Hess Midstream Partners LP Announces 2018 Guidance and 2018 Capital Budget

January 31, 2018

2018 Guidance Highlights Include:

- ***Net Income of $335—$360 million***
- ***Adjusted EBITDA[1] of $460—$485 million, of which $90—$95 million is attributable to Hess Midstream Partners LP.***
- ***DCF[1] of Hess Midstream Partners LP of $87—$92 million.***
- ***Gas gathering volumes of 240—250 million standard cubic feet per day (MMscf/d).***
- ***Gas processing volumes of 225—235 million standard cubic feet per day (MMscf/d).***
- ***Crude oil gathering volumes of 75—85 thousand barrels of oil per day (Mbo/d).***
- ***Crude terminal volumes of 85—95 thousand barrels of oil per day (Mbo/d).***
- ***Capital budget, including equity investments, of $330 million gross, $66 million net to Hess Midstream Partners LP. This includes expenditures of $165 million gross, $33 million net to Hess Midstream Partners LP, which were previously announced in respect of a joint venture with Targa Resources Corp. to construct the Little Missouri 4 Gas Processing Plant and related pipeline infrastructure.***
- ***Annual Minimum Volume Commitments (MVCs) under long term contracts with Hess Corporation increasing for 2018 and 2019, new MVCs provided for 2020.***
- ***Hess Midstream Partners LP is targeting long-term 15% annual distribution growth per unit with at least a 1.1x distribution coverage ratio.***

HOUSTON--(BUSINESS WIRE)--Jan. 31, 2018-- Hess Midstream Partners LP (NYSE:HESM) ("Hess Midstream") today provided 2018 guidance and announced its 2018 Capital budget. John Hess, Chairman and CEO of Hess Midstream, said: "The Bakken is Hess Corporation's largest operated growth asset. With Hess' industry-leading position in the core of the play and increased activity starting in 2018, the Bakken is expected to generate capital efficient production growth of 15 - 20 percent per year through 2020. This growth trajectory supports Hess Midstream infrastructure buildout, throughput growth and long-term distribution growth target of 15 percent."

Full Year 2018 Guidance

Full year 2018 volumes are anticipated to grow significantly versus 2017, driven by anticipated production growth from Hess Corporation, a full year of operation of our Hawkeye Gas Facility, and additional growth due to our recently completed Johnson's Corner Header System project and the Hawkeye Oil Facility.

In 2018, gas gathering volumes are anticipated to average 240 to 250 MMscf/d and gas processing volumes are expected to average 225 to 235 MMscf/d.

Crude oil gathering volumes are anticipated to average 75 to 85 Mbo/d in 2018, and crude oil terminaling volumes are expected to average 85 to 95 Mbo/d.

Hess Midstream financial guidance incorporates the outcomes of the end year tariff rate recalculation and nomination process conducted with Hess Corporation under Hess Midstream's commercial agreements with Hess Corporation.

Hess Midstream anticipates 2018 net income of between $335 million and $360 million and Adjusted EBITDA of between $460 million and $485 million. Adjusted EBITDA attributable to Hess Midstream is estimated to be $90 million to $95 million. Hess Midstream estimates Distributable Cash Flow for the full year 2018 to range between $87 million and $92 million.

2018 Capital Budget

Hess Midstream's 2018 capital budget, including equity investments associated with the recently announced joint venture with Targa Resources Corp., is $330 million gross, $66 million net to Hess Midstream. The 2018 capital program is primarily focused on construction of the Little Missouri 4 ("LM4") gas processing plant, installation of pipeline and related infrastructure to gather volumes to the LM4 plant and expansion of gas compression capacity in the Bakken. The balance of 2018 expenditures are expected to be allocated to system build outs to service Hess Corporation and third-party customers, gathering system well connects, and maintenance activities. Approximately $320 million gross, $64 million net to Hess Midstream, of the total 2018 capital budget is allocated to expansion expenditures, including equity investments associated with the recently announced joint venture with Targa Resources Corp., with an estimated $10 million gross, $2 million net to Hess Midstream, allocated to maintenance expenditures.

Little Missouri 4 Gas Processing Plant

Approximately $165 million gross, $33 million net to Hess Midstream, of the 2018 capital budget is expected to be deployed in respect of the LM4 gas processing plant, a new build 200 MMscf/d plant to be located south of the Missouri River near Watford City, North Dakota. Approximately $75 million of this spend is expected to be allocated to plant construction activities, and approximately $90 million is expected to be deployed to pipeline and related infrastructure to gather gas volumes to the LM4 plant. Plant construction activities are expected to be complete by the end of 2018, with other infrastructure to be completed in early 2019 to support volume growth.

Gas Compression Expansion

Approximately $80 million gross, $16 million net to Hess Midstream, of the 2018 capital budget is expected to be allocated to expansion of gas compression capacity. This expansion supports Hess Corporation's accelerated development of its acreage position in the Bakken, including announced plans to grow its operated rig count to 6 rigs during 2018.

System Build Outs for Hess Corporation and Third Parties, Well Connects

Approximately $75 million gross, $15 million net to Hess Midstream, of the 2018 capital budget is estimated to be spent on undertaking key system build outs to meet Hess Corporation and third-party oil and gas volumes, including connecting wells to our expanding gathering system.

Maintenance Activities

Approximately $10 million gross, $2 million net to Hess Midstream, of the 2018 capital budget is allocated to maintenance expenditures. No major maintenance activities are planned for 2018.

Hess Midstream is targeting long-term 15% annual distribution growth per unit with at least a 1.1x distribution coverage ratio.

	Twelve Months Ending December 31, 2018 (Unaudited)
Financials (millions)	
Net income	$ 335 - 360
Consolidated Adjusted EBITDA	$ 460 - 485
Adjusted EBITDA attributable to Hess Midstream Partners LP	$ 90 - 95
DCF of Hess Midstream Partners LP	$ 87 - 92
Expansion capital, net	$ 64
Maintenance capital, net	$ 2

	Twelve Months Ending December 31, 2018 (Unaudited)
Throughput volumes (thousands)	
Gas gathering - Mcf of natural gas per day	240 - 250
Crude oil gathering - bopd	75 - 85
Gas processing - Mcf of natural gas per day	225 - 235
Crude terminals - bopd	85 - 95

Minimum Volume Commitments

As part of the annual nomination process set forth in our long-term commercial contracts, Hess Corporation's minimum volume commitments (MVCs) were reviewed and updated, based upon the nomination of Hess Corporation and third-party throughputs contracted through Hess Corporation. MVCs are set annually at 80% of Hess Corporation's nomination for the three years following each nomination. Once set, MVCs for each year can only be increased and not reduced. The MVCs for Gas gathering and Gas processing also incorporate the expected construction of the LM4 gas processing plant.

	Hess Corporation's Minimum Volume Commitment		
	2018	2019	2020
Throughput volumes (thousands)			
Gas gathering - Mcf of natural gas per day	255	232	279
Crude oil gathering - bopd	114	104	119
Gas processing - Mcf of natural gas per day	220	214	263
Crude terminals - bopd	80	127	141

About Hess Midstream

Hess Midstream Partners LP is a fee-based, growth oriented traditional master limited partnership that was formed to own, operate, develop and acquire a diverse set of midstream assets to provide services to Hess Corporation and third-party customers. Hess Midstream's assets are primarily located in the Bakken and Three Forks Shale plays in the Williston Basin area of North Dakota. More information is available at www.hessmidstream.com.

Reconciliation of U.S. GAAP to Non-GAAP Measures

In addition to our financial information presented in accordance with U.S. generally accepted accounting principles (GAAP), management utilizes additional non-GAAP measures to facilitate comparisons of past performance and future periods. Hess Midstream has used two non-GAAP financial measures in this earnings release. "Adjusted EBITDA" presented in this release is defined as reported net income (loss) plus interest expense, income tax expense and depreciation and amortization, as further adjusted to eliminate the impact of certain items that we do not consider indicative of our ongoing operating performance, such as other income and other non-cash, non-recurring items, if applicable. We define Adjusted EBITDA attributable to Hess Midstream Partners LP as Adjusted EBITDA less Adjusted EBITDA attributable to Hess Infrastructure Partners LP retained interests in our join interest assets. "Distributable Cash Flow" ("DCF") is defined as Adjusted EBITDA attributable to Hess Midstream Partners LP less cash paid for interest and maintenance capital expenditures. Distributable cash flow does not reflect changes in working capital balances. We believe that investors' understanding of our performance is enhanced by disclosing these measures as they may assist in assessing our operating performance as compared to other publicly traded partnerships in the midstream energy industry, without regard to historical cost basis or, in the case of Adjusted EBITDA, financing methods, and assessing the ability of our assets to generate sufficient cash flow to make distributions to our unitholders. These measures are not, and should not be viewed as, a substitute for U.S. GAAP net income or cash flow from operating activities and should not be considered in isolation. A reconciliation of net income attributable to Hess Midstream Partners LP (GAAP) to Adjusted EBITDA is provided below.

	Guidance Year Ending December 31, 2018 (Unaudited)
(in millions)	
Reconciliation of Adjusted EBITDA attributable to Hess Midstream Partners LP and Distributable Cash Flow attributable to Hess Midstream Partners LP to net income (loss):	
Net income (loss)	$ 335 - 360
Plus:	
Depreciation expense	123
Interest expense	2
Adjusted EBITDA	460 - 485
Less: Adjusted EBITDA attributable to noncontrolling interest[(a)]	370 - 390
Adjusted EBITDA attributable to Hess Midstream Partners LP	90 - 95
Less:	
Cash interest paid, net	1
Maintenance capital expenditures	2
Distributable cash flow attributable to Hess Midstream Partners LP	$ 87 - 92

(a) *Reflects Hess Infrastructure Partners LP 80% noncontrolling economic interest in the net income of Hess North Dakota Pipeline Operations LP, Hess TGP Operations LP and Hess North Dakota Export Logistics LP.*

Forward-looking Statements

This press release may include forward-looking statements within the meaning of the federal securities laws. Generally, the words "anticipate," "estimate," "expect," "forecast," "guidance," "could," "may," "should," "believe," "intend," "project," "plan," "predict," "will" and similar expressions identify forward-looking statements, which generally are not historical in nature. Forward-looking statements are subject to certain risks and uncertainties that could cause actual results to differ materially from historical results and current projections or expectations. When considering these forward-looking statements, you should keep in mind the risk factors and other cautionary statements in Hess Midstream's prospectus dated April 4, 2017 and other SEC filings, including the risk that the Little Missouri 4 gas processing plant is not constructed on time, at the anticipated total construction cost, or at all; that the total processing capacity of the plant differs from expected capacity; and that additional Hess or third-party volumes may not be realized. Hess Midstream undertakes no obligation and does not intend to update these forward-looking statements to reflect events or circumstances occurring after this press release. You are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this press release.

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[1] Adjusted EBITDA and DCF are non-GAAP measures. Definitions and reconciliations of these non-GAAP measures to GAAP reporting measures appear in the following pages of this release.

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