



## HESS SHALE OIL AND GAS OPERATIONS

Hess is a leader in shale oil and gas production in the United States. For years, we have applied the latest technologies and transferred our knowledge and experience from the Bakken, North Dakota, to other areas of the U.S. including Ohio and Texas.

We underpin this expertise with rigorous operational standards, the most innovative technology and an unwavering commitment to operating safely, protecting the environment and working closely with the communities where we do business.

### BAKKEN, NORTH DAKOTA

- Hess is one of the largest shale producers in the state. In 2011, the company invested \$2.4 billion, creating 5,200 jobs.
- We are running a 15-rig drilling program on our core working acreage of more than 550,000 acres.
- With more than 600 wells in production across the state, we expect to produce in excess of 54,000 barrels of oil equivalent per day in 2012.

### UTICA, OHIO

- Hess has invested more than \$1 billion to build its position in Ohio's Utica Shale and plans to invest an additional \$500 million within the state from 2012-2016.
- In September 2011, Hess announced the acquisition of 185,000 net acres in Eastern Ohio through two separate transactions. Approximately half of this acreage is part of a 50/50 joint venture with Consol Energy Inc.
- We plan to drill up to 15 appraisal wells in the Utica by the end of 2012, ramping up to as many as 30 wells drilled in 2013 with our partner, CONSOL.

### EAGLE FORD, TEXAS

- Hess holds a 100 percent working interest in 43,000 acres in the Eagle Ford Shale in Southwest Texas, where production started in 2011.



Hess employees in Tioga, North Dakota, volunteer as part of the local Fire Dept.

### HESS SHALE OIL AND GAS ACTIVITIES AROUND THE WORLD

#### BEETALOO BASIN, AUSTRALIA

- In 2011, Hess entered into an agreement with Falcon Oil & Gas Ltd. to undertake petroleum exploration activities in the Beetaloo Basin, onshore in Australia's Northern Territory.
- We are currently acquiring geophysical seismic survey data to better understand the geology of the area and its production potential.

#### CANNING BASIN, AUSTRALIA

- In the second quarter of 2012, Hess acquired Kingsway Petroleum for its exploration permits and applications in parts of the Canning Basin and Kidson Sub-Basin, onshore in Western Australia.
- Native Title agreements are being negotiated prior to embarking on geophysical surveys to better understand the geology of the area and its production potential.

#### CHINA

- In 2010, 2011 and 2012, Hess entered into several joint study agreements with PetroChina and Sinopec to appraise tight oil and shale oil/gas in China.

#### HYDRAULIC FRACTURING

Hydraulic fracturing is a process where water, sand and a small amount of additives, are injected under extreme pressure inside the well to stimulate the surrounding rock. This process opens fissures in the rock that allow oil or gas to flow more freely out of the shale reservoir to the surface. Hess works closely with local organizations and key authorities in the areas where we do business to ensure we safeguard the environment and protect the health and safety of our workforce and the community.

To ensure that communities where we operate have full access to information about our business and the material we use at each of our sites, Hess discloses information on the *FracFocus* website which is run by the Groundwater Protection Council. Hess voluntarily disclosed to *FracFocus* before many states made the practice mandatory.



## TECHNOLOGY AND INNOVATION

Comprised of highly-qualified and well-known industry experts, Hess' Exploration & Production Technology team works closely with field personnel to apply the most effective technologies and identify innovative solutions across our operations. For decades, Hess has maintained a sound track record of environmentally responsible, safe drilling operations.

## SAFETY

At Hess, safety is our number one priority. Safety comes before production every time; if it can't be done safely, we simply won't do it. Striving for continual improvement of our safety performance, we have modified our processes to improve awareness and communication and have strengthened our safety audits and incident investigation process.

For decades, we have built and maintained a sound track record of operating safely. We are committed to meeting the highest standards of corporate citizenship by protecting the health and safety of our employees, contractors and partners.

## ENVIRONMENT

To unlock shale oil and gas resources miles below the surface of the earth, Hess adopts rigorous operational procedures to protect ground water quality, minimize our surface footprint and reduce waste.

We use industry proven technology to protect groundwater. Wells are lined with multiple layers of steel pipe and encased in cement to isolate fresh water aquifers, preventing fluids or gas in the well from seeping into ground water.

Hess meets industry standards in protecting water quality through responsible drilling practices and the appropriate sourcing, storage and disposal of water used in the drilling process.

## COMMUNITY

Our people live and work in the communities where we do business. That means Hess is both invested in and committed to improving these communities. We aspire to be a good neighbor and trusted energy partner, working closely with employees, business partners, customers and investors through transparent, sustainable business practices, which we believe are essential to our license to operate.

As a company, we're making a significant investment in the health and education of local communities through partnerships with government and leading non-government organizations. In 2011 Hess announced a five-year, \$25 million donation to North Dakota schools *Succeed 2020* project. *Succeed 2020* is designed to help students become better prepared for college, careers and the workplace.

## HELPING TO MEET AMERICA'S DEMAND FOR ENERGY

Across the U.S. natural gas from shale is a growing source of fuel used to generate electricity. With the industry's ability to tap into expansive U.S. shale resources, residential utility gas prices have seen a 35 percent reduction and are now at their lowest levels since 2002, bringing the most affordable energy to American homeowners in years.

Energy security supports economic growth; affordable, accessible local energy drives industrial development and reduces the need for imports. Many energy-intensive manufacturing companies that produce plastics, steel and chemicals can now remain in or return to the United States, providing more jobs and higher incomes and helping shape a better economic outlook for our local communities.



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