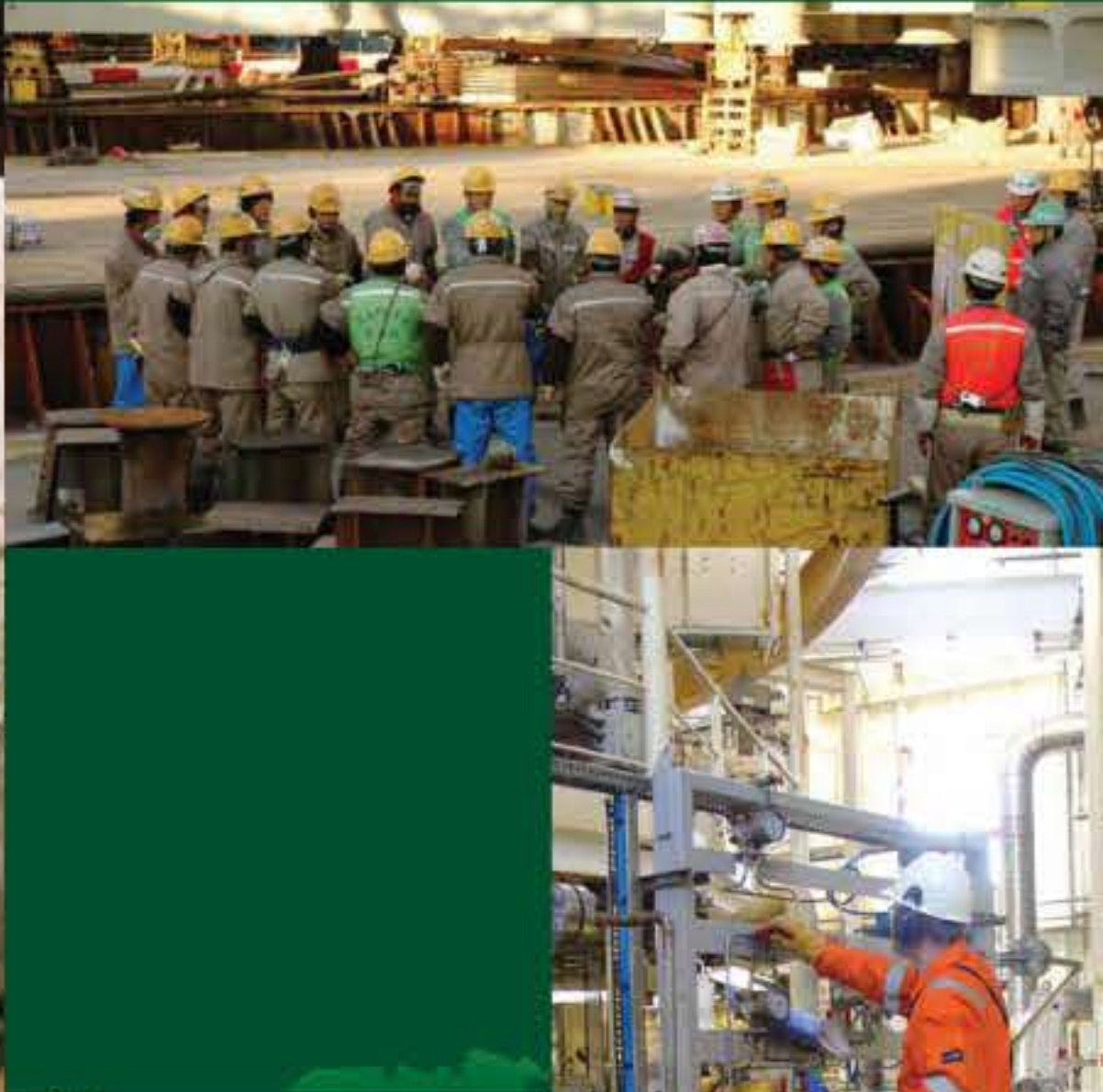




JOURNEY TO FIRST QUARTILE



LEADERSHIP HABITS

ESSENTIAL BEHAVIORS FOR EVERY HESS EMPLOYEE



PERFORMANCE

In 2002, Hess E&P raised the bar and articulated a vision to become the leading global independent, consistently performing among the top-quartile of its peers. A set of over-arching, strategic goals were set and remain in place today:

- 1 - Grow the reserve base by 5 to 8 percent per year through the drill bit and by making selective acquisitions and trades.
- 2 - Extend the life of the portfolio by growing production by 3 to 5 percent per year and achieving a Reserves to Production (R:P) ratio of 10 by 2009.

A series of measures were adopted to gauge progress versus competitors at the operating and enterprise levels. They range from safety incidents and production costs to exploration value and shareholder return.

Pay was tied more closely to performance. The more the employee contributes to business success, the more he or she earns. As these measures indicate, Hess has elevated itself, overall, from the fourth to the second quartile.

PLATFORM FOR GROWTH

Over the last five years, there have been a number of significant changes and a range of important achievements: a reshaping of the portfolio; the generation of an enviable pool of high impact exploration opportunities; a series of world class development projects; the emergence of lower-cost, longer life production assets; the recruitment of highly skilled professionals to enhance our existing workforce; and the building of a global, value chain organization to optimize results.

Hess has shown itself capable of taking intelligent risks and being flexible to secure value-adding opportunities, such as the JDA, and new exploration acreage ahead of the pack.

A unique set of Values and Habits were established to shape the culture, laying out a belief system and specific behaviors needed to compete with the best. The company continues to play a proactive role in working with the communities in which it operates and reinforcing its reputation for integrity.

Many of the elements are in place to achieve first quartile performance and sustainable long-term growth. Important production and reserve metrics, naturally in tension, must be managed to a healthy balance. And there is a continued need to attract, develop and retain highly skilled professionals to fuel that growth.

