Large Filing Separator Sheet

Case Number : 04-683-GA-CRS

File Date : 5/17/2010

Section : 2 of 2

Number of Pages : 129

Description of Document : Renewal Certification

Consolidated Results of Operations

The after-tax results by major operating activity are summarized below:

	2009	2008	2007
	(Millions of dollars, except per share data)		
Exploration and Production	**$1,042**	$2,423	$1,842
Marketing and Refining	**127**	277	300
Corporate	**(205)**	(173)	(150)
Interest expense	**(224)**	(167)	(160)
Net income attributable to Hess Corporation	**$ 740**	$2,360	$1,832
Net income per share — diluted	**$ 2.27**	$ 7.24	$ 5.74

The following table summarizes, on an after-tax basis, items of income (expense) that are included in net income and affect comparability between periods. The items in the table below are explained on pages 23 through 25.

	2009	2008	2007
	(Millions of dollars)		
Exploration and Production	**$ 45**	$ (26)	$ (74)
Marketing and Refining	**12**	—	24
Corporate	**(60)**	—	(25)
	$ (3)	$ (26)	$ (75)

In the discussion that follows, the financial effects of certain transactions are disclosed on an after-tax basis. Management reviews segment earnings on an after-tax basis and uses after-tax amounts in its review of variances in segment earnings. Management believes that after-tax amounts are a preferable method of explaining variances in earnings, since they show the entire effect of a transaction rather than only the pre-tax amount. After-tax amounts are determined by applying the income tax rate in each tax jurisdiction to pre-tax amounts.

Comparison of Results

Exploration and Production

Following is a summarized income statement of the Corporation's E&P operations:

	2009	2008	2007
	(Millions of dollars)		
Sales and other operating revenues*	**$6,835**	$9,806	$7,498
Other, net	**207**	(167)	65
Total revenues and non operating income	**7,042**	9,639	7,563
Costs and expenses			
Production expenses, including related taxes	**1,805**	1,872	1,581
Exploration expenses, including dry holes and lease impairment	**829**	725	515
General, administrative and other expenses	**255**	302	257
Depreciation, depletion and amortization	**2,167**	1,952	1,503
Total costs and expenses	**5,056**	4,851	3,856
Results of operations before income taxes	**1,986**	4,788	3,707
Provision for income taxes	**944**	2,365	1,865
Results of operations attributable to Hess Corporation	**$1,042**	$2,423	$1,842

* *Amounts differ from E&P operating revenues in Note 16, Segment Information, primarily due to the exclusion of sales of hydrocarbons purchased from third parties.*

After considering the E&P items in the table on page 23, the remaining changes in E&P earnings are primarily attributable to changes in selling prices, production volumes, operating costs, exploration expenses, foreign exchange, and income taxes, as discussed below.

Selling prices: Lower average selling prices reduced E&P revenues by approximately $4,000 million in 2009 compared with 2008. Higher average selling prices increased E&P revenues by approximately $2,100 million in 2008 compared with 2007.

The Corporation's average selling prices were as follows:

	2009	2008	2007
Crude oil-per barrel (including hedging)			
United States	**$60.67**	$96.82	$69.23
Europe	**47.02**	78.75	60.99
Africa	**48.91**	78.72	62.04
Asia and other	**63.01**	97.07	72.17
Worldwide	**51.62**	82.04	63.44
Crude oil-per barrel (excluding hedging)			
United States	**$60.67**	$96.82	$69.23
Europe	**47.02**	78.75	60.99
Africa	**60.79**	93.57	71.71
Asia and other	**63.01**	97.07	72.17
Worldwide	**56.74**	89.23	67.79
Natural gas liquids-per barrel			
United States	**$36.57**	$64.98	$51.89
Europe	**43.23**	74.63	57.20
Worldwide	**38.47**	67.61	53.72
Natural gas-per mcf (including hedging)			
United States	**$ 3.36**	$ 8.61	$ 6.67
Europe	**5.15**	9.44	6.13
Asia and other	**5.06**	5.24	4.71
Worldwide	**4.85**	7.17	5.60
Natural gas-per mcf (excluding hedging)			
United States	**$ 3.36**	$ 8.61	$ 6.67
Europe	**5.15**	9.79	6.13
Asia and other	**5.06**	5.24	4.71
Worldwide	**4.85**	7.30	5.60

In October 2008, the Corporation closed its Brent crude oil hedges, covering 24,000 barrels per day from 2009 though 2012, by entering into offsetting contracts with the same counterparty. The deferred after-tax loss as of the date the hedge positions were closed will be recorded in earnings as the contracts mature. The estimated annual after-tax loss from the closed positions will be approximately $335 million from 2010 through 2012. Crude oil hedges reduced E&P earnings by $337 million ($533 million before income taxes) in 2009. Crude oil and natural gas hedges reduced E&P earnings by $423 million ($685 million before income taxes) in 2008 and $244 million ($399 million before income taxes) in 2007.

Production and sales volumes: The Corporation's crude oil and natural gas production was 408,000 boepd in 2009 compared with 381,000 boepd in 2008 and 377,000 boepd in 2007. The Corporation currently estimates that its 2010 production will average between 400,000 and 410,000 boepd.

The Corporation's net daily worldwide production was as follows (in thousands):

	2009	2008	2007
Crude oil (barrels per day)			
United States	**60**	32	31
Europe	**83**	83	93
Africa	**120**	124	115
Asia and other	**16**	13	21
Total	**279**	252	260
Natural gas liquids (barrels per day)			
United States	**11**	10	10
Europe	**3**	4	5
Total	**14**	14	15
Natural gas (mcf per day)			
United States	**93**	78	88
Europe	**151**	255	259
Asia and other	**446**	356	266
Total	**690**	689	613
Barrels of oil equivalent* (barrels per day)	**408**	381	377

* *Reflects natural gas production converted on the basis of relative energy content (six mcf equals one barrel).*

United States: Crude oil and natural gas production in the United States was higher in 2009 compared with 2008, primarily due to new production from the Shenzi Field and production resuming after the 2008 hurricanes. Crude oil production was slightly higher in 2008 compared with 2007, principally due to production from new wells in North Dakota and the deepwater Gulf of Mexico, largely offset by the impact of hurricanes in the Gulf of Mexico. Natural gas production was lower in 2008 compared to 2007, primarily reflecting hurricane downtime and natural decline. Hurricane impacts reduced full year 2008 production by an estimated 7,000 boepd.

Europe: Crude oil production was comparable in 2009 and 2008, as higher production in Russia offset lower production in the United Kingdom North Sea. Crude oil production in 2008 was lower than in 2007, due to temporary shut-ins at three North Sea fields, the cessation of production at the Fife, Fergus, Flora and Angus fields, and natural decline. These decreases were partially offset by increased production in Russia. Natural gas production was lower in 2009 compared with 2008, primarily due to decline at the Atlantic and Cromarty fields.

Africa: Crude oil production decreased in 2009 compared with 2008 primarily due to lower production from the Ceiba Field. Crude oil production increased in 2008 compared with 2007, primarily due to higher production at the Okume Complex, partially offset by a lower entitlement to Algerian production.

Asia and other: Natural gas production in 2009 was higher than in 2008, primarily due to a full year of Phase 2 gas sales from the Joint Development Area of Malaysia/Thailand (JDA). Natural gas production increased in 2008 compared with 2007 due to increased production from Block A-18 in the JDA and a full year of production from the Ujung Pangkah Field in Indonesia. The decrease in crude oil production in 2008 from 2007 principally reflects changes to the Corporation's entitlement to production in Azerbaijan.

Sales volumes: Higher sales volumes and other operating revenues increased revenue by approximately $1,030 million in 2009 compared with 2008 and $200 million in 2008 compared with 2007.

Operating costs and depreciation, depletion and amortization: Excluding the impact of items affecting comparability explained on page 23, cash operating costs, consisting of production expenses and general and administrative expenses, decreased by $119 million in 2009 and increased by $321 million in 2008 compared with the corresponding amounts in the prior years. The decrease in 2009 compared with 2008 was primarily due to lower production taxes (due to lower realized selling prices), the cessation of production at several North Sea fields, the favorable impact of foreign exchange rates and cost savings initiatives, partially offset by the impact of higher production volumes. The increase in costs in 2008 compared to 2007 was primarily due to increased production taxes (due to higher realized selling prices), increased cost of services and materials and higher employee costs.

Excluding the impact of items affecting comparability, depreciation, depletion and amortization charges increased by $192 million in 2009 and $531 million in 2008, compared with the corresponding amounts in the prior years. The increases in 2009 and 2008 were primarily due to higher production volumes and per barrel costs, reflecting higher finding and development costs.

Excluding items affecting comparability between periods, unit costs were as follows. Cash operating costs per barrel of oil equivalent were $13.70 in 2009, $15.49 in 2008 and $13.36 in 2007. Cash operating costs in 2010 are estimated to be in the range of $15 to $16 per barrel of oil equivalent. Depreciation, depletion and amortization costs per barrel of oil equivalent were $14.19 in 2009, $13.79 in 2008 and $10.11 in 2007. Depreciation, depletion and amortization costs for 2010 are estimated to be in the range of $14.50 to $15.50 per barrel of oil equivalent.

Exploration expenses: Exploration expenses increased in 2009 from 2008, primarily due to higher dry hole costs and lease amortization, partially offset by lower geological and seismic expense. Exploration expenses increased in 2008 compared to 2007, mainly due to higher dry hole costs.

Income taxes: Excluding the impact of items affecting comparability, the effective income tax rates for E&P operations were 48% in 2009, 49% in 2008 and 50% in 2007. The effective income tax rate for E&P operations in 2010 is estimated to be in the range of 47% to 51%.

Foreign Exchange: The after-tax foreign currency losses were $10 million in 2009, $80 million in 2008 and $7 million in 2007. The foreign currency loss in 2008 reflects the net effect of significant exchange rate movements in the fourth quarter of 2008 on the remeasurement of assets, liabilities and foreign currency forward contracts by certain foreign businesses.

Reported E&P earnings include the following items affecting comparability of income (expense) before and after income taxes:

	Before Income Taxes			After Income Taxes		
	2009	2008	2007	2009	2008	2007
			(Millions of dollars)			
Royalty dispute resolution	$ 143	$ —	$ —	$ 89	$ —	$ —
Gains from asset sales	—	—	21	—	—	15
Reductions in carrying values of assets	(77)	(30)	(112)	(44)	(17)	(56)
Hurricane related costs	—	(15)	—	—	(9)	—
Estimated production imbalance settlements	—	—	(64)	—	—	(33)
	$ 66	$ (45)	$(155)	$ 45	$ (26)	$ (74)

2009: In October 2009, the U.S. Supreme Court decided it would not review the decision of the 5th Circuit Court of Appeals against the U.S. Minerals Management Service relating to royalty relief under the Deep Water Royalty Relief Act of 1995. As a result, the Corporation recognized an after-tax gain of $89 million to reverse all previously recorded royalties covering the periods from 2003 to 2009. The pre-tax gain of $143 million is reported in Other, net within the Statement of Consolidated Income.

After-tax charges of $44 million ($77 million before income taxes) were recorded to impair the carrying values of production equipment and two short-lived fields in the United Kingdom North Sea, and to write down materials inventories in Equatorial Guinea and the United States. The pre-tax amount of the impairment charges totaling $52 million were reported in Depreciation, depletion and amortization and the majority of the $25 million in inventory write downs was reported in Production expenses in the Statement of Consolidated Income.

2008: The charge for asset impairments relates to mature fields in the United States and the United Kingdom North Sea. The hurricane costs relate to expenses associated with Hurricanes Gustav and Ike in the Gulf of Mexico and are recorded in Production expenses.

2007: The gain from asset sales relates to the sale of the Corporation's interests in the Scott and Telford fields in the United Kingdom North Sea. The charge for asset impairments relates to two mature fields also in the United Kingdom North Sea. The estimated production imbalance settlements represent a charge for adjustments to prior meter readings at two offshore fields, which are recorded as a reduction of Sales and other operating revenues.

The Corporation's future E&P earnings may be impacted by external factors, such as volatility in the selling prices of crude oil and natural gas, reserve and production changes, political risk, industry costs, exploration expenses, the effects of weather and changes in foreign exchange and income tax rates.

Marketing and Refining

Earnings from M&R activities amounted to $127 million in 2009, $277 million in 2008 and $300 million in 2007. Excluding the items affecting comparability reflected in the table on page 20 and discussed below, the earnings were $115 million, $277 million and $276 million, respectively.

Refining: Refining earnings (losses), which consist of the Corporation's share of HOVENSA's results, Port Reading earnings, interest income on a note receivable from PDVSA and results of other miscellaneous operating activities, were $(87) million in 2009 (including a benefit of $12 million due to an income tax adjustment), $73 million in 2008, and $193 million in 2007.

The Corporation's share of HOVENSA's results was a loss of $141 million ($229 million before income taxes) in 2009, and income of $27 million ($44 million before income taxes) in 2008 and $108 million ($176 million before income taxes) in 2007. The declining earnings were principally due to lower refining margins. The 2009 and 2008 utilization rates for HOVENSA reflect weaker refining margins and planned and unplanned maintenance. The 2008 utilization rates also reflect a refinery wide shut down for Hurricane Omar. In 2007, the coker unit at HOVENSA was shutdown for approximately 30 days for a scheduled turnaround. Certain related processing units were also included in this turnaround. In January 2010, HOVENSA commenced a turnaround of its FCC unit which is expected to take approximately 40 days. The Corporation's estimated share of HOVENSA's turnaround expenses after income taxes is expected to be approximately $20 million.

Cash distributions received by the Corporation from HOVENSA were $50 million in 2008 and $300 million in 2007. In 2009, the remaining balance on the note issued by PDVSA at inception of the joint venture was fully repaid.

Other after-tax refining earnings, principally from Port Reading operations, were $43 million in both 2009 and 2008 and $79 million in 2007, reflecting lower margins. The Corporation is planning a turnaround for the Port Reading refining facility in the second quarter of 2010, which is expected to take approximately 35 days. The estimated after-tax expenses for the Port Reading turnaround are approximately $25 million.

The following table summarizes refinery utilization rates:

	Refinery Capacity (Thousands of barrels per day)	Refinery Utilization 2009	2008	2007
HOVENSA				
Crude	500	**80.3%**	88.2%	90.8%
Fluid catalytic cracker	150	**70.2%**	72.7%	87.1%
Coker	58	**81.6%**	92.4%	83.4%
Port Reading	70	**90.2%**	90.7%	93.2%

Marketing: Marketing operations, which consist principally of retail gasoline and energy marketing activities, generated income of $168 million in 2009, $240 million in 2008 and $83 million in 2007, including income from the liquidation of LIFO inventories in 2007 totaling $24 million ($38 million before income taxes).

The decrease in earnings in 2009 compared with 2008 reflects lower margins in a weak economic environment. The increase in 2008 compared with 2007 primarily reflects higher margins on refined product sales, including sales of retail gasoline operations.

The table below summarizes marketing sales volumes:

	2009	2008	2007
Refined product sales (thousands of barrels per day)	**473**	472	451
Natural gas (thousands of mcf per day)	**2,010**	1,955	1,890
Electricity (megawatts round the clock)	**4,306**	3,152	2,821

The Corporation has a 50% voting interest in a consolidated partnership that trades energy commodities and energy derivatives. The Corporation also takes trading positions for its own account. The Corporation's after-tax results from trading activities, including its share of the results of the trading partnership, amounted to earnings of $46 million in 2009, a loss of $36 million in 2008 and earnings of $24 million in 2007.

Marketing expenses decreased in 2009 as compared with 2008, principally reflecting lower retail credit card fees. Marketing expenses increased in 2008 compared with 2007, due to growth in energy marketing activities, higher retail credit card fees, and increased transportation costs.

The Corporation's future M&R earnings may be impacted by external factors, such as volatility in margins, competitive industry conditions, government regulations, credit risk, and supply and demand factors, including the effects of weather.

Corporate

The following table summarizes corporate expenses:

	2009	2008	2007
	(Millions of dollars)		
Corporate expenses	**$ 227**	$ 260	$ 187
Income taxes (benefits)	**(82)**	(87)	(62)
After-tax corporate expenses	**145**	173	125
Items affecting comparability between periods, after tax	**60**	—	25
Net corporate expenses	**$ 205**	$ 173	$ 150

Excluding items affecting comparability between periods, the decrease in corporate expenses in 2009 compared with 2008 primarily reflects gains on supplemental pension related investments, together with lower employee and professional costs, partly offset by higher bank facility fees. The increase in corporate expenses in 2008 compared with 2007 primarily reflects losses on supplemental pension related investments and higher employee and professional costs. After-tax corporate expenses in 2010 are estimated to be in the range of $160 to $170 million.

In 2009, the Corporation recorded after-tax charges of $34 million ($54 million before income taxes) related to the repurchase of $546 million in notes that were scheduled to mature in 2011 and $26 million ($42 million before income taxes) relating to retirement benefits and employee severance costs. The pre-tax charge in connection with the debt repurchase was recorded in Other, net, and the pre-tax amount of the retirement benefits and severance costs was recorded in General and administrative expenses within the Statement of Consolidated Income. In 2007, Corporate expenses included a charge of $25 million ($40 million before income taxes) related to MTBE litigation. The pre-tax amount of this charge was recorded in General and administrative expenses.

Interest

Interest expense was as follows:

	2009	2008	2007
	(Millions of dollars)		
Total interest incurred	**$ 366**	$ 274	$ 306
Less capitalized interest	**6**	7	50
Interest expense before income taxes	**360**	267	256
Less income taxes	**136**	100	96
After-tax interest expense	**$ 224**	$ 167	$ 160

The increase in interest expense primarily reflects higher debt and fees for letters of credit. The decrease in capitalized interest in 2009 and 2008 compared to 2007 reflects the completion of several development projects in 2007. After-tax interest expense in 2010 is expected to be in the range of $220 to $230 million.

Sales and Other Operating Revenues

Sales and other operating revenues totaled $29,614 million in 2009, a decrease of 28% compared with 2008. In 2008, sales and other operating revenues totaled $41,134 million, an increase of 30% compared with 2007. The fluctuations in each year primarily reflect changes in crude oil and refined product selling prices.

The change in cost of goods sold in each year principally reflects the change in sales volumes and prices of refined products and purchased natural gas and electricity.

Liquidity and Capital Resources

The following table sets forth certain relevant measures of the Corporation's liquidity and capital resources as of December 31:

	2009	2008
	(Millions of dollars)	
Cash and cash equivalents	**$ 1,362**	$ 908
Current portion of long-term debt	**$ 148**	$ 143
Total debt	**$ 4,467**	$ 3,955
Total equity	**$13,528**	$12,391
Debt to capitalization ratio*	**24.8%**	24.2%

* *Total debt as a percentage of the sum of total debt plus equity.*

Cash Flows

The following table sets forth a summary of the Corporation's cash flows:

	2009	2008	2007
	(Millions of dollars)		
Net cash provided by (used in):			
Operating activities	**$ 3,046**	$ 4,688	$ 3,627
Investing activities	**(2,924)**	(4,444)	(3,474)
Financing activities	**332**	57	71
Net increase in cash and cash equivalents	**$ 454**	$ 301	$ 224

Operating Activities: Net cash provided by operating activities, including changes in operating assets and liabilities, was $3,046 million in 2009 compared with $4,688 million in 2008, reflecting lower earnings. Operating cash flow increased to $4,688 million in 2008 from $3,627 million in 2007, primarily reflecting increased earnings. The Corporation received cash distributions from HOVENSA of $50 million in 2008 and $300 million in 2007.

Investing Activities: The following table summarizes the Corporation's capital expenditures:

	2009	2008	2007
	(Millions of dollars)		
Exploration and Production			
Exploration	**$ 611**	$ 744	$ 371
Production and development	**1,927**	2,523	2,605
Acquisitions (including leaseholds)	**262**	984	462
	2,800	4,251	3,438
Marketing, Refining and Corporate	**118**	187	140
Total	**$2,918**	$4,438	$3,578

Capital expenditures in 2009 include acquisitions of $188 million for unproved leaseholds and $74 million for a 50% interest in blocks PM301 and PM302 in Malaysia, which are adjacent to Block A-18 of the JDA. Capital expenditures in 2008 include $600 million for leasehold acquisitions in the United States and $210 million for the acquisition of the remaining 22.5% interest in the Corporation's Gabonese subsidiary. In 2008, the Corporation also selectively expanded its energy marketing business by acquiring fuel oil, natural gas, and electricity customer accounts, and a terminal and related assets, for an aggregate of approximately $100 million. In 2007, capital expenditures include the acquisition of a 28% interest in the Genghis Khan Field in the deepwater Gulf of Mexico for $371 million.

In 2007, the Corporation received proceeds of $93 million for the sale of its interests in the Scott and Telford fields located in the United Kingdom.

Financing Activities: During 2009, net proceeds from borrowings were $447 million. In February 2009, the Corporation issued $250 million of 5 year senior unsecured notes with a coupon of 7% and $1 billion of 10 year senior unsecured notes with a coupon of 8.125%. The majority of the proceeds were used to repay debt under the revolving credit facility and outstanding borrowings on other credit facilities. In December 2009, the Corporation issued $750 million of 30 year bonds with a coupon of 6% and tendered for the $662 million of bonds due in August 2011. The Corporation completed the repurchase of $546 million of the 2011 bonds in December 2009. The remaining $116 million of 2011 bonds, classified as Current maturities of long term debt at December 31, 2009, was redeemed in January 2010, resulting in a charge of approximately $11 million ($7 million after income taxes). During 2008, net repayments of debt were $32 million, compared with net borrowings of $208 million in 2007.

Total common stock dividends paid were $131 million, $130 million and $127 million in 2009, 2008 and 2007, respectively. The Corporation received net proceeds from the exercise of stock options, including related income tax benefits, of $18 million, $340 million and $111 million in 2009, 2008 and 2007, respectively.

Future Capital Requirements and Resources

The Corporation anticipates investing a total of approximately $4.1 billion in capital and exploratory expenditures during 2010, substantially all of which is targeted for E&P operations. In the Corporation's M&R operations, refining margins are currently weak, which have adversely affected HOVENSA's liquidity position. The Corporation intends to provide its share of any necessary financial support for HOVENSA. The Corporation expects to fund its 2010 operations, including capital expenditures, dividends, pension contributions and required debt repayments and any necessary financial support for HOVENSA, with existing cash on-hand, cash flow from operations and its available credit facilities. Crude oil prices, natural gas prices and refining margins are volatile and difficult to predict. In addition, unplanned increases in the Corporation's capital expenditure program could occur. If conditions were to change, such as a significant decrease in commodity prices or an unexpected increase in capital expenditures, the Corporation would take steps to protect its financial flexibility and may pursue other sources of liquidity, including the issuance of debt securities, the issuance of equity securities, and/or asset sales.

The table below summarizes the capacity, usage, and available capacity of the Corporation's borrowing and letter of credit facilities at December 31, 2009 (in millions):

	Expiration Date	Capacity	Borrowings	Letters of Credit Issued	Total Used	Available Capacity
Revolving credit facility	May 2012(a)	$ 3,000	$ —	$ —	$ —	$ 3,000
Asset backed credit facility	July 2010(b)	741	—	500	500	241
Committed lines	Various(c)	2,115	—	1,155	1,155	960
Uncommitted lines	Various(c)	1,192	—	1,192	1,192	—
Total		$ 7,048	$ —	$ 2,847	$ 2,847	$ 4,201

(a) $75 million expires in May 2011.

(b) Total capacity of $1.0 billion subject to the amount of eligible receivables posted as collateral.

(c) Committed and uncommitted lines have expiration dates primarily through 2010.

The Corporation maintains a $3.0 billion syndicated, revolving credit facility (the facility), of which $2,925 million is committed through May 2012. The facility can be used for borrowings and letters of credit. At December 31, 2009, available capacity under the facility was $3.0 billion. The Corporation has a 364 day asset-backed credit facility securitized by certain accounts receivable from its M&R operations. At December 31, 2009, under the terms of this financing arrangement, the Corporation has the ability to borrow or issue letters of credit of up to $1.0 billion, subject to the availability of sufficient levels of eligible receivables. At December 31, 2009, outstanding letters of credit under this facility were collateralized by a total of $1,326 million of accounts receivable, which are held by a wholly owned subsidiary. These receivables are only available to pay the general obligations of the Corporation after satisfaction of the outstanding obligations under the asset backed facility.

The Corporation also has a shelf registration under which it may issue additional debt securities, warrants, common stock or preferred stock.

A loan agreement covenant based on the Corporation's debt to capitalization ratio allows the Corporation to borrow up to an additional $18.1 billion for the construction or acquisition of assets at December 31, 2009. The Corporation has the ability to borrow up to an additional $3.7 billion of secured debt at December 31, 2009 under the loan agreement covenants.

The Corporation's $2,847 million in letters of credit outstanding at December 31, 2009 were primarily issued to satisfy margin requirements. See also Note 14, Risk Management and Trading Activities.

Credit Ratings

There are three major credit rating agencies that rate the Corporation's debt. All three agencies have currently assigned an investment grade rating to the Corporation's debt. The interest rates and facility fees charged on some of the Corporation's credit facilities, as well as margin requirements from risk management and trading counterparties, are subject to adjustment if the Corporation's credit rating changes.

Contractual Obligations and Contingencies

Following is a table showing aggregated information about certain contractual obligations at December 31, 2009:

		Payments Due by Period			
	Total	2010	2011 and 2012	2013 and 2014	Thereafter
		(Millions of dollars)			
Long-term debt*	$ 4,467	$ 148	$ 66	$ 370	$ 3,883
Operating leases	3,282	482	695	677	1,428
Purchase obligations					
Supply commitments**	37,870	13,158	12,546	12,118	48
Capital expenditures	939	745	191	2	1
Operating expenses	937	457	276	70	134
Other long-term liabilities	2,095	145	366	199	1,385

* *At December 31, 2009, the Corporation's debt bears interest at a weighted average rate of 7.3%.*

** *The Corporation intends to continue purchasing refined product supply from HOVENSA. Estimated future purchases amount to approximately $6.0 billion annually using year-end 2009 prices, which have been included in the table through 2014.*

In the preceding table, the Corporation's supply commitments include its estimated purchases of 50% of HOVENSA's production of refined products, after anticipated sales by HOVENSA to unaffiliated parties. The value of future supply commitments will fluctuate based on prevailing market prices at the time of purchase, the actual output from HOVENSA, and the level of sales to unaffiliated parties. Also included are term purchase agreements at market prices for additional gasoline necessary to supply the Corporation's retail marketing system and feedstocks for the Port Reading refining facility. In addition, the Corporation has commitments to purchase refined products, natural gas and electricity to supply contracted customers in its energy marketing business. These commitments were computed based predominately on year-end market prices.

The table also reflects future capital expenditures, including the portion of the Corporation's planned $4.1 billion capital investment program for 2010 that is contractually committed at December 31, 2009. Obligations for operating expenses include commitments for transportation, seismic purchases, oil and gas production expenses and other normal business expenses. Other long-term liabilities reflect contractually committed obligations on the balance sheet at December 31, 2009, including asset retirement obligations, pension plan liabilities and anticipated obligations for uncertain income tax positions.

The Corporation and certain of its subsidiaries lease gasoline stations, drilling rigs, tankers, office space and other assets for varying periods under leases accounted for as operating leases. The Corporation entered into a lease agreement for a new drillship and related support services for use in its global deepwater exploration and development activities. The total payments under this five year contract are expected to be approximately $950 million. The Corporation took delivery of the drillship in the fourth quarter of 2009.

The Corporation has a contingent purchase obligation, expiring in April 2012, to acquire the remaining interest in WilcoHess, a retail gasoline station joint venture, for approximately $184 million as of December 31, 2009.

The Corporation guarantees the payment of up to 50% of HOVENSA's crude oil purchases from certain suppliers other than PDVSA. The amount of the Corporation's guarantee fluctuates based on the volume of crude oil purchased and related prices and at December 31, 2009 it amounted to $121 million. In addition, the Corporation has agreed to provide funding up to a maximum of $15 million to the extent HOVENSA does not have funds to meet its senior debt obligations.

The Corporation is contingently liable under letters of credit and under guarantees of the debt of other entities directly related to its business at December 31, 2009 as shown below:

	Total (Millions of dollars)
Letters of credit	$ 100
Guarantees	136
	$ 236

Off-Balance Sheet Arrangements

The Corporation has leveraged leases not included in its balance sheet, primarily related to retail gasoline stations that the Corporation operates. The net present value of these leases is $412 million at December 31, 2009 compared with $491 million at December 31, 2008. The Corporation's December 31, 2009 debt to capitalization ratio would increase from 24.8% to 26.5% if these leases were included as debt.

See also Note 4, Refining Joint Venture, and Note 15, Guarantees and Contingencies, in the notes to the financial statements.

Foreign Operations

The Corporation conducts exploration and production activities outside the United States, principally in Algeria, Australia, Azerbaijan, Brazil, Colombia, Denmark, Egypt, Equatorial Guinea, Gabon, Ghana, Indonesia, Libya, Malaysia, Norway, Peru, Russia, Thailand, and the United Kingdom. Therefore, the Corporation is subject to the risks associated with foreign operations, including political risk, tax law changes, and currency risk.

See also Item 1A. *Risk Factors Related to Our Business and Operations.*

Accounting Policies

Critical Accounting Policies and Estimates

Accounting policies and estimates affect the recognition of assets and liabilities on the Corporation's balance sheet and revenues and expenses on the income statement. The accounting methods used can affect net income, equity and various financial statement ratios. However, the Corporation's accounting policies generally do not change cash flows or liquidity.

Accounting for Exploration and Development Costs: Exploration and production activities are accounted for using the successful efforts method. Costs of acquiring unproved and proved oil and gas leasehold acreage, including lease bonuses, brokers' fees and other related costs, are capitalized. Annual lease rentals, exploration expenses and exploratory dry hole costs are expensed as incurred. Costs of drilling and equipping productive wells, including development dry holes, and related production facilities are capitalized.

The costs of exploratory wells that find oil and gas reserves are capitalized pending determination of whether proved reserves have been found. Exploratory drilling costs remain capitalized after drilling is completed if (1) the well has found a sufficient quantity of reserves to justify completion as a producing well and (2) sufficient progress is being made in assessing the reserves and the economic and operating viability of the project. If either of those criteria is not met, or if there is substantial doubt about the economic or operational viability of the project, the capitalized well costs are charged to expense. Indicators of sufficient progress in assessing reserves and the economic and operating viability of a project include: commitment of project personnel, active negotiations for sales contracts with customers, negotiations with governments, operators and contractors and firm plans for additional drilling and other factors.

Crude Oil and Natural Gas Reserves: The SEC revised its oil and gas reserve estimation and disclosure requirements effective for year-end 2009 reporting. In addition, the Financial Accounting Standards Board (FASB) revised its accounting standard on oil and gas reserve estimation and disclosures. The determination of estimated proved reserves is a significant element in arriving at the results of operations of exploration and production activities. The estimates of proved reserves affect well capitalizations, the unit of production depreciation rates of proved properties and wells and equipment, as well as impairment testing of oil and gas assets and goodwill.

For reserves to be booked as proved they must be determined with reasonable certainty to be economically producible from known reservoirs under existing economic conditions, operating methods and government regulations. In addition, government and project operator approvals must be obtained and, depending on the amount of the project cost, senior management or the board of directors must commit to fund the project. The Corporation maintains its own internal reserve estimates that are calculated by technical staff that work directly with the oil and gas properties. The Corporation's technical staff updates reserve estimates throughout the year based on evaluations of new wells, performance reviews, new technical data and other studies. To provide consistency throughout the Corporation, standard reserve estimation guidelines, definitions, reporting reviews and approval practices are used. The internal reserve estimates are subject to internal technical audits and senior management review. The Corporation also engaged an independent third party consulting firm to audit approximately 80% of the Corporation's total proved reserves.

Impairment of Long-Lived Assets and Goodwill: As explained below there are significant differences in the way long-lived assets and goodwill are evaluated and measured for impairment testing. The Corporation reviews long-lived assets, including oil and gas fields, for impairment whenever events or changes in circumstances indicate that the carrying amounts may not be recovered. Long-lived assets are tested based on identifiable cash flows that are largely independent of the cash flows of other assets and liabilities. If the carrying amounts of the long-lived assets are not expected to be recovered by undiscounted future net cash flow estimates, the assets are impaired and an impairment loss is recorded. The amount of impairment is based on the estimated fair value of the assets generally determined by discounting anticipated future net cash flows.

In the case of oil and gas fields, the present value of future net cash flows is based on management's best estimate of future prices, which is determined with reference to recent historical prices and published forward prices, applied to projected production volumes and discounted at a risk-adjusted rate. The projected production volumes represent reserves, including probable reserves, expected to be produced based on a stipulated amount of capital expenditures. The production volumes, prices and timing of production are consistent with internal projections and other externally reported information. Oil and gas prices used for determining asset impairments will generally differ from those used in the standardized measure of discounted future net cash flows, since the standardized measure requires the use of historical twelve month average prices.

The Corporation's impairment tests of long-lived E&P producing assets are based on its best estimates of future production volumes (including recovery factors), selling prices, operating and capital costs, the timing of future production and other factors, which are updated each time an impairment test is performed. The Corporation could have impairments if the projected production volumes from oil and gas fields decrease, crude oil and natural gas selling prices decline significantly for an extended period or future estimated capital and operating costs increase significantly.

The Corporation's goodwill is tested for impairment at a reporting unit level, which is an operating segment or one level below an operating segment. The impairment test is conducted annually in the fourth quarter or when events or changes in circumstances indicate that the carrying amount of the goodwill may not be recoverable. The reporting unit or units used to evaluate and measure goodwill for impairment are determined primarily from the manner in which the business is managed. The Corporation's goodwill is assigned to the E&P operating segment and it expects that the benefits of goodwill will be recovered through the operation of that segment.

The Corporation's fair value estimate of the E&P segment is the sum of: (1) the discounted anticipated cash flows of producing assets and known developments, (2) the estimated risk adjusted present value of exploration assets, and (3) an estimated market premium to reflect the market price an acquirer would pay for potential synergies including cost savings, access to new business opportunities, enterprise control, improved processes and increased market share. The Corporation also considers the relative market valuation of similar Exploration and Production companies.

The determination of the fair value of the E&P segment depends on estimates about oil and gas reserves, future prices, timing of future net cash flows and market premiums. Significant extended declines in crude oil and natural gas prices or reduced reserve estimates could lead to a decrease in the fair value of the E&P segment that could result in an impairment of goodwill.

As there are significant differences in the way long-lived assets and goodwill are evaluated and measured for impairment testing, there may be impairments of individual assets that would not cause an impairment of the goodwill assigned to the E&P segment.

Income Taxes: Judgments are required in the determination and recognition of income tax assets and liabilities in the financial statements. These judgments include the requirement to only recognize the financial statement effect of a tax position when management believes that it is more likely than not, that based on the technical merits, the position will be sustained upon examination.

The Corporation has net operating loss carryforwards or credit carryforwards in several jurisdictions, including the United States, and has recorded deferred tax assets for those losses and credits. Additionally, the Corporation has deferred tax assets due to temporary differences between the book basis and tax basis of certain assets and liabilities. Regular assessments are made as to the likelihood of those deferred tax assets being realized. If it is more likely than not that some or all of the deferred tax assets will not be realized, a valuation allowance is recorded to reduce the deferred tax assets to the amount that is expected to be realized. In evaluating realizability of deferred tax assets, the Corporation refers to the reversal periods for temporary differences, available carryforward periods for net operating losses and credit carryforwards, estimates of future taxable income, the availability of tax planning strategies, the existence of appreciated assets and other factors. Estimates of future taxable income are based on assumptions of oil and gas reserves and selling prices that are consistent with the Corporation's internal business forecasts. Additionally, the Corporation has income taxes which have been deferred on intercompany transactions eliminated in consolidation related to transfers of property, plant and equipment remaining within the consolidated group. The amortization of these income taxes deferred on intercompany transactions will occur ratably with the recovery through depletion and depreciation of the carrying value of these assets. The Corporation does not provide for deferred U.S. income taxes for that portion of undistributed earnings of foreign subsidiaries that are indefinitely reinvested in foreign operations.

Fair Value Measurements: The Corporation's derivative instruments and supplemental pension plan investments are recorded at fair value, with changes in fair value recognized in earnings or other comprehensive income each period. The Corporation uses various valuation approaches in determining fair value, including the market and income approaches. The Corporation's fair value measurements also include non-performance risk and time value of money considerations. Counterparty credit is considered for receivable balances, and the Corporation's credit is considered for accrued liabilities.

The Corporation determines fair value in accordance with the FASB fair value measurements accounting standard which established a hierarchy that categorizes the sources of inputs, which generally range from quoted prices for identical instruments in a principal trading market (Level 1) to estimates determined using related market data (Level 3). Multiple inputs may be used to measure fair value, however, the level of fair value is based on the lowest significant input level within this fair value hierarchy. Inputs include discounted cash flow calculations and other unobservable data.

The Corporation also records certain nonfinancial assets and liabilities at fair value. These fair value measurements include assets and liabilities recorded in connection with business combinations, the initial recognition of asset retirement obligations and long-lived assets and goodwill measured at fair value in an impairment assessment.

Details on the methods and assumptions used to determine the fair values are as follows:

Fair value measurements based on Level 1 inputs: Measurements that are most observable are based on quoted prices of identical instruments obtained from the principal markets in which they are traded. Closing prices are both readily available and representative of fair value. Market transactions occur with sufficient frequency and volume to assure liquidity. The fair value of certain of the Corporation's exchange traded futures and options are considered Level 1.

Fair value measurements based on Level 2 inputs: Measurements derived indirectly from observable inputs or from quoted prices from markets that are less liquid are considered Level 2. Measurements based on Level 2 inputs include over-the-counter derivative instruments that are priced on an exchange traded curve but have contractual terms that are not identical to exchange traded contracts. The Corporation utilizes fair value measurements based on Level 2 inputs for certain forwards, swaps and options. The liability related to the Corporation's crude oil hedges is classified as Level 2.

Fair value measurements based on Level 3 inputs: Measurements that are least observable are estimated from related market data determined from sources with little or no market activity for comparable contracts or are positions with longer durations. For example, in its energy marketing business, the Corporation sells natural gas and electricity to customers and offsets the price exposure by purchasing forward contracts. The fair value of these sales and purchases may be based on specific prices at less liquid delivered locations, which are classified as Level 3. Fair values determined using discounted cash flows are also classified as Level 3.

Derivatives: The Corporation utilizes derivative instruments for both risk management and trading activities. In risk management activities, the Corporation uses futures, forwards, options and swaps, individually or in combination to mitigate its exposure to fluctuations in the prices of crude oil, natural gas, refined products and electricity, as well as changes in interest and foreign currency exchange rates. In trading activities, the Corporation, principally through a consolidated partnership, trades energy commodities and derivatives, including futures, forwards, options and swaps, based on expectations of future market conditions.

All derivative instruments are recorded at fair value in the Corporation's balance sheet. The Corporation's policy for recognizing the changes in fair value of derivatives varies based on the designation of the derivative. The changes in fair value of derivatives that are not designated as hedges are recognized currently in earnings. Derivatives may be designated as hedges of expected future cash flows or forecasted transactions (cash flow hedges) or hedges of firm commitments (fair value hedges). The effective portion of changes in fair value of derivatives that are designated as cash flow hedges is recorded as a component of other comprehensive income (loss). Amounts included in accumulated other comprehensive income (loss) for cash flow hedges are reclassified into earnings in the same period that the hedged item is recognized in earnings. The ineffective portion of changes in fair value of derivatives designated as cash flow hedges is recorded currently in earnings. Changes in fair value of derivatives designated as fair value hedges are recognized currently in earnings. The change in fair value of the related hedged commitment is recorded as an adjustment to its carrying amount and recognized currently in earnings.

Derivatives that are designated as either cash flow or fair value hedges are tested for effectiveness prospectively before they are executed and both prospectively and retrospectively on an on-going basis to determine whether they continue to qualify for hedge accounting. The prospective and retrospective effectiveness calculations are performed using either historical simulation or other statistical models, which utilize historical observable market data consisting of futures curves and spot prices.

Retirement Plans: The Corporation has funded non-contributory defined benefit pension plans and an unfunded supplemental pension plan. The Corporation recognizes on the balance sheet the net change in the funded status of the projected benefit obligation for these plans.

The determination of the obligations and expenses related to these plans are based on several actuarial assumptions, the most significant of which relate to the discount rate for measuring the present value of future plan obligations; expected long-term rates of return on plan assets; and rate of future increases in compensation levels. These assumptions represent estimates made by the Corporation, some of which can be affected by external factors. For example, the discount rate used to estimate the Corporation's projected benefit obligation is based on a portfolio of high-quality, fixed-income debt instruments with maturities that approximate the expected payment of plan obligations, while the expected return on plan assets is developed from the expected future returns for each asset category, weighted by the target allocation of pension assets to that asset category. Changes in these assumptions can have a material impact on the amounts reported in the Corporation's financial statements.

Asset Retirement Obligations: The Corporation has material legal obligations to remove and dismantle long lived assets and to restore land or seabed at certain exploration and production locations. In accordance with generally accepted accounting principles, the Corporation recognizes a liability for the fair value of required asset retirement obligations. In addition, the fair value of any legally required conditional asset retirement obligations is recorded if the liability can be reasonably estimated. The Corporation capitalizes such costs as a component of the carrying amount of the underlying assets in the period in which the liability is incurred. In order to measure these obligations, the Corporation estimates the fair value of the obligations by discounting the future payments that will be required to satisfy the obligations. In determining these estimates, the Corporation is required to make several assumptions and judgments related to the scope of dismantlement, timing of settlement, interpretation of legal requirements, inflationary factors and discount rate. In addition, there are other external factors which could significantly affect the ultimate settlement costs for these obligations including: changes in environmental regulations and other statutory requirements, fluctuations in industry costs and foreign currency exchange rates, and advances in technology. As a result, the Corporation's estimates of asset retirement obligations are subject to revision due to the factors described above. Changes in estimates prior to settlement result in adjustments to both the liability and related asset values.

Changes in Accounting Policies

The FASB Accounting Standards Codification (ASC) became effective on July 1, 2009. The ASC combined multiple sources of authoritative accounting literature into a single source of authoritative GAAP organized by accounting topic. Since the ASC was not intended to change existing GAAP, the only impact on the Corporation's financial statements was that specific references to accounting principles have been changed to refer to the ASC.

Effective January 1, 2009, the Corporation adopted the FASB accounting standard for the accounting for and reporting of noncontrolling interests in a consolidated subsidiary (ASC 810 — Consolidation, originally issued as FAS 160, *Noncontrolling Interests in Consolidated Financial Statements, an amendment of ARB No. 51*). As required, the Corporation retrospectively applied the presentation and disclosure requirements of this standard. At December 31, 2009 and December 31, 2008 noncontrolling interests of $144 million and $84 million, respectively, have been classified as a component of equity. Prior to adoption, noncontrolling interests were classified in Other liabilities. Net income (loss) attributable to the noncontrolling interests must also be separately reported in the Statement of Consolidated Income. Certain other amounts in the consolidated financial statements and footnotes have been reclassified to conform with the presentation requirements of this standard.

Effective January 1, 2009, the Corporation adopted the FASB accounting standard that expanded the qualitative, quantitative and credit risk disclosure requirements related to an entity's use of derivative instruments (ASC 815 — Derivatives and Hedging, originally issued as FAS 161, *Disclosures about Derivative Instruments and Hedging Activities*). See Note 14, Risk Management and Trading Activities, for these disclosures.

Effective January 1, 2009, the Corporation also adopted the FASB staff position that requires the application of the fair value measurement and disclosure provisions to nonfinancial assets and liabilities that are measured at fair value on a nonrecurring basis (ASC 820 — Fair Value Measurements and Disclosures, originally issued as FASB Staff Position No. 157-2, *Effective Date of FASB Statement No. 157*). Such fair value measurements are determined based on the same fair value hierarchy of inputs required to measure the fair value of financial assets and liabilities. The impact of this accounting standard was not material to the Corporation's consolidated financial statements.

Effective June 30, 2009, the Corporation adopted the FASB accounting standard which provides guidance on the accounting for and disclosure of events that occur after the balance sheet date but before financial statements are issued (ASC 855 — Subsequent Events, originally issued as FAS 165, *Subsequent Events*). The adoption of this standard did not impact the Corporation's existing practice of evaluating subsequent events through the date the financial statements are issued.

In January 2010, the FASB adopted an accounting standards update (ASU) Extractive Activities — Oil and Gas (ASC 932 — Oil and Gas Reserve Estimation and Disclosures) which is effective for financial statements for the year ended December 31, 2009 and amends the requirements for oil and gas reserve estimation and disclosures. The objective of the ASU was to align accounting standards with the previously issued SEC requirements on oil and gas reserve estimation and disclosure. The main provisions of the ASU are to expand the definition of oil and gas producing activities to include the extraction of resources which are saleable as synthetic oil or gas, to change the price assumption used for reserve estimation and future cash flows to a twelve month average from the year-end price and to amend the geographic disclosure requirements for reporting reserves and other supplementary oil and gas data. See the Supplementary Oil and Gas Data for these disclosures.

Recently Issued Accounting Standards

In June 2009, the FASB amended existing accounting standards to eliminate the concept of a qualifying special-purpose entity (ASC 860 — Transfers and Servicing, originally issued as FAS 166, *Accounting for Transfers of Financial Assets — an amendment of FASB Statement No. 140*), which did not require consolidation under existing GAAP. The FASB also amended existing accounting standards to limit the circumstances in which transferred financial assets should be derecognized (ASC 810 — Consolidation, originally issued as FAS 167, *Amendments to FASB Interpretation No. FIN 46(R)*). The amended standards require additional analysis of variable interest entities to determine if consolidation is necessary. The adoption of these standards will not have a material impact on the Corporation's financial statements. As required, the Corporation will adopt the provisions of these standards effective January 1, 2010.

Environment, Health and Safety

The Corporation has a values-based, socially-responsible strategy focused on improving environment, health and safety performance and making a positive impact on communities where it does business. The strategy is reflected in the Corporation's environment, health, safety and social responsibility (EHS & SR) policies and by environment and safety management systems that help protect the Corporation's workforce, customers and local communities. The Corporation's management systems are designed to uphold or exceed international standards and are intended to promote internal consistency, adherence to policy objectives and continual improvement in EHS & SR performance. Improved performance may, in the short-term, increase the Corporation's operating costs and could also require increased capital expenditures to reduce potential risks to assets, reputation and license to operate. In addition to enhanced EHS & SR performance, improved productivity and operational efficiencies may be realized as collateral benefits from investments in EHS & SR. The Corporation has programs in place to evaluate regulatory compliance, audit facilities, train employees, prevent and manage risks and emergencies and to generally meet corporate EHS & SR goals.

The Corporation and HOVENSA produce and the Corporation distributes fuel oils in the United States. Proposals by state regulatory agencies and legislatures have been made that would require a lower sulfur content of fuel oils. If adopted, these proposals could require capital expenditures by the Corporation and HOVENSA to meet the required sulfur content standards.

As described in Item 3, Legal Proceedings, in 2003 the Corporation and HOVENSA began discussions with the U.S. EPA regarding the EPA's Petroleum Refining Initiative (PRI). The PRI is an ongoing program that is designed to reduce certain air emissions at all U.S. refineries. Since 2000, the EPA has entered into settlements addressing these emissions with petroleum refining companies that control over 90% of the domestic refining capacity. Negotiations with the EPA are continuing and substantial progress has been made toward resolving this matter for both the Corporation and HOVENSA. While the effect on the Corporation of the Petroleum Refining Initiative cannot be estimated until a final settlement is reached and entered by a court, additional significant future capital expenditures and operating expenses will likely be incurred by HOVENSA over a number of years. The amount of penalties, if any, is not expected to be material.

The Corporation has undertaken a program to assess, monitor and reduce the emission of greenhouse gases, including carbon dioxide and methane. The Corporation recognizes that climate change is a global environmental concern. The Corporation is committed to the responsible management of greenhouse gas emissions from our existing assets and future developments and is implementing a strategy to control our carbon emissions.

The Corporation will have continuing expenditures for environmental assessment and remediation. Sites where corrective action may be necessary include gasoline stations, terminals, onshore exploration and production facilities, refineries (including solid waste management units under permits issued pursuant to the Resource Conservation and Recovery Act) and, although not currently significant, "Superfund" sites where the Corporation has been named a potentially responsible party.

The Corporation accrues for environmental assessment and remediation expenditures for known sites when the future costs are probable and reasonably estimable. At year-end 2009, the Corporation's reserve for estimated environmental liabilities was approximately $55 million. The Corporation's environmental assessment and remediation expenditures were approximately $11 million in each of the years 2009, 2008 and 2007. The Corporation expects that existing reserves for environmental liabilities are sufficient for costs to assess and remediate known sites. The Corporation anticipates capital expenditures for facilities, primarily to comply with federal, state and local environmental standards, of approximately $50 million in 2010.

Forward-Looking Information

Certain sections of Management's Discussion and Analysis of Financial Condition and Results of Operations and Quantitative and Qualitative Disclosures about Market Risk, including references to the Corporation's future results of operations and financial position, liquidity and capital resources, capital expenditures, oil and gas production, tax rates, debt repayment, hedging, derivative, market risk and environmental disclosures, off-balance sheet arrangements and contractual obligations and contingencies include forward-looking information. Forward-looking disclosures are based on the Corporation's current understanding and assessment of these activities and reasonable assumptions about the future. Actual results may differ from these disclosures because of changes in market conditions, government actions and other factors.

Item 7A. ***Quantitative and Qualitative Disclosures About Market Risk***

In the normal course of its business, the Corporation is exposed to commodity risks related to changes in the price of crude oil, natural gas, refined products and electricity, as well as to changes in interest rates and foreign currency values. The Corporation also has trading operations, principally through a 50% voting interest in a consolidated partnership that trades energy commodities and energy derivatives. These activities are also exposed to commodity risks primarily related to the prices of crude oil, natural gas and refined products. The following describes how these risks are controlled and managed.

Controls: The Corporation maintains a control environment under the direction of its chief risk officer and through its corporate risk policy, which the Corporation's senior management has approved. Controls include volumetric, term and value-at-risk limits. The chief risk officer must approve the use of new instruments or commodities. Risk limits are monitored and reported on daily to business units and to senior management. The Corporation's risk management department also performs independent verifications of sources of fair values and validations of valuation models. These controls apply to all of the Corporation's risk management and trading activities, including the consolidated trading partnership. The Corporation's treasury department is responsible for administering foreign exchange rate and interest rate hedging programs.

The Corporation uses value-at-risk to monitor and control commodity risk within its trading and risk management activities. The value-at-risk model uses historical simulation and the results represent the potential loss in fair value over one day at a 95% confidence level. The model captures both first and second order sensitivities for options. Results may vary from time to time as strategies change in trading activities or hedging levels change in risk management activities.

Instruments: The Corporation primarily uses forward commodity contracts, foreign exchange forward contracts, futures, swaps, options and energy commodity based securities in its risk management and trading activities. These contracts are generally widely traded instruments with standardized terms. The following describes these instruments and how the Corporation uses them:

- *Forward Commodity Contracts:* The Corporation enters into contracts for the forward purchase and sale of commodities. At settlement date, the notional value of the contract is exchanged for physical delivery of the commodity. Forward contracts that are deemed normal purchase and sale contracts are excluded from the quantitative market risk disclosures.

- *Forward Foreign Exchange Contracts:* The Corporation enters into forward contracts primarily for the British pound, the Euro, and the Thai Baht, which commit the Corporation to buy or sell a fixed amount of these currencies at a predetermined exchange rate on a future date.

- *Exchange Traded Contracts:* The Corporation uses exchange traded contracts, including futures, on a number of different underlying energy commodities. These contracts are settled daily with the relevant exchange and may be subject to exchange position limits.

- *Swaps:* The Corporation uses financially settled swap contracts with third parties as part of its hedging and trading activities. Cash flows from swap contracts are determined based on underlying commodity prices and are typically settled over the life of the contract.

- *Options:* Options on various underlying energy commodities include exchange traded and third party contracts and have various exercise periods. As a seller of options, the Corporation receives a premium at the outset and bears the risk of unfavorable changes in the price of the commodity underlying the option. As a purchaser of options, the Corporation pays a premium at the outset and has the right to participate in the favorable price movements in the underlying commodities. These premiums are a component of the fair value of the options.

- *Energy Securities:* Energy securities include energy related equity or debt securities issued by a company or government or related derivatives on these securities.

Risk Management Activities

Energy marketing activities: In its energy marketing activities, the Corporation sells refined petroleum products, natural gas and electricity principally to commercial and industrial businesses at fixed and floating prices for varying periods of time. Commodity contracts such as futures, forwards, swaps and options together with physical assets, such as storage, are used to obtain supply and reduce margin volatility or lower costs related to sales contracts with customers.

Corporate risk management: Corporate risk management activities include transactions designed to reduce risk in the selling prices of crude oil or natural gas produced by the Corporation or to reduce exposure to foreign currency or interest rate movements. Generally, futures, swaps or option strategies may be used to reduce risk in the selling price of a portion of the Corporation's crude oil or natural gas production. Forward contracts may also be used to purchase certain currencies in which the Corporation does business with the intent of reducing exposure to foreign currency fluctuations. Interest rate swaps may also be used, generally to convert fixed rate interest payments to floating.

The Corporation uses foreign exchange contracts to reduce its exposure to fluctuating foreign exchange rates by entering into formal contracts for various currencies including the British pound, the Euro and the Thai baht. At December 31, 2009 the Corporation had a payable of $16 million related to foreign exchange contracts maturing in 2010. The fair value of the foreign exchange contracts was also a payable of $16 million at December 31, 2009. The change in fair value of the foreign exchange contracts from a 20% strengthening of the US dollar exchange rate is estimated to be approximately $172 million at December 31, 2009.

The Corporation's debt of $4,467 million has a fair value of $5,073 million at December 31, 2009. A 15% decrease in the rate of interest would increase the fair value of debt by approximately $120 million at December 31, 2009.

Value at risk

Following is the value at risk for the Corporation's energy marketing and risk management activities:

	2009	**2008**
	(Millions of dollars)	
At December 31	**$ 8**	$ 13
Average	**10**	90
High	**13**	140
Low	**8**	13

Trading Activities

Trading activities are conducted principally through a trading partnership in which the Corporation has a 50% voting interest. This consolidated entity intends to generate earnings through various strategies primarily using energy commodities, securities and derivatives. The Corporation also takes trading positions for its own account.

Following is the value at risk for the Corporation's trading activities:

	2009	2008
	(Millions of dollars)	
At December 31	$ 9	$ 17
Average	12	13
High	15	17
Low	9	11

Derivative trading transactions are marked-to-market and unrealized gains or losses are reflected in income currently. Gains or losses from sales of physical products are recorded at the time of sale. Total realized gains (losses) on trading activities amounted to $642 million in 2009 and $(317) million in 2008. The following table provides an assessment of the factors affecting the changes in fair value of trading activities and represents 100% of the trading partnership and other trading activities.

	2009	2008
	(Millions of dollars)	
Fair value of contracts outstanding at the beginning of the year	$ 864	$ 154
Change in fair value of contracts outstanding at the beginning of the year and still outstanding at the end of the year	(6)	(257)
Reversal of fair value for contracts closed during the year	(534)	42
Fair value of contracts entered into during the year and still outstanding	(214)	925
Fair value of contracts outstanding at the end of the year	$ 110	$ 864

The following table summarizes the sources of fair values of derivatives used in the Corporation's trading activities at December 31, 2009:

	Total	2010	2011	2012	2013 and Beyond
			(Millions of dollars)		
Source of fair value					
Level 1	$ (86)	$ (97)	$ 7	$ 2	$ 2
Level 2	147	103	59	(13)	(2)
Level 3	49	35	17	8	(11)
Total	$ 110	$ 41	$ 83	$ (3)	$ (11)

The following table summarizes the receivables net of cash margin and letters of credit relating to the Corporation's trading activities and the credit ratings of counterparties at December 31:

	2009	2008
	(Millions of dollars)	
Investment grade determined by outside sources	$ 232	$ 263
Investment grade determined internally*	120	133
Less than investment grade	61	58
Fair value of net receivables outstanding at the end of the year	$ 413	$ 454

* *Based on information provided by counterparties and other available sources.*

Item 8. ***Financial Statements and Supplementary Data***

HESS CORPORATION AND CONSOLIDATED SUBSIDIARIES
INDEX TO FINANCIAL STATEMENTS AND SCHEDULE

	Page Number
Management's Report on Internal Control over Financial Reporting	40
Reports of Independent Registered Public Accounting Firm	41
Consolidated Balance Sheet at December 31, 2009 and 2008	43
Statement of Consolidated Income for each of the three years in the period ended December 31, 2009	44
Statement of Consolidated Cash Flows for each of the three years in the period ended December 31, 2009	45
Statement of Consolidated Equity and Comprehensive Income for each of the three years in the period ended December 31, 2009	46
Notes to Consolidated Financial Statements	47
Supplementary Oil and Gas Data	77
Quarterly Financial Data	85
Schedule* II — Valuation and Qualifying Accounts	91

* *Schedules other than Schedule II have been omitted because of the absence of the conditions under which they are required or because the required information is presented in the financial statements or the notes thereto.*

Management's Report on Internal Control over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Exchange Act Rules 13a-15(f). Under the supervision and with the participation of our management, including our principal executive officer and principal financial officer, we conducted an evaluation of the effectiveness of our internal control over financial reporting, as required by Section 404 of the Sarbanes-Oxley Act, based on the framework in *Internal Control — Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on our evaluation, management concluded that our internal control over financial reporting was effective as of December 31, 2009.

The Corporation's independent registered public accounting firm, Ernst & Young LLP, has audited the effectiveness of the Corporation's internal control over financial reporting as of December 31, 2009, as stated in their report, which is included herein.

By John P. Rielly
Senior Vice President and
Chief Financial Officer

By John B. Hess
Chairman of the Board and
Chief Executive Officer

February 26, 2010

Report of Independent Registered Public Accounting Firm

The Board of Directors and Stockholders
Hess Corporation

We have audited Hess Corporation's internal control over financial reporting as of December 31, 2009, based on criteria established in Internal Control — Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (the COSO criteria). Hess Corporation's management is responsible for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting included in the accompanying Management's Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the Corporation's internal control over financial reporting based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, Hess Corporation maintained, in all material respects, effective internal control over financial reporting as of December 31, 2009 based on the COSO criteria.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated balance sheet of Hess Corporation and consolidated subsidiaries as of December 31, 2009 and 2008, and the related statements of consolidated income, cash flows, and equity and comprehensive income of Hess Corporation and consolidated subsidiaries for each of the three years in the period ended December 31, 2009, and our report dated February 26, 2010 expressed an unqualified opinion thereon.

Ernst + Young LLP

February 26, 2010
New York, New York

Report of Independent Registered Public Accounting Firm

The Board of Directors and Stockholders
Hess Corporation

We have audited the accompanying consolidated balance sheet of Hess Corporation and consolidated subsidiaries (the "Corporation") as of December 31, 2009 and 2008, and the related statements of consolidated income, cash flows, and equity and comprehensive income for each of the three years in the period ended December 31, 2009. Our audits also included the financial statement schedule listed in the Index at Item 8. These financial statements and schedule are the responsibility of the Corporation's management. Our responsibility is to express an opinion on these financial statements and schedule based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Hess Corporation and consolidated subsidiaries at December 31, 2009 and 2008, and the consolidated results of their operations and their cash flows for each of the three years in the period ended December 31, 2009, in conformity with U.S. generally accepted accounting principles. Also, in our opinion, the related financial statement schedule, when considered in relation to the consolidated financial statements taken as a whole, presents fairly in all material respects, the information set forth therein.

As discussed in Note 1 to the consolidated financial statements, the Corporation adopted new oil and gas reserve estimation and disclosure requirements effective December 31, 2009. Also, as discussed in Note 1 to the consolidated financial statements, the Corporation adopted the guidance originally issued in Financial Accounting Standards Board ("FASB") Financial Accounting Standard 160, *Noncontrolling Interests in Consolidated Financial Statements* (codified in FASB Accounting Standards Codification Topic 810, *Consolidation*), effective January 1, 2009.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), Hess Corporation's internal control over financial reporting as of December 31, 2009, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated February 26, 2010 expressed an unqualified opinion thereon.

Ernst + Young LLP

February 26, 2010
New York, New York

HESS CORPORATION AND CONSOLIDATED SUBSIDIARIES

CONSOLIDATED BALANCE SHEET

	December 31, 2009	December 31, 2008
	(Millions of dollars; thousands of shares)	
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	**$ 1,362**	$ 908
Accounts receivable		
Trade	**3,650**	4,059
Other	**274**	238
Inventories	**1,438**	1,308
Other current assets	**1,263**	819
Total current assets	**7,987**	7,332
INVESTMENTS IN AFFILIATES		
HOVENSA L.L.C.	**681**	919
Other	**232**	208
Total investments in affiliates	**913**	1,127
PROPERTY, PLANT AND EQUIPMENT		
Total — at cost	**29,871**	27,437
Less reserves for depreciation, depletion, amortization and lease impairment	**13,244**	11,166
Property, plant and equipment — net	**16,627**	16,271
GOODWILL	**1,225**	1,225
DEFERRED INCOME TAXES	**2,409**	2,292
OTHER ASSETS	**304**	342
TOTAL ASSETS	**$29,465**	$28,589
LIABILITIES AND EQUITY		
CURRENT LIABILITIES		
Accounts payable	**$ 4,223**	$ 5,045
Accrued liabilities	**1,954**	1,905
Taxes payable	**525**	637
Current maturities of long-term debt	**148**	143
Total current liabilities	**6,850**	7,730
LONG-TERM DEBT	**4,319**	3,812
DEFERRED INCOME TAXES	**2,222**	2,241
ASSET RETIREMENT OBLIGATIONS	**1,234**	1,164
OTHER LIABILITIES AND DEFERRED CREDITS	**1,312**	1,251
Total liabilities	**15,937**	16,198
EQUITY		
Common stock, par value $1.00		
Authorized: 600,000 shares		
Issued: 2009 — 327,229 shares; 2008 — 326,133 shares	**327**	326
Capital in excess of par value	**2,481**	2,347
Retained earnings	**12,251**	11,642
Accumulated other comprehensive income (loss)	**(1,675)**	(2,008)
Total Hess Corporation stockholders' equity	**13,384**	12,307
Noncontrolling interests	**144**	84
Total equity	**13,528**	12,391
TOTAL LIABILITIES AND EQUITY	**$29,465**	$28,589

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,		
	2009	2008	2007
	(Millions of dollars, except per share data)		
REVENUES AND NON-OPERATING INCOME			
Sales (excluding excise taxes) and other operating revenues	**$29,614**	$41,134	$31,727
Equity in income (loss) of HOVENSA L.L.C.	**(229)**	44	176
Gain on asset sales	**—**	—	21
Other, net	**184**	(115)	80
Total revenues and non-operating income	**29,569**	41,063	32,004
COSTS AND EXPENSES			
Cost of products sold (excluding items shown separately below)	**20,961**	29,567	22,532
Production expenses	**1,805**	1,872	1,581
Marketing expenses	**1,008**	1,025	944
Exploration expenses, including dry holes and lease impairment	**829**	725	515
Other operating expenses	**183**	209	161
General and administrative expenses	**647**	672	614
Interest expense	**360**	267	256
Depreciation, depletion and amortization	**2,254**	2,029	1,576
Total costs and expenses	**28,047**	36,366	28,179
INCOME BEFORE INCOME TAXES	**1,522**	4,697	3,825
Provision for income taxes	**715**	2,340	1,872
NET INCOME	**$ 807**	$ 2,357	$ 1,953
Less: Net income (loss) attributable to noncontrolling interests	**67**	(3)	121
NET INCOME ATTRIBUTABLE TO HESS CORPORATION	**$ 740**	$ 2,360	$ 1,832
BASIC NET INCOME PER SHARE	**$ 2.28**	$ 7.35	$ 5.86
DILUTED NET INCOME PER SHARE	**$ 2.27**	$ 7.24	$ 5.74
WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING (DILUTED)	**326.0**	325.8	319.3

See accompanying notes to consolidated financial statements.

HESS CORPORATION AND CONSOLIDATED SUBSIDIARIES

STATEMENT OF CONSOLIDATED CASH FLOWS

	Years Ended December 31,		
	2009	2008	2007
	(Millions of dollars)		
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income	**$ 807**	$ 2,357	$ 1,953
Adjustments to reconcile net income to net cash provided by operating activities			
Depreciation, depletion and amortization	**2,254**	2,029	1,576
Exploratory dry hole costs	**267**	210	65
Lease impairment	**231**	125	102
Pre-tax gain on asset sales	**—**	—	(21)
Benefit for deferred income taxes	**(438)**	(57)	(33)
Distributed earnings of HOVENSA L.L.C., net	**229**	6	124
Stock compensation expense	**128**	119	87
Changes in other operating assets and liabilities:			
(Increase) decrease in accounts receivable	**320**	357	(783)
Increase in inventories	**(137)**	(56)	(254)
Increase (decrease) in accounts payable and accrued liabilities	**(542)**	(252)	597
Increase (decrease) in taxes payable	**(81)**	61	134
Changes in other assets and liabilities	**8**	(211)	80
Net cash provided by operating activities	**3,046**	4,688	3,627
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditures	**(2,918)**	(4,438)	(3,578)
Proceeds from asset sales	**—**	—	93
Payments received on notes receivable	**15**	61	61
Other, net	**(21)**	(67)	(50)
Net cash used in investing activities	**(2,924)**	(4,444)	(3,474)
CASH FLOWS FROM FINANCING ACTIVITIES			
Net (repayments) borrowings of debt with maturities of 90 days or less	**(850)**	30	202
Debt with maturities of greater than 90 days			
Borrowings	**1,991**	—	32
Repayments	**(694)**	(62)	(26)
Cash dividends paid	**(131)**	(130)	(127)
Payments to noncontrolling interests, net	**(2)**	(121)	(121)
Employee stock options exercised, including income tax benefits	**18**	340	111
Net cash provided by (used in) financing activities	**332**	57	71
NET INCREASE IN CASH AND CASH EQUIVALENTS	**454**	301	224
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	**908**	607	383
CASH AND CASH EQUIVALENTS AT END OF YEAR	**$ 1,362**	$ 908	$ 607

See accompanying notes to consolidated financial statements.

HESS CORPORATION AND CONSOLIDATED SUBSIDIARIES

STATEMENT OF CONSOLIDATED EQUITY AND COMPREHENSIVE INCOME

	Common Stock	Capital in Excess of Par	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Total Hess Stockholders' Equity	Noncontrolling Interests	Total Equity
				(Millions of dollars)			
Balance at January 1, 2007	$315	$1,689	$ 7,707	$(1,564)	$ 8,147	$ 229	$ 8,376
Net Income			1,832		1,832	121	1,953
Deferred gains (losses) on cash flow hedges, after tax							
Effect of hedge losses recognized in income				325	325	—	325
Net change in fair value of cash flow hedges				(659)	(659)	—	(659)
Change in post retirement plan liabilities, after tax				17	17	—	17
Change in foreign currency translation adjustment and other				40	40	(3)	37
Total Comprehensive Income					1,555	118	1,673
Activity related to restricted common stock awards, net	1	50	—	—	51	—	51
Employee stock options, including income tax benefits	5	143	—	—	148	—	148
Cash dividends declared	—	—	(127)	—	(127)	—	(127)
Payments to noncontrolling interests, net	—	—	—	—	—	(121)	(121)
Balance at December 31, 2007	321	1,882	9,412	(1,841)	9,774	226	10,000
Net Income			2,360		2,360	(3)	2,357
Deferred gain (losses) on cash flow hedges, after tax							
Effect of hedge losses recognized in income				311	311	—	311
Net change in fair value of cash flow hedges				(310)	(310)	—	(310)
Effect of adoption of fair value measurements accounting standards				193	193	—	193
Change in post retirement plan liabilities, after tax				(241)	(241)	—	(241)
Change in foreign currency translation adjustment and other				(120)	(120)	(18)	(138)
Total Comprehensive Income					2,193	(21)	2,172
Activity related to restricted common stock awards, net	1	145	—	—	146	—	146
Employee stock options, including income tax benefits	4	320	—	—	324	—	324
Cash dividends declared	—	—	(130)	—	(130)	—	(130)
Payments to noncontrolling interests, net	—	—	—	—	—	(121)	(121)
Balance at December 31, 2008	326	2,347	11,642	(2,008)	12,307	84	12,391
Net Income			**740**		**740**	**67**	**807**
Deferred gains (losses) on cash flow hedges, after tax							
Effect of hedge losses recognized in income				**963**	**963**	—	**963**
Net change in fair value of cash flow hedges				**(729)**	**(729)**	—	**(729)**
Change in post retirement plan liabilities, after tax				**(6)**	**(6)**	—	**(6)**
Change in foreign currency translation adjustment and other				**105**	**105**	**(5)**	**100**
Total Comprehensive Income					**1,073**	**62**	**1,135**
Activity related to restricted common stock awards, net	**1**	**61**	—	—	**62**	—	**62**
Employee stock options, including income tax benefits	—	**73**	—	—	**73**	—	**73**
Cash dividends declared	—	—	**(131)**	—	**(131)**	—	**(131)**
Payments to noncontrolling interests, net	—	—	—	—	—	**(2)**	**(2)**
Balance at December 31, 2009	**$327**	**$2,481**	**$12,251**	**$(1,675)**	**$13,384**	**$ 144**	**$13,528**

See accompanying notes to consolidated financial statements.

HESS CORPORATION AND CONSOLIDATED SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies

Nature of Business: Hess Corporation and its subsidiaries (the Corporation) engage in the exploration for and the development, production, purchase, transportation and sale of crude oil and natural gas. These activities are conducted principally in Algeria, Australia, Azerbaijan, Brazil, Colombia, Denmark, Egypt, Equatorial Guinea, Gabon, Ghana, Indonesia, Libya, Malaysia, Norway, Peru, Russia, Thailand, the United Kingdom and the United States. In addition, the Corporation manufactures, purchases, transports, markets and trades, refined petroleum and other energy products. The Corporation owns 50% of HOVENSA L.L.C. (HOVENSA), a refinery joint venture in the United States Virgin Islands. An additional refining facility, terminals and retail gasoline stations, most of which include convenience stores, are located on the East Coast of the United States.

In preparing financial statements in conformity with U.S. generally accepted accounting principles (GAAP), management makes estimates and assumptions that affect the reported amounts of assets and liabilities in the balance sheet and revenues and expenses in the income statement. Actual results could differ from those estimates. Among the estimates made by management are oil and gas reserves, asset valuations, depreciable lives, pension liabilities, legal and environmental obligations, asset retirement obligations and income taxes. In the preparation of these financial statements, the Corporation has evaluated subsequent events through the date the financial statements are issued.

Principles of Consolidation: The consolidated financial statements include the accounts of Hess Corporation and entities in which the Corporation owns more than a 50% voting interest or entities that the Corporation controls. The Corporation's undivided interests in unincorporated oil and gas exploration and production ventures are proportionately consolidated.

Investments in affiliated companies, 20% to 50% owned, including HOVENSA, are stated at cost of acquisition plus the Corporation's equity in undistributed net income since acquisition. The Corporation consolidates the trading partnership in which it owns a 50% voting interest and over which it exercises control.

Intercompany transactions and accounts are eliminated in consolidation.

Revenue Recognition: The Corporation recognizes revenues from the sale of crude oil, natural gas, petroleum products and other merchandise when title passes to the customer. Sales are reported net of excise and similar taxes in the Statement of Consolidated Income. The Corporation recognizes revenues from the production of natural gas properties based on sales to customers. Differences between E&P natural gas volumes sold and the Corporation's share of natural gas production are not material. Revenues from natural gas and electricity sales by the Corporation's marketing operations are recognized based on meter readings and estimated deliveries to customers since the last meter reading.

In its exploration and production activities, the Corporation enters into crude oil purchase and sale transactions with the same counterparty that are entered into in contemplation of one another for the primary purpose of changing location or quality. Similarly, in its marketing activities, the Corporation enters into refined product purchase and sale transactions with the same counterparty. These arrangements are reported net in Sales and other operating revenues in the Statement of Consolidated Income.

Derivatives: The Corporation utilizes derivative instruments for both risk management and trading activities. In risk management activities, the Corporation uses futures, forwards, options and swaps, individually or in combination, to mitigate its exposure to fluctuations in prices of crude oil, natural gas, refined products and electricity, as well as changes in interest and foreign currency exchange rates. In trading activities, the Corporation, principally through a consolidated partnership, trades energy commodities derivatives, including futures, forwards, options and swaps based on expectations of future market conditions.

All derivative instruments are recorded at fair value in the Corporation's balance sheet. The Corporation's policy for recognizing the changes in fair value of derivatives varies based on the designation of the derivative. The changes in fair value of derivatives that are not designated as hedges are recognized currently in earnings.

Derivatives may be designated as hedges of expected future cash flows or forecasted transactions (cash flow hedges) or hedges of firm commitments (fair value hedges). The effective portion of changes in fair value of derivatives that are designated as cash flow hedges is recorded as a component of other comprehensive income (loss). Amounts included in Accumulated other comprehensive income (loss) for cash flow hedges are reclassified into earnings in the same period that the hedged item is recognized in earnings. The ineffective portion of changes in fair value of derivatives designated as cash flow hedges is recorded currently in earnings. Changes in fair value of derivatives designated as fair value hedges are recognized currently in earnings. The change in fair value of the related hedged commitment is recorded as an adjustment to its carrying amount and recognized currently in earnings.

Cash and Cash Equivalents: Cash equivalents consist of highly liquid investments, which are readily convertible into cash and have maturities of three months or less when acquired.

Inventories: Inventories are valued at the lower of cost or market. For refined product inventories valued at cost, the Corporation uses principally the last-in, first-out (LIFO) inventory method. For the remaining inventories, cost is generally determined using average actual costs.

Exploration and Development Costs: Exploration and production activities are accounted for using the successful efforts method. Costs of acquiring unproved and proved oil and gas leasehold acreage, including lease bonuses, brokers' fees and other related costs, are capitalized. Annual lease rentals, exploration expenses and exploratory dry hole costs are expensed as incurred. Costs of drilling and equipping productive wells, including development dry holes, and related production facilities are capitalized.

The costs of exploratory wells that find oil and gas reserves are capitalized pending determination of whether proved reserves have been found. Exploratory drilling costs remain capitalized after drilling is completed if (1) the well has found a sufficient quantity of reserves to justify completion as a producing well and (2) sufficient progress is being made in assessing the reserves and the economic and operating viability of the project. If either of those criteria is not met, or if there is substantial doubt about the economic or operational viability of a project, the capitalized well costs are charged to expense. Indicators of sufficient progress in assessing reserves and the economic and operating viability of a project include commitment of project personnel, active negotiations for sales contracts with customers, negotiations with governments, operators and contractors, firm plans for additional drilling and other factors.

Depreciation, Depletion and Amortization: The Corporation records depletion expense for acquisition costs of proved properties using the units of production method over proved oil and gas reserves. Depreciation and depletion expense for oil and gas production equipment and wells is calculated using the units of production method over proved developed oil and gas reserves. Provisions for impairment of undeveloped oil and gas leases are based on periodic evaluations and other factors. Depreciation of all other plant and equipment is determined on the straight-line method based on estimated useful lives. Retail gas stations and equipment related to a leased property, are depreciated over the estimated useful lives not to exceed the remaining lease period. The Corporation records the cost of acquired customers in its energy marketing activities as intangible assets and amortizes these costs on the straight-line method over the expected renewal period based on historical experience.

Capitalized Interest: Interest from external borrowings is capitalized on material projects using the weighted average cost of outstanding borrowings until the project is substantially complete and ready for its intended use, which for oil and gas assets is at first production from the field. Capitalized interest is depreciated over the useful lives of the assets in the same manner as the depreciation of the underlying assets.

Asset Retirement Obligations: The Corporation has material legal obligations to remove and dismantle long-lived assets and to restore land or seabed at certain exploration and production locations. The Corporation recognizes a liability for the fair value of legally required asset retirement obligations associated with long-lived assets in the period in which the retirement obligations are incurred. In addition, the fair value of any legally required conditional asset retirement obligations is recorded if the liability can be reasonably estimated. The Corporation capitalizes the associated asset retirement costs as part of the carrying amount of the long-lived assets.

Impairment of Long-Lived Assets: The Corporation reviews long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amounts may not be recovered. If the carrying amounts are not expected to be recovered by undiscounted future cash flows, the assets are impaired and an impairment loss is recorded. The amount of impairment is based on the estimated fair value of the assets generally determined by discounting anticipated future net cash flows. In the case of oil and gas fields, the net present value of future cash flows is based on management's best estimate of future prices, which is determined with reference to recent historical prices and published forward prices, applied to projected production volumes and discounted at a risk-adjusted rate. The projected production volumes represent reserves, including probable reserves, expected to be produced based on a stipulated amount of capital expenditures. The production volumes, prices and timing of production are consistent with internal projections and other externally reported information. Oil and gas prices used for determining asset impairments will generally differ from the average prices used in the standardized measure of discounted future net cash flows.

Impairment of Equity Investees: The Corporation reviews equity method investments for impairment whenever events or changes in circumstances indicate that an other than temporary decline in value has occurred. The amount of the impairment is based on quoted market prices, where available, or other valuation techniques.

Impairment of Goodwill: Goodwill is tested for impairment annually in the fourth quarter or when events or changes in circumstances indicate that the carrying amount of the goodwill may not be recoverable. This impairment test is calculated at the reporting unit level, which for the Corporation's goodwill is the Exploration and Production operating segment. The Corporation identifies potential impairments by comparing the fair value of the reporting unit to its book value, including goodwill. If the fair value of the reporting unit exceeds the carrying amount, goodwill is not impaired. If the carrying value exceeds the fair value, the Corporation calculates the possible impairment loss by comparing the implied fair value of goodwill with the carrying amount. If the implied fair value of goodwill is less than the carrying amount, an impairment would be recorded.

Income Taxes: Deferred income taxes are determined using the liability method. The Corporation regularly assesses the realizability of deferred tax assets, based on estimates of future taxable income, the availability of tax planning strategies, the existence of appreciated assets, the available carryforward periods for net operating losses and other factors. If it is more likely than not that some or all of the deferred tax assets will not be realized, a valuation allowance is recorded to reduce the deferred tax assets to the amount expected to be realized. In addition, the Corporation recognizes the financial statement effect of a tax position only when management believes that it is more likely than not, that based on the technical merits, the position will be sustained upon examination. Additionally, the Corporation has income taxes which have been deferred on intercompany transactions eliminated in consolidation related to transfers of property, plant and equipment remaining within the consolidated group. The amortization of these income taxes deferred on intercompany transactions will occur ratably with the recovery through depletion and depreciation of the carrying value of these assets. The Corporation does not provide for deferred U.S. income taxes for that portion of undistributed earnings of foreign subsidiaries that are indefinitely reinvested in foreign operations. The Corporation classifies interest and penalties associated with uncertain tax positions as income tax expense.

Fair Value Measurements: The Corporation adopted a new accounting standard for fair value measurements, effective January 1, 2008 (ASC 820 — Fair Value Measurements and Disclosures, originally issued as FAS 157, *Fair Value Measurements*). The standard establishes a hierarchy for the inputs used to measure fair value based on the source of the input, which generally range from quoted prices for identical instruments in a principal trading market (Level 1) to estimates determined using related market data (Level 3). Multiple inputs may be used to measure fair value, however, the level of fair value for each financial asset or liability is based on the lowest significant input level within this fair value hierarchy.

Fair value measurements based on Level 1 inputs: Measurements that are most observable are based on quoted prices of identical instruments obtained from the principal markets in which they are traded. Closing prices are both readily available and representative of fair value. Market transactions occur with sufficient frequency and volume to assure liquidity. The fair value of certain of the Corporation's exchange traded futures and options are considered Level 1.

Fair value measurements based on Level 2 inputs: Measurements derived indirectly from observable inputs or from quoted prices from markets that are less liquid are considered Level 2. Measurements based on Level 2 inputs include over-the-counter derivative instruments that are priced on an exchange traded curve, but have contractual terms that are not identical to exchange traded contracts. The Corporation utilizes fair value measurements based on Level 2 inputs for certain forwards, swaps and options. The liability related to the Corporation's crude oil hedges is classified as Level 2.

Fair value measurements based on Level 3 inputs: Measurements that are least observable are estimated from related market data, determined from sources with little or no market activity for comparable contracts or are positions with longer durations. For example, in its energy marketing business, the Corporation sells natural gas and electricity to customers and offsets the price exposure by purchasing forward contracts. The fair value of these sales and purchases may be based on specific prices at less liquid delivered locations, which are classified as Level 3. There may be offsets to these positions that are priced based on more liquid markets, which are, therefore, classified as Level 1 or Level 2.

The impact of adopting the fair value measurements standard was not material to the Corporation's results of operations. Upon adoption in 2008, the Corporation recorded a reduction in the net deferred hedge losses reflected in Accumulated other comprehensive income, which increased equity by $193 million, after income taxes.

Effective December 31, 2008, the Corporation applied the provisions of a new accounting standard for the accounting for liabilities measured at fair value with a third-party credit enhancement (ASC 820 — Fair Value Measurements and Disclosures, originally issued as Emerging Issues Task Force 08-5, *Issuer's Accounting for Liabilities Measured at Fair Value with a Third-Party Credit Enhancement*). Upon adoption, the Corporation revalued certain derivative liabilities collateralized by letters of credit to reflect the Corporation's credit rating rather than the credit rating of the issuing bank. The adoption resulted in an increase in Sales and other operating revenues of approximately $13 million and an increase in Accumulated other comprehensive income of approximately $78 million, with a corresponding decrease in derivative liabilities recorded within Accounts payable.

Retirement Plans: The Corporation recognizes the underfunded status of defined benefit postretirement plans on the balance sheet. For the Corporation's pension plans, the underfunded status is measured as the difference between the fair value of plan assets and the projected benefit obligation. The Corporation recognizes the net changes in the funded status of these plans in the year in which such changes occur.

Share-Based Compensation: The fair value of all share-based compensation is expensed and recognized on a straight-line basis over the vesting period of the awards.

Foreign Currency Translation: The U.S. dollar is the functional currency (primary currency in which business is conducted) for most foreign operations. Adjustments resulting from translating monetary assets and liabilities that are denominated in a non-functional currency into the functional currency are recorded in Other, net within Sales and other operating revenues in the Statement of Consolidated Income. For operations that do not use the U.S. dollar as the functional currency, adjustments resulting from translating foreign currency assets and liabilities into U.S. dollars are recorded in a separate component of equity titled Accumulated other comprehensive income (loss).

Maintenance and Repairs: Maintenance and repairs are expensed as incurred, including costs of refinery turnarounds. Capital improvements are recorded as additions in Property, plant and equipment.

Environmental Expenditures: The Corporation accrues and expenses environmental costs to remediate existing conditions related to past operations when the future costs are probable and reasonably estimable. The

Corporation capitalizes environmental expenditures that increase the life or efficiency of property or that reduce or prevent future adverse impacts to the environment.

Changes in Accounting Policies: The Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) became effective on July 1, 2009. The ASC combined multiple sources of authoritative accounting literature into a single source of authoritative GAAP organized by accounting topic. Since the ASC was not intended to change existing GAAP, the only impact on the Corporation's financial statements was that specific references to accounting principles have been changed to refer to the ASC.

Effective January 1, 2009, the Corporation adopted the FASB accounting standard for the accounting for and reporting of noncontrolling interests in a consolidated subsidiary (ASC 810 — Consolidation, originally issued as FAS 160, *Noncontrolling Interests in Consolidated Financial Statements, an amendment of ARB No. 51*). As required, the Corporation retrospectively applied the presentation and disclosure requirements of this standard. At December 31, 2009 and December 31, 2008, noncontrolling interests of $144 million and $84 million, respectively, have been classified as a component of equity. Prior to adoption, noncontrolling interests were classified in Other liabilities. Net income (loss) attributable to the noncontrolling interests must also be separately reported in the Statement of Consolidated Income. Certain other amounts in the consolidated financial statements and footnotes have been reclassified to conform with the presentation requirements of this standard.

Effective January 1, 2009, the Corporation adopted the FASB accounting standard that expanded the qualitative, quantitative and credit risk disclosure requirements related to an entity's use of derivative instruments (ASC 815 — Derivatives and Hedging, originally issued as FAS 161, *Disclosures about Derivative Instruments and Hedging Activities*). See Note 14, Risk Management and Trading Activities, for these disclosures.

Effective January 1, 2009, the Corporation also adopted the FASB staff position that requires the application of the fair value measurement and disclosure provisions to nonfinancial assets and liabilities that are measured at fair value on a nonrecurring basis (ASC 820 — Fair Value Measurements and Disclosures, originally issued as FASB Staff Position No. 157-2, *Effective Date of FASB Statement No. 157*). Such fair value measurements are determined based on the same fair value hierarchy of inputs required to measure the fair value of financial assets and liabilities. The impact of this accounting standard was not material to the Corporation's consolidated financial statements.

Effective June 30, 2009, the Corporation adopted the FASB accounting standard which provides guidance on the accounting for and disclosure of events that occur after the balance sheet date but before financial statements are issued (ASC 855 — Subsequent Events, originally issued as FAS 165, *Subsequent Events*). The adoption of this standard did not impact the Corporation's existing practice of evaluating subsequent events through the date the financial statements are issued.

In January 2010, the FASB adopted an accounting standards update (ASU) Extractive Activities — Oil and Gas (ASC 932) Oil and Gas Reserve Estimation and Disclosures, which is effective for year-end 2009 reporting and amends the requirements for oil and gas reserve estimation and disclosures. The objective of the ASU was to align accounting standards with the previously issued Securities and Exchange Commission (SEC) requirements on oil and gas reserve estimation and disclosure. The main provisions of the ASU are to expand the definition of oil and gas producing activities to include the extraction of resources which are saleable as synthetic oil or gas, to change the price assumption used for reserve estimation and future cash flows to a twelve month average from the year-end price and to amend the geographic disclosure requirements for reporting reserves and other supplementary oil and gas data. See the Supplementary Oil and Gas Data for these disclosures.

Recently Issued Accounting Standards: In June 2009, the FASB amended existing accounting standards to eliminate the concept of a qualifying special-purpose entity (ASC 860 — Transfers and Servicing, originally issued as FAS 166, *Accounting for Transfers of Financial Assets — an amendment of FASB Statement No. 140*), which did not require consolidation under existing GAAP. The FASB also amended existing standards to limit the circumstances in which transferred financial assets should be derecognized (and ASC 810 — Consolidation, originally issued as FAS 167, *Amendments to FASB Interpretation No. FIN 46(R)*). The amended standards require additional analysis of variable interest entities to determine if consolidation is necessary. The adoption of these standards will not have a material impact on the Corporation's financial statements. As required, the Corporation will adopt the provisions of these standards effective January 1, 2010.

2. Acquisitions and Divestitures

2009: The Corporation acquired for $74 million a 50% interest in Blocks PM301 and PM302 in Malaysia, which are adjacent to Block A-18 of the Joint Development Area of Malaysia/Thailand (JDA) and contain an extension of the Bumi Field. The Corporation also acquired 37 previously leased retail gasoline stations, primarily through the assumption of $65 million of fixed rate notes.

2008: The Corporation acquired the remaining 22.5% interest in its Gabonese subsidiary for $285 million, of which $210 million was allocated to proved properties. The Corporation expanded its energy marketing business by acquiring fuel oil, natural gas, and electricity customer accounts, and a terminal and related assets, for an aggregate of approximately $100 million.

2007: The Corporation completed the acquisition of a 28% interest in the Genghis Khan oil and gas development located in the deepwater Gulf of Mexico on Green Canyon Blocks 652 and 608 for $371 million, of which $342 million was allocated to proved and unproved properties and the remainder to wells and equipment. This transaction was accounted for as an asset acquisition. Genghis Khan has been unitized with the Shenzi development.

The Corporation completed the sale of its interests in the Scott and Telford fields located in the United Kingdom North Sea for $93 million and recorded a gain of $21 million ($15 million after income taxes) that is included in Other, net in the Statement of Consolidated Income.

3. Inventories

Inventories at December 31 are as follows:

	2009	2008
	(Millions of dollars)	
Crude oil and other charge stocks	**$ 424**	$ 383
Refined products and natural gas	**1,429**	988
Less: LIFO adjustment	**(815)**	(500)
	1,038	871
Merchandise, materials and supplies	**400**	437
Total	**$1,438**	$1,308

The percentage of LIFO inventory to total crude oil, refined products and natural gas inventories was 64% and 60% at December 31, 2009 and 2008, respectively. In 2009, the Corporation recorded a pre-tax charge of $25 million ($18 million after income taxes) to write down materials inventories in Equatorial Guinea and the United States, the majority of which was recorded in Production expenses. During 2007, the Corporation reduced LIFO inventories, which are carried at lower costs than current inventory costs. The effect of the LIFO inventory liquidation was to decrease Cost of products sold by approximately $38 million ($24 million after income taxes).

4. Refining Joint Venture

The Corporation has an investment in HOVENSA L.L.C., a 50% joint venture with Petroleos de Venezuela, S.A. (PDVSA), which is accounted for using the equity method. HOVENSA owns and operates a refinery in the U.S. Virgin Islands. Summarized financial information for HOVENSA as of December 31 and for the years then ended follows:

	2009	2008	2007
	(Millions of dollars)		
Summarized Balance Sheet, at December 31			
Cash and cash equivalents	**$ 78**	$ 75	$ 279
Other current assets	**580**	664	1,183
Net fixed assets	**2,080**	2,136	2,181
Other assets	**33**	58	62
Current liabilities	**(953)**	(679)	(1,459)
Long-term debt	**(356)**	(356)	(356)
Deferred liabilities and credits	**(137)**	(104)	(75)
Members' equity	**$ 1,325**	$ 1,794	$ 1,815
Summarized Income Statement, for the years ended December 31			
Total revenues	**$ 10,085**	$ 17,518	$ 13,439
Costs and expenses	**(10,536)**	(17,423)	(13,082)
Net income (loss)	**$ (451)**	$ 95	$ 357
Hess Corporation's share*	**$ (229)**	$ 44	$ 176
Summarized Cash Flow Statement, for the years ended December 31			
Net cash provided by (used in):			
Operating activities	**$ 87**	$ (20)	$ 654
Investing activities	**(84)**	(85)	(165)
Financing activities	**—**	(99)	(500)
Net increase (decrease) in cash and cash equivalents	**$ 3**	$ (204)	$ (11)

* *Before Virgin Islands income taxes, which were recorded in the Corporation's income tax provision.*

The Corporation received cash distributions from HOVENSA of $50 million in 2008 and $300 million during 2007.

The Corporation guarantees the payment of up to 50% of the value of HOVENSA's crude oil purchases from certain suppliers other than PDVSA. The guarantee amounted to $121 million at December 31, 2009. This amount fluctuates based on the volume of crude oil purchased and the related crude oil prices. In addition, the Corporation has agreed to provide funding up to $15 million to the extent HOVENSA does not have funds to meet its senior debt obligations.

5. Property, Plant and Equipment

Property, plant and equipment at December 31 consists of the following:

	2009	2008
	(Millions of dollars)	
Exploration and Production		
Unproved properties	**$ 2,347**	$ 2,265
Proved properties	**3,121**	3,009
Wells, equipment and related facilities	**22,118**	20,058
	27,586	25,332
Marketing, Refining and Corporate	**2,285**	2,105
Total — at cost	**29,871**	27,437
Less: reserves for depreciation, depletion, amortization and lease impairment	**13,244**	11,166
Property, plant and equipment — net	**$16,627**	$16,271

In December 2009, the Corporation agreed to a strategic exchange of all of its interests in Gabon and the Clair Field in the United Kingdom for additional interests in the Valhall and Hod fields offshore Norway. The transaction, which has an effective date of January 1, 2010, is subject to various regulatory and other approvals. In addition, the partners are in discussions regarding the applicability of pre-emption to this transaction. In January 2010, the Corporation completed the sale of its interest in the Jambi Merang Field in Indonesia. The Corporation has classified its interests in Gabon, the Clair Field and Jambi Merang Field as assets held for sale. At December 31, 2009, the carrying amount of these assets totaling $717 million were reported in Other current assets, and asset retirement obligations and deferred income taxes totaling $254 million were reported in Accrued liabilities.

The Corporation recorded asset impairments totaling $52 million ($26 million after income taxes) in 2009, $30 million ($17 million after income taxes) in 2008, and $112 million ($56 million after income taxes) in 2007. These impairments are reflected in Depreciation, depletion and amortization.

The following table discloses the amount of capitalized exploratory well costs pending determination of proved reserves at December 31, and the changes therein during the respective years:

	2009	2008	2007
	(Millions of dollars)		
Beginning balance at January 1	**$ 1,094**	$ 608	$ 399
Additions to capitalized exploratory well costs pending the determination of proved reserves	**433**	560	229
Reclassifications to wells, facilities, and equipment based on the determination of proved reserves	**(16)**	(67)	(20)
Capitalized exploratory well costs charged to expense	**(74)**	(7)	—
Ending balance at December 31	**$ 1,437**	$ 1,094	$ 608
Number of wells at end of year	**53**	45	30

The preceding table excludes exploratory dry hole costs of $193 million, $203 million and $65 million in 2009, 2008 and 2007, respectively, which were incurred and subsequently expensed in the same year.

At December 31, 2009, exploratory drilling costs capitalized in excess of one year past completion of drilling were as follows (in millions):

2008	$468
2007	109
2006	215
2003 to 2005	56
	$848

The capitalized well costs in excess of one year relate to 15 projects. Approximately 72% of the capitalized well costs in excess of one year relate to the Pony and Tubular Bells projects in the deepwater Gulf of Mexico where development planning is underway. In addition, the Corporation plans to drill another appraisal well at Pony in 2010. Approximately 12% of the costs in excess of one year relate to Western Australia (WA-390-P) where further drilling is planned in 2010. The remainder of the costs relate to projects where further drilling is planned or development planning and other assessment activities are ongoing to determine the economic and operating viability of the projects.

6. Asset Retirement Obligations

The following table describes changes to the Corporation's asset retirement obligations:

	2009	2008
	(Millions of dollars)	
Asset retirement obligations at January 1	**$1,214**	$1,055
Liabilities incurred	**14**	35
Liabilities settled or disposed of	**(58)**	(56)
Accretion expense	**72**	67
Revisions	**(23)**	309
Foreign currency translation	**78**	(196)
Asset retirement obligations at December 31	**1,297**	1,214
Less: current obligations	**63**	50
Long-term obligations at December 31	**$1,234**	$1,164

Revisions are primarily attributable to changes in service and equipment costs in the oil and gas industry.

7. Long-Term Debt

Long-term debt at December 31 consists of the following:

	2009	2008
	(Millions of dollars)	
Revolving credit facility	$ —	$ 350
Asset-backed credit facility	—	500
Fixed rate debentures:		
7.4% due 2009	—	104
6.7% due 2011	**116**	662
7.0% due 2014	**250**	—
8.1% due 2019	**997**	—
7.9% due 2029	**694**	694
7.3% due 2031	**746**	745
7.1% due 2033	**598**	598
6.0% due 2040	**744**	—
Total fixed rate debentures	**4,145**	2,803
Fixed rate notes, weighted average rate 8.5%, due through 2023	**154**	108
Project lease financing, weighted average rate 5.1%, due through 2014	**113**	132
Pollution control revenue bonds, weighted average rate 5.9%, due through 2034	**53**	53
Other loans, weighted average rate 9.0%, due through 2019	**2**	9
	4,467	3,955
Less: amount included in current maturities	**148**	143
Total	**$4,319**	$3,812

In February 2009, the Corporation issued $250 million of 5 year senior unsecured notes with a coupon of 7% and $1 billion of 10 year senior unsecured notes with a coupon of 8.125%. The majority of the proceeds were used to repay debt under the revolving credit facility and outstanding borrowings on other credit facilities. In December 2009, the Corporation issued $750 million of 30 year bonds with a coupon of 6% and tendered for the $662 million of bonds due in August 2011. The Corporation completed the purchase of $546 million of the 2011 bonds in December 2009. The Corporation recorded a charge of $54 million related to the repurchase in Other, net within the Statement of Consolidated Income ($34 million after income taxes). The remaining $116 million of the 2011 bonds, classified as Current maturities of long term debt at December 31, 2009, was redeemed in January 2010, resulting in a charge of approximately $11 million ($7 million after income taxes).

The aggregate long-term debt maturing during the next five years is as follows (in millions): 2010 — $148 (included in current liabilities); 2011 — $32; 2012 — $34; 2013 — $37 and 2014 — $333.

At December 31, 2009, the Corporation's fixed rate debentures have a principal amount of $4,166 million ($4,145 million net of unamortized discount). Interest rates on the outstanding fixed rate debentures have a weighted average rate of 7.3%.

The Corporation has a $3.0 billion syndicated revolving credit facility (the facility), which can be used for borrowings and letters of credit, substantially all of which is committed through May 2012. At December 31, 2009, the Corporation has available capacity on the facility of $3.0 billion. Current borrowings under the facility bear interest at 0.4% above the London Interbank Offered Rate and a facility fee of 0.1% per annum is payable on the amount of the facility. The interest rate and facility fee are subject to adjustment if the Corporation's credit rating changes.

The Corporation has a 364 day asset-backed credit facility securitized by certain accounts receivable from its Marketing and Refining operations. Under the terms of this financing arrangement, the Corporation has the ability to borrow or issue letters of credit of up to $1.0 billion at December 31, 2009, subject to the availability of sufficient levels of eligible receivables. At December 31, 2009, outstanding letters of credit under this facility were collateralized by a total of $1,326 million of accounts receivable, which are held by a wholly-owned subsidiary. These receivables are only available to pay the general obligations of the Corporation after satisfaction of the outstanding obligations under the asset backed facility.

In 2009, the Corporation assumed an additional $65 million in fixed rate notes in connection with the acquisition of 37 previously leased retail gasoline stations.

The Corporation's long-term debt agreements contain a financial covenant that restricts the amount of total borrowings and secured debt. At December 31, 2009, the Corporation is permitted to borrow up to an additional $18.1 billion for the construction or acquisition of assets. The Corporation has the ability to borrow up to an additional $3.7 billion of secured debt at December 31, 2009.

Outstanding letters of credit at December 31 were as follows:

	2009	2008
	(Millions of dollars)	
Revolving credit facility	$ —	$ 176
Asset-backed credit facility	500	—
Committed lines*	1,155	1,973
Uncommitted short-term lines*	1,192	1,686
Total	$2,847	$3,835

* *Committed and uncommitted lines have expiration dates primarily through 2010.*

Of the total letters of credit outstanding at December 31, 2009, $100 million relates to contingent liabilities and the remaining $2,747 million primarily relates to liabilities recorded on the balance sheet.

The total amount of interest paid (net of amounts capitalized) was $335 million, $266 million and $257 million in 2009, 2008 and 2007, respectively. The Corporation capitalized interest of $6 million, $7 million and $50 million in 2009, 2008, and 2007, respectively.

8. Share-Based Compensation

The Corporation awards restricted common stock and stock options under its 2008 Long-Term Incentive Plan. Generally, stock options vest in one to three years from the date of grant, have a 10-year option life, and the exercise price equals or exceeds the market price on the date of grant. Outstanding restricted common stock generally vests in three years from the date of grant.

Share-based compensation expense consists of the following:

	Before Income Taxes			After Income Taxes		
	2009	2008	2007	2009	2008	2007
			(Millions of dollars)			
Stock options	$ 58	$ 51	$ 36	$ 36	$ 31	$ 23
Restricted stock	70	68	51	44	43	31
Total	$ 128	$ 119	$ 87	$ 80	$ 74	$ 54

Based on restricted stock and stock option awards outstanding at December 31, 2009, unearned compensation expense, before income taxes, will be recognized in future years as follows (in millions): 2010 — $88, 2011 — $42 and 2012 — $4.

The Corporation's stock option and restricted stock activity consisted of the following:

	Stock Options		Restricted Stock	
	Options	Weighted-Average Exercise Price per Share	Shares of Restricted Common Stock	Weighted-Average Price on Date of Grant
	(Thousands)		(Thousands)	
Outstanding at January 1, 2007	12,923	$ 29.68	5,044	$ 27.68
Granted	3,066	53.82	1,032	53.92
Exercised	(4,566)	24.07	—	—
Vested	—	—	(1,184)	24.53
Forfeited	(131)	46.41	(91)	36.40
Outstanding at December 31, 2007	11,292	38.31	4,801	33.93
Granted	2,473	82.55	1,289	85.22
Exercised	(3,852)	29.17	—	—
Vested	—	—	(2,787)	21.40
Forfeited	(213)	60.61	(142)	58.60
Outstanding at December 31, 2008	**9,700**	**52.73**	**3,161**	**64.78**
Granted	**3,135**	**56.44**	**1,056**	**56.27**
Exercised	**(416)**	**38.85**	**—**	**—**
Vested	**—**	**—**	**(893)**	**50.13**
Forfeited	**(317)**	**65.68**	**(376)**	**66.11**
Outstanding at December 31, 2009	**12,102**	**53.83**	**2,948**	**66.00**
Exercisable at December 31, 2007	5,408	$ 27.34		
Exercisable at December 31, 2008	4,522	36.95		
Exercisable at December 31, 2009	**6,636**	**46.11**		

The table below summarizes information regarding the outstanding and exercisable stock options as of December 31, 2009:

	Outstanding Options			Exercisable Options	
Range of Exercise Prices	Options	Weighted-Average Remaining Contractual Life	Weighted-Average Exercise Price per Share	Options	Weighted-Average Exercise Price per Share
	(Thousands)	(Years)		(Thousands)	
$10.00 – $40.00	2,321	4	$ 26.04	2,321	$ 26.04
$40.01 – $50.00	1,943	6	49.15	1,937	49.17
$50.01 – $55.00	2,325	7	53.19	1,479	53.20
$55.01 – $60.00	3,097	9	56.48	42	57.69
$60.01 – $120.00	2,416	8	81.50	857	80.78
	12,102	7	53.83	6,636	46.11

The intrinsic value (or the amount by which the market price of the Corporation's Common Stock exceeds the exercise price of an option) for outstanding options and exercisable options at December 31, 2009 was $132 million and $113 million, respectively. At December 31, 2009, assuming forfeitures of 2% per year, 11,900,000 outstanding options are expected to vest at a weighted average exercise price of $53.70 per share. At December 31, 2009, the weighted average remaining term of exercisable options was 6 years.

The Corporation uses the Black-Scholes model to estimate the fair value of employee stock options. The following weighted average assumptions were utilized for stock options awarded:

	2009	2008	2007
Risk free interest rate	**1.80%**	2.70%	4.70%
Stock price volatility	**.390**	.294	.316
Dividend yield	**.70%**	.50%	.75%
Expected term in years	**4.5**	5.0	5.0
Weighted average fair value per option granted	**$18.47**	$24.09	$18.07

The assumption above for the risk free interest rate is based on the expected terms of the options and is obtained from published sources. The stock price volatility is determined from historical experience using the same period as the expected terms of the options. The expected stock option term is based on historical exercise patterns and the expected future holding period.

In May 2008, shareholders approved the 2008 Long-Term Incentive Plan. The Corporation also has stock options outstanding under a former plan. At December 31, 2009, the number of common shares reserved for issuance under the 2008 Long-Term Incentive Plan is as follows (in thousands):

Total common shares reserved for issuance	10,844
Less: stock options outstanding	3,111
Available for future awards of restricted stock and stock options	7,733

9. Foreign Currency Translation

Foreign currency gains (losses) before income taxes amounted to $20 million in 2009, $(212) million in 2008 and $17 million in 2007. The foreign currency loss in 2008 reflects the net effect of significant exchange rate movements in the fourth quarter of 2008 on the remeasurement of assets, liabilities and foreign currency forward contracts by certain foreign businesses. The balances in accumulated other comprehensive income (loss) related to foreign currency translation were reductions in stockholders' equity of $18 million at December 31, 2009 and $123 million at December 31, 2008.

10. Retirement Plans

The Corporation has funded noncontributory defined benefit pension plans for a significant portion of its employees. In addition, the Corporation has an unfunded supplemental pension plan covering certain employees. The unfunded supplemental pension plan provides for incremental pension payments from the Corporation so that total pension payments equal amounts that would have been payable from the Corporation's principal pension plans, were it not for limitations imposed by income tax regulations. The plans provide defined benefits based on years of service and final average salary. Additionally, the Corporation maintains an unfunded postretirement medical plan that provides health benefits to certain qualified retirees from ages 55 through 65. The measurement date for all retirement plans is December 31.

The following table summarizes the Corporation's benefit obligations and the fair value of plan assets and shows the funded status of the pension and postretirement medical plans:

	Funded Pension Plans		Unfunded Pension Plan		Postretirement Medical Plan	
	2009	2008	2009	2008	2009	2008
			(Millions of dollars)			
Change in benefit obligation						
Balance at January 1	**$1,125**	$1,136	**$ 165**	$ 147	**$ 77**	$ 86
Service cost	**34**	36	**6**	6	**3**	3
Interest cost	**72**	71	**11**	9	**4**	4
Actuarial (gain) loss	**139**	19	**43**	11	**3**	(13)
Benefit payments	**(43)**	(42)	**(2)**	(8)	**(3)**	(3)
Plan settlement*	**—**	—	**(35)**	—	**—**	—
Foreign currency exchange rate changes	**32**	(95)	**—**	—	**—**	—
Balance at December 31	**1,359**	1,125	**188**	165	**84**	77
Change in fair value of plan assets						
Balance at January 1	**745**	1,075	**—**	—	**—**	—
Actual return on plan assets	**161**	(280)	**—**	—	**—**	—
Employer contributions	**183**	70	**37**	8	**3**	3
Benefit payments	**(43)**	(42)	**(37)**	(8)	**(3)**	(3)
Foreign currency exchange rate changes	**26**	(78)	**—**	—	**—**	—
Balance at December 31	**1,072**	745	**—**	—	**—**	—
Funded status (plan assets less than benefit obligations) at December 31	**(287)**	(380)	**(188)****	(165)**	**(84)**	(77)
Unrecognized net actuarial losses	**495**	513	**92**	78	**16**	13
Net amount recognized	**$ 208**	$ 133	**$ (96)**	$ (87)	**$ (68)**	$ (64)

* *The plan settlement relates to employee retirements during 2009. As a result, the Corporation recorded a charge of $17 million ($10 million after income taxes) for the impact of this settlement.*

** *The trust established by the Corporation for the supplemental plan held assets valued at $40 million at December 31, 2009 and $65 million at December 31, 2008.*

Amounts recognized in the consolidated balance sheet at December 31 consist of the following:

	Funded Pension Plans		Unfunded Pension Plan		Postretirement Medical Plan	
	2009	2008	2009	2008	2009	2008
			(Millions of dollars)			
Accrued benefit liability	**$ (287)**	$ (380)	**$ (188)**	$ (165)	**$ (84)**	$ (77)
Accumulated other comprehensive loss*	**495**	513	**92**	78	**16**	13
Net amount recognized	**$ 208**	$ 133	**$ (96)**	$ (87)	**$ (68)**	$ (64)

* *The after-tax reduction to equity recorded in Accumulated other comprehensive income (loss) was $413 million at December 31, 2009 and $407 million at December 31, 2008.*

The accumulated benefit obligation for the funded defined benefit pension plans was $1,229 million at December 31, 2009 and $1,032 million at December 31, 2008. The accumulated benefit obligation for the unfunded defined benefit pension plan was $172 million at December 31, 2009 and $149 million at December 31, 2008.

Components of net periodic benefit cost for funded and unfunded pension plans and the postretirement medical plan consisted of the following:

	Pension Plans			Postretirement Medical Plan		
	2009	2008	2007	2009	2008	2007
	(Millions of dollars)					
Service cost	**$ 40**	$ 42	$ 41	**$ 3**	$ 3	$ 3
Interest cost	**83**	80	73	**4**	4	4
Expected return on plan assets	**(59)**	(80)	(74)	**—**	—	—
Amortization of unrecognized net actuarial loss	**65**	19	23	**—**	—	(1)
Settlement loss	**17**	—	—	**—**	—	2
Net periodic benefit cost	**$146**	$ 61	$ 63	**$ 7**	$ 7	$ 8

Prior service costs and actuarial gains and losses in excess of 10% of the greater of the benefit obligation or the market value of assets are amortized over the average remaining service period of active employees.

The Corporation's 2010 pension and postretirement medical expense is estimated to be approximately $110 million, of which approximately $50 million relates to the amortization of unrecognized net actuarial losses.

The weighted-average actuarial assumptions used by the Corporation's funded and unfunded pension plans were as follows:

	2009	2008	2007
Weighted-average assumptions used to determine benefit obligations at December 31			
Discount rate	**5.8%**	6.3%	6.3%
Rate of compensation increase	**4.3**	4.4	4.4
Weighted-average assumptions used to determine net benefit cost for years ended December 31			
Discount rate	**6.3**	6.3	5.8
Expected return on plan assets	**7.5**	7.5	7.5
Rate of compensation increase	**4.4**	4.4	4.4

The actuarial assumptions used by the Corporation's postretirement medical plan were as follows:

	2009	2008	2007
Assumptions used to determine benefit obligations at December 31			
Discount rate	**5.4%**	6.3%	6.3%
Initial health care trend rate	**8.0%**	9.0%	9.0%
Ultimate trend rate	**4.5%**	4.5%	4.5%
Year in which ultimate trend rate is reached	**2013**	2013	2013

The assumptions used to determine net periodic benefit cost for each year were established at the end of each previous year while the assumptions used to determine benefit obligations were established at each year-end. The net periodic benefit cost and the actuarial present value of benefit obligations are based on actuarial assumptions that are reviewed on an annual basis. The discount rate is developed based on a portfolio of high-quality, fixed-income debt instruments with maturities that approximate the expected payment of plan obligations. The overall expected return on plan assets is developed from the expected future returns for each asset category, weighted by the target allocation of pension assets to that asset category.

The Corporation's investment strategy is to maximize long-term returns at an acceptable level of risk through broad diversification of plan assets in a variety of asset classes. Asset classes and target allocations are determined by the Corporation's investment committee and include domestic and foreign equities, fixed income, and other investments, including hedge funds, real estate and private equity. Investment managers are prohibited from investing in securities issued by the Corporation unless indirectly held as part of an index strategy. The majority of plan assets are highly liquid, providing ample liquidity for benefit payment requirements. The current target allocations for plan assets are 50% equity securities, 25% fixed income securities (including cash and short-term investment funds) and 25% to all other types of investments. Asset allocations are rebalanced on a periodic basis throughout the year to bring assets to within an acceptable range of target levels.

The following table provides the fair value of the Plan's financial assets as of December 31, 2009 in accordance with the fair value measurement hierarchy described in Note 1, Summary of Significant Accounting Policies (in millions):

	Level 1	Level 2	Level 3	Total
Cash and short-term investment funds	$ 5	$ 39	$ —	$ 44
Equities:				
U.S. equities (domestic)	318	—	—	318
International equities (non-U.S.)	34	93	—	127
Global equities (domestic and non-U.S.)	19	117	—	136
Fixed income:				
Treasury and government issued(a)	—	74	3	77
Government related(b)	—	24	2	26
Mortgage backed securities(c)	—	60	1	61
Corporate	—	78	2	80
Other:				
Hedge funds	—	—	143	143
Private equity funds	—	—	29	29
Real estate funds	6	—	14	20
Diversified commodities funds	—	11	—	11
	$ 382	$ 496	$ 194	$1,072

(a) Includes securities issued and guaranteed by U.S. and non-U.S. governments.

(b) Primarily consists of securities issued by governmental agencies and municipalities.

(c) Comprised of U.S. residential and commercial mortgage backed securities.

Cash and short-term investment funds consist of cash on hand and short-term investment funds. The short-term investment funds provide for daily investments and redemptions and are valued and carried at a $1 net asset value (NAV) per fund share.

Equities consist of equity securities issued by U.S. and non-U.S. corporations as well as commingled investment funds that invest in equity securities. Individually held equity securities are traded actively on exchanges and price quotes for these shares are readily available. Individual equity securities are classified as Level 1. Commingled investment funds are investment vehicles that are not publicly traded, but whose underlying assets are publicly traded with price quotes readily available. Commingled fund values reflect the NAV per fund share, derived from the quoted prices in active markets of the underlying securities. Equity commingled funds are classified as Level 2.

Fixed income investments consist of securities issued by the U.S. government, non-U.S. governments, governmental agencies, municipalities and corporations, and agency and non-agency mortgage backed securities. This investment category also includes commingled investment funds that invest in fixed income securities. Individual fixed income securities are generally priced on the basis of evaluated prices from independent pricing services. Such prices are monitored and provided by an independent, third-party custodial firm safekeeping plan assets. Individual fixed income securities are classified as Level 2 or 3. Commingled fund values reflect the NAV per fund share, derived indirectly from observable inputs or from quoted prices in less liquid markets of the underlying securities. Fixed income commingled funds are classified as Level 2.

Other investments consist of exchange-traded real estate investment trust securities as well as commingled fund and limited partnership investments in hedge funds, private equity, real estate and diversified commodities. Exchange-traded securities are classified as Level 1. Commingled fund values reflect the NAV per fund share and are classified as Level 2 or 3. Private equity and real estate limited partnership values reflect information reported by the fund managers, which include inputs such as cost, operating results, discounted future cash flows, market based comparable data and independent appraisals from third-party sources with professional qualifications. Hedge funds, private equity and non-exchange-traded real estate investments are classified as Level 3.

The following table provides changes in financial assets that are measured at fair value based on Level 3 inputs that are held by institutional funds classified as (in millions):

	Fixed Income*	Hedge Funds	Private Equity Funds	Real Estate Funds	Total
Balance at January 1, 2009	$ 12	$127	$ 25	$ 20	$184
Actual return on plan assets:					
Related to assets held at December 31, 2009	4	15	(4)	(7)	8
Related to assets sold during 2009	(1)	1	—	—	—
Purchases, sales or other settlements	(2)	—	8	1	7
Net transfers in and/or out of Level 3	(5)	—	—	—	(5)
Balance at December 31, 2009	$ 8	$143	$ 29	$ 14	$194

* *Fixed Income includes treasury and government issued, government related, mortgage backed and corporate securities.*

The Corporation has budgeted contributions of approximately $145 million to its funded pension plans in 2010. The Corporation has not budgeted any contributions to the trust established for the unfunded plan.

Estimated future benefit payments for the funded and unfunded pension plans and the postretirement medical plan, which reflect expected future service, are as follows (in millions):

2010	$ 78
2011	100
2012	77
2013	87
2014	90
Years 2015 to 2019	568

The Corporation also contributes to several defined contribution plans for eligible employees. Employees may contribute a portion of their compensation to the plans and the Corporation matches a portion of the employee contributions. The Corporation recorded expense of $24 million in 2009, $22 million in 2008, and $19 million in 2007 for contributions to these plans.

11. Income Taxes

The provision for (benefit from) income taxes consisted of:

	2009	2008	2007
	(Millions of dollars)		
Federal			
Current	**$ 39**	$ 10	$ 2
Deferred	**(284)**	(140)	62
State	**(15)**	10	(149)
	(260)	(120)	(85)*
Foreign			
Current	**1,143**	2,377	1,898
Deferred	**(168)**	87	64
	975	2,464	1,962
Adjustment of deferred tax liability for foreign income tax rate change	**—**	(4)	(5)
Total provision for income taxes	**$ 715**	$2,340	$1,872

* *Includes a provision for an increase in the valuation allowance for foreign tax credit carryforwards of $81 million and a benefit from a decrease in the valuation allowance for state net operating loss carryforwards of $96 million.*

Income (loss) before income taxes consisted of the following:

	2009	2008	2007
	(Millions of dollars)		
United States*	**$ (711)**	$ (349)	$ (147)
Foreign**	**2,233**	5,046	3,972
Total income before income taxes	**$1,522**	$4,697	$3,825

* *Includes substantially all of the Corporation's interest expense and the results of hedging activities.*

** *Foreign income includes the Corporation's Virgin Islands and other operations located outside of the United States.*

A summary of the components of deferred tax liabilities, deferred tax assets and taxes deferred at December 31 follows:

	2009	2008
	(Millions of dollars)	
Deferred tax liabilities		
Property, plant and equipment and investments	**$3,021**	$2,918
Deferred taxes on undistributed earnings of foreign subsidiaries	**174**	—
Other	**13**	114
Total deferred tax liabilities	**3,208**	3,032
Deferred tax assets		
Net operating loss carryforwards	**529**	1,832
Tax credit carryforwards	**860**	458
Property, plant and equipment	**1,575**	—
Accrued liabilities	**459**	415
Asset retirement obligations	**484**	406
Other	**339**	227
Total deferred tax assets	**4,246**	3,338
Valuation allowance	**(500)**	(266)
Total deferred tax assets, net	**3,746**	3,072
Net deferred tax assets	**$ 538**	$ 40

Net deferred tax assets in the foregoing table include the deferral of the tax consequences of the utilization of approximately $4 billion of net operating loss carryforwards in the United States during 2009 resulting from intercompany transactions eliminated in consolidation related to transfers of property, plant and equipment remaining within the consolidated group. At December 31, 2009, the Corporation has remaining federal net operating loss carryforwards in the United States of approximately $49 million which will expire in 2029. The remaining net operating loss carryforwards relate primarily to foreign operations and expire in years after 2028. At December 31, 2009, the Corporation has alternative minimum tax credit carryforwards of approximately $192 million, which can be carried forward indefinitely. Foreign tax credit carryforwards, which expire in 2010 to 2019 total $623 million. The Corporation also has approximately $45 million of general business credits, substantially all of which expire between 2012 and 2025.

In the consolidated balance sheet at December 31, deferred tax assets and liabilities from the preceding table are netted by taxing jurisdiction, combined with taxes deferred on intercompany transactions, and are recorded in the following captions:

	2009	2008
	(Millions of dollars)	
Other current assets	**$ 372**	$ 188
Deferred income taxes (long-term asset)	**2,409**	2,292
Accrued liabilities	**(21)**	(199)
Deferred income taxes (long-term liability)	**(2,222)**	(2,241)
Net deferred tax assets	**$ 538**	$ 40

The difference between the Corporation's effective income tax rate and the United States statutory rate is reconciled below:

	2009	2008	2007
United States statutory rate	**35.0%**	35.0%	35.0%
Effect of foreign operations	**15.2**	12.7	14.8
State income taxes, net of Federal income tax	**(1.2)**	0.1	(2.5)
Other	**(2.0)**	2.0	1.6
Total	**47.0%**	49.8%	48.9%

Below is a reconciliation of the beginning and ending amount of unrecognized tax benefits (millions of dollars):

	2009	2008
Balance at January 1	**$ 175**	$ 165
Additions based on tax positions taken in the current year	**106**	16
Additions based on tax positions of prior years	**25**	11
Reductions based on tax positions of prior years	**(3)**	(15)
Reductions due to settlements with taxing authorities	**(20)**	(2)
Reductions due to lapse of statutes of limitation	**(12)**	—
Balance at December 31	**$ 271**	$ 175

At December 31, 2009, the unrecognized tax benefits include $197 million, which if recognized, would affect the Corporation's effective income tax rate. Over the next 12 months, it is reasonably possible that the total amount of unrecognized tax benefits could decrease by up to $25 million due to settlements with taxing authorities.

The Corporation has not recognized deferred income taxes for that portion of undistributed earnings of foreign subsidiaries expected to be indefinitely reinvested in foreign operations. The Corporation had undistributed earnings from foreign subsidiaries expected to be indefinitely reinvested in foreign operations of approximately $3.4 billion at December 31, 2009. If these earnings were not indefinitely reinvested, a deferred tax liability of approximately $1.2 billion would be recognized, not accounting for the potential utilization of foreign tax credits in the United States.

The Corporation and its subsidiaries file income tax returns in the United States and various foreign jurisdictions. The Corporation is no longer subject to examinations by income tax authorities in most jurisdictions for years prior to 2003.

Income taxes paid (net of refunds) in 2009, 2008, and 2007 amounted to $1,177 million, $2,420 million and $1,826 million, respectively. The Corporation had accrued interest and penalties of approximately $17 million as of December 31, 2009 and approximately $6 million as of December 31, 2008.

12. Outstanding and Weighted Average Common Shares

The following table provides the changes in the Corporation's outstanding common shares:

	2009	2008	2007
	(Thousands of shares)		
Balance at January 1	**326,133**	320,600	315,018
Activity related to restricted common stock awards, net	**680**	1,148	941
Employee stock options	**416**	3,852	4,566
Conversion of preferred stock	**—**	533	75
Balance at December 31	**327,229**	326,133	320,600

During 2008, the Corporation's remaining 284,139 outstanding shares of 3% cumulative convertible preferred shares were converted into common stock at a conversion rate of 1.8783 shares of common stock for each preferred share. The Corporation issued 533,697 shares of common stock for the conversion of these preferred shares and fractional shares were settled by cash payments.

The weighted average number of common shares used in the basic and diluted earnings per share computations for each year is summarized below:

	2009	2008	2007
	(Thousands of shares)		
Common shares — basic	**323,890**	320,803	312,736
Effect of dilutive securities			
Stock options	**836**	2,870	2,925
Restricted common stock	**1,239**	1,815	3,066
Convertible preferred stock	**—**	359	585
Common shares — diluted	**325,965**	325,847	319,312

The calculation of weighted average common shares excludes the effect of 4,050,000, 425,000 and 715,000 out-of-the-money options for 2009, 2008 and 2007, respectively. Cash dividends on common stock totaled $0.40 per share ($0.10 per quarter) during 2009, 2008 and 2007.

13. Leased Assets

The Corporation and certain of its subsidiaries lease gasoline stations, drilling rigs, tankers, office space and other assets for varying periods under contractual obligations accounted for as operating leases. Certain operating leases provide an option to purchase the related property at fixed prices. At December 31, 2009, future minimum rental payments applicable to non-cancelable operating leases with remaining terms of one year or more (other than oil and gas property leases) are as follows (in millions):

2010	$ 482
2011	341
2012	354
2013	357
2014	320
Remaining years	1,428
Total minimum lease payments	3,282
Less: income from subleases	144
Net minimum lease payments	$3,138

Operating lease expenses for drilling rigs used to drill development wells and successful exploration wells are capitalized.

Rental expense was as follows:

	2009	2008	2007
	(Millions of dollars)		
Total rental expense	**$266**	$270	$266
Less: income from subleases	**11**	12	13
Net rental expense	**$255**	$258	$253

14. Risk Management and Trading Activities

In the normal course of its business, the Corporation is exposed to commodity risks related to changes in the prices of crude oil, natural gas, refined products and electricity, as well as to changes in interest rates and foreign currency values. The Corporation also has trading operations, principally through a 50% voting interest in a consolidated partnership, that are exposed to commodity price risks primarily related to the prices of crude oil, natural gas and refined products.

The Corporation maintains a control environment under the direction of its chief risk officer and through its corporate risk policy, which the Corporation's senior management has approved. Controls include volumetric, term and value-at-risk limits. The chief risk officer must approve the use of new instruments or commodities. Risk limits are monitored and reported on daily to business units and to senior management. The Corporation's risk management department also performs independent verifications of sources of fair values and validations of valuation models. These controls apply to all of the Corporation's risk management and trading activities, including the consolidated trading partnership. The Corporation's treasury department is responsible for administering foreign exchange and interest rate hedging programs.

Following is a description of the Corporation's activities that use derivatives as part of their operations and strategies. Derivatives include both financial instruments and forward purchase and sale contracts. Gross notional amounts of both long and short positions are presented in the volume tables below. These amounts include long and short positions that offset in a closed position and have not reached contractual maturity. Gross notional amounts do not quantify risk or represent assets or liabilities of the Corporation, but are used in the calculation of cash settlements under the contracts.

Energy Marketing Activities: In its energy marketing activities the Corporation sells refined petroleum products, natural gas and electricity principally to commercial and industrial businesses at fixed and floating prices for varying periods of time. Commodity contracts such as futures, forwards, swaps and options, together with physical assets such as storage, are used to obtain supply and reduce margin volatility or lower costs related to sales contracts with customers.

The table below shows the gross volume of the Corporation's energy marketing commodity contracts outstanding at December 31, 2009:

Commodity Contracts	
Crude oil and refined products (millions of barrels)	34
Natural gas (millions of mcf)	1,876
Electricity (millions of megawatt hours)	166

At December 31, 2009, a portion of energy marketing commodity contracts are designated as cash flow hedges to hedge variability of expected future cash flows of forecasted supply transactions. The length of time over which the Corporation hedges exposure to variability in future cash flows is predominantly two years or less. For contracts outstanding at December 31, 2009, the maximum duration was five years. The Corporation records the effective portion of changes in the fair value of cash flow hedges as a component of other comprehensive income. Amounts recorded in Accumulated other comprehensive income are reclassified into Cost of products sold in the same period that the hedged item is recognized in earnings. The ineffective portion of changes in fair value of cash flow hedges is recognized immediately in Cost of products sold.

At December 31, 2009, the after-tax deferred losses relating to energy marketing activities recorded in Accumulated other comprehensive income were $303 million ($335 million at December 31, 2008). The Corporation estimates that approximately $224 million of this amount will be reclassified into earnings over the next twelve months. During 2009, 2008 and 2007, the Corporation reclassified after-tax income (losses) from Accumulated other comprehensive income of $(596) million, $112 million and $(81) million, respectively. The amount of gain (loss) from hedge ineffectiveness reflected in earnings in 2009, 2008 and 2007 was $(2) million in 2009, less than $1 million in 2008 and $(5) million in 2007. The change in the fair value of energy marketing cash flow hedges was $(564) million in 2009, $(255) million in 2008 and $(3) million in 2007.

The change in fair value of other energy marketing commodity contracts that are not designated as hedges are recognized currently in earnings. Revenues from the sales contracts are recognized in Sales and other operating revenues, supply contract purchases are recognized in Cost of products sold and net settlements from financial derivatives are recognized in Cost of products sold. Net realized and unrealized pre-tax gains on derivative contracts not designated as hedges amounted to $102 million in 2009.

Corporate Risk Management: Corporate risk management activities include transactions designed to reduce risk in the selling prices of crude oil or natural gas produced by the Corporation or to reduce exposure to foreign currency movements. Generally, futures, swaps or option strategies may be used to fix the forward selling price of a portion of the Corporation's crude oil or natural gas production. Forward contracts may also be used to purchase certain currencies in which the Corporation does business with the intent of reducing exposure to foreign currency fluctuations.

The table below shows the gross volume of Corporate risk management derivative instruments outstanding at December 31, 2009:

Commodity contracts, primarily crude oil (millions of barrels)*	54
Foreign exchange contracts (millions of U.S. dollars)	872

* *Includes gross volumes associated with the offsetting crude oil hedge positions.*

During 2008, the Corporation closed Brent crude oil cash flow hedges covering 24,000 barrels per day through 2012 by entering into offsetting contracts with the same counterparty. As a result, the valuation of those contracts is no longer subject to change due to price fluctuations. There were no other open hedges of crude oil or natural gas production at December 31, 2009. Hedging activities decreased Exploration and Production earnings by $337 million in 2009, $423 million in 2008 and $244 million in 2007. The pre-tax amount of these hedge losses is reflected in Sales and other operating revenue. The gain (loss) from hedge ineffectiveness reflected in revenue was less than $1 million in 2009, $(13) million in 2008 and $6 million in 2007.

At December 31, 2009, the after-tax deferred losses in Accumulated other comprehensive income relating to Corporate risk management cash flow hedges were $941 million ($1,143 million at December 31, 2008). These deferred losses result from the Brent crude oil hedges referred to above that cover ongoing production of 24,000 barrels per day from 2010 through 2012. The Corporation estimates that approximately $335 million of this amount will be reclassified into earnings over the next twelve months. The pre-tax amount of deferred hedge losses is reflected in Accounts payable and the related income tax benefits are recorded as Deferred income tax assets on the balance sheet.

The change in fair value of foreign exchange contracts are not designated as hedges. Gains or losses in foreign exchange contracts, maturing through 2010, are recognized immediately in Other, net in revenues and non-operating income.

For the year ended December 31, 2009, net pre-tax gains on derivative contracts used for Corporate risk management and not designated as hedges amounted to the following (in millions):

Commodity	$ 9
Foreign exchange	86
Total	$95

Trading Activities: Trading activities are conducted principally through a trading partnership in which the Corporation has a 50% voting interest. This consolidated entity intends to generate earnings through various strategies primarily using energy commodities, securities and derivatives. The Corporation also takes trading positions for its own account.

The table below shows the gross volume of the Corporation's trading derivative instruments outstanding at December 31, 2009:

Commodity Contracts	
Crude oil and refined products (millions of barrels)	2,251
Natural gas (millions of mcf)	6,927
Electricity (millions of megawatt hours)	6
Other Contracts (millions of U.S. dollars)	
Interest rate	495
Foreign exchange	335

For the year ended December 31, 2009, pre-tax gains recorded in Sales and other operating revenues from trading activities amounted to the following (in millions):

Commodity	$196
Foreign exchange	23
Interest rate and other	17
Total	$236

Fair Value Measurements: The Corporation determines fair value in accordance with the fair value measurements accounting standard (ASC 820 — Fair Value Measurements and Disclosures), which established a hierarchy that categorizes the sources of inputs, which generally range from quoted prices for identical instruments in a principal trading market (Level 1) to estimates determined using related market data (Level 3). Multiple inputs may be used to measure fair value, however, the level of fair value for each financial asset or liability presented below is based on the lowest significant input level within this fair value hierarchy. The following table provides the fair value of the Corporation's financial assets and (liabilities) based on this hierarchy:

	Level 1	Level 2	Level 3	Collateral and counterparty netting	December 31,
			(Millions of dollars)		
2009					
Derivative contracts					
Assets	**$ 46**	**$ 1,139**	**$ 119**	**$ (366)**	**$ 938**
Liabilities	**(151)**	**(2,910)**	**(36)**	**320**	**(2,777)**
Other assets and liabilities measured at fair value on a recurring basis					
Assets	**37**	**21**	**5**	**—**	**63**
Liabilities	**—**	**(66)**	**(4)**	**—**	**(70)**
2008					
Derivative contracts					
Assets	$ 449	$ 1,795	$ 695	$ (1,023)	$ 1,916
Liabilities	(397)	(3,395)	(556)	712	(3,636)
Other assets and liabilities measured at fair value on a recurring basis					
Assets	55	—	10	—	65
Liabilities	—	(17)	—	—	(17)

The following table provides changes in financial assets and liabilities that are measured at fair value based on Level 3 inputs:

	Year Ended December 31, 2009	Year Ended December 31, 2008
	(Millions of dollars)	
Balance at January 1	**$ 149**	$ (4)
Unrealized gains (losses)		
Included in earnings	**103**	634
Included in other comprehensive income	**15**	(351)
Purchases, sales or other settlements during the period	**(144)**	(37)
Net transfers in to (out of) Level 3	**(39)**	(93)
Balance at December 31	**$ 84**	$ 149

The table below reflects the gross and net fair values of the Corporation's derivative instruments as of December 31, 2009:

	Accounts Receivable	Accounts Payable
	(Millions of dollars)	
Derivative contracts designated as hedging instruments		
Commodity	$ 748	$ (1,166)
Derivative contracts not designated as hedging instruments*		
Commodity	9,145	(10,493)
Foreign exchange	3	(26)
Other	12	(14)
Total derivative contracts not designated as hedging instruments	9,160	(10,533)
Gross fair value of derivative contracts	9,908	(11,699)
Master netting arrangements	*(8,653)*	*8,653*
Cash collateral (received) posted	(317)	269
Net fair value of derivative contracts	$ 938	$ (2,777)

* *Includes trading derivatives and derivatives used for risk management.*

The Corporation generally enters into master netting arrangements to mitigate counterparty credit risk. Master netting arrangements are standardized contracts that govern all specified transactions with the same counterparty and allow the Corporation to terminate all contracts upon occurrence of certain events, such as a counterparty's default or bankruptcy. Where these arrangements provide the right of offset and the Corporation's intent and practice is to offset amounts in the case of contract terminations, the Corporation records fair value on a net basis.

The carrying amounts of the Corporation's financial instruments and derivatives are recorded at their fair values at December 31, 2009 and 2008, while fixed rate long-term debt is recorded at a carrying value of $4,467 million (fair value of $5,073 million) at December 31, 2009 and a carrying value of $3,103 million (fair value of $3,031 million) at December 31, 2008.

Credit Risk: The Corporation is exposed to credit risks that may at times be concentrated with certain counterparties or groups of counterparties. Accounts receivable are generated from a diverse domestic and international customer base. The Corporation's net receivables at December 31, 2009 are concentrated with counterparties as follows: oil and gas companies — 14%, US government entities — 13%, manufacturers — 12% and domestic and foreign trading companies — 11%. The Corporation reduces its risk related to certain counterparties by using master netting arrangements and requiring collateral, generally cash or letters of credit. The Corporation records the cash collateral received or posted as an offset of the fair value of derivatives executed with the same counterparty. At December 31, 2009 and 2008, the Corporation is holding cash from counterparties of approximately $317 million and $705 million, respectively. The Corporation has posted cash to counterparties at December 31, 2009 and 2008 of approximately $269 million and $394 million, respectively.

At December 31, 2009, the Corporation had a total of $2,847 million of outstanding letters of credit, primarily issued to satisfy margin requirements. Certain of the Corporation's agreements also contain contingent collateral provisions that could require the Corporation to post additional collateral if the Corporation's credit rating declines. As of December 31, 2009, the net liability related to derivatives with contingent collateral provisions was approximately $2,120 million before cash collateral posted of approximately $260 million. At December 31, 2009, all three major credit rating agencies that rate the Corporation's debt had assigned an investment grade rating. If two of the three agencies were to downgrade the Corporation's rating to below investment grade, as of December 31, 2009, the Corporation would be required to post additional collateral of approximately $281 million.

15. Guarantees and Contingencies

At December 31, 2009, the Corporation's guarantees include $121 million of HOVENSA's crude oil purchases and $15 million of HOVENSA's senior debt obligations. In addition, the Corporation has $100 million in letters of credit for which it is contingently liable. As a result, the maximum potential amount of future payments that the Corporation could be required to make under its guarantees is $236 million at December 31, 2009 ($219 million at December 31, 2008). The Corporation also has a contingent purchase obligation expiring in April 2012, to acquire the remaining interest in WilcoHess, a retail gasoline station joint venture. As of December 31, 2009, the estimated value of the purchase obligation is approximately $184 million.

The Corporation is subject to loss contingencies with respect to various lawsuits, claims and other proceedings, including environmental matters. A liability is recognized in the Corporation's consolidated financial statements when it is probable a loss has been incurred and the amount can be reasonably estimated. If the risk of loss is probable, but the amount cannot be reasonably estimated or the risk of loss is only reasonably possible, a liability is not accrued; however, the Corporation discloses the nature of those contingencies.

The Corporation, along with many other companies engaged in refining and marketing of gasoline, has been a party to lawsuits and claims related to the use of methyl tertiary butyl ether (MTBE) in gasoline. A series of similar lawsuits, many involving water utilities or governmental entities, were filed in jurisdictions across the United States against producers of MTBE and petroleum refiners who produced gasoline containing MTBE, including the Corporation. The principal allegation in all cases is that gasoline containing MTBE is a defective product and that these parties are strictly liable in proportion to their share of the gasoline market for damage to groundwater resources and are required to take remedial action to ameliorate the alleged effects on the environment of releases of MTBE. In 2008, the majority of the cases against the Corporation were settled. In February 2010, the Corporation reached an agreement in principle to settle all but three of the remaining cases. The three unresolved cases consist of two cases that have been consolidated for pre-trial purposes in the Southern District of New York as part of a multi-district litigation proceeding and an action brought in state court by the State of New Hampshire. In 2007, a pre-tax charge of $40 million was recorded to cover all of the known MTBE cases against the Corporation.

Over the last several years, many refiners have entered into consent agreements to resolve the United States Environmental Protection Agency's (EPA) assertions that refining facilities were modified or expanded without complying with New Source Review regulations that require permits and new emission controls in certain circumstances and other regulations that impose emissions control requirements. These consent agreements, which arise out of an EPA enforcement initiative focusing on petroleum refiners and utilities, have typically imposed substantial civil fines and penalties and required (i) significant capital expenditures to install emissions control equipment over a three to eight year time period and (ii) changes to operations which resulted in increased operating costs. The capital expenditures, penalties and supplemental environmental projects for individual refineries covered by the settlements can vary significantly, depending on the size and configuration of the refinery, the circumstances of the alleged modifications and whether the refinery has previously installed more advanced pollution controls. The EPA initially contacted the Corporation and HOVENSA regarding the Petroleum Refinery Initiative in August 2003. Negotiations with the EPA and the relevant states and the Virgin Islands are continuing and substantial progress has been made toward resolving this matter for both the Corporation and HOVENSA. While the effect on the Corporation of the Petroleum Refining Initiative cannot be estimated until a final settlement is reached and entered by a court, additional significant future capital expenditures and operating expenses will likely be incurred by HOVENSA over a number of years. The amount of penalties, if any, is not expected to be material.

The United States Deep Water Royalty Relief Act of 1995 (the Act) implemented a royalty relief program that relieves eligible leases issued between November 28, 1995 and November 28, 2000 from paying royalties on deepwater production in Federal Outer Continental Shelf lands. The Act does not impose any price thresholds in order to qualify for the royalty relief. The U.S. Minerals Management Service (MMS) created regulations that included pricing requirements to qualify for the royalty relief provided in the Act. During the period from 2003 to

2009, the Corporation accrued the royalties imposed by the MMS regulations. The legality of the thresholds imposed by the MMS was challenged in the federal courts and, in October 2009, the U.S. Supreme Court decided not to review the appellate court's decision against the MMS. As a result, the Corporation recognized a pre-tax gain of $143 million ($89 million after income taxes) in 2009 to reverse all previously recorded royalties. The pre-tax gain is reported in Other, net within the Statement of Consolidated Income.

The Corporation is also currently subject to certain other existing claims, lawsuits and proceedings, which it considers routine and incidental to its business. The Corporation believes that there is only a remote likelihood that future costs related to any of these other known contingent liability exposures would have a material adverse impact on its financial position or results of operations.

16. Segment Information

The Corporation has two operating segments that comprise the structure used by senior management to make key operating decisions and assess performance. These are (1) Exploration and Production and (2) Marketing and Refining. The Exploration and Production segment explores for, develops, produces, purchases, transports and sells crude oil and natural gas. The Marketing and Refining segment manufactures refined petroleum products and purchases, trades and markets refined petroleum products, natural gas and electricity.

The following table presents financial data by operating segment for each of the three years ended December 31, 2009:

	Exploration and Production	Marketing and Refining	Corporate and Interest	Consolidated(a)
		(Millions of dollars)		
2009				
Operating revenues				
Total operating revenues(b)	$ 7,259	$22,464	$ 1	
Less: Transfers between affiliates	110	—	—	
Operating revenues from unaffiliated customers	$ 7,149	$22,464	$ 1	$29,614
Net income (loss) attributable to Hess Corporation	$ 1,042	$ 127	$ (429)	$ 740
Equity in income (loss) of HOVENSA L.L.C.	$ —	$ (229)	$ —	$ (229)
Interest expense	—	—	360	360
Depreciation, depletion and amortization	2,167	79	8	2,254
Provision (benefit) for income taxes	944	24	(253)	715
Investments in affiliates	57	856	—	913
Identifiable assets	21,810	6,388	1,267	29,465
Capital employed(c)	14,163	2,979	853	17,995
Capital expenditures	2,800	83	35	2,918

	Exploration and Production	Marketing and Refining	Corporate and Interest	Consolidated(a)
		(Millions of dollars)		
2008				
Operating revenues				
Total operating revenues(b)	$10,095	$31,273	$ 3	
Less: Transfers between affiliates	237	—	—	
Operating revenues from unaffiliated customers	$ 9,858	$31,273	$ 3	$41,134
Net income (loss) attributable to Hess Corporation	$ 2,423	$ 277	$ (340)	$ 2,360
Equity in income of HOVENSA L.L.C.	$ —	$ 44	$ —	$ 44
Interest expense	—	—	267	267
Depreciation, depletion and amortization	1,952	74	3	2,029
Provision (benefit) for income taxes	2,365	162	(187)	2,340
Investments in affiliates	57	1,070	—	1,127
Identifiable assets	19,506	6,680	2,403	28,589
Capital employed(c)	12,945	3,178	223	16,346
Capital expenditures	4,251	149	38	4,438
2007				
Operating revenues				
Total operating revenues(b)	$ 7,933	$23,993	$ 2	
Less: Transfers between affiliates	201	—	—	
Operating revenues from unaffiliated customers	$ 7,732	$23,993	$ 2	$31,727
Net income (loss) attributable to Hess Corporation	$ 1,842	$ 300	$ (310)	$ 1,832
Equity in income of HOVENSA L.L.C.	$ —	$ 176	$ —	$ 176
Interest expense	—	—	256	256
Depreciation, depletion and amortization	1,503	68	5	1,576
Provision (benefit) for income taxes	1,865	181	(174)	1,872
Investments in affiliates	57	1,060	—	1,117
Identifiable assets	17,008	6,667	2,456	26,131
Capital employed(c)	11,349	3,130	(499)	13,980
Capital expenditures	3,438	118	22	3,578

(a) After elimination of transactions between affiliates, which are valued at approximate market prices.

(b) Sales and operating revenues are reported net of excise and similar taxes in the consolidated statement of income, which amounted to approximately $2,100 million, $2,200 million and $2,000 million in 2009, 2008 and 2007, respectively.

(c) Calculated as equity plus debt.

Financial information by major geographic area for each of the three years ended December 31, 2009:

	United States	Europe	Africa	Asia and Other	Consolidated
		(Millions of dollars)			
2009					
Operating revenues	**$24,611**	**$1,771**	**$1,898**	**$1,334**	**$29,614**
Property, plant and equipment (net)	**5,792**	**3,930**	**3,617**	**3,288**	**16,627**
2008					
Operating revenues	$33,202	$3,488	$3,173	$1,271	$41,134
Property, plant and equipment (net)	5,319	3,674	4,139	3,139	16,271
2007					
Operating revenues	$25,530	$2,647	$2,443	$1,107	$31,727
Property, plant and equipment (net)	3,611	3,749	4,599	2,675	14,634

17. Related Party Transactions

The following table presents related party transactions for the year-ended December 31:

	2009	2008	2007
		(Millions of dollars)	
Purchases of petroleum products:			
HOVENSA*	**$3,659**	$6,589	$ 5,238
Sales of petroleum products and crude oil:			
WilcoHess	**1,634**	2,590	2,014
HOVENSA	**530**	701	213

* *The Corporation has agreed to purchase 50% of HOVENSA's production of refined products at market prices, after sales by HOVENSA to unaffiliated parties.*

HESS CORPORATION AND CONSOLIDATED SUBSIDIARIES

SUPPLEMENTARY OIL AND GAS DATA
(Unaudited)

The Supplementary Oil and Gas Data that follows is presented in accordance with ASC 932, *Disclosures about Oil and Gas Producing Activities,* and includes (1) costs incurred, capitalized costs and results of operations relating to oil and gas producing activities, (2) net proved oil and gas reserves, and (3) a standardized measure of discounted future net cash flows relating to proved oil and gas reserves, including a reconciliation of changes therein.

The Corporation produces crude oil, natural gas liquids and/or natural gas principally in Algeria, Azerbaijan, Denmark, Equatorial Guinea, Gabon, Indonesia, Libya, Malaysia, Norway, Russia, Thailand, the United Kingdom and the United States. Exploration activities are also conducted, or are planned, in additional countries.

Costs Incurred in Oil and Gas Producing Activities

For the Years Ended December 31	Total	United States	Europe	Africa	Asia and Other
		(Millions of dollars)			
2009					
Property acquisitions					
Unproved	**$ 188**	**$ 184**	**$ 2**	**$ —**	**$ 2**
Proved*	**74**	**—**	**—**	**—**	**74**
Exploration	**938**	**206**	**69**	**225**	**438**
Production and development capital expenditures**	**1,918**	**807**	**513**	**255**	**343**
2008					
Property acquisitions					
Unproved	$ 684	$ 642	$ —	$ —	$ 42
Proved*	300	87	—	210	3
Exploration	1,134	408	121	275	330
Production and development capital expenditures**	2,867	1,042	881	451	493
2007					
Property acquisitions					
Unproved	$ 325	$ 316	$ —	$ 1	$ 8
Proved*	137	137	—	—	—
Exploration	719	421	65	77	156
Production and development capital expenditures**	2,751	690	764	698	599

* *Includes wells, equipment and facilities acquired with proved reserves.*

** *Also includes $(9) million, $344 million and $146 million in 2009, 2008 and 2007, respectively, related to the accruals and revisions for asset retirement obligations.*

Capitalized Costs Relating to Oil and Gas Producing Activities

	At December 31, 2009	At December 31, 2008
	(Millions of dollars)	
Unproved properties	**$ 2,347**	$ 2,265
Proved properties	**3,121**	3,009
Wells, equipment and related facilities	**22,118**	20,058
Total costs	**27,586**	25,332
Less: reserve for depreciation, depletion, amortization and lease impairment	**12,273**	10,269
Net capitalized costs	**$15,313**	$15,063

Results of Operations for Oil and Gas Producing Activities

The results of operations shown below exclude non-oil and gas producing activities, primarily gains on sales of oil and gas properties, interest expense, gains and losses resulting from foreign exchange transactions and other non-operating income. Therefore, these results are on a different basis than the net income from Exploration and Production operations reported in management's discussion and analysis of results of operations and in Note 16, Segment Information, in the notes to the financial statements.

For the Years Ended December 31	Total	United States	Europe	Africa	Asia and Other
		(Millions of dollars)			
2009					
Sales and other operating revenues					
Unaffiliated customers	**$6,725**	**$1,501**	**$1,827**	**$2,193**	**$1,204**
Inter-company	**110**	**110**	—	—	—
Total revenues	**6,835**	**1,611**	**1,827**	**2,193**	**1,204**
Costs and expenses					
Production expenses, including related taxes(a)	**1,805**	**431**	**642**	**480**	**252**
Exploration expenses, including dry holes and lease impairment	**829**	**383**	**75**	**159**	**212**
General, administrative and other expenses	**255**	**130**	**45**	**22**	**58**
Depreciation, depletion and amortization(b)	**2,167**	**503**	**473**	**821**	**370**
Total costs and expenses	**5,056**	**1,447**	**1,235**	**1,482**	**892**
Results of operations before income taxes	**1,779**	**164**	**592**	**711**	**312**
Provision for income taxes	**904**	**64**	**185**	**514**	**141**
Results of operations	**$ 875**	**$ 100**	**$ 407**	**$ 197**	**$ 171**
2008					
Sales and other operating revenues					
Unaffiliated customers	$9,569	$1,415	$3,435	$3,580	$1,139
Inter-company	237	237	—	—	—
Total revenues	9,806	1,652	3,435	3,580	1,139
Costs and expenses					
Production expenses, including related taxes(c)	1,872	373	811	465	223
Exploration expenses, including dry holes and lease impairment	725	305	45	186	189
General, administrative and other expenses	302	159	86	19	38
Depreciation, depletion and amortization(d)	1,952	238	591	888	235
Total costs and expenses	4,851	1,075	1,533	1,558	685
Results of operations before income taxes	4,955	577	1,902	2,022	454
Provision for income taxes	2,490	223	920	1,181	166
Results of operations	$2,465	$ 354	$ 982	$ 841	$ 288

For the Years Ended December 31	Total	United States	Europe	Africa	Asia and Other
		(Millions of dollars)			
2007					
Sales and other operating revenues					
Unaffiliated customers	$7,297	$1,010	$2,670	$2,609	$1,008
Inter-company	201	201	—	—	—
Total revenues	7,498	1,211	2,670	2,609	1,008
Costs and expenses					
Production expenses, including related taxes	1,581	280	723	381	197
Exploration expenses, including dry holes and lease impairment	515	302	43	90	80
General, administrative and other expenses	257	130	73	17	37
Depreciation, depletion and amortization(e)	1,503	187	548	593	175
Total costs and expenses	3,856	899	1,387	1,081	489
Results of operations before income taxes	3,642	312	1,283	1,528	519
Provision for income taxes	1,817	121	661	911	124
Results of operations	$1,825	$ 191	$ 622	$ 617	$ 395

(a) Includes $20 million ($15 million after income taxes) for reductions in carrying value of materials inventory in Equatorial Guinea.

(b) Includes $52 million ($26 million after income taxes) for reductions in carrying value of two short lived fields and production equipment in the U.K. North Sea.

(c) Includes $15 million ($9 million after income taxes) of Gulf of Mexico hurricane related costs.

(d) Includes asset impairment charges of $30 million ($17 million after income taxes).

(e) Includes asset impairment charges of $112 million ($56 million after income taxes).

Oil and Gas Reserves

The Corporation's proved oil and gas reserves are calculated in accordance with SEC regulations and the requirements of the FASB. Proved oil and gas reserves are quantities, which by analysis of geoscience and engineering data, can be estimated with reasonable certainty to be economically producible from known reservoirs under existing economic conditions, operating methods and government regulations. The Corporation's estimation of net recoverable quantities of liquid hydrocarbons and natural gas is a highly technical process performed by internal teams of geoscience professionals and reservoir engineers. Estimates of reserves were prepared by the use of standard engineering and geoscience methods generally accepted in the petroleum industry. The method or combination of methods used in the analysis of each reservoir is based on the maturity of the reservoir, the completeness of the subsurface data available at the time of the estimate, the stage of reservoir development and the production history. Where applicable, reliable technologies may be used in reserve estimation, as defined in the SEC regulations. These technologies, including computational methods, must have been field tested and demonstrated to provide reasonably certain results with consistency and repeatability in the formation being evaluated or in an analogous formation.

Commencing in 2009, the product prices used in the estimation of oil and gas reserves were the average oil and gas selling prices during the twelve month period prior to the reporting date determined as an unweighted arithmetic average of the first-day-of-the-month price for each month within such period, except for prices set in contractual arrangements. In order for reserves to be classified as proved, any required government approvals must be obtained and depending on the cost of the project, either senior management or the board of directors must commit to fund the development.

The Corporation's proved reserves are subject to certain risks and uncertainties. These risks include commodity price risk, technical risk and political risk. Reference is made to Item 1A, *Risk Factors Related to Our Business and Operations* on page 11 of this Form 10-K.

Internal Controls

The Corporation maintains internal controls over its oil and gas reserve estimation process which are administered by the Corporation's Senior Vice President of E&P Technology and its Chief Financial Officer. Estimates of reserves are prepared by technical staff that work directly with the oil and gas properties using standard reserve estimation guidelines, definitions and methodologies. Each year, reserve estimates for a selection of the Corporation's assets are subject to internal technical audits and reviews. In addition, an independent third party reserve engineer reviews and audits a significant portion of the Corporation's reported reserves (see below). Reserve estimates are reviewed by senior management and the Board of Directors.

Qualifications

The person primarily responsible for overseeing the preparation of the Corporation's oil and gas reserves is Mr. Scott Heck, Senior Vice President of E&P Technology. Mr. Heck is a member of the Society of Petroleum Engineers with 30 years of industry experience in oil and gas reservoir management and reserve estimation.

Reserves Audit

The Corporation engaged the consulting firm of DeGolyer and MacNaughton (D&M) to perform an audit of the internally prepared reserve estimates on certain fields aggregating approximately 80% of 2009 year-end reported reserve quantities on a barrel of oil equivalent basis. The purpose of the report dated January 15, 2010 was to provide additional assurance on the reasonableness of internally prepared reserve estimates and compliance with SEC regulations. The D&M letter report on the Corporation's estimated oil and gas reserves was prepared using standard geological and engineering methods generally accepted in the petroleum industry. D&M is an independent petroleum engineering consulting firm that has been providing petroleum consulting services throughout the world for over 70 years. The D&M letter report on the Corporation's December 31, 2009 oil and gas reserves is included as an exhibit to this Form 10-K. While the D&M report should be read in its entirety, the report concludes that for the properties reviewed by D&M, the total net proved reserve estimates prepared by Hess and audited by D&M, in the aggregate, did not differ materially. The report also includes among other information, the qualifications of the technical person primarily responsible for overseeing such reserve audit.

Effect of adopting new SEC requirements

The SEC issued a final rule on oil and gas reserve estimation and disclosure effective for year-end 2009 reporting. The SEC's final rule was designed to modernize and update the oil and gas reserve disclosure requirements to align them with current industry practices and changes in technology. In January 2010, the FASB issued its final accounting standards update, Extractive Industries — Oil and Gas (ASC 932), which principally conformed existing FASB standards to the new SEC guidelines. Since it was not practical to calculate reserve estimates under both the old and new reserve estimation standards as of year end, it is not possible to precisely measure the effect of adopting the new SEC requirements on total proved reserves at December 31, 2009. However, the Corporation estimates that the effect of initially applying the new rules, primarily due to application of the new reserve definitions and the consideration of permitted technology, was to increase year end 2009 total proved reserves by approximately 2%. The change in reserve estimates resulting from applying the new rules is included in the table below as 2009 revisions and additions to proved reserves. The Corporation estimates that the effect of adopting the new rules on its net income in 2010 will be an increase of approximately $80 million, after tax, due to lower depreciation, depletion and amortization costs, assuming 2010 budgeted production levels for the affected fields occur as forecasted.

Proved undeveloped reserves

The December 31, 2009 oil and gas reserve estimates disclosed below include 374 million barrels of liquid hydrocarbons and 1,276 million mcf of natural gas classified as proved undeveloped reserves. Proved undeveloped liquid reserves decreased in 2009, primarily due to the commencement of production from the Shenzi Field in the deepwater Gulf of Mexico. Proved undeveloped natural gas reserves also decreased in 2009 due to the continuation of development activities in Block A-18 in the JDA. In addition, as part of its normal production operations, the

Corporation's drilling programs on existing fields resulted in the reclassification of proved undeveloped reserves to developed. In 2009, these changes occurred primarily at certain fields in the United States, Equatorial Guinea, Azerbaijan and Russia. For the year ended December 31, 2009, the Corporation estimates that capital expenditures of approximately $450 million were incurred to convert proved undeveloped reserves to proved developed reserves. The Corporation is involved in multiple long term projects that have staged developments. Certain of these projects have proved reserves, which have been classified as undeveloped for a period in excess of five years, totaling approximately 145 million barrels of oil equivalent, or 10% of year end 2009 total proved reserves. The proved undeveloped reserves in excess of five years are related to gas projects in Block A-18 in the JDA, Indonesia, and Norway that are being developed in phases to satisfy long-term gas sales contracts and an oil project in Azerbaijan that is still under development.

Following are the Corporation's proved reserves for the three years ended December 31, 2009:

	Crude Oil, Condensate and Natural Gas Liquids (Millions of barrels)					Natural Gas (Millions of mcf)			
	United States	Europe	Africa	Asia and Other	Total	United States	Europe	Africa, Asia and Other	Total
Net Proved Developed and Undeveloped Reserves									
At January 1, 2007	138	340	304	50	832	236	677	1,553	2,466
Revisions of previous estimates(b)	37	17	17	1	72	32	73	143	248
Extensions, discoveries and other additions	17	14	6	23	60	26	11	148	185
Improved recovery	22	—	—	—	22	13	—	—	13
Purchases of minerals in place	5	—	—	—	5	1	—	—	1
Sales of minerals in place	—	(6)	—	—	(6)	—	(4)	—	(4)
Production	(15)	(36)	(42)	(7)	(100)	(38)	(101)	(102)	(241)
At December 31, 2007(a)	204	329	285	67	885(c)	270	656	1,742	2,668
Revisions of previous estimates(b)	9	30	83	25	147	22	84	188	294
Extensions, discoveries and other additions	26	5	1	—	32	18	—	65	83
Improved recovery	1	—	—	—	1	—	—	—	—
Purchases of minerals in place	2	—	—	—	2	—	—	—	—
Sales of minerals in place	—	—	—	—	—	—	—	—	—
Production	(15)	(32)	(45)	(5)	(97)	(34)	(101)	(137)	(272)
At December 31, 2008(a)	**227**	**332**	**324**	**87**	**970(c)**	**276**	**639**	**1,858**	**2,773**
Revisions of previous estimates(b)	**22**	**28**	**34**	**(7)**	**77**	**46**	**66**	**83**	**195**
Extensions, discoveries and other additions	**26**	**1**	—	—	**27**	**23**	—	—	**23**
Improved recovery	—	—	—	—	—	—	—	—	—
Purchases of minerals in place	—	—	—	—	—	—	—	**101**	**101**
Sales of minerals in place	—	—	—	—	—	—	**(1)**	—	**(1)**
Production	**(26)**	**(31)**	**(44)**	**(6)**	**(107)**	**(39)**	**(62)**	**(169)**	**(270)**
At December 31, 2009	**249**	**330**	**314**	**74**	**967(c)**	**306(d)**	**642**	**1,873**	**2,821**
Net Proved Developed Reserves									
At January 1, 2007	90	223	194	19	526	195	517	585	1,297
At December 31, 2007	101	201	201	15	518	199	519	654	1,372
At December 31, 2008	119	192	237	23	571	202	502	727	1,431
At December 31, 2009	**154**	**171**	**241**	**27**	**593**	**205**	**417**	**923**	**1,545**

	Crude Oil, Condensate and Natural Gas Liquids					Natural Gas			
	United States	Europe	Africa	Asia and Other	Total	United States	Europe	Africa, Asia and Other	Total
		(Millions of barrels)				(Millions of mcf)			
Net Proved Undeveloped Reserves									
At January 1, 2007	48	117	110	31	306	41	160	968	1,169
At December 31, 2007	103	128	84	52	367	71	137	1,088	1,296
At December 31, 2008	108	140	87	64	399	74	137	1,131	1,342
At December 31, 2009	**95**	**159**	**73**	**47**	**374**	**101**	**225**	**950**	**1,276**

(a) Proved reserves in 2008 and 2007 were determined by D&M, an independent petroleum engineering consulting firm.

(b) Includes the impact of changes in selling prices on the reserve estimates for each year for production sharing contracts with cost recovery provisions. In 2009, revisions included reductions of approximately 18 million barrels of crude oil and 102 million mcf of natural gas relating to higher selling prices. In 2008, revisions included increases of approximately 59 million barrels of crude oil and 104 million mcf of natural gas relating to lower selling prices. In 2007 revisions included reductions of approximately 29 million barrels of crude oil and 104 million mcf of natural gas relating to higher selling prices.

(c) Includes 17 million barrels in 2009, 16 million barrels in 2008 and 20 million barrels in 2007 of crude oil reserves relating to noncontrolling interest owners of corporate joint ventures.

(d) Excludes approximately 480 million mcf of carbon dioxide gas for sale or use in company operations.

Production sharing contracts

The Corporation's proved reserves include crude oil and natural gas reserves relating to long-term supply agreements with governments or authorities in which the Corporation has the legal right to produce or has a revenue interest in the production. Proved reserves from these production sharing contracts for each of the three years ended December 31, 2009 are presented separately below, as well as volumes produced and received during 2009, 2008 and 2007 from these production sharing contracts.

	Crude Oil, Condensate and Natural Gas Liquids					Natural Gas			
	United States	Europe	Africa	Asia and Other	Total	United States	Europe	Africa, Asia and Other	Total
		(Millions of barrels)				(Millions of mcf)			
Production Sharing Contracts									
Proved Reserves									
At December 31, 2007	—	—	154	63	217	—	—	1,519	1,519
At December 31, 2008	—	—	188	82	270	—	—	1,604	1,604
At December 31, 2009	**—**	**—**	**161**	**68**	**229**	**—**	**—**	**1,599**	**1,599**
Production									
2007	—	—	33	7	40	—	—	67	67
2008	—	—	37	4	41	—	—	103	103
2009	**—**	**—**	**36**	**5**	**41**	**—**	**—**	**136**	**136**

Standardized Measure of Discounted Future Net Cash Flows Relating to Proved Oil and Gas Reserves

Future net cash flows are calculated by applying prescribed oil and gas selling prices used in determining year-end reserve estimates (adjusted for price changes provided by contractual arrangements) to estimated future production of proved oil and gas reserves, less estimated future development and production costs, which are based on year-end costs and existing economic assumptions. Future income tax expenses are computed by applying the appropriate year-end statutory tax rates to the pre-tax net cash flows relating to the Corporation's proved oil and gas reserves. Future net cash flows are discounted at the prescribed rate of 10%. The discounted future net cash flow estimates do not include exploration expenses, interest expense or corporate general and administrative expenses. The selling prices of crude oil and natural gas are highly volatile. The prices which are required to be used for the discounted future net cash flows do not include the effects of hedges and may not be representative of future selling prices. The future net cash flow estimates could be materially different if other assumptions were used.

At December 31	Total	United States	Europe	Africa	Asia and Other
		(Millions of dollars)			
2009					
Future revenues	**$65,275**	**$14,047**	**$20,298**	**$18,615**	**$12,315**
Less:					
Future production costs	**18,336**	**4,037**	**7,289**	**4,154**	**2,856**
Future development costs	**11,041**	**2,532**	**3,829**	**1,798**	**2,882**
Future income tax expenses	**17,976**	**2,744**	**5,114**	**8,601**	**1,517**
	47,353	**9,313**	**16,232**	**14,553**	**7,255**
Future net cash flows	**17,922**	**4,734**	**4,066**	**4,062**	**5,060**
Less: discount at 10% annual rate	**6,521**	**2,106**	**1,653**	**841**	**1,921**
Standardized measure of discounted future net cash flows	**$11,401**	**$ 2,628**	**$ 2,413**	**$ 3,221**	**$ 3,139**
2008					
Future revenues	$46,846	$ 9,801	$15,757	$12,332	$ 8,956
Less:					
Future production costs	15,884	3,422	5,998	3,763	2,701
Future development costs	10,649	1,983	4,014	1,781	2,871
Future income tax expenses	9,299	1,467	2,741	4,440	651
	35,832	6,872	12,753	9,984	6,223
Future net cash flows	11,014	2,929	3,004	2,348	2,733
Less: discount at 10% annual rate	4,050	1,602	984	493	971
Standardized measure of discounted future net cash flows	$ 6,964	$ 1,327	$ 2,020	$ 1,855	$ 1,762
2007					
Future revenues	$94,955	$18,876	$32,778	$28,960	$14,341
Less:					
Future production costs	17,862	2,733	7,569	4,770	2,790
Future development costs	10,118	1,472	4,329	1,640	2,677
Future income tax expenses	33,833	5,291	12,083	14,309	2,150
	61,813	9,496	23,981	20,719	7,617
Future net cash flows	33,142	9,380	8,797	8,241	6,724
Less: discount at 10% annual rate	11,237	3,792	2,826	2,155	2,464
Standardized measure of discounted future net cash flows	$21,905	$ 5,588	$ 5,971	$ 6,086	$ 4,260

Changes in Standardized Measure of Discounted Future Net Cash Flows Relating to Proved Oil and Gas Reserves

For the Years Ended December 31	2009	2008	2007
		(Millions of dollars)	
Standardized measure of discounted future net cash flows at beginning of year	**$ 6,964**	$ 21,905	$12,361
Changes during the year			
Sales and transfers of oil and gas produced during year, net of production costs	**(5,030)**	(7,934)	(5,917)
Development costs incurred during year	**1,927**	2,523	2,605
Net changes in prices and production costs applicable to future production	**7,484**	(28,627)	18,646
Net change in estimated future development costs	**(227)**	(1,056)	(2,554)
Extensions and discoveries (including improved recovery) of oil and gas reserves, less related costs	**426**	334	3,173
Revisions of previous oil and gas reserve estimates	**1,855**	1,730	4,036
Net purchases (sales) of minerals in place, before income taxes	**165**	18	(50)
Accretion of discount	**1,235**	4,109	2,233
Net change in income taxes	**(4,061)**	13,859	(9,259)
Revision in rate or timing of future production and other changes	**663**	103	(3,369)
Total	**4,437**	(14,941)	9,544
Standardized measure of discounted future net cash flows at end of year	**$11,401**	$ 6,964	$21,905

HESS CORPORATION AND CONSOLIDATED SUBSIDIARIES

QUARTERLY FINANCIAL DATA
(Unaudited)

Quarterly results of operations for the years ended December 31:

	Sales and Other Operating Revenues	Gross Profit(a)	Net Income (Loss) Attributable to Hess Corporation	Diluted Net Income (Loss) per Share
	(Million of dollars, except per share data)			
2009				
First	**$ 6,915**	**$ 533**	**$ (59)(b)**	**$ (.18)**
Second	**6,751**	**756**	**100 (c)**	**.31**
Third	**7,270**	**832**	**341 (d)**	**1.05**
Fourth	**8,678**	**1,282**	**358 (e)**	**1.10**
2008				
First	$10,647	$1,788	$759	$2.34
Second	11,711	2,084	900	2.76
Third	11,396	1,904	775	2.37
Fourth	7,380	656	(74)(f)	(.23)

(a) *Gross profit represents sales and other operating revenues, less cost of products sold, production expenses, marketing expenses, other operating expenses and depreciation, depletion and amortization.*

(b) *Includes after-tax charges of $13 million related to asset impairments in the United Kingdom North Sea and $16 million for retirement benefits and employee severance costs.*

(c) *Includes after-tax charges of $31 million to reduce the carrying value of production equipment in the United Kingdom North Sea and materials inventory in Equatorial Guinea and the United States.*

(d) *Includes after-tax gains of $101 million primarily relating to the resolution of a royalty dispute.*

(e) *Includes after- tax charges of $34 million for the repurchase of bonds and $10 million for pension plan settlements related to employee retirements.*

(f) *Includes after-tax charges of $17 million related to asset impairments in the United States and United Kingdom North Sea and $9 million associated with Hurricanes Gustav and Ike in the Gulf of Mexico.*

The results of operations for the periods reported herein should not be considered as indicative of future operating results.

Item 9. ***Changes in and Disagreements with Accountants on Accounting and Financial Disclosure***

None.

Item 9A. ***Controls and Procedures***

Based upon their evaluation of the Corporation's disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) as of December 31, 2009, John B. Hess, Chief Executive Officer, and John P. Rielly, Chief Financial Officer, concluded that these disclosure controls and procedures were effective as of December 31, 2009.

There was no change in internal controls over financial reporting identified in the evaluation required by paragraph (d) of Rules 13a-15 or 15d-15 in the quarter ended December 31, 2009 that has materially affected, or is reasonably likely to materially affect, internal controls over financial reporting.

Management's report on internal control over financial reporting and the attestation report on the Corporation's internal controls over financial reporting are included in Item 8 of this annual report on Form 10-K.

Item 9B. ***Other Information***

None.

PART III

Item 10. ***Directors, Executive Officers and Corporate Governance***

Information relating to Directors is incorporated herein by reference to "Election of Directors" from the Registrant's definitive proxy statement for the annual meeting of stockholders to be held on May 5, 2010.

Information regarding executive officers is included in Part I hereof.

The Corporation has adopted a Code of Business Conduct and Ethics applicable to the Corporation's directors, officers (including the Corporation's principal executive officer and principal financial officer) and employees. The Code of Business Conduct and Ethics is available on the Corporation's website. In the event that we amend or waive any of the provisions of the Code of Business Conduct and Ethics that relate to any element of the code of ethics definition enumerated in Item 406(b) of Regulation S-K, we intend to disclose the same on the Corporation's website at www.hess.com.

Information relating to the audit committee is incorporated herein by reference to "Election of Directors" from the registrant's definitive proxy statement for the annual meeting of stockholders to be held on May 5, 2010.

Item 11. ***Executive Compensation***

Information relating to executive compensation is incorporated herein by reference to "Election of Directors — Executive Compensation and Other Information," from the Registrant's definitive proxy statement for the annual meeting of stockholders to be held on May 5, 2010.

Item 12. ***Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters***

Information pertaining to security ownership of certain beneficial owners and management is incorporated herein by reference to "Election of Directors — Ownership of Voting Securities by Certain Beneficial Owners" and "Election of Directors — Ownership of Equity Securities by Management" from the Registrant's definitive proxy statement for the annual meeting of stockholders to be held on May 5, 2010.

See Equity Compensation Plans in Item 5 for information pertaining to securities authorized for issuance under equity compensation plans.

Item 13. *Certain Relationships and Related Transactions, and Director Independence*

Information relating to this item is incorporated herein by reference to "Election of Directors" from the Registrant's definitive proxy statement for the annual meeting of stockholders to be held on May 5, 2010.

Item 14. *Principal Accounting Fees and Services*

Information relating to this item is incorporated by reference to "Ratification of Selection of Independent Auditors" from the Registrant's definitive proxy statement for the annual meeting of stockholders to be held on May 5, 2010.

PART IV

Item 15. *Exhibits, Financial Statement Schedules*

(a) 1. and 2. Financial statements and financial statement schedules

The financial statements filed as part of this Annual Report on Form 10-K are listed in the accompanying index to financial statements and schedules in Item 8, Financial Statements and Supplementary Data.

3. Exhibits

3(1) Restated Certificate of Incorporation of Registrant, including amendment thereto dated May 3, 2006 incorporated by reference to Exhibit 3 of Registrant's Form 10-Q for the three months ended June 30, 2006.

3(2) By-Laws of Registrant incorporated by reference to Exhibit 3 of Form 10-Q of Registrant for the three months ended June 30, 2002.

4(1) Five-Year Credit Agreement dated as of December 10, 2004, as amended and restated as of May 12, 2006, among Registrant, certain subsidiaries of Registrant, J.P. Morgan Chase Bank, N.A. as lender and administrative agent, and the other lenders party thereto, incorporated by reference to Exhibit(4) of Form 10-Q of Registrant for the three months ended June 30, 2006.

4(2) Indenture dated as of October 1, 1999 between Registrant and The Chase Manhattan Bank, as Trustee, incorporated by reference to Exhibit 4(1) of Form 10-Q of Registrant for the three months ended September 30, 1999.

4(3) First Supplemental Indenture dated as of October 1, 1999 between Registrant and The Chase Manhattan Bank, as Trustee, relating to Registrant's 73/8% Notes due 2009 and 77/8% Notes due 2029, incorporated by reference to Exhibit 4(2) to Form 10-Q of Registrant for the three months ended September 30, 1999.

4(4) Prospectus Supplement dated August 8, 2001 to Prospectus dated July 27, 2001 relating to Registrant's 5.30% Notes due 2004, 5.90% Notes due 2006, 6.65% Notes due 2011 and 7.30% Notes due 2031, incorporated by reference to Registrant's prospectus filed pursuant to Rule 424(b)(2) under the Securities Act of 1933 on August 9, 2001.

4(5) Prospectus Supplement dated February 28, 2002 to Prospectus dated July 27, 2001 relating to Registrant's 7.125% Notes due 2033, incorporated by reference to Registrant's prospectus filed pursuant to Rule 424(b)(2) under the Securities Act of 1933 on February 28, 2002.

4(6) Indenture dated as of March 1, 2006 between Registrant and The Bank of New York Mellon as successor to JP Morgan Chase, as Trustee, including form of Note. Incorporated by reference to Exhibit 4 to Registrant's Form S-3ASR filed with the Securities and Exchange Commission on March 1, 2006.

4(7) Form of 2014 Note issued pursuant to Indenture, dated as of March 1, 2006, among Registrant and The Bank of New York Mellon, as successor to JP Morgan Chase as Trustee. Incorporated by reference to Exhibit 4.1 to Registrant's Form 8-K filed with the Securities and Exchange Commission on February 4, 2009.

4(8) Form of 2019 Note issued pursuant to Indenture, dated as of March 1, 2006, among Registrant and The Bank of New York Mellon, as successor to JP Morgan Chase, as Trustee. Incorporated by reference to Exhibit 4.2 to Registrant's Form 8-K filed with the Securities and Exchange Commission on February 4, 2009.

4(9) Form of 6.00% Note, incorporated by reference to Exhibit 4.1 to the Form 8-K filed on December 15, 2009. Other instruments defining the rights of holders of long-term debt of Registrant and its consolidated subsidiaries are not being filed since the total amount of securities authorized under each such instrument does not exceed 10 percent of the total assets of Registrant and its subsidiaries on a consolidated basis. Registrant agrees to furnish to the Commission a copy of any instruments defining the rights of holders of long-term debt of Registrant and its subsidiaries upon request.

10(1) Extension and Amendment Agreement between the Government of the Virgin Islands and Hess Oil Virgin Islands Corp. incorporated by reference to Exhibit 10(4) of Form 10-Q of Registrant for the three months ended June 30, 1981.

10(2) Restated Second Extension and Amendment Agreement dated July 27, 1990 between Hess Oil Virgin Islands Corp. and the Government of the Virgin Islands incorporated by reference to Exhibit 19 of Form 10-Q of Registrant for the three months ended September 30, 1990.

10(3) Technical Clarifying Amendment dated as of November 17, 1993 to Restated Second Extension and Amendment Agreement between the Government of the Virgin Islands and Hess Oil Virgin Islands Corp. incorporated by reference to Exhibit 10(3) of Form 10-K of Registrant for the fiscal year ended December 31, 1993.

10(4) Third Extension and Amendment Agreement dated April 15, 1998 and effective October 30, 1998 among Hess Oil Virgin Islands Corp., PDVSA V.I., Inc., HOVENSA L.L.C. and the Government of the Virgin Islands incorporated by reference to Exhibit 10(4) of Form 10-K of Registrant for the fiscal year ended December 31, 1998.

10(5)* Incentive Cash Bonus Plan description incorporated by reference to Item 5.02 of Form 8-K of Registrant filed on February 10, 2009.

10(6)* Financial Counseling Program description incorporated by reference to Exhibit 10(6) of Form 10-K of Registrant for fiscal year ended December 31, 2004.

10(7)* Hess Corporation Savings and Stock Bonus Plan incorporated by reference to Exhibit 10(7) of Form 10-K of Registrant for fiscal year ended December 31, 2006.

10(8)* Performance Incentive Plan for Senior Officers, incorporated by reference to Exhibit (10) of Form 10-Q of Registrant for the three months ended June 30, 2006.

10(9)* Hess Corporation Pension Restoration Plan dated January 19, 1990 incorporated by reference to Exhibit 10(9) of Form 10-K of Registrant for the fiscal year ended December 31, 1989.

10(10)* Amendment dated December 31, 2006 to Hess Corporation Pension Restoration Plan incorporated by reference to Exhibit 10(10) of Form 10-K of Registrant for fiscal year ended December 31, 2006.

10(11)* Letter Agreement dated May 17, 2001 between Registrant and John P. Rielly relating to Mr. Rielly's participation in the Hess Corporation Pension Restoration Plan, incorporated by reference to Exhibit 10(18) of Form 10-K of Registrant for the fiscal year ended December 31, 2002.

10(12)* Second Amended and Restated 1995 Long-Term Incentive Plan, including forms of awards thereunder incorporated by reference to Exhibit 10(11) of Form 10-K of Registrant for fiscal year ended December 31, 2004.

10(13)* 2008 Long Term Incentive Plan, incorporated by reference to Annex B to Registrant's definitive proxy statement filed on March 27, 2008.

10(14)* Forms of Awards under Registrant's 2008 Long Term Incentive Plan.

10(15)* Compensation program description for non-employee directors, incorporated by reference to Item 1.01 of Form 8-K of Registrant dated January 1, 2007.

10(16)* Amended and Restated Change of Control Termination Benefits Agreement dated as of May 29, 2009 between Registrant and F. Borden Walker, incorporated by reference to Exhibit 10(1) of Form 10-Q of Registrant for the three months ended June 30, 2009. A substantially identical agreement (differing only in the signatories thereto) was entered into between Registrant and John B. Hess.

10(17)* Change of Control Termination Benefits Agreement dated as of May 29, 2009 between Registrant and John P. Rielly. Substantially identical agreements (differing only in the signatories thereto) were entered into between Registrant and other executive officers (including the named executive officers, other than those referred to in Exhibit 10(15)).

10(18)*	Letter Agreement dated March 18, 2002 between Registrant and F. Borden Walker relating to Mr. Walker's participation in the Hess Corporation Pension Restoration Plan incorporated by reference to Exhibit 10(16) of Form 10-K of Registrant for the fiscal year ended December 31, 2001.
10(19)*	Agreement between Registrant and Gregory P. Hill relating to his compensation and other terms of employment, incorporated by reference to Form 8-K of Registrant filed January 7, 2009.
10(20)*	Agreement between Registrant and Timothy B. Goodell relating to his compensation and other terms of employment.
10(21)*	Deferred Compensation Plan of Registrant dated December 1, 1999 incorporated by reference to Exhibit 10(16) of Form 10-K of Registrant for the fiscal year ended December 31, 1999.
10(22)	Asset Purchase and Contribution Agreement dated as of October 26, 1998, among PDVSA V.I., Inc., Hess Oil Virgin Islands Corp. and HOVENSA L.L.C. (including Glossary of definitions) incorporated by reference to Exhibit 2.1 of Form 8-K of Registrant dated October 30, 1998.
10(23)	Amended and Restated Limited Liability Company Agreement of HOVENSA L.L.C. dated as of October 30, 1998 incorporated by reference to Exhibit 10.1 of Form 8-K of Registrant dated October 30, 1998.
21	Subsidiaries of Registrant.
23(1)	Consent of Ernst & Young LLP, Independent Registered Public Accounting Firm, dated February 26, 2010.
23(2)	Consent of DeGolyer and MacNaughton dated February 26, 2010.
31(1)	Certification required by Rule 13a-14(a) (17 CFR 240.13a-14(a)) or Rule 15d-14(a) (17 CFR 240.15d-14(a)).
31(2)	Certification required by Rule 13a-14(a) (17 CFR 240.13a-14(a)) or Rule 15d-14(a) (17 CFR 240.15d-14(a)).
32(1)	Certification required by Rule 13a-14(b) (17 CFR 240.13a-14(b)) or Rule 15d-14(b) (17 CFR 240.15d-14(b)) and Section 1350 of Chapter 63 of Title 18 of the United States Code (18 U.S.C. 1350).
32(2)	Certification required by Rule 13a-14(b) (17 CFR 240.13a-14(b)) or Rule 15d-14(b) (17 CFR 240.15d-14(b)) and Section 1350 of Chapter 63 of Title 18 of the United States Code (18 U.S.C. 1350).
99(1)	Letter report of DeGolyer and MacNaughton, Independent Petroleum Engineering Consulting Firm, dated January 15, 2010, on proved reserves audit as of December 31, 2009 of certain properties attributable to Registrant.
101(INS)	XBRL Instance Document
101(SCH)	XBRL Schema Document
101(CAL)	XBRL Calculation Linkbase Document
101(LAB)	XBRL Label Linkbase Document
101 (PRE)	XBRL Presentation Linkbase Document
101(DEF)	XBRL Definition Linkbase Document

* *These exhibits relate to executive compensation plans and arrangements.*

(b) Reports on Form 8-K

During the three months ended December 31, 2009, Registrant filed or furnished the following report on Form 8-K:

1. Filing dated October 29, 2009 reporting under Items 2.02 and 9.01, a news release dated October 29, 2009 reporting results for the third quarter of 2009.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized, on the 26th day of February 2010.

HESS CORPORATION
(Registrant)

By /s/ JOHN P. RIELLY
(John P. Rielly)
Senior Vice President and
Chief Financial Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the dates indicated.

Signature	Title	Date
/s/ JOHN B. HESS **John B. Hess**	Director, Chairman of the Board and Chief Executive Officer (Principal Executive Officer)	February 26, 2010
/s/ SAMUEL W. BODMAN **Samuel W. Bodman**	Director	February 26, 2010
/s/ NICHOLAS F. BRADY **Nicholas F. Brady**	Director	February 26, 2010
/s/ GREGORY P. HILL **Gregory P. Hill**	Director	February 26, 2010
/s/ EDITH E. HOLIDAY **Edith E. Holiday**	Director	February 26, 2010
/s/ THOMAS H. KEAN **Thomas H. Kean**	Director	February 26, 2010
/s/ RISA LAVIZZO-MOUREY **Risa Lavizzo-Mourey**	Director	February 26, 2010
/s/ CRAIG G. MATTHEWS **Craig G. Matthews**	Director	February 26, 2010
/s/ JOHN H. MULLIN **John H. Mullin**	Director	February 26, 2010
/s/ FRANK A. OLSON **Frank A. Olson**	Director	February 26, 2010
/s/ JOHN P. RIELLY **John P. Rielly**	Senior Vice President and Chief Financial Officer (Principal Financial and Accounting Officer)	February 26, 2010
/s/ ERNST H. VON METZSCH **Ernst H. von Metzsch**	Director	February 26, 2010
/s/ F. BORDEN WALKER **F. Borden Walker**	Director	February 26, 2010
/s/ ROBERT N. WILSON **Robert N. Wilson**	Director	February 26, 2010

HESS CORPORATION AND CONSOLIDATED SUBSIDIARIES

VALUATION AND QUALIFYING ACCOUNTS

For the Years Ended December 31, 2009, 2008 and 2007

		Additions			
Description	Balance January 1,	Charged to Costs and Expenses	Charged to Other Accounts	Deductions from Reserves	Balance December 31,
			(In millions)		
2009					
Losses on receivables	$ 46	$ 13	$ —	$ 5	$ 54
2008					
Losses on receivables	$ 41	$ 9	$ —	$ 4	$ 46
2007					
Losses on receivables	$ 39	$ 5	$ —	$ 3	$ 41

EXHIBIT INDEX

3(1) Restated Certificate of Incorporation of Registrant, including amendment thereto dated May 3, 2006 incorporated by reference to Exhibit(3) of Registrant's Form 10-Q for the three months ended June 30, 2006.

3(2) By-Laws of Registrant incorporated by reference to Exhibit 3 of Form 10-Q of Registrant for the three months ended June 30, 2002.

4(1) Five-Year Credit Agreement dated as of December 10, 2004, as amended and restated as of May 12, 2006, among Registrant, certain subsidiaries of Registrant, J.P. Morgan Chase Bank, N.A. as lender and administrative agent, and the other lenders party thereto, incorporated by reference to Exhibit(4) of Form 10-Q of Registrant for the three months ended June 30, 2006.

4(2) Indenture dated as of October 1, 1999 between Registrant and The Chase Manhattan Bank, as Trustee, incorporated by reference to Exhibit 4(1) of Form 10-Q of Registrant for the three months ended September 30, 1999.

4(3) First Supplemental Indenture dated as of October 1, 1999 between Registrant and The Chase Manhattan Bank, as Trustee, relating to Registrant's 7⅜% Notes due 2009 and 7⅞% Notes due 2029, incorporated by reference to Exhibit 4(2) to Form 10-Q of Registrant for the three months ended September 30, 1999.

4(4) Prospectus Supplement dated August 8, 2001 to Prospectus dated July 27, 2001 relating to Registrant's 5.30% Notes due 2004, 5.90% Notes due 2006, 6.65% Notes due 2011 and 7.30% Notes due 2031, incorporated by reference to Registrant's prospectus filed pursuant to Rule 424(b)(2) under the Securities Act of 1933 on August 9, 2001.

4(5) Prospectus Supplement dated February 28, 2002 to Prospectus dated July 27, 2001 relating to Registrant's 7.125% Notes due 2033, incorporated by reference to Registrant's prospectus filed pursuant to Rule 424(b)(2) under the Securities Act of 1933 on February 28, 2002.

4(6) Indenture dated as of March 1, 2006 between Registrant and The Bank of New York Mellon as successor to JP Morgan Chase, as Trustee, including form of Note. Incorporated by reference to Exhibit 4 to Registrant's Form S-3ASR filed with the Securities and Exchange Commission on March 1, 2006.

4(7) Form of 2014 Note issued pursuant to Indenture, dated as of March 1, 2006, among Registrant and The Bank of New York Mellon, as successor to JP Morgan Chase as Trustee. Incorporated by reference to Exhibit 4.1 to Registrant's Form 8-K filed with the Securities and Exchange Commission on February 4, 2009.

4(8) Form of 2019 Note issued pursuant to Indenture, dated as of March 1, 2006, among Registrant and The Bank of New York Mellon, as successor to JP Morgan Chase, as Trustee. Incorporated by reference to Exhibit 4.2 to Registrant's Form 8-K filed with the Securities and Exchange Commission on February 4, 2009.

4(9) Form of 6.00% Note, incorporated by reference to Exhibit 4.1 to the Form 8-K filed on December 15, 2009. Other instruments defining the rights of holders of long-term debt of Registrant and its consolidated subsidiaries are not being filed since the total amount of securities authorized under each such instrument does not exceed 10 percent of the total assets of Registrant and its subsidiaries on a consolidated basis. Registrant agrees to furnish to the Commission a copy of any instruments defining the rights of holders of long-term debt of Registrant and its subsidiaries upon request.

10(1) Extension and Amendment Agreement between the Government of the Virgin Islands and Hess Oil Virgin Islands Corp. incorporated by reference to Exhibit 10(4) of Form 10-Q of Registrant for the three months ended June 30, 1981.

10(2) Restated Second Extension and Amendment Agreement dated July 27, 1990 between Hess Oil Virgin Islands Corp. and the Government of the Virgin Islands incorporated by reference to Exhibit 19 of Form 10-Q of Registrant for the three months ended September 30, 1990.

10(3) Technical Clarifying Amendment dated as of November 17, 1993 to Restated Second Extension and Amendment Agreement between the Government of the Virgin Islands and Hess Oil Virgin Islands Corp. incorporated by reference to Exhibit 10(3) of Form 10-K of Registrant for the fiscal year ended December 31, 1993.

10(4) Third Extension and Amendment Agreement dated April 15, 1998 and effective October 30, 1998 among Hess Oil Virgin Islands Corp., PDVSA V.I., Inc., HOVENSA L.L.C. and the Government of the Virgin Islands incorporated by reference to Exhibit 10(4) of Form 10-K of Registrant for the fiscal year ended December 31, 1998.

10(5)*	Incentive Cash Bonus Plan description incorporated by reference to Item 5.02 of Form 8-K of Registrant filed on February 10, 2009.
10(6)*	Financial Counseling Program description incorporated by reference to Exhibit 10(6) of Form 10-K of Registrant for fiscal year ended December 31, 2004.
10(7)*	Hess Corporation Savings and Stock Bonus Plan incorporated by reference to Exhibit 10(7) of Form 10-K of Registrant for fiscal year ended December 31, 2006.
10(8)*	Performance Incentive Plan for Senior Officers, incorporated by reference to Exhibit (10) of Form 10-Q of Registrant for the three months ended June 30, 2006.
10(9)*	Hess Corporation Pension Restoration Plan dated January 19, 1990 incorporated by reference to Exhibit 10(9) of Form 10-K of Registrant for the fiscal year ended December 31, 1989.
10(10)*	Amendment dated December 31, 2006 to Hess Corporation Pension Restoration Plan incorporated by reference to Exhibit 10(10) of Form 10-K of Registrant for fiscal year ended December 31, 2006.
10(11)*	Letter Agreement dated May 17, 2001 between Registrant and John P. Rielly relating to Mr. Rielly's participation in the Hess Corporation Pension Restoration Plan, incorporated by reference to Exhibit 10(18) of Form 10-K of Registrant for the fiscal year ended December 31, 2002.
10(12)*	Second Amended and Restated 1995 Long-Term Incentive Plan, including forms of awards thereunder incorporated by reference to Exhibit 10(11) of Form 10-K of Registrant for fiscal year ended December 31, 2004.
10(13)*	2008 Long Term Incentive Plan, incorporated by reference to Annex B to Registrant's definitive proxy statement filed on March 27, 2008.
10(14)*	Forms of Awards under Registrant's 2008 Long Term Incentive Plan.
10(15)*	Compensation program description for non-employee directors, incorporated by reference to Item 1.01 of Form 8-K of Registrant dated January 1, 2007.
10(16)*	Amended and Restated Change of Control Termination Benefits Agreement dated as of May 29, 2009 between Registrant and F. Borden Walker, incorporated by reference to Exhibit 10(1) of Form 10-Q of Registrant for the three months ended June 30, 2009. A substantially identical agreement (differing only in the signatories thereto) was entered into between Registrant and John B. Hess.
10(17)*	Change of Control Termination Benefits Agreement dated as of May 29, 2009 between Registrant and John P. Rielly. Substantially identical agreements (differing only in the signatories thereto) were entered into between Registrant and other executive officers (including the named executive officers, other than those referred to in Exhibit 10(15)).
10(18)*	Letter Agreement dated March 18, 2002 between Registrant and F. Borden Walker relating to Mr. Walker's participation in the Hess Corporation Pension Restoration Plan incorporated by reference to Exhibit 10(16) of Form 10-K of Registrant for the fiscal year ended December 31, 2001.
10(19)*	Agreement between Registrant and Gregory P. Hill relating to his compensation and other terms of employment, incorporated by reference to Form 8-K of Registrant filed January 7, 2009.
10(20)*	Agreement between Registrant and Timothy B. Goodell relating to his compensation and other terms of employment.
10(21)*	Deferred Compensation Plan of Registrant dated December 1, 1999 incorporated by reference to Exhibit 10(16) of Form 10-K of Registrant for the fiscal year ended December 31, 1999.
10(22)	Asset Purchase and Contribution Agreement dated as of October 26, 1998, among PDVSA V.I., Inc., Hess Oil Virgin Islands Corp. and HOVENSA L.L.C. (including Glossary of definitions) incorporated by reference to Exhibit 2.1 of Form 8-K of Registrant dated October 30, 1998.
10(23)	Amended and Restated Limited Liability Company Agreement of HOVENSA L.L.C. dated as of October 30, 1998 incorporated by reference to Exhibit 10.1 of Form 8-K of Registrant dated October 30, 1998.
21	Subsidiaries of Registrant.
23(1)	Consent of Ernst & Young LLP, Independent Registered Public Accounting Firm, dated February 26, 2010.
23(2)	Consent of DeGolyer and MacNaughton dated February 26, 2010.
31(1)	Certification required by Rule 13a-14(a) (17 CFR 240.13a-14(a)) or Rule 15d-14(a) (17 CFR 240.15d-14(a)).

31(2)	Certification required by Rule 13a-14(a) (17 CFR 240.13a-14(a)) or Rule 15d-14(a) (17 CFR 240.15d-14(a)).
32(1)	Certification required by Rule 13a-14(b) (17 CFR 240.13a-14(b)) or Rule 15d-14(b) (17 CFR 240.15d-14(b)) and Section 1350 of Chapter 63 of Title 18 of the United States Code (18 U.S.C. 1350).
32(2)	Certification required by Rule 13a-14(b) (17 CFR 240.13a-14(b)) or Rule 15d-14(b) (17 CFR 240.15d-14(b)) and Section 1350 of Chapter 63 of Title 18 of the United States Code (18 U.S.C. 1350).
99(1)	Letter report of DeGolyer and MacNaughton, Independent Petroleum Engineering Consulting Firm, dated January 15, 2010, on proved reserves audit as of December 31, 2009 of certain properties attributable to Registrant.
101(INS)	XBRL Instance Document
101(SCH)	XBRL Schema Document
101(CAL)	XBRL Calculation Linkbase Document
101(LAB)	XBRL Label Linkbase Document
101 (PRE)	XBRL Presentation Linkbase Document
101(DEF)	XBRL Definition Linkbase Document

* *These exhibits relate to executive compensation plans and arrangements.*

EXHIBIT 21

HESS CORPORATION AND CONSOLIDATED SUBSIDIARIES

SUBSIDIARIES OF THE REGISTRANT

Name of Company	Jurisdiction
Hess Energy Exploration Limited	Delaware
Hess Limited	United Kingdom
Amerada Hess Production Gabon	Gabon
Hess (Thailand) Limited	United Kingdom
Hess Oil and Gas Holdings Inc.	Cayman Islands
Hess Oil Company of Thailand (JDA) Limited	Cayman Islands
Hess Equatorial Guinea Inc.	Cayman Islands
Hess International Holdings Limited	Cayman Islands
Hess International Holdings Corporation	Delaware
Hess Libya (Waha) Limited	Cayman Islands
Hess (Netherlands) Oil & Gas Holdings C.V.	The Netherlands
Hess (Netherlands) Exploration and Production Holding B.V.	The Netherlands
Hess (Netherlands) U.S. GOM Ventures B.V.	The Netherlands
Hess Capital Services Corporation	Delaware
Hess Canada Holdings B.V.	The Netherlands
Hess West Africa Holdings Limited	Cayman Islands

Other subsidiaries (names omitted because such unnamed subsidiaries, considered in the aggregate as a single subsidiary, would not constitute a significant subsidiary).

Each of the foregoing subsidiaries conducts business under the name listed, and is 100% owned by the Registrant.

EXHIBIT 23(1)

Consent of Independent Registered Public Accounting Firm

We consent to the incorporation by reference in the following Registration Statements:

(1) Registration Statement (Form S-8 No. 333-43569) pertaining to the Hess Corporation Employees' Savings Plan,

(2) Registration Statement (Form S-8 No. 333-94851), pertaining to the Hess Corporation Amended and Restated 1995 Long-Term Incentive Plan

(3) Registration Statement (Form S-8 No. 333-115844) pertaining to the Hess Corporation Second Amended and Restated 1995 Long-Term Incentive Plan, and

(4) Registration Statement (Form S-8 No. 333-150992) pertaining to the Hess Corporation 2008 Long-Term Incentive Plan,

(5) Registration Statement (Form S-3 No. 333-157606) of Hess Corporation;

of our reports dated February 26, 2010, with respect to the consolidated financial statements and schedule of Hess Corporation and consolidated subsidiaries and the effectiveness of internal control over financial reporting of Hess Corporation, included in this Annual Report (Form 10-K) for the year ended December 31, 2009.

Ernst + Young LLP

New York, New York
February 26, 2010

Exhibit 31(1)

I, John B. Hess, certify that:

1. I have reviewed this annual report on Form 10-K of Hess Corporation;

2. Based on my knowledge, this annual report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

By John B. Hess

John B. Hess
Chairman of the Board and
Chief Executive Officer

Date: February 26, 2010

Exhibit 31(2)

I, John P. Rielly, certify that:

1. I have reviewed this annual report on Form 10-K of Hess Corporation;

2. Based on my knowledge, this annual report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

By John P. Rielly

John P. Rielly
Senior Vice President and
Chief Financial Officer

Date: February 26, 2010

Exhibit 32(1)

CERTIFICATION PURSUANT TO

18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report of Hess Corporation (the Corporation) on Form 10-K for the period ending December 31, 2009 as filed with the Securities and Exchange Commission on the date hereof (the Report), I, John B. Hess, Chairman of the Board and Chief Executive Officer of the Corporation, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Corporation.

By John B. Hess

John B. Hess
Chairman of the Board and
Chief Executive Officer

Date: February 26 , 2010

Exhibit 32(2)

CERTIFICATION PURSUANT TO

**18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Annual Report of Hess Corporation (the Corporation) on Form 10-K for the period ending December 31, 2009 as filed with the Securities and Exchange Commission on the date hereof (the Report), I, John P. Rielly, Senior Vice President and Chief Financial Officer of the Corporation, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Corporation.

By John P. Rielly

John P. Rielly
Senior Vice President and
Chief Financial Officer

Date: February 26 , 2010

COMMON STOCK

Listed New York Stock Exchange (ticker symbol: HES)

Transfer Agent and Registrar
BNY Mellon Shareowner Services
480 Washington Boulevard
Jersey City, NJ 07310-1900
Telephone: 1-866-203-6215
http:/www.bnymellon.com/shareowner/isd

DOCUMENTS AVAILABLE

Copies of the Corporation's 2009 Annual Report on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K and its annual proxy statement filed with the Securities and Exchange Commission, as well as the Corporation's Code of Business Conduct and Ethics, its Corporate Governance Guidelines, and charters of the Audit Committee, Compensation and Management Development Committee and Corporate Governance and Nominating Committee of the Board of Directors, are available, without charge, on our Web site listed below or upon written request to the Corporate Secretary, Hess Corporation, 1185 Avenue of the Americas, New York, New York 10036. e-mail: corporatesecretary@hess.com

The Corporation has also filed with the New York Stock Exchange ("NYSE") its annual certification that the Corporation's chief executive officer is not aware of any violation of the NYSE's corporate governance standards. The Corporation has also filed with the SEC the certifications of its chief executive officer and chief financial officer required under SEC Rule 13a-14(a) as exhibits to its 2009 Form 10-K.

ANNUAL MEETING

The Annual Meeting of Stockholders will be held on Wednesday, May 5, 2010, 1 Hess Plaza, Woodbridge, New Jersey 07095.

DIVIDEND REINVESTMENT PLAN

Information concerning the Dividend Reinvestment Plan available to holders of Hess Corporation common stock may be obtained by writing to BNY Mellon Shareowner Services, Dividend Reinvestment Department, P. O. Box 358015, Pittsburgh PA 15252-8015, or by calling 1-866-203-6215

CORPORATE HEADQUARTERS

Hess Corporation
1185 Avenue of the Americas
New York, NY 10036
212-997-8500

OPERATING OFFICES

Exploration and Production
Hess Corporation
One Allen Center
500 Dallas Street
Houston, Texas 77002

Hess Limited
The Adelphi Building
1-11 John Adam Street
London WC2N 6AG
England

Marketing and Refining
Hess Corporation
1 Hess Plaza
Woodbridge, New Jersey 07095

Hess Web site
www.hess.com

Hess Corporation
Exhibit C-2
SEC Filings

Exhibit C-2 "SEC Filings," *provide the two most recent 10-K/8-K Filings with the SEC. If applicant does not have such filings, it may submit those of its parent company. If the applicant does not have such filings, then the applicant may indicate in Exhibit C-2 whether the applicant is not required to file with the SEC and why.*

Response:

Please see enclosed copies of Hess Corporation's most recent 8-K filings with the SEC, as well as the two most recent 10-K's (Annual Reports) submitted under Exhibit C-1.

Form 8-K

HESS CORP - HES

Filed: April 28, 2010 (period: April 28, 2010)

Report of unscheduled material events or corporate changes.

Table of Contents

8-K - HESS CORPORATION 8-K
Item 2.02. Results of Operations and Financial Condition.
Item 9.01. Financial Statements and Exhibits.
SIGNATURE
EXHIBIT INDEX

EX-99.1 (EXHIBIT 99(1))

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT
PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

Date of Report (Date of Earliest Event Reported): April 28, 2010

HESS CORPORATION
(Exact Name of Registrant as Specified in Its Charter)

DELAWARE (State or Other Jurisdiction of Incorporation)	**No. 1-1204** (Commission File Number)	**No. 13-4921002** (IRS Employer Identification No.)

1185 Avenue of the Americas
New York, New York 10036

(Address of Principal Executive Offices) (Zip Code)

Registrant's Telephone Number, Including Area Code: **(212) 997-8500**

N/A
(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 2.02. Results of Operations and Financial Condition.

On April 28, 2010, Hess Corporation issued a news release reporting estimated results for the first quarter of 2010. A copy of this news release is attached hereto as Exhibit 99(1) and is hereby incorporated by reference.

Item 9.01. Financial Statements and Exhibits.

(c) Exhibits

99(1) News release dated April 28, 2010 reporting estimated results for the first quarter of 2010.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: April 28, 2010

HESS CORPORATION

By: /s/ John P. Rielly

Name: John P. Rielly

Title: Senior Vice President and Chief Financial Officer

EXHIBIT INDEX

Exhibit No.	Description
99(1)	News release dated April 28, 2010 reporting estimated results for the first quarter of 2010.

Hess Reports Estimated Results for the First Quarter of 2010

First Quarter Highlights:

- ***Net Income was $538 million compared with a loss of $59 million in the first quarter 2009***
- ***Oil and gas production was 423,000 barrels per day, compared with 390,000 in the first quarter 2009***
- ***Capital and exploratory expenditures were $861 million, up from $805 million in the first quarter 2009***

NEW YORK--(BUSINESS WIRE)--April 28, 2010--Hess Corporation (NYSE: HES) reported net income of $538 million for the first quarter of 2010 compared with a net loss of $59 million for the first quarter of 2009. The after-tax results by major operating activity were as follows:

	Three Months Ended March 31, (unaudited)	
	2010	2009
	(In millions, except per share amounts)	
Exploration and Production	$ 551	$ (64)
Marketing and Refining	87	102
Corporate	(48)	(49)
Interest expense	(52)	(48)
Net income (loss) attributable to Hess Corporation	$ 538	$ (59)
Net income (loss) per share (diluted)	$ 1.65	$ (.18)
Weighted average number of shares (diluted)	327.0	323.4

Note: See the following page for a table of items affecting the comparability of earnings between periods.

Exploration and Production earnings, including a gain on an asset sale, were $551 million in the first quarter of 2010 compared with a loss of $64 million in the first quarter of 2009. The Corporation's oil and gas production was 423,000 barrels of oil equivalent per day in the first quarter of 2010, an increase of 8 percent from the first quarter of 2009. The Corporation's average worldwide crude oil selling price, including the effect of hedging, was $63.62 per barrel in the first quarter of 2010 compared with $34.42 per barrel in the first quarter of 2009. The Corporation's average worldwide natural gas selling price was $5.92 per Mcf in the first quarter of 2010 compared with $5.08 per Mcf in the first quarter of 2009.

Marketing and Refining earnings were $87 million in the first quarter of 2010 compared with $102 million in the first quarter of 2009. Refining operations generated a loss of $56 million compared with a loss of $18 million in the first quarter of 2009. During the first quarter of 2010, the fluid catalytic cracking unit at HOVENSA was shut down for a scheduled turnaround. Marketing earnings were $121 million, an increase of $20 million from the first quarter of 2009 primarily due to higher margins. Income from trading activities was $22 million, up from $19 million in the first quarter of 2009.

The following table reflects the total after-tax impact of items affecting comparability of earnings between periods (in millions):

	Three Months Ended March 31,	
	2010	2009
Exploration and Production	$ 58	$ (13)
Corporate	(7)	(16)
	$ 51	$ (29)

First quarter 2010 results included a gain of $58 million related to the sale of the Corporation's interest in the Jambi Merang natural gas development project in Indonesia. In addition, the Corporation recorded an after-tax charge of $7 million related to the previously announced repurchase of the remaining $116 million of bonds that were scheduled to mature in 2011.

Net cash provided by operating activities was $825 million compared with $625 million in the first quarter of 2009. Capital and exploratory expenditures were $861 million in the first quarter of 2010, of which $841 million related to Exploration and Production operations. Capital and exploratory expenditures for the first quarter of 2009 were $805 million, of which $759 million related to Exploration and Production operations.

At March 31, 2010, cash and cash equivalents totaled $1,370 million compared with $1,362 million at December 31, 2009. Total debt was $4,335 million at March 31, 2010 and $4,467 million at December 31, 2009. The Corporation's debt to capitalization ratio at March 31, 2010 was 23.6 percent compared with 24.8 percent at the end of 2009.

Hess Corporation will review first quarter financial and operating results and other matters on a webcast at 10 a.m. today. For details on the event, refer to the Investor Relations section of our website at www.hess.com .

Hess Corporation, with headquarters in New York, is a leading global independent energy company engaged in the exploration for and production of crude oil and natural gas, as well as in refining and in marketing refined petroleum products, natural gas and electricity. More information on Hess Corporation is available at www.hess.com .

Forward Looking Statements

Certain statements in this release may constitute "forward-looking statements" within the meaning of Section 21E of the United States Securities Exchange Act of 1934, as amended, and Section 27A of the United States Securities Act of 1933, as amended. Forward-looking statements are subject to known and unknown risks and uncertainties and other factors which may cause actual results to differ materially from those expressed or implied by such statements, including, without limitation, uncertainties inherent in the measurement and interpretation of geological, geophysical and other technical data.

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

	First Quarter 2010	First Quarter 2009	Fourth Quarter 2009
Income Statement			
Revenues and Non-operating Income			
Sales (excluding excise taxes) and other operating revenues	$ 9,259	$ 6,915	$ 8,678
Equity in income (loss) of HOVENSA L.L.C.	(85)	(41)	(64)
Other, net	46	(2)	(56)
Total revenues and non-operating income	9,220	6,872	8,558
Costs and Expenses			
Cost of products sold (excluding items shown separately below)	6,540	5,182	6,005
Production expenses	477	409	492
Marketing expenses	253	257	266
Exploration expenses, including dry holes and lease impairment	151	193	157
Other operating expenses	52	48	49
General and administrative expenses	155	160	203
Interest expense	84	77	91
Depreciation, depletion and amortization	542	486	584
Total costs and expenses	8,254	6,812	7,847
Income before income taxes	966	60	711
Provision for income taxes	398	77	341
Net income (loss)	568	(17)	370
Less: Net income attributable to noncontrolling interests	30	42	12
Net income (loss) attributable to Hess Corporation	$ 538	$ (59)	$ 358
Supplemental Income Statement Information			
Foreign currency gains (losses), after-tax	$ (1)	$ (10)	$ (10)
Capitalized interest	1	1	2
Cash Flow Information			
Net cash provided by operating activities (*)	$ 825	$ 625	$ 1,271
Capital and Exploratory Expenditures			
Exploration and Production			
United States	$ 337	$ 315	$ 392
International	504	444	565
Total Exploration and Production	841	759	957
Marketing, Refining and Corporate	20	46	35
Total Capital and Exploratory Expenditures	$ 861	$ 805	$ 992
Exploration expenses charged to income included above			
United States	$ 41	$ 53	$ 22
International	32	48	45
	$ 73	$ 101	$ 67

(*) Includes changes in working capital

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

	March 31, 2010	December 31, 2009
Balance Sheet Information		
Cash and cash equivalents	$ 1,370	$ 1,362
Other current assets	7,410	6,625
Investments	847	913
Property, plant and equipment – net	16,536	16,627
Other long-term assets	3,786	3,938
Total assets	$ 29,949	$ 29,465
Current maturities of long-term debt	$ 32	$ 148
Other current liabilities	7,133	6,702
Long-term debt	4,303	4,319
Other long-term liabilities	4,454	4,768
Total equity excluding other comprehensive income (loss)	15,776	15,203
Accumulated other comprehensive income (loss)	(1,749)	(1,675)
Total liabilities and equity	$ 29,949	$ 29,465

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

	First Quarter 2010		
	United States	International	Total
Sales and other operating revenues	$ 582	$ 1,532	$ 2,114
Other, net	(1)	55	54
Total revenues and non-operating income	581	1,587	2,168
Costs and expenses			
Production expenses, including related taxes	116	361	477
Exploration expenses, including dry holes and lease impairment	78	73	151
General, administrative and other expenses	36	31	67
Depreciation, depletion and amortization	136	383	519
Total costs and expenses	366	848	1,214
Results of operations before income taxes	215	739	954
Provision for income taxes	77	326	403
Results of operations attributable to Hess Corporation	$ 138	$ 413	$ 551

	First Quarter 2009		
	United States	International	Total
Sales and other operating revenues	$ 167	$ 964	$ 1,131
Other, net	(2)	10	8
Total revenues and non-operating income	165	974	1,139
Costs and expenses			
Production expenses, including related taxes	112	297	409
Exploration expenses, including dry holes and lease impairment	111	82	193
General, administrative and other expenses	27	29	56
Depreciation, depletion and amortization	57	408	465
Total costs and expenses	307	816	1,123
Results of operations before income taxes	(142)	158	16
Provision (benefit) for income taxes	(53)	133	80
Results of operations attributable to Hess Corporation	$ (89)	$ 25	$ (64)

	Fourth Quarter 2009		
	United States	International	Total
Sales and other operating revenues	$ 587	$ 1,626	$ 2,213
Other, net	-	(3)	(3)
Total revenues and non-operating income	587	1,623	2,210
Costs and expenses			
Production expenses, including related taxes	104	388	492
Exploration expenses, including dry holes and lease impairment	77	80	157
General, administrative and other expenses	33	40	73
Depreciation, depletion and amortization	165	397	562

Total costs and expenses	379	905	1,284
Results of operations before income taxes	208	718	926
Provision for income taxes	79	353	432
Results of operations attributable to Hess Corporation	$ 129	$ 365	$ 494

HESS CORPORATION AND CONSOLIDATED SUBSIDIARIES
EXPLORATION AND PRODUCTION SUPPLEMENTAL OPERATING DATA (UNAUDITED)

	First Quarter 2010	First Quarter 2009	Fourth Quarter 2009
Operating Data			
Net Production Per Day (in thousands)			
Crude oil - barrels			
United States	71	32	76
Europe	86	88	86
Africa	118	126	105
Asia and other	14	15	15
Total	289	261	282
Natural gas liquids - barrels			
United States	13	9	12
Europe	3	4	3
Asia and other	1	-	1
Total	17	13	16
Natural gas - mcf			
United States	97	78	97
Europe	156	180	147
Asia and other	452	438	456
Total	705	696	700
Barrels of oil equivalent	423	390	415
Average Selling Price			
Crude oil - per barrel (including hedging)*			
United States	$ 74.40	$ 38.58	$ 70.61
Europe	55.25	35.31	58.07
Africa	62.38	31.15	61.67
Asia and other	71.67	45.86	74.59
Worldwide	63.62	34.42	63.74
Crude oil - per barrel (excluding hedging)			
United States	$ 74.40	$ 38.58	$ 70.61
Europe	55.25	35.31	58.07
Africa	75.96	44.20	74.41
Asia and other	71.67	45.86	74.59
Worldwide	69.06	40.19	68.50
Natural gas liquids - per barrel			
United States	$ 51.11	$ 29.03	$ 47.12
Europe	59.38	36.76	59.31
Asia and other	63.92	-	57.40
Worldwide	52.93	31.29	50.21
Natural gas - per mcf			
United States	$ 4.63	$ 4.03	$ 3.83
Europe	5.41	6.49	4.82
Asia and other	6.37	4.70	5.60
Worldwide	5.92	5.08	5.19

* The after-tax losses from crude oil hedging activities were $83 million in the first quarter of 2010, $82 million in the first quarter of 2009 and $88 million in the fourth quarter of 2009.

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

	First Quarter 2010	First Quarter 2009	Fourth Quarter 2009
Financial Information (in millions of dollars)			
Marketing and Refining Results			
Income before income taxes	$ 139	$ 162	$ 16
Provision (benefit) for income taxes	52	60	(1)
Results of operations attributable to Hess Corporation	$ 87	$ 102	$ 17
Summary of Marketing and Refining Results			
Refining	$ (56)	$ (18)	$ (40)
Marketing	121	101	45
Trading	22	19	12
Results of operations attributable to Hess Corporation	$ 87	$ 102	$ 17

	First Quarter 2010	First Quarter 2009	Fourth Quarter 2009
Operating Data (barrels and gallons in thousands)			
Refined Product Sales (barrels per day)			
Gasoline	251	227	241
Distillates	126	150	149
Residuals	86	85	67
Other	51	39	38
Total	514	501	495
Refinery Throughput (barrels per day)			
HOVENSA - Crude runs	375	410	371
HOVENSA - Hess 50% share	188	205	185
Port Reading	62	62	61

Refinery Utilization	Refinery Capacity			
HOVENSA	(barrels per day)			
Crude	500	75.1%	82.0%	74.1%
FCC	150	41.2%	71.4%	55.5%
Coker	58	85.0%	80.5%	75.8%
Port Reading	70	88.8%	88.2%	87.3%

Retail Marketing			
Number of retail stations (a)	1,359	1,358	1,357
Convenience store revenue (in millions of dollars) (b)	$ 276	$ 255	$ 296
Average gasoline volume per station (gallons per month) (b)	188	199	196

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

(b) Company operated only.

CONTACT:
Hess Corporation
Investors:
Jay Wilson, 212-536-8940
or
Media:
Jon Pepper, 212-536-8550

Exhibit C-3 "Financial Statements," *provide copies of the applicant's two most recent years of audited financial statements (balance sheets, income statement, and cash flow statement). If audited financial statements are not available, provide officer-certified financial statements. If the applicant has not be in business long enough to satisfy this requirement, it shall file audited or officer-certified financial statements covering the life of the business.*

Response:

Please see Hess Corporation's two most recent Annual Reports included under Exhibit C-1.

Exhibit C-4 "Financial Arrangements," *provide copies of the applicant's current financial arrangements to conduct competitive retail natural gas service (CRNGS) as a business activity (e.g. guarantees, bank commitments, contractual arrangements, credit agreements, etc.)*

Response:

Hess does not enter into separate financial arrangements specifically to conduct CRNGS business activity. All CRNGS business activity is conducted by the Energy Marketing division of Hess Corporation. The Energy Marketing divisional references are for tax purposes only —Energy Marketing is not an incorporated division. All contracts are executed by Hess Corporation only and Hess is the responsible party under the contracts.

However, if you would like to see Hess Corporation's current financial arrangements to conduct business activity please refer to Hess Corporation's most recent 10-K filing which is included in our 2009 Annual Report and attached under Exhibit C-1. All of our credit arrangements are described in the Long-Term Debt footnote (Note 7) on pages 56 and 57. Other financial instruments (including letters of credit) appear in Note 14, on page 68. Guarantees appear in Note 15, in the first paragraph on page 73.

Hess Corporation
Exhibit C-5
Forecasted Financial Statements

Exhibit C-5 "Forecasted Financial Statements," *provide two years of forecasted financial statements (balance sheet, income statement, and cash flow statement) for the applicant's CRNGS operations, along with a list of assumptions, and the name, address, email address, and telephone number of the preparer.*

Response:

As reported in Hess Corporation's ("Hess") Annual Report to the Fiscal Division of the Public Utilities Commission of Ohio, dated April 27, 2010, Hess sold 4,166,942 MCF and earned $30,996,021.72 for CRNGS operations in 2010.

For 2010 and 2011, Hess expects sales to increase due to Hess' winning tranches in Columbia of Ohio's most recent Standard Service Offer auction.

Hess Corporation
Exhibit C-6
Credit Rating

Exhibit C-6 "Credit Rating," *provide a statement disclosing the applicant's current credit rating as reported by two of the following organizations: Duff and Phelps, Dun and Broadstreet Information Services, Fitch ICBA, Moody's Investor Services, Standard and Poors, or a similar organization. In instances where an applicant does not have its own credit ratings, it may substitute the credit ratings of a parent or affiliate organization, provided the applicant submits a statement signed by a principal officer of the applicant's parent or affiliate organization that guarantees the obligations of the applicant.*

Response:

Fitch ICBA: BBB; Stable

Moody's Investor Services: BAA2; Stable

Hess Corporation
Exhibit C-7
Credit Report

Exhibit C-7 "Credit Report," *provide a copy of the applicant's current credit report from Experion, Dun and Bradstreet, or a similar organization.*

Response:

Please see enclosed current credit report from Dun & Bradstreet.

DNBi
Risk Management

ATTN: Edith Chipa
Report Printed: March 08, 2010

Live Report : HESS CORPORATION

D-U-N-S® Number: 00-697-9785
Trade Names: No trade names for this company.
Endorsement/Billing Reference: echipa@hess.com

D&B Address

Address	1185 Avenue Of The Americas Fl 39 New York,NY - 10036	**Location Type**	Headquarters
Phone	212 997-8500	**Web**	www.hess.com
Fax			

Added to Portfolio:01/04/2010

Company Summary

Score Bar

PAYDEX®	63
Commercial Credit Score Class	1
Financial Stress Class	3
Credit Limit - D&B Conservative	$750,000.00
D&B Rating	5A3

D&B 3-month PAYDEX®

3-month D&B PAYDEX®: 59
(Lowest Risk:100; Highest Risk:1)
When weighted by dollar amount, Payments to suppliers average 23 Days Beyond Terms

D&B Company Overview

This is a headquarters location

Branch(es) or Division(s) exist	Y
Chief Executive	JOHN B HESS, CHB-CEO
Stock Symbol	HES
Year Started	1920
Employees	13500 (254 Here)
Financing	SECURED
SIC	1311 , 2911
Line of business	Exploration & production of crude oil & natural gas, petroleum refining, transprtn, whol & retail, elec & nat gas power marketr
NAICS	211111
History Status	CLEAR

D&B PAYDEX®

D&B PAYDEX®: 63
(Lowest Risk:100; Highest Risk:1)
When weighted by dollar amount, Payments to suppliers average 20 days beyond terms

Public Filings

The following data includes both open and closed filings found in D&B's database on this company.

Record Type	Number of Records	Most Recent Filing Date
Bankruptcies	0	-
Judgments	2	09/23/09
Liens	5	04/10/08
Suits	26	11/06/09
UCC's	414	10/01/09

The public record items contained herein may have been paid, terminated, vacated or released prior to todays date.

Financial Condition FAIR

Commercial Credit Score Class

Commercial Credit Score Class: 1

(Lowest Risk:1; Highest Risk:5)
Low risk of severe payment delinquency over next 12 months.

Small Business Risk Insight

Corporate Linkage

Subsidiaries (Domestic)

Company	City, State	D-U-N-S® NUMBER
HESS MICROGEN LLC	WOODBRIDGE, New Jersey	00-967-3281
STUYVESANT FUEL SERVICE CORP.	BRONX, New York	01-226-3034
HESS ENERGY TRADING COMPANY, LLC	NEW YORK, New York	01-595-6162
HESS ENERGY SERVICES COMPANY LLC	HOUSTON, Texas	02-386-6408
THE PICK KWIK CORPORATION	PINELLAS PARK, Florida	03-221-2268
NUVERA FUEL CELLS, INC.	BILLERICA, Massachusetts	04-344-8021
SOLAR GAS INC	HOUSTON, Texas	04-509-8449
ATLANTIS AGENCY CORP	NEW YORK, New York	05-220-0870
HESS OIL VIRGIN ISLAND CORP	NEW YORK, New York	07-885-2704
AIR HANGAR INC	TRENTON, New Jersey	08-642-7228
HESS ENERGY POWER & GAS CO, LLC	NEW YORK, New York	11-249-8198
FIRST CRUDE CORP	NEW YORK, New York	16-565-1114
AMERADA HESS PIPELINE CORPORATION	NEW YORK, New York	61-436-9916
HESS ENERGY NEW YORK CORPORATION	SYRACUSE, New York	94-332-2537

Subsidiaries (International)

Company	City, Country	D-U-N-S® NUMBER
HESS (INDONESIA-SOUTH SESULU) LTD	London, UNITED KINGDOM	21-966-9145
HESS LTD	London, UNITED KINGDOM	22-670-9590
Hess Scandinavia ApS	COPENHAGEN, DENMARK	31-002-3957
HESS INDONESIA (NORTH MASELA) LTD	London, UNITED KINGDOM	42-464-1723
HESS INDONESIA NEW VENTURES LTD	London, UNITED KINGDOM	45-854-4509
PP OIL & GAS (INDONESIA-JABUNG) LTD	London, UNITED KINGDOM	45-854-4699
HESS (MALAYSIA-SK 306) LTD	London, UNITED KINGDOM	53-613-5502
PETROFAC (MALAYSIA-PM 304) LTD	London, UNITED KINGDOM	53-613-5510
AMERADA HESS LIMITED	BAKU, AZERBAIJAN	56-547-5238
HESS (THAILAND) LTD	London, UNITED KINGDOM	77-959-3904
TALISMAN (JAMBI MERANG) LTD	London, UNITED KINGDOM	77-961-8958
Hess Oil St. Lucia Limited	CASTRIES, ST LUCIA	86-617-5131

Branches (Domestic)

Company	City , State	D-U-N-S® NUMBER
HESS CORPORATION	MASSAPEQUA , New York	00-198-8419
HESS CORPORATION	NEW BEDFORD , Massachusetts	00-190-5665
HESS CORPORATION	WATERTOWN , Massachusetts	00-190-5780
HESS CORPORATION	SPRINGFIELD , Massachusetts	00-189-5742
HESS CORPORATION	EAST ELMHURST , New York	00-190-9691
HESS CORPORATION	WORCESTER , Massachusetts	00-202-4219
HESS CORPORATION	PHILADELPHIA , Pennsylvania	00-220-2971
HESS CORPORATION	RUMFORD , Rhode Island	00-221-2590
HESS CORPORATION	MELBOURNE , Florida	00-262-8126
HESS CORPORATION	NEW CUMBERLAND , Pennsylvania	00-252-8250
HESS CORPORATION	SARASOTA , Florida	00-374-4328
HESS CORPORATION	GOOSE CREEK , South Carolina	00-347-3746
HESS CORPORATION	WEST COLUMBIA , South Carolina	00-345-3805
HESS CORPORATION	ATLANTIC BEACH , Florida	00-359-3274
HESS CORPORATION	SPARTANBURG , South Carolina	00-359-3308
HESS CORPORATION	BUFFALO , New York	00-362-5738
HESS CORPORATION	SUMMERVILLE , South Carolina	00-469-4898
HESS CORPORATION	COLUMBIA , South Carolina	00-431-4519
HESS CORPORATION	CARLISLE , Pennsylvania	00-468-4270
HESS CORPORATION	KISSIMMEE , Florida	00-543-2070
HESS CORPORATION	WINTER HAVEN , Florida	00-761-6431
HESS CORPORATION	HOLLYWOOD , Florida	00-800-2672
HESS CORPORATION	CASSELBERRY , Florida	00-941-5212
HESS CORPORATION	SOUTHAMPTON , Pennsylvania	00-957-8076
HESS CORPORATION	FORT LAUDERDALE , Florida	01-042-5932

This list is limited to the first 25 branches.
For the complete list,Please logon to DNBI and view the Dynamic Family Tree Information.

Branches (International)

Company	City , Country	D-U-N-S® NUMBER
HESS INTERNATIONAL LTD	London , UNITED KINGDOM	45-826-0783

Predictive Scores

Credit Capacity Summary

This credit rating was assigned because of D&B's assessment of the company's creditworthiness. For more information, see the " D&B Rating Key".

D&B Rating : 5A3

Below is an overview of the company's rating history since 01-01-1991

D&B Rating	Date Applied
5A3	06-07-2006
5A2	01-01-1991

Financial Strength: 5A indicates $50 million and over
Composite credit appraisal: 3 is fair

Sales: $29,569,000,000.00 (Down by 28.0% from last year)

Number of Employees Total: 13,500 (254 here)

As of 12/31/09

Worth:	$13,528,000,000 (Up by 9.2% from last year)
Working Capital:	$1,137,000,000

Payment Activity:	**(based on 793 experiences)**
Average High Credit:	$161,191
Highest Credit:	$50,000,000
Total Highest Credit:	$98,065,450

D&B Credit Limit Recommendation

Conservative credit Limit	$750,000
Aggressive credit Limit:	$1,000,000

Risk category for this business : **LOW**

This recommended Credit Limit is based on the company profile and on profiles of other companies with similarities in size, industry, and credit usage. Risk is assessed using D&Bs scoring methodology and is one factor used to create the recommended limits. See Help for details.

Trade Payments

D&B PAYDEX®

The D&B PAYDEX is a unique, dollar weighted indicator of payment performance based on payment experiences as reported to D&B by trader references. Learn more about the D&B PAYDEX Score

Timeliness of historical payments for this company.

Current PAYDEX is	**63**	Equal to 20 days beyond terms (Pays more slowly than the average for its industry of 6 days beyond terms)
Industry Median is	**76**	Equal to 6 days beyond terms
Payment Trend currently is		Down, compared to payments three months ago

Indications of slowness can be the result of dispute over merchandise, skipped invoices etc. Accounts are sometimes placed for collection even though the existence or amount of the debt is disputed.

Total payment Experiences in D&Bs File (HQ)	793
Payments Within Terms (not dollar weighted)	78 %
Trade Experiences with Slow or Negative Payments(%)	16.60%
Total Placed For Collection	2
Average High Credit	$161,191
Largest High Credit	$50,000,000
Highest Now Owing	$3,000,000
Highest Past Due	$400,000

D& PAYDEX® : 63

(Lowest Risk:100; Highest Risk:1)
When weighted by dollar amount, payments to suppliers average 20 days beyond terms

3-Month D& PAYDEX® : 59

(Lowest Risk:100; Highest Risk:1)
Based on payments collected over last 3 months.

When weighted by dollar amount, payments to suppliers average 23 days beyond terms

D&B PAYDEX® Comparison

Current Year

PAYDEX® of this Business compared to the Primary Industry from each of the last four quarters. The Primary Industry is Exploration & production of crude oil & natural gas, petroleum refining, transprtn, whol & retail, elec & nat gas power marketr , based on SIC code 1311 .

Shows the trend in D&B PAYDEX scoring over the past 12 months.

	4/09	5/09	6/09	7/09	8/09	9/09	10/09	11/09	12/09	1/10	2/10	3/10
This Business	76	76	76	76	76	77	77	77	77	77	77	63
Industry Quartiles												
Upper	.	.	80	.	.	80	.	.	80	.	.	.
Median	.	.	75	.	.	76	.	.	76	.	.	.
Lower	.	.	64	.	.	63	.	.	65	.	.	.

- Current PAYDEX for this Business is 63 , or equal to 20 days beyond terms
- The 12-month high is 77 , or equal to 5 DAYS BEYOND terms
- The 12-month low is 63 , or equal to 20 DAYS BEYOND terms

Previous Year

Shows PAYDEX of this Business compared to the Primary Industry from each of the last four quarters. The Primary Industry is Exploration & production of crude oil & natural gas, petroleum refining, transprtn, whol & retail, elec & nat gas power marketr , based on SIC code 1311 .

Previous Year	03/08 Q1'08	06/08 Q2'08	09/08 Q3'08	12/08 Q4'08
This Business	UN	79	79	78
Industry Quartiles				
Upper	80	80	80	80
Median	74	74	74	73
Lower	65	66	66	66

Based on payments collected over the last 4 quarters.

- Current PAYDEX for this Business is 63 , or equal to 20 days beyond terms
- The present industry median Score is 76 , or equal to 6 days beyond terms
- Industry upper quartile represents the performance of the payers in the 75th percentile
- Industry lower quartile represents the performance of the payers in the 25th percentile

Payment Habits

For all payment experiences within a given amount of credit extended, shows the percent that this Business paid within terms. Provides number of experiences to calculate the percentage, and the total credit value of the credit extended.

$ Credit Extended	# Payment Experiences	$ Total Dollar Amount	% of Payments Within Terms
Over 100,000	29	$94,350,000	44%
50,000-100,000	9	$675,000	59%
15,000-49,999	85	$2,130,000	90%
5,000-14,999	81	$557,500	75%
1,000-4,999	126	$213,000	74%
Under 1,000	278	$79,200	74%

Based on payments collected over last 12 months.
For all Payment experiences reflect how bills are met in relation to the terms granted. In some instances, payment beyond terms can be the result of disputes over merchandise, skipped invoices etc.

Payment Summary

There are 793 payment experience(s) in D&Bs file for the most recent 12 months, with 426 experience(s) reported during the last three month period.
The highest **Now Owes** on file is $3,000,000 . The highest **Past Due** on file is $400,000
Below is an overview of the company's dollar-weighted payments, segmented by its suppliers' primary industries:

	Total Revd (#)	Total Dollar Amts ($)	Largest High Credit ($)	Within Terms (%)	Days Slow (%) <31	31-60	61-90	90>
Top Industries								
Public finance	89	849,800	55,000	99	1	0	0	0
Telephone communictns	59	171,050	40,000	51	8	7	4	30
Nonclassified	50	51,268,350	50,000,000	2	98	0	0	0
Short-trm busn credit	29	811,600	250,000	77	18	0	0	5
Executive office	22	260,400	35,000	99	1	0	0	0
Electric services	19	945,250	900,000	100	0	0	0	0
Whol industrial suppl	18	38,050	20,000	26	59	14	1	0
Misc business service	17	213,200	200,000	6	94	0	0	0
Trucking non-local	17	36,050	20,000	35	3	1	10	51
Misc business credit	15	56,650	35,000	97	2	1	0	0
Radiotelephone commun	14	161,900	100,000	96	0	0	4	0
Misc equipment rental	12	126,100	100,000	54	46	0	0	0
Whol industrial equip	10	68,750	25,000	66	24	10	0	0
Whol electrical equip	9	521,550	500,000	98	2	0	0	0
Help supply service	8	65,050	45,000	38	9	0	0	53
Whol petroleum prdts	7	87,450	85,000	100	0	0	0	0
Whol chemicals	7	124,100	55,000	91	9	0	0	0
Mfg industrial gases	6	500,900	500,000	100	0	0	0	0
Mfg plane engine/part	6	741,000	300,000	100	0	0	0	0
Whol office equipment	6	87,600	35,000	82	1	4	0	13
Whol durable goods	6	12,200	5,000	98	1	0	0	1
Whol general grocery	6	5,000	1,000	100	0	0	0	0
Misc publishing	6	750	750	0	100	0	0	0
Security systems svcs	6	1,600	500	68	8	16	0	8
Natural gas distrib	6	2,600	500	90	10	0	0	0
Petroleum refining	5	29,090,000	10,000,000	100	0	0	0	0
Railroad	5	422,500	200,000	52	24	24	0	0
Police protection	5	140,000	35,000	100	0	0	0	0
Personal credit	5	90,000	25,000	100	0	0	0	0
Mfg fluid meters	5	27,500	10,000	64	0	18	18	0
Mfg cleaning products	5	9,500	5,000	72	28	0	0	0
Hvy const eqpt rental	5	2,700	2,500	100	0	0	0	0
Industrial launderer	5	3,200	2,500	46	50	0	0	4
Mfg fluid milk	5	3,600	1,000	93	7	0	0	0
Admin public health	5	1,250	250	100	0	0	0	0
Computer maintenance	5	500	100	100	0	0	0	0
Business consulting	5	50	50	100	0	0	0	0
Mfg snacks/chips	4	1,006,000	1,000,000	50	50	0	0	0
Whol computers/softwr	4	761,250	750,000	99	0	1	0	0
Mfg valve/pipe fittng	4	15,250	7,500	98	2	0	0	0
Fire/casualty insur.	4	9,300	7,500	19	81	0	0	0
Whol hardware	4	4,100	2,500	100	0	0	0	0
Gas production/distrb	4	2,500	1,000	10	50	0	0	40
Mfg computers	3	255,500	250,000	98	0	0	0	2
Data processing svcs	3	101,050	100,000	99	0	0	0	1
Management services	3	100,100	80,000	60	0	0	40	0
Whol plumb/hydronics	3	5,300	5,000	47	6	47	0	0
Whol const/mine equip	3	3,750	2,500	100	0	0	0	0
Whol electronic parts	3	2,500	1,000	80	0	0	20	0
Whol groceries	3	1,500	1,000	17	66	0	0	17
Misc general gov't	3	1,550	750	100	0	0	0	0
Mfg extracts/syrup	2	5,007,500	5,000,000	100	0	0	0	0
Mfg process controls	2	101,000	100,000	100	0	0	0	0
Oil/gas production	2	85,000	80,000	6	94	0	0	0
Computer system desgn	2	30,000	15,000	75	25	0	0	0
Detective/guard svcs	2	17,500	15,000	57	0	0	0	43
Newspaper-print/publ	2	15,000	10,000	0	33	67	0	0
Whol nondurable goods	2	8,500	7,500	88	0	12	0	0
Whol furniture	2	5,500	5,000	100	0	0	0	0
Coating/engrave svcs	2	2,750	2,500	0	9	91	0	0
Mfg photograph equip	2	3,000	2,500	58	0	42	0	0
Ret fuel oil dealer	2	1,500	1,000	33	0	0	67	0
Mfg computer terminal	2	500	250	50	0	50	0	0
Mfg men's suits/coats	2	500	250	100	0	0	0	0
Photocopying service	2	250	250	100	0	0	0	0
Mfg oil/gas machinery	1	3,000,000	3,000,000	50	0	0	50	0
Mfg fab pipe/fitting	1	200,000	200,000	100	0	0	0	0
Mfg inorganic chemcls	1	100,000	100,000	50	0	50	0	0
Mfg relays/controls	1	65,000	65,000	50	50	0	0	0
Whol dairy products	1	30,000	30,000	100	0	0	0	0
Mfg prefab metal bldg	1	15,000	15,000	100	0	0	0	0
Mfg paint/allied prdt	1	10,000	10,000	100	0	0	0	0
Whol printing paper	1	10,000	10,000	100	0	0	0	0
Whol piece goods	1	7,500	7,500	100	0	0	0	0
Mfg tires/inner tubes	1	7,500	7,500	50	50	0	0	0
Central Reserve Bank	1	7,500	7,500	100	0	0	0	0
Ret men's clothing	1	5,000	5,000	50	0	0	50	0
Whol construct materl	1	5,000	5,000	0	50	50	0	0
Mfg public bldg furn	1	5,000	5,000	100	0	0	0	0
Misc repair services	1	2,500	2,500	0	50	50	0	0
Mfg refrig/heat equip	1	2,500	2,500	100	0	0	0	0
Paper mill	1	2,500	2,500	100	0	0	0	0

Mfg guidance equip	1	2,500	2,500	0	0	0	100	0
Mfg scales/balances	1	1,000	1,000	100	0	0	0	0
Misc water cargo trns	1	1,000	1,000	0	100	0	0	0
Whol lumber/millwork	1	1,000	1,000	100	0	0	0	0
Passenger car rental	1	1,000	1,000	0	0	50	50	0
Mfg air/gas compress	1	1,000	1,000	100	0	0	0	0
Mfg cookies/crackers	1	1,000	1,000	100	0	0	0	0
Whol auto parts	1	750	750	50	0	50	0	0
Mfg medical instrmnt	1	750	750	0	100	0	0	0
Ret furniture	1	750	750	100	0	0	0	0
Mfg semiconductors	1	500	500	100	0	0	0	0
Mfg electron tubes	1	500	500	0	0	0	0	100
Mfg calculating eqpt	1	500	500	100	0	0	0	0
Mfg nonwd office furn	1	500	500	0	0	0	50	50
Mfg soap/detergents	1	250	250	0	0	100	0	0
Mfg glass products	1	250	250	100	0	0	0	0
Whol misc profsn eqpt	1	250	250	0	100	0	0	0
Arrange cargo transpt	1	250	250	0	0	0	100	0
Mfg surgical supplies	1	250	250	0	0	0	0	100
Mfg frozen deserts	1	250	250	100	0	0	0	0
Ret auto supplies	1	100	100	0	0	100	0	0
Whol service paper	1	100	100	100	0	0	0	0
Utility construction	1	100	100	0	0	100	0	0
Mfg plate work	1	100	100	100	0	0	0	0
Mfg signs/ad specltys	1	100	100	100	0	0	0	0
Electrical contractor	1	100	100	0	0	0	100	0
Mfg greeting cards	1	100	100	100	0	0	0	0
Ret mail-order house	1	50	50	100	0	0	0	0
Whol metal	1	0	0	0	0	0	0	0
Steel works	1	0	0	0	0	0	0	0
Other payment categories								
Cash experiences	141	28,700	2,500					
Payment record unknown	12	9,050	5,000					
Unfavorable comments	5	42,750	20,000					
Placed for collections:								
With D&B	1	250	0					
Other	1	N/A	0					
Total in D&Bs file	793	98,085,450	50,000,000					

Accounts are sometimes placed for collection even though the existence or amount of the debt is disputed.

Indications of slowness can be result of dispute over merchandise, skipper invoices etc.

Detailed payment history for this company

Date Reported (mm/yy)	Paying Record	High Credit ($)	Now Owes ($)	Past Due ($)	Selling Terms	Last Sale Within (month)
03/10	Ppt	250	0	0	N30	6-12 mos
	Ppt-Slow 30	1,000	0	0	N30	6-12 mos
	Ppt-Slow 30	250	0	0	N30	6-12 mos
	Slow 120	250	0	0	N30	6-12 mos
02/10	Ppt	250,000	45,000	0		1 mo
	Ppt	55,000	20,000	0		1 mo
	Ppt	45,000	35,000	0		1 mo
	Ppt	45,000	10,000	0		1 mo
	Ppt	40,000	20,000	0		1 mo
	Ppt	40,000	20,000	0		1 mo
	Ppt	40,000	20,000	0		1 mo
	Ppt	25,000	25,000	500		1 mo
	Ppt	15,000	250	0		1 mo
	Ppt	15,000	0	0		4-5 mos
	Ppt	7,500	5,000	500		1 mo
	Ppt	7,500	0	0		2-3 mos
	Ppt	5,000	0	0		2-3 mos
	Ppt	5,000	0	0		2-3 mos
	Ppt	2,500	2,500	0		1 mo
	Ppt	2,500	0	0		6-12 mos
	Ppt	2,500	100	0		1 mo
	Ppt	1,000	0	0		6-12 mos
	Ppt	1,000	250	0		1 mo
	Ppt	1,000	0	0		1 mo
	Ppt	1,000	500	0		1 mo
	Ppt	1,000	0	0		1 mo
	Ppt	1,000	500	0	1 10 N30	1 mo
	Ppt	1,000	0	0		1 mo
	Ppt	1,000	0	0		1 mo
	Ppt	1,000	750	0		1 mo
	Ppt	1,000	0	0		6-12 mos
	Ppt	750	500	0		1 mo
	Ppt	750	0	0		4-5 mos
	Ppt	750	0	0		6-12 mos

	Ppt	750	750	0	1 mo
	Ppt	750	750	0	1 mo
	Ppt	750	0	0N30	2-3 mos
	Ppt	500	0	0N10	6-12 mos
	Ppt	500	500	0	1 mo
	Ppt	500	0	0	2-3 mos
	Ppt	500	0	0N30	6-12 mos
	Ppt	250	250	0	1 mo
	Ppt	250	100	0	1 mo
	Ppt	250	0	0	6-12 mos
	Ppt	250	250	0	
	Ppt	250	250	0	1 mo
	Ppt	100	100	0	1 mo
	Ppt	100	0	0	6-12 mos
	Ppt	100	100	0N30	1 mo
	Ppt	50	0	0N10	6-12 mos
	Ppt	50	0	0	6-12 mos
	Ppt	50	0	0	6-12 mos
	Ppt	50	0	0	6-12 mos
	Ppt-Slow 15	5,000	250	100	1 mo
	Ppt-Slow 15	2,500	1,000	0	1 mo
	Ppt-Slow 30	15,000	2,500	0N10	1 mo
	Ppt-Slow 60	750	100	1001 10 N30	2-3 mos
	Slow 30	750	750	250	
	Slow 30	500	500	250	
	Slow 30	250	0	0	2-3 mos
	Slow 90	2,500	0	0	6-12 mos
	Slow 120	5,000	2 500	2,500	6-12 mos
	Slow 240	1 000	1 000	1 000	
	(064) Cash own option .				6-12 mos
	(065) Cash own option .				6-12 mos
	(066) Cash own option .				6-12 mos
	(067) Cash own option .				6-12 mos
	(068)	0	0	0Cash account	2-3 mos
	(069)	0	0	0Cash account	2-3 mos
01/10	Ppt	15,000	15,000	0	1 mo
	Ppt	1,000	1,000		1 mo
	Ppt	1,000	500	0	1 mo
	Ppt	750	750	0	1 mo
	Ppt	500	50	0	1 mo
	Ppt-Slow 60	20,000	5,000	0	1 mo
	Ppt-Slow 120	5,000	2,500	250	1 mo
	Ppt-Slow 120	500	50	0N10	1 mo
	Slow 120	7,500	2 500	2,500	1 mo
	Slow 30	250	250	250	1 mo
	Slow 60	2,500	0	0	6-12 mos

Payments Detail Key: ■ 30 or more days beyond terms

Payment experiences reflect how bills are met in relation to the terms granted. In some instances payment beyond terms can be the result of disputes over merchandise, skipped invoices etc. Each experience shown is from a separate supplier. Updated trade experiences replace those previously reported.

Public Filings

Summary

The following data includes both open and closed filings found in D&B's database on this company.

Record Type	# of Records	Most Recent Filing Date
Bankruptcy Proceedings	0	-
Judgments	2	09/23/09
Liens	5	04/10/08
Suits	26	11/06/09
UCCs	414	10/01/09

The following Public Filing data is for information purposes only and is not the official record. Certified copies can only be obtained from the official source.

Judgments

Judgment award	**$3,156**
Status	**Unsatisfied**
DOCKET NO.	DC 018407 09
Judgment type	Judgment
Where filed	SPECIAL CIVIL/SMALL CLAIMS COURT OF BERGEN COUNTY, HACKENSACK, NJ
Date status attained	09/23/09
Date entered	09/23/09
Latest Info Received	11/20/09

Judgment award	$7,613,566
Status	Unsatisfied
DOCKET NO.	001426152
Judgment type	Judgment
In favor of	EMANUEL RUBY
Where filed	NEW YORK COUNTY SUPREME COURT, NEW YORK, NY
Date status attained	06/27/01
Date entered	06/27/01
Latest Info Received	11/29/03

Liens

A lien holder can file the same lien in more than one filing location. The appearance of multiple liens filed by the same lien holder against a debtor may be indicative of such an occurrence.

Amount	**$32,199**
Status	**Released**
DOCKET NO.	DJ07880208
Type	State Tax
Filed By	STATE OF NEW JERSEY
Against	ESSEX STREET HESS INC, LODI, NJ AND OTHERS
Where Filed	SUPERIOR COURT OF NEW JERSEY, TRENTON, NJ
Date Status Attained	01/08/09
Date Filed	04/10/08
Latest Info Received	08/18/09

Amount	**$32,199**
Status	**Released**
DOCKET NO.	DJ07880308
Type	State Tax
Filed By	STATE OF NEW JERSEY
Against	ESSEX STREET HESS INC, LODI, NJ
Where Filed	SUPERIOR COURT OF NEW JERSEY, TRENTON, NJ
Date Status Attained	01/08/09
Date Filed	04/10/08
Latest Info Received	06/16/09

Amount	**$4,518**
Status	**Open**
DOCKET NO.	91/329099
Type	State Tax
Filed By	STATE OF MISSISSIPPI
Against	AMERADA HESS CORP, WOODBRIDGE, NJ
Where Filed	HINDS COUNTY CIRCUIT COURT - JACKSON, JACKSON, MS
Date Status Attained	04/06/07
Date Filed	04/06/07
Latest Info Received	04/19/07

Amount	**$9,381**
Status	**Open**
FILING NO.	11349210028N04051
Type	State Tax
Filed By	STATE OF TEXAS
Against	AMERADA HESS CORPORATION, HOUSTON, TX
Where Filed	HARRIS COUNTY RECORDERS OFFICE, HOUSTON, TX
Date Status Attained	11/10/05
Date Filed	11/10/05
Latest Info Received	11/18/05

Amount	**$705**
Status	**Open**
FILING NO.	11349210028N03041
Type	State Tax
Filed By	STATE OF TEXAS
Against	AMERADA HESS CORPORATION, HOUSTON, TX
Where Filed	HARRIS COUNTY RECORDERS OFFICE, HOUSTON, TX
Date Status Attained	05/06/05
Date Filed	05/06/05
Latest Info Received	05/13/05

Suits

Status	**Pending**

DOCKET NO.	200901101275
Defendant	*HESS CORPORATION AND OTHERS*
Cause	Negligence
Where filed	PHILADELPHIA COUNTY COMMON PLEAS COURT, PHILADELPHIA, PA
Date status attained	11/06/09
Date filed	11/06/09
Latest Info Received	12/07/09

Status	**Pending**
DOCKET NO.	200900702259
Defendant	HESS, WOODBRIDGE, NJ AND OTHERS
Cause	Negligence
Where filed	PHILADELPHIA COUNTY COMMON PLEAS COURT, PHILADELPHIA, PA
Date status attained	07/17/09
Date filed	07/17/09
Latest Info Received	10/27/09

Status	**Pending**
DOCKET NO.	200900604635
Plaintiff	ABRAHAM, ALHAJI, PHILADELPHIA, PA
Defendant	HESS CORPORATION, PHILADELPHIA, PA AND OTHERS
Cause	Negligence
Where filed	PHILADELPHIA COUNTY COMMON PLEAS COURT, PHILADELPHIA, PA
Date status attained	07/02/09
Date filed	07/02/09
Latest Info Received	10/27/09

Status	**Pending**
DOCKET NO.	200900017034
Plaintiff	TIMLIN, LILA, KING OF PRUSSIA, PA
Defendant	AMERADA HESS CORP, KING OF PRUSSIA, PA HESS CORPORATION, WOODRIDGE, NJ AND OTHERS
Cause	Breach of contract
Where filed	MONTGOMERY COUNTY PROTHONOTARY, NORRISTOWN, PA
Date status attained	06/04/09
Date filed	06/04/09
Latest Info Received	06/05/09

Status	**Pending**
DOCKET NO.	200900017034
Plaintiff	TIMLIN, LILA, KING OF PRUSSIA, PA
Defendant	AMERADA HESS CORP, KING OF PRUSSIA, PA HESS CORPORATION, WOODRIDGE, NJ AND OTHERS
Cause	Breach of contract
Where filed	MONTGOMERY COUNTY PROTHONOTARY, NORRISTOWN, PA
Date status attained	06/04/09
Date filed	06/04/09
Latest Info Received	06/05/09

Status	**Pending**
DOCKET NO.	200800009627
Defendant	HESS CORPORATION, WOODBRIDGE, NJ AND OTHERS
Cause	CIVIL ACTION
Where filed	DELAWARE COUNTY JUDICIAL SUPPORT, MEDIA, PA
Date status attained	07/25/08
Date filed	07/25/08
Latest Info Received	04/07/09

Status	**Settled**
CASE NO.	080604856
Plaintiff	DARYL, JOSEPH
Defendant	AMERADA HESS CORPORATION AND OTHERS
Cause	PREMISES LIABILTY, SLIP/FALL
Where filed	PHILADELPHIA COUNTY COMMON PLEAS COURT, PHILADELPHIA, PA
Date status attained	02/19/09
Date filed	07/01/08
Latest Info Received	01/28/10

Status	**Settled**
CASE NO.	080401259
Plaintiff	WAYNS, HERBERT
Defendant	HESS CORP, PHILADELPHIA, PA
Cause	PREMISES LIABILTY, SLIP/FALL
Where filed	PHILADELPHIA COUNTY COMMON PLEAS COURT, PHILADELPHIA, PA
Date status attained	08/25/09

Date filed 04/14/08
Latest Info Received 01/25/10

Status	Settled
DOCKET NO.	200800401259
Plaintiff	WAYNS, HERBERT, PHILADELPHIA, PA
Defendant	HESS CORP, PHILADELPHIA, PA
Cause	Negligence
Where filed	PHILADELPHIA COUNTY COMMON PLEAS COURT, PHILADELPHIA, PA
Date status attained	08/25/09
Date filed	04/14/08
Latest Info Received	12/23/09

Status	Settled
CASE NO.	071100122
Plaintiff	DIAZ, JOCELYN
Defendant	HESS CORPORATION AND OTHERS
Cause	PREMISES LIABILTY, SLIP/FALL
Where filed	PHILADELPHIA COUNTY COMMON PLEAS COURT, PHILADELPHIA, PA
Date status attained	07/15/08
Date filed	11/05/07
Latest Info Received	01/18/10

If it is indicated that there are defendants other than the report subject, the lawsuit may be an action to clear title to property and does not necessarily imply a claim for money against the subject.

UCC Filings

Collateral	All Assets
Type	Original
Sec. Party	MANUFACTURERS AND TRADERS TRUST COMPANY, BUFFALO, NY
Debtor	SWARTZ MART, INC., WAPPINGERS FALLS, NY
Filing No.	0502255164352
Filed With	SECRETARY OF STATE/UCC DIVISION, ALBANY, NY
Date Filed	2005-02-25
Latest Info Received	03/03/05

Type	Continuation
Sec. Party	MANUFACTURERS AND TRADERS TRUST COMPANY, BUFFALO, NY
Debtor	SWARTZ MART, INC., WAPPINGERS FALLS, NY
Filing No.	0909155829125
Filed With	SECRETARY OF STATE/UCC DIVISION, ALBANY, NY
Date Filed	2009-09-15
Latest Info Received	10/20/09
Original UCC Filed Date	2005-02-25
Original Filing No.	0502255164352

Collateral	Negotiable instruments and proceeds - Account(s) and proceeds - Chattel paper and proceeds
Type	Original
Sec. Party	BANCO BILBAO VIZCAYA ARGENTARIA, S.A., NEW YORK, NY
Debtor	HESS CORPORATION
Filing No.	2008 0282317
Filed With	SECRETARY OF STATE/UCC DIVISION, DOVER, DE
Date Filed	2008-01-23
Latest Info Received	02/21/08

Collateral	Negotiable instruments and proceeds - Account(s) and proceeds - Assets and proceeds - Computer equipment and proceeds
Type	Original
Sec. Party	HESS RECEIVABLES LLC, NEW YORK, NY
Assignee	THE BANK OF TOKYO-MITSUBISHI UFJ, LTD., NEW YORK BRANCH, AS ADMINISTRATIVE AGENT, NEW YORK, NY
Debtor	HESS CORPORATION
Filing No.	6445432 8
Filed With	SECRETARY OF STATE/UCC DIVISION, DOVER, DE
Date Filed	2006-12-19
Latest Info Received	02/15/07

Collateral	Negotiable instruments and proceeds - Leased Inventory and proceeds - Account(s) and proceeds - Leased Assets and proceeds - and OTHERS

Type	Original
Sec. Party	BTM CAPITAL CORPORATION, BOSTON, MA
Debtor	AMERADA HESS CORPORATION
Filing No.	4115993 0
Filed With	SECRETARY OF STATE/UCC DIVISION, DOVER, DE
Date Filed	2004-04-26
Latest Info Received	05/21/04

Type	Continuation
Sec. Party	BTM CAPITAL CORPORATION, BOSTON, MA
Debtor	AMERADA HESS CORPORATION
Filing No.	2009 0718053
Filed With	SECRETARY OF STATE/UCC DIVISION, DOVER, DE
Date Filed	2009-03-06
Latest Info Received	05/12/09
Original UCC Filed Date	2004-04-26
Original Filing No.	4115993 0

Collateral	Accounts receivable including proceeds and products - Inventory including proceeds and products - Account(s) including proceeds and products - General intangibles(s) including proceeds and products - and OTHERS
Type	Original
Sec. Party	CORE-MARK MIDCONTINENT, INC., LEITCHFIELD, KY
Debtor	HESS AIRPORT ROAD, NAPLES, FL
Filing No.	200807666821
Filed With	SECRETARY OF STATE/UCC DIVISION, TALLAHASSEE, FL
Date Filed	2008-02-18
Latest Info Received	03/07/08

Collateral	Accounts receivable and proceeds - Inventory and proceeds - Account(s) and proceeds - General intangibles(s) and proceeds - and OTHERS
Type	Amendment
Sec. Party	CORE-MARK MIDCONTINENT, INC., LEITCHFIELD, KY
Debtor	HESS AIRPORT ROAD, NAPLES, FL
Filing No.	20080787422X
Filed With	SECRETARY OF STATE/UCC DIVISION, TALLAHASSEE, FL
Date Filed	2008-03-17
Latest Info Received	04/17/08
Original UCC Filed Date	2008-02-18
Original Filing No.	200807666821

Collateral	Account(s) and proceeds - Chattel paper and proceeds - Contract rights and proceeds - General intangibles(s) and proceeds - Equipment and proceeds
Type	Original
Sec. Party	DEERE CREDIT, INC., JOHNSTON, IA
Debtor	HESS CORPORATION, WILLISTON, ND
Filing No.	2009 2795679
Filed With	SECRETARY OF STATE/UCC DIVISION, DOVER, DE
Date Filed	2009-08-31
Latest Info Received	09/30/09

Type	Amendment
Sec. Party	DEERE CREDIT, INC.
Debtor	HESS CORPORATION, WILLISTON, ND
Filing No.	2009 2796370
Filed With	SECRETARY OF STATE/UCC DIVISION, DOVER, DE
Date Filed	2009-08-31
Latest Info Received	09/30/09
Original Filing No.	2009 2795679

Collateral	Account(s) and proceeds - Business machinery/equipment and proceeds - Computer equipment and proceeds - Chattel paper and proceeds - General intangibles(s) and proceeds
Type	Original
Sec. Party	BANC OF AMERICA LEASING & CAPITAL, LLC, TROY, MI
Debtor	HESS CORPORATION, WOODBRIDGE, NJ
Filing No.	2008 3290580
Filed With	SECRETARY OF STATE/UCC DIVISION, DOVER, DE
Date Filed	2008-09-29
Latest Info Received	10/30/08

Collateral	Account(s) and proceeds - Communications equipment and proceeds - Computer equipment and proceeds - Chattel paper and proceeds - General intangibles(s) and proceeds
Type	Original
Sec. Party	BANC OF AMERICA LEASING & CAPITAL, LLC, TROY, MI
Debtor	HESS CORPORATION, WOODBRIDGE, NJ
Filing No.	2008 3114178
Filed With	SECRETARY OF STATE/UCC DIVISION, DOVER, DE
Date Filed	2008-09-15
Latest Info Received	10/16/08

Collateral	Account(s) and proceeds - Business machinery/equipment and proceeds - Computer equipment and proceeds - Chattel paper and proceeds - General intangibles(s) and proceeds
Type	Original
Sec. Party	BANC OF AMERICA LEASING & CAPITAL, LLC, TROY, MI
Debtor	HESS CORPORATION, WOODBRIDGE, NJ
Filing No.	2008 2926002
Filed With	SECRETARY OF STATE/UCC DIVISION, DOVER, DE
Date Filed	2008-08-27
Latest Info Received	09/25/08

Collateral	Account(s) and proceeds - Computer equipment and proceeds - General intangibles(s) and proceeds - Chattel paper and proceeds - Business machinery/equipment and proceeds
Type	Original
Sec. Party	BANC OF AMERICA LEASING & CAPITAL, LLC, TROY, MI
Debtor	HESS CORPORATION, HOUSTON, TX
Filing No.	2007 4638010
Filed With	SECRETARY OF STATE/UCC DIVISION, DOVER, DE
Date Filed	2007-12-07
Latest Info Received	01/08/08

There are additional UCCs in D&Bs file on this company available by contacting 1-800-234-3867.
There may be additional suits, liens, or judgments in D&B's file on this company available in the U.S. Public Records Database, also covered under your PPP for D&BI contract. If you would like more information on this database, please contact the Customer Resource Center at 1-800-234-3867.
The public record items contained herein may have been paid, terminated, vacated or released prior to today's date.

Government Activity

Activity summary

Borrower (Dir/Guar)	NO
Administrative Debt	NO
Contractor	YES
Grantee	NO
Party excluded from federal program(s)	NO

Possible candidate for socio-economic program consideration

Labour Surplus Area	N/A
Small Business	N/A
8(A) firm	N/A

The details provided in the Government Activity section are as reported to Dun & Bradstreet by the federal government and other sources.

Special Events

Special Events

03/03/2010 -ANNOUNCED OFFICER CHANGE :

According to published reports on July 2, 2009, Hess Corporation announced that Gary Boubel will become Senior Vice President, Global Developments, beginning in September 2009. He succeeds Keith Hunter, who has retired. Boubel joins Hess from BP, where he most recently was Senior Vice President and Projects Director for the companys extensive Alaskan operations.

History and Operations

Company Overview

Company Name:	HESS CORPORATION
Street Address:	1185 Avenue Of The Americas Fl 39 New York , NY 10036
Phone:	212 997-8500
URL:	http://www.hess.com
Stock Symbol:	HES
History	Is clear
Operations	Profitable
Present management control	90 years

History

The following information was reported: **03/03/2010**

Officer(s):
JOHN B HESS, CHB-CEO+
JOHN P RIELLY, SR VP-CFO
J BARCLAY COLLINS II, EXEC VP+
GREGORY P HILL, EXEC VP-PRES WORLDWIDE EXPLORATION & PROD+
F BORDEN WALKER, EXEC VP-PRES MKTG & REFINING+

DIRECTOR(S) : The officers identified by (+) and Risa Lavizzo-Mourey, Craig G Matthews, Ernst H von Metzsch, Nicholas F Brady, Thomas H Kean, Frank A Olson, Edith E Holiday, John H Mullin III and Robert N Wilson.

Incorporated in the state of Delaware on February 07, 1920.
Business started 1920.
The company's common stock is traded on the New York Stock Exchange under the symbol "HES ". As of December 31, 2008, there were 5,909 stockholders of record. As of March 5, 2008, those shareholders identified by the company as beneficially owning 5% or more of the outstanding shares were :
FMR LLC (7.99%); Janus Capital Management LLC (6.6%); John B Hess (10.78%); Thomas H Kean (7.98%); Nicholas F Brady (6.04%); and John Y Schreyer (5.33%). As of the same date, officers and directors as a group beneficially owned 12.01% of the outstanding shares.
EVENTS.
On February 27, 2009, the company announced that it has acquired 11 of the Christy's Of Cape Cod LLC, Hyannis, MA, convenience stores and gas stations on February 4, 2009. Further details on the locations which were acquired are not available.
On January 5, 2009, sources stated that Reliant Energy, Inc., Houston, TX, announced that it has completed the previously announced sale of the Northeastern electricity marketing assets of its retail subsidiaries, Reliant Energy Solutions East and Reliant Energy Solutions Northeast, to the company on December 31, 2008. Other terms were not disclosed.
In 2008, the company acquired the remaining 22.5% interest in its Gabonese subsidiary for $285 million, of which $210 million was allocated to proved properties.
In 2007, the company completed the acquisition of a 28% interest in the Genghis Khan oil and gas development located in the deepwater Gulf of Mexico on Green Canyon Blocks 652 and 608 for $371 million, of which $342 million was allocated to proved and unproved properties and the remainder to wells and equipment.
In 2007, the company completed the sale of its interests in the Scott and Telford fields located in the United Kingdom for $93 million and recorded a gain of $21 million ($15 million after income taxes).
In 2006, Harvest Oil and Gas, LLC (Mandeville, LA) acquired all of the company's oil and gas producing properties in Plaquemines and St Bernard Parishes, Louisiana.
On May 3, 2006, following approval by its stockholders, the company amended its Restated Certificate of Incorporation to change its name from Amerada Hess Corporation to the company.
In January 2006, the company acquired a 55% working interest in the deepwater section of the West Med Block in Egypt for $413 million.
JOHN B HESS. Director since 1978. He is the Chairman of the Board and CEO of the company since 1983.
JOHN P RIELLY. He is the Senior Vice President and CFO of the company since 2002.
J BARCLAY COLLINS II. Director since 1986. He is the Executive Vice President of the company since 1986.
GREGORY P HILL. Director since 2009. He is the Executive Vice President and President, Worldwide Exploration and Production of the company.
F BORDEN WALKER. Director since 2004. He is the Executive Vice President; President, Marketing and Refining of the company since 1996.
RISA LAVIZZO-MOUREY. Director since 2004. He is the President and CEO of The Robert Wood Johnson Foundation.
CRAIG G MATTHEWS. Director since 2002. He is the former Vice Chairman and COO of KeySpan Corporation.
ERNST H VON METZSCH. Director since 2003. He is the Managing Member of Cambrian Capital, L.P.
NICHOLAS F BRADY. Director since 1994. He is the Chairman of Choptank Partners, Inc.
THOMAS H KEAN. Director since 1990. He is the President of THK Consulting, LLC.
FRANK A OLSON. Director since 1998. He is the former Chairman of the Board and CEO of The Hertz Corporation.
EDITH E HOLIDAY. Director since 1993. He is the former Assistant to the President of the United States and Secretary of the Cabinet.
JOHN H MULLIN III. Director since 2007. He is the Chairman of Ridgeway Farm LLC.
ROBERT N WILSON. Director since 1996. He is the Chairman of Still River Systems.

RELATED CONCERN :
The corporation owns a 50% interest in HOVENSA LLC (HOVENSA), a refining joint venture in the United States Virgin Islands with a subsidiary of Petroleos de Venezuela SA (PDVSA).

Operations

03/03/2010

Description:

The company, along with its subsidiaries, operates an integrated energy business that operates in two segments, exploration and production (E & P), and marketing and Refining (M & R).

The E & P segment explores for, develops, produces, purchases, transports and sells crude oil and natural gas.

The M & R segment manufactures, purchases, transports, trades and markets refined petroleum products, *natural gas and electricity*.

Terms Natural gas: Long-term contracts; other products principally Net 30 days; retails for cash. Has 89,000 account(s). Sells to to the motoring public, wholesale distributors, industrial and commercial users, other petroleum companies, governmental agencies and public utilities; as well as other industrial and commercial customers. Territory : International.

Nonseasonal. Business is highly competitive.

Employees:	13,500 which includes officer(s). 254 employed here.
Facilities:	Rents premises in a multi story steel building Occupies space on the 38th, 39th, 40th, 41st and 42nd floors.
Location:	Central business section on main street.
Branches:	This business has multiple branches, detailed branch information is available in D & B's linkage or family tree products.
Subsidiaries:	This business has multiple subsidiaries, detailed subsidiary information is available in D & B's linkage or family tree products.

SIC & NAICS

SIC:

Based on information in our file, D& has assigned this company an extended 8-digit SIC. D&'s use of 8-digit SICs enables us to be more specific about a company's operations than if we use the standard 4-digit code.

The 4-digit SIC numbers link to the description on the Occupational Safety & Health Administration (OSHA) Web site. Links open in a new browser window.

1311 0101 Crude petroleum production
1311 0102 Natural gas production
2911 0000 Petroleum refining
4412 0000 Deep sea foreign transportation of freight
5171 9901 Petroleum bulk stations
5171 9902 Petroleum terminals
5541 9901 Filling stations, gasoline
4911 9905 Electrical power marketers

NAICS:

211111 Crude Petroleum and Natural Gas Extraction
211111 Crude Petroleum and Natural Gas Extraction
324110 Petroleum Refineries
483111 Deep Sea Freight Transportation
424710 Petroleum Bulk Stations and Terminals
424710 Petroleum Bulk Stations and Terminals
447190 Other Gasoline Stations
221122 Electric Power Distribution

Financial Statements

Company Financial: D&B

Three-year Statement Comparative:

	Fiscal Consolidated Dec 31 2007 (In thousands)	Fiscal Consolidated Dec 31 2008 (In thousands)	Interim Consolidated Mar 31 2009 (In thousands)
Current Assets	$6,926,000	$7,332,000	$7,137,000
Current Liabilities	$8,024,000	$7,730,000	$7,444,000
Current Ratio	0.86	0.95	0.96
Working Capital	($1,098,000)	($398,000)	($307,000)
Other Assets	$19,205,000	$21,257,000	$21,296,000
Net Worth	$9,774,000	$12,391,000	$12,131,000
Sales	$31,924,000	$41,094,000	
Long Term Liab	$8,333,000	$20,847,000	$8,858,000
Net Profit (Loss)	$1,832,000	$2,360,000	

Company Financial: EDGAR (Annual Statements)

Balance Sheet

Period Ending	Fiscal Consolidated Dec 31 2008	Fiscal Consolidated Dec 31 2007	Fiscal Consolidated Dec 31 2006
ASSETS			
Current Assets			
Short Term Investments	UN	UN	UN
Total Cash	$908,000,000.00	$607,000,000.00	$383,000,000.00
Inventory	$1,308,000,000.00	$1,250,000,000.00	$1,005,000,000.00
Net Trade Receivables	$4,297,000,000.00	$4,708,000,000.00	$3,873,000,000.00
Other Current Assets	$819,000,000.00	$361,000,000.00	$587,000,000.00
Total Current Assets	$7,332,000,000.00	$6,926,000,000.00	$5,848,000,000.00
Fixed Assets	$16,271,000,000.00	$14,634,000,000.00	$12,308,000,000.00
Long term Investments	$1,127,000,000.00	$1,117,000,000.00	$1,200,000,000.00
Intangible Assets	UN	UN	UN
Goodwill	$1,225,000,000.00	$1,225,000,000.00	$1,253,000,000.00

Deferred Asset Charges	$2,292,000,000.00	$1,873,000,000.00	$1,435,000,000.00
Accumulated Ammortization	UN	UN	UN
Other Assets	$342,000,000.00	$356,000,000.00	$360,000,000.00
Total Assets	**$28,589,000,000.00**	**$26,131,000,000.00**	**$22,404,000,000.00**
LIABILITIES			
Current Liabilities			
Accounts Payable	$7,587,000,000.00	$7,962,000,000.00	$6,712,000,000.00
Short Term And Current Long Term Debt	$143,000,000.00	$62,000,000.00	$27,000,000.00
Other Current Liabilities	UN	UN	UN
Total Current Liabilities	**$7,730,000,000.00**	**$8,024,000,000.00**	**$6,739,000,000.00**
Long Term Debt	$3,812,000,000.00	$3,918,000,000.00	$3,745,000,000.00
Deferred Long Term Liability Charges	$2,241,000,000.00	$2,362,000,000.00	$2,099,000,000.00
Minority Interest	UN	UN	UN
Negative Goodwill	UN	UN	UN
Misc Stocks Warrants Options	UN	UN	UN
Other Liabilities	$2,499,000,000.00	$2,053,000,000.00	$1,710,000,000.00
Total Liabilities	**$16,282,000,000.00**	**$16,357,000,000.00**	**$14,293,000,000.00**
SHAREHOLDER'S EQUITY			
Common Stock	$326,000,000.00	$321,000,000.00	$315,000,000.00
Preferred Stock Amount	UN	UN	UN
Capital Surplus	$2,347,000,000.00	$1,882,000,000.00	$1,689,000,000.00
Retained Earnings	$11,642,000,000.00	$9,412,000,000.00	$7,671,000,000.00
Treasury Stock	UN	UN	UN
Other Equity	-$2,008,000,000.0	-$1,841,000,000.0	-$1,564,000,000.0
Total Equity	$12,307,000,000.00	$9,774,000,000.00	$8,111,000,000.00

Income Statement

Period Ending	**Fiscal Consolidated Dec 31 2008**	**Fiscal Consolidated Dec 31 2007**	**Fiscal Consolidated Dec 31 2006**
Sales (Revenue)	$41,209,000,000.00	$31,647,000,000.00	$28,720,000,000.00
Cost of Revenue	$32,192,000,000.00	$24,154,000,000.00	$21,714,000,000.00
Gross Profit	$9,017,000,000.00	$7,493,000,000.00	$7,006,000,000.00
Operating Expenses			
Research and Development	UN	UN	UN
Sales And General Admin	$1,906,000,000.00	$2,234,000,000.00	$1,541,000,000.00
Non Recurring Expenses	UN	-$21,000,000.0	UN
Other Operating Items	UN	UN	UN
Operating Income	$4,967,000,000.00	$3,704,000,000.00	$4,241,000,000.00
Total Other Income and Expenses Net	UN	$80,000,000.00	UN
Earnings Before Interest and Taxes	$4,967,000,000.00	$3,960,000,000.00	$4,241,000,000.00
Interest Expense	$267,000,000.00	$256,000,000.00	$201,000,000.00
Earning Before Tax	$4,700,000,000.00	$3,704,000,000.00	$4,040,000,000.00
Income Tax Expense	$2,340,000,000.00	$1,872,000,000.00	$2,124,000,000.00
Equity Earnings or Loss	UN	UN	UN
Minority Interest Expense	UN	UN	UN
Net Income From Continuing Operations	$2,360,000,000.00	$1,832,000,000.00	$1,916,000,000.00
Discontinued Operations	UN	UN	UN
Extraordinary Items	UN	UN	UN
Effect of Accounting Changes	UN	UN	UN
Other Items	$0.00	$0.00	$0.00
Net Income	**$2,360,000,000.00**	**$1,832,000,000.00**	**$1,916,000,000.00**
Preferred Stocks & Other Adjustments	UN	UN	UN
Net Income Applicable to Common Shares	$2,360,000,000.00	$1,832,000,000.00	$1,872,000,000.00

Statement of Cash Flow

Period Ending	**Fiscal Consolidated Dec 31 2008**	**Fiscal Consolidated Dec 31 2007**	**Fiscal Consolidated Dec 31 2006**
Operating Activities			
Depreciation	$2,029,000,000.00	$1,576,000,000.00	$1,224,000,000.00
Net Income Adjustments	$284,000,000.00	$237,000,000.00	$447,000,000.00
Changes in Liabilities	-$191,000,000.0	$731,000,000.00	$3,000,000.00
Changes in Accounts Receivables	$357,000,000.00	-$783,000,000.0	-$179,000,000.0
Changes in Inventories	-$56,000,000.0	-$254,000,000.0	-$152,000,000.0
Changes in Other Operating Activities	-$216,000,000.0	$168,000,000.00	$232,000,000.00
Net Cash Flows - Operating Activities	$4,567,000,000.00	$3,507,000,000.00	$3,491,000,000.00
Financing Activities			
Dividends Paid	-$130,000,000.0	-$127,000,000.0	-$161,000,000.0
Sale and Purchase of Stock	$340,000,000.00	$110,000,000.00	$40,000,000.00
Net Borrowings	-$32,000,000.0	$208,000,000.00	-$13,000,000.0
Other Cash Flows from Financing Activities	UN	UN	UN
Effect of Exchange Rate	UN	UN	UN
Net Cash Flows - Financing Activities	$178,000,000.00	$191,000,000.00	-$134,000,000.0
Investing Activities			
Capital Expenditures	-$4,438,000,000.0	-$3,578,000,000.0	-$3,844,000,000.0

Investments	$61,000,000.00	$61,000,000.00	$76,000,000.00
Other Cash flows from Investing Activites	-$67,000,000.0	$43,000,000.00	$479,000,000.00
Net Cash Flows - Investing Activities	-$4,444,000,000.0	-$3,474,000,000.0	-$3,289,000,000.0
Change in Cash and Cash Equivalents	$301,000,000.00	$224,000,000.00	$68,000,000.00

Financial Ratios

Period Ending	Fiscal Consolidated Dec 31 2008	Fiscal Consolidated Dec 31 2007	Fiscal Consolidated Dec 31 2006
Current Ratio	0.95	0.86	0.87
Quick Ratio	0.78	0.71	0.72
Cash Ratio	UN	UN	UN
Gross Margin	0.22	0.24	0.24
Operating Margin	0.12	0.12	0.15
Pre-Tax Margin	0.11	0.12	0.14
Profit Margin	0.06	0.06	0.07
Pre-Tax ROE	0.38	0.38	0.50
After Tax ROE	0.19	0.19	0.24

Note:UN=Unavailable

Powered By **EDGAR Online**

Company Financial: EDGAR (Quarterly Statements)

Balance Sheet

Quarter	Q3	Q2	Q1	Q4
Quarter Ending	**Sep 30 2009**	**Jun 30 2009**	**Mar 31 2009**	**Dec 31 2008**
ASSETS				
Current Assets				
Short Term Investments	UN	UN	UN	UN
Total Cash	$957,000,000.00	$1,063,000,000.00	$1,157,000,000.00	$908,000,000.00
Inventory	$1,424,000,000.00	$1,358,000,000.00	$1,102,000,000.00	$1,308,000,000.00
Net Trade Receivables	$3,552,000,000.00	$4,097,000,000.00	$3,899,000,000.00	$4,297,000,000.00
Other Current Assets	$993,000,000.00	$990,000,000.00	$979,000,000.00	$819,000,000.00
Total Current Assets	**$6,926,000,000.00**	**$7,508,000,000.00**	**$7,137,000,000.00**	**$7,332,000,000.00**
Fixed Assets	$16,646,000,000.00	$16,421,000,000.00	$16,356,000,000.00	$16,271,000,000.00
Long term Investments	$975,000,000.00	$1,013,000,000.00	$1,084,000,000.00	$1,127,000,000.00
Intangible Assets	$0.00	UN	UN	UN
Goodwill	$1,225,000,000.00	$1,225,000,000.00	$1,225,000,000.00	$1,225,000,000.00
Deferred Asset Charges	$2,327,000,000.00	$2,413,000,000.00	$2,298,000,000.00	$2,292,000,000.00
Accumulated Ammortization	UN	UN	UN	UN
Other Assets	$338,000,000.00	$336,000,000.00	$333,000,000.00	$342,000,000.00
Total Assets	**$28,437,000,000.00**	**$28,916,000,000.00**	**$28,433,000,000.00**	**$28,589,000,000.00**
LIABILITIES				
Current Liabilities				
Accounts Payable	$6,332,000,000.00	$7,478,000,000.00	$7,309,000,000.00	$7,587,000,000.00
Short Term And Current Long Term Debt	$136,000,000.00	$135,000,000.00	$135,000,000.00	$143,000,000.00
Other Current Liabilities	UN	UN	UN	UN
Total Current Liabilities	**$6,468,000,000.00**	**$7,613,000,000.00**	**$7,444,000,000.00**	**$7,730,000,000.00**
Long Term Debt	$4,243,000,000.00	$4,178,000,000.00	$4,193,000,000.00	$3,812,000,000.00
Deferred Long Term Liability Charges	$2,259,000,000.00	$2,235,000,000.00	$2,286,000,000.00	$2,241,000,000.00
Minority Interest	$133,000,000.00	$119,000,000.00	$111,000,000.00	UN
Negative Goodwill	UN	UN	UN	UN
Misc Stocks Warrants Options	UN	UN	UN	UN
Other Liabilities	$2,460,000,000.00	$2,512,000,000.00	$2,379,000,000.00	$2,499,000,000.00
Total Liabilities	**$15,563,000,000.00**	**$16,657,000,000.00**	**$16,413,000,000.00**	**$16,282,000,000.00**
SHAREHOLDER'S EQUITY				
Common Stock	$327,000,000.00	$327,000,000.00	$327,000,000.00	$326,000,000.00
Preferred Stock Amount	UN	UN	UN	UN
Capital Surplus	$2,448,000,000.00	$2,415,000,000.00	$2,381,000,000.00	$2,347,000,000.00
Retained Earnings	$11,926,000,000.00	$11,617,000,000.00	$11,550,000,000.00	$11,642,000,000.00
Treasury Stock	UN	UN	UN	UN
Other Equity	-$1,827,000,000.0	-$2,100,000,000.0	-$2,238,000,000.0	-$2,008,000,000.0
Total Equity	$12,874,000,000.00	$12,259,000,000.00	$12,020,000,000.00	$12,307,000,000.00

Income Statement

Quarter	Q3	Q2	Q1	Q4
Quarter Ending	**Sep 30 2009**	**Jun 30 2009**	**Mar 31 2009**	**Dec 31 2008**
Sales (Revenue)	$7,549,000,000.00	$6,753,000,000.00	$6,874,000,000.00	$7,366,000,000.00
Cost of Revenue	$5,024,000,000.00	$5,461,000,000.00	$5,784,000,000.00	$6,067,000,000.00
Gross Profit	$2,525,000,000.00	$1,292,000,000.00	$1,090,000,000.00	$1,299,000,000.00

Operating Expenses				
Research and Development	UN	UN	UN	UN
Sales And General Admin	$431,000,000.00	$424,000,000.00	$465,000,000.00	$508,000,000.00
Non Recurring Expenses	$672,000,000.00	UN	UN	UN
Other Operating Items	UN	UN	UN	UN
Operating Income	$796,000,000.00	$312,000,000.00	$137,000,000.00	$78,000,000.00
Total Other Income and Expenses Net	UN	UN	UN	UN
Earnings Before Interest and Taxes	$631,000,000.00	$312,000,000.00	$137,000,000.00	$78,000,000.00
Interest Expense	$97,000,000.00	$95,000,000.00	$77,000,000.00	$67,000,000.00
Earning Before Tax	$534,000,000.00	$217,000,000.00	$60,000,000.00	$11,000,000.00
Income Tax Expense	$182,000,000.00	$115,000,000.00	$77,000,000.00	$85,000,000.00
Equity Earnings or Loss	UN	UN	UN	UN
Minority Interest Expense	$11,000,000.00	$44,000,000.00	UN	UN
Net Income From Continuing Operations	$176,000,000.00	$58,000,000.00	-$17,000,000.0	-$74,000,000.0
Discontinued Operations	UN	UN	UN	UN
Extraordinary Items	UN	UN	UN	UN
Effect of Accounting Changes	UN	UN	UN	UN
Other Items	$165,000,000.00	$0.00	$0.00	$0.00
Net Income	**$341,000,000.00**	**$58,000,000.00**	**-$17,000,000.0**	**-$74,000,000.0**
Preferred Stocks & Other Adjustments	UN	UN	UN	UN
Net Income Applicable to Common Shares	$341,000,000.00	$100,000,000.00	-$58,000,000.0	-$74,000,000.0

Statement of Cash Flow

Quarter	**Q3**	**Q2**	**Q1**	**Q4**
Quarter Ending	**Sep 30 2009**	**Jun 30 2009**	**Mar 31 2009**	**Dec 31 2008**
Operating Activities				
Depreciation	$626,000,000.00	$556,000,000.00	$486,000,000.00	$598,000,000.00
Net Income Adjustments	$131,000,000.00	$40,000,000.00	$76,000,000.00	$68,000,000.00
Changes in Liabilities	UN	UN	UN	-$191,000,000.0
Changes in Accounts Receivables	UN	UN	UN	$357,000,000.00
Changes in Inventories	UN	UN	UN	-$56,000,000.0
Changes in Other Operating Activities	-$575,000,000.0	-$84,000,000.0	$80,000,000.00	-$207,000,000.0
Net Cash Flows - Operating Activities	$534,000,000.00	$618,000,000.00	$625,000,000.00	$495,000,000.00
Financing Activities				
Dividends Paid	-$32,000,000.0	-$34,000,000.0	-$65,000,000.0	-$0.0
Sale and Purchase of Stock	$1,000,000.00	$5,000,000.00	$6,000,000.00	$229,000,000.00
Net Borrowings	$1,000,000.00	-$15,000,000.0	$373,000,000.00	$16,000,000.00
Other Cash Flows from Financing Activities	UN	UN	UN	UN
Effect of Exchange Rate	UN	UN	UN	UN
Net Cash Flows - Financing Activities	-$30,000,000.0	-$43,000,000.0	$314,000,000.00	$245,000,000.00
Investing Activities				
Capital Expenditures	-$604,000,000.0	-$685,000,000.0	-$704,000,000.0	-$1,158,000,000.0
Investments	UN	UN	UN	$61,000,000.00
Other Cash flows from Investing Activities	-$6,000,000.0	$18,000,000.00	$14,000,000.00	-$117,000,000.0
Net Cash Flows - Investing Activities	-$610,000,000.0	-$667,000,000.0	-$690,000,000.0	-$1,212,000,000.0
Change in Cash and Cash Equivalents	-$106,000,000.0	-$94,000,000.0	$249,000,000.00	-$472,000,000.0

Financial Ratios

Quarter	**Q3**	**Q2**	**Q1**	**Q4**
Quarter Ending	**Sep 30 2009**	**Jun 30 2009**	**Mar 31 2009**	**Dec 31 2008**
Current Ratio	1.07	0.99	0.96	0.95
Quick Ratio	0.85	0.81	0.81	0.78
Cash Ratio	UN	UN	UN	UN
Gross Margin	0.33	0.19	0.16	0.18
Operating Margin	0.11	0.05	0.02	0.01
Pre-Tax Margin	0.07	0.03	0.01	0.00
Profit Margin	0.05	0.01	0.00	-0.01
Pre-Tax ROE	0.04	0.02	0.00	0.00
After Tax ROE	0.03	0.00	0.00	-0.01

Note:UN=Unavailable

Powered By **EDGAR Online**

This Data is Provided as per License from EDGAR online

Additional Financial Data

Fiscal Consolidated statement dated DEC 31 2009 (In thousands):

Assets		**Liabilities**	
Cash	$1,362,000	Accts Pay	$4,223,000
Accts Rec	$3,924,000	Accruals	$1,954,000
Inventory	$1,438,000	Taxes	$525,000

Other Curr Assets	$1,263,000	L.T. Liab-(1yr)	$148,000
Curr Assets	**$7,987,000**	**Curr Liabs**	**$6,850,000**
Fixt & Equip	$16,627,000	Long-Term Debt	$4,319,000
Goodwill	$1,225,000	Deferred Income Taxes	$3,456,000
Investments-Other	$913,000	L.T. Liab-Other	$1,312,000
Deferred Income Taxes	$2,409,000	COMMON STOCK	$327,000
Other Assets	$304,000	ADDIT. PD.-IN CAP	$2,481,000
		ACCUM OTHER COMPREHENSIVE LOSS	($1,675,000)
		RETAINED EARNINGS	$12,251,000
		NONCONTROLLING INTERESTS	$144,000
Total Assets	**$29,465,000**	**Total Liabilities**	**$29,465,000**

From JAN 01 2009 to DEC 31 2009 annual sales $29,569,000,000; cost of goods sold $20,961,000,000. Gross profit $8,608,000,000; operating expenses $7,086,000,000. Operating income $1,522,000,000; net income before taxes $1,522,000,000; Federal income tax $715,000,000. Net income $807,000,000.

Statement obtained from Securities And Exchange Commission. Prepared from statement(s) by Accountant: Ernst & Young LLP, New York, New York.

ACCOUNTANTS OPINION

A review of the accountant's opinion indicated that the financial statement meets generally accepted accounting principles and the audit contains no qualifications.

Fixed assets shown net less $13,244,000,000 depreciation.

Explanations

The net worth of this company includes intangibles; Other Long Term Liabilities consist of Deferred income taxes and Asset retirement obligations.

On March 2, 2010 the financial information was updated.

Key Business Ratios

Statement Date			Dec 31 2009
Based on this Number of Establishments			69
	Industry Norms Based On 69 Establishments		
	This Business	**Industry Median**	**Industry Quartile**
Profitability			
Return on Sales	2.7	4.5	3
Return on Net Worth	6.0	8.3	3
Short-Term Solvency			
Current Ratio	1.2	1.1	2
Quick Ratio	0.8	0.6	1
Efficiency			
Assets/Sales	99.6	301.7	1
Sales / Net Working Capital	26.0	8.0	1
Utilization			
Total Liabilities / Net Worth	117.8	136.3	2

View Snapshots

View Snapshots

Exhibit C-8 "Bankruptcy Information," *provide a list and description of any reorganizations, protection from creditors or any other form of bankruptcy filings made by the applicant, a parent or affiliate organization that guarantees the obligations of the applicant or any officer of the applicant in the current year or since applicant list filed for certification*

Response:

None.

Hess Corporation
Exhibit C-9
Merger Information

Exhibit C-9 "Merger Information," *provide a statement describing any dissolution or merger or acquisition of the applicant since applicant last filed for certification.*

Response:

Hess Corporation ("Hess") purchased the natural gas contracts of Stuyvesant Energy LLC ("Stuyvesant"), effective November 1, 2008. This acquisition has no impact on Hess' Ohio business as the natural gas contracts were limited to customers located in New York and New Jersey.

Hess Corporation
Exhibit D-1
Operations

Exhibit D-1 "Operations," *provide a current written description of the operational nature of the applicant's business functions.*

Response:

Hess Corporation is experienced in the full business cycle of natural gas marketing including contracting, contract administration, load aggregation, procurement, forecasting and scheduling, balancing and other ancillaries including arranging for transmission and delivery services, risk management, energy management, customer services and billing.

Through centralized systems and regional office locations performing operational and sales functions, Hess Corporation is able to provide a full range of services and products to our customers. Each regional office, including the Pittsburgh regional office which handles operations and sales for Ohio, coordinates nominations, receipt and delivery of natural gas, including without limitation storage, balancing, peaking and region specific customer services. Hess procures the commodity for sales of natural gas through bilateral purchase agreements with parties from regional wholesale markets, and purchases from the spot market.

Exhibit D-2 "Operations Expertise," *given the operational nature of the applicant's business, provide evidence of the applicant's current experience and technical expertise in performing such operations.*

Response:

Hess Corporation is a leading total energy supply provider in the Eastern United States. Hess provides natural gas to more than 50,000 service locations and is a major supplier of natural gas to several LDCs on the East Coast. Hess has been providing natural gas to LDCs since 1989 and has been supplying retail natural gas to end-use customers since 1998. Through this experience, Hess has developed an expertise in maximizing its diverse portfolio of assets, which includes interstate capacity, storage and contracts for supply with a multitude of sources, (e.g., Ohio local production) in order to provide reliable and cost efficient products and services to its' customers.

Hess Corporation
Exhibit D-3
Key Technical Personnel

Exhibit D-3 "Key Technical Personnel," *provide the names, titles, email addresses, telephone numbers, and background of key personnel involved in the operational aspects of the applicant's current business.*

Response:

Randy Magnani- Director of C&I Operations

- *40 years of experience in the natural gas industry including working for the NYPSC, Brooklyn Union Gas Company, Navigant Consulting, and Hess.*

Contact information:

Phone:	732-750-6589
Fax:	732-750-6116
Email:	rmagnani@hess.com
Address:	One Hess Plaza Woodbridge, NJ 07095

Jodi Brown- C&I Operations Manager

- *13 years of experience in the natural gas industry including working for Atlantic Energy/ Enervall LLC, Consumers Energy and Hess.*

Contact information:

Phone:	412-494-7217
Fax:	412-494-7202
Email:	JLBrown@hess.com
Address:	2000 Cliff Mine Rd Suite 420 Pittsburgh, PA 15275