

Form 5500 Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Annual Return/Report of Employee Benefit Plan This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6047(e), and 6058(a) of the Internal Revenue Code (the Code). ► Complete all entries in accordance with the instructions to the Form 5500.	OMB Nos. 1210-0110 1210-0089
		2010
		This Form is Open to Public Inspection

Part I	Annual Report Identification Information
For calendar plan year 2010 or fiscal plan year beginning <u>01/01/2010</u> and ending <u>12/31/2010</u>	
A This return/report is for:	☐ a multiemployer plan; ☐ a multiple-employer plan; or ☒ a single-employer plan; ☐ a DFE (specify) ____
B This return/report is:	☐ the first return/report; ☐ the final return/report; ☐ an amended return/report; ☐ a short plan year return/report (less than 12 months).
C If the plan is a collectively-bargained plan, check here.	☐
D Check box if filing under:	☒ Form 5558; ☐ automatic extension; ☐ the DFVC program; ☐ special extension (enter description)

Part II	Basic Plan Information —enter all requested information
1a Name of plan <u>HOVENSA EMPLOYEES' SAVINGS PLAN</u>	1b Three-digit plan number (PN) ► <u>002</u> 1c Effective date of plan <u>11/01/1998</u>
2a Plan sponsor's name and address (employer, if for a single-employer plan) (Address should include room or suite no.) <u>HOVENSA L.L.C.</u> <u>C/O FRANKLIN QUOW, CHIEF LEGAL OFFICER AND SECRETARY</u> <u>1 ESTATE HOPE, CHRISTIANSTED</u> <u>ST. CROIX, VI 00820-5652</u>	2b Employer Identification Number (EIN) <u>98-0191354</u> 2c Sponsor's telephone number <u>340-692-3285</u> 2d Business code (see instructions) <u>324110</u>

Caution: A penalty for the late or incomplete filing of this return/report will be assessed unless reasonable cause is established.

Under penalties of perjury and other penalties set forth in the instructions, I declare that I have examined this return/report, including accompanying schedules, statements and attachments, as well as the electronic version of this return/report, and to the best of my knowledge and belief, it is true, correct, and complete.

SIGN HERE	<u>Filed with authorized/valid electronic signature.</u>	<u>10/17/2011</u>	<u>DAVID LUTTERBACH</u>
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE			
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE

For Paperwork Reduction Act Notice and OMB Control Numbers, see the instructions for Form 5500.

Form 5500 (2010)
v.092307.1

3a Plan administrator's name and address (if same as plan sponsor, enter "Same") HOVENSA BENEFITS COMMITTEE C/O FRANKLIN QUOW, CHIEF LEGAL OFFICER AND SECRETARY 1 ESTATE HOPE, CHRISTIANSTED ST. CROIX, VI 00820-5652	3b Administrator's EIN 66-0572506 3c Administrator's telephone number 340-692-3285
4 If the name and/or EIN of the plan sponsor has changed since the last return/report filed for this plan, enter the name, EIN and the plan number from the last return/report: a Sponsor's name	4b EIN 4c PN
5 Total number of participants at the beginning of the plan year	5 1488
6 Number of participants as of the end of the plan year (welfare plans complete only lines 6a , 6b , 6c , and 6d).	
a Active participants.....	6a 1302
b Retired or separated participants receiving benefits.....	6b 0
c Other retired or separated participants entitled to future benefits.....	6c 207
d Subtotal. Add lines 6a , 6b , and 6c	6d 1509
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.....	6e 7
f Total. Add lines 6d and 6e	6f 1516
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item).....	6g 1393
h Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested.....	6h 0
7 Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)	7
8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristic Codes in the instructions: 2G 2J 2K	
b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristic Codes in the instructions:	

9a Plan funding arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor	9b Plan benefit arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor
10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)	
a Pension Schedules (1) ☒ R (Retirement Plan Information) (2) ☐ MB (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary (3) ☐ SB (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary	b General Schedules (1) ☒ H (Financial Information) (2) ☐ I (Financial Information – Small Plan) (3) ☐ A (Insurance Information) (4) ☒ C (Service Provider Information) (5) ☐ D (DFE/Participating Plan Information) (6) ☐ G (Financial Transaction Schedules)

SCHEDULE C (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Service Provider Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110
		2010
		This Form is Open to Public Inspection.
For calendar plan year 2010 or fiscal plan year beginning 01/01/2010 and ending 12/31/2010		
A Name of plan HOVENSA EMPLOYEES' SAVINGS PLAN	B Three-digit plan number (PN) ▶	002
C Plan sponsor's name as shown on line 2a of Form 5500 HOVENSA L.L.C.	D Employer Identification Number (EIN) 98-0191354	

Part I	Service Provider Information (see instructions)
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You must complete this Part, in accordance with the instructions, to report the information required for **each person** who received, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of monetary value) in connection with services rendered to the plan or the person's position with the plan during the plan year. If a person received **only** eligible indirect compensation for which the plan received the required disclosures, you are required to answer line 1 but are not required to include that person when completing the remainder of this Part.

1 Information on Persons Receiving Only Eligible Indirect Compensation

- a** Check "Yes" or "No" to indicate whether you are excluding a person from the remainder of this Part because they received only eligible indirect compensation for which the plan received the required disclosures (see instructions for definitions and conditions)..... ☐ Yes ☒ No
- b** If you answered line 1a "Yes," enter the name and EIN or address of each person providing the required disclosures for the service providers who received only eligible indirect compensation. Complete as many entries as needed (see instructions).

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

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2. Information on Other Service Providers Receiving Direct or Indirect Compensation. Except for those persons for whom you answered "yes" to line 1a above, complete as many entries as needed to list each person receiving, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of value) in connection with services rendered to the plan or their position with the plan during the plan year. (See instructions).

(a) Enter name and EIN or address (see instructions)

ACS HR SOLUTIONS LLC

04-3609848

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
15 37 50 64	NONE	19100	Yes ☒ No ☐	Yes ☒ No ☐	0	Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

JPMORGAN CHASE BANK, N.A.

13-4994650

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
21 25 60 62 72	NONE	0	Yes ☒ No ☐	Yes ☒ No ☐	1030	Yes ☐ No ☒

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

Part I Service Provider Information (continued)

3 If you reported on line 2 receipt of indirect compensation, other than eligible indirect compensation, by a service provider, and the service provider is a fiduciary or provides contract administrator, consulting, custodial, investment advisory, investment management, broker, or recordkeeping services, answer the following questions for (a) each source from whom the service provider received \$1,000 or more in indirect compensation and (b) each source for whom the service provider gave you a formula used to determine the indirect compensation instead of an amount or estimated amount of the indirect compensation. Complete as many entries as needed to report the required information for each source.

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
JPMORGAN CHASE BANK, N.A.	72	1030
(d) Enter name and EIN (address) of source of indirect compensation		(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.
J.P. MORGAN ASSET MANAGEMENT 245 PARK AVENUE NEW YORK, NY 10167	REVENUE SHARE ON MUTUAL FUNDS	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation		(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation		(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.

Part II Service Providers Who Fail or Refuse to Provide Information

4 Provide, to the extent possible, the following information for each service provider who failed or refused to provide the information necessary to complete this Schedule.

(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide

Part III **Termination Information on Accountants and Enrolled Actuaries (see instructions)**
(complete as many entries as needed)

a Name:	b EIN:
c Position:	
d Address:	e Telephone: <div style="border: 1px solid black; height: 40px; margin-top: 5px;"></div>

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone: <div style="border: 1px solid black; height: 40px; margin-top: 5px;"></div>

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone: <div style="border: 1px solid black; height: 40px; margin-top: 5px;"></div>

Explanation:

a Name:	b EIN;
c Position:	
d Address:	e Telephone: <div style="border: 1px solid black; height: 40px; margin-top: 5px;"></div>

Explanation:

a Name:	b EIN;
c Position:	
d Address:	e Telephone: <div style="border: 1px solid black; height: 40px; margin-top: 5px;"></div>

Explanation:

SCHEDULE H (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Financial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code). ► File as an attachment to Form 5500.	OMB No. 1210-0110
		2010
		This Form is Open to Public Inspection

For calendar plan year 2010 or fiscal plan year beginning 01/01/2010 and ending 12/31/2010		
A Name of plan HOVENSA EMPLOYEES' SAVINGS PLAN	B Three-digit plan number (PN) ►	002
C Plan sponsor's name as shown on line 2a of Form 5500 HOVENSA L.L.C.	D Employer Identification Number (EIN) 98-0191354	

Part I	Asset and Liability Statement
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1 Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. **Round off amounts to the nearest dollar.** MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions.

Assets		(a) Beginning of Year	(b) End of Year
a Total noninterest-bearing cash	1a		
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	1b(1)	211026	242407
(2) Participant contributions	1b(2)	291814	324040
(3) Other.....	1b(3)	18784	19942
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)		
(2) U.S. Government securities.....	1c(2)		
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)		
(B) All other.....	1c(3)(B)		
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)		
(B) Common	1c(4)(B)		
(5) Partnership/joint venture interests	1c(5)		
(6) Real estate (other than employer real property)	1c(6)		
(7) Loans (other than to participants)	1c(7)		
(8) Participant loans	1c(8)	10547778	11334095
(9) Value of interest in common/collective trusts.....	1c(9)		
(10) Value of interest in pooled separate accounts.....	1c(10)		
(11) Value of interest in master trust investment accounts	1c(11)		
(12) Value of interest in 103-12 investment entities	1c(12)		
(13) Value of interest in registered investment companies (e.g., mutual funds).....	1c(13)	114386293	134777480
(14) Value of funds held in insurance company general account (unallocated contracts).....	1c(14)		
(15) Other	1c(15)		

1d Employer-related investments:

		(a) Beginning of Year	(b) End of Year
(1) Employer securities	1d(1)	11362390	12426728
(2) Employer real property	1d(2)		
e Buildings and other property used in plan operation	1e		
f Total assets (add all amounts in lines 1a through 1e)	1f	136818085	159124692

Liabilities

g Benefit claims payable	1g		
h Operating payables	1h		
i Acquisition indebtedness	1i		
j Other liabilities	1j	138089	420979
k Total liabilities (add all amounts in lines 1g through 1j)	1k	138089	420979

Net Assets

l Net assets (subtract line 1k from line 1f)	1l	136679996	158703713
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Part II Income and Expense Statement

2 Plan income, expenses, and changes in net assets for the year. Include all income and expenses of the plan, including any trust(s) or separately maintained fund(s) and any payments/receipts to/from insurance carriers. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 2a, 2b(1)(E), 2e, 2f, and 2g.

Income**a Contributions:**

		(a) Amount	(b) Total
(1) Received or receivable in cash from: (A) Employers	2a(1)(A)	6364602	
(B) Participants	2a(1)(B)	10594852	
(C) Others (including rollovers)	2a(1)(C)	205981	
(2) Noncash contributions	2a(2)		
(3) Total contributions. Add lines 2a(1)(A) , (B) , (C) , and line 2a(2)	2a(3)		17165435

b Earnings on investments:**(1) Interest:**

(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)		
(B) U.S. Government securities	2b(1)(B)		
(C) Corporate debt instruments	2b(1)(C)		
(D) Loans (other than to participants)	2b(1)(D)		
(E) Participant loans	2b(1)(E)	572733	
(F) Other	2b(1)(F)		
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		572733

(2) Dividends: (A) Preferred stock	2b(2)(A)		
(B) Common stock	2b(2)(B)	69023	
(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)	1994898	
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		2063921

(3) Rents	2b(3)		
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(4) Net gain (loss) on sale of assets: (A) Aggregate proceeds	2b(4)(A)	1761599	
(B) Aggregate carrying amount (see instructions)	2b(4)(B)	1949367	
(C) Subtract line 2b(4)(B) from line 2b(4)(A) and enter result	2b(4)(C)		-187768

		(a) Amount	(b) Total
2b (5) Unrealized appreciation (depreciation) of assets: (A) Real estate.....	2b(5)(A)		
(B) Other	2b(5)(B)	2662476	
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		2662476
(6) Net investment gain (loss) from common/collective trusts	2b(6)		
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		
(9) Net investment gain (loss) from 103-12 investment entities	2b(9)		
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds).....	2b(10)		12839291
c Other income.....	2c		0
d Total income. Add all income amounts in column (b) and enter total.....	2d		35116088

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	13063395	
(2) To insurance carriers for the provision of benefits	2e(2)		
(3) Other	2e(3)		
(4) Total benefit payments. Add lines 2e(1) through (3)	2e(4)		13063395
f Corrective distributions (see instructions)	2f		
g Certain deemed distributions of participant loans (see instructions).....	2g		
h Interest expense.....	2h		
i Administrative expenses: (1) Professional fees	2i(1)		
(2) Contract administrator fees	2i(2)		
(3) Investment advisory and management fees	2i(3)		
(4) Other	2i(4)	28976	
(5) Total administrative expenses. Add lines 2i(1) through (4)	2i(5)		28976
j Total expenses. Add all expense amounts in column (b) and enter total.....	2j		13092371

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d	2k		22023717
l Transfers of assets:			
(1) To this plan.....	2l(1)		
(2) From this plan	2l(2)		

Part III Accountant's Opinion

3 Complete lines 3a through 3c if the opinion of an independent qualified public accountant is attached to this Form 5500. Complete line 3d if an opinion is not attached.

a The attached opinion of an independent qualified public accountant for this plan is (see instructions):

(1) ☒ Unqualified (2) ☐ Qualified (3) ☐ Disclaimer (4) ☐ Adverse

b Did the accountant perform a limited scope audit pursuant to 29 CFR 2520.103-8 and/or 103-12(d)? ☐ Yes ☒ No

c Enter the name and EIN of the accountant (or accounting firm) below:

(1) Name: ERNST & YOUNG

(2) EIN: 34-6565596

d The opinion of an independent qualified public accountant is **not attached** because:

(1) ☐ This form is filed for a CCT, PSA, or MTIA. (2) ☐ It will be attached to the next Form 5500 pursuant to 29 CFR 2520.104-50.

Part IV Compliance Questions

- 4** CCTs and PSAs do not complete Part IV. MTIAs, 103-12 IEs, and GIAs do not complete 4a, 4e, 4f, 4g, 4h, 4k, 4m, 4n, or 5. 103-12 IEs also do not complete 4j and 4l. MTIAs also do not complete 4l.

During the plan year:

	Yes	No	Amount
a Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.).....		X	
b Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.).....		X	
c Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)		X	
d Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.).....		X	
e Was this plan covered by a fidelity bond?.....	X		100000000
f Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?		X	
g Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?		X	
h Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?		X	
i Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.).....	X		
j Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked, and see instructions for format requirements.).....		X	
k Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?.....		X	
l Has the plan failed to provide any benefit when due under the plan?		X	
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.).....		X	
n If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.			

- 5a** Has a resolution to terminate the plan been adopted during the plan year or any prior plan year?
If yes, enter the amount of any plan assets that reverted to the employer this year ☐ Yes ☒ No Amount:

- 5b** If, during this plan year, any assets or liabilities were transferred from this plan to another plan(s), identify the plan(s) to which assets or liabilities were transferred. (See instructions.)

5b(1) Name of plan(s)

5b(2) EIN(s)	5b(3) PN(s)

SCHEDULE R (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Retirement Plan Information This schedule is required to be filed under section 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110 2010 This Form is Open to Public Inspection.
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For calendar plan year 2010 or fiscal plan year beginning 01/01/2010 and ending 12/31/2010

A Name of plan <u>HOVENSA EMPLOYEES' SAVINGS PLAN</u>	B Three-digit plan number (PN) ▶ <u>002</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>HOVENSA L.L.C.</u>	D Employer Identification Number (EIN) <u>98-0191354</u>

Part I	Distributions
---------------	----------------------

All references to distributions relate only to payments of benefits during the plan year.

1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions.....	1	<u>0</u>
2 Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits): EIN(s): <u>13-4994650</u>		
Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.		
3 Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year.....	3	

Part II	Funding Information (If the plan is not subject to the minimum funding requirements of section 412 of the Internal Revenue Code or ERISA section 302, skip this Part)
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4 Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)?.....	☐ Yes	☐ No	☐ N/A
If the plan is a defined benefit plan, go to line 8.			
5 If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. Date: Month _____ Day _____ Year _____	If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.		
6 a Enter the minimum required contribution for this plan year	6a		
b Enter the amount contributed by the employer to the plan for this plan year	6b		
c Subtract the amount in line 6b from the amount in line 6a. Enter the result (enter a minus sign to the left of a negative amount).....	6c		
If you completed line 6c, skip lines 8 and 9.			
7 Will the minimum funding amount reported on line 6c be met by the funding deadline?	☐ Yes	☐ No	☐ N/A
8 If a change in actuarial cost method was made for this plan year pursuant to a revenue procedure providing automatic approval for the change or a class ruling letter, does the plan sponsor or plan administrator agree with the change?.....	☐ Yes	☐ No	☐ N/A

Part III	Amendments
-----------------	-------------------

9 If this is a defined benefit pension plan, were any amendments adopted during this plan year that increased or decreased the value of benefits? If yes, check the appropriate box(es). If no, check the "No" box.....	☐ Increase	☐ Decrease	☐ Both	☐ No
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Part IV	ESOPs (see instructions). If this is not a plan described under Section 409(a) or 4975(e)(7) of the Internal Revenue Code, skip this Part.
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10 Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan?.....	☐ Yes	☐ No
11 a Does the ESOP hold any preferred stock?	☐ Yes	☐ No
b If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.)	☐ Yes	☐ No
12 Does the ESOP hold any stock that is not readily tradable on an established securities market?	☐ Yes	☐ No

For Paperwork Reduction Act Notice and OMB Control Numbers, see the instructions for Form 5500.

Schedule R (Form 5500) 2010
v.092308.1

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

13 Enter the following information for each employer that contributed more than 5% of total contributions to the plan during the plan year (measured in dollars). See instructions. *Complete as many entries as needed to report all applicable employers.*

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month Day Year

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents)

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month Day Year

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents)

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month Day Year

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents)

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month Day Year

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents)

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month Day Year

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents)

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month Day Year

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents)

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

- 14** Enter the number of participants on whose behalf no contributions were made by an employer as an employer of the participant for:

a The current year	14a	
b The plan year immediately preceding the current plan year	14b	
c The second preceding plan year	14c	

- 15** Enter the ratio of the number of participants under the plan on whose behalf no employer had an obligation to make an employer contribution during the current plan year to:

a The corresponding number for the plan year immediately preceding the current plan year	15a	
b The corresponding number for the second preceding plan year	15b	

- 16** Information with respect to any employers who withdrew from the plan during the preceding plan year:

a Enter the number of employers who withdrew during the preceding plan year	16a	
b If item 16a is greater than 0, enter the aggregate amount of withdrawal liability assessed or estimated to be assessed against such withdrawn employers	16b	

- 17** If assets and liabilities from another plan have been transferred to or merged with this plan during the plan year, check box and see instructions regarding supplemental information to be included as an attachment. ☐

Part VI Additional Information for Single-Employer and Multiemployer Defined Benefit Pension Plans

- 18** If any liabilities to participants or their beneficiaries under the plan as of the end of the plan year consist (in whole or in part) of liabilities to such participants and beneficiaries under two or more pension plans as of immediately before such plan year, check box and see instructions regarding supplemental information to be included as an attachment. ☐

- 19** If the total number of participants is 1,000 or more, complete items (a) through (c)

- a** Enter the percentage of plan assets held as:

Stock: _____% Investment-Grade Debt: _____% High-Yield Debt: _____% Real Estate: _____% Other: _____%

- b** Provide the average duration of the combined investment-grade and high-yield debt:

☐ 0-3 years ☐ 3-6 years ☐ 6-9 years ☐ 9-12 years ☐ 12-15 years ☐ 15-18 years ☐ 18-21 years ☐ 21 years or more

- c** What duration measure was used to calculate item 19(b)?

☐ Effective duration ☐ Macaulay duration ☐ Modified duration ☐ Other (specify): _____

FINANCIAL STATEMENTS AND
SUPPLEMENTAL SCHEDULE

Hovensa Employees' Savings Plan
Years Ended December 31, 2010 and 2009
With Report of Independent Auditors

Ernst & Young LLP



Report of Independent Auditors

HOVENSA Benefits Committee and
Participants in the HOVENSA Employees' Savings Plan

We have audited the accompanying statement of net assets available for benefits of the HOVENSA Employees' Savings Plan as of December 31, 2010 and 2009, and the related statement of changes in net assets available for benefits for the years then ended. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. We were not engaged to perform an audit of the Plan's internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of the Plan at December 31, 2010 and 2009, and the changes in its net assets available for benefits for the years then ended, in conformity with accounting principles generally accepted in the United States.

Our audits were performed for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying supplemental schedule of assets (held at end of year) as of December 31, 2010 is presented for purposes of additional analysis and is not a required part of the financial statements but is supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. This supplemental schedule is the responsibility of the Plan's management. The supplemental schedule has been subjected to the auditing procedures applied in our audits of the financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.

Ernst & Young LLP

October 14, 2011

HOVENSA
EMPLOYEES' SAVINGS PLAN
STATEMENT OF NET ASSETS AVAILABLE FOR BENEFITS

	<u>December 31,</u>	
	<u>2010</u>	<u>2009</u>
ASSETS		
Investments, at fair value		
Mutual funds	\$ 134,235,920	\$ 114,284,330
Hess Corporation common stock fund	<u>12,547,309</u>	<u>11,464,353</u>
	146,783,229	125,748,683
Loans to participants	11,456,402	10,670,085
Contributions receivable	566,447	502,840
Cash	420,979	-
Interest and dividends receivable	19,942	18,784
Accrued plan liabilities	<u>(420,979)</u>	<u>(138,089)</u>
Net assets available for benefits	\$ <u>158,826,020</u>	\$ <u>136,802,303</u>

See notes to financial statements

HOVENSA

EMPLOYEES' SAVINGS PLAN

STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS

	<u>Years Ended December 31,</u>	
	<u>2010</u>	<u>2009</u>
Investment income		
Net appreciation in fair value of investments	\$ 15,313,999	\$ 22,359,976
Distributions from mutual funds	1,994,898	1,952,696
Dividends on Hess Corporation common stock fund	<u>69,023</u>	<u>79,817</u>
	17,377,920	24,392,489
Employee contributions	10,594,852	10,170,713
Employer contributions	6,364,602	6,135,301
Interest income	572,733	660,117
Rollovers from other plans	205,981	19,064
Benefit payments	(13,063,395)	(7,801,887)
Administrative fees	<u>(28,976)</u>	<u>(35,810)</u>
Net increase in assets	22,023,717	33,539,987
Net assets available for benefits at beginning of year	<u>136,802,303</u>	<u>103,262,316</u>
Net assets available for benefits at end of year	\$ <u>158,826,020</u>	\$ <u>136,802,303</u>

See notes to financial statements.

HOVENSA
EMPLOYEES' SAVINGS PLAN
NOTES TO FINANCIAL STATEMENTS

1. Description of Plan

The following description of the HOVENSA Employees' Savings Plan (the Plan) is provided for general information only. For more information, participants should refer to the summary plan description, which can be obtained from the Company's Benefit Center.

General: The Plan is a defined contribution plan covering eligible employees of HOVENSA L.L.C. (the Company). Employees are eligible to enroll in the Plan upon hire. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA). For the purpose of carrying out the Plan, a trust was created effective October 1, 2006 by the execution of a Trust Agreement with The Bank of New York. Effective July 1, 2009, the trustee changed to JPMorgan Chase NA (Trustee).

Contributions: At the election of each participating employee, pre-tax amounts contributed under the Plan (from 1% to 25% of compensation) and the employer's matching contributions are invested in one or more of the available mutual funds with varying investment objectives. The Company matches participant contributions up to 6% of eligible compensation.

Eligible employee compensation under the Plan was limited by law to \$245,000 in 2010 and 2009 and this limit will remain the same for 2011. Before-tax contributions were limited by law to \$16,500 in 2010 and 2009 and will also remain unchanged for 2011. In the year an employee reaches age 50, and all years thereafter, an employee is eligible to make an additional before-tax "catch-up" contribution to the Plan that is not eligible for matching company contributions. The limit for "catch up" contributions was \$5,500 in 2010 and 2009 and will remain in place for 2011.

Participant Accounts: Each participant's account is credited with the participant's contributions and allocations of the Company's contributions and Plan earnings. Contributions are invested in the Plan's funds based on the allocation percentages designated by the participant in increments of 1% of the amount contributed. A participant may change investment designations for future contributions or reallocate existing investments to different funds on a daily basis.

The Trustee does not receive compensation from the Plan. Such compensation and other administrative costs are paid by the Company, except for administrative fees on employee loans and certain redemption fees, which are charged to the related participants' accounts.

Investment Alternatives: The following funds are available to participants as of December 31, 2010:

Managers Cadence Capital Appreciation Fund	T. Rowe Price Retirement 2015 Fund
Artio International Equity II Fund	T. Rowe Price Retirement 2020 Fund
BlackRock High Yield Bond Fund	T. Rowe Price Retirement 2025 Fund
BlackRock TempFund	T. Rowe Price Retirement 2030 Fund
BlackRock Total Return Fund	T. Rowe Price Retirement 2035 Fund
CRM Mid-Cap Value Fund	T. Rowe Price Retirement 2040 Fund
James Small-Cap Value Fund	T. Rowe Price Retirement 2045 Fund
Lazard Emerging Markets Fund	Vanguard 500 Index Fund
Old Mutual Barrow Hanley Value Fund	Vanguard Mid-Cap Index Fund
Principal Real Estate Fund	Vanguard Small-Cap Index Fund
T. Rowe Price Retirement Income Fund	Western Asset Core Plus Bond Fund
T. Rowe Price Retirement 2005 Fund	Western Asset Inflation Index Plus Bond Fund
T. Rowe Price Retirement 2010 Fund	William Blair International Small-Cap Growth Fund

Descriptions and information concerning the investment objectives and risks of the currently available funds can be obtained from the Company's Benefits Center.

HOVENSA

EMPLOYEES' SAVINGS PLAN

NOTES TO FINANCIAL STATEMENTS—(Continued)

In addition to the above mutual funds, certain participants have investments in the Hess Corporation Common Stock Fund which originated from their prior participation in the Hess Corporation Employees' Savings Plan (the Hess Plan). Employees cannot invest current contributions or transfer balances from other funds into this fund; however, they may choose to continue to hold their investments in this fund or they can transfer the balance of this fund into other funds at any time. This fund invests in shares of common stock of Hess Corporation, which is traded on the New York Stock Exchange (NYSE) under the ticker symbol (HES). Approximately 1% of this fund is held in short-term investment funds to facilitate daily transactions.

Participants sold 27,010 shares (fair value \$1,489,700) and 12,452 shares (fair value \$688,326) of Hess Corporation common stock during 2010 and 2009, respectively.

Vesting: Participants are immediately vested in their contributions and the employer's matching contributions.

Loans to Participants: Participants may borrow from their account balance, including their Company matching account, with a minimum of \$500 up to a maximum of \$50,000. Participants may have two concurrent loans. The total of the loans cannot exceed the lesser of \$50,000 or 50% of the participant's account balance. The participant's account balance serves as collateral for the loans. Loans are repaid by participants in equal installments over a period of not more than five years, or not more than 30 years if borrowed for the purpose of acquiring a principal residence. Interest on loans is charged at a rate of 1% above the prime rate determined at the time the loan is made. Currently a \$50 loan set-up fee is charged to participants when they borrow from the Plan.

Rollovers from Other Plans: Employees may deposit an eligible rollover distribution made by a qualified plan of another employer or from an individual retirement account whose assets were derived solely from the rollover from a qualified plan of another employer. Rollovers are accepted in cash only and are invested according to the participant's current fund elections for contributions. An employee who is not contributing to the Plan must elect investment options at the time of the rollover. The current market values of amounts rolled over to the Plan can be withdrawn in whole or in part at any time.

Payment of Benefits: Upon a withdrawal or distribution, an employee's investments in the mutual funds are paid in cash. The employee's investments in the Hess Corporation Common Stock Fund are distributed either in whole shares of stock of Hess Corporation (plus the cash equivalent of any fractional shares) or in cash, depending upon the employee's election.

Voluntary complete or partial withdrawals from before-tax contributions are permitted only after attainment of age 59½, except in the case of hardship. Generally only employee after-tax contributions and employer contributions made prior to January 1, 2002 are eligible for withdrawal by active employees under age 59½. Terminated employees may withdraw their entire balance at any time.

Employees may elect direct rollovers of the taxable portion of their distributions to an individual retirement account, individual retirement annuity or a qualified plan of another employer. Eligible distributions that are not rolled over are subject to federal income tax withholding at 20% and may be subject to an additional 10% tax.

2. Summary of Significant Accounting Policies

Basis of Accounting: The accompanying financial statements have been prepared in conformity with accounting principles generally accepted in the United States on the accrual basis of accounting.

New Accounting Standard: Effective January 1, 2010 the Plan retrospectively adopted Accounting Standards Update (ASU) 2010-25, *Plan Accounting-Defined Contribution Pension Plans (Topic 962), Reporting Loans to Participants by Defined Contribution Plans*. ASU 2010-25 requires that participant loans be presented separately from plan investments and measured at their unpaid principal balance plus any accrued but unpaid interest. All periods presented in these financial statements reflect the retrospective adoption of ASU 2010-25 which resulted solely in a change in the classification of Loans to Participants.

HOVENSA

EMPLOYEES' SAVINGS PLAN

NOTES TO FINANCIAL STATEMENTS—(Continued)

Valuation of Investments: The Plan's investments are stated at fair value in accordance with the provisions of the accounting standard on fair value measurements (ASC 820-Fair Value Measurements and Disclosures). See Note 4, Fair Value Measurements, for further disclosure.

Mutual funds are valued at the quoted market price, which represents the net asset value of shares held by the Plan at year-end. Hess Corporation common stock values are based on the closing market prices on the New York Stock Exchange.

Loans to Participants: Loans to participants are stated at the outstanding principal balances plus any accrued but unpaid interest.

Interest and Dividend Income: Interest and dividend income is recorded in participant accounts as earned.

Sale of Investments: Gains or losses on sales of Hess Corporation common stock and mutual funds in the Plan are based on average cost.

Use of Estimates: The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Risks and Uncertainties: The Plan has investments in various mutual funds and Hess Corporation common stock. Investment securities are exposed to various risks, such as overall market volatility, commodity prices, interest rates, foreign exchange rates and credit risks. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect participant's account balances and the amounts reported in the financial statements.

Benefit Payments: Distributions of benefits to participants are recorded when paid.

Subsequent Events: Subsequent events have been evaluated through October 14, 2011, the date the financial statements were available to be issued.

3. Investments

The following table presents investments that represent 5 percent or more of the Plan's assets in either period:

	December 31,	
	2010	2009
BlackRock TempFund (25,501,780 and 23,902,619 shares, respectively)	\$ 25,501,780	\$ 23,902,619
Hess Corporation common stock fund (162,356 and 187,808 shares, respectively)*	12,547,309	11,464,353
T. Rowe Price Retirement 2015 (1,041,005 and 1,051,856 shares, respectively)	12,377,555	11,223,310
T. Rowe Price Retirement 2035 (929,678 and 838,642 shares, respectively)	11,369,964	8,931,538
T. Rowe Price Retirement 2020 (681,621 and 668,268 shares, respectively)	11,205,856	9,756,712
Lazard Emerging Markets Portfolio (512,882 and 487,066 shares, respectively)	11,170,576	8,772,054
T. Rowe Price Retirement 2025 (739,646 and 677,059 shares, respectively)	8,905,342	7,183,592
T. Rowe Price Retirement 2030 (465,072 and 429,276 shares, respectively)	8,036,440	6,490,659
T. Rowe Price Retirement 2010 (417,178 shares and 510,075 shares, respectively).....	6,399,509	7,198,981

* Includes \$120,581 and \$101,963 held in short-term investment funds at December 31, 2010 and 2009, respectively.

At December 31, 2010, amounts invested in the T. Rowe Price funds, BlackRock funds and Hess Corporation common stock fund represent 49%, 20%, and 9%, respectively of the Plan's total investments.

HOVENSA

EMPLOYEES' SAVINGS PLAN

NOTES TO FINANCIAL STATEMENTS—(Continued)

The value of the Plan's investments (including gains and losses on investments bought and sold, as well as held during the year) appreciated as follows:

	Years Ended December 31,	
	2010	2009
Hess Corporation common stock fund	\$ 2,474,708	\$ 2,246,820
Mutual funds	<u>12,839,291</u>	<u>20,113,156</u>
Net appreciation in fair value of investments.....	<u>\$ 15,313,999</u>	<u>\$ 22,359,976</u>

4. Fair Value Measurements

The provisions of ASC 820 – Fair Value Measurements and Disclosures establish a hierarchy for the inputs used to measure fair value based on the source of the input, which generally range from quoted prices for identical instruments in a principal trading market (Level 1) to estimates determined using related market data (Level 3). Multiple inputs may be used to measure fair value, however, the level of fair value for each financial asset presented below is based on the lowest significant input level within the fair value hierarchy. Mutual funds are valued at quoted market prices, which represent the net asset value of shares held by the Plan. The underlying securities within the funds are based on quoted market prices from the primary exchanges on which they are traded. Hess Corporation common stock values are based on the closing market prices on the New York Stock Exchange, which is the primary exchange on which the stock is traded. The following table provides the fair value hierarchy of the Plan's financial assets:

December 31, 2010	Level 1	Level 2	Level 3	Total
Mutual funds (a)	\$ 134,235,920	\$ —	\$ —	\$ 134,235,920
Hess Corporation common stock fund	<u>12,547,309</u>	<u>—</u>	<u>—</u>	<u>12,547,309</u>
Total assets at fair value.....	<u>\$ 146,783,229</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 146,783,229</u>
December 31, 2009	Level 1	Level 2	Level 3	Total
Mutual funds (b)	\$ 114,284,330	\$ —	\$ —	\$ 114,284,330
Hess Corporation common stock fund	<u>11,464,353</u>	<u>—</u>	<u>—</u>	<u>11,464,353</u>
Total assets at fair value.....	<u>\$ 125,748,683</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 125,748,683</u>

(a) Mutual funds consist of retirement date funds (54%), money market funds (21%), domestic and international equity funds (19%) and fixed income funds (6%).

(b) Mutual funds consist of retirement date funds (55%), money market funds (21%), domestic and international equity funds (20%) and fixed income funds (4%).

5. Plan Termination

Although it has not expressed any intention to do so, the Company has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions of ERISA.

6. Tax Status

The Plan has received a determination letter from the Internal Revenue Service dated September 18, 2002, stating that the Plan is qualified under Section 401(a) of the Internal Revenue Code (the "Code") and, therefore, the related trust is exempt from taxation. Subsequent to this determination by the Internal Revenue Service, the Plan was amended and restated. Once qualified, the Plan is required to operate in conformity with the Code to maintain its qualification. The plan administrator believes the Plan is being operated in compliance with the applicable requirements of the Code and, therefore, believes that the Plan, as amended and restated, is qualified and the related trust is tax exempt. The plan sponsor has indicated that it will take the necessary steps, if necessary, to bring the Plan's operations and/or document into compliance with the Code. The Plan is subject to routine audits by regulatory authorities; however, there are currently no open audits for any tax periods. The Plan administrator believes that the Plan is not subject to audit review for periods prior to 2007.

Supplemental Schedules

HOVENSA

**EMPLOYEES' SAVINGS PLAN
EIN 98—0191354 PLAN NO. 002
AT DECEMBER 31, 2010**

SCHEDULE H, LINE 4i—SCHEDULE OF ASSETS (HELD AT END OF YEAR)

<u>Identity of issue, borrower, Lessor, or similar party</u>	<u>Description of investment including maturity date, rate of interest, collateral, par or maturity value</u>	<u>Current value</u>
BlackRock	BlackRock TempFund 25,501,780 shares	\$ 25,501,780
Hess Corporation Common Stock Fund:		
*Hess Corporation.....	Common stock 162,356 Shares	12,426,728
*JPMorgan Chase.....	Federal Money Market Fund 120,581 shares	120,581
T. Rowe Price.....	T. Rowe Price Retirement 2015 Fund 1,041,005 shares	12,377,555
T. Rowe Price.....	T. Rowe Price Retirement 2035 Fund 929,678 shares	11,369,964
T. Rowe Price.....	T. Rowe Price Retirement 2020 Fund 681,621 shares	11,205,856
Lazard Asset Management.....	Lazard Emerging Markets Fund 512,882 shares	11,170,576
T. Rowe Price.....	T. Rowe Price Retirement 2025 Fund 739,646 shares	8,905,342
T. Rowe Price.....	T. Rowe Price Retirement 2030 Fund 465,072 shares	8,036,440
T. Rowe Price.....	T. Rowe Price Retirement 2010 Fund 417,178 shares	6,399,509
T. Rowe Price.....	T. Rowe Price Retirement 2040 Fund 361,981 shares	6,305,714
T. Rowe Price.....	T. Rowe Price Retirement 2045 Fund 326,785 shares	3,793,975
The Vanguard Group	Vanguard 500 Index Fund 27,190 shares	3,127,117
Principal Financial Group.....	Principal Real Estate Fund 187,565 shares	3,023,552
BlackRock	BlackRock High Yield Bond Fund 347,981 shares	2,669,011
T. Rowe Price.....	T. Rowe Price Retirement 2005 Fund 228,603 shares	2,592,360
William Blair Funds	William Blair International Small Cap Growth Fund 165,274 shares	2,188,227
The Vanguard Group	Vanguard Mid-Cap Index Fund 106,136 shares	2,160,932
Artio Funds.....	Artio International Equity II Fund 173,034 shares	2,156,000

**HOVENSA
EMPLOYEES' SAVINGS PLAN
EIN 98—0191354 PLAN NO. 002
AT DECEMBER 31, 2010**

**SCHEDULE H, LINE 4i—SCHEDULE OF ASSETS (HELD AT END OF YEAR)
(continued)**

<u>Identity of issue, borrower, lessor, or similar party</u>	<u>Description of investment including maturity date, rate of interest, collateral, par or maturity value</u>	<u>Current Value</u>
The Vanguard Group	Vanguard Small-Cap Index Fund 52,971 shares	1,841,786
Managers Investment Group ...	Managers Cadence Capital Appreciation Fund 84,725 shares	1,453,028
Western Asset.....	Western Asset Inflation Index Plus Bond Fund 132,582 shares	1,447,801
CRM Funds.....	CRM Mid-Cap Value Fund 48,101 shares	1,379,059
Western Asset.....	Western Asset Core Plus Bond Fund 120,452 shares	1,297,271
BlackRock	BlackRock Total Return Fund 114,317 shares	1,271,203
T. Rowe Price.....	T. Rowe Price Retirement Income Fund 95,455 shares	1,251,416
James Advantage Funds	James Small-Cap Value Fund 38,883 shares	826,663
Old Mutual.....	Old Mutual Barrow Hanley Value Fund 77,158 shares	<u>483,783</u>
Total Investments		<u>\$146,783,229</u>

* Indicates party-in-interest to the Plan.

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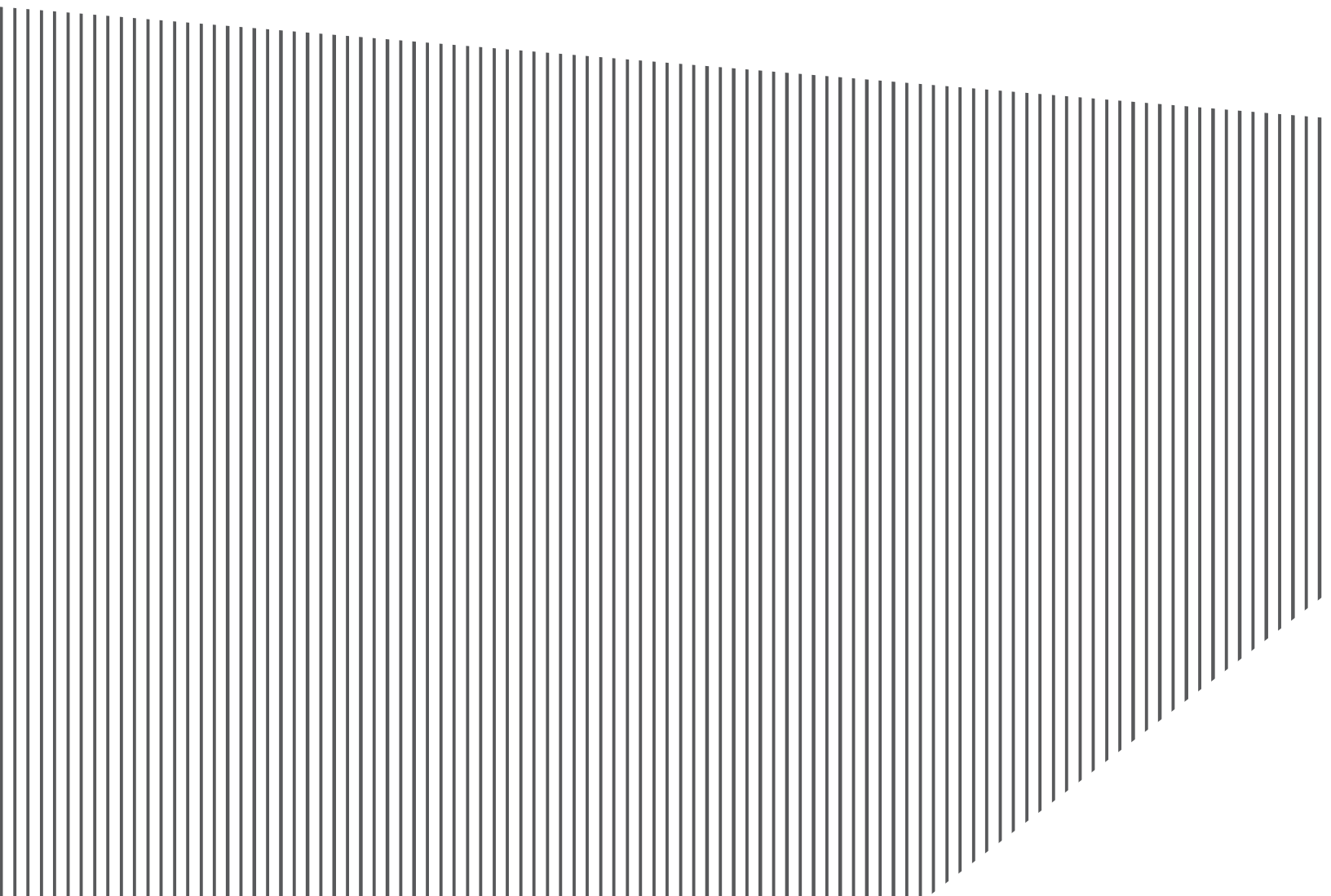
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SCHEDULE H, LINE 4i—SCHEDULE OF ASSETS (HELD AT END OF YEAR)

<u>Identity of issue, borrower, Lessor, or similar party</u>	<u>Description of investment including maturity date, rate of interest, collateral, par or maturity value</u>	<u>Current value</u>
BlackRock	BlackRock TempFund 25,501,780 shares	\$ 25,501,780
Hess Corporation Common Stock Fund:		
*Hess Corporation.....	Common stock 162,356 Shares	12,426,728
*JPMorgan Chase.....	Federal Money Market Fund 120,581 shares	120,581
T. Rowe Price.....	T. Rowe Price Retirement 2015 Fund 1,041,005 shares	12,377,555
T. Rowe Price.....	T. Rowe Price Retirement 2035 Fund 929,678 shares	11,369,964
T. Rowe Price.....	T. Rowe Price Retirement 2020 Fund 681,621 shares	11,205,856
Lazard Asset Management.....	Lazard Emerging Markets Fund 512,882 shares	11,170,576
T. Rowe Price.....	T. Rowe Price Retirement 2025 Fund 739,646 shares	8,905,342
T. Rowe Price.....	T. Rowe Price Retirement 2030 Fund 465,072 shares	8,036,440
T. Rowe Price.....	T. Rowe Price Retirement 2010 Fund 417,178 shares	6,399,509
T. Rowe Price.....	T. Rowe Price Retirement 2040 Fund 361,981 shares	6,305,714
T. Rowe Price.....	T. Rowe Price Retirement 2045 Fund 326,785 shares	3,793,975
The Vanguard Group	Vanguard 500 Index Fund 27,190 shares	3,127,117
Principal Financial Group.....	Principal Real Estate Fund 187,565 shares	3,023,552
BlackRock	BlackRock High Yield Bond Fund 347,981 shares	2,669,011
T. Rowe Price.....	T. Rowe Price Retirement 2005 Fund 228,603 shares	2,592,360
William Blair Funds	William Blair International Small Cap Growth Fund 165,274 shares	2,188,227
The Vanguard Group	Vanguard Mid-Cap Index Fund 106,136 shares	2,160,932
Artio Funds.....	Artio International Equity II Fund 173,034 shares	2,156,000

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(continued)**

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