HESS CORP
Form DEFC14A
March 21, 2013
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SCHEDULE 14A

(Rule 14a-101)

Information Required in Proxy Statement

SCHEDULE 14A INFORMATION

Proxy Statement Pursuant to Section 14(a) of the

Securities Exchange Act of 1934

(Amendment No.)

Filed by the Registrant x Filed by a Party other than the Registrant ¨

Check the appropriate box:

¨ Preliminary Proxy Statement

¨ Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))

x Definitive Proxy Statement

¨ Definitive Additional Materials

¨ Soliciting Material Pursuant to § 240.14a-12

Hess Corporation

(Name of Registrant as Specified in Its Charter)

(Name of Person(s) Filing Proxy Statement if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

x No fee required.

¨ Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

1) Title of each class of securities to which transaction applies:

2) Aggregate number of securities to which transaction applies:

3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (Set forth the amount on which the filing fee is calculated and state how it was determined):

4) Proposed maximum aggregate value of transaction:

5) Total fee paid:

¨ Fee paid previously with preliminary materials.

¨ Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

1) Amount Previously Paid:

2) Form, Schedule or Registration Statement No.:

3) Filing Party:

4) Date Filed:

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HESS CORPORATION

1185 AVENUE OF THE AMERICAS

NEW YORK, N.Y. 10036

March 21, 2013

Dear Stockholder:

You are cordially invited to attend the annual meeting of stockholders, which will be held at Hess Corporation, 1501 McKinney Street, Houston, Texas 77010, on Thursday, May 16, 2013, at 9:00 a.m., local time. The formal notice of annual meeting and proxy statement, which are contained in the following pages, outline the action to be taken by the stockholders at the meeting. You should also have received a **WHITE** proxy card and postage-paid return envelope. **WHITE** proxy cards are being solicited on behalf of our board of directors.

Your vote will be especially important at the meeting. As you may have heard, Elliott Associates, L.P. and Elliott International, L.P. (together with their affiliates and related parties, Elliott) has notified the company that Elliott intends to nominate a slate of five nominees for election as directors at the meeting in opposition to the nominees recommended by our board of directors and to present a proposal to repeal any by-laws adopted without stockholder approval since February 2, 2011 (the Elliott Proposal).

The board of directors does not endorse any Elliott nominees and unanimously recommends that you vote **FOR** the election of each of the nominees proposed by the board of directors and **AGAINST** the Elliott Proposal. The board of directors strongly urges you not to sign or return any proxy card sent to you by Elliott. If you have previously submitted a proxy card sent to you by Elliott, you can revoke that proxy and vote for our board of directors nominees and on the other matters to be voted on at the meeting by using the enclosed **WHITE** proxy card.

It is important that your shares be represented at the meeting whether or not you are personally able to attend. Accordingly, after reading the attached Notice of Annual Meeting of Stockholders and Proxy Statement, please promptly submit your proxy by telephone,

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internet or mail as described in your WHITE proxy card. If you submit your proxy over the internet, you will have the opportunity to agree to receive future stockholder documents electronically via email, and we encourage you to do so. If you choose to submit your vote by traditional proxy or voting instruction card, please sign, date and mail the WHITE card in the enclosed pre-addressed reply envelope. Your cooperation will be appreciated.

Sincerely yours,

Chairman of the Board

and Chief Executive Officer

Neither the Securities and Exchange Commission nor any state securities regulatory agency has passed upon the adequacy or accuracy of the disclosure in this document. Any representation to the contrary is a criminal offense.

The attached proxy statement is dated March 21, 2013 and is first being mailed to stockholders on or about March 21, 2013.

If you have any questions or require any assistance with voting your shares, please contact our proxy solicitor at the contact listed below:

105 Madison Avenue

New York, New York 10016

(212) 929-5500 (Call Collect)

or

Call Toll-Free (800) 322-2885

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HESS CORPORATION

1185 AVENUE OF THE AMERICAS

NEW YORK, N.Y. 10036

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

Thursday, May 16, 2013, at 9:00 a.m.

To the Stockholders:

The annual meeting of stockholders of Hess Corporation will be held at Hess Corporation, 1501 McKinney Street, Houston, Texas 77010, on Thursday, May 16, 2013, at 9 a.m., local time, for the following purposes:

1. To elect five directors for the ensuing three-year term (pages 1 to 71 of the accompanying proxy statement);

2. To act upon the ratification of the selection by the audit committee of Ernst & Young LLP as independent auditors (pages 72 and 73);

3. To conduct a non-binding advisory vote to approve the compensation of our named executive officers (pages 74 to 75);

4. To act upon a proposal to amend the company s restated certificate of incorporation and by-laws to declassify the board of directors (page 76);

5. To act upon stockholder proposals described in the accompanying proxy statement if properly introduced at the meeting (pages 77 to 85);

6. To act upon a stockholder proposal submitted by Elliott Associates, L.P. and Elliott International, L.P. (together with their affiliates and related parties, Elliott) to repeal provisions or amendments of the company s by-laws, if any, adopted without stockholder approval after February 2, 2011 and prior to the annual meeting (the Elliott Proposal) if properly introduced at the meeting (pages 86 and 87); and

7. To transact any other business which properly may be brought before the meeting.

All stockholders are cordially invited to attend, although only stockholders of record at the close of business on April 8, 2013, the record date for the annual meeting, will be entitled to vote at the meeting.

Please note that Elliott has notified the company of its intent to nominate a slate of five nominees for election as directors at the meeting in opposition to the nominees by our board of directors and to present the Elliott Proposal. You may receive solicitation materials from Elliott, including proxy statements and proxy cards. We are not responsible for the accuracy of any information provided by or relating to Elliott or its nominees contained in solicitation materials filed or disseminated by or on behalf of Elliott or any other statements Elliott may make.

The board of directors does not endorse any Elliott nominees and unanimously recommends that you vote FOR the election of each of the nominees proposed by the board of directors and AGAINST the Elliott Proposal. Our board of directors strongly urges you not to sign or return any proxy card sent to you by Elliott. If you have previously submitted a proxy card sent to you by Elliott, you can revoke that proxy and vote for our board of directors nominees and on the other matters to be voted on at the meeting by using the enclosed WHITE proxy card.

By order of the board of directors,

George C. Barry

Secretary

New York, New York

March 21, 2013

YOUR VOTE IS IMPORTANT

You are urged to date, sign and promptly return the WHITE proxy card in the envelope provided to you, or to use the telephone or internet method of voting described in your WHITE proxy card, so that if you are unable to attend the meeting your shares can be voted.

Hess Corporation s proxy statement and 2012 annual report are available at http://www.viewourmaterial.com/hess

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HESS CORPORATION

PROXY STATEMENT

The enclosed proxy is solicited by the board of directors of Hess Corporation for use at the annual meeting of stockholders to be held on Thursday, May 16, 2013, at 9:00 a.m., local time. The company s principal executive office is located at 1185 Avenue of the Americas, New York, New York 10036. On or about March 21, 2013, we commenced mailing this proxy statement, the notice of annual meeting and the accompanying **WHITE** proxy card to our stockholders.

Holders of record of common stock of the company at the close of business on April 8, 2013 will be entitled to vote at the annual meeting. Each share of common stock will be entitled to one vote. As of March 15, 2013, the most recent practicable date prior to the date of this proxy statement, there were 343,123,070 shares of common stock outstanding and expected to be entitled to vote at the annual meeting. There are no other voting securities of the company outstanding.

If you are a registered stockholder, you can simplify your voting by using the internet or calling a toll-free telephone number. Internet and telephone voting information is provided on the **WHITE** proxy card. If you vote via the internet or by telephone, there is no need to return a signed proxy card. However, you may still vote by proxy by using the **WHITE** proxy card. If you beneficially hold your shares in street name through a bank, broker or other nominee, you will be able to vote using the **WHITE** voting instruction form provided to you by such nominee, and internet and telephone voting may also be available per the instructions provided on such **WHITE** voting instruction forms.

Proxies will be voted at the annual meeting in accordance with the specifications you make on the proxy. If you sign the **WHITE** proxy card or submit a proxy by telephone or over the internet and do not specify how your shares are to be voted, your shares will be voted in accordance with the recommendations of the board of directors (See Questions and Answers about the Annual Meeting and Voting).

Brokers are not permitted to vote your shares with respect to any proposals at the annual meeting without your instructions as to how to vote. Please instruct your broker how to vote your shares using the voting instruction form provided by your broker. Please return your completed WHITE proxy card or voting instruction form to your broker and contact the person responsible for your account so that your vote can be counted.

Please note that Elliott has notified the company of its intent to nominate a slate of five nominees for election as directors at the meeting in opposition to the

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nominees by our board of directors and present the Elliott Proposal. You may receive solicitation materials from Elliott, including proxy statements and proxy cards. We are not responsible for the accuracy of any information provided by or relating to Elliott or its nominees contained in solicitation materials filed or disseminated by or on behalf of Elliott or any other statements Elliott may make.

The board of directors does not endorse any Elliott nominees and unanimously recommends that you vote FOR the election of each of the nominees proposed by the board of directors and AGAINST the Elliott Proposal. Our board of directors strongly urges you not to sign or return any proxy card sent to you by Elliott. If you have previously submitted a proxy card sent to you by Elliott, you can revoke that proxy and vote for our board of directors   nominees and on the other matters to be voted on at the meeting by using the enclosed WHITE proxy card.

If you have any questions or require any assistance with voting your shares, please contact our proxy solicitor at the contact listed below:

105 Madison Avenue

New York, New York 10016

(212) 929-5500 (Call Collect)

or

Call Toll-Free (800) 322-2885

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QUESTIONS AND ANSWERS ABOUT THE ANNUAL MEETING AND VOTING

Why did I receive these proxy materials?

You have received these proxy materials because you are a Hess Corporation stockholder, and our board of directors is soliciting authority, or proxy, to vote your shares at the 2013 annual meeting of stockholders. The proxy materials include our notice of annual meeting of stockholders, proxy statement and 2012 annual report. These materials also include the **WHITE** proxy card and postage-paid return envelope or voting instruction form for the annual meeting. **WHITE** proxy cards are being solicited on behalf of our board of directors. The proxy materials include detailed information about the matters that will be discussed and voted on at the meeting, and provide updated information about our company that you should consider in order to make an informed decision when voting your shares. The proxy materials are first being furnished to stockholders on or about March 21, 2013.

There are eight proposals scheduled to be voted on at the annual meeting:

- Proposal 1: Election of five director nominees;
- Proposal 2: Ratification of the selection of Ernst & Young LLP as independent auditors for fiscal year ending December 31, 2013;
- Proposal 3: Advisory approval of the compensation of our named executive officers;
- Proposal 4: Approval of an amendment to the company s restated certificate of incorporation and by-laws to declassify the board of directors;
- Proposal 5: Stockholder proposal recommending that the board of directors adopt a policy that requires an independent chairman;
- Proposal 6: Stockholder proposal recommending that the board of directors take action to implement a simple majority vote standard;
- Proposal 7: Stockholder proposal recommending that the company provide a report regarding political contributions; and
- Proposal 8: Stockholder proposal submitted by Elliott recommending that the company repeal any provision or amendment of the by-laws adopted without stockholder approval after February 2, 2011 and prior to the annual meeting.

Have other candidates been nominated for election as directors at the annual meeting in opposition to the board of director s nominees?

Yes. Elliott, a stockholder of the company, has notified the company of its intent to nominate a slate of five nominees for election as directors at the annual meeting in opposition to the nominees recommended by our board of directors. Our board does not endorse any Elliott nominees and unanimously recommends that you vote **FOR** the election of each of the nominees proposed by the board of directors by using the **WHITE** proxy card accompanying this proxy statement. Our board strongly urges you not to sign or return any proxy card sent to you by Elliott.

Can I access the proxy materials on the internet?

Yes. The company s proxy statement and 2012 annual report are available at http://www.viewourmaterial.com/hess.

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How do I attend the annual meeting?

The annual meeting will be held at Hess Corporation, 1501 McKinney Street, Houston, Texas 77010 on Thursday, May 16, 2013 at 9:00 a.m., local time. When you arrive, signs will direct you to the appropriate room. Please note that the doors to the meeting room will not be open until 8:00 a.m. You should be prepared to present valid government-issued photo identification, such as a driver s license or passport, for admittance. In addition, if you are a stockholder of record, your name will be verified against the list of stockholders of record prior to admittance to the annual meeting. If you are a beneficial owner, you must provide proof of beneficial ownership on the record date, such as your account statement showing that you owned our stock as of April 8, 2013, a copy of the voting instruction form provided by your broker, trustee or nominee, or other similar evidence of ownership. If you do not provide valid government-issued photo identification and comply with the other procedures outlined above, you will not be admitted to the annual meeting. You do not need to attend the annual meeting to vote. Even if you plan to attend the annual meeting, please submit your vote in advance as instructed herein.

What is the quorum requirement for holding the 2013 annual meeting?

A majority of the outstanding shares of common stock, present in person or represented by proxy, will constitute a quorum at the annual meeting. Abstentions will be counted as shares present for purposes of determining the presence of a quorum for the transaction of business.

Who can vote?

Holders of record of common stock at the close of business on April 8, 2013 will be entitled to vote at the annual meeting. Each share of common stock will be entitled to one vote on all matters properly brought before the meeting. As of March 15, 2013, the most recent practicable date prior to the date of this proxy statement, there were 343,123,070 shares of common stock outstanding and expected to be entitled to vote at the annual meeting. There are no other voting securities of the company outstanding.

What is the difference between holding shares as a holder of record and as a beneficial owner?

If at the close of business on April 8, 2013, the record date for the annual meeting, your shares were held in an account at a brokerage firm, bank, dealer, or other similar organization or other nominee, then you are the beneficial owner of shares held in street name and the proxy materials, as applicable, are being forwarded to you by that organization. The organization holding your account is considered the stockholder of record for purposes of voting at the annual meeting. As a beneficial owner, you have the right to direct that organization on how to vote the shares in your account. If that organization is not given specific direction, shares held in the name of that organization may not be voted and will not be considered as present and entitled to vote on any matter to be considered at the annual meeting. **Brokers are not permitted to vote your shares with respect to any proposals at the annual meeting without your instructions as to how to vote. Please instruct your broker how to vote your shares using the voting instruction form provided by your broker. The WHITE voting instruction forms provided by your bank, broker or**

other nominee will also include information about how to vote your shares over the Internet or telephonically, if such options are available. Please return your completed WHITE proxy card or voting instruction form to your broker and contact the person responsible for your account or vote by internet or telephone so that your vote can be counted.

How do I vote my shares?

You may vote your shares using one of the following methods (please also see the information provided above concerning the difference between holding shares as a holder of record or registered holder and holding shares beneficially through a bank, broker or other nominee beneficial holders should follow the voting instructions provided by such nominee):

Over the internet. If you have access to the internet, you can submit your proxy online by following the instructions included on your **WHITE** proxy card (or **WHITE** voting instruction form in the case of beneficial holders for whom internet voting is available) for voting over the internet.

By telephone. You can vote by calling a toll-free telephone number listed on the **WHITE** proxy card (or **WHITE** voting instruction form in the case of beneficial holders for whom telephone voting is available). Please refer to your **WHITE** proxy card or **WHITE** voting instruction form for instructions on voting by phone.

By mail. You may vote your shares by completing, signing and mailing the **WHITE** proxy card included with your proxy materials (or **WHITE** voting instruction form in the case of beneficial holders). Please refer to your **WHITE** proxy card or **WHITE** voting instruction form for instructions on voting by mail.

In person at the annual meeting. Stockholders are invited to attend the annual meeting and vote in person at the annual meeting. If you are a beneficial owner of shares you must obtain a legal proxy from the bank, broker or other holder of record of your shares to be entitled to vote those shares in person at the meeting.

A control number, located on the instruction sheet attached to the **WHITE** proxy card, is designated to verify your identity and allow you to vote your shares and confirm that your voting instructions have been recorded properly. If you vote via the internet or by telephone, there is no need to return a signed **WHITE** proxy card. However, you may still vote by proxy by using the **WHITE** proxy card.

As noted above, if you hold shares beneficially in street name through a bank, broker or other nominee, you may vote by submitting the enclosed **WHITE** voting instruction form. Telephone and Internet voting may be also available please refer to the **WHITE** voting instruction form provided by your bank, broker or other nominee for more information.

Can I change my vote?

Yes. You may revoke the proxy at any time prior to its use by:

delivering a written notice to the secretary of the company, mailed to the company s principal executive office at 1185 Avenue of the Americas, New York, New York 10036;

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- executing and submitting a later-dated proxy;
- re-voting your shares by telephone or on the internet; or
- attending the annual meeting and voting in person.

If you have previously signed a proxy card sent to you by Elliott, you may change your vote by marking, signing, dating and returning the enclosed **WHITE** proxy card in the accompanying post-paid envelope or by voting by telephone or via the Internet by following the instructions on your **WHITE** proxy card. Submitting a proxy card sent to you by Elliott will revoke votes you have previously made via the company s **WHITE** proxy card.

Only the latest validly executed proxy that you submit will be counted.

What vote is required to approve each of the proposals?

- *Proposal 1: Election of directors*: Elliott has notified the board of directors of its intent to nominate a slate of five nominees for election as directors of the company at the 2013 annual meeting in opposition to the nominees recommended by the board. As a result, the election of directors is considered a contested election as defined in the company s by-laws. This means that, although the company does not know whether Elliott will, in fact, nominate any individuals for election as directors at the annual meeting, the five nominees receiving the highest number of FOR votes will be elected at the annual meeting. Withholdings will be counted as present for the purposes of this vote but are not counted as votes cast. Broker non-votes will not be counted as present and are not entitled to vote on the proposal. In the event that Elliott withdraws its nominees on or prior to the day before we mail this proxy statement to stockholders, our by-laws provide for majority voting in uncontested elections of directors. In such case, to be elected as a director of the company at the 2013 annual meeting, nominees must receive a majority of the votes cast. A majority of votes cast means that the number of shares voted FOR a director s election exceeds 50% of the number of votes cast with respect to that director s election.

- *Proposal 2: Ratification of selection of independent registered public accountants*: Approval of this proposal requires the affirmative vote of a majority of the shares present in person or represented by proxy and entitled to vote at the annual meeting. Abstentions will be counted as present for purposes of this vote and will have the effect of a vote against the proposal. Broker non-votes will not be counted as present and are not entitled to vote on the proposal.

- *Proposal 3: Advisory vote to approve the compensation of the named executive officers*: Approval of this proposal requires the affirmative vote of a majority of the shares present in person or represented by proxy and entitled to vote at the annual meeting. Abstentions will be counted as present for the purposes of this vote and will have the effect of a vote against the proposal. Broker non-votes will not be counted as present and are not entitled to vote on the proposal.

Proposal 4: Amend the company s restated certificate of incorporation and by-laws to declassify the board of directors: Approval of this proposal requires the affirmative vote of 80% of the outstanding shares of common stock. Therefore, abstentions and broker non-votes will have the effect of a vote against the proposal.

Proposals 5 8: Stockholder proposals: Approval of these proposals requires the affirmative vote of a majority of the shares present in person or represented by proxy and entitled to vote at the annual meeting. Abstentions will be counted as present for the purposes of this vote and will have the effect of a vote against these proposals. Broker non-votes will not be counted as present and are not entitled to vote on these proposals.

What are the recommendations of the board of directors?

The board of directors recommends that you vote your shares on your **WHITE** proxy card:

FOR the election of directors nominated herein,

FOR the proposal to ratify the selection of Ernst & Young LLP as independent auditors for the fiscal year ending December 31, 2013,

FOR the advisory approval of the compensation of our named executive officers,

FOR the proposal to amend our restated certificate of incorporation and by-laws to declassify the board of directors, and

AGAINST the stockholder proposals recommending an independent chairman, a simple majority vote standard, a report regarding political contributions and **AGAINST** the Elliott Proposal.

The board strongly urges you not to sign or return any proxy card sent to you by Elliott.

What should I do with the proxy cards sent to me by Elliott?

Elliott has notified the company of its intent to propose its own director nominees for election at the annual meeting and to present the Elliott Proposal. The company does not know whether Elliott will in fact nominate individuals for election as directors at the annual meeting and present the Elliott Proposal or solicit proxies. The nominations and proposals made by Elliott have NOT been endorsed by the board. The company is not responsible for the accuracy of any information contained in any proxy solicitation materials used by Elliott or any other statements that they may otherwise make.

Our board does not endorse any Elliott nominees and opposes the Elliott Proposal and unanimously recommends that you disregard any proxy card that may be sent to you by Elliott. Voting to withhold with respect to any of Elliott s nominees on its proxy card is not the same as voting for our board s nominees, because a vote to withhold with respect to any of Elliott s nominees on its proxy card will revoke any previous proxy submitted by you. If you have already voted using a proxy card sent to you by Elliott, you have every right to change it and we urge you to revoke that proxy by voting in favor of our board s nominees by using the enclosed WHITE proxy card. Only the latest validly executed proxy that you submit will be counted any proxy may be revoked at any time prior to its exercise at the annual meeting by following the instructions under Can I change my vote? on

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page 5. If you have any questions or require any assistance with voting your shares, please contact our proxy solicitor, MacKenzie Partners Inc., toll free at (800) 322-2885 or directly at (212) 929-5500.

What does it mean if I receive more than one WHITE proxy card on or about the same time?

It generally means you hold shares registered in more than one account. In order to vote all of your shares, please sign and return each **WHITE** proxy card or, if you vote via the internet or telephone, vote once for each **WHITE** proxy card you receive.

If Elliott proceeds with its previously announced alternative director nominations, we will likely conduct multiple mailings prior to the annual meeting date so that stockholders have our latest proxy information and materials to vote. We will send you a new **WHITE** proxy card with each mailing, regardless of whether you have previously voted. The latest-dated proxy you submit will be counted, and, if you wish to vote as recommended by the board of directors then you should only submit **WHITE** proxy cards.

What if I do not specify how I want my shares to be voted?

If you are the record holder of your shares and do not specify on your **WHITE** proxy card (or when giving your proxy by telephone or the internet) how you want to vote your shares, your shares will be voted:

- **FOR** the election of directors nominated herein,

- **FOR** the proposal to ratify the selection of Ernst & Young LLP as independent auditors for the fiscal year ending December 31, 2013,

- **FOR** the advisory approval of the compensation of our named executive officers, and

- **FOR** the proposal to amend our restated certificate of incorporation and by-laws to declassify the board,

- **AGAINST** the stockholder proposals recommending an independent chairman, a simple majority vote standard, a report regarding political contributions and **AGAINST** the Elliott Proposal.

If you are a beneficial owner of shares and do not specify how you want to vote, your shares may not be voted by the record holder and will not be considered as present and entitled to vote on any matter to be considered at the annual meeting. If your shares are held of record by a bank, broker, or other nominee, we urge you to give instructions to your bank, broker, or other nominee as to how you wish your shares to be voted so you may participate in the stockholder voting on these important matters.

What is the effect of an ABSTAIN vote?

Abstentions are considered to be present and entitled to vote with respect to each relevant proposal, but will not be considered a vote cast with respect to that proposal. Therefore, an abstention will effectively be a vote against each of the proposals, except for the election of directors.

What is a broker non-vote ?

A broker non-vote occurs when a beneficial owner of shares held by a broker, bank or other nominee fails to provide the record holder with voting instructions on any non-routine matters brought to a vote at a stockholder meeting.

Under the rules of the New York Stock Exchange, non-routine matters include the election of directors, the advisory vote to approve the compensation of named executive officers, amendments to the company s charter to declassify the board of directors, the stockholder proposals and the Elliott Proposal described in this proxy statement. As such, a broker may not vote your shares with respect to such matters without your instructions. **Given the contested nature of the election, the rules of the New York Stock Exchange do not permit broker discretionary authority to vote on any proposals to be voted on at the meeting, whether routine or not.**

If your shares are held of record by a bank, broker, or other nominee, we urge you to give instructions to your bank, broker, or other nominee as to how you wish your shares to be voted so you may participate in the stockholder voting on these important matters.

What should I do if I have other questions?

If you have any questions or require any assistance with voting your shares, please contact our proxy solicitor, MacKenzie Partners Inc., toll free at (800) 322-2885 or directly at (212) 929-5500.

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Additional Information

Availability of additional materials

The company will provide to any person whose proxy is solicited by this proxy statement, without charge, upon written request to the company s corporate secretary at the company s principal executive office at 1185 Avenue of the Americas, New York, New York 10036, a copy of the company s Annual Report on Form 10-K for the fiscal year ended December 31, 2012, or the company s proxy statement.

The information provided on the company s website (www.hess.com) is referenced in this proxy statement for information purposes only. Neither the information on the company s website, nor the information in the company s sustainability report, shall be deemed to be a part of or incorporated by reference into this proxy statement or any other filings we make with the Securities and Exchange Commission.

Proxy solicitation expenses

The cost of preparing and mailing the notice of annual meeting, this proxy statement and the accompanying proxy and the cost of solicitation of proxies on behalf of the board of directors will be borne by the company. Solicitations may be made by mail, internet, telephone, fax, town hall meetings, press releases, press interviews and/or through the use of the company s investor relations website. Some personal solicitation may be made by directors, officers and employees named in Annex B without special compensation, other than reimbursement for expenses. In addition, MacKenzie Partners Inc. has been retained to aid in the solicitation. Its fees for this solicitation are not expected to exceed $2,250,000. In addition, the company has agreed to reimburse MacKenzie Partners Inc. for its expenses. The company s aggregate expenses, including those of MacKenzie Partners Inc., related to the solicitation in excess of those normally spent for an annual meeting as a result of the potential proxy contest and excluding salaries and wages of our officers and regular employees, are expected to be approximately $6,250,000, of which approximately $600,000 has been spent to date. The company has agreed to indemnify MacKenzie Partners Inc. against certain liabilities relating to or arising out of their engagement. MacKenzie Partners Inc. estimates that approximately 50 of its employees will assist in this proxy solicitation, which they may conduct personally, by mail, internet, telephone, fax, email, town hall meetings, press releases, press interviews and/or through the use of the company s investor relations website. Additional information about persons who are participants in this proxy solicitation is set forth in Annex B. Brokers and other nominees will be requested to solicit proxies or authorizations from beneficial owners and will be reimbursed for their reasonable and documented expenses in connection therewith.

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Submission of stockholder proposals for the 2014 annual meeting

Proposals which stockholders wish to include in the company s proxy materials relating to the 2014 annual meeting of stockholders must be received by the corporate secretary at the address below no later than November 21, 2013. Such proposals must meet the requirements of the Securities and Exchange Commission to be eligible for inclusion in the company s proxy materials. Proposals must be addressed to:

Hess Corporation

1185 Avenue of the Americas

New York, N.Y. 10036

Attn: Corporate Secretary

Any stockholder proposal for the 2014 annual meeting which the proponent does not wish to include in the company s proxy materials for that meeting will be subject to the discretionary authority of proxies solicited by the board of directors unless notice of the proposal is received by the company at the above address on or before February 4, 2014. Pursuant to the company s by-laws, stockholder nominations of candidates for election at the 2014 annual meeting must be received on or prior to February 14, 2014 together with the information required by such provision.

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BACKGROUND OF THE SOLICITATION

On January 25, 2013, Elliott notified the company by letter that it intended to file notices under the Hart-Scott-Rodino Antitrust Improvements Act of 1976 (HSR) to enable Elliott to acquire more than $800 million of the company s common stock, beyond those shares Elliott may already own. In a separate letter from Elliott s counsel, Elliott informed the company that it was considering nominating candidates for election to Hess s board of directors at Hess s upcoming 2013 annual meeting and asked the company to confirm whether a proposed form of representations that would be provided by Elliott nominees complied as to form. By written letter to Elliott s counsel that same day, the company provided the requested confirmation and advised Elliott of the nomination deadline.

On January 28, 2013, the company publicly confirmed that it had received the foregoing notices from Elliott.

On January 29, 2013, Elliott publicly filed various solicitation materials, including a presentation and press release concerning proposals for restructuring the company and identifying its proposed director candidates.

On January 30, 2013, Elliott delivered a notice to the company proposing to nominate a slate of five nominees to stand for election at the company s 2013 annual meeting. The notice also included a proposal to repeal any provisions or amendments of the company s by-laws adopted without stockholder approval after February 2, 2011 and prior to the company s 2013 annual meeting.

On February 5, 2013, Elliott submitted a request for certain stocklist materials pursuant to Section 220 of the Delaware General Corporation Law.

On February 13, 2013, the Federal Trade Commission granted Elliott early termination of the HSR waiting period.

On February 26, 2013, the company and Elliott executed a confidentiality agreement in connection with Elliott s request for certain stocklist materials.

On March 4, 2013, the company announced several initiatives representing the culmination of the company s multi-year transformation into a pure play E&P company and that it would be nominating five new independent director candidates for election at the 2013 annual meeting and had appointed a sixth additional new independent director to the board to fill a vacancy created by the resignation of an existing director. Later that day, Elliott publicly filed various solicitation materials responding to the company s announcements.

As of the date hereof, the company and Elliott have not had any other material contacts.

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PROPOSAL 1: ELECTION OF DIRECTORS

At the 2013 annual meeting, five directors are to be elected to serve for a term of three years and until their successors are elected and qualified.

The board recommends that you vote on the WHITE proxy card or voting instruction form FOR the election of each of Mr. John Krenicki, Jr., Dr. Kevin Meyers, Mr. Fredric Reynolds, Mr. William Schrader and Dr. Mark Williams to serve as directors of Hess until the 2016 annual meeting of stockholders, or until their successors are elected and qualified.

It is intended that **WHITE** proxies will be voted for the five nominees set forth herein. **The board unanimously recommends using the enclosed WHITE proxy card to vote FOR each of the board s five nominees for director. Elliott has notified the company of its intent to nominate a slate of five nominees for election as directors at the annual meeting. As a result, the election of directors is considered a contested election as defined in the company s by-laws, and the five nominees receiving the highest number of FOR votes will be elected.** Withholdings will be counted as present for the purposes of this vote but are not counted as votes cast. Broker non-votes will not be counted as present and are not entitled to vote on the proposal.

The board does not endorse any Elliott nominees and urges you not to sign or return, any proxy card that may be sent to you by Elliott. Withholdings with respect to any of Elliott s nominees on its proxy card is not the same as voting for our board s nominees, because a vote to withhold with respect to any of Elliott s nominees on its proxy card will revoke any previous proxy submitted by you. If you have already voted using a proxy card sent to you by Elliott, you have every right to change it and the board urges you to revoke that proxy and vote in favor of the board s nominees by using the enclosed WHITE proxy card. Only the latest validly executed proxy that you submit will be counted.

If you have any questions or require any assistance with voting your shares, please contact our proxy solicitor at the contact listed below:

105 Madison Avenue

New York, New York 10016

(212) 929-5500 (Call Collect)

or

Call Toll-Free (800) 322-2885

In the event that Elliott withdraws its nominees on or prior to the day before the company mails its initial proxy statement to stockholders, the company s by-laws provide for majority voting in uncontested elections of directors. In such case, to be elected as a director of the company at the 2013 annual meeting, nominees must receive a majority of the votes cast. A majority of votes cast means that the number of shares voted FOR a director s election exceeds 50% of the number of votes cast with respect to that director s election. If a nominee

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for director who is an incumbent director is not elected at the 2013 annual meeting and no successor has been elected at the annual meeting, the director is required to promptly tender his or her resignation to the board of directors. The corporate governance and nominating committee is then required to make a recommendation to the board of directors as to whether to accept or reject the tendered resignation, or whether other action should be taken. The board of directors will act on the tendered resignation and will publicly disclose its decision and rationale within 90 days following certification of the election results. These procedures are described in full in our by-laws, which may be found on the company s website at www.hess.com.

The persons named as proxies intend to vote the proxies **FOR** the election of each of these five nominees unless you indicate on the **WHITE** proxy card a vote to **WITHHOLD** your vote with respect to any of the nominees. It is expected that all candidates will be able to serve. However, if before the election one or more are unable to serve or for good cause will not serve, the proxy holders will vote the proxies for the remaining nominees and for substitute nominees chosen by the board of directors unless it reduces the number of directors to be elected. If any substitute nominees are designated, we will file an amended proxy statement that, as applicable, identifies the substitute nominees, discloses that such nominees have consented to being named in the revised proxy statement and to serve if elected, and includes certain biographical and other information about such nominees required by the rules of the Securities and Exchange Commission.

The board recommends that you vote on the **WHITE** proxy card or voting instruction form **FOR** the election of each of Mr. John Krenicki, Jr., Dr. Kevin Meyers, Mr. Fredric Reynolds, Mr. William Schrader and Dr. Mark Williams to serve as directors of Hess until the 2016 annual meeting of stockholders, or until their successors are elected and qualified.

The following table presents information as of March 1, 2013 on the board s five nominees for election as directors of the company and the directors continuing in their respective terms of office, including the specific experience, qualifications, attributes or skills that led the board to conclude that such person should serve as a director. In addition to the information set forth below, Appendix B sets forth information relating to our directors, nominees for directors and certain of our officers and employees who are considered participants in our solicitation under the rules of the Securities and Exchange Commission by reason of their position as directors of the company, as nominees for directors or because they may be soliciting proxies on our behalf.

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Nominees for Director

Class I

Term expiring in 2016

Name	Age	Director since	Principal occupation, other directorships and skills and experience
John Krenicki, Jr.	50		Principal Occupation: Partner, Clayton, Dubilier & Rice, LLC (investment firm), Former Vice Chairman, General Electric Company and former Chief Executive Officer, GE Energy.
			Skills and Experience: Mr. Krenicki is one of America s top corporate executives with a strong track record of success, experience and leadership in operations, oil and gas and energy. His experience leading large-scale initiatives and operations across a global energy portfolio, will add important perspective to the Hess board as the company completes its transformation to a pure play exploration and production (E&P) company.
Kevin Meyers, Ph.D	59		Principal Occupation: Former Senior Vice President of E&P for the Americas, ConocoPhillips.
			Other Directorships: Bill Barrett Corporation, Denbury Resources Inc., Hornbeck Offshore Services, Inc., and Precision Drilling Corporation. Former Director, LUKOIL.
			Skills and Experience: Dr. Meyers has over 30 years of experience in exploration and production, both domestic and international. Based on this experience, Dr. Meyers will bring to the Hess board decades of managing cost-efficient E&P operations in geographies directly relevant to Hess focused E&P portfolio.
Fredric G. Reynolds	62		Principal Occupation: Former Executive Vice President and Chief Financial Officer (CFO), CBS Corporation.
			Other Directorships: AOL, Inc., Mondelez International Inc. Former Director, The Readers Digest Association, Blockbuster Inc., Sportsline.com, Inc.
			Skills and Experience: During his tenure as CFO of CBS Corporation, shareholders experienced substantial share appreciation and return of capital. Mr. Reynolds will bring to the Hess board his substantial experience as a CFO with a successful track record of financial oversight, leading a successful transformation, returning capital, and delivering long term returns.
William G. Schrader	55		Principal Occupation: Former Chief Operating Officer, TNK-BP Russia.

Other Directorships: Ophir Energy (African oil and gas exploration company).

Skills and Experience: Mr. Schrader is an outstanding E&P executive responsible for transforming BP s best and most valued E&P assets, and will bring to the board his experience as a disciplined E&P operator with expertise in production sharing structures, government relations, and delivering returns.

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Name	Age	Director since	Principal occupation, other directorships and skills and experience
Mark Williams, Ph.D	61		Principal Occupation: Former Member, Executive Committee, Royal Dutch Shell plc.
			Skills and Experience: Dr. Williams worked for 33 years at Shell, including more than 17 years in Shell s E&P and upstream business, serving most recently as a member of the executive committee of Royal Dutch Shell, where he was of the top three operating executives collectively responsible for all strategic, capital, and operational matters. His experience as part of an executive group with ultimate strategic responsibilities for the overall direction of one of the world s largest oil and gas companies will add invaluable insight to the Hess board.

The board of directors recommends that stockholders vote **FOR** the election of each of the five director nominees named above.

Members of Board of Directors Continuing in Office

Class II

Term expiring in 2014

Name	Age	Director since	Principal occupation, other directorships and skills and experience
Edith E. Holiday	61	1993	Principal Occupation: Corporate Director and Trustee; Former Assistant to the President of the United States and Secretary of the Cabinet; Former General Counsel, United States Department of the Treasury.
			Other Directorships: Canadian National Railway Company, H.J. Heinz Company, RTI International Metals, Inc., White Mountains Insurance Group Ltd.; Director or trustee of various Franklin Templeton mutual funds.
			Skills and Experience: Ms. Holiday brings deep public policy and governance expertise to the Hess board. The first woman to serve as General Counsel of the Treasury Department, Ms. Holiday possesses strong corporate governance and regulatory expertise, as well as legal and managerial experience in both private and public sectors. She has also served in a directorship capacity across a diverse range of industries throughout her career. Ms. Holiday currently chairs our nominating and corporate governance committee.
John H. Mullin III	71	2007	Principal Occupation: Chairman, Ridgeway Farm LLC (private company engaged in timber and farming activity); Former Managing Director, Dillon, Read & Co. Inc. (former investment banking firm).

Other Directorships: Sonoco Products Company. Former Lead Director, Progress Energy, Inc. Former Director, the Ryland Group, Inc., Adolph Coors Company. Former Trustee, The Putnam Funds.

Skills and Experience: With 20 years of investment banking experience, Mr. Mullin adds valuable financial and governance expertise to the Hess board. Mr. Mullin has served on the board of directors of multiple companies across sectors, including packaging, real estate, and energy. He currently chairs the Hess Audit Committee and is the board s new lead independent director.

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Name	Age	Director since	Principal occupation, other directorships and skills and experience
James H. Quigley	61	2013	Principal Occupation: Former Chief Executive Officer, Deloitte, Touche Tohmatsu Limited. Other Directorships: Merrimack Pharmaceuticals Inc. Skills and Experience: Mr. Quigley led Deloitte, one of the world s largest accounting and consulting firms. During his 38 years at Deloitte, he was a trusted consultant on strategic leadership and operating matters to senior management teams of multinational companies across industries. He will bring to the Hess board significant global experience and knowledge of financial, tax and regulatory matters that are relevant to Hess operations.
Robert N. Wilson	72	1996	Principal Occupation: Chairman, Mevion Medical Systems (medical device company); Former Vice Chairman of the Board of Directors, Johnson & Johnson. Other Directorships: Charles Schwab Corporation, Synta Pharmaceuticals Corp; Former Chairman, Caxton Health Holdings, LLC. Skills and Experience: Mr. Wilson brings decades of management and executive experience to the Hess board. He has had key roles in driving growth and development at two leading companies in the health care industry, and brings to the board experience in marketing, finance, and international business strategy.

Class III

Terms expiring in 2015

Name	Age	Director since	Principal occupation, other directorships and skills and experience
John B. Hess	58	1978	Principal Occupation: Chairman of the Board and Chief Executive Officer. Other Directorships: Dow Chemical Company, KKR Management LLC, General Partner of KKR & Co. L.P. Skills and Experience: Mr. Hess has over 35 years experience with the company and is its longest-serving director. During his career, Mr. Hess has acquired in-depth

			knowledge of the company s strategy and operations and the history of the company s development, and he and his family have had a long-standing commitment to the company.
Samuel W. Bodman	74	2009	Principal Occupation: Former Secretary of the United States Department of Energy; Former Deputy Secretary of the United States Department of the Treasury.
			Other Directorships: Weatherford International Ltd., Former Director, E.I. duPont de Nemours and Company, AES Corporation.
			Skills and Experience: Prior to his government service, Mr. Bodman was chairman of the board and chief executive officer of a global specialty chemicals company, which also had activities in liquefied natural gas, and was president and chief operating officer of a large financial services firm. During his career in the public and private sectors, Mr. Bodman acquired managerial, financial and technical experience, particularly as they relate to the energy sector.

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Name	Age	Director since	Principal occupation, other directorships and skills and experience
Risa Lavizzo-Mourey	58	2004	Principal Occupation: President and Chief Executive Officer, The Robert Wood Johnson Foundation. Other Directorships: Former Director, Genworth Financial, Inc., Beckman Coulter Inc. Skills and Experience: Dr. Lavizzo-Mourey was the former director of five public companies, including service on audit committees. She has decades of leadership and technical experience and has significant experience in the nonprofit and health care sectors.
Craig G. Matthews	69	2002	Principal Occupation: Former Vice Chairman, Chief Operating Officer and Director, KeySpan Corporation (gas distribution, electricity generation, exploration and energy services company). Former Chief Executive Officer and President, NUI, Inc. (gas distribution and energy services). Other Directorships: National Fuel Gas Company (a predominant player in the Marcellus Shale exploration), Republic Financial Corp. (diversified private equity company). Skills and Experience: Mr. Matthews has more than 45 years of operational and financial experience in the energy and utilities sector, most recently in his roles at KeySpan and its predecessor. During his career, Mr. Matthews acquired managerial and financial experience, particularly in applying accounting principles to issues affecting energy companies, relevant to his service as a financial expert on the company s audit committee.
Ernst H. von Metzsch	73	2003	Principal Occupation: Managing Member, Cambrian Capital, L.P. (investment firm); Former Senior Vice President and Partner, Wellington Management Company (investment company). Skills and Experience: Mr. von Metzsch has nearly 35 years of experience in the financial industry, including specializing in energy investments and leading his own investment firm. His background in analyzing and investing in energy companies provides sound expertise for the Hess board, specifically with regard to its capital allocation priorities, shareholder return programs, and balance sheet.

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All of the nominees and directors named above have held substantially the positions or former positions indicated for the past five years, except as described below. From 2005 to 2009, Mr. Bodman was Secretary of the United States Department of Energy. Mr. Wilson was chairman of Caxton Health Holdings LLC from 2004 to 2007. Dr. Meyers retired from ConocoPhillips in December 2010, where he served in senior executive positions since 2002. Mr. Schrader retired as chief operating officer of TNK-BP in 2011 after serving in senior executive roles at BP for many years. Mr. Williams retired from Royal Dutch Shell plc in March 2013 after a 33 year career with that company. Mr. Reynolds retired as senior vice president and chief financial officer for CBS Corporation in 2009, where he had served in senior executive positions at CBS and its affiliates since 1994.

Messrs. Hess, Brady and Kean may be deemed to be control persons of the company by virtue of their beneficial ownership of common stock as described under Ownership of Voting Securities by Certain Beneficial Owners.

The board of directors met nine times in 2012, including eight regularly scheduled meetings and one special meeting. Each director attended at least 75% of the aggregate of all board of directors meetings and all meetings of the committees of the board of directors on which he or she served during 2012.

Non-management directors meet without members of management present generally after each regularly scheduled board meeting. The lead independent director presides at these meetings.

All but one of the directors attended last year s annual meeting.

Director and Nominee Independence

The board of directors has affirmatively determined that twelve of the fourteen current directors on the board, namely, Mr. Bodman, Mr. Brady, Ms. Holiday, Mr. Kean, Ms. Lavizzo-Mourey, Mr. Mullin, Mr. Matthews, Mr. Nunn, Mr. Quigley, Mr. Olson, Mr. von Metzsch and Mr. Wilson, and all five of the Company s proposed nominees for election at the 2013 annual meeting, namely, Mr. Krenicki, Dr. Meyers, Mr. Reynolds, Mr. Schrader and Dr. Williams, are independent within the meaning of the rules and standards of the New York Stock Exchange. The board determined that these directors and nominees not only met all bright-line criteria under these rules, but also that, based on all known relevant facts and circumstances, there did not exist any relationship that would compromise the independence of these directors. In particular, the board determined that service by Messrs. Brady and Kean as executors of the estate of Leon Hess or as trustees of certain related trusts and entities and Mr. Mullin s prior such service does not impair their independence because there are no factors relating to such service that would exert influence on their decisions with respect to matters affecting the company. Mr. Mullin no longer serves as an executor or trustee of these trusts or entities.

Corporate Governance Guidelines

The board has approved a set of corporate governance guidelines in accordance with rules of the New York Stock Exchange. These guidelines set forth the key policies relating to corporate governance, including director qualification standards, director responsibilities and director compensation. The board has also approved a code of business conduct and ethics in accordance with rules of the New York Stock Exchange and the Securities and Exchange Commission applicable to all directors, officers and employees, including the chief executive officer, the principal financial and accounting officer and other senior financial officers. The code is intended to provide guidance to directors and management to assure compliance with law and promote ethical behavior. Copies of the company s corporate governance guidelines and its code of business conduct and ethics may be found on the company s website at www.hess.com and are also available without charge upon request to the company s corporate secretary at its principal executive office set forth on the first page of this proxy statement.

Stockholder and Interested Party Communications

Any stockholder or interested party who wishes to communicate or request a meeting with members of the board of directors or with only non-management directors or any specified individual director may do so by writing to them in care of the lead independent director, Hess Corporation, P.O. Box 1495, Brookneal, VA 24528. The stockholders may also communicate directly to the lead independent director by e-mail to directors@hess.com. Communications sent by mail or e-mail will be reviewed by the lead independent director and will be referred for resolution and response as deemed appropriate by the lead independent director. If a stockholder requests a meeting, the corporate governance and nominating committee will decide whether the subject matter is a proper one to be addressed by the board and, if so, whether a meeting is warranted. The corporate governance and nominating committee will meet periodically to review all stockholder communications received.

Board Leadership Structure

At present, the board of directors of the company has chosen to combine the positions of chief executive officer and chairman of the board and appoint a lead independent director. The board currently believes that the interests of the company and its stockholders are better served with one individual serving in both roles and that the chief executive officer is the individual with the necessary experience, commitment and support of the other board members to also effectively carry out the role of chairman. The board is aware that in the future, there may be circumstances under which an independent chairman is appropriate and believes it is important to retain the organizational flexibility to determine whether the roles of chairman of the board and chief executive officer should be separated or combined in one individual.

The board believes this structure promotes better alignment of strategic development and execution, more effective implementation of strategic initiatives, and clearer accountability for their success or failure. Moreover, the board believes that combining the chairman and chief executive officer positions does not impede independent oversight. Twelve of the fourteen members of the board of directors are independent under New York Stock Exchange rules.

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As part of its evaluation of the combined positions of chief executive officer and chairman of the board, the board considered the fact that it has appointed a lead independent director with responsibilities that are substantially similar to many of the functions typically fulfilled by a board chairman, as described below, and believes that such responsibilities provide an opportunity for the independent directors to discuss management performance and other issues. The independent directors meet in an executive session after each regular board meeting and the lead independent director acts as chairman of these sessions, at which the independent directors have the opportunity to discuss management performance and other matters.

Lead Independent Director

The board has a lead independent director who is elected by the independent members of the board. Mr. Nicholas Brady, former chairman of the corporate governance and nominating committee, was acting as the previous lead independent director, and the current lead independent director is John H. Mullin III. As set forth in the company s corporate governance guidelines, the responsibilities of the lead independent director include:

- presiding at all meetings of the board at which the chairman is not present, including executive sessions of the independent directors;
- serving as liaison between the chairman and the independent directors;
- approving board meeting schedules to assure that there is sufficient time for discussion of all agenda items, as well as meeting agendas and information sent to the board;
- having authority to call meetings of the independent directors; and
- if requested by stockholders, ensuring that he or she is available for consultation and direct communication.

Related Party Transactions

The company expects all directors and executive officers to bring to the company s attention any related party transactions, including transactions which may be required to be disclosed under Item 404 of Regulation S-K promulgated by the Securities and Exchange Commission. The company s code of business conduct and ethics provides that if any company representative, including a director or officer, considers conducting any transaction that reasonably would be expected to give rise to a conflict of interest between the representative and the company, such representative must disclose such transaction in advance to the company s legal department for review. In addition, the company annually sends each director and executive officer a questionnaire requiring such person to describe any transaction contemplated under Item 404 or in the case of independent directors, any transaction that might compromise their independence. The company also annually conducts a review of its accounting records to determine whether any such related transaction occurred in the prior fiscal year. If any proposed or existing related transaction is identified, the transaction is brought to the general counsel for review. If the general counsel determines the transaction poses a conflict of interest, or would compromise the independence of a non-management director, the general counsel will advise the audit committee of the transaction and the

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disinterested members of the audit committee will determine whether the transaction serves the best interest of the company and its stockholders and whether if proposed, it may proceed and if existing, it may continue to exist. The general counsel and the disinterested members of the audit committee will determine the appropriate scope of, and process for, the review of any such transaction based on the then existing facts and circumstances of the transaction in view of applicable listing standards of the New York Stock Exchange.

Compensation and Management Development Committee

The compensation and management development committee of the board of directors is composed of Robert N. Wilson, chairman, Samuel W. Bodman, Nicholas F. Brady, Thomas H. Kean, Frank A. Olson, Ernst H. von Metzsch and Samuel A. Nunn. Mr. Wilson was appointed chairman of this committee on March 1, 2013, succeeding Mr. Kean. The board has determined that each member of this committee is independent within the meaning of applicable rules of the New York Stock Exchange. This committee met four times in 2012.

The board of directors has adopted a written charter for the compensation and management development committee in accordance with applicable rules of the New York Stock Exchange. A current copy of this charter is available on the company s website, www.hess.com, and also available without charge upon request to the company s corporate secretary at the company s principal executive office set forth on the first page of this proxy statement. As stated in the charter, this committee s principal responsibilities are to:

- review the performance and approve the compensation of the company s chief executive officer and other named executive officers,
- review and monitor the company s compensation and benefit programs,
- administer and make awards of stock-based compensation under the company s long-term incentive plans,
- review management development and succession programs,
- approve the retention and review the performance of independent compensation consultants to the committee, and
- prepare its annual report on executive compensation for the company s proxy statement.

The committee s processes for determining executive compensation are described in Compensation Discussion and Analysis on page 29.

Corporate Governance and Nominating Committee, Board Diversity and Consideration of Stockholder Recommended Candidates

The corporate governance and nominating committee is composed of Edith E. Holiday, chairwoman, Samuel W. Bodman, Nicholas F. Brady, Thomas H. Kean and Samuel A. Nunn. Ms. Holiday was appointed chairwoman of this committee on March 1, 2013, succeeding Mr. Brady. The board of directors has determined that each member of this committee is independent within the meaning of applicable rules of the New York Stock Exchange. The corporate governance and nominating committee met four times in 2012.

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The board of directors has adopted a written charter for the corporate governance and nominating committee in accordance with applicable rules of the New York Stock Exchange. A current copy of this charter is available on the company s website, www.hess.com, and is also available without charge upon request to the company s secretary at the company s principal executive office set forth on the first page of this proxy statement. As stated in this charter, this committee s principal responsibilities are to:

- identify and recommend individuals to the board for nomination as members of the board and its committees consistent with criteria approved by the board,
- make recommendations to the board relating to board practices and corporate governance, and
- develop, recommend to the board and periodically review a set of corporate governance principles applicable to the company.

This committee recommends for election as directors qualified candidates identified through a variety of sources, including stockholder suggestions. Stockholders may suggest candidates by writing to the committee, in care of the secretary of the company at the company s principal executive office set forth on the first page of this proxy statement. Stockholder suggestions should include a summary of the candidate s qualifications, the information required by Securities and Exchange Commission rules for director nominees and contact information for the candidate. In accordance with the company s corporate governance guidelines approved by the board of directors, nominees are reviewed and recommended based on a variety of criteria including:

- personal qualities and characteristics, education, background, accomplishments and reputation in the business community,
- current knowledge of the energy industry or industries relevant to the company s business and relationships with individuals or organizations affecting the domestic and international areas in which the company does business,
- ability and willingness to commit adequate time to board and committee matters,
- the fit of the individual s skills and personality with those of other directors and potential directors in building a board that is effective, collegial and responsive to the needs of the company,
- diversity of viewpoints, background and experience, and
- compatibility with independence and other qualifications established by applicable law and rules.

As noted above, among the criteria used to evaluate nominees for the board is diversity of viewpoints, background and experience. The board believes that such diversity provides varied perspectives which promote active and constructive dialogue among board members and between the board and management, resulting in more effective oversight. The board believes this diversity is amply demonstrated in the varied experience, qualifications and skills of the current and proposed members of the board. In the board s executive sessions and in annual performance evaluations conducted by the board and its committees, the board from time to

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time considers whether the members of the board reflect such diversity and whether such diversity contributes to a constructive and collegial environment. In addition, the company has adopted a mandatory director retirement policy, which provides that no person shall be nominated to stand for election or re-election to the board of directors as a non-management director if the election would take place after such person has attained the age of 75.

In advance of the annual meeting, the committee meets to recommend nominees for election at each annual meeting. From time to time throughout the year, members of the committee are furnished appropriate materials regarding any new nominees and may from time to time meet with new potential candidates. Stockholder suggestions should be submitted no later than December 1 for consideration as nominees for election at the next annual meeting and otherwise in accordance with the company s policy and by-laws. The committee follows the same process of identifying and evaluating nominees recommended by stockholders as that for candidates recommended by any other source.

With respect to the nominees for election at the 2013 annual meeting, the nominating and corporate governance committee retained Egon Zehnder International, a leading director and executive search and recruiting firm, to identify and review potential independent director candidates and assist the committee and the board in assessing the qualifications of candidates. The committee has not paid fees to any other third parties to assist in identifying or evaluating potential nominees. Each of the nominees for election at the 2013 annual meeting were recommended by a consensus of Egon Zehnder and the non-management directors of the nominating and corporate governance committee, with the input of senior management and our financial and legal advisors.

Audit Committee

The audit committee of the board of directors is composed of John H. Mullin III, Chairman, Edith E. Holiday, Craig G. Matthews, Risa Lavizzo-Mourey, Frank A. Olson, and Robert N. Wilson. Mr. Mullin was appointed chairman of this committee on March 1, 2013, succeeding Mr. Wilson. The board has determined that each member of the audit committee is independent within the meaning of applicable rules of the Securities and Exchange Commission and the New York Stock Exchange. The board has also determined that Craig G. Matthews is the audit committee financial expert as this term is defined under applicable rules of the Securities and Exchange Commission. The audit committee met six times in 2012. In addition, the audit committee held four reviews of quarterly financial results with management and the company s independent registered public accountants.

The board of directors has adopted a written charter for the audit committee in accordance with applicable rules of the New York Stock Exchange and the Securities and Exchange Commission. A current copy of the charter is attached as Annex C to this proxy statement and is also available on the company s website at www.hess.com and without charge upon request to the company s corporate secretary at its principal executive office set forth on the first page of the proxy statement. As stated in the charter, the audit committee s principal responsibility is to provide assistance to the board of directors in fulfilling its oversight responsibility to the stockholders, the investment community and others relating to:

- the company s financial statements,

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- the financial reporting practices of the company,
- the systems of internal accounting and financial controls,
- the internal audit function,
- the annual independent audit of the company s financial statements,
- the retention of outside auditors and review of their independence,
- the review of risk and risk controls, and
- the company s environmental, health, safety and social responsibility programs and compliance.

Report of the Audit Committee

The audit committee of the board of directors oversees the company s financial reporting on behalf of the board. Management is responsible for the system of internal controls and for preparing financial statements. The independent registered public accountants are responsible for expressing an opinion on the fair presentation of the financial statements in conformity with generally accepted accounting principles. The audit committee operates in accordance with a charter approved by the board of directors.

In fulfilling its oversight responsibilities, the audit committee reviewed and discussed the audited financial statements of the company for the year ended December 31, 2012 with management and the independent registered public accountants. Management represented to the committee that these statements were prepared in accordance with generally accepted accounting principles. The audit committee also discussed accounting policies, significant judgments inherent in the financial statements, disclosures and other matters required by generally accepted auditing standards with management and the independent registered public accountants. In addition, the committee has received from the independent registered public accountants the annual independence disclosures and letter pursuant to Rule 3526 of the Public Company Accounting Oversight Board (PCAOB) regarding the independent registered public accountants communications with the audit committee concerning independence and discussed with them their independence from management and the company. In that connection, the audit committee considered the compatibility of all non-audit services with the auditors independence.

During 2012, the audit committee met with management, the independent registered public accountants and the internal auditors to discuss:

- the annual audit scope and plans for their respective audits,
- the adequacy of staffing and related fees,

the results of their examinations,

the adequacy and effectiveness of internal controls over financial reporting and disclosure controls and procedures,

issues raised on the company s hotline reporting system, matters related to risk and risk controls, and

all communications required by PCAOB Standards.

The audit committee also met separately with the independent registered public accountants and the internal auditors without management present.

In reliance on the reviews and discussions with management and the independent registered public accountants, the audit committee recommended to the board of directors, and the board approved, the inclusion of the audited financial statements in the Annual Report on Form 10-K for the year ended December 31, 2012 filed with the Securities and Exchange Commission. The audit committee has also selected Ernst & Young LLP as independent registered public accountants for 2013. The board has proposed that the stockholders ratify this selection at the annual meeting.

John H. Mullin III, Chairman

Edith E. Holiday

Risa Lavizzo-Mourey

Craig G. Matthews

Frank A. Olson

Robert N. Wilson

Risk Management Oversight

In the normal course of its business, the company is exposed to a variety of risks, including market risks relating to changes in commodity prices, interest rates and currencies, technical risks affecting the company s resource base, political and regulatory risks and credit and investment risk.

The company operates a risk control program under the direction of its chief risk officer and through its corporate risk policy, which senior management has approved. The company is continuing to develop and implement an enterprise risk program across the company to strengthen the consistency of risk consideration in making business decisions. For marketing and trading activities, risk limits are monitored and reported on a daily basis to business units and to senior management. The company has a risk committee, chaired by the chief financial officer, consisting of key finance, legal and risk control executives that meets throughout the year to review risk exposures and controls.

The audit committee of the board of directors has been delegated primary responsibility for oversight of the company s risk management practices. At least annually, the chief risk officer presents a comprehensive review of the company s corporate risk policy to the audit committee, discussing the risk control organization and risk control practices. The audit committee will also receive updates at other meetings during the year on any particular matters relating to risk controls that management believes needs to be brought to the attention of the committee. In addition, the full board of directors has oversight of the company s risk management policies with an emphasis on understanding the key enterprise risks affecting the company s business and the ways in which the company attempts to prudently mitigate such risks, to the extent reasonably practicable and consistent with the company s long-term strategies. The chief risk officer reviews the enterprise risk program with the board annually.

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Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Exchange Act requires the company s directors, certain of its officers and persons who beneficially own more than 10% of the company s common stock to file initial reports of ownership and reports of changes in ownership with the Securities and Exchange Commission. Based solely on the company s review of copies of such reports, and on written representations from such reporting persons, the company believes that in 2012 all such reporting persons filed the required reports on a timely basis in accordance with Section 16(a).

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Director Compensation

The following table shows compensation paid to our non-employee directors in 2012.

Name (a)	Fees Earned or Paid in Cash ($) (b)	Stock Awards(1) ($) (c)	All Other Compensation(2) ($) (d)	Total ($) (e)
Bodman, Samuel W.	130,000	174,860	235	305,095
Brady, Nicholas F.	140,000	174,860	13,980	328,840
Holiday, Edith E.	145,000	174,860	235	320,095
Kean, Thomas H.	140,000	174,860	13,980	328,840
Lavizzo-Mourey, Risa	135,000	174,860	235	310,095
Matthews, Craig G.	135,000	174,860	235	310,095
Mullin, John H.	135,000	174,860	235	310,095
Nunn, Samuel A.	45,834	72,702	98	118,634
Olson, Frank A.	145,000	174,860	13,980	333,840
von Metzsch, Ernst H.	120,000	174,860	235	295,095
Wilson, Robert N.	155,000	174,860	235	330,095

(1) Stock awards consist of 2,722 common shares granted on March 7, 2012 (1,340 shares granted on September 13, 2012 in the case of Mr. Nunn) to non-executive directors that were fully vested on the date of grant. The aggregate grant date fair value for 2012 stock awards was computed in accordance with ASC 718.

(2) Amounts in this column consist of annual life insurance premiums for each director and, for Messrs. Brady, Kean and Olson, $13,745 in medical and dental benefits.

In 2012, each director who was not an employee of the company or any of its subsidiaries received an annual cash fee of $110,000 for membership on the board of directors, except Mr. Nunn who received $45,834 constituting a pro-rata annual fee. These directors received an additional annual cash fee of $10,000 for membership on each committee of the board of directors on which such director served, except for audit committee members who each received an annual cash fee of $25,000. The chairperson of each committee received an annual cash fee of $15,000, except for the chairman of the audit committee, who received an annual cash fee of $30,000. In addition, in March 2012 each non-employee director received 2,722 shares of fully vested common stock (constituting approximately $175,000 in value on the date of award), except Mr. Nunn who received 1,340 shares in September 2012 constituting a pro-rata award. These awards are made from shares purchased by the company in the open market.

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Executive Compensation and Other Information

Compensation Discussion and Analysis

Executive Summary

Our compensation program is designed to be consistent with our policy of aligning pay and performance, and our compensation results for 2012 continue to reflect this policy of alignment.

In 2012, we continued pursuing our strategy, which began in 2010, to transform the company into a more focused, exploration and production (E&P) company. This multi-year strategic transformation is designed to produce greater returns for stockholders through the divestiture of non-strategic assets and non-core operations and the redeployment of capital to our most promising growth areas, centered around lower risk, higher growth shale assets, the exploitation of existing discoveries and a smaller and more focused exploratory program.

2012 Business Transformation Highlights

As part of our ongoing transformation, we achieved the following positive results in 2012:

Achieved net income of $2.0 billion, the third highest in the company s history	Made significant progress towards rebalancing of our E&P portfolio in favor of lower-risk, higher-return and geographically more secure assets, with total announced divestitures of $2.4 billion and additional divestitures underway or contemplated
Produced cash flow from operations of $5.7 billion, the highest in the company s history	Achieved organic reserve growth of 141% notwithstanding asset sales, with total proved reserves of 1.55 billion at year-end 2012
Increased average annual production from our Bakken oil shale play by nearly 87%, to 56,000 barrels of oil equivalent per day (boepd) in 2012 from 30,000 boepd in 2011	Closed HOVENSA joint venture refinery in the U.S. Virgin Islands as part of our exit from the refinery business
Decreased average well costs in the Bakken to $9 million per well by year-end 2012 from over $13 million per well at the beginning of 2012	

These results were achieved despite the challenges of lower realized crude oil selling prices, higher than expected well costs in the earlier part of the year, and capital expenditures in excess of budget primarily due to increased activity in the Bakken oil shale in North Dakota.

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2013 Business Transformation Highlights

In January and March 2013, the company announced significant additional actions and commitments as part of its ongoing transformation, which it expects will yield considerable long-term benefits for Hess shareholders, including:

Pursuing the sale of our terminal network, which, in addition to sale proceeds, will release approximately $1 billion of working capital	Completing our exit from the refining business with the closure of the company s Port Reading, New Jersey refinery
Fully exiting our downstream businesses, including retail, energy marketing and energy trading, representing the culmination of our multi-year transformation into a pure play E&P company	Committing to a 17% reduction in capital expenditures with further reductions expected in 2014 and a reduction in exploration spending by 29% in 2013
Further focusing our E&P portfolio by divesting assets in Indonesia and Thailand	Using the initial proceeds from both previously and newly announced asset sales to pay down short term debt, and retain financial flexibility to fund our growth
Pursuing the monetization of the company s Bakken midstream assets, expected in 2015	Returning capital directly to shareholders through an increase in the annual dividend to $1.00 per share commencing in the third quarter of 2013 and a share repurchase program authorization of up to $4 billion, with amount and timing tied to proceeds from our asset sale program

2012 Compensation and Changes in Payout Philosophy

Despite the positive actions described above taken by the company, based on feedback from stockholders, the significant increase in capital expenditures in 2012 and the relative underperformance in the company s stock in 2012, and mindful of our policy of strong alignment of pay and performance, the compensation and management development committee (the committee) made the following decisions and changes with respect to 2012 compensation and its ongoing payout philosophy:

Held the chief executive officer s salary flat for 2013 for the fifth consecutive year	Eliminated the use of stock option awards and changed the company s long-term incentive award program so that 50% of the shares awarded annually will be performance share units (PSUs) and the remaining 50% will be in the form of restricted stock
Accepted Mr. Hess s request to not be awarded an annual cash bonus in respect of the corporate and business unit components of his 2012 annual cash bonus	Increased transparency by providing significantly greater disclosure regarding the corporate and business unit metrics used to compute the non-discretionary portion of annual cash bonuses as well as attainment against those metrics
Reduced to zero the payout on the individual performance component of the 2012 annual cash bonus for each of the company s named executive officers (NEOs) (including Mr. Hess, resulting in Mr. Hess receiving no annual bonus whatsoever in respect of 2012)	Expanded disclosure relating to the PSU program to explain how the program was designed and how the payout levels were determined

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Name	2012 Target Cash Bonus Opportunity	2012 Actual Cash Bonus Award
Hess, John B **Chairman and Chief Executive Officer**	$ 3,250,000	$ 0
Hill, Gregory P **Executive Vice President & President, Worldwide Exploration and Production**	$ 950,000	$ 582,983
Walker, F. Borden **Executive Vice President & President, Marketing and Refining**	$ 800,000	$ 490,933
Goodell, Timothy B **Senior Vice President & General Counsel**	$ 700,000	$ 429,567
Rielly, John P **Senior Vice President & Chief Financial Officer**	$ 500,000	$ 306,833

Mr. Hess received no cash bonus for 2012, leaving the vast majority (85%) of his 2012 compensation in the form of long-term incentive equity awards

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2012 Say on Pay Vote Results and Stockholder Outreach.

Peer Group Compensation. At the 2012 annual meeting of stockholders, the say on pay advisory resolution was approved by 57% of votes cast. While the committee appreciated the support of the majority of our stockholders, the committee understood that this level of support indicated that a number of stockholders had reservations about the company s compensation policies for its NEOs. At the conclusion of the 2012 proxy season, the committee s independent compensation consultant, Pay Governance LLC (Pay Governance), reviewed 2011 compensation data for the company s peer group and determined that Mr. Hess s total direct compensation (including salary, cash bonus paid in 2012 and long term equity awards granted in 2011) ranked at the 33rd percentile when compared to the total direct compensation of the other chief executive officers in the peer group. Such comparison is approximately in line with the company s three-year average total shareholder return ranking, which is at the 27th percentile of the same peer group.

Company (a)	3-year Average TSR (2009-2011) (b)	CEO Actual Total Direct Compensation (c)
Exxon Mobil Corporation	4%	$ 24,646,000
ConocoPhillips	15%	$ 18,916,000
Anadarko Petroleum Corporation	26%	$ 18,797,000
Chevron Corporation	16%	$ 17,857,000
Occidental Petroleum Corporation	18%	$ 16,967,000
Marathon Oil Corporation	24%	$ 16,621,000
Apache Corporation	7%	$ 14,842,000
BP plc	2%	$ 14,762,000
EOG Resources, Inc.	15%	$ 14,458,000
Devon Energy Corporation	-1%	$ 13,698,000
Hess Corporation	3%	$ 13,250,000
Royal Dutch Shell plc	16%	$ 12,864,000
Murphy Oil Corporation	10%	$ 10,495,000
Talisman Energy Inc.	11%	$ 7,172,000
Total S.A.	-9%	$ 5,488,000
Statoil ASA	-4%	$ 1,727,000

Peer Group Subset Compensation. In discussions with stockholders to get their further input on our compensation policies and practices before and after the 2012 vote, some stockholders questioned whether the company should include companies that are significantly larger than Hess in its peer group because such a comparison may result in pay benchmarks that are too high. We believe that such larger companies are appropriate for inclusion in the peer group because we compete with these companies for business and in attracting and retaining talent. However, in order to test this assertion, the committee s compensation consultant analyzed total direct compensation of Mr. Hess compared with that of chief executive officers in a subset of the peer group that excluded so-called super majors as well as state-owned oil companies. This analysis showed that among this subset of the peer group, Mr. Hess s ranking in total direct compensation in fact dropped from the 33rd to the 25th percentile. Therefore, by using the peer group that includes our larger competitors, the compensation levels against which the company benchmarks Mr. Hess s compensation were lower than they would have been had we used a subset of the peer group that excluded our larger competitors (as described above). Notwithstanding this finding, the committee will continue to be vigilant in ensuring that executive compensation is designed to enhance long-term stockholder value and strongly tied to performance. While this analysis validated the committee s view that Mr. Hess s compensation for 2012 was not excessive and was aligned with performance, the committee decided that management should solicit the views of the company s large institutional stockholders to understand any concerns they might have about the company s executive compensation.

Company (a)	3-year Average TSR (2009-2011) (b)	CEO Actual Total Direct Compensation (c)
Anadarko Petroleum Corporation	26%	$ 18,797,000
Occidental Petroleum Corporation	18%	$ 16,967,000
Marathon Oil Corporation	24%	$ 16,621,000
Apache Corporation	7%	$ 14,842,000
EOG Resources, Inc.	15%	$ 14,458,000
Devon Energy Corporation	-1%	$ 13,698,000
Hess Corporation	3%	$ 13,250,000
Murphy Oil Corporation	10%	$ 10,495,000
Talisman Energy Inc.	11%	$ 7,172,000

Results of Stockholder Engagement by Management. In the fall of 2012, management reached out to a number of the company s largest institutional stockholders (including those holding in the aggregate over 20% of the company s outstanding common stock) to solicit their views on the company s executive compensation. The committee carefully considered the concerns expressed by those stockholders that responded when developing compensation decisions in 2013. While the stockholders were supportive of the PSU program based on relative total shareholder return that we put in place in 2012, the following themes emerged on other issues:

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Aggregate Pay Levels

Stockholder Feedback	Management Committee Response
Stockholders expressed some concern about overall pay levels stressing the need to show strong alignment between pay and performance.	The committee is committed to ensuring that pay levels are appropriate and strongly aligned with performance. As discussed above, an analysis prepared by the committee s independent compensation consultant following last year s annual meeting showed that the CEO s pay levels were not excessive and were well aligned with performance, whether compared to our peer group shown on page 42 or a subset of the peer group excluding companies with significantly larger revenues. Nevertheless, in light of the relative underperformance of the company s stock and the significant increase in capital expenditures in 2012, and in order to demonstrate to our stockholders our commitment to our policy of aligning pay with performance, the committee reduced the discretionary bonus for each of the NEOs to zero. Also, at Mr. Hess s request, he was paid no bonus with respect to corporate and business unit components of his 2012 cash bonus despite the fact that he would have earned a bonus of almost $2 million using the applicable pre-established metrics. Consequently Mr. Hess received no cash bonus for 2012.

Transparency

Stockholder Feedback	Management Committee Response
Stockholders requested greater clarity regarding the metrics used for calculating the non-discretionary portion of the annual cash bonus and the reasons for payment of the discretionary bonus.	In response to recommendations from stockholders that the company provide greater transparency about elements of its executive compensation program, we have significantly increased disclosure regarding the corporate and business unit metrics used to compute the non-discretionary portion of the annual cash bonus as well as attainment against those metrics (see pages 45 to 51). We have explained above why the NEOs will not receive a discretionary bonus for 2012. Finally, we have expanded disclosure relating to the PSU program to explain how the program was designed and how the payout levels were determined (see pages 51 to 53).

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Corporate Governance

Stockholder Feedback	Management Committee Response
Stockholders expressed some concern about certain corporate governance matters, particularly the age and tenure of certain board members and oversight of management.	In response to concerns raised by stockholders relating to corporate governance as well as the current contested election of directors, the board has taken the following actions:
	Nominated five new independent directors with ages ranging from 50 to 62, for election at the 2013 annual meeting of stockholders and appointed a sixth independent director to stand for election at the 2014 annual meeting.
	Reduced the number of insiders on the board from three to one as of the 2013 annual meeting.
	Formally adopted a lead independent director position with clearly delineated duties and responsibilities.
	Appointed John H. Mullin III as the new lead independent director.
	Adopted a mandatory director retirement policy.
	Rotated chairpersons of the company s committees.
	The committee and the board believe that these actions demonstrate our resolve to respond quickly and decisively to the concerns of our stockholders.

2012 Pay for Performance. We believe our 2012 compensation appropriately reflects the performance challenges that confronted the company during 2011 and 2012. For the fifth consecutive year, our CEO received no salary increase. For the reason discussed previously, neither the CEO nor any of the other NEOs received a discretionary bonus for 2012. Moreover, at Mr. Hess s request, he received no bonus for 2012 with respect to the non-discretionary components of his 2012 cash bonus, which would have been almost $2 million. The committee honored this request while recognizing Mr. Hess s contribution to the continuing transformation of the company in 2012 in accordance with the plans previously outlined. In addition, the intrinsic value at December 31, 2012 of the awards of PSUs and restricted stock granted to Mr. Hess on March 7, 2012 was significantly less than fair value at their grant date, reflecting the decrease in the company s stock price from the grant date through December 31, 2012. Payout on the

PSUs granted to Mr. Hess and the other NEOs, based on relative total shareholder return (TSR) for the period from January 1, 2012 to year-end 2012, would have been 0%.

The following graph shows the realizable pay of the CEO for each of the three-year periods ending December 31, 2010, 2011 and 2012, and the correlation with the indexed TSR of Hess common stock on these dates. For purposes of this graph, realizable pay means the sum of salary, cash bonus, and the intrinsic value of stock options, the market value of restricted stock, and market value of PSUs based on 2012 performance awarded in each of these three-year periods. Stock options, restricted stock, and PSUs are valued at year-end 2010, 2011 and 2012 closing prices of Hess common stock. All of the stock options granted to the CEO in these periods remained unexercised during these periods.

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For the most recent three-year period (2010-2012), the following chart shows that the realizable pay of the CEO as detailed above ($21,096,246) is 47% lower than the grant date opportunity ($39,698,218). The grant date opportunity equals the sum of base salary, target bonus, and the grant date value of stock options, restricted stock, and PSUs as reported in our Summary Compensation Table and related tables in 2010-2012.

For comparison, the company s TSR for the most recent three year period is -11%.

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Salaries for our other NEOs for 2012 rose only 3.1% on average, and the cash bonuses for the other NEOs decreased by 35.5% on average from the comparable amounts for 2011, more than offsetting their 2012 salary increases. These other NEOs also experienced a similar proportional decrease to that of the CEO in the intrinsic value of their performance shares and restricted stock awarded in 2012.

Compensation Program Highlights. Our compensation program is designed to focus our executive officers on Hess s continued success and creating long-term stockholder value. This is done by delivering a significant portion of their compensation in the form of performance-based incentives. In order to earn short-term incentive compensation, management must implement and execute on a strategy that requires achievement of corporate net income goals and certain business unit financial and operating metrics. The long-term components provide executives considerable incentive to maximize the company s long-term financial growth. With a majority of potential compensation at risk, the compensation program effectively aligns the interests of our executive officers with those of our stockholders.

Significant Change in Compensation Philosophy Implementation of Performance Share Units Program and Elimination of Stock Option Awards. In 2012, the committee made significant changes to the company s long-term incentive program for the company s officers, including the NEOs, to bolster the link between pay and performance. The committee requested that its independent compensation consultant, Pay Governance, conduct a competitive review of the company s 2011 long-term incentive (LTI) program. Pay Governance did not provide any services to the company other than the services provided directly to the committee and summarized below and under Processes and Procedures for Determining Compensation and Role of Compensation Consultants. Key findings included:

- Thirteen of the company s 15 peers reported using performance-based LTI awards in 2011. Of the 13 peers, 11 reported using relative TSR for at least one performance metric; and

- Of the 8 peers that reported their relative TSR payout schedule, 5 peers pay out at target when relative TSR equals median performance.

Based on this analysis, the committee s independent compensation consultant worked with management to develop a preliminary relative TSR design. Based on this preliminary design, the committee assessed what payouts would have been over the past 10 years assuming the preliminary design had been in place. The compensation consultant reported that actual payouts would have been below target for 6 of the 10 years and above target for the other 4 years. The average payout over the 10 year period would have been 106% and ranged from 0% to 200% of target. Payouts over the most recent two payout cycles would have been 50%.

Consequently, in March 2012, the committee changed the long-term incentive award program so that 50% of the shares awarded annually will be PSUs and the remaining 50% will be in the form of restricted stock, with stock option awards being eliminated. Based on the compensation consultant s analysis, peer group practices and its desire to align pay with stockholder interests, the committee approved the following PSU program for 2012:

- Payouts on 2012 PSUs will be determined based on the relative performance of the company s TSR over a three-year performance period ending December 31, 2014 compared with that of fifteen peer companies specified in the Comparator Group on page 42;

- Payouts of the 2012 PSUs will range from 0 to 200% of the target award based on the company s TSR ranking within the peer group as shown below; and

- In the event that the company s TSR for the performance period is negative, payout for such period will not exceed 100% of target.

Based on grant date values, the PSUs and restricted stock awarded to NEOs in 2012 were at or below the median for awards granted to officers with comparable positions in the company s peer group. As to Mr. Hess, his 2012 LTI award of $8,514,673 is approximately at the 40^{th} percentile of that of chief executive officers in the company s peer group. The committee also compared Mr. Hess s compensation to a subset of the company s peers that excludes significantly larger companies. Such comparison also indicated that his 2012 LTI award is approximately at the 40^{th} percentile. The graph and table below show relative TSR rankings and corresponding payout levels.

In the event the number of companies in the peer group, including Hess, is reduced during the performance period by reason of merger, sale, dissolution, bankruptcy or similar circumstances, to 15, 14 or 13, payouts will be made in accordance with alternate payout schedules, and if such number is reduced to fewer than 13, the compensation and management development committee will recalibrate the payouts commensurate with the reduced number. To the extent earned, PSUs will be paid in shares of Hess common stock which will vest and be issued following the end of the performance period. Dividend

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equivalents during the performance period will only be paid out on earned shares after the performance period. In making these changes to the long-term incentive program, the committee was mindful of the preference of some of the company s stockholders that delivery of long-term incentive compensation be linked in part to attainment of an objective performance metric, and the committee believes these changes will further reinforce the linkage of the interests of the company s executives with those of our stockholders.

Our Compensation Principles

What We Strive For	
Pay for Performance Under our compensation program, a significant portion of the compensation for our NEOs is linked to corporate and stock performance. On average, 19% of our NEO s target total direct compensation is guaranteed, in the form of base salary. For our CEO, base salary provides only 11% of target total direct compensation. The remainder of our compensation program is dependent on achieving annual bonus goals, specified cash flow hurdles and the performance of our stock. The linkage between pay and performance will be strengthened by our new PSU program.	**Retain, Attract and Motivate Key Talent** The compensation program provides a combination of fixed and variable compensation designed to attract, retain, and motivate the most talented executives who can help achieve superior financial results for our company. These programs are designed not only to attract and motivate our senior management team, but also to promote retention (such as via three-year vesting schedules).
Align Executive Interests with Stockholders In order to create alignment with the long-term interests of our stockholders, all of our LTI awards are equity based, linking between 58% to 65% of NEO target total direct compensation to the value and appreciation of our common stock. Restricted stock awards are contingent upon the attainment of a specified minimum cash flow hurdle. PSU payouts are contingent upon relative TSR results.	**Put a Significant Portion of Executive Pay at Risk** While our NEOs past cash bonuses and equity awards were performance-based and at-risk depending on the attainment of corporate and business unit metrics and the company s stock price, our new PSU program significantly increases our NEOs at risk pay. If the company is among the bottom four performers of its peer group as measured by relative TSR over the three-year period from 2012 to 2014, our NEOs will not receive any payout on their PSUs awarded in 2012.
Emphasize a Culture of Safety and Sustainability Hess is committed to help meet the world s demand for energy in a way that protects the health and safety of our stakeholders and the environment and makes a positive impact on the communities where we do business. This commitment is further explained in our annual sustainability report available on our website at www.hess.com. Our compensation programs are designed to align executives with this commitment. Health, safety and environmental performance are addressed in both the business unit metrics and	**Mitigate the Company s Compensation Risk** While our programs encourage pay for performance, they are also designed with prudent risk management in mind. Some mitigating features of the annual cash bonus plan include limiting the upside potential to 150% of target, incorporating multiple financial and operational metrics, providing appropriate balance between short-term and long-term incentives, and aligning performance goals with the company s business strategy. Our new PSU program payout is capped at 200% of target. In addition, our recoupment policy for the CEO

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What We Strive For	
individual performance assessment components of our annual cash bonus plan and are also qualitatively considered in our long-term equity compensation determinations. In 2012, the payout with respect to the business unit component of the cash bonus plan for Mr. Hill was reduced from 116% to 79% due to a fatality at the company s operations in Texas involving a contractor s employee.	and the chief financial officer requires repayment of incentive and equity-based compensation in the event of a restatement of our financial statements due to misconduct.
Require Stringent Stock Ownership Guidelines	**Provide Consistent Benefit Programs**
In 2010, we increased the stock ownership multiple from 5 to 6 times base salary for the CEO and increased the stock ownership guidelines for directors from 5,000 shares to a value of shares equal to a multiple of 5 times their annual retainer.	Our executives participate in the same health and welfare benefit and savings programs as other salaried employees.
Limit Perquisites	**Review Share Utilization Annually**
The company strictly limits perquisites to executives and did not provide perquisites or personal benefits valued at $10,000 or more to any NEO in 2012.	Each year we review the annual utilization of shares for our equity compensation as a percentage of outstanding shares and the dilutive effect on our stockholders. This information is used to determine annual program design and annual award levels.
Permit the Deductibility of Incentive Compensation	**Provide Independent Oversight of Programs**
Our performance incentive plan for senior officers is designed to provide for deductibility of the cash bonus paid and restricted stock awarded to our NEOs. Our 2008 long-term incentive plan also is designed to provide for deductibility of compensation in respect of the PSUs awarded in 2012. As noted below, however, the committee retains the discretion to pay types and amounts of compensation even if not deductible, as it deems appropriate.	The committee, which is composed of only independent directors, has exclusive authority for approving the compensation of our NEOs and may exercise discretion in determining the amount and form of compensation in order to ensure that our guiding principles are followed. The committee benefits from the advice of an independent compensation consultant, which provides no other services to the company.

What We Prohibit
No Employment Contract for CEO.
No Excise Tax Gross-ups in Future Change-in-Control Agreements.
No Repricing of Stock Options.
No Hedging Permitted on Awarded Hess Stock by Directors or Executive Officers.
No Dividend Equivalents are Paid on Unearned PSUs.
No Dividends are Paid on Unearned Restricted Shares.

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Total Compensation Objectives and Policies

The committee approves and oversees our executive compensation programs. The objective of our executive compensation programs is to attract and retain talented executives and motivate them to achieve our business goals through a combination of cash and stock-based compensation. We attempt to reinforce the link between pay and performance by structuring executive compensation so that executives are rewarded if corporate, business unit and individual performance goals are achieved. Moreover, the committee believes that the majority of compensation should be related to the performance of our common stock in order to align senior management interests more closely with those of our stockholders and to provide incentives to work for growth in the long-term profitability of the company. The company s compensation strategy is intended to mitigate business risk by emphasizing long-term compensation and performance measures correlated with increasing long-term stockholder value. The principal elements of an executive s total compensation consist of:

- annual cash salary,
- annual cash bonus, and
- long-term equity compensation, historically consisting of stock options and restricted stock awards. However, beginning in 2012 the committee decided to grant PSUs instead of stock options as described above under Executive Summary .

We also review other elements of compensation, including retirement benefits, life insurance, savings, health and welfare plans and other benefits offered to employees generally in order to evaluate the entire compensation package offered to executives.

Processes and Procedures for Determining Compensation and Role of Compensation Consultants

The committee has exclusive authority for approving the compensation of the CEO and the other NEOs. Human resources management, acting under the supervision of the CEO, develops compensation recommendations for all officers and employees, including the NEOs, in accordance with the compensation philosophy and policies more fully described elsewhere in this compensation discussion and analysis.

To assist in its review of the compensation recommendations, in 2012 the committee directly engaged the firm Pay Governance as its compensation consultant. In this capacity, Pay Governance reported exclusively to the committee, which has sole authority to engage, dismiss and approve the terms of engagement of the consultant. During 2012, Pay Governance did not provide any additional services to the company. The committee has assessed the independence of Pay Governance pursuant to Securities and Exchange Commission rules and concluded that no conflict of interests exists that would prevent Pay Governance from independently representing the committee.

The compensation consultant s principal responsibility is to advise the committee on compensation recommendations for the NEOs, as well as on general matters relating to executive compensation strategy and programs. Although the consultant interacts with senior executives in our human resources department and with senior management in developing

compensation recommendations, the consultant meets privately with the committee when advising on compensation levels for the CEO and the other NEOs. Final decisions on compensation for these individuals are made solely by the committee.

The compensation recommendations are reviewed annually by the committee, usually at a February or March meeting. The CEO meets with the compensation and management development committee and the compensation consultant to discuss performance objectives and review compensation recommendations for executive officers directly reporting to him, including the other NEOs. Thereafter, the committee meets privately with the compensation consultant to review the compensation recommendations. The committee then determines compensation for the CEO and other NEOs based on the advice of the compensation consultant and in accordance with the compensation objectives and policies described in this Compensation Discussion and Analysis.

In accordance with its charter, the corporate governance and nominating committee periodically reviews and determines appropriate levels of compensation for directors. To assist in conducting this review and making these determinations, this committee has in the past engaged a consultant, Mercer Human Resources Consulting, to compile comparative data and make recommendations.

Total Compensation Methodology and Comparator Group

In order to ensure that our compensation and benefit programs are competitive within our industry, the committee reviews data from a comparative group of oil and gas companies. In 2012, such comparative data was collected for the NEOs by the compensation consultant.

2012 Comparator Group

Anadarko Petroleum Corporation
Apache Corporation
BP plc
Chevron Corporation
ConocoPhillips
Devon Energy Corporation
EOG Resources, Inc.
Exxon Mobil Corporation
Marathon Oil Corporation
Murphy Oil Corporation
Occidental Petroleum Corporation
Royal Dutch Shell plc
Statoil ASA
Talisman Energy Inc.
Total S.A.

In view of the company s exit from the refining business, and in order to provide greater alignment with the activities of the company s growing E&P business, the committee has selected primarily E&P companies as its peers. In addition, the company has included certain

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large integrated companies in its peer group because the company competes with these companies in its E&P businesses and in recruiting and retaining talent.

Total Direct Compensation

Generally, our objective is to deliver competitive total direct compensation, consisting of cash salary, cash bonus and long-term equity compensation, if specified corporate and business unit performance metrics and individual performance objectives are met. We consider competitive total direct compensation to be total direct compensation for an executive officer that is at or above that paid to executive officers performing similar functions at a majority of companies in our peer group. We choose to pay this level of compensation in order to remain competitive in attracting and retaining talented executives. Many of our competitors are significantly larger and have financial resources greater than our own. The competition for experienced, technically proficient executive talent in the oil and gas industry is acute, as companies seek to draw from a limited pool of such executives to explore for and develop hydrocarbons that are increasingly found in more remote areas and are technologically more difficult to access. We believe that it is necessary to pay at this level to attract talented professionals who might otherwise believe that they are not sufficiently rewarded for the risk of relocating from a larger to a smaller company in the oil and gas industry. Variations in total direct compensation among the NEOs reflect differences in competitive pay for their positions as well as the size and complexity of the business units or functions they oversee, the performance of those business units or functions, and individual performance.

We structure total direct compensation to the NEOs so that the majority of this compensation is delivered in the form of equity awards in order to provide incentives to work toward the growth of long-term profitability that will enhance stockholder returns. We also structure NEOs cash compensation so that a significant portion is at risk under the company s cash bonus plan, payable based on corporate, business unit and individual performance. We believe that this mix and structure of compensation strikes an appropriate balance that emphasizes long-term returns without motivating or rewarding excessive or inappropriate risk taking. In the following sections, we further detail each component of total direct compensation.

2012 Total Direct Compensation Mix

The mix of compensation for the NEOs in 2012 was consistent with our goal of structuring total direct compensation so that most compensation is delivered in the form of long-term equity awards and a significant portion of cash compensation is at risk.

The graphs below illustrate the portions of total direct compensation of each of the NEOs paid as salary and annual cash incentive bonus for 2012 and long-term equity incentive compensation granted in 2012 reflecting 2011 performance as shown in the Summary Compensation Table.

Annual Cash Salary

General Objectives. In determining base salary level for executive officers, the committee considers the following qualitative and quantitative factors:

- job level and responsibilities,
- relevant experience,
- individual performance,
- recent corporate and business unit performance, and
- our objective of paying competitive total direct compensation if performance metrics are met.

We review base salaries annually, but we do not necessarily award salary increases each year. From time to time base salaries may be adjusted other than as a result of an annual review, in order to address competitive pressures or in connection with a promotion.

2012 Base Salary Increases. In March 2012, the committee decided not to increase Mr. Hess s salary for the fourth consecutive year. The committee approved salary increases for the other NEOs as follows: Mr. Hill, 3.7%; Mr. Walker, 1.6%; Mr. Goodell, 3.6%; and Mr. Rielly, 3.4%. Each increase was approved in view of pay levels among our competitors for comparable positions and their respective individual performances in 2011.

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Annual Cash Bonus

Cash Bonus Plan Design. The annual cash bonus plan for executive officers, including the NEOs, is based on metrics aligned with the company s business strategy using an equal weighting of:

corporate performance metric,

non-discretionary

specified business unit metrics, and

individual performance and other qualitative factors.

discretionary

These weightings link two-thirds of the bonus to quantifiable performance measures and one-third of the bonus to qualitative individual performance measures. Payouts may range from 0% to 150% for each component of the target bonus, depending upon the percent of attainment of the corporate and business unit performance measures and, with respect to the individual performance component, depending upon the committee s determination of the percent of attainment of the individual performance measures. In determining the individual performance component, the committee may also take into consideration the desired level of total direct compensation for a particular officer and may assess individual performance in the context of overall corporate performance. Payouts to the NEOs for corporate and business unit performance are shown in column (g), and payouts for individual performance are included in column (d), of the Summary Compensation Table.

Illustration of 2012 Cash Bonus Plan Design

1 Represents discretionary metrics established for each executive officer.

2 Based on performance objectives established in the beginning of the fiscal year using a 5-point scale (1 = did not meet expectations, 2 = met most expectations, 3 = met expectations, 4 = exceeded expectations, 5 = significantly exceed expectations).

3 Further defined in table on page 49.

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Determination of Corporate and Business Unit Performance Metrics. Our corporate performance metric for 2012 was net income before after-tax interest expense and items affecting comparability of income between periods. The amount attained for 2012 is calculated as shown below:

	2012 (Millions of Dollars)	Source
Net Income Attributable to Hess Corporation	2,025	Page 45 of 2012 Form 10-K
Minus: Items of Expense Affecting Comparability Between Periods, After Taxes	(27)	Page 22 of 2012 Form 10-K, third table
Plus: After-tax Interest Expense	260	Page 28 of 2012 Form 10-K, second table
2012 Corporate Performance Amount	2,258	

Business unit metrics vary among our exploration and production and marketing and refining divisions and may also vary among units within a division. Business unit metrics for 2012 are shown in the table on page 49. The specific targeted levels of corporate and business unit performance to be attained are established with the intention of motivating superior financial and operating performance compared with that of our peers and are described on page 50.

Assessment of Individual Performance. We assess individual performance on a discretionary basis in view of specific performance objectives developed for each NEO at the beginning of each year. Each executive s manager, in consultation with the executive, develops a set of strategic, financial and operational objectives that the executive will strive to achieve during that year. At the end of the year, the manager reviews with the executive the extent to which each of these objectives was attained. The CEO conducts these performance reviews for the other NEOs and makes compensation recommendations to the committee based on these reviews. The committee reviews the CEO s attainment of his individual performance objectives. Attainment of an executive s performance objectives influences not only the individual performance component of his or her annual cash bonus payout, but also the levels of long-term equity compensation and base salary.

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Annual Cash Bonus Targets and Opportunities. We establish a cash bonus target for each executive officer based upon his or her position within the company, responsibility and competitive cash bonus opportunity for similar positions in other companies. Actual payouts may range from 0% to 150% of the target cash bonus opportunity.

	2012 Cash Bonus Opportunity ($)		
	Minimum	Target	Maximum
Name (a)	(0% of target) (b)	(100% of target) (c)	(150% of target) (d)
Hess, John B **Chairman and Chief Executive Officer**	0	3,250,000	4,875,000
Hill, Gregory P **Executive Vice President & President, Worldwide Exploration and Production**	0	950,000	1,425,000
Walker, F. Borden **Executive Vice President & President, Marketing and Refining**	0	800,000	1,200,000
Goodell, Timothy B **Senior Vice President & General Counsel**	0	700,000	1,050,000
Rielly, John P **Senior Vice President & Chief Financial Officer**	0	500,000	750,000

2012 Weightings. The following table details the weighting of each metric for each NEO. The weighting assigned to the business unit metrics is aligned with each NEO s responsibility. The weightings for Messrs. Hess, Goodell and Rielly constitute 80% of Mr. Hill s weighting and 20% of Mr. Walker s weighting, reflecting the relative significance of the exploration and production and marketing and refining businesses in 2012.

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Cash Bonus Plan Performance Weightings

Measurement (a)	2012 Metric (b)	Messrs. Hess, Goodell, and Rielly (c)	Mr. Hill (d)	Mr. Walker (e)
Company Performance	Corporate Net Income	33.4%	33.4%	33.4%
Exploration & Production Performance	Exploration Discovered Resources (MMBOE)	6.7%	8.3%	
	Production (MBOEPD)	6.7%	8.3%	
	Controllable Operated Cash Costs ($MM)	6.7%	8.3%	
	Leadership Site Visits	1.6%	2.1%	
	Hess Rules Competency Assessments	1.7%	2.1%	
	Contractor Performance Engagement	1.7%	2.1%	
	Loss of Primary Containment Ratio	1.7%	2.1%	
Marketing & Refining Performance	Net Income ($MM)	2.3%		11.7%
	Operating Margin/Return	1.9%		9.9%
	Cost Management ($MM)	1.1%		5.7%
	Environmental Health & Safety	0.5%		2.7%
	People Development	0.7%		3.3%
Individual	Varies	33.3%	33.3%	33.3%
Total		**100%**	**100%**	**100%**

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2012 Metrics. The following table details our 2012 metrics and actual results for NEOs.

Measurement (a)	2012 Metric (b)	Rationale for Use (c)	2012 Threshold /Target/ Stretch (d)	2012 Result (e)
Company Performance	Corporate Net Income ($MM)	Key measure of Company performance Linked to shareholder returns	$1,600 /$2,200/ $2,800	$2,258
Exploration & Production Performance	Exploration Discovered Resources (% of target)	Provides resources for future growth	50 /100/ 150	134%
	Production (MBOEPD)	Primary output of E&P investments Results in sales to customers	385 /400/ 415	391 Footnote 5
	Controllable Operated Cash Costs ($MM)	Management of business expenses to maximize profitability	$2,460 /$2,400/ $2,280	$2,368
	Leadership Site Visits	Demonstrates leadership commitment to safety performance	80% /90%/ 100%	100% Footnote 6
	Hess Rules Competency Assessments	Focuses and assesses field supervisor competency to address major work place risks	90% /95%/ 100%	100% Footnote 6
	Contractor Performance Engagement	Engages external contractors and aligns their performance with Hess s safety expectations	80% /90%/ 100%	100% Footnote 6
	Loss of Primary Containment Ratio	Reduce significant unplanned release of material from primary containment while encouraging reporting of all releases	15% /10%/ 5%	5.8% Footnote 6
Marketing & Refining Performance[1]	Net Income (% of target)	Key measure of Company performance Linked to shareholder returns	Refer to Footnote 2	37%
	Operating Margin/Return	Ensures profitable growth	Refer to Footnote 3	68%
	Cost Management (% of budget)	Management of business expenses to maximize profitability	105% of budget /100% of budget/ 95% of budget	134%
	Environmental Health & Safety	Ensures employees, contractors, communities and operations are safe	Refer to Footnote 4	120%
	People Development (% of target)	Creates work environment through engagement, career development, and diversity	50% /70%/ 90%	90%
Individual	Objectives set at beginning of year	Permits ability to establish annual goals that are specific to an individual	Refer to Discussion on Page 46	-

1 Goals for the Marketing & Refining division include 37 separate performance metrics across seven business units. Since most of the seven business units have net income, cost management, and people development goals, aggregate 2012 targets and actual results are reported. However, operating margin/return and environmental health & safety goals are unique to each business unit. Given the relatively low weight for each of these goals, we did not report targets but did provide the overall actual result.

2 For Net Income, threshold varies from 40% to 81% of target depending on business unit and stretch varies from 119% to 160% of target.

3 For Operating Margin/Return, goals include: Cash expense management, Merchandise margin, ROCE.

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4 For Environmental Health & Safety, goals include: OSHA recordable rate, operational spills, FCCU utilization, mechanical activities.

5 Reflects certain adjustments made to reported 2012 average oil and gas production of 406 mboepd.

6 Although actual results for these metrics were well above target, no payouts were made with respect to these metrics due to a fatality involving an employee of a contractor of the company that occurred at the company s operations in Texas in 2012. This resulted in a reduction of the overall payout on the business unit component for Mr. Hill from 116% to 79%.

Actual Cash Bonus Awards. The following table shows actual performance as a percent of target based on the 2012 results and the weighting applied to these results for each component of the bonus and the actual cash bonus awards for each NEO. Coincidentally, in 2012 the performance as a percent of target for Mr. Hill and for Mr. Walker was 79%, resulting in the same business unit payout levels as Messrs. Hess, Goodell and Rielly. Each NEO achieved many of his pre-established individual goals and made other meaningful contributions. However, in light of the relative underperformance of the company s stock and the significant increase in capital expenditures in 2012, and in order to demonstrate to our stockholders our commitment that pay should be aligned with performance, the committee reduced the discretionary bonus for each NEO to zero. In addition, at Mr. Hess s request, he was paid no bonus for 2012 with respect to the non-discretionary components of his 2012 cash bonus. Consequently, Mr. Hess received no cash bonus for 2012. The non-discretionary portion of his 2012 bonus would have been almost $2 million based on the application of his pre-established metrics.

		X 2012 Actual Performance as % of Target				
		+	+	+	=	
Name (a)	**2012 Target Cash Bonus Opportunity (b)**	**[Company (c)**	**Business Unit (d)**	**Individual] (e)**	**Combined (f)**	**2012 Actual Cash Bonus Award (g)**
Hess, John B	$ 3,250,000	105%	79%	0%	61%	$ 0
Chairman and Chief Executive Officer						
Hill, Gregory P	$ 950,000	105%	79%	0%	61%	$ 582,983
Executive Vice President & President, Worldwide Exploration and Production						
Walker, F. Borden	$ 800,000	105%	79%	0%	61%	$ 490,933
Executive Vice President & President, Marketing and Refining						
Goodell, Timothy B	$ 700,000	105%	79%	0%	61%	$ 429,567
Senior Vice President & General Counsel						
Rielly, John P	$ 500,000	105%	79%	0%	61%	$ 306,833
Senior Vice President & Chief Financial Officer						

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Historical Attainment of Corporate and Business Unit Metrics. The graph below shows the levels of attainment of the corporate metric and business unit metrics for exploration and production and marketing and refining for the years 2010 through 2012.