

**HESS CORPORATION AND CONSOLIDATED SUBSIDIARIES**  
**CONSOLIDATED BALANCE SHEET**

	December 31,	
	2019	2018
	(In millions, except share amounts)	
<b>Assets</b>		
Current Assets:		
Cash and cash equivalents .....	\$ 1,545	\$ 2,694
Accounts receivable:		
From contracts with customers .....	940	771
Joint venture and other .....	230	230
Inventories .....	261	245
Other current assets .....	180	519
Total current assets .....	<u>3,156</u>	<u>4,459</u>
Property, plant and equipment:		
Total — at cost .....	35,820	33,222
Less: Reserves for depreciation, depletion, amortization and lease impairment .....	<u>19,006</u>	<u>17,139</u>
Property, plant and equipment — net .....	<u>16,814</u>	<u>16,083</u>
Operating lease right-of-use assets — net .....	447	—
Finance lease right-of-use assets — net .....	299	—
Goodwill .....	360	360
Deferred income taxes .....	80	21
Other assets .....	626	510
<b>Total Assets</b> .....	<u><u>\$ 21,782</u></u>	<u><u>\$ 21,433</u></u>
<b>Liabilities</b>		
Current Liabilities:		
Accounts payable .....	\$ 411	\$ 495
Accrued liabilities .....	1,803	1,560
Taxes payable .....	97	81
Current maturities of long-term debt .....	—	67
Current portion of operating and finance lease obligations .....	199	—
Total current liabilities .....	<u>2,510</u>	<u>2,203</u>
Long-term debt .....	7,142	6,605
Long-term operating lease obligations .....	353	—
Long-term finance lease obligations .....	238	—
Deferred income taxes .....	415	421
Asset retirement obligations .....	897	741
Other liabilities and deferred credits .....	521	575
<b>Total Liabilities</b> .....	<u>12,076</u>	<u>10,545</u>
<b>Equity</b>		
Hess Corporation stockholders' equity:		
Preferred stock, par value \$1.00; Authorized — 20,000,000 shares:		
<i>Series A 8% Cumulative Mandatory Convertible; \$1,000 per share liquidation preference;</i>		
<i>Issued — zero shares (2018: 574,997)</i> .....	—	1
Common stock, par value \$1.00; Authorized — 600,000,000 shares:		
<i>Issued — 304,955,472 shares (2018: 291,434,534)</i> .....	305	291
Capital in excess of par value .....	5,591	5,386
Retained earnings .....	3,535	4,257
Accumulated other comprehensive income (loss) .....	(699)	(306)
Total Hess Corporation stockholders' equity .....	<u>8,732</u>	<u>9,629</u>
Noncontrolling interests .....	974	1,259
Total equity .....	<u>9,706</u>	<u>10,888</u>
<b>Total Liabilities and Equity</b> .....	<u><u>\$ 21,782</u></u>	<u><u>\$ 21,433</u></u>

The consolidated financial statements reflect the successful efforts method of accounting for oil and gas exploration and production activities.

See accompanying Notes to Consolidated Financial Statements.

**HESS CORPORATION AND CONSOLIDATED SUBSIDIARIES**  
**STATEMENT OF CONSOLIDATED INCOME**

	Years Ended December 31,		
	2019	2018	2017
	(In millions, except per share amounts)		
<b>Revenues and Non-Operating Income</b>			
Sales and other operating revenues.....	\$ 6,495	\$ 6,323	\$ 5,466
Gains (losses) on asset sales, net.....	22	32	(86)
Other, net.....	(7)	111	11
Total revenues and non-operating income.....	<u>6,510</u>	<u>6,466</u>	<u>5,391</u>
<b>Costs and Expenses</b>			
Marketing, including purchased oil and gas .....	1,736	1,771	1,267
Operating costs and expenses .....	1,237	1,134	1,443
Production and severance taxes .....	184	171	119
Exploration expenses, including dry holes and lease impairment.....	233	362	507
General and administrative expenses.....	397	473	422
Interest expense .....	380	399	325
Loss on debt extinguishment .....	—	53	—
Depreciation, depletion and amortization .....	2,122	1,883	2,883
Impairment .....	—	—	4,203
Total costs and expenses.....	<u>6,289</u>	<u>6,246</u>	<u>11,169</u>
<b>Income (Loss) Before Income Taxes.....</b>	<b>221</b>	<b>220</b>	<b>(5,778)</b>
Provision (benefit) for income taxes.....	461	335	(1,837)
<b>Net Income (Loss) .....</b>	<b>(240)</b>	<b>(115)</b>	<b>(3,941)</b>
Less: Net income (loss) attributable to noncontrolling interests .....	168	167	133
<b>Net Income (Loss) Attributable to Hess Corporation.....</b>	<b>(408)</b>	<b>(282)</b>	<b>(4,074)</b>
Less: Preferred stock dividends .....	4	46	46
<b>Net Income (Loss) Attributable to Hess Corporation Common Stockholders .....</b>	<b>\$ (412)</b>	<b>\$ (328)</b>	<b>\$ (4,120)</b>
<b>Net Income (Loss) Attributable to Hess Corporation Per Common Share</b>			
Basic.....	\$ (1.37)	\$ (1.10)	\$ (13.12)
Diluted .....	\$ (1.37)	\$ (1.10)	\$ (13.12)
<b>Weighted Average Number of Common Shares Outstanding (Diluted) .....</b>	<b>301.2</b>	<b>298.2</b>	<b>314.1</b>
<b>Common Stock Dividends Per Share .....</b>	<b>\$ 1.00</b>	<b>\$ 1.00</b>	<b>\$ 1.00</b>

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**HESS CORPORATION AND CONSOLIDATED SUBSIDIARIES**  
**STATEMENT OF CONSOLIDATED CASH FLOWS**

	<b>Years Ended December 31,</b>		
	<b>2019</b>	<b>2018</b>	<b>2017</b>
	<b>(In millions)</b>		
<b>Cash Flows From Operating Activities</b>			
Net income (loss).....	\$ (240)	\$ (115)	\$ (3,941)
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:			
(Gains) losses on asset sales, net.....	(22)	(32)	86
Depreciation, depletion and amortization .....	2,122	1,883	2,883
Impairment .....	—	—	4,203
Exploratory dry hole costs .....	49	165	268
Exploration lease and other impairment .....	17	37	44
Pension settlement loss .....	93	4	19
Stock compensation expense .....	85	72	86
Noncash (gains) losses on commodity derivatives, net.....	116	182	97
Provision (benefit) for deferred income taxes and other tax accruals .....	17	(120)	(2,001)
Loss on debt extinguishment .....	—	53	—
Changes in operating assets and liabilities:			
(Increase) decrease in accounts receivable .....	(383)	(138)	(340)
(Increase) decrease in inventories .....	(16)	(12)	(64)
Increase (decrease) in accounts payable and accrued liabilities .....	4	88	(44)
Increase (decrease) in taxes payable .....	16	(2)	(34)
Changes in other operating assets and liabilities.....	(216)	(126)	(317)
Net cash provided by (used in) operating activities .....	<u>1,642</u>	<u>1,939</u>	<u>945</u>
<b>Cash Flows From Investing Activities</b>			
Additions to property, plant and equipment - E&P.....	(2,433)	(1,854)	(1,788)
Additions to property, plant and equipment - Midstream .....	(396)	(243)	(149)
Payments for Midstream equity investments .....	(33)	(67)	—
Proceeds from asset sales, net of cash sold.....	22	607	3,296
Other, net .....	(3)	(9)	(1)
Net cash provided by (used in) investing activities.....	<u>(2,843)</u>	<u>(1,566)</u>	<u>1,358</u>
<b>Cash Flows From Financing Activities</b>			
Net borrowings (repayments) of debt with maturities of 90 days or less.....	32	—	(153)
Debt with maturities of greater than 90 days:			
Borrowings .....	760	—	800
Repayments .....	(8)	(633)	(459)
Payments on finance lease obligations.....	(49)	—	—
Proceeds from issuance of Hess Midstream Partnership LP units .....	—	—	366
Common stock acquired and retired .....	(25)	(1,365)	(110)
Cash dividends paid.....	(316)	(345)	(363)
Noncontrolling interests, net.....	(353)	(211)	(243)
Other, net .....	11	28	(26)
Net cash provided by (used in) financing activities .....	<u>52</u>	<u>(2,526)</u>	<u>(188)</u>
<b>Net Increase (Decrease) in Cash and Cash Equivalents .....</b>	<b>(1,149)</b>	<b>(2,153)</b>	<b>2,115</b>
<b>Cash and Cash Equivalents at Beginning of Year .....</b>	<b>2,694</b>	<b>4,847</b>	<b>2,732</b>
<b>Cash and Cash Equivalents at End of Year.....</b>	<b><u>\$ 1,545</u></b>	<b><u>\$ 2,694</u></b>	<b><u>\$ 4,847</u></b>

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