safety key metrics to help us continually improve our performance in this area.

Corporate social responsibility is a way of doing business for Hess and enhances our ability to be an effective, profitable and trusted energy partner. In 2013 we continued our participation in key international voluntary initiatives including the United Nations Global Compact, the Voluntary Principles on Security and Human Rights, and the Extractive Industries Transparency Initiative, all of which help to inform and guide our approach to transparency, human rights and the environment.

We made progress in integrating social considerations into our business decisions using a three-pronged approach: stakeholder engagement, social risk and impact management and community benefits. Our social responsibility programs continue to evolve to incorporate a broader understanding of what it means to invest in a community, build local capacity and promote workforce development while minimizing the social and environmental impacts from operations.

In 2013 we made approximately $37 million in strategic social investments designed to create shared value that improves the quality of life in local communities and supports our business growth. More than $19 million went to education projects, including Succeed 2020 in North Dakota, which is preparing students for higher education and careers, and the Hess Scholars program in Ghana, now in its second year. Another $10 million was earmarked for economic development, health and capacity building. The balance is directed primarily to in-kind contributions, support for arts and culture and disaster relief.

With world energy demand continuing to rise, all forms of energy will be needed, with fossil fuels continuing to make up the majority of supply for the foreseeable future. As an energy producer, Hess and others in our industry play a critical role in economic development. We have spoken openly about the need for the United States and world leaders to work with industry to develop comprehensive energy and climate policies that will provide energy the world needs for economic growth while promoting energy efficiency and reducing greenhouse gas emissions.

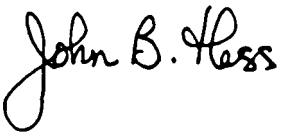
Hess monitors, measures and takes steps to reduce our carbon footprint at existing and planned operations. The end of 2013 marked the completion of our five-year climate change target cycle. While we did not achieve all of our targets, we made significant progress toward our goals. Between 2009 and 2013, we reduced our absolute greenhouse gas emissions by over 4 million tonnes on an equity basis from our 2008 baseline through a combination of improved operating practices and discontinued operations. We also integrated carbon pricing and energy efficiency considerations in our value assurance process for major new investments. Now that our transformation to a pure play E&P company is essentially complete, we plan to update our climate change strategy with a continued focus on opportunities to reduce our carbon footprint.

We are unwavering in our commitment to being a trusted energy partner that helps meet the world's growing energy needs in a safe, environmentally responsible, socially sensitive and profitable way.

In the United States, oil and gas from shale is an increasingly important source of supply and an engine for economic growth. Hess is one of the largest oil producers in the Bakken play in North Dakota and is pursuing development in the Utica wet gas play in Ohio. We are committed to responsible shale energy development and to providing the public with information on our programs and performance both in our annual corporate sustainability reports and on our website at hess.com. We have ongoing efforts to invest in building the necessary infrastructure to minimize gas flaring, assess alternatives to freshwater use for hydraulic fracturing and well maintenance applications, and reduce the use of chemical additives in frac fluid as well as encouraging suppliers to develop more environmentally friendly alternatives. We require our hydraulic fracturing contractors to provide non-proprietary individual well data for fracture stimulation water and chemical use, which is publicly available on the FracFocus website. Through our membership and sponsorship of the Environmentally Friendly Drilling (EFD) program, a partnership among multiple oil and gas companies and several environmental groups, we are identifying opportunities to promote best practices and improvements in environmental performance.

Ultimately, our success relies on a company culture and high-quality workforce that innovates, leads and learns. In 2013 we focused on completing a thoughtful, thorough staffing process at all levels of our organization and providing resources for employees in transition. We will continue our initiatives in talent management, diversity and inclusion, and learning and development in 2014 and 2015. Looking ahead, we will stay focused on creating a work environment that fosters innovation, professional growth and teamwork so we can achieve our goals.

Our 2013 Corporate Sustainability Report summarizes our strategic vision and our short term and long term sustainability goals, our challenges and opportunities, and our performance results. We are proud of the progress we made this year and committed to building a sustainable enterprise that will make a positive difference for our stakeholders and the world around us. The ongoing support of our communities, employees, customers, business partners and investors is key to our success, and we thank them for their partnership.



John B. Hess
Chief Executive Officer

ABOUT HESS

During 2013 Hess made significant progress transforming into a more focused, higher growth exploration and production (E&P) company. This transition has strengthened our financial flexibility to fund growth and increase current returns to shareholders. Looking ahead, the company will benefit from continued execution around our focused and balanced portfolio of lower risk, higher growth assets.

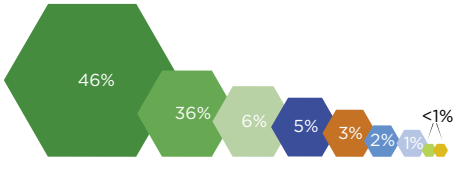
2013 HIGHLIGHTS

- Averaged 67,000 barrels of oil equivalent per day (boepd) net production from the Bakken oil shale play in North Dakota, a year-over-year increase of 20 percent
- Expanded our Tioga, North Dakota, gas plant to process up to 250 million cubic feet of natural gas per day (completed early 2014)
- Achieved production from the first phase of the North Malay Basin Integrated Gas Development Project in October 2013
- Completed the exploration drilling phase on the deepwater Tano/Cape Three Points block, offshore Ghana, which resulted in seven successful exploration wells

ECONOMIC CONTRIBUTIONS

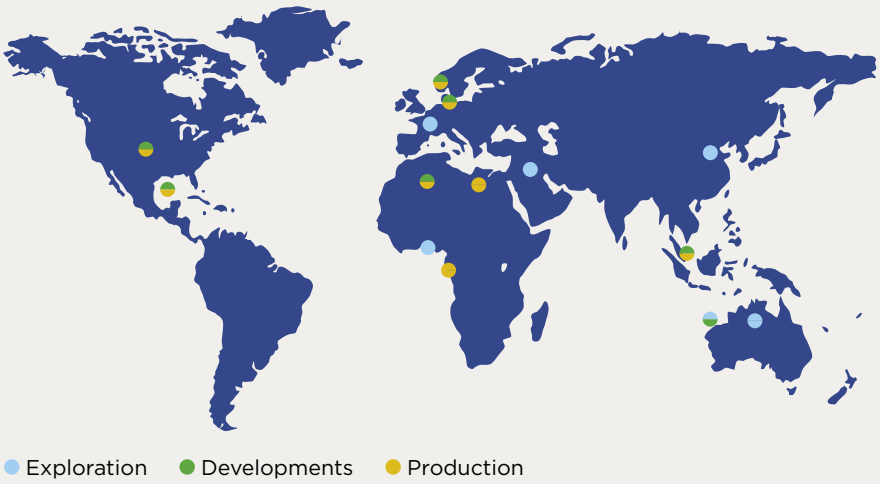
In 2013 our direct economic contributions included payments to suppliers, capital and exploration expenditures, wages and benefits, taxes and royalties, interest, dividends and social investments.

$ Millions	
Recordable Supplier Spend (E&P)	$7,956
Capital and Exploration Expenditures	$6,315
Wages and Benefits (U.S.)	$1,037
Royalties and Other Payments	$807
Income Tax Expense	$525
Interest Expense	$406
Dividends	$235
Social Investments	$37
Carbon and NO_x Taxes	$9



A portion of capital and exploration expenditures may include payments to suppliers.

Hess Portfolio of Operations



Exploration

The major exploration locations are Ghana and the Kurdistan Region of Iraq. Appraisal activities have commenced in the Utica in Ohio.

Developments

Developments are underway at several assets, including at Tubular Bells in the Gulf of Mexico, as well as staged developments at the Malaysia/Thailand Joint Development Area in the Gulf of Thailand and Valhall in Norway.

Production

Production operations are ongoing globally. Key production assets include the Bakken in North Dakota, Okume and Ceiba in Equatorial Guinea, South Arne in Denmark, Valhall in Norway and the Malaysia/Thailand Joint Development Area.

336,000
BOEPD Total Net Hydrocarbons Produced

11.5
Years Reserve Life

118%
Replaced Production

1,437
Million BOE Proved Reserves

PROGRESS AND GOALS

Our ongoing challenge lies in meeting society's growing need for energy in a way that is environmentally responsible, socially sensitive, safe and profitable. We recognize that non-technical risks associated with communities, stakeholder expectations, public perception and existing and emerging regulatory requirements can significantly impact project outcomes and business success. Our success as a company depends upon managing these non-technical risks in a fully integrated way and addressing them with the same care we take with technical project risk and financial risk.

During 2013 we took steps to improve how we understand and manage risk in our day-to-day operations. We honed our enterprise risk management process and used this process to conduct a full risk assessment of our North Dakota operations. The result was a full non-technical risk profile, with risks that were then prioritized and mitigated. Our goal is to have assessments completed and integrated risk registers initiated for all assets in the Hess portfolio by year end 2014.

Stakeholder engagement is critical to this process of understanding and integrating all aspects of enterprise risk. We seek to establish mutual respect and dialogue with a variety of external groups who have an interest in Hess' operations, including neighboring communities, supply chain providers, governmental agencies and non-governmental organizations, among others. These interactions inform our response to the broad and evolving range of sustainability issues.

Hess' development of shale oil and gas resources has resulted in both challenges and opportunities. The technological advances that have made shale development economically feasible in the United States have also led to rapid development in parts of the country where community resources are struggling to keep up with the influx of workers and increased oilfield activity. We are working to sharpen our focus on strategic community investments that provide long term benefits. Our support of educational and other community projects at our shale energy assets as well as conventional assets around the world is aimed at easing the strain on local resources, building capacity and strengthening communities.

In addition to the social and community challenges of shale resource development, there are numerous challenges related to the environment. We continue to make progress in minimizing these risks. We have set a target to reduce our flaring rate at the wellhead to 10 percent in North Dakota by 2017, and we have ongoing initiatives to reduce the environmental impact of our shale energy operations.

One of our top priorities is to continue to protect the health and safety of our workforce and the communities where we operate. We have a new contractor prequalification and selection process that includes enhanced environment, health and safety reviews for certain companies, and recently we established a cross-functional Rail Transport Working Team to address issues related to crude-by-rail transport.

As we continue to execute our business strategy as a pure play exploration and production (E&P) company, the people of Hess remain our most valuable resource. Hess offers leadership development programs and early career programs to develop a skilled workforce that will continue to meet the needs of our company following our transformation. For employees whose positions were eliminated as a result of our shift to a pure play E&P company, we have provided several resources to ease their transition, including enhanced severance packages and financial and career counseling. While our changing company has presented challenges with respect to our workforce, we also view this transformation as an opportunity for employees to make a difference as part of a more focused, higher growth company.

Tioga Gas Plant Expansion Ceremony, North Dakota

APPROACH TO REPORTING

This report provides information on our sustainability policies, programs and performance in 2013. Financial and governance information, including our annual report, our U.S. Securities and Exchange Commission Form 10-K filing and our proxy statement, is available on our website. All financial data are reported in U.S. dollars.

Additional sustainability and investor information is available at hess.com/sustainability and hess.com/investors.

REPORTING STANDARDS

We report our sustainability performance on an annual basis in accordance with the Global Reporting Initiative (GRI) G3.1/Oil & Gas Sector Supplement guidelines at an A+ application level. Our report is also based on the Oil and Gas Industry Guidance on Voluntary Sustainability Reporting developed by IPIECA, the American Petroleum Institute and the International Oil and Gas Producers Association, as well as on the 10 principles of the United Nations (UN) Global Compact. A GRI Content Index, cross-referenced with IPIECA indicators and the UN Global Compact principles, is provided at the end of this report.

MATERIALITY

This sustainability report describes the company's strategy and performance regarding significant economic, environmental and social issues. These issues have the potential to impact both Hess and our key stakeholders, with whom we engage throughout the year as part of normal business practice.

Key stakeholders include employees, suppliers, customers and consumers, communities, shareholders, governmental and non-governmental organizations, industry peers, academics and the media, among others. These key stakeholders are essential for maintaining and strengthening our license to operate.

Hess conducted a materiality assessment consistent with the GRI G3.1 guidelines to identify topics for inclusion in this year's report. Over the past several years we have made our assessment process more robust. In 2013 we worked with an external consultant to pilot a methodology to quantify the financial aspects of potential material topics. Collecting source data was a lengthy and resource intensive process.

While we report on a broad range of GRI and IPIECA indicators, we consider the 14 topics listed below as our most material, based on the level of internal and external stakeholder interest, relevance to our operations and level of potential risk and impact. These topics are listed in the order in which they are disclosed in this report:

BOUNDARY SETTING

The scope of this report includes principal facilities and assets operated by Hess Corporation and its subsidiaries and joint ventures through 2013, unless otherwise indicated. Data presented are gross figures from operated facilities and third party activities where Hess has overall responsibility as specified in contractual arrangements. Hess is currently in the final stage of a significant transformation into a pure play exploration and production (E&P) company. Assets that we have divested or plan to divest were part of Hess for most or all of 2013, so we have chosen to include those assets in company totals. Where possible, information has been provided to differentiate data for the future company (pure play E&P) from overall company totals. Data from the St. Lucia terminal are excluded because the asset was sold in 2013, and we were not able to obtain the data.

We report some quantitative environment, health and safety data on a normalized basis to facilitate year-on-year comparisons. We report greenhouse gas (GHG) emissions on an operated basis for Hess operated assets and on a net equity share basis for operated facilities, joint ventures and non-operated facilities in which we hold an interest. GHG data for

the joint venture Bayonne Energy Center are excluded from the reporting boundary because 2013 is the first year of operation and this asset is part of the downstream divestiture.

We also report our social investments for our operated assets, joint ventures and non-operated facilities in which we hold a significant interest.

RESTATEMENTS AND ADDITIONS

This report includes no material restatements of information from our previous reports.

INTERNAL QUALITY ASSURANCE

We have internal documentation and information systems in place to promote consistent and reliable data collection and aggregation from all of our Hess operated and joint venture assets. We conduct quality assurance/quality control reviews and validation to evaluate the accuracy and reliability of facility specific and aggregated data. Due to rounding, individual numbers in the charts, tables and text may not sum to the total amounts shown.

EXTERNAL ASSURANCE

ERM Certification and Verification Services (ERM CVS) conducts annual third party assurance of our sustainability data management systems to ensure the consistent and objective data collection and reporting of our sustainability performance. ERM CVS also reviews our self-declared GRI G3.1 Application Level. The Independent Assurance Statement is provided on page 58 of this report.

ERM CVS essentially conducts two separate assurance engagements on our behalf. These include an assurance engagement that covers the environmental and social quantitative data and qualitative representations in our sustainability report and a separate engagement for verification of the greenhouse gas emissions data provided herein and also in our CDP Climate Change response.

North Dakota Well Operations

Tubular Bells Sailaway

HOW WE OPERATE

2013 KEY DEVELOPMENTS

- Further strengthened our Global Compliance Program
- Enhanced the contractor selection, contracting and performance management processes
- Completed a risk assessment and integrated risk register for non-technical risks for our North Dakota operations

2014 GOALS

- Roll out enhanced enterprise wide environment, health and safety standards on a prioritized basis
- Implement our updated Conflict of Interest Policy and our new Gifts, Meals, Entertainment, Hospitality and Travel Support Policy
- Complete risk assessments and begin development of integrated risk registers for all assets in the Hess portfolio

We seek to conduct business in a manner that meets the highest standards of corporate citizenship, creates a long lasting, positive impact on the communities where we do business and delivers long term value to our shareholders.

Our long term vision and six core Hess Values underpin our business. The Hess Code of Business Conduct and Ethics (Code of Conduct), along with our Social Responsibility Policy, Human Rights Policy and Environment, Health and Safety (EHS) Policy, build on our Values to define our internal expectations for sustainable management and performance.

Our management systems provide a framework for ensuring operational excellence. They help us track key performance metrics, maintain regulatory compliance and manage risk. We are currently developing and implementing an enhanced framework of standards, consistent with broadly recognized international standards and guidelines, to formalize enterprise wide expectations and accountabilities and support a systematic approach to environment, health, safety and social risk management. The first set of these enhanced standards will be rolled out in 2014, with the remainder to be launched in 2015.

Internal and third party reviews, audits and third party assurance guide our conformance with internal requirements, compliance with legal and other requirements and disclosure of reliable information to the company's directors and stakeholders.

Hess supports international voluntary initiatives that pledge to respect human rights, protect the environment and encourage financial transparency. These are described in more detail in the Community and Social Performance section of this report. We also participate in several sector-specific and multi-stakeholder associations, allowing us to learn best practices from sector peers and engage with our external stakeholders. A list of key associations in which we participate is provided at the end of this report.

In keeping with a precautionary approach, we evaluate identified risks and develop and implement mitigation plans as part of our enterprise risk management and new country entry processes. We also use environmental and social screening tools and conduct environmental and social impact assessments for major new projects. More information about these processes is provided in the Enterprise Risk Management Strategy callout later in this section, and in the Community and Social Performance section and the Environment section of this report.

ETHICAL BUSINESS CONDUCT

Our Code of Conduct, updated and distributed worldwide in 2012, describes the business conduct and behaviors that Hess expects of its employees, officers, directors and contractors. We expect that our suppliers, contractors, agents and other business partners will follow similar principles when working for Hess and our subsidiaries. The Code of Conduct has been translated for each of our countries of operation outside the United States.

The company takes disciplinary actions for violations of the Code of Conduct and related policies, including termination of employment or services.

See our Code of Conduct online at hess.com/code-of-conduct.

Our compliance policies and procedures all stem from the Code of Conduct. The Global Compliance Program establishes, maintains and enforces policies, procedures, processes and initiatives to prevent and detect compliance violations. Its aim is to promote an organizational culture that encourages commitment to ethical conduct and compliance with the law. To continuously improve compliance controls and embrace best practices, our Global Compliance organization focuses on internal investigations, anti-corruption and other enterprise programs.

After adding a new Chief Compliance Officer (CCO) position in 2012 we further strengthened our Global Compliance Program in 2013. The CCO reports to our General Counsel and informs the Audit Committee of the Hess Board of Directors on an annual basis. With the assistance of outside counsel, the Global Compliance group launched an anti-corruption diagnostic to both assess the level of compliance risk to which Hess is exposed and to develop process improvements to reduce that risk. By year's end, a corporate-level risk assessment and two market-level risk assessments were completed, and work had commenced on the development of new policies and compliance training modules to be implemented globally.

The Hess Anti-Corruption and Anti-Bribery Policy, Executive Directive 26 (ED26), aligns with applicable anti-bribery and anti-corruption laws. These include the U.S. Foreign Corrupt Practices Act and the U.K. Bribery Act. Our Global Compliance organization conducts anti-corruption compliance training in coordination with country management and the Legal department. The frequency of such training is prioritized based on the level of risk in each market.

Global Compliance expects to increase engagement in 2014, rolling out a new online training program, as well as targeted training for specific markets and internal organizations to ensure greater knowledge and global compliance. Enhanced tracking and reporting mechanisms for employees will also promote greater access and transparency. In 2014 Hess will also globally implement the revised Gifts, Meals, Entertainment, Hospitality and Travel Support Policy and the Conflict of Interest Policy, to provide employees with further guidance regarding what constitutes ethical business conduct.

POLITICAL SPENDING

Hess policies prohibit political contributions using corporate funds. This includes corporate funds to political candidates, political parties, political committees, independent expenditure organizations or other political entities organized and operating under section 527 of the Internal Revenue Code. In 2013 there were no political contributions made by Hess employees using corporate funds. We annually report and confirm our adherence to our policies on corporate political spending to the public.

See our Code of Conduct online at hess.com/code-of-conduct.

It is the company's policy not to coerce political contributions from employees, directly or indirectly reimburse an employee for a political contribution or channel a contribution through an employee to disguise its origin. Employees wishing to engage in the political process may do so as private citizens.

In February 2014 the company formed a political action committee (PAC) for eligible employee contributions. All contributions to this PAC will be entirely voluntary, and all contributions made by this PAC will be publically disclosed to the Federal Election Commission. Going forward, Hess will annually identify its PAC contributions in our sustainability report and provide a report to the Board of Directors.

Hess belongs to a number of trade associations, primarily to give the company access to the business, technical and industry best practices expertise of these associations. Hess actively engages in various industry and trade groups (organized under section 501(c)(6) of the Internal Revenue Code) in the United States. In 2013, no payments made by Hess to these organizations were used for express political advocacy. A list of memberships and associations that received more than $50,000 from Hess in 2013 can be found on page 59 of this report.

We recognize that our positions do not always align with all formal positions of the associations, organizations and collaborative working groups in which we participate. Our funding should not be considered a direct endorsement of the entire range of activities undertaken by these membership organizations. To address concerns related to potential misalignment, we publish our positions on key sustainability issues in this corporate sustainability report.

On occasion, Hess also supports other tax-exempt organizations, including those organized under section 501(c)(4) of the Internal Revenue Code, to help advance its public policy goals. In 2013, Hess did not support any such 501(c)(4) organizations that engaged in express political advocacy.

SUPPLY CHAIN

Our global reach extends well beyond our individual company operations to our business partners, suppliers and contractors. Maintaining a competitive and secure supply chain is an important part of our strategy to reduce operational risk.

We rely on a global network of more than 8,000 suppliers of goods and services. We employ a standardized approach to evaluate suppliers on the basis of total value, including safety, quality, delivery and cost.

Supplier Qualifications

In 2012 we began implementing a centralized system that houses all contract templates and other key materials and manages the contractor procurement

process. By year end 2013 the system had been rolled out to all but four countries in which Hess does business; the system will be used globally by end of year 2014.

We also use a central, global, electronic sourcing system in a majority of our locations to collect bids and evaluate suppliers. This system allows for the efficient creation of online Requests for Proposals and encourages the consistent use of best practices.

In 2013 we launched an updated contractor prequalification and selection process that helps to ensure we are working with the most qualified companies. Where appropriate, this process involves a credit review, an anti-corruption and legal compliance review, and a review of the potential contractors' EHS programs and performance. Our procurement staff also reviews the potential contractors' insurance, tax, legal and quality information; in case of discrepancies with our standards, the relevant department within Hess conducts an additional review.

EHS reviews are conducted for those contractors that are considered higher risk, due either to the number of manhours they will work at Hess or the nature of that work, such as drilling and completions or offshore work. The EHS review will typically include an on-location audit. As one part of the EHS review, we use recognized industry safety prequalification systems for most major areas of operation, including in the United States and the United Kingdom. Elsewhere, we use processes such as supplier questionnaires.

Supply Chain Transparency and Compliance

Our suppliers of goods and services must comply with applicable laws and regulations in areas such as EHS, drug and alcohol use, conflicts of interest and anti-corruption laws, and must maintain any licensing or permitting requirements with respect to their activities. Contractors are also required to abide by our Code of Conduct.

Standard contract clauses include requirements with respect to ethical business practices, human rights, social responsibility, business integrity, search and seizure and quality. In addition, clauses that cover federal contractor requirements are included for suppliers supporting our U.S. operations. Contracts typically also include a requirement that suppliers and contractors allow access to all offices and facilities and cooperate fully with all audits and inspections.

Security Services

Our Code of Conduct prohibits the use of military or police personnel services except where required by local authorities or in cases of emergency. We contract for security services from private contractors in those areas where such services are required. Our operations contract for these services locally with support from our Global Security and Global Supply Chain functions. We expect security providers to adhere to applicable international law enforcement principles, humanitarian law and human rights law. Hess contracts include clauses covering security and human rights expectations for our upstream business. The clauses require our security contractors to communicate our human rights, social responsibility and ethical expectations to their employees and subcontractors, as well as demonstrate compliance. The aim is to ensure delivery of a consistent message of performance expectations for security contractors and drive consistency across Hess operations. New human rights related clauses have also been incorporated into some of our recent investment agreements.

In the event of a security incident with human rights implications, a report is made to the head of Global Security. Reports are also issued for those occurrences that highlight potential future risk such as peaceful community protests. No reports were made in 2013.

In 2013 our Global Supply Chain colleagues reviewed our progress and identified measures for implementation and assurance in this area. We will continue this effort in 2014. For more information, refer to the Community and Social Performance section of this report.

Local Content

In the United States we used more than 900 small, minority and women owned businesses, which accounted for 23 percent of our spend and 25 percent of our vendor count in our U.S. business in 2013.

Internationally, we often prioritize local suppliers as part of production sharing contracts or other agreements with host countries. These agreements vary, but may include approved vendors or threshold specifications for local companies or workers.

Supplier Engagement and Sustainability

Hess continues to engage with suppliers on issues that are important to our industry and our stakeholders. Since 2009 we have worked with current and prospective suppliers of hydraulic fracturing services to define acceptable fracturing fluid systems, including restrictions on the selection and use of certain chemicals. We require suppliers to publish fracturing fluid chemical composition and quantities via the FracFocus website. While the majority of chemicals are identified by unique identification numbers issued by the Chemical Abstracts Service (CAS) and are listed on the publicly available CAS Registry, Hess allows its suppliers to use generic names for proprietary ingredients.

In 2012 Hess joined the CDP Supply Chain initiative, a third party climate change disclosure program, which provided a platform to collect 2013 greenhouse gas emissions information from key suppliers of products and services. We also engaged directly with those key suppliers who preferred one-on-one discussion. The intent was to improve our understanding of some of our major sources of supply chain greenhouse gas emissions; these are described later in this report.

Enterprise Risk Management Process

We evaluate, manage and mitigate a broad range of risks we face in our business, including social and environmental risks. Risk management shapes our business and investment decisions and drives operational excellence. Our risk management program is continually evolving to address our changing portfolio and new business challenges.

Risk management starts with a common language. Our program is underpinned by a "risk dictionary," which defines technical and non-technical risk terms, and a risk rating matrix, which includes levels of risk (low, medium, high, very high) based on impact and likelihood of occurrence. For example, a health and safety impact could range from low (a first aid case) to very high (potential fatalities).

We begin a risk assessment by bringing together business and asset level subject matter experts to establish a holistic risk profile for a particular asset. Findings from recent environment, health and safety and operational excellence audits also inform the process. Based on these discussions, a "heat map" is generated that identifies each risk and its associated likelihood and potential impact to value, reputation, production, compliance, and/or health and safety.

This risk profile is then used to prioritize critical risks – known as an "inverted L" due to their shape on the heat map. Critical risks include high risks – those with higher likelihood and impact – and "tail" risks, which are unlikely but would have a significant impact if they did occur. These inform the prioritization for risks in an integrated risk register, which catalogs actions to manage or mitigate each risk. Embedded risk managers work with the asset teams to direct risk mitigation activities and ownership associated with each scenario. Key risks are aligned to annual business plans.

- Alignment through a common risk language
- Develop a shared view of risks
- Align integrated risk registers to heat map
- Prioritize critical risks
- Focused risk management plans, including ownership
- Synchronize risk management activities across disciplines
- Align risk register with business plans

Case Study: North Dakota Risk Management

Bakken Drilling Operations, North Dakota

Expectations are rising every year for operators to achieve high performance. In 2013 Hess' North Dakota asset assessed non-technical considerations to generate a full above ground risk profile. In 2014, technical risks were integrated to create a holistic risk assessment.

Numerous business functions participated, including Operations, Government Affairs, Legal, Supply Chain, and Environment, Health and Safety. The risk management process was carried out for our North Dakota Drilling Operations and Production Operations and the Tioga Gas Plant. Various risks were identified and then categorized for prioritization in the risk register, including attracting and retaining key personnel, industry-wide flaring goals and pipeline integrity.

Weekly meetings and monthly calls facilitated status updates and discussions of challenges and successes. Quarterly presentations to a broader group of experts across the business were used to inform senior management. These meetings also presented an opportunity to reshape the risk profile as circumstances changed at the asset level. For example, the changing regulatory climate warranted heavier emphasis on various environmental risks.

Stakeholder engagement was also elevated within the priority category because of increasing activity with government agencies and non-governmental organizations. By early 2014 approximately one-third of the risks were adequately mitigated and were subsequently removed from the priority risk register. In addition, nearly all priority risks that remained had a clear mitigation plan with an identified owner.

Learnings from the North Dakota risk profile development process are informing future assessments at our other assets. Our goal is to have assessments completed and integrated risk registers initiated for all assets by year end 2014.

Hess Succeed 2020 Educational Program, North Dakota

COMMUNITY AND SOCIAL PERFORMANCE

2013 KEY DEVELOPMENTS

- Invested $37 million in social programs around the world
- Held 15 internal corporate social responsibility workshops in our operations worldwide
- Developed a Security and Human Rights Policy and toolkit; Training is underway

2014 GOALS

- Roll out security and human rights tools as part of stakeholder engagement process
- Complete third party social and environmental baseline study for the Bakken North Dakota operation and surrounding communities
- Launch Phase 2 of PRODEGE, Hess' flagship education program, in Equatorial Guinea

At Hess, we view corporate social responsibility (CSR) as a way of doing business, enhancing our ability to be an effective, profitable and trusted energy partner. By proactively engaging with the communities where we operate, we can maximize our business value, manage social risks and impacts and create opportunities for stakeholders.

We integrate social considerations into our business decisions using a three-pronged approach: stakeholder engagement, social risk and impact management, and community benefits. Each element informs the others as we work toward continuous improvement. This approach fosters long term relationships, encourages operational success and supports profitable growth.

For Hess, CSR is more than philanthropy and what we do with our profits; it is about how we operate. Our programs have evolved over time to incorporate a broader understanding of what it means to invest in a community. Philanthropy is an element for developing communities and maintaining a social license to operate, yet it is not sufficient in and of itself. To make a contribution to sustainable development, companies must excel in areas beyond charitable giving, such as local sourcing, capacity building and workforce development, while also minimizing the social and environmental impacts from operations.

STAKEHOLDER ENGAGEMENT

Discovering and producing oil and gas have become increasingly challenging for our industry, both technically and in terms of environmental and social considerations. As an international energy company, our access to resources depends on effective engagement with governments, regulators, communities and civil society.

As such, it is critical for our company to understand the expectations, priorities and concerns of our stakeholders, including communities, employees, suppliers, customers, industry members, governments and investors.

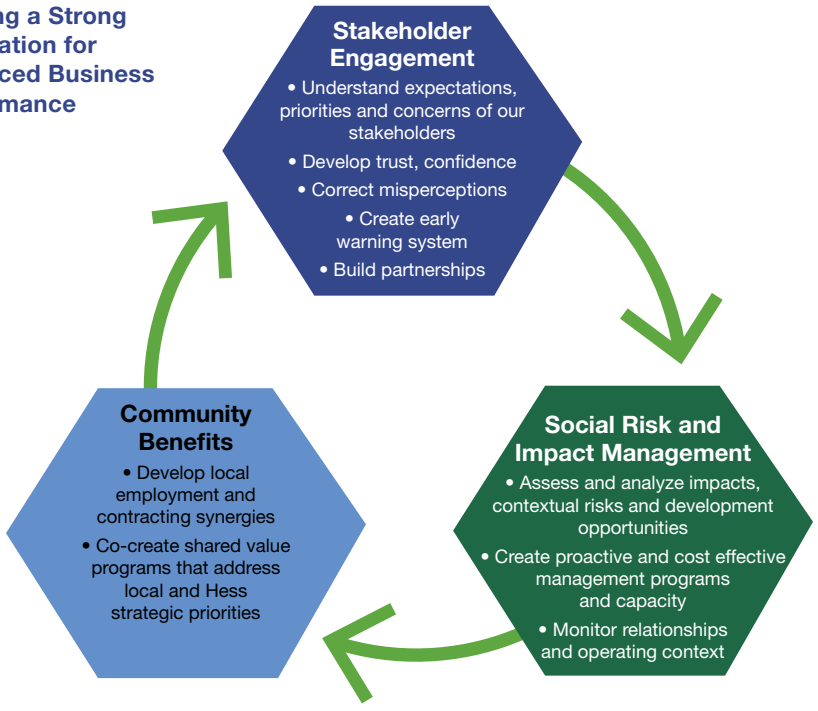
As part of our multi-tiered approach to community work, we collaborate with stakeholder groups to identify opportunities benefiting our host communities, while simultaneously improving our business and strengthening our license to operate.

We operate in different global locations with widely varying social, political and economic climates, and we tailor our community and engagement work accordingly. The needs in rural North Dakota, for example, are very different from those in Equatorial Guinea.

Hess works to map its operational stakeholders and develop engagement plans at each location. We also require each of our sites to create, maintain and implement a strategic social investment program tailored to that operation and community. As of this writing, we are engaged in a companywide effort to standardize our stakeholder engagement process and tools. We plan to integrate specialized topics such as security and human rights and develop and pilot these tools later in 2014.

We recognize that risks associated with our activities can have a significant impact on stakeholder relationships, public perception and the success of a project.

Building a Strong Foundation for Enhanced Business Performance



To operate effectively as guests in host communities requires a mutual understanding of expectations between Hess and those who live and work nearby. Indeed, stakeholder engagement is a critical aspect of operational success across the entire life cycle of our business, from the earliest phases of seismic study through the decommissioning of an asset. Proactive, continuous two-way stakeholder engagement helps set expectations, averting miscommunication and misunderstanding before they start.

One example is managing expectations for local employment. While our operations can create employment opportunities, they are often fewer in number than what communities anticipate. Many of our positions require technical expertise that is not always available locally. Other jobs are short term and needed only in some phases of a project. By explaining the nature of our operations and how it changes over the project life cycle, we can help address community concerns before they escalate. This is also why we emphasize purchasing local goods and services, so that we provide local benefits beyond direct local employment with Hess.

Other stakeholder activities in 2013 included working on a pilot grievance mechanism procedure, conducting a social impact assessment in the Shakrok block in the Kurdistan Region of Iraq, providing cultural awareness training for Kurdistan Region staff to support meetings with local representatives before carrying out seismic surveys, holding training sessions on indigenous stakeholder engagement for employees and contractors in Australia, and working with our trade association and regulators in North Dakota and with regulators and leaseholders in Ohio.

Grievance Mechanisms

Formal grievance mechanisms support stakeholders who are seeking to exercise their rights of free expression and share feedback with companies on their operational impacts. Through our membership in IPIECA, the global oil and gas industry association for environmental and social issues, and in partnership with six of our sector peers, we have been participating in a voluntary pilot project at one of our shale energy asset locations.

Voluntary Initiatives

Hess has endorsed or formally joined a number of international voluntary initiatives that pledge to respect human rights, protect the environment and encourage financial transparency. We have been focused recently on determining where we may have gaps in terms of operationalizing these voluntary principles and initiatives and have been making adjustments if necessary. For example, we have developed companywide training in human rights and have inserted language regarding our expectations for contractors into every supplier contract.

In addition, we are active in IPIECA, and in 2013 we served as chair of IPIECA's Social Responsibility Working Group and co-chair of the Responsible Security Operations Task Force.

The United Nations Global Compact is a strategic policy initiative for businesses committed to aligning their operations and strategies with 10 principles in the areas of human rights, labor, environment and anti-corruption.

The Voluntary Principles on Security and Human Rights is a multi-stakeholder initiative involving governments, companies and non-governmental organizations that promotes the implementation of a set of principles that guide oil, gas and mining companies on providing security for their operations while respecting human rights.

The Extractive Industries Transparency Initiative is an effort to strengthen implementation of the principles to increase transparency of payments and revenues in the extractive sector.

The United Nations Declaration on Human Rights was issued by the United Nations in 1948 and represents the first global expression of rights to which all human beings are inherently entitled.

The International Labour Organization's Declaration on Fundamental Principles and Rights at Work is an expression of commitment by governments and employers' and workers' organizations to uphold basic human values.

Our existing grievance mechanisms are not standardized; thus our goal with our own pilot is to apply best practice learnings from all the IPIECA pilots to establish a consistent process across our operations that better addresses stakeholder grievances.

Indigenous Communities

In 2012 Hess obtained certain exploration rights in the Canning Basin, which is located more than 1,200 miles north of Perth in the central north of Western Australia. The highly regulated approvals process includes extensive stakeholder engagement and requires exploration agreements be entered into with Traditional Owner Groups prior to issuance of an exploration permit by the state government. We began meeting with the Traditional Owners of the northern area of the Canning Basin in 2012 to inform them of, and seek approval for, our 2014–2016 seismic acquisition program and commencement of Heritage Clearance Surveys. Discussions with the Traditional Owners representing four distinct and autonomous Traditional Owner Groups from the Southern "Kidson" area of the Canning Basin are progressing toward finalization of exploration agreements. To date, we have reached agreements in principle with two Traditional Owner Groups and are progressing the final two negotiations.

SOCIAL RISK AND IMPACT MANAGEMENT

Engaging with stakeholders helps us to proactively identify, mitigate and manage above ground risks that can impact communities and projects. Prior to project startup, new country entry or expanding existing facilities, we examine the social, political and economic environment to identify non-technical risks and mitigation activities and integrate them into our strategic planning. Recent examples include the following:

- We conducted an integrated risk review in North Dakota and an environmental and social impact assessment for our Utica Shale project in Ohio.
- We carried out 15 internal CSR workshops for global practitioners, to build upon successes from an initial 2012 workshop.
- We held discussions with the World Bank, the International Monetary Fund and government representatives from the United States and Equatorial Guinea (E.G.) to advocate resuming the E.G. revenue transparency initiative.

Okume Complex, Equatorial Guinea

Human Rights

Although it is the responsibility of governments to protect human rights, companies like ours must act with care and respect for the human rights of all citizens wherever we operate. Our strategy is to prevent human rights related incidents by engaging with stakeholders, including communities, to proactively address potential issues. The complex environments in which we operate present an opportunity to make positive and lasting contributions in the areas of governance, transparency, respect for rule of law, and social and economic development.

Our Corporate Social Responsibility and Human Rights policies, including a new Security and Human Rights Policy that launched in early 2013, detail our commitments to our employees and communities of operation through every phase of our business activity. These policies also set expectations for

Assessing Social Impacts and Benefits in the Kurdistan Region of Iraq

Drilling Operations, Kurdistan

Hess aims for all aspects of its activities in the Kurdistan Region of Iraq, including those of its contractors, to be conducted to the highest operating standards in a way that respects our local stakeholders' culture and environment and advances sustainable development. Hess believes that demonstrating respect to our host communities:

- reduces the possibility of misunderstandings and causing offense
- minimizes the possibility of grievances and conflict due to our presence
- helps us develop a positive reputation among key stakeholders and thus supports the company to build and maintain its social license to operate

Any time we enter a new location for oil and gas exploration and production we endeavor to understand not only the natural and physical environment, but also the social and economic circumstances of the surrounding communities. This knowledge is fundamental for project success.

Our work in the Kurdistan Region of Iraq is a prime example of why this is so important. Hess entered the region in mid 2011 under a three-year licensing agreement to explore two areas – the Shakrok and Dinarta blocks. From a physical standpoint, these regions posed a number of challenges, such as mountainous terrain, inadequate roadways and geographic isolation. But the cultural considerations were equally challenging. This largely tribal region had a long history of conflict with neighboring Iraqi provinces, enduring chemical weapons attacks and forced deportations. In one village near our drilling site in Dinarta nearly every one of the 150 households had suffered the loss of a male family member. Large numbers of residents in both the Shakrok and Dinarta blocks have suffered through forced deportations and are living in exile from their original Iraqi homelands. Moreover, minefields and unexploded ordnance dot the landscape.

Before we began our exploration work we conducted a risk assessment to help identify and then mitigate the potential social impacts of our seismic survey and drilling. This in turn allowed us to maximize the benefits to the local stakeholders.

We conducted "town hall" style and small group meetings with village elders before we started our operations. We worked with the government to implement a compensation scheme for landowners whose land was disturbed as we crossed it. We also worked hard to hire people locally wherever possible. One thing we heard again and again from our meetings with stakeholders was that they wanted jobs and opportunities. But even more important, they said they wanted Hess to perform our exploration and production work safely and in a way that respects the people of the region.

We are improving infrastructure in the region by upgrading roads and bridges that better enable travel across the rugged terrain. We are restoring the environment where we operate and planting trees native to the area. Hess has also provided $500,000 to the International Rescue Committee, which is working with some 60,000 Syrian refugees in the region and their host communities. This funding helped provide shelter, clothing and counseling to refugee families who fled their native country with little more than the clothes on their backs.

employees and contractors. Our Hess Values and our Code of Conduct, which includes specific references to human rights, provide a foundation for our commitments to ethical and responsible business practices.

We have been working to more firmly align our business practices with our CSR Policy, Human Rights Policy and Security and Human Rights Policy. For example, before we begin exploration activities in a new country, we analyze human rights issues with the understanding that these are clear business risks that must be assessed. This analysis is integrated into the new country entry process to help inform our strategy and approach.

We also educate our employees on the importance of respecting human rights. In 2013 we developed an online training module for all employees that explains human rights and why they are important to our business. The course reviews our Human Rights Policy, offers employees guidance on integrating respect for human rights into their daily work and provides direction on how to report suspected human rights violations.

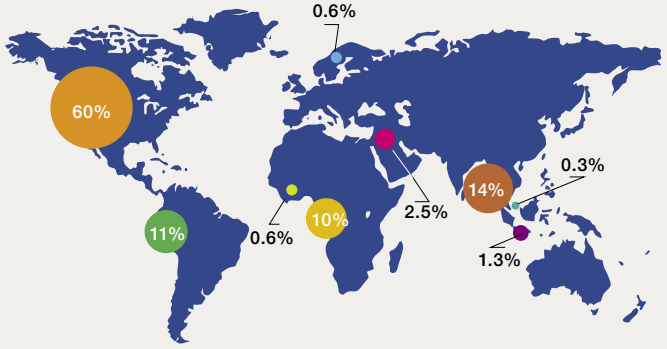

Tioga Gas Plant, North Dakota

COMMUNITY BENEFITS

Our strategic social investments are designed to create shared value that improves the quality of life in local communities and grows our business. We focus in particular on education and

2013 Social Investment by Country – $37 Million

$ Thousands

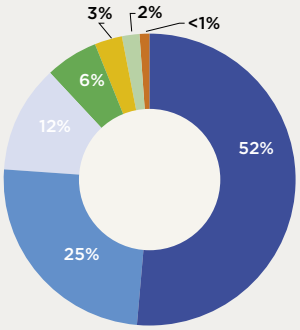


- United States **$22,175**
- Malaysia **$5,038**
- Peru **$3,916**
- Equatorial Guinea **$3,526**
- Kurdistan Region of Iraq **$912**
- Indonesia **$489**
- Norway **$239**
- Ghana **$229**
- Thailand **$128**
- All Others* **$380**

*Includes U.K. North Sea, Denmark, Algeria, Russia, France, Libya, Australia

2013 Type of Investment

$ Thousands



- Education **$19,090**
- Community **$9,344**
- In-Kind **$4,478**
- Arts & Culture **$2,261**
- Disaster Relief **$1,256**
- Health **$557**
- Environment **$44**

Tioga, North Dakota

health, contributing to education improvement and work skill development, which are fundamental to sustainable economic growth. We also seek to identify opportunities in the supply chain to provide lasting economic benefit through local job creation.

In 2013 our strategic social investments totaled approximately $37 million, with more than $19 million going toward education projects. Another $10 million was earmarked for economic development, health and capacity building.

Economic Development, Capacity and Impact Mitigation in North Dakota

Hess' legacy of conventional drilling in North Dakota dates back more than 60 years to our first successful well in 1951. During our first five decades in the state our footprint was relatively small, as we produced on average 10,000 to 20,000 barrels of oil equivalent per day (boepd). We developed a reputation as a responsible operator and a good corporate citizen with deep community roots, in part through our commitment to volunteerism and civic contributions. More recently, we have also focused on capacity building and mitigating social impacts, as our average net shale production in 2013 increased to 67,000 boepd.

Shale oil and gas drilling and production from the Bakken formation in western North Dakota began in 2006. Production rapidly increased between 2010 and 2012, moving North Dakota into second place among oil and gas producing states. The rise in drilling and production has been accompanied by significant increases in employment in oil field, construction, transportation and services jobs. The increased economic activity has also led to double-digit population growth in several counties in the region, as well as social and environmental impacts from oil and gas operations.

Capacity Development

Over the past few years Hess has taken a number of steps to help North Dakota implement education reforms and attract skilled graduates to the workforce. Our largest initiative, Succeed 2020, is a five-year, $25 million program to assist students as they prepare for college, careers and the workplace. The program has been carefully planned and implemented as a partnership with the state of North Dakota and FHI 360, a non-profit human development organization. It supports college and career counseling for students, professional development for teachers, tutoring and online learning. Nominated by the Greater North Dakota Chamber of Commerce, Hess was recognized by North Dakota's State Superintendent of Public Instruction with the 2014 ACT College and Career Readiness Award for this effort.

Hess is also participating in and providing more than $400,000 over two years to a North Dakota Department of Commerce Economic and Workforce Development campaign to encourage skilled workers and their families to relocate to North Dakota for the career opportunities and the quality of life.

Local Initiatives

One of the unintended consequences of increased oil and gas activity has been the increased pressure on housing availability due to the influx of workers. The additional population has also put pressure on public services and infrastructure such as schools, roads and emergency services.

In 2013 we worked with the North Dakota Petroleum Council and with government officials to pass legislation directing $2.5 billion to impacted areas in support of burgeoning business activity and population growth. This funding will expand emergency service capability and upgrade sewage treatment plants, school infrastructure and roadways.

Hess is also conducting a third party social and environmental baseline study for its Bakken operations and surrounding communities. The study will evaluate issues from Hess and industry operations along with quality of life impacts to provide valuable information and recommendations. Community development and local benefit opportunities will be an important outcome from the study as well.

Community Activities

The Blue Denmark Campaign

Careers in the Oil and Gas Sector

We run a successful internal training program on South Arne that allows trainees to gain insights into the various trades on the platform over a two-year period. In addition, we are active participants in both the Oil & Gas Denmark Skills & Competence (S&C) Committee and the Blue Denmark Campaign, a collaboration with the Danish Shipowners' Association. The S&C Committee is working to define our workforce needs and develop strategies to ensure that these are met. One of the outcomes is that the Technical University of Denmark (DTU) now offers a master's degree in oil and gas technology. The Blue Denmark Campaign arranges offshore events for students from DTU and the engineering colleges, offering information on the many job opportunities available.

Houston LEAP Program

Project LEAP: Learn. Engage. Advance. Persevere.

LEAP is a three-year pilot dropout prevention program for at-risk middle school students at two Houston, Texas, inner-city middle schools. Five program partners, including Hess, work collaboratively to provide support to students who are English language learners and over age for their grade level. Students are identified as being at risk of dropping out before graduating high school, with support provided through individualized and experimental learning opportunities. The Houston Independent School District supports LEAP, its program partners and participating schools.

Hess/GNPC Scholars Program

Supporting Education

In Ghana, Hess sponsors the Hess Scholars Program, an annual scholarship to benefit education and vocational studies, with an emphasis on female students. Launched in September 2012, the program includes 171 students entering senior high school, vocational institutions and nursing colleges. Students are selected through an application process supported by the country's District Education Department. The scholarships, which are cosponsored by the Ghana National Petroleum Corporation (GNPC), cover the cost of tuition, administrative fees and books. The initiative was created as the result of a baseline needs assessment we conducted with input from stakeholder groups.

North Malay Basin, Gulf of Thailand

SAFETY AND HEALTH

2013 KEY DEVELOPMENTS

- Achieved a 26 percent decrease in workforce (employees plus contractors) Lost Time Incident Rate compared to 2012
- Achieved a 14 percent decrease in workforce Total Recordable Incident Rate compared to 2012
- Continued to integrate a new contractor prequalification and selection process that includes environment, health and safety (EHS) reviews for higher risk companies
- Convened a cross-functional Rail Transport Working Team to focus on crude-by-rail safety

2014 GOALS

- Achieve a 90 percent completion target against plan for number of leadership site visits and workforce safety observations
- Accomplish a 90 percent closure rate against plan for number of open EHS audit findings and process safety health check observations
- Meet a workforce Total Recordable Incident Rate target of 0.47

At Hess, safety is our foremost priority and an integral part of our company culture. Our aim is "everyone, everywhere, every day, home safe." That is an ambitious goal, given the personal and process safety risks inherent in our industry. We work hard to manage and minimize those risks, so as to preserve the safety and wellbeing of our workforce, the environment and the communities where we do business. In 2013 this led to a 14 percent improvement in safety performance.

We address safety systematically. To begin, we have a basic set of Hess Rules for employees and contractors that focuses on the control of seven activities that are at high risk for fatalities (see inset on following page).

In addition, we monitor key safety and health metrics across the enterprise, consistent with industry guidance and standards. These metrics are regularly reported to senior Hess management and are components of the bonus formula for executives and employees. We strive for continuous improvement in our performance while acknowledging areas that pose challenges. Periodically we benchmark our performance against industry peers, and we actively participate in industry trade associations where best practices are shared and solutions are sought for common issues.

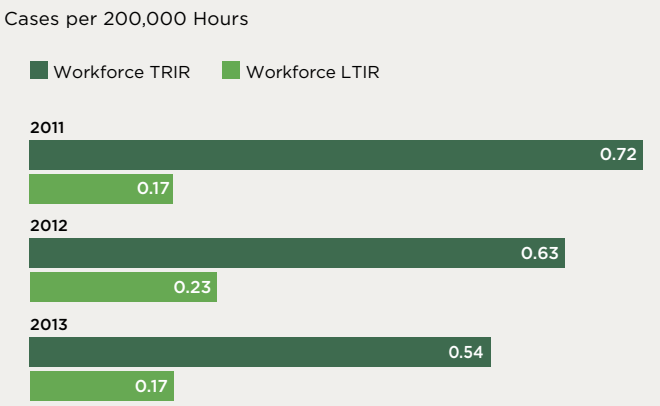
We expect every Hess employee and contractor to be a safety leader. During 2013 we worked with third party experts to develop an Executive Safety Leadership Program to further engage and energize Hess executives and managers in safety issues, increase accountability and make improvements that are visible companywide. The program was launched at the end of 2013 and will be expanded in subsequent years.

We also seek to ensure that all of our contractors' safety and health systems and programs align with ours. We insist on transparency from our contractors, and we undertake appropriate reviews to ensure commitments are being met.

PERSONAL SAFETY

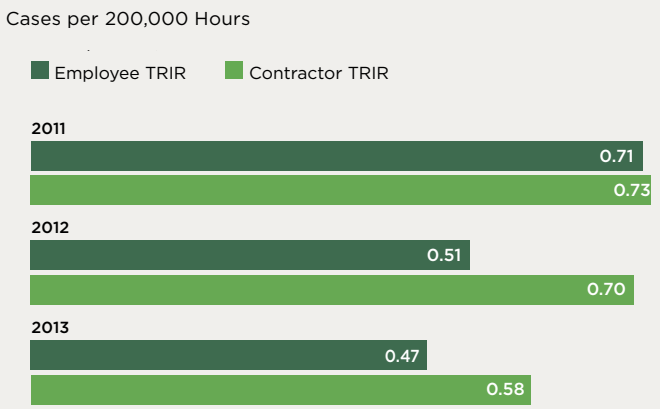
We improved our safety performance in 2013. The Total Recordable Incident Rate (TRIR) for our full workforce (i.e., employees and contractors together) was down 14 percent from 2012 and down 25 percent from 2011. Our workforce Lost Time Incident Rate (LTIR) was down 26 percent from 2012 and was flat compared to 2011.[1] These rates were driven by improvements in both employee and contractor safety performance. Our contractor TRIR dropped 17 percent in 2013 compared to 2012, while our employee TRIR dropped 8 percent over the same time period. We experienced no employee or contractor fatalities in 2013.

Full Workforce Safety Performance[2]



[2] This workforce data covers all of Hess and includes employees plus contractors together. Our 2013 workforce TRIR and LTIR for Exploration and Production alone was 0.56 and 0.13 respectively.

Employee and Contractor Safety Performance



[1] When calculating LTIR, scheduled work days are used. A lost time incident involves one or more days away from work, excluding the day of the incident. Absenteeism and Occupational Disease Rate are not primary metrics for Hess. We do not track absenteeism. We include occupational illness and occupation-related disease for current employees in our companywide safety totals.

Hess Rules

The Hess Rules are seven basic global requirements for safe work practices. They apply to all Hess operated endeavors, and adherence is mandatory. Each rule is accompanied by more detailed and specific requirements, as applicable.

Energy Isolation
Stored energy sources shall be identified, isolated, tested and communicated to appropriate personnel before work shall proceed.

Lifting and Hoisting
Use only locally qualified operators and appropriate equipment for all mechanical lifting, hoisting and rigging operations.

Working at Heights
Personal fall protection equipment must be worn when working 6 feet (1.8 meters) or higher above ground.

Confined Space Entry
Confined spaces shall not be entered unless authorized by written permit.

Hot Work
A written work permit is required for all hot work outside of designated safe areas.

Excavation and Trenching
All excavation and trenching work greater than 4 feet (1.2m) deep requires written approval.

Land Transportation
Identify all threats associated with motor vehicle activity prior to putting motor vehicle in motion.

PROCESS SAFETY

Process safety focuses on the prevention of events such as fires, explosions and releases of hazardous materials. To manage process safety effectively at Hess, we employ:

- Design integrity – ensuring that the risks are as low as reasonably practical in the design and construction of facilities
- Technical integrity – inspecting, testing and maintaining our hardware
- Operational integrity – ensuring that we work within operational design parameters
- Process safety leadership – ensuring that our leaders across the organization effectively manage process safety risks to minimize the likelihood of catastrophic process safety events

In 2013 we continued to implement a focused process safety program across Hess. This program addresses three strategic elements: improving process safety leadership; understanding and identifying process safety vulnerabilities; and educating key people across the organization in basic process safety awareness.

Most notably, in 2013 we completed an enterprise wide "process safety health check," a high-level internal assessment of the process safety programs at our key production assets and drilling operations around the world. Through this assessment we identified several opportunities for improvement. In 2014, on-time closure of health check action items will be incorporated into the annual incentive plan formula for Hess employees.

Another effort in 2013 involved delivering process safety awareness training to plant personnel and a cross-section of leaders at the middle and senior levels. An additional process safety training module will be developed by the end of 2014 and will build upon the training currently being deployed.

The chart on the following page shows our process safety performance in 2013, as measured by Tier 1 and Tier 2 process safety events, based on industry criteria for Tier 1 (greater consequence) and Tier 2 (lesser consequence) process safety events.

We will review all Tier 1 process safety event investigations to further improve the quality and effectiveness of the investigations and to maximize what we learn from these events to improve our overall process safety performance.

Select Hess production assets and drilling and completion operations will begin tracking Tier 3 and Tier 4 process safety key performance indicators (KPIs) in 2014, which include such metrics as timely closure of previous health check action items, activation of safety systems and overdue safety critical equipment inspections.

EMERGENCY PREPAREDNESS AND RESPONSE

Unanticipated, safety related disruptions to our business, whether caused by weather events or process safety incidents, trigger our emergency preparedness and response plans and procedures. Through these procedures, we seek to protect people from injury, the environment from spills and other accidents, our assets from damage and the company's reputation from harm – in that order.

Each Hess region has its own Emergency Response Network that spans three operational levels – asset, regional and enterprise. Each level comprises personnel trained in their roles and responsibilities for incident response and mitigation.

In 2013, due to the company transition to a pure play exploration and production (E&P) company, we implemented an in-depth "management of change" process to ensure we maintained appropriate personnel, standards and emergency escalation models throughout the transition. Through this process we identified and then closed several gaps. In August 2013, for instance, due to the closing of Hess' London office, we shifted responsibility for emergency response support for assets in seven European and African countries from London to Houston. In so doing, we held six training sessions to educate the Houston-based Incident Support Team about their new responsibilities.

We routinely conduct emergency exercises and drills, as well as engage local emergency management in these efforts. In 2014 we will conduct our most complex exercise yet – the simulation of an offshore loss of containment incident similar to the Macondo event that occurred in the Gulf of Mexico in 2010. This exercise will involve Hess' Gulf of Mexico assets, including approximately 60–70 Hess and contractor personnel.

We maintain strong relationships with mutual aid and emergency response organizations at the local, regional and global levels to enhance our ability to respond swiftly and effectively to any incident. In 2013 we subscribed to the Subsea Well Intervention Service, a new program that provides well capping and dispersant equipment and oil spill dispersant that can be deployed internationally. In addition, we partner with Oil Spill Response Limited, Marine Well Containment Company, the Subsea Well Response Project, the Oil Spill Prevention and Response Advisory Group and Clean Gulf Associates.

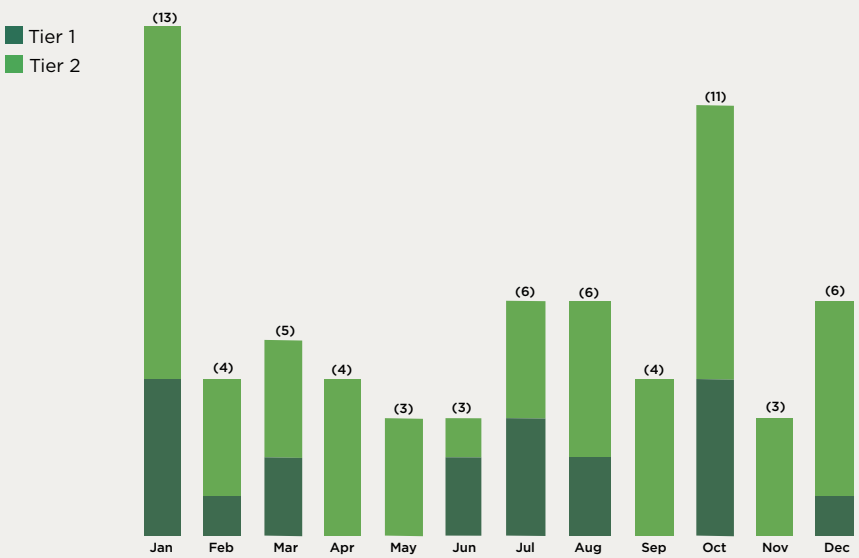
In late 2013 we signed a global agreement with Impact Weather, which provides risk assessments and detailed reports on potential weather threats. In early 2014 persons at each of our assets were trained in how to use this service.

CONTRACTOR MANAGEMENT

At Hess, contractors now comprise 83 percent of the workforce in our E&P business. As the proportion of contractors in our workforce has increased in recent years, we have significantly strengthened our contractor management processes.

As part of the procurement process, EHS reviews are conducted for those contractors that are considered higher risk, due either to the number of manhours they will work at Hess or the nature of that work, such as drilling and completions or offshore work. As one part of the EHS review, we use recognized industry safety prequalification software for most major areas of Hess operations. Elsewhere, we use in-house processes such as supplier questionnaires. In the United States, potential contractors receive a grade based on items such as insurance and safety record. If potential contractors receive a low grade, the asset director (or above) must endorse a safety action plan before the contractor may be approved. The procurement process will also typically include an on-location audit. New contractors take part in a four-step onboarding and engagement program.

2013 Number of Process Safety Events



Note: Tier 1/Tier 2 criteria are based on definitions from the International Association of Oil and Gas Producers, Process Safety – Recommended Practice on Key Performance Indicators, Report No. 456, November 2011.

In 2013 we put a particular focus on the safety performance of our existing contractors, ranking all of them from a safety risk perspective and then developing safety action plans for the 20 deemed the highest risk. We then tracked the completion of those safety action plans, and included that as a metric in the bonus formula for Hess employees.

HEALTH AND WELLNESS

Our health and wellness strategy encompasses eight elements of health management: health risk assessment and planning; industrial hygiene and control of workplace exposures; medical emergency management; management of ill health in the workplace; fitness for task assessment and health surveillance; health impact assessment; health reporting and record management; and public health interface and promotion of good health.

In 2014 we will conduct an analysis of all of our programs in these eight categories – location by location – to identify any gaps and priorities and develop associated action plans.

At many of our locations, we conduct industrial health monitoring to make sure the workforce is not exposed to chemical, physical, ergonomic or biological hazards. We also offer company sponsored mobile health services to employees in many of our U.S. locations; these include full physicals, fitness for duty exams, immunizations and more. For international employee travel or relocation outside the United States, we provide appropriate vaccinations as well as referrals to medical specialists with expertise in issues specific to that location. We also give employees access to a variety of online, telephonic coaching and worksite based health management resources and tools focusing on nutrition and healthy eating, exercise, stress management, tobacco cessation, disease management and mental health. We offer fitness center discount programs and subsidized

Local Efforts

Tioga, North Dakota

In the first quarter of 2014 the Tioga Gas Plant expansion was completed, more than doubling the plant's capacity. The last nine months of the expansion were accomplished with zero recordable injuries. Though there were many challenges – from subzero degree weather to the sheer complexity and scale of the project and number of personnel involved – proper planning, management of contractor personnel and a strong safety culture enabled this significant accomplishment.

Okume Complex, Equatorial Guinea

Workers at the offshore Okume complex, who are 90 percent contractors and represent about a dozen nationalities, worked an incredible six years and 2.2 million hours without a lost time incident. That was accomplished through the effective integration of contractors into the asset team, operational discipline, constant communication of lessons learned and regular use of stop work authority.

North Malay Basin

In the past three years, Hess employees and contractors in the North Malay Basin have rapidly ramped up work, progressing from engineering study to full production of an offshore site. During this time, and despite formidable safety challenges, they worked more than 3 million hours without a serious injury or potentially severe near-miss incident. Their success is credited to having a sufficient number of qualified EHS inspectors, outstanding communication systems and excellent safety planning.

Weight Watchers memberships to employees and their family members.

In 2013 we piloted a program developed by the Human Performance Institute (HPI) aimed at improving health resilience.

The HPI works with companies' employees to help them enhance their personal performance, energy levels and emotional wellbeing. Our HPI pilot was a success, with 80 percent of participants reporting increases in energy levels. In subsequent years the program will be expanded to Hess executive leadership.

Rail Safety

In North America, the transport of crude oil by rail has increased markedly in recent years due to the rise in shale oil production in the United States. Over the past year, these rail shipments received heightened scrutiny and publicity, as a few train derailment incidents dominated the headlines.

In 2011 Hess worked with railroad companies, regulators and industry experts (including manufacturers, lessors and shippers) to design a better railcar, commonly referred to as the AAR Petition P-1577 design. We had the first fleet in the Bakken in North Dakota – and in the industry – made up entirely of this newer type of railcar, which was precisely designed to safely transport crude oil, including light, sweet crude, such as from the Bakken. These railcars are equipped with enhanced features, including thicker and stronger steel, half head shields, top fittings protection and a reclosing pressure relief device. In addition, our cars are equipped with running gear specifically selected for high mileage unit train service.

We also operate a state-of-the-art loading terminal in Tioga, North Dakota. In operation since late 2011, this terminal was designed for safe, compliant and efficient operation with heavy duty rail infrastructure and loading facilities. The terminal has enhanced safety features, including a fire suppression system and an environmentally responsible "closed loop" loading system with vapor recovery to minimize fugitive emissions of volatile organic compounds during the loading process.

We use a terminal and port specialist company, Watco, to safely operate the Tioga Rail Terminal, load our crude oil and prepare our trains for departure. We also work closely with the railroads, including BNSF, Union Pacific, CSX and Norfolk Southern, to ensure that our oil is delivered safely. In early 2014 we finalized a new light sweet crude safety data sheet (SDS) suitable for Bakken and other light crudes. The SDS, which details the material's hazards and appropriate emergency response measures, accompanies rail shipments and is used by Hess personnel and contractors working with Bakken crude.


Tioga Rail Terminal, North Dakota

We also recently organized and convened an internal Rail Transport Working Team, which now meets weekly. The team includes Hess employees from our North Dakota operations team as well as employees from other functions, including Communications, Government Affairs, Commercial and Marketing, and EHS. The purpose of the team is to better share relevant information regarding any and all issues relating to rail safety.

Hess is actively engaged with oil and gas industry efforts to further improve the safety of rail crude oil transport. Hess is represented on the American Petroleum Institute (API) Rail Policy Committee, Government Affairs Committee and Rail Transportation Group. We also co-chair the Characterization and Classification of Crude Oil Standard Development Working Group, which is developing a new API Standard.

Because improving crude-by-rail safety is a shared effort among regulators, the rail companies and operators, we are also active on several task forces that include all these stakeholders. These include the American Association of Railroad's Task Force T87.6, which is working on improved tank car design and operations, and the Surface Transportation Board's Rail Energy Transportation Advisory Committee. We have also engaged directly with rail company executives to discuss opportunities for improving and maintaining rail safety and infrastructure, such that the potential for future derailments can be minimized.

Safety Audit, North Dakota

OUR PEOPLE

2013 KEY DEVELOPMENTS

- Completed a thoughtful, thorough staffing process at all levels of our organization
- Implemented programs to ease the transitions of employees leaving the company due to our major corporate reorganization
- Launched CareerManager, a new employee performance management system that supports employees in achieving their career goals

2014 GOALS

- Continue programs for employees in transition
- Progress initiatives in key programs, including talent management, diversity and inclusion, and learning and development

Hess' success relies on a company culture and high quality workforce that innovates, leads and learns. This past year was one of the most challenging in our company's history. It was a time of significant change as we began the final phase of a transformation that will turn Hess into a focused, pure play oil and gas exploration and production company.

As we complete our transition in 2014 and 2015, we will have a renewed focus on our key workforce programs, including talent management, learning and development, and diversity and inclusion development. We will stay focused on continuing to create a work environment that fosters innovation, professional growth and teamwork so we can achieve our goals. Leveraging the skills and experience of our workforce is critical to achieving success.

EMPLOYEE DEMOGRAPHICS

We began 2013 with about 13,200 employees (excluding the Hetco front office and Russia operations, which are not supported by Hess' Human Resources function) and ended the year with approximately 12,100 employees. The sale of the Terminal Operations business to Buckeye and the closures of our Port Reading refinery and our London office accounted for the majority of the 8 percent decrease in employee headcount.

To date, the sales of Hess Energy Marketing and the company's Indonesia and Thailand businesses to new owners have resulted in approximately 640 fewer employees. Later in 2014, we expect that the divestment of Hess Retail Marketing will lead to an additional 8,100 employees leaving our payroll, as we complete our exit from our downstream businesses.

TALENT MANAGEMENT

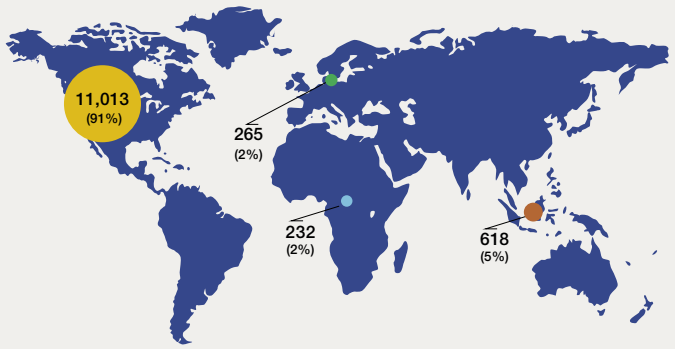
Hess has used a robust annual talent management process for several years to help us understand and assess our leadership and technical capabilities and develop succession and hiring plans. In 2013 we were able to leverage the output of our 2012 talent management process to quickly and effectively manage the changes and promotions of our people as required for our reorganization.

In 2013 our formal talent management process was postponed to 2014 to allow sufficient room for reorganization activity. However, the reorganization activity itself was an opportunity to engage in talent related conversations relevant to Hess' future leadership.

All managers and professionals receive regular performance and development reviews. In early 2013 we launched a new performance management system, CareerManager, which supports employees in achieving their career goals by integrating goal-setting, development planning and performance reviews into individual development plans.

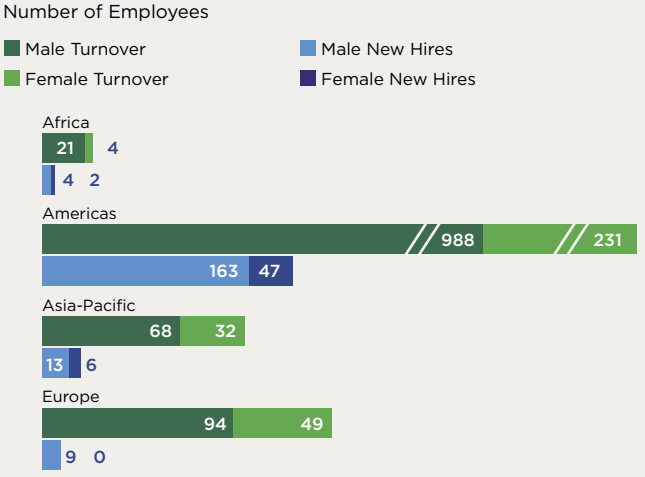
2013 Employees by Region

Total Number of Employees: 12,128



Excludes Hetco (Hess Energy Trading Company) front office. The North America employee count includes approximately 8,100 Retail Marketing employees.

2013 Turnover and New Hires



Learning and Development

Hess offers leadership development through a suite of three leadership programs. Each is tailored to meet the competency development needs of different levels of leadership within the organization, from early-career supervisors through senior leadership.

In 2013 throughout the year we conducted targeted programs in supervisory management and mid-level leadership in the United States and Malaysia. Participating supervisors and managers collectively logged 3,400 hours of training.

Training offerings in leadership and many other topics are available to all employees through our Learning Center, which provides access to more than 1,000 courses (virtual and instructor led) on many topics, ranging from technical to soft skills. In 2013 employees logged over 70,000 training hours across more than 400 unique courses.

New Hires and Early Career Programs

One of the issues affecting the U.S. oil and gas industry is an aging workforce. Hess has developed and implemented programs to speed up the integration of new employees and the development of early career technical hires as skilled older workers choose to retire.

Employees new to Hess benefit from our onboarding and orientation process, known as Passport to Hess. The Passport to Hess intranet site provides information about the company and Hess Values, as well as links to the Learning Center and the Resource Center. The Learning and Resource Centers are critical portals for managing one's career development path. The onboarding program for new hires also establishes a system for supervisors and new employees to work closely together for the first 90 days at Hess and to make sure the integration process goes as smoothly as possible. New Hess employees may also be eligible to join the supplemental early career development programs we offer.

Our Global Professional Development Program, first piloted in 2011, was modified during 2013 to focus on supplementing and enriching the skills and knowledge of newly hired technical personnel participating in the Hess Global Foundation Program. This program is

Employees in Transition

Immediately following the company's March 2013 announcement of the changes to the Hess portfolio, we worked on transition plans to provide our employees with information about how the reorganization would impact each individual. For several months, team members did not know what positions would continue in the new structure. We recognize that this created uncertainty, but it was important to allow time to complete a thoughtful, thorough staffing process at all levels of our organization.

Employees whose jobs were ultimately slated for elimination were provided enhanced severance packages and financial counseling. In addition, career counseling was offered to assist these employees with external job searches. In 2013 the majority of employees who were part of U.S. businesses that were sold were offered jobs at their new employers with no disruption in pay or benefits; these employees also received lump sum severance packages.

Employees in our London office, which we closed in the last quarter of 2013, were offered enhanced severance and provided with financial counseling, as well as career counseling to assist them with external job searches. Employees were encouraged to apply for open positions within Hess in other locations. We also reached out to oil and gas companies to make them aware that employees were leaving.

To keep employees informed, we sent out regular updates by email, conducted multiple "town hall" style meetings, and hosted monthly "breakfasts with leaders" where employees could ask questions and get additional details about the transition. Our goal was to provide a constant flow of information to keep our people as up to date as possible. We also established a company intranet site where employees could find details about severance packages, retirement, medical and other employee benefit plans, staffing reorganizations and other key issues. The site included a question and answer section where we addressed the most common queries about the reductions and the changes in operations.

designed to fully prepare our engineers and geoscientists for challenging assignments early in their careers and to help them keep pace with the rapid evolution of their chosen disciplines through training, mentorship and on-the-job assignments.

DIVERSITY AND INCLUSION

Hess is committed to diversity and equal employment opportunities for all employees and job candidates regardless of race, color, gender, age, sexual orientation, creed, national origin, disability or veteran status. We also consider more than 30 attributes of diversity, including elements such as cultural and physical differences; lifestyle; and diversity of background, experience and perspective.

We do not tolerate any form of workplace harassment, including sexual harassment. We reinforce these expectations through our Code of Conduct, Equal Employment Opportunity and affirmative action policies and training (for U.S.-based managers) and other Human Resources policies, and our Human Rights and Corporate Social Responsibility Policies.

The proportion of women and U.S. minority employees (as defined by the U.S. Department of Labor) increased slightly from 2012. Although new hiring was down by two-thirds, the proportion of new female hires and U.S. minorities was similar to 2012.

In keeping with our aim to foster diversity and cultivate leadership, we employ a high number of local nationals in our international operations and report publicly on those where we employ 100 or more people. The percentage of local nationals increased in Equatorial Guinea and Malaysia as compared to 2012.

2013 National Employees*

Country	National Employees (% of employees)	National Managers/ Professionals (% of managers and professionals)
Denmark	83%	75%
Equatorial Guinea	74%	41%
Malaysia	72%	70%

*In significant areas of operation (>100 employees). Indonesia, divested in early 2014, had 99 percent national employees in 2013; 98 percent of managers and professionals were nationals.

2013 Women and Minority Representation

	WOMEN (U.S. AND INTERNATIONAL)			MINORITIES (U.S.)		
Job Category	Total Employees in Job Category	Number of Women	Percent Women	Total Employees in Job Category	Number of Minorities	Percent Minorities
Executives and Senior Officers	76	10	13%	70	5	7%
First and Mid-Level Managers	2,080	689	33%	1,820	456	25%
Professionals	1,905	651	34%	1,365	360	26%
Other	8,067	3,826	47%	7,758	3,510	45%
Total	12,128	5,176	43%	11,013	4,331	39%

Note: There are 1,861 U.S. employees that are both minority and female.
Excludes Hetco employees.

Tioga Gas Plant, North Dakota

CLIMATE CHANGE AND ENERGY

2013 KEY DEVELOPMENTS

- Achieved six out of seven of our five-year climate change targets
- Reduced absolute greenhouse gas emissions (on an equity basis) by 4.3 million tonnes between 2008 and 2013
- Provided more in-depth discussion of carbon asset risk in this year's sustainability report

2014 GOALS

- Refresh our climate change strategy
- Reduce our flaring rate at the wellhead in North Dakota to 10 percent no later than 2017 and possibly sooner, depending on timely completion of infrastructure projects
- Reassess our Scope 3 emissions inventory and material Scope 3 categories for reporting in 2014

Hess is committed to help meet the world's growing energy needs in an environmentally responsible manner while making a positive impact on the communities where we do business. The end of 2013 marked the completion of our five-year target cycle. We achieved six of our seven strategic objectives as described below.

There is no quick and easy solution to meeting the world's energy demand and reducing carbon dioxide (CO_2) emissions. Climate change is a global challenge that must be met with collective action. Hess is an active member of IPIECA, an international oil and gas industry association actively engaged in sustainable development issues such as climate change, biodiversity impacts and access to energy – issues that are too big for individual companies to tackle alone. IPIECA represents its members at the United Nations' Conference of Parties meetings, engaging with governments on climate related issues.

We have spoken openly about the need for U.S. and world leaders to work with industry to develop comprehensive energy and climate policies that will help meet future energy demand and reduce greenhouse gas (GHG) emissions. Transparent and equitable carbon price signals should be given serious consideration as the domestic and global economies continue to recover from sustained recession.

Hess monitors, measures and takes steps to reduce our carbon footprint at existing and planned operations. We aim to be transparent about our climate change programs and performance, and we have been included in the CDP (formerly Carbon Disclosure Project) annual Global 500 and S&P 500 leadership indices since 2009 for the quality of our disclosures. In 2013 we were ranked third in the energy sector in the CDP Global 500 index and second in the CDP S&P 500 index. Our CDP responses contain more detailed information on the company's climate change related risks and opportunities.

See our CDP Investor disclosure at www.hess.com/docs/CDPresponse.

Strategy and Progress

Strategic Objective	Status	2008–2013 Completed Target Status
Establish, publicly communicate and achieve a five-year GHG emissions intensity reduction target.	⬢	Due to the transition of Hess into a pure play exploration and production (E&P) company, our target of 20 percent reduction in net equity emissions intensity by 2013 was no longer achievable. However, from 2008 to 2013 we reduced absolute GHG emissions on a net equity basis by 40 percent (4.3 million tonnes).
Account for the cost of carbon in all significant future investment decisions.	⬢	We incorporated carbon cost considerations into the project planning process for major investments and held training workshops for project engineers.
Evaluate industry best practices to minimize emissions when designing production facilities.	⬢	We incorporated energy efficiency considerations into the project planning process for major investments and held training workshops for project engineers.
Reduce combined flaring in Algeria and Equatorial Guinea by 50 percent over five years (by end of 2013 compared to 2008 baseline).	⬢	We continued to review flare reduction options in Equatorial Guinea while having reduced combined flaring in Algeria and Equatorial Guinea by 53 percent from 2008 to 2013.
Implement a corporate wide energy efficiency program.	⬡	We implemented monthly collection of energy use and spend data at our assets. Due to the transition, a corporate wide energy efficiency target was not appropriate. Select assets have initiated energy efficiency projects.
Purchase at least 10 percent of annual electricity for company operations from renewable sources.	⬢	We purchased renewable energy certificates equivalent to 14 percent of our 2013 net electricity use.
Offer Hess Energy Marketing customers products and services to help them minimize their carbon footprints.	⬢	Hess Energy Solutions expanded its integrated commodity contract offerings, incorporating energy efficiency, renewable energy and fuel conversion services. Due to the divestiture of downstream assets, this strategy no longer applies.

⬢ Achieved ⬡ Partially Achieved ⬢ Did Not Achieve

Carbon Asset Risk Report

Beginning in 2011 the concepts of "unburnable carbon," "stranded assets" and a "carbon bubble" have been promoted by a number of groups, gaining the attention of investors, academics and the media.† Supporters of the carbon bubble theory suggest that capital markets have mispriced the risk borne by fossil fuel companies. They postulate that investors believe that all coal, gas and oil reserves will be produced and that investors are not fully versed regarding climate risks, presumably because companies have not quantified them fully. Furthermore, they suggest that once investors understand the potential consequences of climate policies, they will be less inclined to invest in hydrocarbon producers.

The Intergovernmental Panel on Climate Change has stated that the world will need to keep to a trillion tonne budget of carbon emissions, from the beginning of the industrial era to the year 2100, to maintain a greater than 66 percent chance of limiting the maximum global atmospheric temperature rise to two degrees Centigrade (2°C). This assumes that governments unite to enact climate policies by 2020 in line with the 2°C goal, and means that approximately half of discovered oil, coal and gas resources will remain unburned.

A review of the International Energy Agency (IEA) World Energy Outlook indicates that the world will require approximately 35 percent more energy in 2035 than it did in 2010 to meet growing demand.† In this scenario, energy efficiency will keep growth in energy demand in Organization for Economic Cooperation and Development (OECD) countries stable, while growth in energy demand in non-OECD countries will continue to expand rapidly.† Meeting the growing demand for energy will require the use of all forms of energy, including traditional fossil fuels, all forms of renewables and commercial-scale carbon neutral technologies. Even with rapid growth in renewables, the IEA forecasts that fossil fuels will still comprise at least 60 percent of the world energy mix in 2040 compared to 70 percent today.

The carbon bubble concept assumes that coal, oil and gas are equally vulnerable to climate policies restricting fossil fuels without considering the differences in carbon intensity. Coal is the most carbon intensive fossil fuel, with a significantly larger CO_2 footprint than traditional forms of natural gas and oil, making coal more at risk than other fossil fuels. For example, according to the U.S. Energy Information Agency's Annual Energy Outlook 2014, the combination of slow growth in domestic electricity demand, competitively priced natural gas, programs encouraging renewable fuel use, and the implementation of environmental rules dampens future coal use. Hess' reserves are mostly light crude oil and natural gas and thus less likely to be significantly impacted by initial carbon regulations.

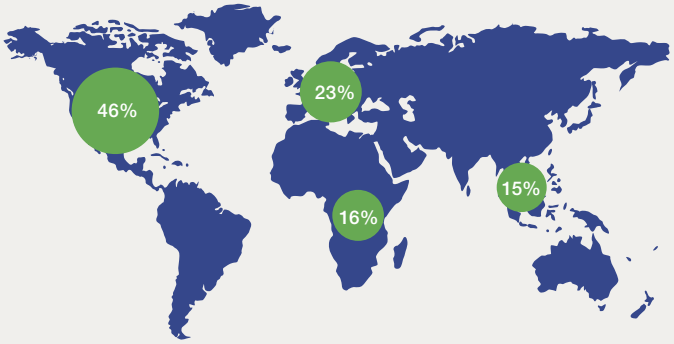
A global policy that results in a low carbon scenario where emissions are held to a 2°C change is most likely to harm less developed countries where the need for affordable, reliable and accessible energy is most urgent. While such a policy is possible, Hess believes that governments will choose a more moderate path that allows for economic growth while mitigating the effects of GHG emissions through a combination of policy related programs and efforts at adaptation.

As a result, we believe that markets are pricing carbon intensive assets rationally. They are determining the value of firms mostly based on their expectations of future profitability, not just on the size of their mineral reserves. The risks associated with climate change have been disclosed in annual reports and discussed with investors for many years.

†Source: Exploring the concept of "unburnable carbon," IPIECA Fact Sheet, June 2014.

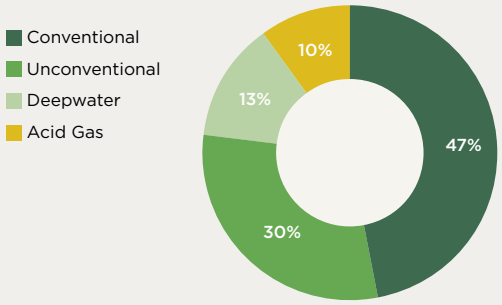
2013 Hess Proved Reserves by Region

1.437 Million Barrels of Oil Equivalent (BOE)



* Proved reserves consist of 77 percent liquids (light and medium crude oils, condensate and natural gas liquids) and 23 percent natural gas.

2013 Hess Proved Reserves by Resource Type



* Deepwater and acid gas are conventional resources but they are shown separately here to provide more clarity on our reserve base. Deepwater refers to reserves found below 1,000 feet of water depth. Acid gas refers to conventional reserves with acid components that require additional treatment prior to sale.

We use various risk ranking models to ensure that our new and existing assets evaluate and rank all non-technical risks, including those related to climate change. A more in-depth discussion of our enterprise risk model can be found on page 12 of this report. Steps are then taken to mitigate risks that we consider likely to impact new projects and existing operations. We also participate in industry initiatives and working groups that focus on quantifying and disclosing emissions performance and climate change related risks and opportunities. For example, we chair the IPIECA Climate Reporting Task Force.

CLIMATE CHANGE GOVERNANCE STRUCTURE

The Hess Leadership Team, composed of senior executive officers, holds the highest direct responsibility for climate change in our company. The Operating Committee provides strategic business guidance and makes key operational decisions for the company, which includes oversight and approval of Hess' strategies to address climate change and related impacts. Recently, the Audit Committee of our Board of Directors formed an Environment, Health & Safety Subcommittee to increase focus on and oversight of environmental matters, including climate change.

CARBON COST ACCOUNTING

Since 2012 we have accounted for the cost of carbon in the formal evaluation process for major new projects, defined as investments greater than $50 million. Beginning in 2013 the value assurance process was expanded from new projects to include an annual review of all significant existing assets. This new annual review of existing assets allows for a recurring evaluation of carbon risk in our ongoing activities.

The analysis accounts for carbon in the base project economics for all major new projects and significant assets in areas where carbon is regulated; in areas where carbon is not regulated, the cost of carbon is included as a sensitivity that accounts for carbon related factors that may affect operating costs in the future in the event of regulation. These analyses enable us to address potential regulatory risks and opportunities driven by current and future costs of carbon and promote more carbon efficient choices for equipment investment decisions.

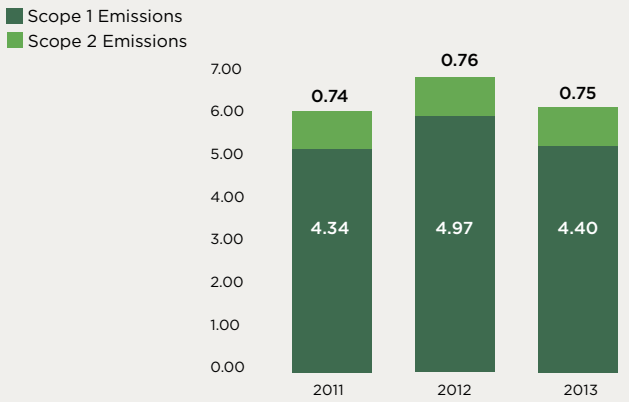
GREENHOUSE GAS PERFORMANCE

We report GHG emissions from our oil and gas assets on an operated and net equity basis. The majority of our direct (Scope 1) emissions are associated with fuel combustion and flaring. We report indirect emissions associated with purchased electricity (Scope 2) and other indirect emissions (Scope 3) resulting from employee business travel and the transport and use of our products.

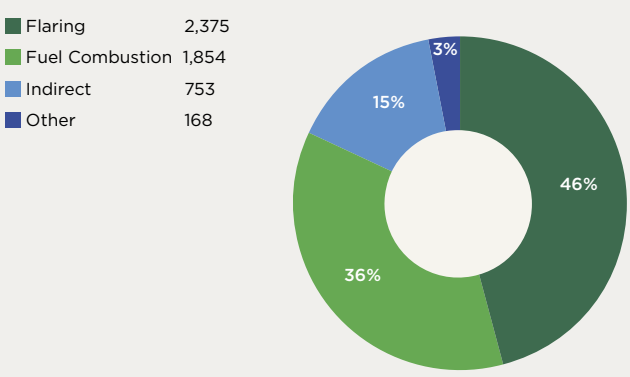
Operated Emissions (Scope 1 and 2)

In 2013, of the 5.2 million tonnes of gross GHG emissions from our operated oil and gas assets, 4.4 million tonnes were

Operated Greenhouse Gas Emissions



2013 Operated Greenhouse Gas Emissions by Source




Malaysia/Thailand Joint Development Area, Gulf of Thailand

Scope 1 emissions, primarily from flaring and fuel combustion, and 0.8 million tonnes were Scope 2 emissions (gross) from purchased electricity. Process operations (primarily fuel combustion), flaring and indirect emissions (purchased electricity) accounted for 36 percent, 46 percent and 15 percent of GHG emissions, respectively. GHG emissions from operated assets decreased 0.6 million tonnes from the prior year, primarily as a result of the shutdown of the Port Reading refinery.

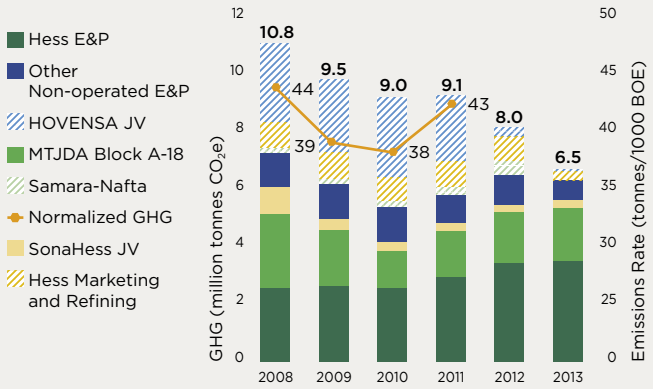
Net Equity Emissions (Scope 1 and 2)

Since 2007 Hess has tracked GHG emissions from our operated and non-operated oil and gas assets based on our equity interest. Tracking emissions on a net equity basis is significantly more difficult than tracking emissions on an operated basis; however, it provides a more accurate reflection of our overall carbon footprint.

Our major sources of emissions from non-operated oil and gas assets in 2013 included the Malaysia/Thailand Joint Development Area (JDA) and SonaHess (Algeria) joint ventures and our equity interests in the Pailin field, Thailand, which has subsequently been divested. Total emissions from these assets accounted for approximately 2.3 million tonnes of our 6.5 million tonnes of net equity emissions.

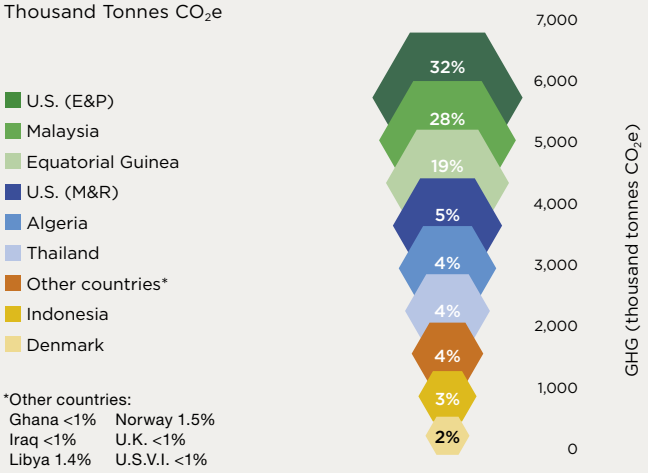
In 2013 major sources of emissions from operated assets included those from our Equatorial Guinea and North Dakota assets and the Seminole and Tioga Gas Processing Plants, which altogether accounted for 2.9 million tonnes of net equity emissions. All of our other operated and non-operated assets made up the balance of net equity emissions of 1.3 million tonnes.

2013 Net Equity Greenhouse Gas Emissions



The hatching pattern represents assets that are in transition.

2013 Net Equity Emissions by Country



*Other countries:
Ghana <1% Norway 1.5%
Iraq <1% U.K. <1%
Libya 1.4% U.S.V.I. <1%

Between 2008 (our baseline year) and 2013, we have reduced net equity GHG emissions from oil and gas operations by 4.3 million tonnes of absolute emissions or approximately 40 percent, primarily through a combination of improved operating processes and discontinuation of refinery operations in Port Reading, New Jersey, and at HOVENSA, in St. Croix, U.S. Virgin Islands.

Scope 3 Emissions

We are continuining to develop our capability for reporting Scope 3 emissions. We have reported emissions from customer and consumer use of sold products since 2008; these comprise the majority of our Scope 3 emissions. Our methodology for calculating product use emissions addresses the products that we refine and sell, as well as the natural gas that we produce and sell for third party consumption. We have closed our refineries and, as a result, product emissions have dropped from 47 million tonnes in 2008 to 14 million tonnes in 2013. These emissions result primarily from the natural gas that we sell for third party consumption.

In addition to our product use emissions, we began identifying and quantifying potential carbon hotspots in our value chain in 2009, and since then have collected data associated with third party supply and distribution and business travel. We refined our approach in 2012 to focus on third party activities where we were able to obtain accurate and reliable source data.


Gas Compression Station, North Dakota

In 2013 we expanded our Scope 3 emissions identification and reporting, in part to evaluate the materiality and relevance of each of the 15 categories included in the Corporate Value Chain (Scope 3) Standard. We joined the CDP Supplier Initiative to improve our understanding of third party GHG emissions associated with purchased goods and services, and disclosed information on all Scope 3 categories in our CDP Investor disclosure.

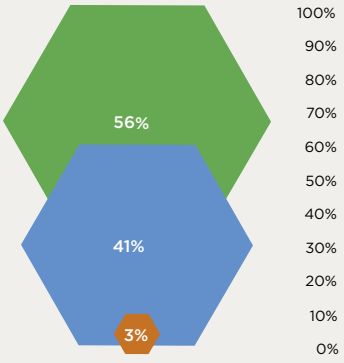
See our CDP Investor disclosure at www.hess.com/docs/CDPresponse.

We also joined IPIECA's Scope 3 Reporting Task Force, which is in the process of developing an oil and gas

2013 Scope 3 Emissions

Million Tonnes CO_2e

Use of Sold Products	13.9
Purchased Goods and Services	10.4
Other*	0.8



* Includes the following Scope 3 categories as set forth in the Greenhouse Gas Protocol Corporate Value Chain (Scope 3) Standard: Capital goods, Fuel-and-energy-related activities, Upstream transportation and distribution, Waste generated in operations, Business travel and Processing of sold products.

sector Scope 3 standard. As Hess completes its transformation to a pure play E&P company, and as oil and gas sector methodology develops that ensures more consistency and comparability, we plan to reassess our Scope 3 emissions inventory and material Scope 3 categories for future reporting.

We have purchased carbon credits annually since 2010 to offset 100 percent or more of business travel emissions. For the past two years we have purchased these credits from The Climate Trust (TCT). In addition, we provided a $25,000 grant to TCT to support an avoided grasslands conversion carbon offsets project in the Prairie Pothole Region of North Dakota. The grant advanced validation of a new carbon offset protocol for avoided grasslands conversion by the American Carbon Registry. The methodology enables grassland producers to earn income from preserving grasslands and the soil carbon present in these systems. As a result, this project will support ranching families and rural communities in a region of noted rural population loss while preserving sensitive habitat.

EMISSIONS REDUCTION INITIATIVES

We track year-on-year changes in air emissions from each of our assets, with special attention to those that are significant contributors to total corporate GHG emissions. We then focus on those contributors where GHG reductions are technically and economically feasible within their operating rhythm, such as North Dakota. In 2013 our North Dakota asset continued to make progress with flaring reduction and natural gas capture initiatives and piloted a water-by-pipeline initiative that will reduce truck transportation.

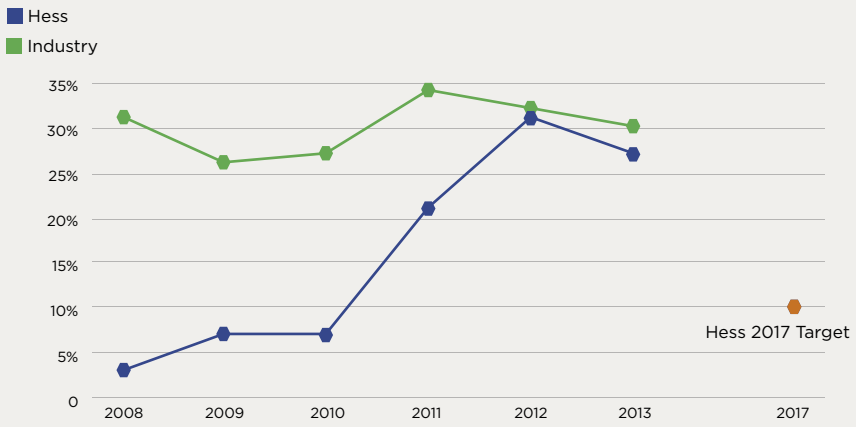
Flaring

Prior to the development of the Bakken formation in North Dakota, Hess had one of the lowest flaring rates in North Dakota for the industry for conventional wells, at below 5 percent. This low flaring rate was achieved by consistently expanding the infrastructure necessary to gather and commercialize natural gas associated with oil production. Several years ago, our expansion in the Bakken formation by acquisitions included acreage in remote areas of the Bakken play, where gas gathering infrastructure was not built. This resulted in a significant increase in our flaring rates in North Dakota.

Our challenge has been and continues to be having the necessary infrastructure in place to monetize the associated gas production and minimize flaring. We are meeting this challenge by investing more than $1.5 billion to capture and monetize natural gas from our shale energy wells by building gas gathering systems and expanding our Tioga Gas Processing Plant. We have set a target to reduce our flaring rate at the wellhead in North Dakota to 10 percent no later than 2017, and possibly sooner depending on the timely completion of these infrastructure projects, many of which are subject to obtaining permits and rights of way.

In the first quarter of 2014 we completed the Tioga Gas Processing Plant expansion. This more than doubles the plant's capacity from 100 million to 250 million standard cubic feet per day (MMscf/d) and increases the liquids processing capacity almost tenfold, from 260,000 to 2.5 million gallons per day. The expanded capacity will contribute to a reduction in flaring from production operations in the region. In addition, 10 gas gathering projects are planned to

North Dakota Flaring Rates at the Wellhead



Flaring rates for conventional and unconventional wells.

Source: North Dakota Industrial Commission, Department of Mineral Resources Oil and Gas Division. (www.dmr.nd.gov/oilgas)


Tioga Gas Plant, North Dakota

be completed by year end 2015, which will add an estimated 170 MMscf/d of capacity. These projects include new and expanded gas gathering lines and compression stations.

Natural Gas Capture

In addition to addressing our long term flaring challenge by increasing gas processing capacity at Tioga and expanding gas gathering lines and compression stations, in the nearer term we are also mitigating flaring by exploring ways to capture gas at the wellhead for use in our drilling operations and for conversion to Natural Gas Liquids (NGLs).

Improving our Understanding of Methane Emissions

There has been much debate in recent years about the climate implications of increased natural gas usage. Although natural gas burns cleaner than other fossil fuels, methane escaping during the production, delivery and use of natural gas has the potential to reduce some of the benefits. Methane emissions come from a range of sources and sectors of the economy, which are unevenly dispersed across the landscape. These characteristics complicate measurement and attribution and lead to significant uncertainties in estimates of current and projected methane emissions.

Better data collection and measurement will improve our understanding of methane sources and trends, and enable more effective management of opportunities to reduce methane emissions. Hess, together with a number of other companies, is collaborating with Colorado State University and the Environmental Defense Fund (EDF) on a study that aims to quantify national methane emissions associated with the natural gas industry's gathering infrastructure and processing plants. Researchers are working with six companies and using tracer gas releases to quantify methane emissions from these activities.

This study in turn is part of a much broader collaborative effort spearheaded by EDF that involves partnerships with approximately 100 universities, research institutions and companies. It is divided into 16 distinct projects that will estimate methane emissions in given areas or from specific pieces of equipment. A range of sophisticated scientific techniques are being deployed across all projects. In many cases, the measurement techniques are paired to provide greater insight and certainty. The goal is to have all project results submitted for publication in peer reviewed scientific journals during 2014. It is hoped that these projects will inform the ongoing debate and, where necessary, refocus emission reduction strategies.

We have been a partner in the Natural Gas Star program of the U.S. Environmental Protection Agency (EPA) for 17 years. This program created a partnership between the EPA and industry to identify and share best practices that yield reduced methane emissions. Hess continually looks for opportunities to reduce our methane footprint. We were an industry leader in the use of air for pneumatic controllers in place of natural gas. We also prefer the use of vapor recovery units to capture and use natural gas from tank batteries rather than venting or flaring that gas. We use catalytic converters on our large gas-fired compressor engines to improve hydrocarbon combustion and reduce air emissions.


Seminole Gas Plant, Texas

In 2013 Hess launched a bi-fuel installation project by retrofitting diesel engines on seven of the 14 drilling rigs operating for Hess in the Bakken. The retrofit allows the engines to operate on a mixture of natural gas and diesel fuel, resulting in cost savings from the use of gas rather than diesel, as well as several environmental benefits: lower air emissions from the cleaner burn of natural gas compared to diesel, natural gas capture and use at the wellhead, instead of flaring, and fewer diesel delivery truck trips. As part of this project, nine boilers were converted to operate exclusively on natural gas during winter operations.

Based on emission testing of three rigs in 2013, average emissions of nitrogen oxides (NO_x) during bi-fuel operation were 23 percent lower than before the retrofit. Based on fuel usage and EPA emission factors, carbon dioxide emissions decreased by 31 percent when operating on bi-fuel. Reductions in particulate matter and sulfur dioxide emissions were not quantified but are known to decrease with an increase of gas usage. The project used 27,413 MCF of gas to replace 240,287 gallons of diesel, resulting in 30 fewer truck deliveries.

We also began a wellhead gas capturing project in North Dakota that uses a mobile system to recover high BTU gas from flared locations and produce NGLs and treated lower BTU gas. This project provides both economic and environmental value by converting gas into marketable products, thereby reducing the amount of gas flared and the associated air emissions. The project began with two prototype units and soon expanded to include a 500 MCFD built-for-purpose unit. When operating at full capacity, the 500 MCFD unit is designed to average four to five gallons of NGL per MCF processed. At full capacity and runtime, the potential emission reductions from the 500 MCFD unit are 30 percent for NO_x and carbon monoxide, 64 percent for volatile organic compounds and 42 percent for carbon dioxide.

Hess has ordered an additional 14 built-for-purpose units for delivery during 2014, bringing the total capacity to 10 MMCFD and a potential production of 1.1 million gallons of NGL per month (over 314,000 barrels per year) with full utilization. In 2014, higher utilization is expected due to an improved design of the new units and better site selection.

Transportation

In North Dakota we have begun to use flat steel hose for freshwater transport instead of trucks. This type of hose collapses flat when not in use, like a fire hose, and it can be used to pipe water directly from the water source to our wells. The 600-foot sections of hose can be connected to lengths of several miles. We conducted our first pilot with this type of hose in September 2013 with four well pads and have now expanded its use to 20 percent of our wells. Use of these flat hoses eliminates the need for trucks to haul water, resulting in less noise and lower GHG emissions, transportation costs and risk of vehicle accidents. The hoses are much easier and less expensive to set up than permanent pipelines and, because they are temporary, have a smaller environmental footprint. During the pilot, we piped more than 500,000 barrels of fresh water using these hoses, eliminating the need for more than 5,000 truckloads. For 2014 we have set a goal to obtain 25 percent of our water in North Dakota via flat hoses rather than trucks.

ENERGY USE

Energy management is an integral part of Hess' business strategy because it makes economic sense and reduces greenhouse gas emissions.

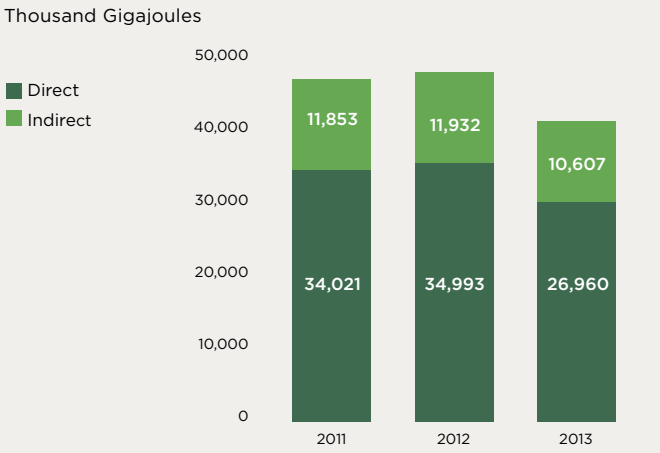
Our operations make and purchase energy primarily for power, processing, heating and cooling. In 2013 energy consumption from Hess operated assets was approximately 38 million gigajoules, a 20 percent decrease from 2012 primarily related to the shutdown of the Port Reading refinery in early 2013. Seventy-two percent of our energy use was generated directly by our operations, primarily at our Seminole and Tioga Gas Processing Plants and at our production facilities in North Dakota, South Arne and

Equatorial Guinea. The remaining 28 percent was gross indirect energy (including energy burned by utilities to provide net purchased electricity) purchased for our North Dakota and Permian basin operations and gas processing plants.

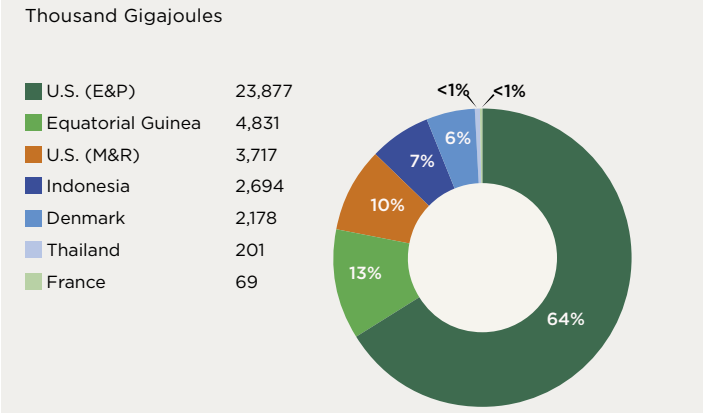
In 2013 our U.S. operations accounted for more than 99 percent (approximately 1 million megawatt hours) of our purchased electricity. Based on U.S. electricity generation profiles, we estimate that approximately 11 percent of this electricity was generated from renewable sources, primarily wind and hydroelectric power. An element of our climate strategy is to use more renewable energy through the purchase of renewable energy certificates (RECs) equivalent to at least 10 percent of net electricity used in our operations. In 2013 we purchased 140,000 Green-e Energy certified RECs for wind power, equivalent to 140,000 megawatt hours or about 14 percent of our purchased electricity. Overall, approximately 25 percent of our indirect energy use was from renewables.

We continue to look for ways to reduce energy consumption and improve energy efficiency at our operations. In 2012 we began issuing internal monthly reports containing energy use and spend data, which help us to identify additional energy efficiency and cost reduction opportunities.

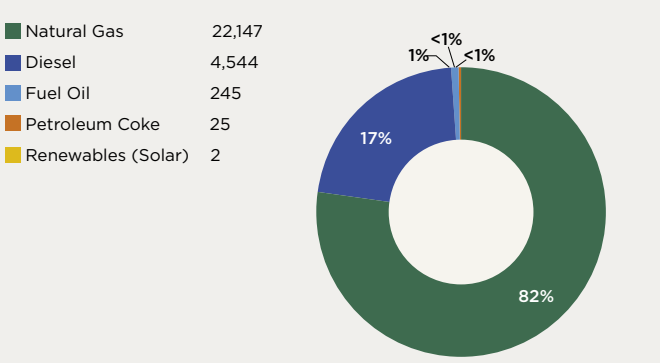
Energy Use



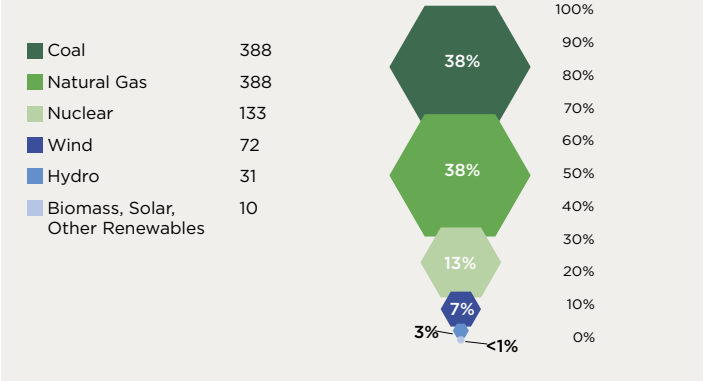
2013 Energy Use by Country



2013 Direct Energy Use by Fuel Source



2013 Purchased Electricity by Primary Energy Source



Approximate figures based on U.S. Energy Information Administration (EIA) 2012 state electricity generation profiles.

Seminole, Texas

ENVIRONMENT

2013 KEY DEVELOPMENTS

- Reduced water and chemical use in North Dakota hydraulic fracturing operations
- Decreased overall company water use by 12 percent from the previous year
- Conducted environmental impact assessments or environmental and social impact assessments at four of our assets

2014 GOALS

- Continue initiatives to reduce environmental impacts of shale energy development
- Identify opportunities for the promotion of best practices and improvements of environmental performance through the Environmentally Friendly Drilling Program
- Implement an enhanced electronic waste tracking system

We consider responsible management of our environmental footprint to be an important component of our operational excellence. We continuously strive to reduce the amount of water and energy we use, limit the level of greenhouse gas (GHG) and other air pollutants we emit, prevent spills and reduce the time it takes to remediate affected sites.

We dedicate significant staff and resources to ensuring compliance with environmental laws and regulations, international standards and our voluntary commitments. Our assets have spill preparedness and response plans and conduct emergency response exercises. We have several key performance metrics that we track at the asset and enterprise levels, and performance on these metrics is included in the employee bonus formula.

WATER

At Hess, we recognize that fresh water is an increasingly scarce resource, and we are keenly aware of heightened public sensitivity about our industry's use of water for hydraulic fracturing. Our Environment, Health and Safety Policy commits us to conserving natural resources, including water. That is why we closely monitor our water use and are striving to reduce our water footprint. We also work hard to safeguard underground drinking water aquifers in the areas near our wells.

Reduction Initiatives

Our overall water use in 2013 decreased by 12 percent compared to 2012, mainly due to the closure of our Port Reading facility in early 2013.

Our Seminole Gas Processing (SGP) plant in West Texas is our biggest single water user, accounting for 59 percent of our usage in 2013. The SGP plant uses water mainly for process cooling and sources it from a Hess owned and operated groundwater well field that withdraws from the Ogallala Aquifer.

SGP is located within a region where baseline water stress is categorized as "high risk" based on evaluations we have conducted using the World Resources Institute's Aqueduct water risk mapping tool. Water demand in the region is driven primarily by agricultural uses. Texas Water Development Board data for the Llano Estacado region indicate that our withdrawals from the aquifer represent only 0.1 percent of estimated annual water demand.

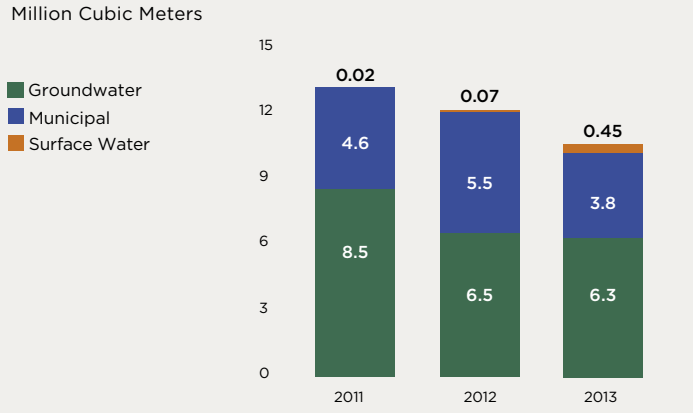
Additional Information is available at the Texas Water Development Board website (www.twdb.texas.gov).

Even so, we strive to optimize water use wherever possible. The facility recirculates water in its cooling towers between three to five cycles, and to prevent buildup of solids in the circulating water, a portion is removed as "blowdown." This blowdown water, totaling 888,000 cubic meters in 2013, is reused in our Permian Production operations to maintain reservoir pressure.

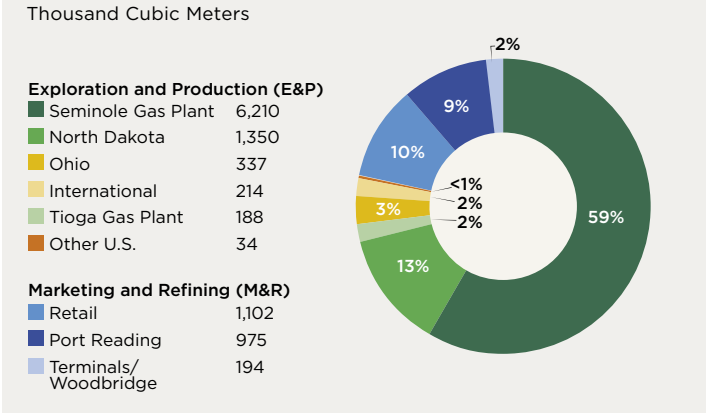
We have also begun a feasibility study to evaluate current water sources, inventory process quality and quantity requirements, and identify and analyze efficiency measures. This study is expected to yield good practice recommendations as well

(continued on page 47)

Freshwater Use



2013 Freshwater Use by Business and Facility



SHALE ENERGY

According to the U.S. Energy Information Agency, the productivity of oil and natural gas wells is steadily increasing in many basins across the United States because of the increasing precision and efficiency of horizontal drilling and hydraulic fracturing for oil and natural gas extraction. Hess uses these technologies to develop tight oil and associated gas from the Bakken formation in North Dakota and shale gas and condensate from the Utica Shale formation in Ohio.

The potential effects of shale energy operations on the environment, public health and safety are recognized by Hess, and we employ multidisciplinary risk management to drive planning and decision making. Our enterprise risk management process, which is discussed in more detail in the How We Operate section of this report, includes activity aspect identification and technical review as well as value assurance activities.

All of our assets also undergo several stages of detailed, activity-based risk assessment during the capture, appraisal, development and production phases. These multidisciplinary risk assessments help us identify mitigation measures we can pursue to ensure protection of the environment, protection of communities in which we operate, and the safety of our combined contractor and employee workforce. We also have a multi-year internal audit plan in place that ensures we perform Environment, Health and Safety audits of our assets regularly. Our North Dakota and Ohio assets were audited in 2012 and 2013. Furthermore, we continue to identify and address stakeholder concerns that may put our "license to operate" at risk, as discussed in the Community and Social Performance section.

PROTECTION OF WATER QUALITY

To prevent or minimize the potential for our activities to adversely impact local water resources, we continue to make water quality monitoring of groundwater and surface water prior to drilling and completion activities a priority. In Ohio we follow a formal "life of project" operating practice. The objective of this practice is to establish baseline groundwater and surface water conditions at sites and enable the assessment of potential changes in water quality and yield throughout the life of a project. We also perform post-drilling assessment and, depending on risk, we have undertaken the annual sampling of wells and surface water beyond that post-drill assessment at select assets.

In North Dakota, the state operates a regional network of groundwater quality monitoring wells. We sample surface water where requested by the landowner and when the surface water body is close to our activities and test the water to assess its suitability for hydraulic fracturing.

Groundwater resources are protected by sensible onsite operating practices, including the development of facility spill prevention plans to prevent spills of chemicals used in the well construction and completion process. In 2013 at our North Dakota and Ohio shale energy drilling sites, we employed closed-loop fluid containment systems for drilling fluids. Frac fluid flowback is stored in closed top tanks with secondary containment. These practices prevent potential surface water and groundwater impacts. In addition, the practices allow for the recycling of drilling materials and reduce the volume of waste that needs disposing onsite in lined impoundments or transported offsite for disposal at regulated facilities.

WATER USE

We understand the importance of managing resources responsibly. As part of our environmental commitment, we aim to reduce our freshwater use. Unconventional shale operations present significant resource challenges due to the amount of fresh, locally sourced water needed to extract hydrocarbons. Hydraulic fracturing accounted for about 13 percent of Hess' total freshwater consumption in 2013, with North Dakota at 10 percent and Ohio at 3 percent. No flowback water was reused, due to high salinity in North Dakota and limited quantities in Ohio.

We are pursuing alternatives to fresh water, including non-potable water sources such as treated domestic wastewater, saline water and frac fluid flowback, to assess their suitability for hydraulic fracturing. In 2013 we conducted a pilot study in North Dakota to test the technical and economic feasibility of using regionally available brackish groundwater for hydraulic fracturing and well maintenance. In the hydraulic fracturing pilot in two Bakken wells, about 14 percent of the frac fluid freshwater volume was replaced by brackish water. The tests proved successful, and we plan to expand the evaluation of brackish water for freshwater substitution.

Also in 2013 we tested the viability of using treated sanitary wastewater from the crew

camps that house our workers. Though technically suitable, the volume is currently insufficient for fracturing applications. In 2014 we plan to investigate using produced water for hydraulic fracturing. To document what we have learned and to communicate best practices within our operations, we developed an internal fracturing fluid water quality and reuse guideline.

WELL INTEGRITY

Although the well completion and hydraulic fracturing activity typically occurs miles below the earth's surface, groundwater is encountered at shallower depths during drilling and well construction. When well installation is through freshwater zones, we investigate their depth and lateral extent in the subsurface prior to designing and constructing the well. This ensures that we protect fresh groundwater and conform to regulatory requirements and internal standards.

We take great care to engineer physical barriers to contain the fluids used in drilling, completion and maintenance activities as well as produced oil, gas and water. State agencies require companies to design casing and cementing programs that isolate freshwater intervals. We submit this information in applications for well construction permits, which must be reviewed and approved by regulators. Our wells are lined with multiple layers of steel pipe and encased in cement to depths well below the deepest freshwater zones. Using these and other practices, we have experienced zero cases of failed well integrity in our unconventional operations.

Hess applies prudent industry well construction standards globally even where regulations do not require this practice. Well completion designs can vary from asset to asset due to differences in the formation, the management of drilling risks and technology applications. Additional measures are taken to maintain well integrity during hydraulic fracturing.

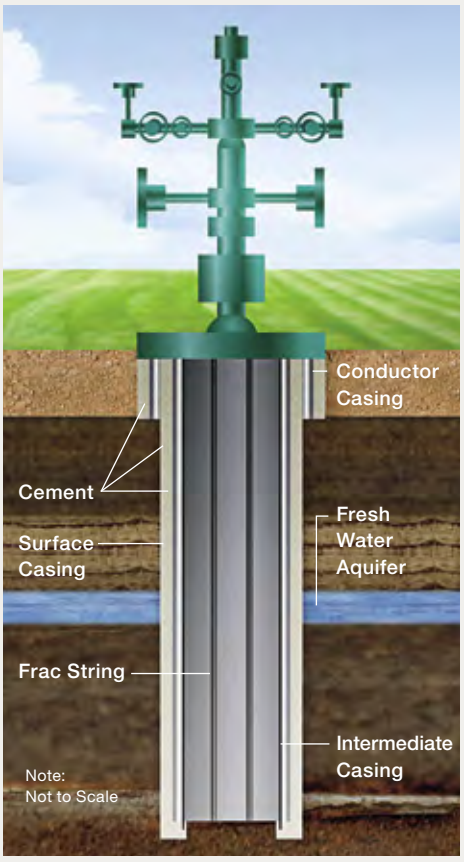
For example:

- A "surface casing" is installed from the surface to below the lowest known freshwater zone and then cemented in that interval from the deepest point to the surface around the casing, thereby creating a physical barrier between the materials in the well and the strata containing the groundwater being protected.
- Inside the surface casing, a second "intermediate" casing is installed and cemented in place.
- An acoustic cement bond log is selectively employed to ensure a cement barrier is in place, which prevents fluid migration to the surface.
- The well completion is performed through a third casing (Ohio) or liner (North Dakota) placed inside the intermediate casing to the depth of the lateral. In North Dakota, a "frac string" is then run and connected to the top of the liner. This provides an additional physical barrier to isolate fluids within the well.
- Due to potential fracture stimulation interference (i.e., stimulating one well and observing increased pressure on nearby producing wells), nearby wells are shut-in during fracturing activity (based on distance from the well being stimulated), and wellhead systems are tested for integrity prior to any activity.
- During the hydraulic fracturing activity, pressure is maintained on the annulus between the frac string and the intermediate casing to boost integrity.
- Real-time microseismic monitoring is conducted during select stimulation operations. This technology allows the mapping of fractures to check if the stimulation was within the targeted interval.

FRAC FLUID ADDITIVES

Although we expect our fracturing fluids to never come in contact with groundwater aquifers or surface waters, we know stakeholders are concerned about the chemical makeup of these fluids.

We do not use diesel or benzene, toluene, ethylbenzene or xylene (BTEX) in frac



SHALE ENERGY (cont.)

fluids. We require our hydraulic fracturing contractors to provide non-proprietary individual well data for fracture stimulation water and chemical use. This information is publicly available on the FracFocus website, and we conduct periodic audits of FracFocus submissions to ensure accuracy.

We continually look for ways to reduce or eliminate the use of chemical additives or to use safer alternatives. In 2013, for example, we reduced our use of biocides by 50 percent compared to 2012. Biocides are used to hinder bacterial growth in the frac fluid. We encourage fracturing fluid suppliers to use the least toxic chemical formulations available, develop less toxic additives and disclose chemical ingredients. In addition, we participate in stakeholder forums that are engaged in developing science-based frameworks for the evaluation of hazards and risks associated with chemical additives and the promotion of safer and less toxic alternatives. We respect our frac fluid and service providers' right to keep proprietary formulations confidential, while also supporting the announcement from our Ohio asset's key supplier to voluntarily disclose all chemical additives.


Utica Shale Drilling Operations, Ohio

AIR EMISSIONS

Air quality impacts from shale energy operations are associated with drilling rig emissions and flaring during flowback and production operations when infrastructure is not available for immediate connection to the wellhead. Where a pipeline connection is unavailable, flaring of the natural gas produced during flowback may be utilized to create a safe working environment during that process. In Ohio, we drilled 29 wells in 2013. Each completed well was flared for only a few days during flow testing before being connected to gas gathering infrastructure that enables producing without flaring. In North Dakota, this type of infrastructure is still being built and is not available to all of our well locations. We have a flaring reduction strategy for North Dakota and have been steadily investing in infrastructure, as discussed in detail in the Climate Change and Energy section of this report. More information on greenhouse gas emissions can be found in the Climate Change and Energy section and on other air emissions in the Environment section.

LAND USE

Our approach is to minimize land use and reduce the number of well sites needed to develop our acreage. In North Dakota, we continued the transition from a single well per pad to hold the lease to multi-well pad drilling. In 2013 up to 12 wells were sited on a single well pad with shared surface facilities. In Ohio, we employed a geographic information systems (GIS) tool for use during appraisal activities in order to minimize impact on the environment and streamline permitting. The tool incorporates environmental and social baseline data as GIS layers and is used to identify sensitive areas and select well pad locations.

TRANSPORTATION IMPACTS

Due to the increased truck transport activity associated with the rapid development of the Bakken, we have participated in multi-stakeholder initiatives aimed at minimizing the oil industry's impact on public roads and traffic congestion. We have collaborated with community partners and state officials in North Dakota to ensure adequate infrastructure funding to improve traffic safety and support road maintenance. Progress has also been made through the implementation of local ordinances that regulate oilfield trucking activity. Hess, along with other operators, has built and maintained portions of farm-to-market roads during drilling and completion activities, when the most intensive truck traffic occurs. In 2013 we conducted a pilot project to bring fresh water for hydraulic fracturing operations to the well site by flat steel hose instead of truck transport. More information on this initiative can be found in the Climate Change and Energy section.

as technology-based solutions focused on reducing the plant's overall water demand.

Our activities in the Bakken formation in North Dakota comprise our second-largest water use. Most of this water is used for hydraulic fracturing. Water is an issue of concern not just for our company, but for our entire industry. Because of that, and in keeping with our broad commitment to promote the conservation of natural resources, we participate in the Energy Water Initiative, a multi-stakeholder forum that evaluates knowledge and data gaps in the shale energy extraction water cycle and promotes research projects to address such gaps.

BIODIVERSITY

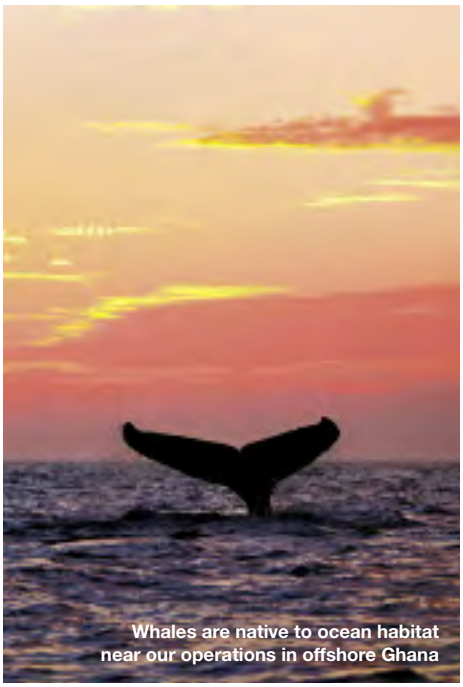
In all of Hess' global locations – and especially when we operate in sensitive biological habitats – the protection of animal and plant life is carefully factored into our project decision making. Our Environment, Health and Safety Policy calls on us to "identify, assess and manage the environmental, health and safety risks and impacts of our existing and planned operations." This includes risks and impacts relating to biodiversity and ecosystem services.

We routinely conduct biodiversity screenings for major new projects as part of early site evaluation and selection. In many cases, we conduct formal environmental and social impact assessments (ESIAs) and use them to create mitigation strategies for environmental and biodiversity risks. These ESIAs are performed for Hess by experienced third party consultants in accordance with country specific laws and regulations. The ESIAs include biodiversity baseline studies as well as screening of identified species against the International Union for Conservation of Nature (IUCN) Red List and threatened, endangered and protected species lists. ESIA results are made public where required. In instances where a full ESIA is not appropriate, we still routinely conduct biodiversity risk screenings and impact assessments.

We continue to improve enterprise wide consistency in our execution of ESIAs. In 2013 we made progress in incorporating relevant elements of ESIAs into our initial project risk assessment process. This is part of a multi-year harmonization effort around risk and opportunity identification.

In 2013 we conducted several ESIAs and environmental impact assessments (EIAs). In Ghana, for example, we conducted an EIA and developed a Preliminary Environmental Report to support our exploration work there. In the Gulf of Mexico we finalized ESIAs for our Tubular Bells project and began work on an ESIA for our Stampede project. In Southeast Asia, an EIA was completed for the North Malay Basin Early Production System, and an EIA was submitted for the North Malay Basin Full Field Development.

In Ohio, we conducted biological and risk assessments on the Indiana Bat, a federally listed endangered species, as well as on the Northern Long-Eared Bat, a species that the U.S. Fish and Wildlife Service (FWS) has identified as potentially endangered or threatened. Based on those assessments, we were able to ensure that site development would not interfere with the bat's migration cycles.



Whales are native to ocean habitat near our operations in offshore Ghana

Throughout the United States in 2013, we identified locations where new assessments and mitigation plans may be warranted, due to the FWS's plan to make determinations on the potential inclusion of approximately 250 new species on the national endangered and threatened species lists. Our assessments will help to determine if any of the species could be adversely affected by our operations and, if so, what mitigation activities could be put into place. Already, in anticipation of some of these determinations, we have adjusted drilling site locations to accommodate certain habitat features and priorities.

During our exploration activities in Ghana in 2013, we utilized best practices for the protection of marine mammals.

Environmentally Friendly Drilling Program

Hess is a sponsor and active member of the Environmentally Friendly Drilling (EFD) program. EFD is a partnership among multiple oil and gas companies and several environmental organizations, including The Nature Conservancy, Environmental Defense Fund and Ducks Unlimited. The primary goal of EFD is to provide unbiased science and develop solutions to address issues associated with oil and gas development. For example, the EFD Technology Integration Program focuses on commercial development of promising technologies that may help to minimize the environmental impacts of unconventional oil and natural gas drilling. Some of the technologies under investigation include treatment options for flowback water, smaller footprint rigs and improved spill prevention techniques.

Another key EFD workflow is the Environmentally Friendly Drilling Systems Scorecard. In development since 2008, the Scorecard provides oil and gas companies with a means for objectively assessing and continually improving their environmental performance and that of their service providers. In 2013 Hess initiated an asset level review to determine performance against the Scorecard. The review will continue in 2014 to identify opportunities for the promotion of best practices and improvements of environmental performance.

For more information on EFD, see www.efdsystems.org.

Specifically, we employed marine mammal observers and passive acoustic monitoring during our seismic work.

Hess Environmental Affairs maintains a list of IUCN Red List species compiled and updated using environmental due diligence, screening and impact assessment reports. Most of the endangered or critically endangered species on this list are marine life that thrives in tropic and subtropic regions, including some coastal and offshore regions in the vicinity of our project areas. No Hess asset is located within an IUCN protected area, with the exception of the Sinphuhorm Natural Gas Field in northeastern Thailand, which was divested in early 2014.

IUCN Category	Number of Species
Critically Endangered	15
Endangered	28
Vulnerable	56
Near Threatened	62

Hess is an active member of the Biodiversity and Ecosystem Services working group of IPIECA, the global oil and gas industry association for environmental and social issues. In 2013 this working group began to develop a workshop series for oil and gas industry employees, to help build capacity around biodiversity issues and to foster the integration of these issues within oil and gas operations throughout the project life cycle. The two-day workshops are designed to raise awareness of the latest expectations, good practices, tools and practical examples associated with biodiversity and ecosystem management, as well as provide attendees with ideas on how to build the business case for these activities within their organizations.

Hess also participates in the Cross Sector Biodiversity Initiative (CSBI), a partnership of IPIECA, the International Council on Mining and Metals and the Equator Principles Association. This initiative brings the mining, oil and gas and financial sectors together to develop and share good practices to safeguard biodiversity and ecosystems. The CSBI aims to bolster each industry sector's ability to effectively apply the International Finance Corporation's Performance Standard 6 on Biodiversity, Conservation and the Sustainable Management of Living Natural Resources. In 2013 the CSBI launched a "timeline tool" designed to assist project planning in the extractives industries, to better align project development, biodiversity impact management and financial timelines and milestones.

WASTE

Our operations generate a variety of waste streams. These wastes are managed according to the waste management plan specific to each operating location, which is designed to not only comply with all applicable regulatory requirements, but also to protect human health and the environment. Some of the generated wastes include construction debris; scrap metal and wood; oily tank bottoms; contaminated soil; office and domestic waste such as paper, cardboard, and light bulbs; and other waste items specific to drilling and production operations.

In 2013 we generated 196,000 tonnes of waste, a 7 percent increase from the previous year. Approximately 96 percent of our waste was non-hazardous, and 19 percent was reused or recycled.

Following our waste philosophy, our operations try to minimize waste generation and recycle wherever possible. We are currently in the process of implementing an electronic waste tracking system, which will improve the consistency of our waste tracking process and ensure reliable, accessible data across the company.

DISCHARGES

Discharges from our offshore facilities include drilling mud, drill cuttings and produced water. At some of these facilities, these waste streams are reinjected for disposal or reservoir management, whereas others discharge directly to the ocean.

Offshore discharges of drilling mud and cuttings in 2013 contained approximately 25 tonnes of oil. This represents a more than 90 percent decrease from the previous year, primarily because we drilled substantially fewer offshore wells.

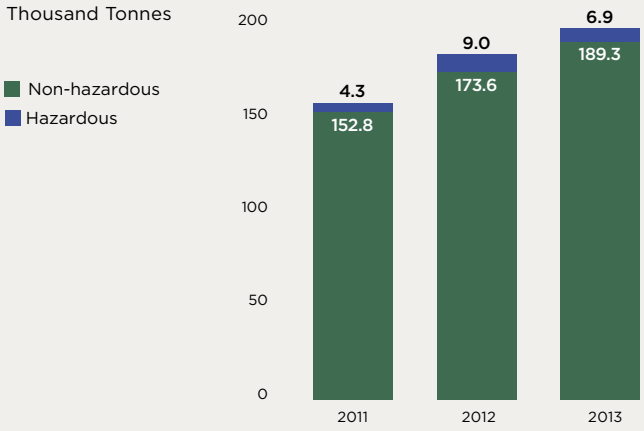

Emergency Preparedness Drill, Gulf of Mexico

Offshore produced water discharges totaled 16.7 million cubic meters in 2013. Produced water discharges had an average oil content of 10 parts per million volume (ppmv), totaling 136 tonnes of oil discharged, primarily from our offshore operations in Equatorial Guinea and Indonesia.

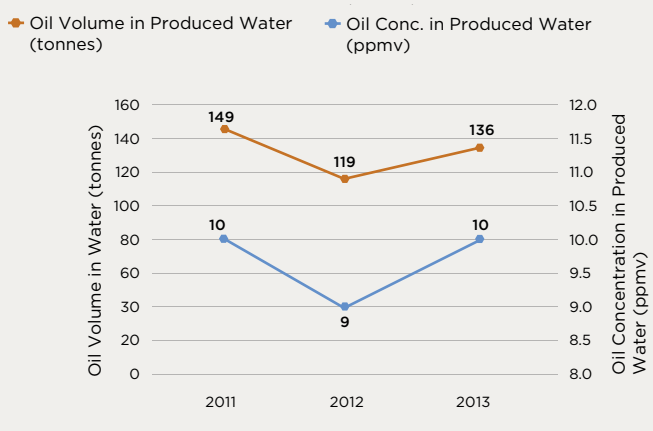
SPILL PREVENTION

We maintain strong relationships with mutual aid and emergency response organizations at the local, regional and global levels to enhance our ability to respond swiftly and effectively to any incidents. In 2013 we subscribed to the Subsea Well Intervention Service, a robust new program that provides well capping and dispersant equipment that can be deployed internationally, as well as access

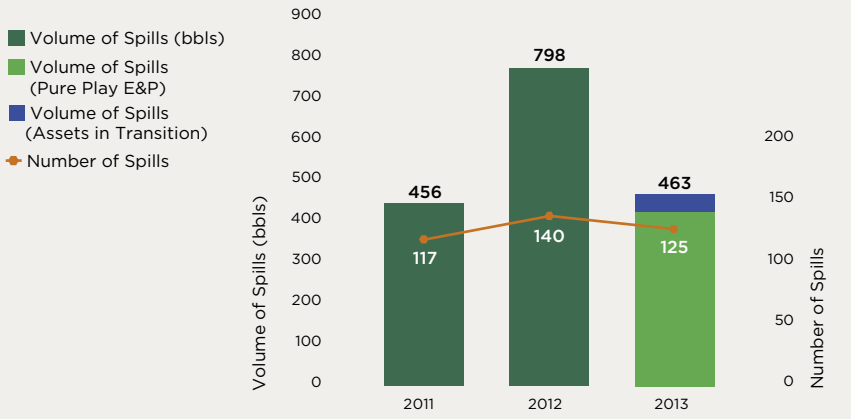
Waste



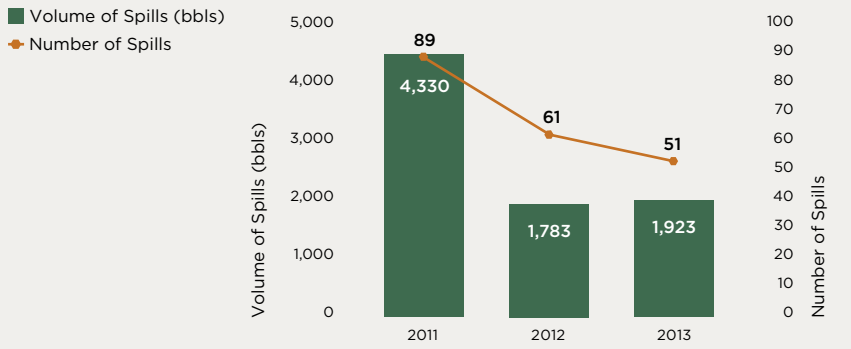
Oil in Produced Water Discharges to Sea



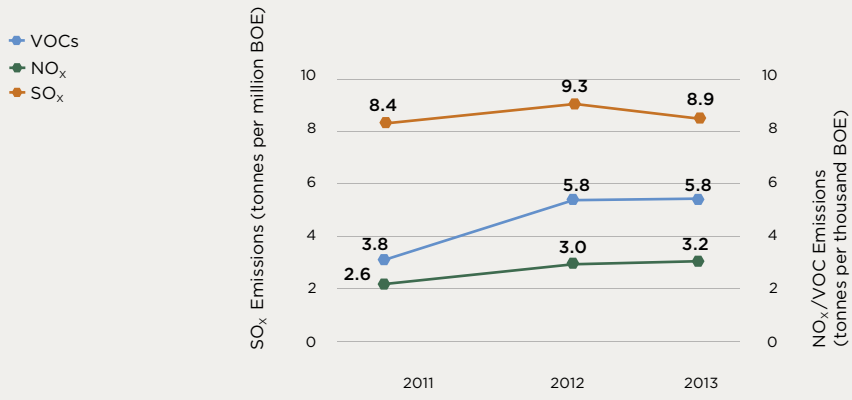
Hydrocarbon Spills



Non-Hydrocarbon Spills



Criteria Pollutants



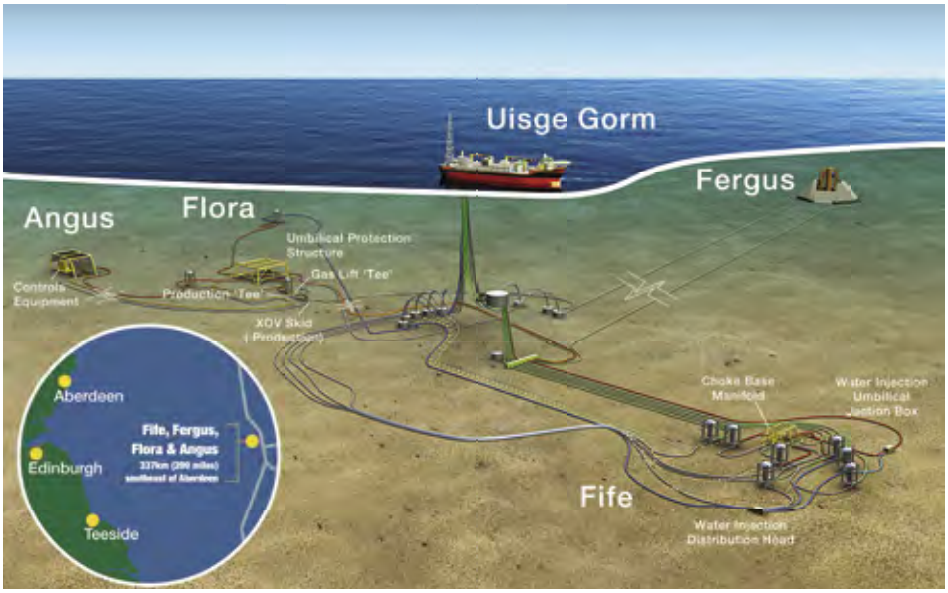
to a major stockpile of oil spill dispersant. In addition, we partner with Oil Spill Response Limited, Marine Well Containment Company, Subsea Well Response Project, Oil Spill Prevention and Response Advisory Group, Sakakawea Area Spill Response LLC and Clean Gulf Associates. Refer to the Safety and Health section for more information about our emergency preparedness and response program.

CRITERIA POLLUTANTS

Air emissions of nitrogen oxides (NO_x) and sulfur oxides (SO_x) result from fuel combustion, process operations and flaring activities. Volatile organic compounds (VOCs) are emitted during product loading and storage. In 2013 our normalized emissions of these constituents remained relatively consistent with the previous year. We have begun a bi-fuel installation project in the Bakken to retrofit diesel engines to run on diesel and natural gas. This project has resulted in cost savings as well as air emissions reductions. For more information, refer to the Climate Change and Energy section.

SITE DECOMMISSIONING

As offshore oil and gas facilities reach the end of their commercial lives, decommissioning those assets presents unique engineering, environmental protection and waste management challenges. Hess is currently undertaking the decommissioning of two major assets in the United Kingdom (U.K.) sector of the North Sea: the Fife, Fergus, Flora and Angus fields (FFFA) and the Ivanhoe and Rob Roy fields (IVRR).



These fields are the largest subsea decommissioning operation in the North Sea. As these mark the first major subsea abandonment in U.K. waters, our activities are setting a precedent for future projects in the region. Hess has been actively involved with industry groups and regulatory bodies in developing guidance for responsible decommissioning practices.

We strive to minimize impacts to the environment and to fishing and other commercial activities in the area. Full environmental impact assessments were conducted prior to commencement of work, with steps taken to address risks that were identified.

Great care has been taken to conduct the operations safely and effectively. A guard vessel remains in place during the activities to keep shipping traffic and fishing vessels clear, and the areas are marked as exclusion zones on fishing charts that are made available to fishing vessels via an auto-update process.

In almost all cases, all infrastructure is removed and the seabed is returned to its natural state. In isolated instances where it was unsafe to remove the subsea infrastructure, rocks were placed over the infrastructure and it was regraded to permit normal vessel traffic and fishing operations in the future. Nearly all of the infrastructure removed from the seabed – more than 90 percent in 2013 – has been reused or recycled. We anticipate completion of this major undertaking within the next two years.

REGULATORY COMPLIANCE AND LEGAL PROCEEDINGS

In 2013 we paid approximately $550,000 in environmental fines and penalties.

We have completed the requirements of the Administrative Consent Agreement with the North Dakota Department of Health (DOH) related to emissions from our production facilities. More detail about that agreement was provided in our 2012 Sustainability Report. In addition, we entered a Consent Decree with the DOH for past emissions exceedances of sulfur dioxide at our Tioga Gas Plant. We paid a $90,000 fine and recently completed facility upgrades as part of the plant expansion.

ENVIRONMENTAL EXPENDITURES

Our capital expenditures for facilities, primarily to comply with federal, state and local environmental standards, were approximately $100 million in 2013. We anticipate capital expenditures of approximately $65 million for our E&P facilities and approximately $8 million for our downstream businesses in 2014.

We have continuing expenditures for environmental assessment and remediation for sites that have been affected by our activities. We accrue for environmental assessment and remediation expenses when the future costs are probable and reasonably estimable. As described in Item 7 of our 2013 SEC Form 10-K filing, at year end 2013 Hess' reserve for estimated remediation liabilities was approximately $65 million, which we expect will adequately cover costs to assess and remediate known sites. Information about estimated asset retirement obligations, which are accounted for separately, is provided in our 2013 SEC Form 10-K filing. Our remediation expenditures totaled approximately $16 million in 2013 and were primarily associated with the downstream businesses.

ASSETS IN TRANSITION

Hess has substantially completed a multi-year transformation to a pure play exploration and production (E&P) company. This transformation includes exiting our downstream businesses, including refining, retail, energy marketing and energy trading. In addition, we are creating a more focused E&P portfolio by divesting assets in Indonesia and Thailand and pursuing the monetization of our Bakken midstream assets in North Dakota. In this section we describe the key products and services of the downstream businesses and E&P assets divested in 2013.

ENERGY MARKETING

Hess completed the sale of the Energy Marketing business to Direct Energy, a North American subsidiary of Centrica plc, in November 2013. Hess Energy Marketing provided natural gas, electricity and fuel oil to more than 21,000 commercial, industrial, government and small business customers in 2013. The Energy Solutions group within Energy Marketing offered a portfolio of products and services, including integrated commodity contracts, demand response, and energy benchmarking and audits, to help customers become more energy efficient and reduce their carbon footprints.

Hess and joint venture partner ArcLight Capital Partners own the Bayonne Energy Center. This 512-megawatt natural gas fueled electric generating facility in Bayonne, New Jersey, provides electricity to New York City. In 2013 construction began on the Newark Energy Center (NEC), a 655-megawatt natural gas fueled electric power plant in New Jersey. The NEC is being developed by a joint venture of Hess Newark Plant Holdings, LLC, a subsidiary of Hess Corporation, and EIF-NEC, LLC, a subsidiary of private equity funds managed by Energy Investors Funds (EIF). Hess is in the process of divesting its interests in these facilities.

REFINING AND TERMINAL OPERATIONS

Hess permanently shut down refining operations at the Port Reading, New Jersey facility in the first quarter of 2013, completing our exit from all refining operations.

We completed the sale of our Terminal Operations business to Buckeye Partners, L.P., in December 2013. Our Terminal Operations operated a network of 20 liquid petroleum product terminals with a total storage capacity of 39 million barrels along the U.S. East Coast and in St. Lucia. In 2013 our biodiesel and ethanol blending operations generated approximately $131 million in surplus renewable fuels credits which we sold to other companies.

RETAIL MARKETING

At year end, Hess had 1,350 retail stations in the Eastern United States that provide ultra-low sulfur diesel (ULSD) and conventional and reformulated gasoline (RFG) to consumers. Hess stations sold 506 million gallons of ULSD fuel and 2.5 billion gallons of gasoline (59 percent of which was RFG) in 2013. In May 2014, we announced an agreement to sell our retail business to Marathon Petroleum Corporation.

NUVERA FUEL CELLS

Nuvera Fuel Cells (nuvera.com), a wholly owned Hess subsidiary, conducts applied research and development and commercialization of motive fuel cell power systems and hydrogen delivery solutions for industrial mobility, automotive and aerospace applications. Nuvera has conducted research with industry partners, academic institutions and the U.S. Department of Energy National Energy Labs to advance hydrogen fuel cell technology by continuing to improve fuel cell durability and the efficiency of fuel cell stack technology.

One of Nuvera's key technologies is the PowerTap® hydrogen generator, which uses steam methane reformation to generate high-purity, high-pressure hydrogen. This technology capitalizes on abundant natural gas as a source of clean and cost effective hydrogen and can also use biomass methane and other renewable feedstocks. PowerTap® units are currently deployed in industrial applications.

More information online at hess.com/gri-index.

EXPLORATION & PRODUCTION

Hess completed the sale of its Pangkah asset in Indonesia in January 2014, and announced the sale of its interests in the Pailin and Sinphuhorm Fields in Thailand in April 2014. The monetization of our Bakken midstream assets in North Dakota is planned for 2015.

PERFORMANCE DATA

This table contains a subset of our publicly reported performance data. An expanded version is available at hess.com/sustainability. Additional information is provided in the company's 2013 SEC 10-K and proxy statement at hess.com/investors.

	Units	2013	2012	2011	2010	2009
Business Performance						
Sales and other operating revenues	$ Million	22,284	37,691	38,466	33,862	29,614
Net income attributable to Hess Corporation	$ Million	5,052	2,025	1,703	2,125	740
Total assets	$ Million	42,754	43,441	39,136	35,396	29,465
Total debt	$ Million	5,798	8,111	6,057	5,583	4,467
Stockholders' equity	$ Million	24,784	21,203	18,592	16,809	13,528
Debt to capitalization ratio	%	19.0	27.7	24.6	24.9	24.8
Exploration and Production						
Total net hydrocarbons produced	Thousand BOE/D	336	406	370	418	408
Proved reserves (total)	Million BOE	1,437	1,553	1,573	1,537	1,437
Liquids (Crude Oil (light and medium oils), condensate & natural gas liquids)	%	77	75	74	72	67
Gas	%	23	25	26	28	33
Reserve life	Years	11.5	10.3	11.4	9.9	9.5
Replaced production	%	118	141	147	176	103
Economic Contributions						
Capital and exploration expenditures	$ Million	6,315	8,265	7,462	5,855	3,245
Operating costs	$/BOE	22.6	20.6	19.7	14.5	13.7
Income tax	$ Million	525	1,675	785	1,173	715
Royalties and other payments to governments	$ Million	807	920	947	1,542	414
Cash dividends paid to shareholders	$ Million	235	171	136	131	131
Employee wages and benefits (U.S.)	$ Million	1,037	1,045	1,057	992	794
Interest expense before income taxes	$ Million	406	419	383	361	360
Supplier spend* (approximate)	$ Billion	8	8	6	2	2
Communities and Social Performance						
Total social investment	$ Million	37	40	23	18	13
Education	%	52	47	33	34	13
Health	%	2	4	5	12	23
Disaster relief	%	3	13	5	9	8
Community contributions (not in-kind)	%	25	22	20	19	29
In-kind	%	12	9	28	18	25
Arts and culture	%	6	5	8	7	—
Environment	%	<1	<1	1	1	2
Our People						
Number of permanent employees	#	12,128	13,277	13,021	12,587	12,229
U.S.	%	91	90	91	91	91
International	%	9	10	10	9	9
Part time employees	%	27	23	24	NC	NC
Full time employees	%	73	77	76	NC	NC
Employee turnover – voluntary (excluding hourly retail)	%	9.1	6.8	7.2	NC	NC
Employee layoffs (excluding hourly retail)*	%	9.9	0.9	1.0	NC	NC
Female employees (U.S. and international)	%	43	40	39	40	40
Minority employees (U.S.)	%	39	38	37	36	36
Employees represented by collective bargaining agreements	%	4	6	7	9	9
Safety Performance						
Fatalities - employees + contractors	#	0	2	0	0	0
Hours worked - workforce (employee + contractor)	Million hours	64.2	63.3	53.3	40.8	38.2
Employee Recordable Incident Rate	Per 200,000 hrs worked	0.47	0.51	0.71	0.81	0.83
Contractor Recordable Incident Rate	Per 200,000 hrs worked	0.58	0.70	0.73	0.50	0.45
Workforce (Employee + Contractor) Recordable Incident Rate	Per 200,000 hrs worked	0.54	0.63	0.72	0.68	0.69
Employee Lost Time Incident Rate	Per 200,000 hrs worked	0.21	0.29	0.22	0.26	0.31
Contractor Lost Time Incident Rate	Per 200,000 hrs worked	0.15	0.19	0.12	0.07	0.15
Workforce Lost Time Incident Rate	Per 200,000 hrs worked	0.17	0.23	0.17	0.18	0.25
Products with Material Safety Data Sheets	%	100	100	100	100	100
Health and safety fines and penalties – operated	$ Thousand	0	0	0	0	98

* Also excludes Terminals employees who were employed with the new owner after the divesture

PERFORMANCE DATA

	Units	2013	2012	2011	2010	2009
Greenhouse Gas Emissions						
Volume of flared and vented hydrocarbons	MMscf	29,375	26,437	21,760	15,607	17,125
Operated direct emissions (Scope 1)	Million Tonnes CO_2e	4.4	5.0	4.4	3.7	4.0
CO_2	Million Tonnes CO_2e	4.2	4.7	4.2	3.5	3.6
CH_4	000 Tonnes CO_2e	166.5	207.4	139.6	123.7	294.7
N_2O	000 Tonnes CO_2e	31.1	24.5	21.8	23.6	24.6
Operated direct emissions (Scope 1) by source						
Flaring/venting	%	54	49	43	36	40
Fuel combustion	%	41	46	55	61	57
Other	%	5	5	2	3	3
Operated indirect emissions (Scope 2)	Million Tonnes CO_2e	0.8	0.8	0.7	0.8	0.6
CO_2	Million Tonnes CO_2e	0.8	0.8	0.7	0.8	0.6
CH_4	000 Tonnes CO_2e	nil	0.15	0.15	0.15	0.12
N_2O	000 Tonnes CO_2e	3.1	7.8	7.2	6.7	5.2
Net equity GHG emissions (includes HOVENSA)	Million Tonnes CO_2e	6.5	8.0	9.1	9.0	9.5
Scope 3 emissions	Million Tonnes CO_2e	25.1	22.3	35.9	40.3	45.9
Product use	Million Tonnes CO_2e	13.9	22.1	35.7	40.2	45.8
Energy Use						
Production energy intensity	Gigajoules/BOE	0.12	0.13	0.12	0.11	0.10
Operated direct energy use	000 Gigajoules	26,960	34,993	34,021	33,238	33,688
Operated indirect energy use (gross)	000 Gigajoules	10,607	11,932	11,853	11,218	9,850
Net purchased electricity by primary energy source**	000 MWh	1,022	1,145	1,137	1,076	949
Green-e certified renewable energy certificates (wind power)	000 MWh	140	140	180	140	100
Freshwater Use						
Groundwater	Million m^3	6.3	6.5	8.5	6.6	6.6
Municipal	Million m^3	3.8	5.5	4.6	3.7	3.9
Surface water	Million m^3	0.45	0.07	0.02	0.04	0.04
Reused/recycled (estimated)	%	10.3	9.0	11.1	NC	NC
Waste						
Non-hazardous waste	Thousand Tonnes	189.3	173.6	152.8	83.5	116.5
Hazardous waste	Thousand Tonnes	6.9	9.0	4.3	4.2	9.4
Basel Convention (recovery/reuse/recycle)	Tonnes	22	10	0	0	0
Spills						
Hydrocarbon spills – number	#	125	140	117	94	117
Hydrocarbon spills – volume	bbls	463	798	456	348	297
Non-hydrocarbon spills – number	#	51	61	88	40	52
Non-hydrocarbon spills – volume	bbls	1,923	1783	4,330	437	3,751
Air Emissions (Excludes GHGs) ◇						
Sulfur oxides (SO_x)	Tonnes	2,946	3,402	3,300	3,181	3,112
SO_x intensity	Tonnes/Million BOE	8.9	9.3	8.4	7.6	7.2
Nitrogen oxides (NO_x)	Tonnes	10,448	11,046	10,153	9,306	7,695
NO_x intensity	Tonnes/Thousand BOE	3.2	3.0	2.6	2.2	1.8
Volatile organic compounds (VOC)	Tonnes	19,098	21,033	14,861	19,486	24,851
VOC intensity	Tonnes/Thousand BOE	5.8	5.8	3.8	4.6	5.7
Exploration & Production Discharges						
Oil in produced water to sea	Tonnes	136	119	149	221	136
Oil in produced water to sea	ppmv	10	9	10	13	19
Produced water to sea	Million m^3	16.7	16.5	17.4	20.1	8.3
Produced water reinjected	Million m^3	22.2	28.5	19.5	19.5	18.2
Other Environmental Indicators						
ISO 14001-certified operations	% of production	2	8	12	13	16
ISO 14001-certified operations	#	2	3	3	3	3
Environmental fines and penalties – operated assets	$ Thousand	550	935✡	160	96	264
Capital expenditures	$ Million	100	70	95	85	50
Environmental expenditures – remediation	$ Million	16	19	19	13	11
Environmental reserve	$ Million	65	55	60	55	55

Where relevant, all data are restated to exclude joint ventures.

* Supplier spend for 2008–2010 is U.S. only; 2013 data are E&P only.

** Third party power generation

◇ The gross operated hydrocarbon production/throughput (normalization factor) was 903,000 BOE/D in 2013.

✡ Restated to include $850,000 U.S. EPA penalty paid under the terms of the Port Reading Refining Facility's Consent Decree

GRI CONTENT INDEX

This index refers to the Global Reporting Initiative (GRI) G3.1 indicators, with cross-reference to the 10 Principles in the United Nations Global Compact (UNGC) and IPIECA sector-specific guidelines. Detailed information on GRI indicators related to Board-level governance (4.1–4.7, 4.9, 4.10) and defined benefit plan obligations (EC3) can be found at hess.com/investors and in our Securities and Exchange Commission (SEC) forms 10-K and DEF 14A. An expanded GRI Index is available at hess.com/gri-index.

GRI G3.1 Core & OGSS Indicator | GRI G3.1 Additional Indicator | IPIECA only

● Fully reported ◐ Partially reported

GRI Indicator	General Description	Page(s)	GRI Status	UNGC Principle(s)	IPIECA Indicator
Strategy and Analysis					
1.1	Message from the CEO	2–3	●		
1.2	Key impacts, risks and opportunities (a)	2–5	●		
Organizational Profile					
2.1–2.9	Organizational profile (a)	4, 52–53, 57	●		
2.10	Awards received during reporting period	59	●		
Report Parameters					
3.1–3.3	Reporting period, scope and boundary	6–7	●		
3.4	Contact point for questions regarding report	59	●		
3.5–3.8	Determination for content	6–7	●		
3.9	Data measurement techniques and basis of calculations	6–7	●		
3.10, 3.11	Explanation of restatements and significant changes	6–7	●		
3.12	GRI content index	55–57	●		
3.13	External assurance	7, 58	●		
Governance					
4.1–4.7, 4.9, 4.10	Information on highest governance body (a, b, c)	9–10	●		
4.8	Internal values, codes of conduct and principles	9–10, 17–19	●	1–10	
4.11	The precautionary approach	9	●	7	
4.12	Externally subscribed or endorsed voluntary initiatives (c)	12, 16	●	1–10	
4.13	Key memberships and associations	25,49–50,59	●		
4.14–4.17	Stakeholders, types of engagement, key topics and concerns	6, 8, 15–16, 18, 46	●		
Economic					
EC DMA	Disclosure on management approach to economic performance (a, b)	2–4	●		
EC DMA	Disclosure on management approach to market presence	2–4	●		
EC DMA	Disclosure on management approach to indirect economic impacts	4, 11, 15–21	●		
EC1	Direct economic value (a, b)	4, 53	●		SE4, SE13
EC2	Financial implications of climate change	33–34	●	7	
EC3	Defined benefit plan obligations (a, b)	OCI	●		
EC4	Significant financial assistance received from government (c)	OCI	●		
EC5	Comparison of standard entry level wage with local minimum wage (c)	OCI	●	1	
EC6	Local supplier spend at significant locations of operation	11–12	◐		SE5, SE7
EC7	Local hiring at significant locations of operation	31	●	6	SE5, SE6
EC8	Development and impact of infrastructure investments and services	19–21, 53	●		SE4
EC9	Understanding and describing significant indirect economic impacts (c)	19–21, 53	◐		SE6
OG1	Volume and type of estimated proved reserves and production	4, 34, 53	●		

OCI: GRI Online Content Index
NM: Not Material
a – See also Annual Report and SEC 10-K
b – See also hess.com/investors
c – See GRI Online Content Index (hess.com/gri-index)

GRI CONTENT INDEX

GRI Indicator	General Description	Page(s)	GRI Status	UNGC Principle(s)	IPIECA Indicator
Environment					
EN DMA	Disclosure on management approach to environmental aspects	32–51	●	7	
EN1, EN2	Materials used and percentage recycled input materials (c)	44	◐	8	
EN3, EN4	Direct and indirect energy use by primary source	40 – 41, 54	●	8	E2
OG2, OG3	Total amount invested in renewable energy and total amount generated by source	41, 51	●	8, 9	
EN5	Energy conservation and efficiency initiatives and improvements	38 – 41	◐	8, 9	E2
EN6	Initiatives to provide energy-efficient or renewable products and services	52	●	8, 9	E3
EN7	Initiatives to reduce indirect energy consumption and reductions achieved	35 – 41	◐	8, 9	E2
EN8, EN9	Total water withdrawal by source, significantly affected water sources	43 – 47, 54	●	8	E6
EN10	Water recycled and reused	54	●	8, 9	E6
EN11, EN12	Proximity of protected areas/areas of high biodiversity	47 – 48	●	7, 8	E5
EN13	Habitats protected or restored	37 – 38, 47 – 48, 50 – 51	●	8	E5
EN14	Strategies, current actions and future plans for managing impacts on biodiversity	47 – 48	●	8	E5
OG4	Significant operating sites in which biodiversity risk has been assessed and monitored	47 – 48	◐	7, 8	
EN15	Number of IUCN Red List and national conservation list species	48	●	7	
EN16, EN17	Total direct and indirect and other relevant greenhouse gas emissions	35 – 38, 54	●	8	E1, E4
EN18	Greenhouse gas reduction initiatives and results	45–49	◐	8	E1
EN19	Emissions of ozone-depleting substances (c)	OCI	NM	8	E7
EN20	NO_X, SO_X and other significant air emissions	50, 54	●	8	E7
EN21	Total water discharge by quality and destination	49, 54	●	8	E9
OG5	Volume of formation of produced water (c)	49, 54	●	8	
EN22	Total weight of waste by type and disposal method	48 – 49, 54	●	8	E10
EN23	Total number and volume of significant spills	54	●	8	E8
EN24	Basel Convention waste management summary	54	●	8	
EN25	Biodiversity value of receiving waters for water discharges and runoff	47 – 48	●	8	
OG6	Volume of flared and vented hydrocarbons	54	●	8	
OG7	Amount of drilling waste (drill mud and cuttings) and strategies for treatment and disposal	49	◐	8	
EN26	Mitigation of environmental impacts of products and services	33 – 50	●	7–9	
EN27	Products sold and packaging reclaimed (c)	OCI	●	8, 9	
OG8	Benzene, lead and sulfur content in fuels (c)	OCI	●	8	
EN28	Fines, penalties and non-compliances	51, 54	●	8	
EN29	Transportation impacts	37 – 38, 40, 46, 54	●	8	
EN30	Environmental expenditures	51, 54	●	8	
Labor Practices and Decent Work					
LA DMA	Disclosure on management approach to employment, labor/management relations, training and education and diversity and equal opportunity (c)	28 – 31	●		
LA DMA	Disclosure on management approach to occupational health and safety (c)	22–27	●		
LA1	Total workforce by employment type, contract and region	31, 53	●		
LA2	Total number and rate of employee turnover by age group, gender and region	29, 53	●	6	
LA3	Benefits provided to full time employees that are not provided to temporary or part time employees, by major operations (c)	OCI	●		
LA4	Percentage of employees covered by collective bargaining agreements (c)	53	●	1, 3	
LA5	Minimum notice period of significant operational changes (c)	OCI	●	3	
LA6	Percentage of total workforce represented in joint safety committees (c)	22 – 27	◐	1	HS1, SE16
LA7	Injury, occupational illness, lost days, absenteeism and fatalities by region (c)	23, 53	◐	1	HS3
LA8	Disease prevention programs (c)	26 – 27	●	1	HS2
LA9	Health and safety topics covered in collective bargaining agreements (c)	OCI	●	1	SE16
LA10	Average hours of training per employee by employee category (c)	OCI	●		SE17
LA11	Programs for skills management, lifelong learning and career endings	29 – 30	●		SE17
LA12	Employees receiving regular performance and development reviews	29 – 30	●		SE17
LA13	Governing bodies and employees by category according to diversity indicators (c)	31, 53	●	1, 6	SE15
LA14	Ratio of basic salary of women to men by employee category (c)	OCI	◐	1, 6	
LA15	Return to work and retention rates after parental leave, by gender (c)	OCI	NM		
IPIECA	Process safety	34 – 35	N/A	—	HS5

GRI CONTENT INDEX

GRI Indicator	General Description	Page(s)	GRI Status	UNGC Principle(s)	IPIECA Indicator
Human Rights					
HR DMA	Disclosure on management approach to human rights aspects	8–13, 17–19	●		
HR1	Human rights and significant investment agreements (c)	16–19	◐	1–6	SE8
HR2	Significant suppliers/contractors screened for human rights (c)	10–12, 17–19	◐	1–6	SE9
HR3	Employee training on policies and procedures concerning human rights	17–19	●	1–6	SE8
HR4	Total number of incidents of discrimination and actions taken (c)	OCI	●	1, 2, 6	SE18
HR5	Operations and significant suppliers at risk re: freedom of association and collective bargaining	10–12	◐	1, 2, 3	
HR6	Operations and significant suppliers at risk re: child labor (c)	OCI	◐	1, 2, 5	
HR7	Operations and significant suppliers at risk re: forced and compulsory labor (c)	OCI	◐	1, 2, 4	
HR8	Security personnel trained on human rights	11	●	1, 2	SE10
HR9	Violations of indigenous peoples' rights (c)	17	●	1, 2	
0G9	Indigenous communities present or affected by operations; location of engagement strategies	17–19	●		
HR10	Operations that have been subject to human rights reviews and/or impact assessments	17–19	●		
HR11	Grievances related to human rights filed, addressed and resolved though formal grievance mechanisms (c)	OCI	●		
Society					
SO DMA	Disclosure on management approach to corruption, public policy, anti-competitive behavior and compliance	8–13	●	10	
SO DMA	Disclosure on management approach to community	14–21, 24–25	●		
SO1	Programs and practices that assess and manage impacts of operations on communities	8–13, 14–21	●		SE1–SE5
SO2	Business units analyzed for risks related to corruption (c)	OCI	●	10	SE11–SE12
SO3	Employees trained in anti-corruption policies and procedures	8–10	●	10	SE11
SO4	Actions taken in response to incidents of corruption (c)	OCI	●	10	SE11
SO5	Public policy positions/participation in public policy development and lobbying	2–3, 10, 33–34	◐	1, 10	SE14
SO6	Political contributions	10	●	10	SE14
SO7	Legal actions for anti-competitive behavior and outcomes (c)	OCI	●		
SO8	Fines and penalties for non-compliance with laws and regulations (c)	OCI	●		
SO9, SO10	Operations with significant potential or actual negative impacts on local communities, prevention and mitigation measures	12–21	●		
OG10	Significant disputes with local communities and indigenous peoples (c)	OCI	●		
OG11	Number of sites that have been decommissioned and sites that are in the process of being decommissioned	50–51	●		
OG12	Extent and impact of involuntary resettlement (c)	OCI	●		
OG13	Number of process safety events, by business activity	25	●		
Product Responsibility					
PR DMA	Disclosure of management approach (c)	OCI	●		
PR1	Life cycle assessment for health and safety impacts of products/services (c)	OCI	●	1	HS4
PR2	Non-compliances with health and safety impact requirements for products/services (c)	OCI	●	1	HS4
PR3	Product and service labeling requirements for significant products (c)	OCI	●	8	HS4
PR4	Non-compliances with product and service labeling requirements (c)	OCI	●	8	HS4
PR5	Customer satisfaction practices (c)	OCI	●		
PR6	Marketing communications compliance programs (c)	OCI	●		HS4
PR7	Non-compliance with marketing communications regulations/voluntary codes (c)	OCI	●		
PR8	Substantiated customer privacy complaints and data loss (c)	OCI	●	1	
PR9	Fines for non-compliance with laws and regulations re: products and services (c)	OCI	●		
OG14	Volume of biofuels produced and purchased meeting sustainability criteria (c)	52	●		

INDEPENDENT ASSURANCE STATEMENT

ERM Certification and Verification Services (ERM CVS) was engaged by Hess Corporation (Hess) to provide assurance in relation to the 2013 Corporate Sustainability Report (the Report).

Engagement Summary Scope:	
Scope:	Whether the report is presented fairly, in all material respects, in accordance with GRI G3.1 including the Oil and Gas Sector Supplement guidelines. Confirmation of Hess' self-declared GRI Application Level. Confirmation that the report meets the common elements of the IPIECA/API reporting requirements.
Reporting Criteria:	The Sustainability Reporting Guidelines G3.1 of the Global Reporting Initiative (including the Oil and Gas Sector Supplement) and the International Petroleum Industry Environmental Conservation Association (IPIECA) – Oil & Gas Industry Guidance on Voluntary Sustainability Reporting, 2nd Edition, 2010
Assurance Standard:	ERM CVS' assurance methodology, based on the International Standard on Assurance Engagements (ISAE 3000) Assurance Engagements Other Than Audits or Reviews of Historical Financial Information
Assurance Level:	Limited assurance
Respective responsibilities:	Hess is responsible for preparing the Report and for the collection and presentation of the information within it. ERM CVS's responsibility is to provide conclusions on the agreed scope based on the assurance activities performed and exercising our professional judgement

Our conclusions
Based on our assurance activities, nothing has come to our attention to indicate that the report is not fairly presented, in all material respects, with the reporting criteria.

GRI application level and IPIECA reporting requirements
We conclude that the Application Level A+ as stated on page 6 and based on the GRI Content Index on page 55 of the Report is consistent with the GRI criteria for this Application Level. We also confirm that the report meets the IPIECA/API reporting requirements.

Our assurance activities
A multi-disciplinary team of sustainability and assurance specialists performed the following activities:

- A review of external media reporting relating to Hess to identify relevant sustainability issues in the reporting period.
- Interviews with relevant staff to understand Hess sustainability strategy, policies and management systems.
- Interviews with relevant staff to understand and evaluate the data management systems and processes (including IT systems and internal review processes) used for collecting and reporting the information.
- Visits to two production sites in Texas, USA (Seminole Gas Plant and Permian Basin Field Locations) and decommissioning activities in the U.K. to verify the source data and review sustainability management systems.
- An analytical review of the year end data submitted by all sites included in the consolidated 2013 group data.
- A visit to the Hess Exploration and Production office in Houston, Texas, and office in Woodbridge, New Jersey, USA to review the data from all sites, the consolidation process and the results of the internal data validation process.
- Reviewing selected evidence related to the design, information collection, and production of the Report in accordance with GRI requirements.
- Reviewing the presentation of information relevant to the scope of our work in the Report to ensure consistency with our findings, including the results of ERM CVS seperate engagement providing verification of the Hess 2014 CDP submission.

The limitations of our engagement
The reliability of the assured data is subject to inherent uncertainties, given the available methods for determining, calculating or estimating the underlying information. It is important to understand our assurance conclusions in this context.

Our Observations
We have provided Hess with a separate detailed management report. Due to the Hess' move to become a "pure play" oil and gas company this past year, there has been less time invested in addressing the recommendations from last year's assurance engagement. Without affecting the conclusions presented above, we have the following key observations:

- In order to further improve data consistency and transparency of the data chain of custody Hess should use clear collection methodologies based on its own data mapping from inception through to Corporate consolidation; and
- Additional user guidance is required to ensure consistent reporting and review of GRI/IPIECA performance data at individual reporting units.

Jennifer Iansen-Rogers
Partner, Head of Report Assurance
27 June 2014

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ERM CVS is a member of the ERM Group. The work that ERM CVS conducts for clients is solely related to independent assurance activities and auditor training. Our processes are designed and implemented to ensure that the work we undertake with clients is free from bias and conflict of interest. ERM CVS and the staff that have undertaken work on this assurance exercise provide no consultancy related services to Hess Corporation in any respect.

AWARDS AND RECOGNITION

Sustainability

- Carbon Disclosure Project Leadership indexes
  - Global 500 (#3 in Energy Sector)
  - S&P 500 (#2 in Energy Sector)
- Dow Jones Sustainability Index North America
- *Corporate Responsibility Magazine* 100 Best Corporate Citizens
- *Newsweek* Green Rankings
  - U.S. Energy Sector (#2)
- STOXX Global ESG Leaders Index
- NYSE Euronext Vigeo US 50 Index
- MSCI ESG Indexes
  - MSCI Global Sustainability Indexes
  - MSCI Global SRI Indexes
  - MSCI KLD 400 Social Index
- Maplecroft, Climate Innovation Index, Cycle Three
  - U.S. Companies (#6)
- Corporate Knights' Global 100 Most Sustainable Corporations
- Environmental Investment Organization Environmental Tracking Global 800 Carbon Rankings
  - Oil & Gas Sector (#3)

Workforce

- *Workforce Diversity for Engineering & IT Professionals* magazine's Top 50 Employers
- *Woman Engineer Magazine's* Top 50 Employers List

MEMBERSHIPS AND ASSOCIATIONS

- IPIECA, the global oil and gas association for environmental and social issues
- International Association of Oil and Gas Producers
- American Petroleum Institute
- Extractive Industries Transparency Initiative
- Council on Foreign Relations
- Center for Strategic and International Studies
- Center for Offshore Safety
- U.S. Oil and Gas Association
- MIT Energy Initiative
- Business Roundtable
- U.S. Chamber of Commerce

REQUESTS FOR INFORMATION

For copies of our Environment, Health and Safety Policy, Human Rights Policy or our Corporate Social Responsibility Policy, or for more information regarding our operations, please visit our website at Hess.com.

We invite your questions, comments and suggestions regarding this report. To send us your questions or comments, or to request more information or additional copies of this report, please contact:

Vice President,
Environment, Health and Safety
Hess Corporation
1501 McKinney Street
Houston, TX 77010

You can also send us an e-mail at ehs@hess.com.

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This report contains projections, future estimates, plans, expectations and other forward-looking statements, including information about sustainability goals and targets and planned social, safety and environmental policies, programs and initiatives. These statements reflect the company's current views with respect to future events and the company's performance. No assurance can be given that the development or continuation of any policy, program or initiative expressed in any forward-looking statement will be achieved, and actual results could differ materially from those expected for a number of reasons, including risk factors affecting the company's business. A discussion of these risk factors is included in the company's annual report of Form 10-K filed with the Securities and Exchange Commission.

Sandy Alexander Inc., an ISO 14001:2004 certified printer with Forest Stewardship Council™ (FSC®) Chain of Custody printed the Hess Annual Corporate Sustainability Report with the use of renewable wind power resulting in nearly zero carbon emissions. This report was printed on FSC®-certified Mohawk Options paper, a process-chlorine-free 100 percent post-consumer waste (PCW) paper manufactured entirely with 100 percent certified wind energy and containing 100 percent post-consumer recycled fiber.

The savings below are achieved when PCW recycled fiber is used in place of virgin fiber:

- 169 trees preserved for the future
- 488 lbs water-borne waste not created
- 71,773 gallons wastewater flow saved
- 7,941 lbs solid waste not generated
- 15,636 lbs net greenhouse gases prevented
- 119,680 BTUs energy not consumed

Savings from the use of emission-free wind-generated electricity:

- 7,946 lbs ghg emissions not generated

Displaces this amount of fossil fuel:

- 8 barrels of fuel oil unused

In other words your savings from the use of wind-generated electricity are equivalent to:

- Not driving 7,864 miles or
- Planting 541 trees

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