

HESS CORP
Form 10-Q
August 05, 2016

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

Form 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF
1934

For the quarter ended June 30, 2016

or

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF
1934

For the transition period from _____ to _____

Commission File Number 1-1204

HESS CORPORATION

(Exact Name of Registrant as Specified in Its Charter)

DELAWARE

(State or Other Jurisdiction of Incorporation or Organization)

13-4921002

(I.R.S. Employer Identification Number)

1185 AVENUE OF THE AMERICAS, NEW YORK, N.Y.

(Address of Principal Executive Offices)

10036

(Zip Code)

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

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

Indicate by check mark whether the registrant has submitted electronically and posted on its Corporate web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

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

Large Accelerated Filer Accelerated Filer Non-Accelerated Filer Smaller Reporting Company
(Do not check if a smaller reporting company)

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

At June 30, 2016, there were 316,674,357 shares of Common Stock outstanding.

HESS CORPORATION

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PART I - FINANCIAL INFORMATION

Item 1. Financial Statements.

HESS CORPORATION AND CONSOLIDATED SUBSIDIARIES

CONSOLIDATED BALANCE SHEET (UNAUDITED)

	June 30, 2016	December 31, 2015
	(In millions, except share amounts)	
Assets		
Current Assets		
Cash and cash equivalents	\$3,095	\$ 2,716
Accounts receivable		
Trade	843	847
Other	205	312
Inventories	377	399
Other current assets	111	130
Total current assets	4,631	4,404
Property, plant and equipment:		
Total — at cost	47,908	46,826
Less: Reserves for depreciation, depletion, amortization and lease impairment	22,139	20,474
Property, plant and equipment — net	25,769	26,352
Goodwill	375	375
Deferred income taxes	3,043	2,653
Other assets	416	373
Total Assets	\$34,234	\$ 34,157
Liabilities		
Current Liabilities:		
Accounts payable	\$525	\$ 457
Accrued liabilities	1,421	1,997
Taxes payable	91	88
Current maturities of long-term debt	102	86
Total current liabilities	2,139	2,628
Long-term debt	6,450	6,506
Deferred income taxes	1,227	1,334
Asset retirement obligations	2,238	2,158
Other liabilities and deferred credits	1,006	1,130
Total liabilities	13,060	13,756
Equity		
Hess Corporation stockholders' equity		
Preferred stock, par value \$1.00; Authorized — 20,000,000 shares		

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Series A 8% Cumulative Mandatory Convertible; \$1,000 per share liquidation preference; Issued — 575,000 shares (2015: 0)	1	—
Common stock, par value \$1.00; Authorized — 600,000,000 shares Issued — 316,674,357 shares (2015: 286,045,586)	317	286
Capital in excess of par value	5,741	4,127
Retained earnings	15,559	16,637
Accumulated other comprehensive income (loss)	(1,499)	(1,664)
Total Hess Corporation stockholders' equity	20,119	19,386
Noncontrolling interests	1,055	1,015
Total equity	21,174	20,401
Total Liabilities and Equity	\$34,234	\$ 34,157

See accompanying Notes to Consolidated Financial Statements.

PART I - FINANCIAL INFORMATION (CONT'D.)

HESS CORPORATION AND CONSOLIDATED SUBSIDIARIES

STATEMENT OF CONSOLIDATED INCOME (UNAUDITED)

	Three Months Ended June 30, 2016		Six Months Ended June 30, 2015	
	2016	2015	2016	2015
	(In millions, except per share amounts)			
Revenues and Non-Operating Income				
Sales and other operating revenues	\$1,224	\$1,953	\$2,197	\$3,491
Other, net	45	(18)	65	(6)
Total revenues and non-operating income	1,269	1,935	2,262	3,485
Costs and Expenses				