



Lean in Action – A Key to Success in the Unconventionals

Joaquin Martinez, Chief Production Engineer, Hess Corporation
(with Kandy Lukats, President and CEO, 3GiG)
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Forward-looking statements & other information...



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We use certain terms in this presentation relating to reserves other than proved, such as unproved resources. Investors are urged to consider closely the disclosure relating to proved reserves in Hess' Form 10-K, File No. 1-1204, available from Hess Corporation, 1185 Avenue of the Americas, New York, New York 10036 c/o Corporate Secretary and on our website at www.hess.com. You can also obtain this form from the SEC on the EDGAR system.

- 1 Leading Position in the Bakken
- 2 Ahead of Pack on Lean Journey
- 3 Focus on Highest Returns
- 4 Lean in Action

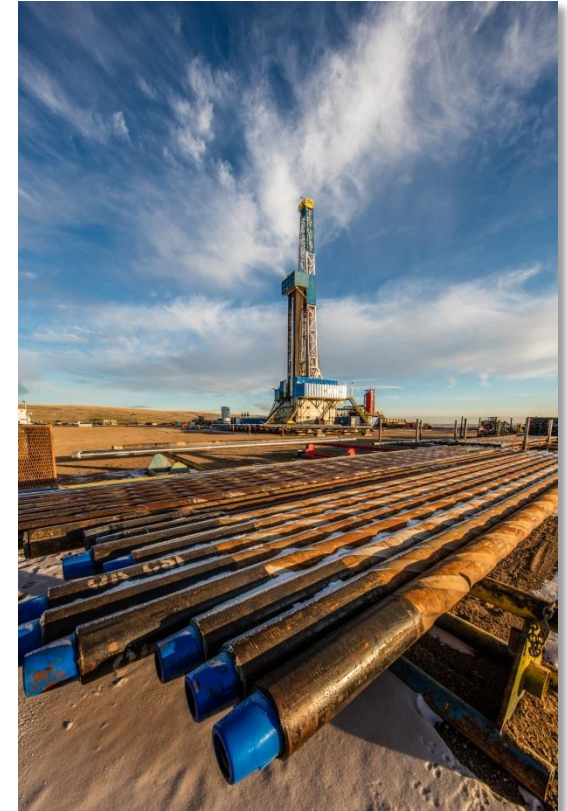


Bakken Business Overview

Excellent operational performance in challenging price environment...



- Leading Position in the Bakken
 - Inventory of economic locations, even at current prices
 - Performance meeting or beating expectations
 - Strategic midstream infrastructure
- Hess ahead of pack on Lean journey
 - Capital efficiency will enable continued development
 - Scalable standard processes across our business
- Focus on highest returns
 - Enhanced subsurface characterization
 - Completion design optimization
 - Tighter well spacing
- Building Sustainable Operations

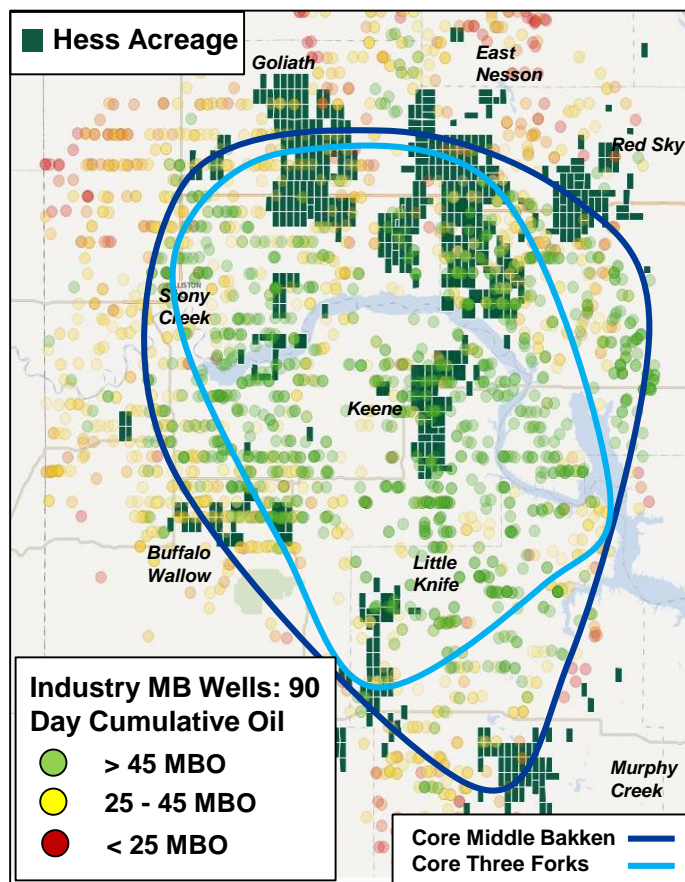


One of the Best Portfolios in the Bakken

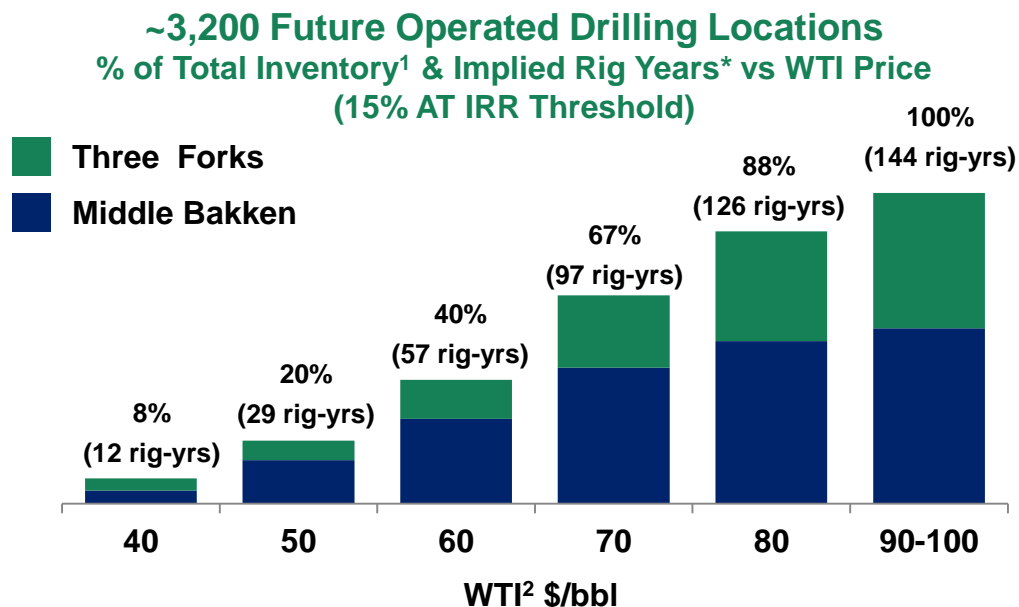
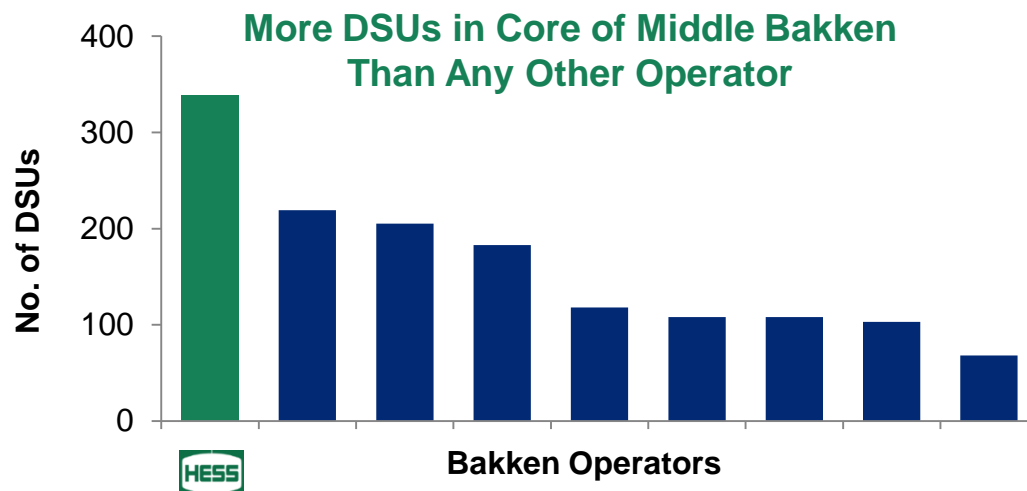
Material position in the heart of the core of the Bakken



30+ Stage Wells Since 2012



DSU: 1,280 acre Drilling Spacing Unit
Source: NDIC and Hess analysis



¹Inventory based Jan 2016 well locations, DCF cost escalated with WTI price: 22 wells/rig-year

²WTI prices above assume no escalation beyond Jan 2016

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Lean Manufacturing Principles:

A Hess Competitive Advantage



Quality
Business Plans



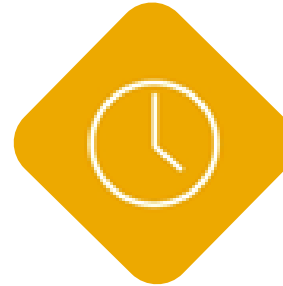
X

Clear
Dashboards



X

Effective
Operating Rhythm



X

Structured
Problem Solving



Standard Processes

Value Stream Management

Well
Scoping



Well
Planning



Site
Construction



Drilling



Hydraulic
Fracturing



Flowback



Handover to
Operations



Production
Maintenance,
Reliability & Integrity



Repeatable

Scalable

Standardized

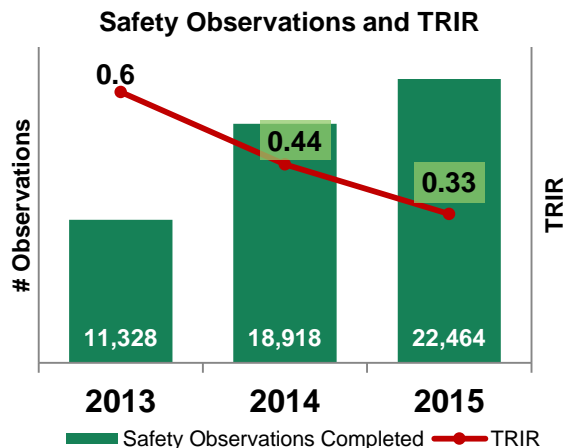
Leadership Behaviors and People Development

Lean Delivering Results

Improving safety, cost, delivery and quality



ONSHORE SAFETY



- Leadership site visits are a primary focus
- Standard Work
- Since 2013
 - >100% increase in safety observations
 - ~50% decrease in recordable injury rate

Lean Leadership behaviors leading to fewer injuries

BAKKEN PAD-TO-PAD RIG MOBILIZATION

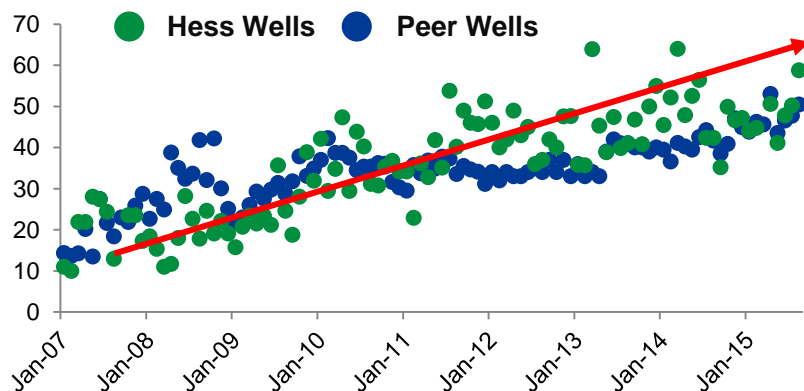


2014: 7 Days
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 Target: 5 Days
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 Current: 4.5 Days

36% Reduction

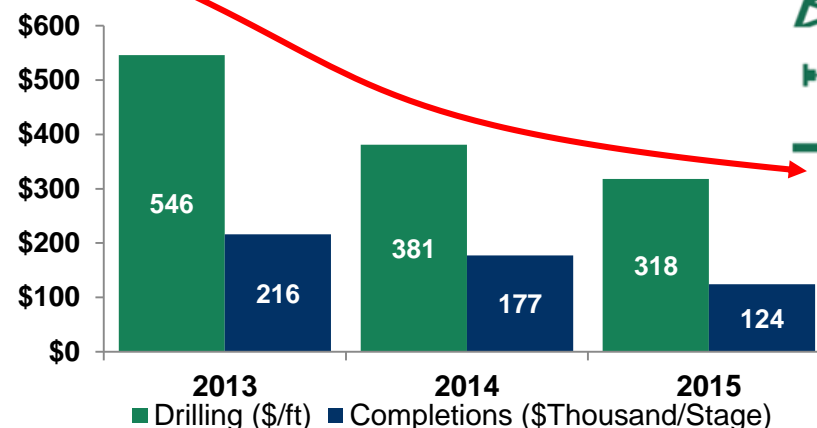
Contractors engaged in Lean problem solving

LEADING BAKKEN OPERATING PERFORMANCE



Low cost + high productivity + high margins = high returns

UTICA DRILLING AND COMPLETIONS COST



42% Reduction in Drilling & 43% Reduction in Completions Cost

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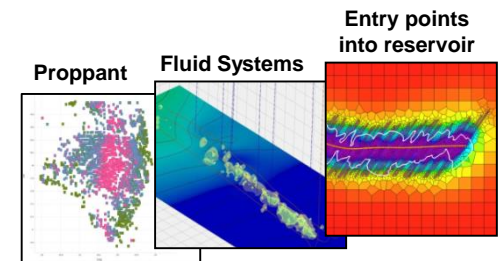
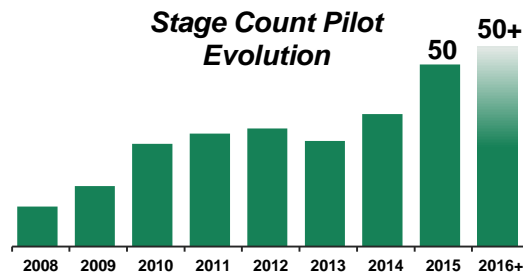
4 Lean in Action

Optimizing Bakken Completions

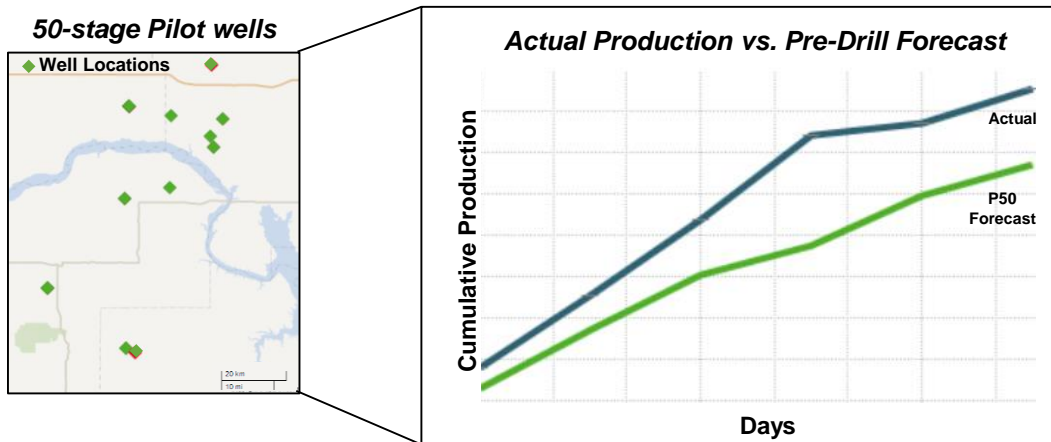
Increased Stage Count



Optimizing Completions Design



Lean allowing Hess to deliver higher stage counts and higher IP rates without cost increase



- Meaningful statistical trial sets
- Pilot results in line or exceeding expectations
- 15-20% uplift in initial production

Moving forward with 50-stage completions as standard design

Delivering well performance while managing capital investment

Utica's Lean Journey

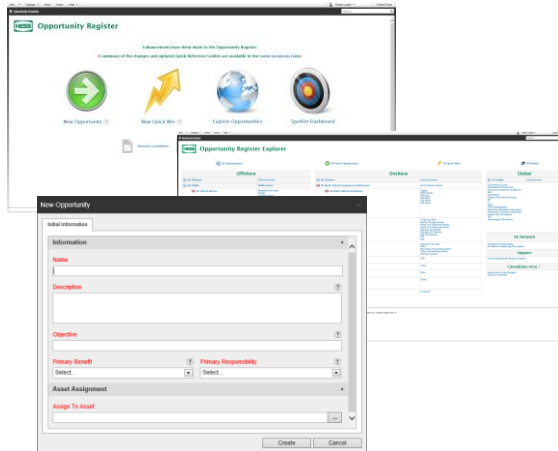


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Opportunity Management Standards, Dashboards, Operating Rhythm and SPS



STANDARD TOOL: OPPORTUNITY REGISTER



- Over 7000 Opportunities collected since 2010
- In 2015 application used over 14,000 times
- Standard process for all
- > 160 columns of data, 23,000 rows or data over 6 years

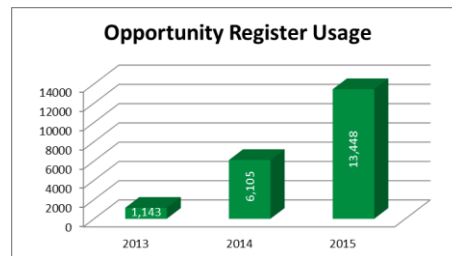
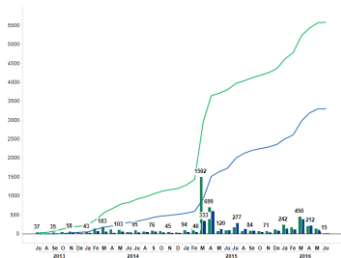
For all Opportunities – Open to all Employees

VISUALIZATION & DASHBOARDS



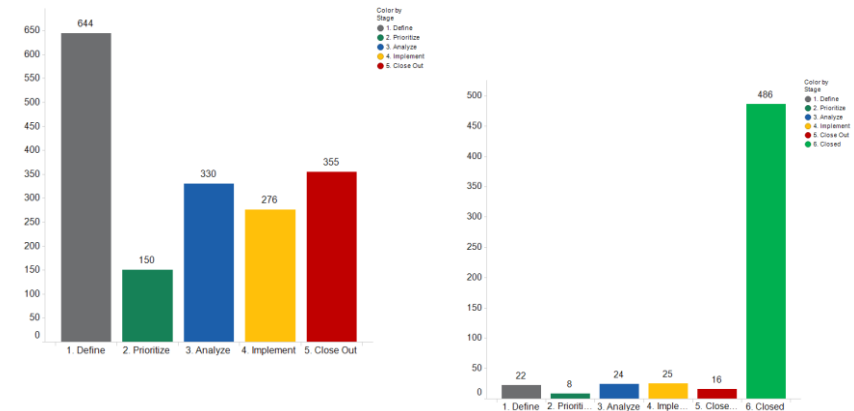
Standard tools track and manage Opportunity Inventory

TRACKING PERFORMANCE



Opportunities created and completed measured

STRUCTURED PROBLEM SOLVING



Lean methods /approach tracked across inventory

- **Technology and innovation is vital for surviving price volatility**
- **Key challenge is to preserve capability for when price recovers**
- **Lean Methods are key to leading unconventional performance**



END
