

Choosing the Right Partner To Meet Your Energy Needs



**RSA Seminar
September 14, 2011**

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➤ The Foundation for How We Do Business with You



Our Six Core Values





Hess Corporation: A Proud Heritage

- Strong roots
 - 1919 Amerada Petroleum is established
 - 1933 Leon Hess forms Hess, Inc.
 - 1968 Merger of Hess Oil and Amerada Petroleum
- Renamed Hess Corporation May 2006
- Chairman, John Hess, son of founder, Leon Hess
- Fortune™100 company
 - More than 75 years of leadership and service in oil & gas exploration, production, refining and marketing



Forward Thinking Energy



Hess: Who We are Today

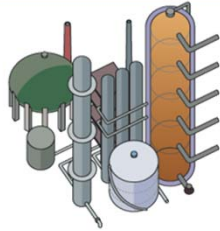
A Totally Integrated Energy Company



EXPLORATION
Discovering oil and gas



REFINING
Processing the crude oil into finished products



ENERGY TRADING
Hess Energy Trading Company, a joint venture buying and selling energy financial instruments



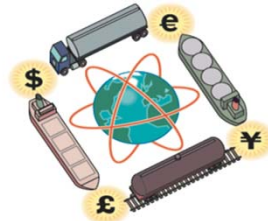
RETAIL MARKETING
Selling motor fuels and convenience products at retail stores



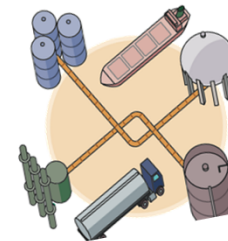
PRODUCTION & DEVELOPMENT
Getting crude oil out of the ground



SUPPLY, TRADING & TRANSPORTATION
Buying, selling and transporting crude oil and finished products



TERMINALS
Storing products and distributing fuels to our customers



ENERGY MARKETING
Marketing petroleum products, natural gas and electricity to commercial, industrial and utility customers



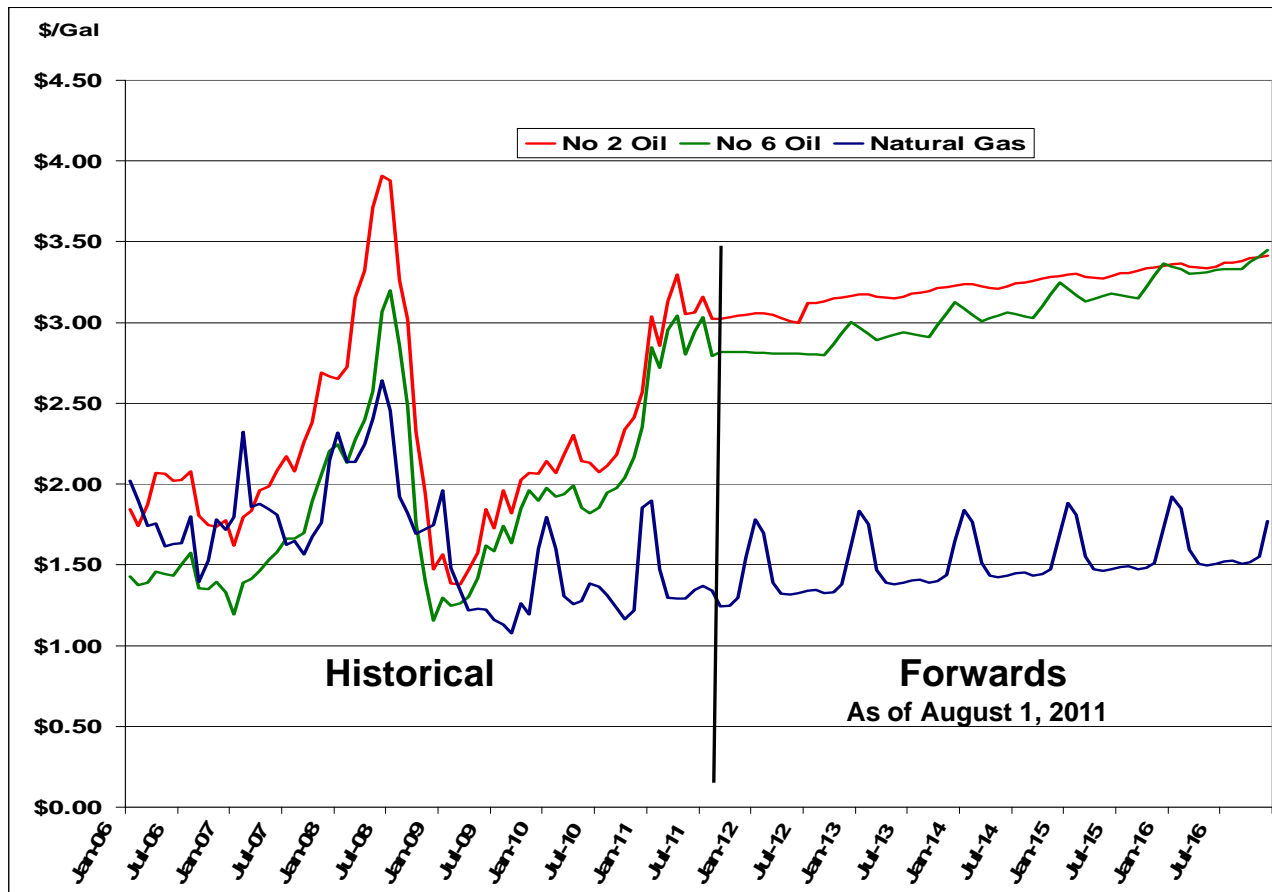
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Commodity Costs (Ex Taxes)

Natural gas has experienced a significant price advantage over oil that should continue for the immediate future...



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▶ The Hess Approach



Hess Energy Solutions Services

Description

- ✓ ❖ Is natural gas available?
- ✓ ❖ Assist in determining internal conversion costs
- ✓ ❖ NYSERDA Incentives and Rebates
- ✓ ❖ Benchmarking Services
- ✓ ❖ Project Funding
- ✓ ❖ ASHRAE Level 1 Energy Audit

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How does your project get funded?



BENEFIT

FACT

You will enter into an Energy Agreement.

Natural Gas is close to an all time low.
Crude Oil is projected to stay high due to global demand.

Fund your project through an Integrated Energy Agreement.

You will not need a loan or have to access your own capital. Save those options for other needs.

Use the price spread between fuel oil and Natural Gas to lower your operating expenses.

You will not commit to a loan or note, helping with mortgage and/or covenant requirements.

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What are the benefits of a Hess Integrated Energy Agreement?

FACT

Traditional Natural Gas agreements do not go longer than 2 or 3 years

In traditional natural gas agreements, the 2010/11 heating season was a budget buster for many businesses.

BENEFIT

Ability to budget, lock in operating expenses with a fixed monthly payment for five years.

Secure short term payback on capital expenditure

Complete price and volume protection from weather related fluctuations.

With Hess Energy Solutions, you are fully protected.

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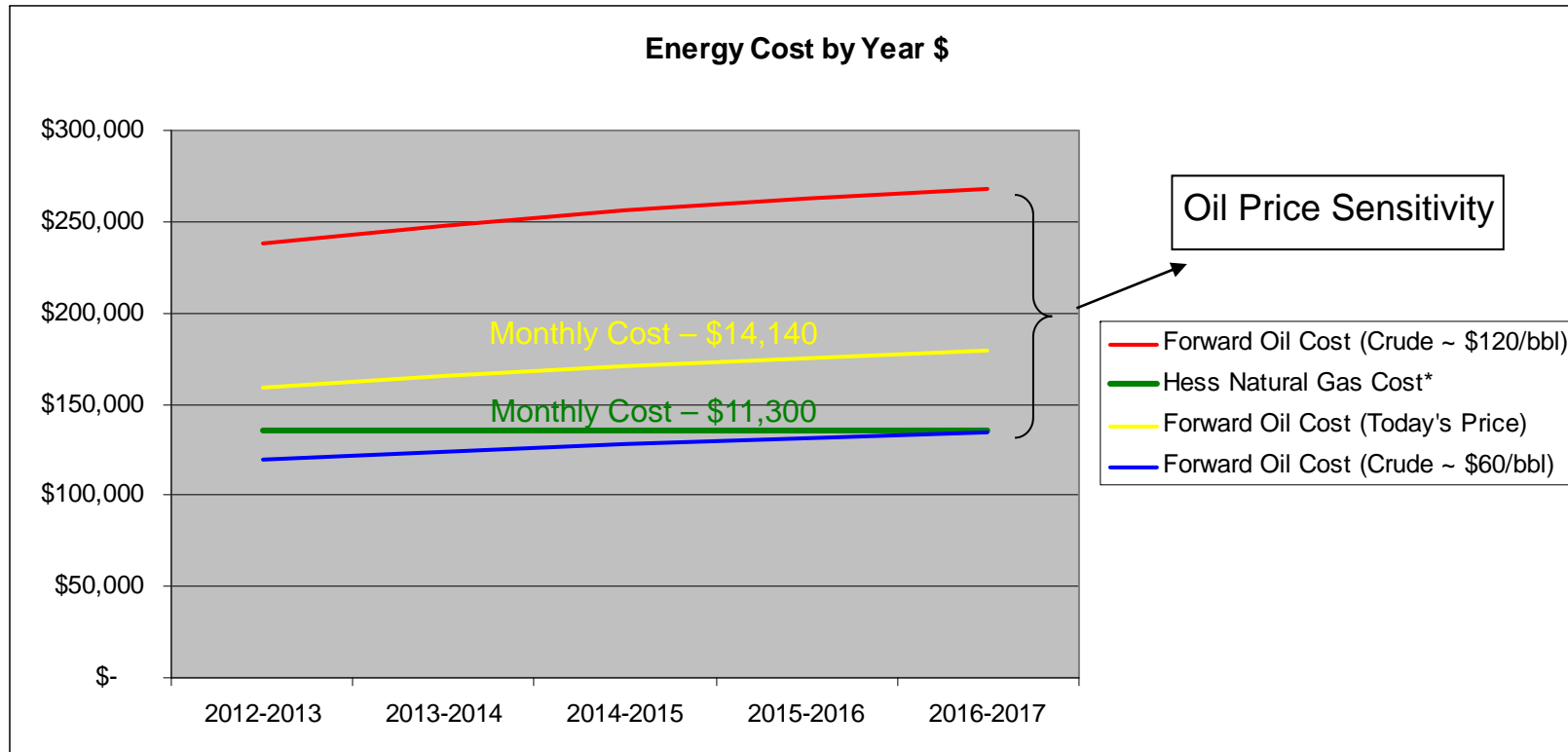


Actual Customer Economics



\$103,000 Conversion Cost

48,500 gallons per year



*Includes estimated Utility transportation charges of \$2,600 per month that will be billed directly by Con Edison, project cost of \$100,000 project management services, and Hess Integrated Energy Agreement.

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➤ Hess Natural Gas Conversion Proposal



- Hess will fund the oil to natural gas conversion provided by a mechanical contractor.
- In return, customer will contract for a firm Natural gas contract with Hess for 5 years with an aggregate fixed monthly payment of (including tax).
- Hess monthly charge covers the yearly natural gas usage based on the weather adjusted historical usage from plus cost of new equipment.

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➤ Additional Benefits

- Addresses NYC regulatory compliance requirements.
- ~30% improvement on CO₂ Emissions.
- Price Certainty for 5 years in rising market, preserving current oil vs gas spreads.
- Fuel Handling & Boiler Maintenance Savings.
- Hess will perform an ASHRAE Level I Energy Efficiency Audit to identify other potential energy savings.
- Hess will explore potential federal and local incentives and rebates available for the building.
- After contract term, customer will have new equipment to take advantage of expected continued natural gas versus oil market disparity.

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➤ For Additional Information, please contact

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