Hess Announces Significant Reduction to 2020 Capital and Exploratory Budget

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Hess Corp. (NYSE:HES) today announced a revised $2.2 billion capital and exploratory budget for 2020, an $800 million reduction from the previous budget of $3.0 billion. The company also announced a new $1.0 billion three year term loan agreement. These actions further strengthen the company’s cash position and financial liquidity in response to the sharp decline in oil prices.

“With 80% of our oil production hedged in 2020, our significantly reduced capital and exploratory budget and our new three year loan agreement, our company is well positioned for this low price environment,” CEO John Hess said. “Our focus is on preserving cash and protecting our world class investment opportunity in Guyana.”

The reductions to the company’s 2020 capital budget will be primarily achieved by shifting from a six rig program to one rig in the Bakken, which is expected to be completed by the end of May. Most discretionary exploration and offshore drilling activities, excluding Guyana, will also be deferred.

On March 16, 2020, the company entered into a $1.0 billion three year term loan agreement with JPMorgan Chase Bank, N.A. The term loan contains provisions that require the company to reduce JPMorgan’s initial funded amount, which the company intends to do by syndicating the loan to other banks.

In 2020, approximately 80% of the company’s oil production is hedged by put options, with 130,000 barrels a day at $55 per barrel West Texas Intermediate put options and 20,000 barrels a day at $60 per barrel Brent put options. In addition, the company entered 2020 with more than $1.5 billion in cash and cash equivalents on its balance sheet and has a $3.5 billion undrawn revolving credit facility and no material debt maturities until 2027.

Net production for 2020 is now forecast to average between 325,000 and 330,000 barrels of oil equivalent per day, excluding Libya, versus previous guidance of between 330,000 and 335,000 barrels of oil equivalent per day. The company’s Bakken net production is forecast to average approximately 175,000 barrels of oil equivalent per day in 2020, versus previous guidance of approximately 180,000 barrels of oil equivalent per day.

Hess Corp. is a leading global independent energy company engaged in the exploration and production of crude oil and natural gas. More information on Hess Corp. is available at http://www.hess.com.

Forward-Looking Statements

This news release contains “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Words such as “anticipate,” “estimate,” “expect,” “forecast,” “guidance,” “could,” “may,” “should,” “would,” “believe,” “intend,” “project,” “plan,” “predict,” “will,” “target” and similar expressions identify forward-looking statements, which are not historical in nature. Our forward-looking statements may include, without limitation: our projected budget and capital and exploratory expenditures; our plan to syndicate the loan; our business strategy; our future financial and operational results; and future economic and market conditions in the oil and gas industry. Forward-looking statements are based on our current understanding, assessments, estimates and projections of relevant factors and reasonable assumptions about the future. Forward-looking statements are subject to certain known and unknown risks and uncertainties that could cause actual results to differ materially from our

historical experience and our current projections or expectations of future results expressed or implied by these forward-looking statements, including: fluctuations in market prices of crude oil, natural gas liquids and natural gas and competition in the oil and gas exploration and production industry; our ability to fully syndicate the loan; potential disruption or interruption of our operations due to catastrophic and other events; reduced demand for our products, including as a result of outbreaks of infectious diseases; the ability of our contractual counterparties to satisfy their obligations to us; any limitations on our access to capital or increase in our cost of capital, including as a result of weakness in the oil and gas industry or negative outcomes within commodity and financial markets; and other factors described in Item 1A—Risk Factors in our Annual Report on Form 10-K for the year ended December 31, 2019 and any additional risks described in our other filings with the Securities and Exchange Commission (SEC). Hess Corp. undertakes no obligation to, and does not intend to, update these forward-looking statements to reflect events or circumstances occurring after this news release. You are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this news release.

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