

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

Form 10-Q

☒ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the quarter ended *March 31, 2025*

or

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the transition period from _____ to _____

Commission File Number 1-1204

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

DELAWARE
(State or Other Jurisdiction of Incorporation or Organization)

13-4921002
(I.R.S. Employer Identification Number)

1185 AVENUE OF THE AMERICAS, NEW YORK, NY
(Address of Principal Executive Offices)
10036
(Zip Code)

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

Securities registered pursuant to Section 12(b) of the Act:

<i>Title of each class</i>	<i>Trading Symbol</i>	<i>Name of exchange on which registered</i>
Common Stock	HES	New York Stock Exchange

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☒	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☐
Emerging growth company	☐		

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

At March 31, 2025, there were 309,271,043 shares of Common Stock outstanding

HESS CORPORATION
Form 10-Q
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Unless the context indicates otherwise, references to “Hess”, the “Corporation”, “Registrant”, “we”, “us”, “our” and “its” refer to the consolidated business operations of Hess Corporation and its subsidiaries.

PART I - FINANCIAL INFORMATION

Item 1. Financial Statements.

**HESS CORPORATION AND CONSOLIDATED SUBSIDIARIES
CONSOLIDATED BALANCE SHEET (UNAUDITED)**

	March 31, 2025	December 31, 2024
	(In millions, except share amounts)	
Assets		
Current Assets:		
Cash and cash equivalents	\$ 1,324	\$ 1,171
Accounts receivable:		
From contracts with customers	973	1,274
Joint venture and other	176	196
Inventories	472	419
Other current assets	131	113
Total current assets	<u>3,076</u>	<u>3,173</u>
Property, plant and equipment:		
Total — at cost	42,124	41,023
Less: Reserves for depreciation, depletion, amortization and lease impairment	<u>21,702</u>	<u>21,102</u>
Property, plant and equipment — net	<u>20,422</u>	<u>19,921</u>
Operating lease right-of-use assets — net	599	652
Finance lease right-of-use assets — net	86	90
Goodwill	360	360
Deferred income taxes	705	579
Post-retirement benefit assets	666	655
Other assets	1,224	1,121
Total Assets	<u><u>\$ 27,138</u></u>	<u><u>\$ 26,551</u></u>
Liabilities		
Current Liabilities:		
Accounts payable	\$ 437	\$ 417
Accrued liabilities	1,937	1,942
Taxes payable	105	98
Current portion of long-term debt	25	23
Current portion of operating and finance lease obligations	346	346
Total current liabilities	<u>2,850</u>	<u>2,826</u>
Long-term debt	8,654	8,555
Long-term operating lease obligations	347	404
Long-term finance lease obligations	126	132
Deferred income taxes	871	784
Asset retirement obligations	1,434	1,377
Other liabilities and deferred credits	471	470
Total Liabilities	<u>14,753</u>	<u>14,548</u>
Equity		
Hess Corporation stockholders' equity:		
Common stock, par value \$1.00; Authorized — 600,000,000 shares		
<i>Issued 309,271,043 shares (2024: 308,293,765)</i>	309	308
Capital in excess of par value	6,662	6,616
Retained earnings	4,756	4,500
Accumulated other comprehensive income (loss)	<u>(206)</u>	<u>(208)</u>
Total Hess Corporation stockholders' equity	<u>11,521</u>	<u>11,216</u>
Noncontrolling interests	864	787
Total Equity	<u>12,385</u>	<u>12,003</u>
Total Liabilities and Equity	<u><u>\$ 27,138</u></u>	<u><u>\$ 26,551</u></u>

See accompanying Notes to Consolidated Financial Statements.

PART I - FINANCIAL INFORMATION (CONT'D.)

**HESS CORPORATION AND CONSOLIDATED SUBSIDIARIES
STATEMENT OF CONSOLIDATED INCOME (UNAUDITED)**

	Three Months Ended March 31,	
	2025	2024
	(In millions, except per share amounts)	
Revenues and Non-Operating Income		
Sales and other operating revenues	\$ 2,912	\$ 3,309
Other, net	26	32
Total revenues and non-operating income	<u>2,938</u>	<u>3,341</u>
Costs and Expenses		
Marketing, including purchased oil and gas	578	622
Operating costs and expenses	470	412
Production and severance taxes	51	56
Exploration expenses, including dry holes and lease impairment	76	42
General and administrative expenses	271	124
Interest expense	92	113
Depreciation, depletion and amortization	619	557
Total costs and expenses	<u>2,157</u>	<u>1,926</u>
Income Before Income Taxes	781	1,415
Provision for income taxes	259	348
Net Income	522	1,067
Less: Net income attributable to noncontrolling interests	92	95
Net Income Attributable to Hess Corporation	<u>\$ 430</u>	<u>\$ 972</u>
 Net Income Attributable to Hess Corporation Per Common Share:		
Basic	\$ 1.40	\$ 3.17
Diluted	\$ 1.39	\$ 3.16
Weighted Average Number of Common Shares Outstanding:		
Basic	307.4	306.4
Diluted	308.6	307.9
Common Stock Dividends Per Share	\$ 0.5000	\$ 0.4375

See accompanying Notes to Consolidated Financial Statements.

PART I - FINANCIAL INFORMATION (CONT'D.)

**HESS CORPORATION AND CONSOLIDATED SUBSIDIARIES
STATEMENT OF CONSOLIDATED COMPREHENSIVE INCOME (UNAUDITED)**

	Three Months Ended March 31,	
	2025	2024
	(In millions)	
Net Income	\$ 522	\$ 1,06
Other Comprehensive Income (Loss):		
Pension and other postretirement plans		
(Increase) reduction in unrecognized actuarial losses	—	—
Income taxes on actuarial changes in plan liabilities	—	—
(Increase) reduction in unrecognized actuarial losses, net	—	—
Amortization of net actuarial losses	2	—
Income taxes on amortization of net actuarial losses	—	—
Net effect of amortization of net actuarial losses	2	—
Change in pension and other postretirement plans, after taxes	2	—
Comprehensive Income	524	1,06
Less: Comprehensive income attributable to noncontrolling interests	92	9
Comprehensive Income Attributable to Hess Corporation	<u>\$ 432</u>	<u>\$ 97</u>

See accompanying Notes to Consolidated Financial Statements.

PART I - FINANCIAL INFORMATION (CONT'D.)

**HESS CORPORATION AND CONSOLIDATED SUBSIDIARIES
STATEMENT OF CONSOLIDATED CASH FLOWS (UNAUDITED)**

	Three Months Ended March 31,	
	2025	2024
	(In millions)	
Cash Flows From Operating Activities		
Net income	\$ 522	\$ 1,067
Adjustments to reconcile net income to net cash provided by (used in) operating activities:		
Depreciation, depletion and amortization	619	557
Exploratory dry hole costs	21	—
Exploration lease impairment	7	3
Stock compensation expense	43	39
Provision for deferred income taxes and other tax accruals	103	63
Changes in operating assets and liabilities:		
(Increase) decrease in accounts receivable	321	(359)
(Increase) decrease in inventories	(53)	(78)
Increase (decrease) in accounts payable and accrued liabilities	(59)	(294)
Increase (decrease) in taxes payable	7	10
Changes in other operating assets and liabilities	(130)	(123)
Net cash provided by (used in) operating activities	<u>1,401</u>	<u>885</u>
Cash Flows From Investing Activities		
Additions to property, plant and equipment - E&P	(966)	(902)
Additions to property, plant and equipment - Midstream	(46)	(55)
Proceeds from asset sales, net of cash sold	2	—
Other, net	—	(1)
Net cash provided by (used in) investing activities	<u>(1,010)</u>	<u>(958)</u>
Cash Flows From Financing Activities		
Net borrowings (repayments) of debt with maturities of 90 days or less	113	115
Debt with maturities of greater than 90 days:		
Borrowings	800	—
Repayments	(805)	(3)
Cash dividends paid	(157)	(137)
Noncontrolling interests, net	(156)	(151)
Employee stock options exercised	6	11
Withholding tax on stock-based incentive awards	(24)	(8)
Payments on finance lease obligations	(3)	(3)
Other, net	(12)	(1)
Net cash provided by (used in) financing activities	<u>(238)</u>	<u>(177)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	153	(250)
Cash and Cash Equivalents at Beginning of Year	1,171	1,688
Cash and Cash Equivalents at End of Period	<u>\$ 1,324</u>	<u>\$ 1,438</u>

See accompanying Notes to Consolidated Financial Statements.

PART I - FINANCIAL INFORMATION (CONT'D.)

**HESS CORPORATION AND CONSOLIDATED SUBSIDIARIES
STATEMENT OF CONSOLIDATED EQUITY (UNAUDITED)**

	Common Stock	Capital in Excess of Par	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Total Hess Stockholders' Equity	Noncontrolling Interests	Total Equity
<u>For the Three Months Ended March 31, 2025</u>							
Balance at January 1, 2025	\$ 308	\$ 6,616	\$ 4,500	\$ (208)	\$ 11,216	\$ 787	\$ 12,003
Net income	—	—	430	—	430	92	522
Other comprehensive income (loss)	—	—	—	2	2	—	2
Share-based compensation	1	46	(20)	—	27	—	27
Dividends on common stock	—	—	(154)	—	(154)	—	(154)
Sale of Class A shares of Hess Midstream LP	—	—	—	—	—	129	129
Repurchase of Class B units of Hess Midstream Operations LP	—	—	—	—	—	(50)	(50)
Noncontrolling interests, net	—	—	—	—	—	(94)	(94)
Balance at March 31, 2025	<u>\$ 309</u>	<u>\$ 6,662</u>	<u>\$ 4,756</u>	<u>\$ (206)</u>	<u>\$ 11,521</u>	<u>\$ 864</u>	<u>\$ 12,385</u>
<u>For the Three Months Ended March 31, 2024</u>							
Balance at January 1, 2024	\$ 307	\$ 6,495	\$ 2,318	\$ (134)	\$ 8,986	\$ 616	\$ 9,602
Net income	—	—	972	—	972	95	1,067
Other comprehensive income (loss)	—	—	—	—	—	—	—
Share-based compensation	1	50	(6)	—	45	—	45
Dividends on common stock	—	—	(135)	—	(135)	—	(135)
Sale of Class A shares of Hess Midstream LP	—	—	—	—	—	94	94
Repurchase of Class B units of Hess Midstream Operations LP	—	—	—	—	—	(53)	(53)
Noncontrolling interests, net	—	—	—	—	—	(89)	(89)
Balance at March 31, 2024	<u>\$ 308</u>	<u>\$ 6,545</u>	<u>\$ 3,149</u>	<u>\$ (134)</u>	<u>\$ 9,868</u>	<u>\$ 663</u>	<u>\$ 10,531</u>

See accompanying Notes to Consolidated Financial Statements.

PART I- FINANCIAL INFORMATION (CONT'D.)
HESS CORPORATION AND CONSOLIDATED SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

1. Basis of Presentation

The financial statements included in this report reflect all normal and recurring adjustments which, in the opinion of management, are necessary for a fair presentation of our consolidated financial position at March 31, 2025 and December 31, 2024, the consolidated results of operations for the three months ended March 31, 2025 and 2024, and consolidated cash flows for the three months ended March 31, 2025 and 2024. The unaudited results of operations for the interim periods reported are not necessarily indicative of results to be expected for the full year.

The financial statements were prepared in accordance with the requirements of the Securities and Exchange Commission (SEC) for interim reporting. As permitted under those rules, certain notes or other financial information that are normally required by generally accepted accounting principles (GAAP) in the United States have been condensed or omitted from these interim financial statements. These statements, therefore, should be read in conjunction with the consolidated financial statements and related notes included in the Corporation's Annual Report on Form 10-K for the year ended December 31, 2024.

On October 22, 2023, we entered into an Agreement and Plan of Merger (the Merger Agreement) with Chevron Corporation (Chevron) and Yankee Merger Sub Inc. (Merger Subsidiary), a direct, wholly-owned subsidiary of Chevron. The Merger Agreement provides that, among other things and subject to the terms and conditions of the Merger Agreement, Merger Subsidiary will be merged with and into Hess, and Hess will be the surviving corporation in the Merger as a direct, wholly-owned subsidiary of Chevron (such transaction, the Merger). Under the terms of the Merger Agreement, if the Merger is completed, our stockholders will receive at the effective time of the Merger consideration consisting of 1.025 shares of Chevron common stock for each share of our common stock. On May 28, 2024, holders of a majority of Hess' outstanding common stock voted to approve the Merger. Hess Guyana Exploration Limited (HGEL), a wholly-owned subsidiary of Hess, is currently in arbitration relating to the applicability of a right of first refusal (the Stabroek ROFR) contained in the operating agreement (the Stabroek JOA) among HGEL and affiliates of Exxon Mobil Corporation (Exxon Mobil) and China National Offshore Oil Corporation (CNOOC). The arbitration merits hearing about the applicability of the Stabroek ROFR to the Merger has been scheduled for May 2025, with a decision expected in the third quarter. We cannot predict the date on which the Merger will be completed because it is subject to conditions beyond our control, including the outcome of the arbitration.

New Accounting Pronouncements:

In December 2023, the Financial Accounting Standards Board (FASB) issued Accounting Standard Update (ASU) No. 2023-09, *Improvements to Income Tax Disclosures*, which enhances the disclosure requirements within Accounting Standards Codification Topic 740. The ASU requires, among other disclosures, greater disaggregation of information and the use of certain categories in the rate reconciliation, and the disaggregation of income taxes paid by jurisdiction. The ASU will be effective for the Corporation for the year ending December 31, 2025. We do not expect this ASU to have a material impact on our consolidated financial statements.

In November 2024, the FASB issued ASU No. 2024-03, *Disaggregation of Income Statement Expenses*. This ASU requires disclosure of specified information about certain cost and expense captions. Such information includes the amounts of certain items included within those captions, such as the amount of employee compensation, and depreciation, depletion and amortization. The ASU is effective for annual reporting periods beginning after December 15, 2026, and interim reporting periods beginning after December 15, 2027. Early adoption is permitted. We are currently assessing the impact of adopting this ASU on our consolidated financial statements.

2. Inventories

Inventories consisted of the following:

	March 31, 2025	December 31, 2024
	(In millions)	
Crude oil and natural gas liquids	\$ 100	\$ 95
Materials and supplies	372	324
Total Inventories	<u>\$ 472</u>	<u>\$ 419</u>

PART I - FINANCIAL INFORMATION (CONT'D.)
HESS CORPORATION AND CONSOLIDATED SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

3. Property, Plant and Equipment

Capitalized Exploratory Well Costs:

The following table discloses the net changes in capitalized exploratory well costs pending determination of proved reserves during the three months ended March 31, 2025 (in millions):

Balance at January 1, 2025	\$	1,010
Additions to capitalized exploratory well costs pending the determination of proved reserves		28
Balance at March 31, 2025	<u>\$</u>	<u>1,038</u>

In the first quarter of 2025, additions to capitalized exploratory well costs pending determination of proved reserves primarily related to wells drilled on the Stabroek Block (Hess 30%), offshore Guyana. At March 31, 2025, 37 exploration and appraisal wells on the Stabroek Block, with a total cost of \$967 million, were capitalized pending determination of proved reserves. The preceding table excludes well costs of \$21 million that were incurred and expensed during the first quarter of 2025.

At March 31, 2025, exploratory well costs capitalized for greater than one year following completion of drilling of \$881 million was comprised of the following:

Guyana: 93% of the capitalized well costs in excess of one year relate to successful exploration and appraisal wells where hydrocarbons were encountered on the Stabroek Block. A field development plan for the seventh development project on the block, Hammerhead, was submitted by the operator to the Government of Guyana for approval in March 2025. The operator plans further appraisal drilling on the block and is conducting pre-development planning for additional phases of development.

Suriname: 5% of the capitalized well costs in excess of one year relate to the Zanderij-1 well on Block 42 (Hess 33%). Exploration and appraisal activities are ongoing.

Malaysia: 2% of the capitalized well costs in excess of one year relate to the North Malay Basin (Hess 50%), offshore Peninsular Malaysia, where hydrocarbons were encountered in two successful exploration wells. Pre-development studies are ongoing.

4. Hess Midstream LP

At March 31, 2025, Hess Midstream LP, a variable interest entity that is fully consolidated by Hess Corporation, had liabilities totaling \$3,711 million (December 31, 2024: \$3,652 million) that are on a non-recourse basis to Hess Corporation, while Hess Midstream LP assets available to settle the obligations of Hess Midstream LP included cash and cash equivalents totaling \$6 million (December 31, 2024: \$4 million), property, plant and equipment, net with a carrying value of \$3,324 million (December 31, 2024: \$3,325 million) and an equity-method investment in the Little Missouri 4 (LM4) gas processing plant with a carrying value of \$86 million (December 31, 2024: \$87 million). At March 31, 2025, we have an approximate 38% consolidated ownership interest in Hess Midstream LP on an as-exchanged basis, primarily through our ownership of Class B units in Hess Midstream Operations LP (HESM Opco), the operating subsidiary of Hess Midstream LP, which are exchangeable into Class A shares of Hess Midstream LP on a one-for-one basis.

LM4 is a 200 million standard cubic feet per day gas processing plant located south of the Missouri River in McKenzie County, North Dakota, that was constructed as part of a 50/50 joint venture between Hess Midstream LP and Targa Resources Corp. Hess Midstream LP has a natural gas processing agreement with LM4 under which it pays a processing fee and reimburses LM4 for its proportionate share of electricity costs. The processing fees included in *Operating costs and expenses* in the *Statement of Consolidated Income* for the three months ended March 31, 2025 were \$8 million (2024 Q1: \$7 million).

During the first quarter of 2025, Hess Midstream LP completed an underwritten secondary public equity offering of 12.7 million (2024 Q1: 11.5 million) Hess Midstream LP Class A shares held by an affiliate of Global Infrastructure Partners (GIP). Hess Corporation did not receive any proceeds from this public equity offering. As this transaction did not result in a change in Hess Corporation's ownership interest in Hess Midstream LP on a consolidated basis, there was no adjustment to *Noncontrolling interests* resulting from changes to ownership interests. However, this transaction resulted in an increase in *Noncontrolling interests* due to an increase in deferred tax assets of \$129 million (2024 Q1: \$94 million) resulting from a step-up in the tax basis of Hess Midstream LP's investment in HESM Opco.

During the first quarter of 2025, HESM Opco repurchased 2.6 million (2024 Q1: 2.8 million) HESM Opco Class B units held by affiliates of Hess Corporation and GIP for \$100 million (2024 Q1: \$100 million), which was financed using borrowings under HESM Opco's revolving credit facility. As Hess Corporation participated in this repurchase only to the extent necessary to maintain its current ownership interest in Hess Midstream LP on a consolidated basis, there was no adjustment to *Noncontrolling interests* resulting from changes to ownership interests. However, the repurchase resulted in an increase in *Noncontrolling interests* due to an

PART I - FINANCIAL INFORMATION (CONT'D.)
HESS CORPORATION AND CONSOLIDATED SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

increase in deferred tax assets of \$12 million (2024 Q1: \$9 million) resulting from an adjustment in the carrying value of Hess Midstream LP's investment in HESM Opco without a corresponding adjustment in the tax basis. The proceeds paid to GIP of \$62 million (2024 Q1: \$62 million) reduced *Noncontrolling interests*.

5. Accrued Liabilities

Accrued Liabilities consisted of the following:

	March 31, 2025	December 31, 2024
	(In millions)	
Accrued capital expenditures	\$ 801	\$ 726
Accrued operating and marketing expenditures	537	584
Accrued payments to royalty and working interest owners	178	186
Accrued interest on debt	122	141
Current portion of asset retirement obligations	82	81
Accrued compensation and benefits	66	199
Other accruals	151	25
Total Accrued Liabilities	\$ 1,937	\$ 1,942

6. Debt

In the first quarter of 2025, HESM Opco issued \$800 million aggregate principal amount of 5.875% fixed-rate senior unsecured notes due 2028 in a private offering. The notes are guaranteed by certain of HESM Opco's direct and indirect wholly owned material domestic subsidiaries and the indenture for the notes contain covenants that are substantially similar to the covenants contained in the indentures for the other existing HESM Opco fixed-rate senior unsecured notes. Proceeds from these notes were used to redeem HESM Opco's outstanding \$800 million aggregate principal amount of 5.625% fixed-rate senior unsecured notes due 2026.

PART I - FINANCIAL INFORMATION (CONT'D.)
HESS CORPORATION AND CONSOLIDATED SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

7. Revenue

Revenue from contracts with customers on a disaggregated basis was as follows (in millions):

	Exploration and Production				Midstream	Eliminations	Total
	United States	Guyana	Malaysia and JDA	E&P Total			
Three Months Ended March 31, 2025							
Sales of net production volumes:							
Crude oil revenue	\$ 745	\$ 1,149	\$ 4	\$ 1,898	\$ —	\$ —	\$ 1,898
Natural gas liquids revenue	171	—	—	171	—	—	171
Natural gas revenue	73	—	182	255	—	—	255
Sales of purchased oil and gas	556	24	—	580	—	—	580
Third-party services	—	—	—	—	7	—	7
Intercompany revenue	—	—	—	—	374	(374)	—
Total sales (a)	1,545	1,173	186	2,904	381	(374)	2,911
Other operating revenues (b)	—	—	—	—	1	—	1
Total sales and other operating revenues	\$ 1,545	\$ 1,173	\$ 186	\$ 2,904	\$ 382	\$ (374)	\$ 2,912
Three Months Ended March 31, 2024							
Sales of net production volumes:							
Crude oil revenue	\$ 789	\$ 1,510	\$ 29	\$ 2,328	\$ —	\$ —	\$ 2,328
Natural gas liquids revenue	153	—	—	153	—	—	153
Natural gas revenue	48	—	211	259	—	—	259
Sales of purchased oil and gas	533	30	—	563	—	—	563
Third-party services	—	—	—	—	5	—	5
Intercompany revenue	—	—	—	—	350	(350)	—
Total sales (a)	1,523	1,540	240	3,303	355	(350)	3,308
Other operating revenues (b)	—	—	—	—	1	—	1
Total sales and other operating revenues	\$ 1,523	\$ 1,540	\$ 240	\$ 3,303	\$ 356	\$ (350)	\$ 3,309

(a) Guyana crude oil revenue includes \$133 million of revenue from non-customers for the three months ended March 31, 2025 (2024 Q1: \$252 million).

(b) Other operating revenues are not a component of revenues from contracts with customers.

There have been no significant changes to contracts with customers or the composition thereof during the three months ended March 31, 2025. At March 31, 2025 and December 31, 2024, there were no contract assets or liabilities.

8. Retirement Plans

Components of net periodic benefit cost (income) consisted of the following:

	Three Months Ended March 31,	
	2025	2024
	(In millions)	
Service cost	\$ 12	\$ 10
Interest cost (a)	25	23
Expected return on plan assets (a)	(38)	(38)
Amortization of unrecognized net actuarial losses (a)	2	—
Net periodic benefit cost (income)	<u>\$ 1</u>	<u>\$ (5)</u>

(a) These other components of net periodic benefit cost (income) included in Other, net in the Statement of Consolidated Income was \$(11) million for the three months ended March 31, 2025 compared with \$(15) million for the three months ended March 31, 2024.

PART I - FINANCIAL INFORMATION (CONT'D.)
HESS CORPORATION AND CONSOLIDATED SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

9. Weighted Average Common Shares

The Net income and weighted average number of common shares used in the basic and diluted earnings per share computations were as follows:

	Three Months Ended March 31,	
	2025	2024
	(In millions)	
Net income attributable to Hess Corporation:		
Net income	\$ 522	\$ 1,067
Less: Net income attributable to noncontrolling interests	92	95
Net income attributable to Hess Corporation	<u>\$ 430</u>	<u>\$ 972</u>
Weighted average number of common shares outstanding:		
Basic	307.4	306.4
Effect of dilutive securities		
Restricted common stock	0.5	0.4
Stock options	0.5	0.6
Performance share units	0.2	0.5
Diluted	<u>308.6</u>	<u>307.9</u>

The following table summarizes the number of antidilutive shares excluded from the computation of diluted shares:

	Three Months Ended March 31,	
	2025	2024
Restricted common stock	—	174
Stock options	186,591	189,260
Performance share units	—	—

During the three months ended March 31, 2025, we granted 753,794 shares of restricted stock (2024 Q1: 732,691). There were no performance share units or stock options granted in the three months ended March 31, 2025 and 2024.

10. Supplementary Cash Flow Information

The following information supplements the *Statement of Consolidated Cash Flows*:

	Three Months Ended March 31,	
	2025	2024
	(In millions)	
Cash Flows From Operating Activities		
Interest paid	\$ (110)	\$ (145)
Net income taxes (paid) refunded (a)	(4)	(12)
Cash Flows From Investing Activities		
Additions to property, plant and equipment – E&P:		
Capital expenditures incurred – E&P	\$ (1,037)	\$ (888)
Increase (decrease) in related liabilities	71	(14)
Additions to property, plant and equipment – E&P	<u>\$ (966)</u>	<u>\$ (902)</u>
Additions to property, plant and equipment – Midstream:		
Capital expenditures incurred – Midstream	\$ (50)	\$ (35)
Increase (decrease) in related liabilities	4	(20)
Additions to property, plant and equipment – Midstream	<u>\$ (46)</u>	<u>\$ (55)</u>

(a) Does not include the value of the portion of gross production from the Stabroek block used to satisfy the Guyana income tax liability.

PART I- FINANCIAL INFORMATION (CONT'D.)
HESS CORPORATION AND CONSOLIDATED SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

11. Guarantees and Contingencies

We are subject to loss contingencies with respect to various claims, lawsuits and other proceedings. A liability is recognized in our consolidated financial statements when it is probable that 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, we disclose the nature of those contingencies. We cannot predict with certainty if, how or when existing claims, lawsuits and proceedings will be resolved or what the eventual relief, if any, may be, particularly for proceedings that are in their early stages of development or where plaintiffs seek indeterminate damages.

We, along with many companies that have been or continue to be engaged in refining and marketing of gasoline, have 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 us. The principal allegation in all cases was that gasoline containing MTBE was a defective product and that these producers and refiners 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. The majority of the cases asserted against us have been settled. There are two remaining active cases, filed by Pennsylvania and Maryland. In June 2014, the Commonwealth of Pennsylvania filed a lawsuit alleging that we and all major oil companies with operations in Pennsylvania, have damaged the groundwater by introducing thereto gasoline with MTBE. The Pennsylvania suit has been forwarded to the existing MTBE multidistrict litigation pending in the Southern District of New York. In December 2017, the State of Maryland filed a lawsuit alleging that we and other major oil companies damaged the groundwater in Maryland by introducing thereto gasoline with MTBE. The suit, filed in Maryland state court, was served on us in January 2018 and has been removed to federal court by the defendants.

In March 2014, we received an Administrative Order from the EPA requiring us and 26 other parties to undertake the Remedial Design for the remedy selected by the EPA for the Gowanus Canal Superfund Site in Brooklyn, New York. Our alleged liability derives from our former ownership and operation of a fuel oil terminal and connected shipbuilding and repair facility adjacent to the Canal. The remedy selected by the EPA includes dredging of surface sediments and the placement of a cap over the deeper sediments throughout the Canal and in-situ stabilization of certain contaminated sediments that will remain in place below the cap. The EPA's original estimate was that this remedy would cost \$506 million; however, the ultimate costs that will be incurred in connection with the design and implementation of the remedy remain uncertain. We have complied with the EPA's March 2014 Administrative Order and contributed funding for the Remedial Design based on an allocation of costs among the parties determined by a third-party expert. In January 2020, we received an additional Administrative Order from the EPA requiring us and several other parties to begin Remedial Action along the uppermost portion of the Canal. We intend to comply with this Administrative Order. The remediation work began in the fourth quarter of 2020. Based on currently known facts and circumstances, we do not believe that this matter will result in a significant liability to us, and the costs will continue to be allocated amongst the parties, as they were for the Remedial Design.

From time to time, we are involved in other judicial and administrative proceedings relating to environmental matters. We periodically receive notices from the EPA that we are a "potential responsible party" under the Superfund legislation with respect to various waste disposal sites. Under this legislation, all potentially responsible parties may be jointly and severally liable. For any site for which we have received such a notice, the EPA's claims or assertions of liability against us relating to these sites have not been fully developed, or the EPA's claims have been settled or a settlement is under consideration, in all cases for amounts that are not material. Beginning in 2017, certain states, municipalities and private associations in California, Delaware, Maryland, Rhode Island and South Carolina separately filed lawsuits against oil, gas and coal producers, including us, for alleged damages purportedly caused by climate change. These proceedings include claims for monetary damages and injunctive relief. Beginning in 2013, various parishes in Louisiana filed suit against approximately 100 oil and gas companies, including us, alleging that the companies' operations and activities in certain fields violated the State and Local Coastal Resource Management Act of 1978, as amended, and caused contamination, subsidence and other environmental damages to land and water bodies located in the coastal zone of Louisiana. The plaintiffs seek, among other things, the payment of the costs necessary to clear, re-vegetate and otherwise restore the allegedly impacted areas. The ultimate impact of such climate and other aforementioned environmental proceedings, and of any related proceedings by private parties, on our business or accounts cannot be predicted at this time due to the large number of other potentially responsible parties and the speculative nature of clean-up cost estimates.

We are involved in several claims in federal and state courts in North Dakota related to post-production deductions from royalty and working interest payments. In these claims, various royalty and working interest owners assert that we take unauthorized or excessive post-production deductions from royalty or working interest payments for oil and gas gathering, processing and transportation costs and expenses, and they seek reimbursement for allegedly underpaid revenue. It is our position that these costs and expenses are actual, reasonable, necessary, and authorized by the respective leases and North Dakota law. We believe, based on the

PART I - FINANCIAL INFORMATION (CONT'D.)
HESS CORPORATION AND CONSOLIDATED SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

facts and circumstances of these claims, we have viable defenses. Nevertheless, in recognition of the costs and risks involved with litigation, settlement for some of these claims is under consideration. As of March 31, 2025, we have a reserve of \$129 million in *Accrued liabilities* in our *Consolidated Balance Sheet* in anticipation of settlement of certain of these claims. For the remaining claims and any unasserted claims, loss is not probable and the ultimate impact on our business or accounts cannot be estimated at this time due to speculative and indeterminate damages.

We may also be exposed to future decommissioning liabilities for divested assets in the event the current or future owners of facilities previously owned by us are determined to be unable to perform such actions, whether due to bankruptcy or otherwise. We cannot predict with certainty if, how or when such proceedings will be resolved or what the eventual relief, if any, may be, particularly for proceedings that are in their early stages of development or where plaintiffs seek indeterminate damages. Numerous issues may need to be resolved, including through potentially lengthy discovery and determination of important factual matters before a loss or range of loss can be reasonably estimated for any proceeding.

Subject to the foregoing, in management's opinion, based upon currently known facts and circumstances, the outcome of lawsuits, claims and proceedings, including the matters disclosed above, is not expected to have a material adverse effect on our financial condition, results of operations or cash flows. However, we could incur judgments, enter into settlements, or revise our opinion regarding the outcome of certain matters, and such developments could have a material adverse effect on our results of operations in the period in which the amounts are accrued and our cash flows in the period in which the amounts are paid.

12. Segment Information

We have two operating segments, Exploration and Production (E&P) and Midstream. The E&P operating segment explores for, develops, produces, purchases and sells crude oil, NGL and natural gas. Production operations for the three months ended March 31, 2025 and 2024 were in Guyana, the U.S., Malaysia and the Malaysia/Thailand Joint Development Area (JDA). The Midstream operating segment provides fee-based services, including gathering, compressing and processing natural gas and fractionating NGL; gathering, terminaling, loading and transporting crude oil and NGL; storing and terminaling propane, and water handling services primarily in the Bakken shale play of North Dakota. All unallocated costs are reflected under Corporate, Interest and Other.

Our Chief Executive Officer is our Chief Operating Decision Maker (CODM). The CODM oversees the drafting of the budget, which is submitted to the board of directors each year for approval, and allocates resources during the budgeting process to our operating segments based on various factors, including project economics and contractual commitments. The CODM assesses performance by monitoring significant changes to the forecast and net income attributable to Hess Corporation for each operating segment.

The following table presents operating segment financial data (in millions):

	Exploration and Production	Midstream	Corporate, Interest and Other	Eliminations	Total
	(In millions)				
For the Three Months Ended March 31, 2025					
Sales and other operating revenues	\$ 2,904	\$ 8	\$ —	\$ —	\$ 2,912
Intersegment revenues	—	374	—	(374)	—
Total sales and other operating revenues	2,904	382	—	(374)	2,912
Less:					
Marketing expenses, including purchased oil and gas	599	—	—	(21)	578
Operating costs and expenses	389	86	—	(5)	470
Production and severance taxes	51	—	—	—	51
Midstream tariffs	348	—	—	(348)	—
Exploration expenses, excluding dry holes	55	—	—	—	55
General and administrative expenses	214	7	50	—	271
Depreciation, depletion and amortization	568	51	—	—	619
Provision for income taxes	236	23	—	—	259
Other segment items (a)	10	145	24	—	179
Net income (loss) attributable to Hess Corporation	\$ 434	\$ 70	\$ (74)	\$ —	\$ 430

PART I - FINANCIAL INFORMATION (CONT'D.)
HESS CORPORATION AND CONSOLIDATED SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

	Exploration and Production	Midstream	Corporate, Interest and Other	Eliminations	Total
	(In millions)				
For the Three Months Ended March 31, 2024					
Sales and other operating revenues	\$ 3,303	\$ 6	\$ —	\$ —	\$ 3,309
Intersegment revenues	—	350	—	(350)	—
Total sales and other operating revenues	3,303	356	—	(350)	3,309
Less:					
Marketing expenses, including purchased oil and gas	640	—	—	(18)	622
Operating costs and expenses	338	78	—	(4)	412
Production and severance taxes	56	—	—	—	56
Midstream tariffs	328	—	—	(328)	—
Exploration expenses, excluding dry holes	42	—	—	—	42
General and administrative expenses	72	6	46	—	124
Depreciation, depletion and amortization	507	50	—	—	557
Provision for income taxes	334	14	—	—	348
Other segment items (a)	(11)	141	46	—	176
Net income (loss) attributable to Hess Corporation	<u>\$ 997</u>	<u>\$ 67</u>	<u>\$ (92)</u>	<u>\$ —</u>	<u>\$ 972</u>

(a) Other segment items include gains on asset sales, other non-operating income, exploratory dry hole costs, interest expense, long-lived asset impairment, and net income (loss) attributable to noncontrolling interests.

The following table presents other segment disclosures (in millions):

	Exploration and Production	Midstream	Corporate, Interest and Other	Eliminations	Total
	(In millions)				
For the Three Months Ended March 31, 2025					
Interest expense	\$ —	\$ 58	\$ 34	\$ —	\$ 92
Capital expenditures	1,037	50	—	—	1,087
For the Three Months Ended March 31, 2024					
Interest expense	\$ —	\$ 49	\$ 64	\$ —	\$ 113
Capital expenditures	888	35	—	—	923

Identifiable assets by operating segment were as follows:

	March 31, 2025	December 31, 2024
	(In millions)	
Exploration and Production	\$ 20,846	\$ 20,593
Midstream	4,459	4,343
Corporate, Interest and Other	1,833	1,615
Total	<u>\$ 27,138</u>	<u>\$ 26,551</u>

Corporate, Interest and Other had interest income of \$10 million for the three months ended March 31, 2025 (2024 Q1: \$17 million), which is included in *Other, net* in the *Statement of Consolidated Income*.

PART I - FINANCIAL INFORMATION (CONT'D.)
HESS CORPORATION AND CONSOLIDATED SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

13. Financial Instruments

In the normal course of our business, we are exposed to commodity risks related to changes in the prices of crude oil and natural gas, as well as changes in interest rates and foreign currency values. Financial risk management activities include transactions designed to reduce risk in the selling prices of crude oil or natural gas we produce or reduce our exposure to foreign currency or interest rate movements. Generally, futures, swaps or option strategies may be used to fix the forward selling price, or establish a floor price or a range banded with a floor and ceiling price, for a portion of our crude oil or natural gas production. Such strategies are subject to certain limitations under the Merger Agreement. Forward contracts or swaps may also be used to purchase certain currencies in which we conduct business with the intent of reducing exposure to foreign currency fluctuations.

At March 31, 2025, we had foreign exchange forward contracts and swaps relating to the British Pound and Malaysian Ringgit. The notional amount of these outstanding foreign exchange forward contracts and swaps at March 31, 2025 and December 31, 2024 was \$197 million and \$189 million, respectively. The fair value of our foreign exchange forward contracts and swaps was an asset of less than \$1 million at March 31, 2025 and December 31, 2024.

At March 31, 2025, our total long-term debt, which was substantially comprised of fixed-rate debt instruments, had a carrying value of \$8,679 million and a fair value of \$8,967 million based on Level 2 inputs in the fair value measurement hierarchy. We also have short-term financial instruments, primarily cash equivalents, accounts receivable and accounts payable, for which the carrying value approximated fair value at March 31, 2025 and December 31, 2024.

14. Subsequent Events

On May 5, 2025, HESM Opco entered into a unit repurchase agreement to repurchase 5.2 million HESM Opco Class B units held by affiliates of Hess Corporation and GIP for \$190 million. In addition, Hess Midstream LP entered into an accelerated share repurchase agreement with a financial institution on May 5, 2025 to repurchase \$10 million of Hess Midstream LP publicly traded Class A shares. The accelerated share repurchase transaction is expected to complete in May. Both the Class B unit repurchase and the repurchase of Class A shares are expected to be financed using borrowings under HESM Opco's revolving credit facility.

PART I - FINANCIAL INFORMATION (CONT'D.)

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

The following Management's Discussion and Analysis of Financial Condition and Results of Operations should be read together with the unaudited consolidated financial statements and accompanying footnotes for the quarter ended March 31, 2025 included under Item 1. Financial Statements of this Form 10-Q and the audited consolidated financial statements and related notes included in Item 8 of our Annual Report on Form 10-K for the year ended December 31, 2024. This discussion contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those discussed below. Factors that could cause or contribute to such differences include, but are not limited to, those discussed in Part I, Item 1A Risk Factors of our Annual Report on Form 10-K for the year ended December 31, 2024.

Overview

Hess Corporation is a global E&P company engaged in exploration, development, production, transportation, purchase and sale of crude oil, natural gas liquids, and natural gas with production operations located in the United States (U.S.), Guyana, the Malaysia/Thailand Joint Development Area (JDA) and Malaysia. We conduct exploration activities primarily offshore Guyana, in the U.S. Gulf of America, and offshore Suriname. At the Stabroek Block (Hess 30%), offshore Guyana, we and our partners have discovered a significant resource base and are executing a multi-phased development of the block. We currently have three floating production, storage and offloading vessels (FPSO) producing, and plan to have eight FPSOs producing by the end of 2030 with an aggregate expected production capacity of approximately 1.7 million gross barrels of oil per day (bopd). The discovered resources to date on the block are expected to underpin the potential for up to ten FPSOs.

Our Midstream operating segment, which is comprised of Hess Corporation's approximate 38% consolidated ownership interest in Hess Midstream LP at March 31, 2025, provides fee-based services, including gathering, compressing and processing natural gas and fractionating natural gas liquids (NGL); gathering, terminaling, loading and transporting crude oil and NGL; storing and terminaling propane, and water handling services primarily in the Bakken shale play in the Williston Basin area of North Dakota.

On October 22, 2023, we entered into an Agreement and Plan of Merger (the Merger Agreement) with Chevron Corporation (Chevron) and Yankee Merger Sub Inc. (Merger Subsidiary), a direct, wholly-owned subsidiary of Chevron. The Merger Agreement provides that, among other things and subject to the terms and conditions of the Merger Agreement, Merger Subsidiary will be merged with and into Hess, and Hess will be the surviving corporation in the Merger as a direct, wholly-owned subsidiary of Chevron (such transaction, the Merger). Under the terms of the Merger Agreement, if the Merger is completed, our stockholders will receive at the effective time of the Merger consideration consisting of 1.025 shares of Chevron common stock for each share of our common stock. On May 28, 2024, holders of a majority of Hess' outstanding common stock voted to approve the Merger. Hess Guyana Exploration Limited (HGEL), a wholly-owned subsidiary of Hess, is currently in arbitration relating to the applicability of a right of first refusal (the Stabroek ROFR) contained in the operating agreement (the Stabroek JOA) among HGEL and affiliates of Exxon Mobil Corporation (Exxon Mobil) and China National Offshore Oil Corporation (CNOOC). The arbitration merits hearing about the applicability of the Stabroek ROFR to the Merger has been scheduled for May 2025, with a decision expected in the third quarter. We cannot predict the date on which the Merger will be completed because it is subject to conditions beyond our control, including the outcome of the arbitration.

First Quarter Results

In the first quarter of 2025, net income was \$430 million, compared with \$972 million in the first quarter of 2024. Excluding items affecting comparability of earnings between periods detailed on page 23, adjusted net income was \$559 million in the first quarter of 2025. The decrease in adjusted after-tax earnings in the first quarter of 2025, compared with the prior-year quarter, primarily reflects lower realized oil selling prices and sales volumes in the first quarter of 2025.

Exploration and Production Results

In the first quarter of 2025, E&P had net income of \$434 million, compared with \$997 million in the first quarter of 2024. Excluding items affecting comparability of earnings between periods, adjusted net income was \$563 million in the first quarter of 2025. Total net production averaged 476,000 barrels of oil equivalent per day (boepd) in the first quarter of both 2025 and 2024. The average realized crude oil selling price was \$71.22 per barrel in the first quarter of 2025, compared with \$80.06 per barrel in the first quarter of 2024. The average realized NGL selling price in the first quarter of 2025 was \$24.08 per barrel, compared with \$22.97 per barrel in the prior-year quarter, while the average realized natural gas selling price was \$4.89 per thousand cubic feet (mcf) in the first quarter of 2025, compared with \$4.62 per mcf in the first quarter of 2024.

PART I- FINANCIAL INFORMATION (CONT'D.)

Overview (continued)

The following is an update of our ongoing E&P activities in the first quarter:

- In North Dakota, net production from the Bakken averaged 195,000 boepd for the first quarter of 2025 (2024 Q1: 190,000 boepd), primarily reflecting increased drilling and completion activity partially offset by the impact of winter weather in the first quarter of 2025. NGL and natural gas volumes received under percentage of proceeds contracts were 19,000 boepd in the first quarter of both 2025 and 2024. During the first quarter of 2025, we operated four rigs and drilled 28 wells, completed 36 wells, and brought 32 new wells online. We plan to continue operating four drilling rigs in 2025, and we forecast net production to be in the range of 210,000 boepd to 215,000 boepd in the second quarter of 2025.
- In the Gulf of America, net production for the first quarter of 2025 averaged 41,000 boepd (2024 Q1: 31,000 boepd), primarily due to start-up of the Pickerel well (Hess 100%) that achieved first production in June 2024 as a tieback to the Tubular Bells production facility.
- At the Stabroek Block (Hess 30%), offshore Guyana, net production totaled 183,000 bopd for the first quarter of 2025 (2024 Q1: 190,000 bopd), primarily due to lower tax barrels in the first quarter of 2025. Net production from Guyana included 20,000 bopd of tax barrels in the first quarter of 2025 (2024 Q1: 33,000 bopd). In the first quarter of 2025, we sold 14 cargos of crude oil from Guyana compared with 15 cargos in the prior-year quarter. We expect to sell 15 cargos of crude oil in the second quarter of 2025. We forecast net production to be approximately 180,000 bopd in the second quarter of 2025, which includes tax barrels of approximately 20,000 bopd.

The fourth and largest oil development on the block to date, Yellowtail, is on track to start-up in the third quarter of 2025 with an initial gross production capacity of approximately 250,000 bopd utilizing the ONE GUYANA FPSO, which arrived offshore Guyana on April 15, 2025. The fifth development, Uaru, was sanctioned in April 2023 with a gross production capacity of approximately 250,000 bopd and first production expected in 2026. The sixth development, Whiptail, was sanctioned in April 2024 with a gross production capacity of approximately 250,000 bopd and first production expected in 2027. A field development plan for the seventh development, Hammerhead, was submitted to the Government of Guyana in March 2025. Pending government and regulatory approval and project sanctioning, the development is anticipated to have a gross production capacity of approximately 150,000 bopd and first production expected in 2029.

- In the Gulf of Thailand, net production from Block A-18 of the JDA averaged 29,000 boepd for the first quarter of 2025 (2024 Q1: 33,000 boepd), including contribution from unitized acreage in Malaysia. Net production from North Malay Basin, offshore Peninsular Malaysia, averaged 28,000 boepd for the first quarter of 2025 (2024 Q1: 32,000 boepd).

The following is an update of significant Midstream activities in the first quarter:

- Hess Midstream LP completed an underwritten secondary public equity offering of 12.7 million Hess Midstream LP Class A shares held by an affiliate of GIP. We did not receive any proceeds from the public equity offering.
- HESM Opco, a consolidated subsidiary of Hess Midstream LP, repurchased 2.6 million HESM Opco Class B units held by affiliates of Hess Corporation and GIP, for which we received proceeds of \$38 million.

PART I - FINANCIAL INFORMATION (CONT'D.)

Consolidated Results of Operations

The after-tax income (loss) by major operating activity is summarized below:

	Three Months Ended March 31,	
	2025	2024
	(In millions, except per share amounts)	
Net Income Attributable to Hess Corporation:		
Exploration and Production	\$ 434	\$ 997
Midstream	70	67
Corporate, Interest and Other	(74)	(92)
Total	\$ 430	\$ 972
Net Income Attributable to Hess Corporation Per Common Share:		
Basic	\$ 1.40	\$ 3.17
Diluted	\$ 1.39	\$ 3.16

Items Affecting Comparability of Earnings Between Periods

The following table summarizes, on an after-tax basis, items of income (expense) that are included in net income and affect comparability of earnings between periods:

	Three Months Ended March 31,	
	2025	2024
	(In millions)	
Items Affecting Comparability of Earnings Between Periods, After-Tax:		
Exploration and Production	\$ (129)	\$ —
Midstream	—	—
Corporate, Interest and Other	—	—
Total	\$ (129)	\$ —

The items in the table above are explained on page 23.

Reconciliations of GAAP and non-GAAP measures

The following table reconciles reported net income attributable to Hess Corporation and adjusted net income attributable to Hess Corporation:

	Three Months Ended March 31,	
	2025	2024
	(In millions)	
Adjusted Net Income Attributable to Hess Corporation:		
Net income attributable to Hess Corporation	\$ 430	\$ 972
Less: Total items affecting comparability of earnings between periods, after-tax	(129)	—
Adjusted Net Income Attributable to Hess Corporation	\$ 559	\$ 972

The following table reconciles reported net cash provided by (used in) operating activities and net cash provided by (used in) operating activities before changes in operating assets and liabilities:

	Three Months Ended March 31,	
	2025	2024
	(In millions)	
Net cash provided by (used in) operating activities before changes in operating assets and liabilities:		
Net cash provided by (used in) operating activities	\$ 1,401	\$ 885
Changes in operating assets and liabilities	(86)	844
Net cash provided by (used in) operating activities before changes in operating assets and liabilities	\$ 1,315	\$ 1,729

PART I - FINANCIAL INFORMATION (CONT'D.)

Consolidated Results of Operations (continued)

Adjusted net income attributable to Hess Corporation is a non-GAAP financial measure, which we define as reported net income attributable to Hess Corporation excluding items identified as affecting comparability of earnings between periods, which are summarized on page 23. Management uses adjusted net income to evaluate the Corporation's operating performance and believes that investors' understanding of our performance is enhanced by disclosing this measure, which excludes certain items that management believes are not directly related to ongoing operations and are not indicative of future business trends and operations.

Net cash provided by (used in) operating activities before changes in operating assets and liabilities presented in this report is a non-GAAP measure, which we define as reported net cash provided by (used in) operating activities excluding changes in operating assets and liabilities. Management uses net cash provided by (used in) operating activities before changes in operating assets and liabilities to evaluate the Corporation's ability to internally fund capital expenditures, pay dividends and service debt and believes that investors' understanding of our ability to generate cash to fund these items is enhanced by disclosing this measure, which excludes working capital and other movements that may distort assessment of our performance between periods.

These measures are not, and should not be viewed as, substitutes for U.S. GAAP net income and net cash provided by (used in) operating activities.

In the following discussion and elsewhere in this report, 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 our E&P operations:

	Three Months Ended March 31,	
	2025	2024
	(In millions)	
Revenues and Non-Operating Income		
Sales and other operating revenues	\$ 2,904	\$ 3,303
Other, net	11	11
Total revenues and non-operating income	<u>2,915</u>	<u>3,314</u>
Costs and Expenses		
Marketing, including purchased oil and gas	599	640
Operating costs and expenses	389	338
Production and severance taxes	51	56
Midstream tariffs	348	328
Exploration expenses, including dry holes and lease impairment	76	42
General and administrative expenses	214	72
Depreciation, depletion and amortization	568	507
Total costs and expenses	<u>2,245</u>	<u>1,983</u>
Results of Operations Before Income Taxes	670	1,331
Provision for income taxes	236	334
Net Income Attributable to Hess Corporation	<u>\$ 434</u>	<u>\$ 997</u>

Excluding the E&P items affecting comparability of earnings between periods detailed on page 23, the changes in E&P results are primarily attributable to changes in selling prices, production and sales volumes, marketing expenses, cash operating costs, Midstream tariffs, depreciation, depletion and amortization, exploration expenses and income taxes, as discussed below.

PART I- FINANCIAL INFORMATION (CONT'D.)

Consolidated Results of Operations (continued)

Selling Prices: The impact of changes in realized selling prices in the first quarter of 2025 decreased after-tax earnings by approximately \$170 million, compared with the corresponding period in 2024. Average selling prices were as follows:

	Three Months Ended March 31,	
	2025	2024
<u>Average Selling Prices (a)</u>		
Crude Oil – Per Barrel		
United States		
North Dakota	\$ 67.52	\$ 71.75
Offshore	71.44	75.86
Total United States	68.53	72.58
Guyana	73.03	84.27
Malaysia and JDA	64.05	81.10
Worldwide	71.22	80.06
Natural Gas Liquids – Per Barrel		
United States		
North Dakota	\$ 24.06	\$ 23.03
Offshore	24.61	21.36
Worldwide	24.08	22.97
Natural Gas – Per Mcf		
United States		
North Dakota	\$ 2.66	\$ 1.80
Offshore	4.13	2.11
Total United States	2.92	1.85
Malaysia and JDA	6.49	6.49
Worldwide	4.89	4.62

(a) Selling prices in the United States and Guyana are adjusted for certain processing and distribution fees included in Marketing expenses. Excluding these fees worldwide selling prices for the first quarter of 2025 would be \$73.29 (2024 Q1: \$83.00) per barrel for crude oil, \$24.26 (2024 Q1: \$22.98) per barrel for NGLs and \$4.99 (2024 Q1: \$4.75) per mcf for natural gas.

PART I - FINANCIAL INFORMATION (CONT'D.)

Consolidated Results of Operations (continued)

Production Volumes: Our daily worldwide net production was as follows:

	Three Months Ended March 31,	
	2025	2024
	(In thousands)	
Crude Oil – Barrels		
United States		
North Dakota	87	88
Offshore	30	22
Total United States	117	110
Guyana	183	190
Malaysia and JDA	4	5
Total	304	305
Natural Gas Liquids – Barrels		
United States		
North Dakota	73	69
Offshore	3	2
Total United States	76	71
Natural Gas – Mcf		
United States		
North Dakota	212	200
Offshore	45	41
Total United States	257	241
Malaysia and JDA	317	358
Total	574	599
Barrels of Oil Equivalent (a)	476	476
Crude oil and natural gas liquids as a share of total production	80 %	79 %

(a) Reflects natural gas production converted based on relative energy content (six mcf equals one barrel). Barrel of oil equivalence does not necessarily result in price equivalence as the equivalent price of natural gas on a barrel of oil equivalent basis has been substantially lower than the corresponding price for crude oil over the recent past. In addition, NGLs do not sell at prices equivalent to crude oil. See the average selling prices in the table on page 20.

We forecast total net production to be in the range of 480,000 boepd to 490,000 boepd in the second quarter of 2025.

United States: North Dakota net production was higher in the first quarter of 2025, compared with the corresponding period in 2024, primarily reflecting increased drilling and completion activity partially offset by the impact of winter weather in the first quarter of 2025. Total offshore net production was higher in the first quarter of 2025, compared with the corresponding period in 2024, primarily due to start-up of the Pickerel well (Hess 100%) that achieved first production in June 2024 as a tieback to the Tubular Bells production facility.

International: Net production in Guyana was lower in the first quarter of 2025, compared with the corresponding period in 2024, primarily due to lower tax barrels in the first quarter of 2025. Net production from Guyana included 20,000 bopd of tax barrels in the first quarter of 2025 (2024 Q1: 33,000 bopd).

PART I - FINANCIAL INFORMATION (CONT'D.)

Consolidated Results of Operations (continued)

Sales Volumes: Lower sales volumes in the first quarter of 2025 decreased after-tax earnings by approximately \$90 million, compared with the corresponding period in 2024. Net worldwide sales volumes from Hess net production, which excludes sales volumes of crude oil, NGLs and natural gas purchased from third parties, were as follows:

	Three Months Ended March 31,	
	2025	2024
	(In thousands)	
Crude oil – barrels	25,891	28,053
Natural gas liquids – barrels	7,032	6,650
Natural gas – mcf	51,682	54,495
Barrels of Oil Equivalent (a)	41,537	43,786
Crude oil – barrels per day	288	308
Natural gas liquids – barrels per day	78	73
Natural gas – mcf per day	574	599
Barrels of Oil Equivalent Per Day (a)	462	481

(a) Reflects natural gas production converted based on relative energy content (six mcf equals one barrel). Barrel of oil equivalence does not necessarily result in price equivalence as the equivalent price of natural gas on a barrel of oil equivalent basis has been substantially lower than the corresponding price for crude oil over the recent past. In addition, NGLs do not sell at prices equivalent to crude oil. See the average selling prices in the table on page 20.

Marketing, including Purchased Oil and Gas: Marketing expense is mainly comprised of costs to purchase crude oil, NGL and natural gas from our partners in Hess operated wells or other third parties, primarily in the United States, and transportation and other distribution costs for U.S. and Guyana marketing activities. Marketing expense was lower in the first quarter of 2025, compared with the corresponding period in 2024, primarily due to lower prices paid for purchased volumes.

Cash Operating Costs: Cash operating costs consist of operating costs and expenses, production and severance taxes and E&P general and administrative expenses. Excluding items affecting comparability described in *Items Affecting Comparability of Earnings Between Periods* on page 23, cash operating costs increased in the first quarter of 2025, compared with the corresponding period in 2024, primarily due to increased maintenance activity in North Dakota and start-up of the Pickerel well (Hess 100%) in June 2024. On a per-unit basis, the increase in cash operating costs in the first quarter of 2025, compared with the corresponding period in 2024, is primarily due to increased maintenance activity in North Dakota.

Midstream Tariffs Expense: Tariffs expense in the first quarter of 2025 increased, compared with the corresponding period in 2024, primarily due to higher throughput volumes. We estimate Midstream tariffs expense to be in the range of \$375 million to \$385 million in the second quarter of 2025.

Depreciation, Depletion and Amortization (DD&A): DD&A expense was higher in the first quarter of 2025, compared with the corresponding period in 2024, primarily due to start-up of the Pickerel well (Hess 100%) in June 2024. On a per-unit basis, the increase in DD&A in the first quarter of 2025, compared with the corresponding period in 2024, was primarily due to start-up of the Pickerel well and new wells and facilities online in Malaysia and JDA in the second half of 2024.

Unit Costs: Unit cost per boe information is based on total net production volumes and excludes items affecting comparability of earnings as detailed on page 23. Actual and forecast unit costs per boe are as follows:

	Actual		Forecast range	
	Three Months Ended March 31,		Three Months Ended June 30,	
	2025	2024	2025	
Cash operating costs	\$ 12.27	\$ 10.79	\$ 13.50	\$ 13.50
DD&A	13.25	11.71	13.00	13.50
Total Production Unit Costs	\$ 25.52	\$ 22.50	\$ 26.50	\$ 27.00

PART I - FINANCIAL INFORMATION (CONT'D.)

Consolidated Results of Operations (continued)

Exploration Expenses: Exploration expenses were as follows:

	Three Months Ended March 31,	
	2025	2024
	(In millions)	
Exploratory dry hole costs (a)	\$ 21	\$ —
Exploration lease impairment	7	3
Geological and geophysical expense and exploration overhead	48	39
Total Exploration Expense	\$ 76	\$ 42

(a) Exploratory dry hole costs in the first quarter of 2025 primarily relate to the Vancouver-1 well in the Gulf of America.

Exploration expenses, excluding dry hole expense, are estimated to be in the range of \$50 million to \$55 million in the second quarter of 2025.

Income Taxes: E&P income tax expense was \$236 million in the first quarter of 2025 and \$334 million in the first quarter of 2024. The decrease in income tax expense in the first quarter of 2025, compared to the prior-year quarter, was primarily due to lower income tax expense in Guyana as a result of lower pre-tax income.

We are generally not recognizing deferred tax benefit or expense in certain countries, primarily the United States (non-Midstream), while we maintain valuation allowances against net deferred tax assets in these jurisdictions in accordance with U.S. generally accepted accounting principles. As of March 31, 2025, we have a valuation allowance in our *Consolidated Balance Sheet* of \$3,765 million, primarily related to the U.S. (non-Midstream) which is in a cumulative loss position.

E&P income tax expense is expected to be in the range of \$210 million to \$220 million in the second quarter of 2025.

Items Affecting Comparability of Earnings Between Periods:

In the first quarter of 2025, E&P results include a pre-tax charge of \$129 million (\$129 million after income taxes) for anticipated settlement of legal claims related to post-production gathering, processing and transportation fees in North Dakota, which is recorded to *General and administrative expenses* in the *Statement of Consolidated Income*. See Note 11, *Guarantees and Contingencies* in the *Notes to Consolidated Financial Statements*.

Midstream

Following is a summarized income statement for our Midstream operations:

	Three Months Ended March 31,	
	2025	2024
	(In millions)	
Revenues and Non-Operating Income		
Sales and other operating revenues	\$ 382	\$ 356
Other, net	5	3
Total revenues and non-operating income	387	359
Costs and Expenses		
Operating costs and expenses	86	78
General and administrative expenses	7	6
Interest expense	58	49
Depreciation, depletion and amortization	51	50
Total costs and expenses	202	183
Results of Operations Before Income Taxes	185	176
Provision for income taxes	23	14
Net Income	162	162
Less: Net income attributable to noncontrolling interests	92	95
Net Income Attributable to Hess Corporation	\$ 70	\$ 67

Sales and other operating revenues for the first quarter of 2025 increased, compared with the corresponding period in 2024, primarily due to higher throughput volumes. Operating costs and expenses for the first quarter of 2025 increased, compared with the

PART I - FINANCIAL INFORMATION (CONT'D.)

Consolidated Results of Operations (continued)

corresponding period in 2024, as a result of the higher throughput volumes. Interest expense for the first quarter of 2025 increased, compared with the corresponding period in 2024, primarily due to \$600 million 6.500% fixed-rate senior unsecured notes issued in May 2024. Provision for income taxes for the first quarter of 2025 increased, compared with the corresponding period in 2024, primarily due to increased ownership of HESM Opco by Hess Midstream LP following the equity offerings and unit repurchase transactions in 2024 and 2025.

Net income attributable to Hess Corporation from the Midstream segment is estimated to be approximately \$75 million in the second quarter of 2025.

Corporate, Interest and Other

The following table summarizes Corporate, Interest and Other expenses:

	Three Months Ended March 31,	
	2025	2024
	(In millions)	
Corporate and other expenses, net	\$ 40	\$ 28
Interest expense	83	87
Less: Capitalized interest	(49)	(23)
Interest expense, net	34	64
Corporate, Interest and Other expenses before income taxes	74	92
Provision for income taxes	—	—
Net Corporate, Interest and Other expenses after income taxes	\$ 74	\$ 92

Corporate and other expenses, net were higher in the first quarter of 2025, compared with the corresponding period in 2024, primarily due to lower interest income. Interest expense, net was lower in the first quarter of 2025, compared with the corresponding period in 2024, primarily due to higher capitalized interest associated with the Yellowtail, Uaru, and Whiptail development projects in Guyana.

Second quarter 2025 corporate and other expenses, net are expected to be approximately \$30 million, and interest expense, net is expected to be in the range of \$25 million to \$30 million in the second quarter of 2025.

Other Items Potentially Affecting Future Results

Our future results may be impacted by a variety of factors, including but not limited to, volatility in the selling prices of crude oil, NGLs and natural gas, reserve and production changes, asset sales, impairment charges and exploration expenses, industry cost inflation and/or deflation, changes in foreign exchange rates and income tax rates, changes in deferred tax asset valuation allowances, the effects of weather, crude oil storage capacity, political risk, environmental risk and catastrophic risk. For a more comprehensive description of the risks that may affect our business, see *Part I, Item 1A Risk Factors* in our Annual Report on Form 10-K for the year ended December 31, 2024.

Liquidity and Capital Resources

The following table sets forth certain relevant measures of our liquidity and capital resources:

	March 31, 2025	December 31, 2024
	(In millions, except ratio)	
Cash and cash equivalents (a)	\$ 1,324	\$ 1,171
Current portion of long-term debt	25	23
Total debt (b)	8,679	8,578
Total equity	12,385	12,003
Debt to capitalization ratio for debt covenants (c)	27.8 %	28.3 %

(a) Includes \$7 million of cash and cash equivalents attributable to our Midstream segment at March 31, 2025 (December 31, 2024: \$5 million) of which \$6 million is held by Hess Midstream LP at March 31, 2025 (December 31, 2024: \$4 million).

(b) Includes \$3,572 million of debt outstanding from our Midstream segment at March 31, 2025 (December 31, 2024: \$3,472 million) that is non-recourse to Hess Corporation.

(c) Total Consolidated Debt of Hess Corporation (including finance leases and excluding Midstream non-recourse debt) as a percentage of Total Capitalization of Hess Corporation as defined under Hess Corporation's revolving credit facility financial covenants. Total Capitalization excludes the impact of noncash impairment charges and non-controlling interests.

PART I - FINANCIAL INFORMATION (CONT'D.)

Liquidity and Capital Resources (continued)

Cash Flows

The following table summarizes our cash flows:

	Three Months Ended March 31,	
	2025	2024
	(In millions)	
Net cash provided by (used in):		
Operating activities	\$ 1,401	\$ 885
Investing activities	(1,010)	(958)
Financing activities	(238)	(177)
Net Increase (Decrease) in Cash and Cash Equivalents	\$ 153	\$ (250)

Operating activities: Net cash provided by operating activities was \$1,401 million in the first quarter of 2025 (2024 Q1: \$885 million), while net cash provided by operating activities before changes in operating assets and liabilities was \$1,315 million in the first quarter of 2025, which includes a charge for items affecting comparability of \$129 million for accrued legal claims in North Dakota (2024 Q1: \$1,729 million). Net cash provided by operating activities before changes in operating assets and liabilities decreased in the first quarter of 2025, compared with the corresponding period in 2024, primarily due to lower realized oil selling prices and sales volumes in the first quarter of 2025. Changes in operating assets and liabilities in the first quarter of 2025 increased cash flow from operating activities by \$86 million. Changes in operating assets and liabilities in the first quarter of 2024 reduced cash flow from operating activities by \$844 million primarily due to an increase in accounts receivable related to Guyana oil liftings, and a decrease in accrued liabilities which included a payment in connection with a legal settlement related to our former downstream business, HONX, Inc.

Investing activities: Additions to property, plant and equipment of \$1,012 million in the first quarter of 2025 were up \$55 million, compared with the corresponding period in 2024, primarily due to higher development activities in Guyana.

Financing activities: Common stock dividends paid were \$157 million in the first quarter of 2025 (2024 Q1: \$137 million). Net borrowings (repayments) of debt with maturities of 90 days or less related to the HESM Opco revolving credit facility, which was used primarily to finance the repurchase of HESM Opco Class B units in the first quarter of both 2025 and 2024. Borrowings and repayments of debt with maturities of greater than 90 days in 2025 related to our Midstream operating segment. See *Note 6, Debt* in the *Notes to Consolidated Financial Statements*. Net cash outflows to noncontrolling interests were \$156 million in the first quarter of 2025 (2024 Q1: \$151 million) which included \$62 million paid to GIP (2024 Q1: \$62 million) for the repurchase by HESM Opco of GIP-owned Class B units.

Future Capital Requirements and Resources

At March 31, 2025, we had \$1.3 billion in cash and cash equivalents, excluding Midstream, and total liquidity, including available committed credit facilities, of approximately \$4.6 billion. Our E&P capital and exploratory expenditures are forecast to be approximately \$4.5 billion in 2025. In 2025, based on current forward strip crude oil prices, we expect cash flow from operating activities and cash and cash equivalents at March 31, 2025 will be sufficient to fund our capital investment and capital return programs. Depending on market conditions, we may take any of the following steps, or a combination thereof, to improve our liquidity and financial position: reduce the planned capital program and other cash outlays, including dividends, pursue asset sales, borrow against our committed revolving credit facility, or issue debt or equity securities. These actions are subject to certain limitations under the Merger Agreement. See *Part I, Item 1A Risk Factors* in our Annual Report on Form 10-K for the year ended December 31, 2024 for a discussion of risks related to the Merger.

PART I - FINANCIAL INFORMATION (CONT'D.)

Future Capital Requirements and Resources (continued)

The table below summarizes the capacity, usage, and available capacity for borrowings and letters of credit under committed and uncommitted credit facilities at March 31, 2025:

	Expiration Date	Capacity	Borrowings	Letters of Credit Issued	Total Used	Available Capacity
				(In millions)		
Hess Corporation						
Revolving credit facility	July 2027	\$ 3,250	\$ —	\$ —	\$ —	\$ 3,250
Committed lines	Various (a)	75	—	9	9	66
Uncommitted lines	Various (a)	76	—	76	76	—
Total - Hess Corporation		<u>\$ 3,401</u>	<u>\$ —</u>	<u>\$ 85</u>	<u>\$ 85</u>	<u>\$ 3,316</u>
Midstream						
Revolving credit facility (b)	July 2027	\$ 1,000	\$ 128	\$ —	\$ 128	\$ 872
Total - Midstream		<u>\$ 1,000</u>	<u>\$ 128</u>	<u>\$ —</u>	<u>\$ 128</u>	<u>\$ 872</u>

(a) Committed and uncommitted lines have expiration dates through 2026.

(b) This credit facility may only be utilized by HESM Opco and is non-recourse to Hess Corporation.

Hess Corporation:

Senior unsecured fixed-rate public notes:

The indentures for the Corporation's fixed-rate senior unsecured notes limit the ratio of secured debt to Consolidated Net Tangible Assets (as that term is defined in the indentures) to 15%. As of March 31, 2025, Hess Corporation was in compliance with this financial covenant.

Credit facility:

The revolving credit facility can be used for borrowings and letters of credit. Borrowings on the facility will generally bear interest at 1.400% above SOFR, though the interest rate is subject to adjustment based on the credit rating of the Corporation's senior, unsecured, non-credit enhanced long-term debt. The revolving credit facility is subject to customary representations, warranties, customary events of default and covenants, including a financial covenant limiting the ratio of Total Consolidated Debt to Total Capitalization of the Corporation and its consolidated subsidiaries to 65%, and a financial covenant limiting the ratio of secured debt to Consolidated Net Tangible Assets of the Corporation and its consolidated subsidiaries to 15% (as these capitalized terms are defined in the credit agreement for the revolving credit facility). As of March 31, 2025, Hess Corporation was in compliance with these financial covenants.

We have a shelf registration under which we may issue additional debt securities, warrants, common stock or preferred stock.

Midstream:

Senior unsecured fixed-rate public notes:

In the first quarter of 2025, HESM Opco issued \$800 million aggregate principal amount of 5.875% fixed-rate senior unsecured notes due 2028 in a private offering. Proceeds from these notes were used to redeem HESM Opco's outstanding \$800 million aggregate principal amount of 5.625% fixed-rate senior unsecured notes due 2026.

HESM Opco's senior unsecured notes are guaranteed by certain of HESM Opco's direct and indirect wholly owned material domestic subsidiaries. These senior unsecured notes are non-recourse to Hess Corporation. Each of the indentures for HESM Opco's senior unsecured notes contains customary covenants that restrict Hess Midstream LP's ability and the ability of its restricted subsidiaries to (i) declare or pay any dividend or make any other restricted payments; (ii) transfer or sell assets or subsidiary stock; (iii) incur additional debt; or (iv) make restricted investments, unless, at the time of and immediately after giving pro forma effect to such restricted payments and any related incurrence of indebtedness or other transactions, no default has occurred and is continuing or would occur as a consequence of such restricted payment and if the Leverage Ratio (as that term is defined in the indentures) does not exceed 4.25 to 1.00. As of March 31, 2025, Hess Midstream LP was in compliance with all debt covenants under the indentures.

PART I - FINANCIAL INFORMATION (CONT'D.)

Future Capital Requirements and Resources (continued)

Credit facilities:

At March 31, 2025, HESM Opco had \$1.4 billion of senior secured syndicated credit facilities, consisting of a \$1.0 billion revolving credit facility and a \$400 million term loan facility. Borrowings under the term loan facility will generally bear interest at SOFR plus an applicable margin ranging from 1.650% to 2.550%, while the applicable margin for the syndicated revolving credit facility ranges from 1.375% to 2.050%. Pricing levels for the facility fee and interest-rate margins are based on HESM Opco's ratio of total debt to EBITDA (as defined in the credit facilities). If HESM Opco obtains an investment grade credit rating, the pricing levels will be based on HESM Opco's credit ratings in effect from time to time. The credit facilities contain covenants that require HESM Opco to maintain a ratio of total debt to EBITDA (as defined in the credit facilities) for the prior four fiscal quarters of not greater than 5.00 to 1.00 as of the last day of each fiscal quarter (5.50 to 1.00 during the specified period following certain acquisitions) and, prior to HESM Opco obtaining an investment grade credit rating, a ratio of secured debt to EBITDA for the prior four fiscal quarters of not greater than 4.00 to 1.00 as of the last day of each fiscal quarter. HESM Opco was in compliance with these financial covenants at March 31, 2025. The credit facilities are secured by first-priority perfected liens on substantially all of the assets of HESM Opco and its direct and indirect wholly owned material domestic subsidiaries, including equity interests directly owned by such entities, subject to certain customary exclusions. At March 31, 2025, borrowings of \$128 million were drawn under HESM Opco's revolving credit facility, and borrowings of \$380 million, excluding deferred issuance costs, were drawn under HESM Opco's term loan facility. Borrowings under these credit facilities are non-recourse to Hess Corporation.

Credit Ratings:

All three major credit rating agencies that rate the senior unsecured debt of Hess Corporation have assigned an investment grade credit rating. At March 31, 2025, our credit ratings were BBB- at S&P Global Ratings, Baa3 at Moody's Investors Service, and BBB at Fitch Ratings. Subsequent to the announcement of the Merger all three agencies placed our credit ratings on review for positive action in connection with the Merger.

At March 31, 2025, HESM Opco's senior unsecured debt is rated BB+ by S&P Global Ratings and Fitch Ratings, and Ba2 by Moody's Investors Service.

Market Risk Disclosures

We are exposed in the normal course of business to commodity risks related to changes in the prices of crude oil and natural gas, as well as changes in interest rates and foreign currency values. See *Note 13, Financial Instruments*, in the *Notes to Consolidated Financial Statements*.

We have outstanding foreign exchange contracts with notional amounts totaling \$197 million at March 31, 2025 that are used to reduce our exposure to fluctuating foreign exchange rates for various currencies. The change in fair value of foreign exchange contracts from a 10% strengthening or weakening in the U.S. Dollar exchange rate is estimated to be a gain or loss of approximately \$20 million at March 31, 2025.

At March 31, 2025, our long-term debt, which was substantially comprised of fixed-rate instruments, had a carrying value of \$8,679 million and a fair value of \$8,967 million. A 15% increase or decrease in interest rates would decrease or increase the fair value of debt by approximately \$390 million or \$420 million, respectively, at March 31, 2025. Any changes in interest rates do not impact our cash outflows associated with fixed-rate interest payments or settlement of debt principal, unless a debt instrument is repurchased prior to maturity.

PART I - FINANCIAL INFORMATION (CONT'D.)

Cautionary Note Regarding Forward-Looking Statements

This Quarterly Report on Form 10-Q, including information incorporated by reference herein, 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 (Exchange Act). 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 future financial and operational results; our business strategy; estimates of our crude oil and natural gas reserves and levels of production; benchmark prices of crude oil, natural gas liquids and natural gas and our associated realized price differentials; our projected budget and capital and exploratory expenditures; expected timing and completion of our development projects; information about sustainability goals and targets and planned social, safety and environmental policies, programs and initiatives; future economic and market conditions in the oil and gas industry; and expected benefits, timing and completion of the proposed Merger with Chevron.

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. The following important factors could cause actual results to differ materially from those in our forward-looking statements:

- fluctuations in market prices of crude oil, natural gas liquids and natural gas and competition in the oil and gas exploration and production industry;
- reduced demand for our products, including due to perceptions regarding the oil and gas industry, competing or alternative energy products and political conditions and events;
- potential failures or delays in increasing oil and gas reserves, including as a result of unsuccessful exploration activity, drilling risks and unforeseen reservoir conditions, and in achieving expected production levels;
- changes in tax, property, contract and other laws, regulations and governmental actions applicable to our business, including legislative and regulatory initiatives regarding environmental concerns, such as measures to limit greenhouse gas emissions and flaring, fracking bans as well as restrictions on oil and gas leases;
- operational changes and expenditures due to climate change and sustainability related initiatives;
- disruption or interruption of our operations due to catastrophic and other events, such as accidents, severe weather, geological events, shortages of skilled labor, cyber-attacks, public health measures, or climate change;
- the ability of our contractual counterparties to satisfy their obligations to us, including the operation of joint ventures under which we may not control and exposure to decommissioning liabilities for divested assets in the event the current or future owners are unable to perform;
- unexpected changes in technical requirements for constructing, modifying or operating exploration and production facilities and/or the inability to timely obtain or maintain necessary permits;
- availability and costs of employees and other personnel, drilling rigs, equipment, supplies and other required services;
- any limitations on our access to capital or increase in our cost of capital, including as a result of limitations on investment in oil and gas activities, rising interest rates or negative outcomes within commodity and financial markets;
- liability resulting from environmental obligations and litigation, including heightened risks associated with being a general partner of Hess Midstream LP;
- risks and uncertainties associated with the proposed Merger with Chevron, including the following:
 - the risk that regulatory approvals are not obtained or are obtained subject to conditions that are not anticipated by Chevron and Hess;
 - potential delays in consummating the potential transaction, including as a result of regulatory approvals or the ongoing arbitration proceedings regarding preemptive rights in the Stabroek Block joint operating agreement;
 - risks that such ongoing arbitration is not satisfactorily resolved and the potential transaction fails to be consummated;
 - Chevron’s ability to integrate Hess’ operations in a successful manner and in the expected time period following consummation of the Merger;
 - the possibility that any of the anticipated benefits and projected synergies of the potential transaction will not be realized or will not be realized within the expected time period;

PART I- FINANCIAL INFORMATION (CONT'D.)

Cautionary Note Regarding Forward-Looking Statements (continued)

- the occurrence of any event, change or other circumstance that could give rise to the termination of the Merger Agreement;
- risks that the anticipated tax treatment of the potential transaction is not obtained, or other unforeseen or unknown liabilities;
- customer, regulatory and other stakeholder approvals and support, or unexpected future capital expenditures;
- potential litigation relating to the potential transaction that could be instituted against Chevron and Hess or their respective directors, and the possibility that the transaction may be more expensive to complete than anticipated, including as a result of unexpected factors or events;
- the effect of the announcement, pendency or completion of the potential transaction on the parties' business relationships and business generally, and the risks that the potential transaction disrupts current plans and operations of Chevron or Hess and potential difficulties in Hess employee retention as a result of the transaction, as well as the risk of disruption of Chevron's or Hess' management and business disruption during the pendency of, or following, the potential transaction;
- the receipt of required Chevron Board of Directors' authorizations to implement capital allocation strategies, including future dividend payments;
- uncertainties as to whether the potential transaction will be consummated on the anticipated timing or at all, or if consummated, will achieve its anticipated economic benefits, including as a result of risks associated with third party contracts containing material consent, anti-assignment, transfer, other provisions that may be related to the potential transaction which are not waived or otherwise satisfactorily resolved, or changes in commodity prices;
- negative effects of the announcement of the transaction, and the pendency or completion of the proposed acquisition on the market price of Chevron's or Hess' common stock and/or operating results;
- rating agency actions and Chevron's and Hess' ability to access short and long-term debt markets on a timely and affordable basis; and
- other factors described in *Part I, Item 1A Risk Factors* in our Annual Report on Form 10-K for the year ended December 31, 2024 and any additional risks described in our other filings with the Securities and Exchange Commission.

As and when made, we believe that our forward-looking statements are reasonable. However, given these risks and uncertainties, caution should be taken not to place undue reliance on any such forward-looking statements since such statements speak only as of the date when made and there can be no assurance that such forward-looking statements will occur and actual results may differ materially from those contained in any forward-looking statement we make. Except as required by law, we undertake no obligation to publicly update or revise any forward-looking statements, whether because of new information, future events or otherwise.

PART I - FINANCIAL INFORMATION (CONT'D.)

Item 3. Quantitative and Qualitative Disclosures about Market Risk.

The information required by this item is presented under Item 2, “Management’s Discussion and Analysis of Financial Condition and Results of Operations – Market Risk Disclosures.”

Item 4. 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 March 31, 2025, John B. Hess, Chief Executive Officer, and John P. Rielly, Chief Financial Officer, concluded that these disclosure controls and procedures were effective as of March 31, 2025.

There was no change in internal control over financial reporting identified in connection with the evaluation required by paragraph (d) of Rules 13a-15 or 15d-15 in the quarter ended March 31, 2025 that has materially affected, or is reasonably likely to materially affect, internal control over financial reporting.

PART II - OTHER INFORMATION

Item 1. Legal Proceedings.

Information regarding legal proceedings is contained in *Note 11, Guarantees and Contingencies* in the *Notes to Consolidated Financial Statements* and is incorporated herein by reference. Pursuant to Item 103(c)(3)(iii) of Regulation S-K under the Exchange Act, we are required to disclose certain information about environmental proceedings to which a governmental authority is a party if we reasonably believe such proceedings may result in monetary sanctions, exclusive of interest and costs, above a stated threshold. We have elected to apply a threshold of \$1 million for purposes of determining whether disclosure of any such proceedings is required.

Merger

Stockholder Suits

In connection with the Merger Agreement, two lawsuits were filed challenging the sufficiency of the disclosures made in connection therewith. First, a complaint was filed in federal court as an individual action. The complaint is captioned as *Globokar v. Hess Corporation, et al.*, 24-cv-01723 (filed March 6, 2024 in the Southern District of New York). It alleged, among other things, that the preliminary proxy statement filed on February 26, 2024 in connection with the Merger Agreement misrepresented and/or omitted certain purportedly material information and sought, among other things an injunction enjoining the consummation of the Merger and the other transactions contemplated by the Merger Agreement. Second, a putative class-action complaint was filed in the Delaware Court of Chancery under the caption *Assad v. Hess Corporation, et al.*, C.A. No. 2024-0468-NAC (filed May 2, 2024). It alleged that Hess Board of Directors breached its fiduciary duties by failing to disclose purportedly material information in the definitive proxy statement filed on April 26, 2024 and sought, among other things an injunction enjoining the consummation of the Merger and the other transactions contemplated by the Merger Agreement (including a preliminary injunction against the closing of the transaction) unless and until the allegedly omitted material information was disclosed.

In addition to these lawsuits, several purported stockholders of Hess sent demand letters alleging similar deficiencies regarding the disclosures made in the proxy statement.

In order to avoid the risk that the lawsuits or demand letters delay or otherwise adversely affect the Merger, and to minimize the costs, risks and uncertainties inherent in litigation, and without admitting any liability or wrongdoing, Hess provided supplemental disclosures to the definitive proxy statement filed in connection with the Merger Agreement in Hess's Current Report on Form 8-K, filed with the SEC on May 21, 2024. On May 31, 2024, the individual plaintiff in the above-captioned *Assad v. Hess Corporation, et al.*, C.A. No. 2024-0468-NAC filed a notice voluntarily dismissing the action without prejudice. On June 5, 2024, the individual plaintiff in the above-captioned *Globokar v. Hess Corporation, et al.*, 24-cv-01723, filed a notice voluntarily dismissing the action without prejudice and the matter has been dismissed.

Hess believes that these matters are without merit and intends to defend against demands or filed actions relating to the Merger. If additional similar complaints are filed or demands sent, Hess will not necessarily disclose such additional filings or demands. Hess cannot predict the outcomes of these matters.

Arbitration

On March 6, 2024, an affiliate of Exxon Mobil commenced arbitration proceedings regarding the applicability of the Stabroek ROFR to the Merger pursuant to the dispute resolution requirements of the Stabroek operating agreement (the Stabroek JOA). On March 11, 2024 and March 15, 2024, HGEL and an affiliate of CNOOC, respectively, commenced parallel arbitration proceedings regarding the applicability of the Stabroek ROFR to the Merger pursuant to the dispute resolution requirements of the Stabroek JOA. On March 26, 2024, following a joint application by the parties, the authority administering the arbitration consolidated the three arbitration proceedings. The arbitration merits hearing about the applicability of the Stabroek ROFR to the Merger has been scheduled for May 2025, with a decision expected in the third quarter.

HGEL has asserted in these arbitration proceedings that the Stabroek ROFR does not apply to the Merger due to the structure of the Merger and the language of the Stabroek ROFR provisions. The Exxon Mobil affiliate and the CNOOC affiliate have asserted in these arbitration proceedings that the Stabroek ROFR applies to the Merger. Chevron and Hess believe that Exxon Mobil's and CNOOC's asserted claims are without merit. HGEL intends to vigorously defend its position in the arbitration proceedings and expects the arbitration tribunal will confirm that the Stabroek ROFR does not apply to the Merger. However, the outcome of any arbitration proceedings regarding the applicability of the Stabroek ROFR to the Merger is uncertain.

Item 1A. Risk Factors.

Part I, Item 1A. Risk Factors in our Annual Report on Form 10-K for the year ended December 31, 2024 includes certain risk factors that could materially affect our business, financial condition, or future results. Those risk factors have not materially changed.

PART II - OTHER INFORMATION (CONT'D.)

Item 2. Share Repurchase Activities.

Our share repurchases for the quarter ended March 31, 2025, were as follows:

Period	Total Number of Shares Purchased (a)	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Maximum Approximate Dollar Value of Shares that May Yet be Purchased Under the Plans or Programs (b) (In millions)
January	—	\$ —	—	\$ 1,000
February	—	—	—	1,000
March	47,656	143.34	—	1,000
Total	<u>47,656</u>	<u>\$ 143.34</u>	<u>—</u>	

(a) These shares were withheld to satisfy tax withholding obligations upon vesting of restricted stock awards under our long-term incentive program.

(b) On March 1, 2023, our Board of Directors approved a new authorization for the repurchase of our common stock in an aggregate amount of up to \$1 billion. This new authorization replaced our previous repurchase authorization which was fully utilized at the end of 2022.

The Merger Agreement provides that, during the periods from the date of the Merger Agreement until the closing of the Merger, we are subject to certain restrictions that, among other things, restrict our ability to repurchase, redeem or retire any capital stock of the Corporation.

Item 5. Other Information.

During the three months ended March 31, 2025, none of our directors or officers (as defined in Rule 16a-1(f) under the Exchange Act) adopted or terminated a “Rule 10b5-1 trading arrangement” or “non-Rule 10b5-1 trading arrangement,” as each term is defined in Item 408(a) of Regulation S-K.

PART II - OTHER INFORMATION (CONT'D.)

Item 6. Exhibits.

Exhibits

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).
101(INS)	Inline XBRL Instance Document- the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.
101(SCH)	Inline XBRL Taxonomy Extension Schema Document.
101(CAL)	Inline XBRL Taxonomy Extension Calculation Linkbase Document.
101(LAB)	Inline XBRL Taxonomy Extension Label Linkbase Document.
101(PRE)	Inline XBRL Taxonomy Extension Presentation Linkbase Document.
101(DEF)	Inline XBRL Taxonomy Extension Definition Linkbase Document.
104	The cover page from the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2025, has been formatted in Inline XBRL.
#	Furnished herewith.

SIGNATURES

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 thereunto duly authorized.

HESS CORPORATION
(REGISTRANT)

By /s/ John B. Hess
JOHN B. HESS
CHIEF EXECUTIVE OFFICER

By /s/ John P. Rielly
JOHN P. RIELLY
EXECUTIVE VICE PRESIDENT AND
CHIEF FINANCIAL OFFICER

Date: May 8, 2025