



Natural Gas Update

Think About Energy Briefing
Wilkes-Barre, PA
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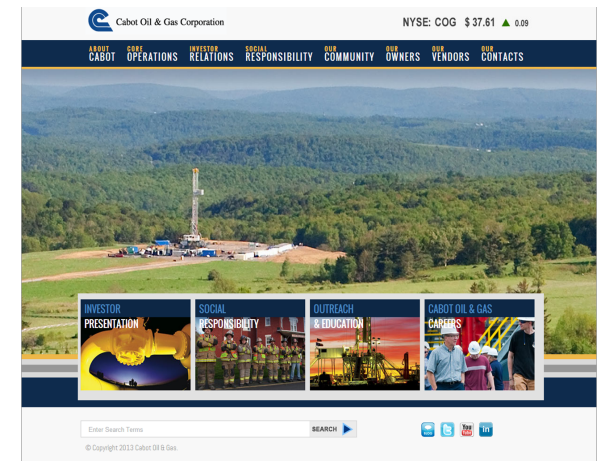


ANGA Members



One company, one county...

- Cabot Oil & Gas Corporation is an independent natural gas producer and a leading developer of the natural gas supply contained in the Marcellus Shale in Pennsylvania.
- Cabot was founded 125 years ago in western Pennsylvania
- The company came back to Pennsylvania – and specifically to Susquehanna County in 2007



Making the Investment

- Cabot directly employs 250 individuals in Susquehanna County
 - Upwards of 90% are local residents
- Building investments:
 - New \$4 million office scheduled to open summer of 2014
 - GasSearch Drilling Services building a new vehicle maintenance garage
 - CNG station to fuel vehicles and drilling rigs
 - Spent \$4.6 million on road repairs and maintenance in 2013
- Budgeted spend in 2014 is \$1 billion

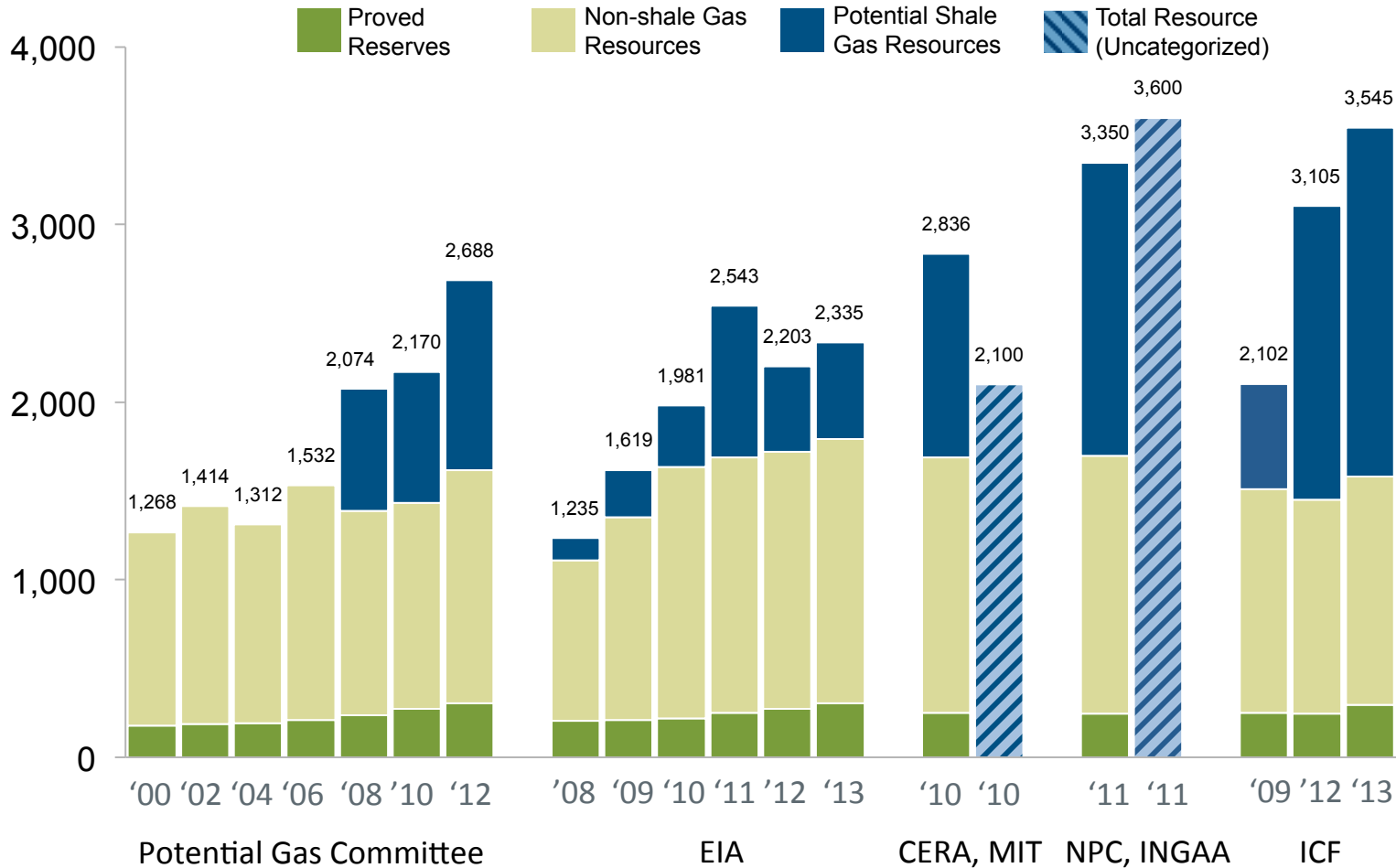
Why the Marcellus?

- Cabot is in the “dry gas” area of the Marcellus
 - Gas is pipeline quality
- Production numbers are staggering
 - Cabot is producing 1.5 BCF per day
 - For July-December 2013 for average daily rate:
 - Cabot had the top 13 producing wells in Pennsylvania
 - 17 of the Top 20 producing wells

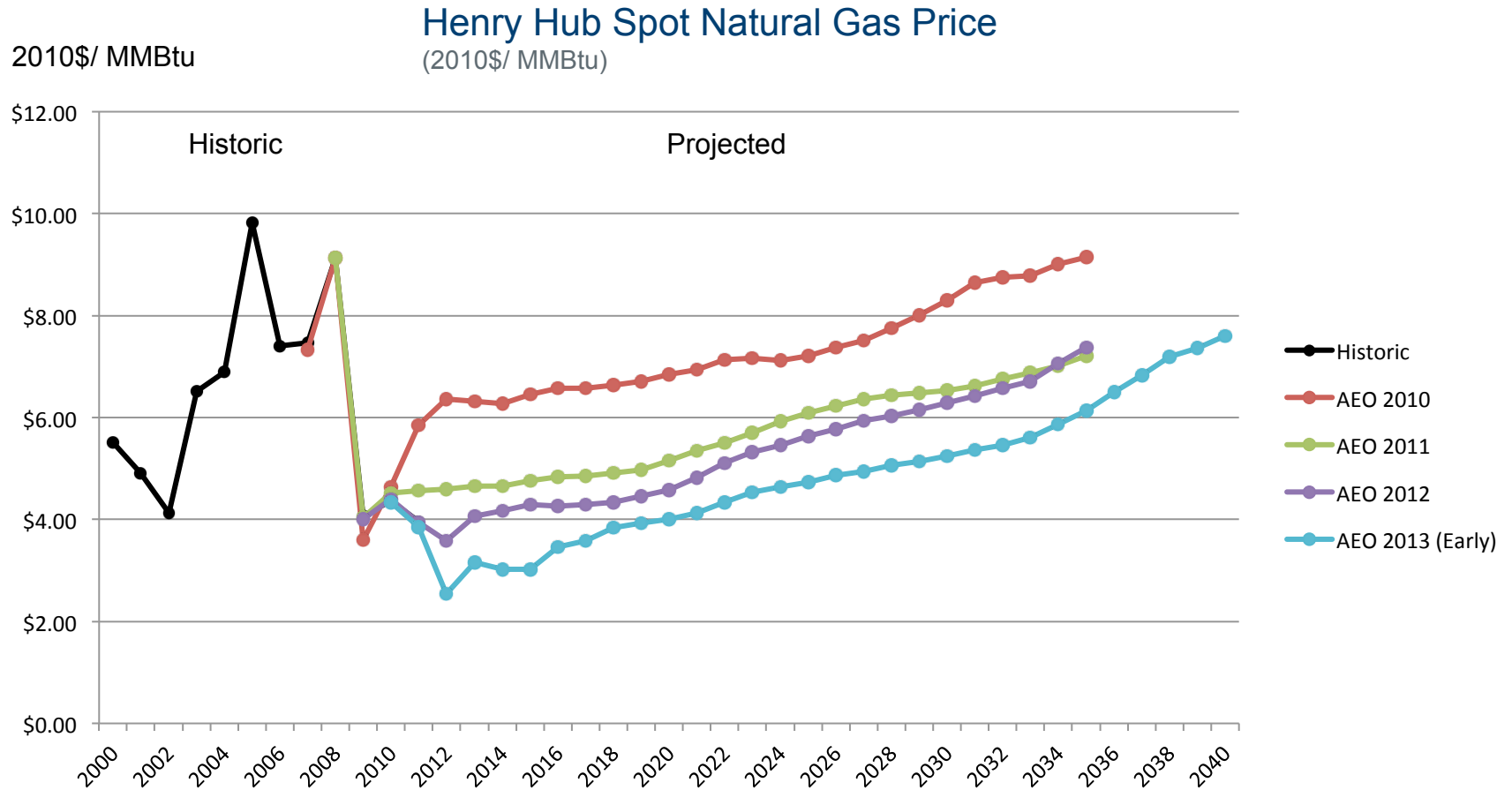


Abundant Supply

Estimates of U.S. Recoverable Natural Gas
(trillion cubic feet)

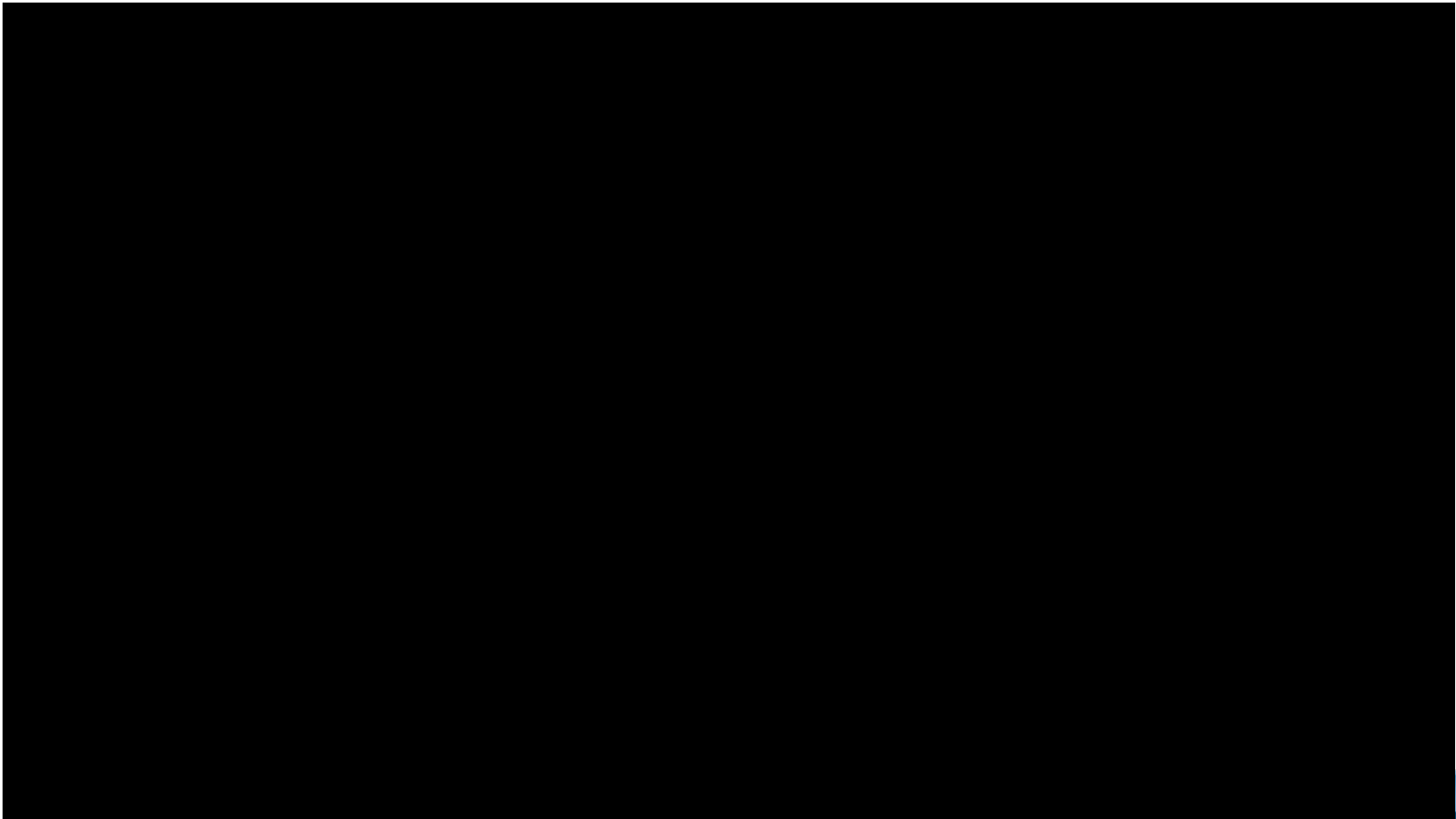


Long-Term Price Stability

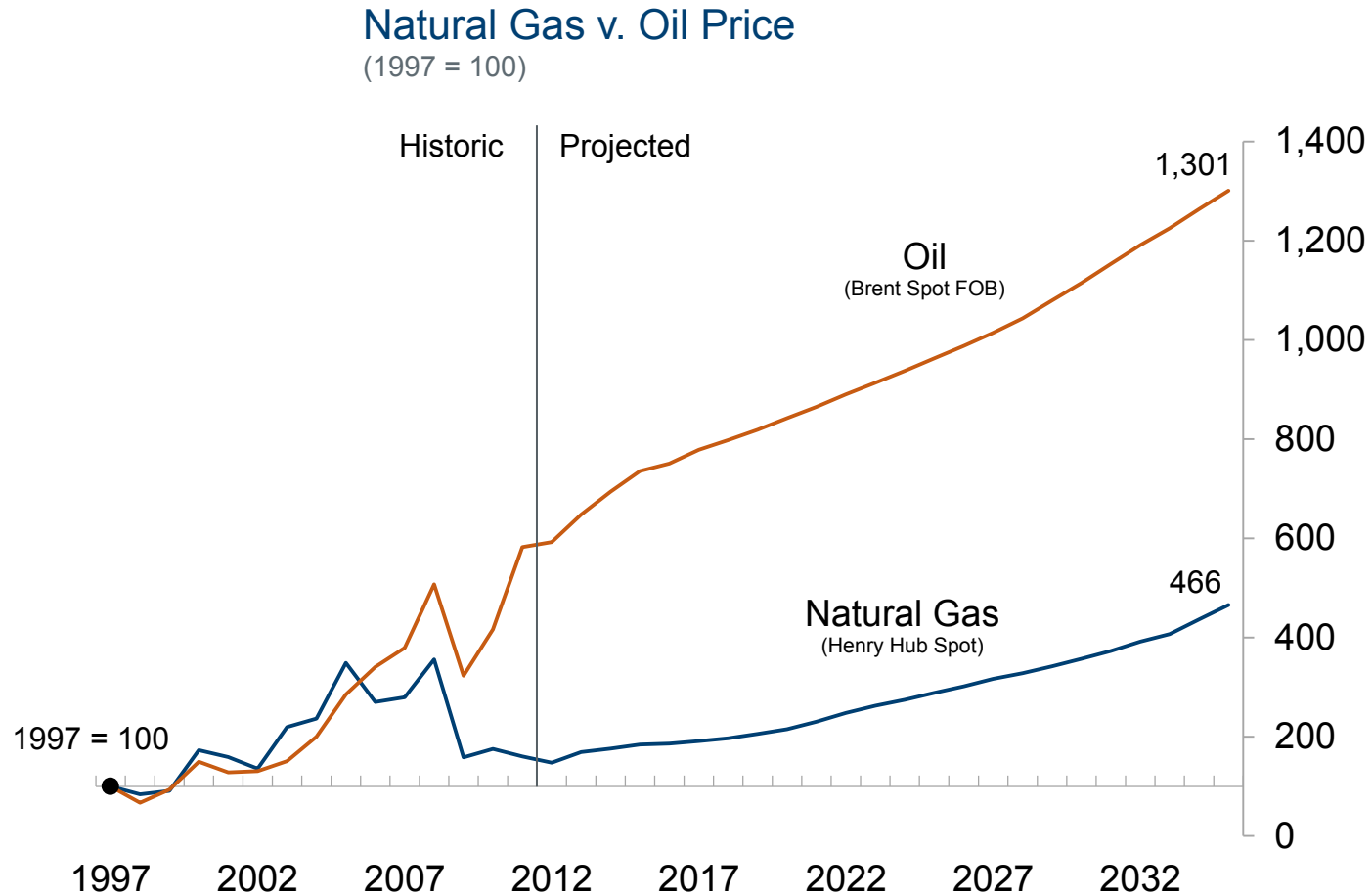


Source: EIA Annual Energy Outlook: 2013 (Early Release), 2012, 2011, 2010, and 2009
Henry Hub Spot prices (EIA reported actual prices included 2000 to 2010)

What can 1 BCF of natural gas power?



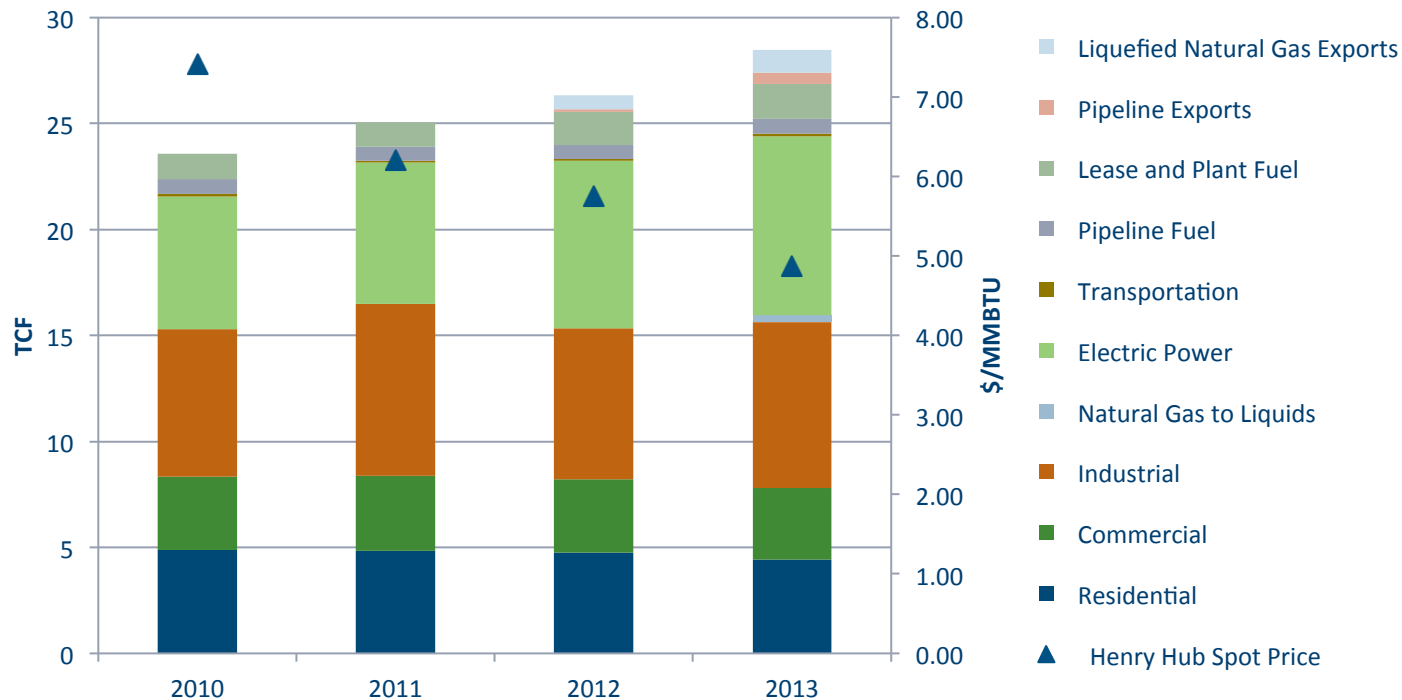
Natural Gas And Oil Prices Have Decoupled



Source: Projected Prices: EIA Annual Energy Outlook: 2012
Historic Prices: EIA reported spot prices

Demand and Price Expectations

Comparison of Recent Annual Energy Outlooks (AEO) Natural Gas Demand and Price: 2025

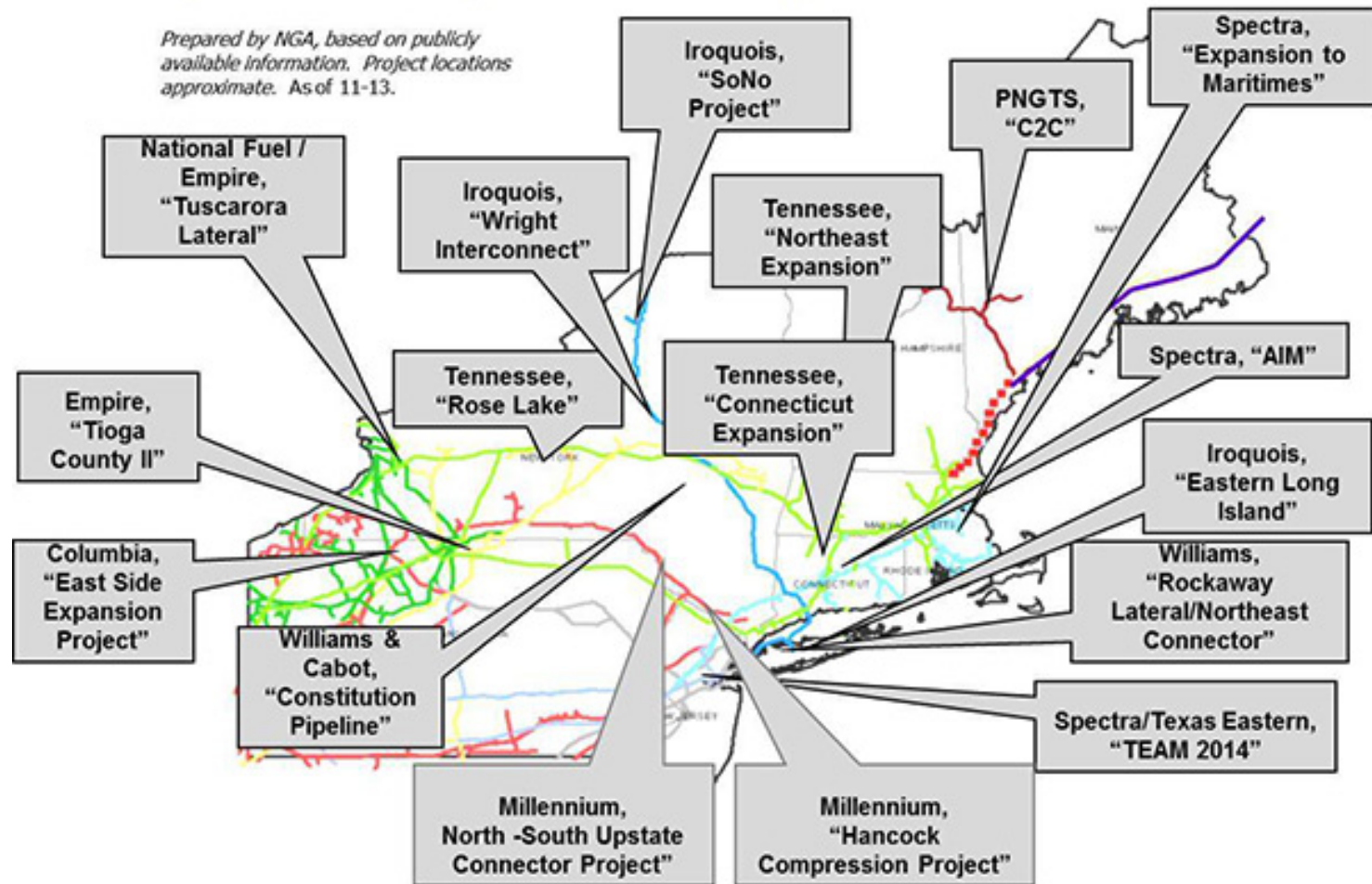


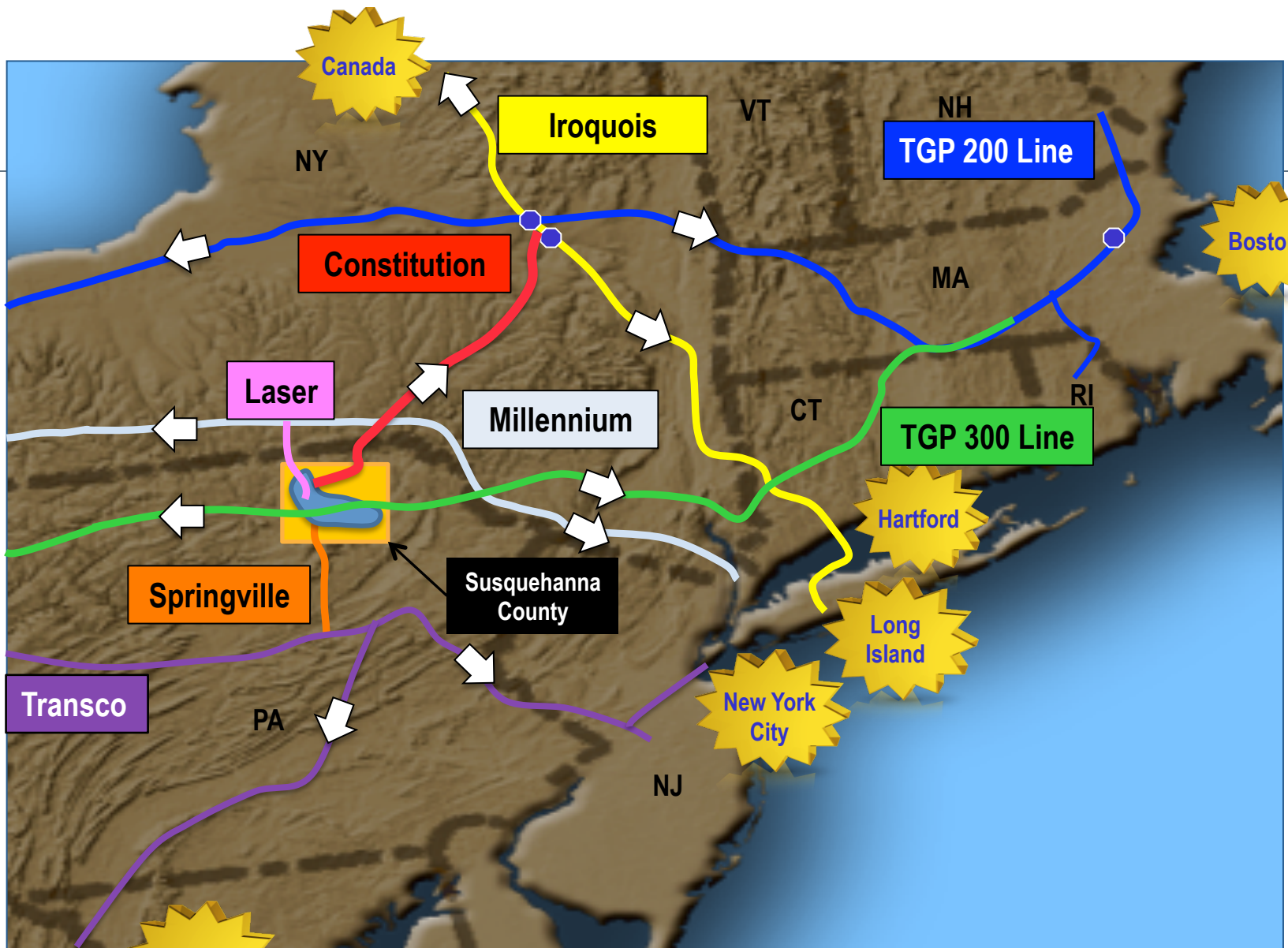
EIA has increased expected demand for year 2025 by 21% since the 2010 AEO release while expected 2025 prices have fallen 34%.

This further supports the growing, abundant supply claim.

More Expansion on the Way

Proposed Pipeline Projects





- There is a significant amount of proposed midstream infrastructure being built in the Northeast to support continued production growth. Over 16 Bcf/d of planned or under construction pipeline infrastructure projects will link end users and producers.
- Substantial opportunity exists for local end use markets to benefit from supply growth in the Northeast region. Substantial opportunity also exists for other regional demand markets to benefit directly or indirectly from Northeast supply growth.
- There is significant potential for an even higher Marcellus/Utica production growth case in the short and long term given the potential productivity of the region.
- Short term opportunities may exist for economic dispatch of gas load as producers continue to test the limits of how much gas the demand markets can absorb.

The Economic Impacts of Shale Gas

- \$930 billion in tax revenues
 - Cumulative to 2035
- Nearly \$1.9 trillion in capital expenditures
 - Between 2010 and 2035
- 238,000 direct jobs associated with unconventional production
 - Expected to increase to 334,000 by 2015 and to 403,000 by 2020
 - 4 times higher each year with indirect jobs and induced jobs
- Lower energy prices for consumers
 - Electricity prices average 10% lower
 - Households will save an average of \$926 per year between 2012 and 2015
 - This savings will exceed \$2,000 by 2035

Cabot's Ripple Effect

- Act 13 / Impact Fee Payments
 - 2011 - \$ 8,380,000
 - 2012 - \$ 9,657,000
 - 2013 - \$12,700,000
- Royalties to Cabot Landowners
 - \$17 million paid out in the past three years
 - \$181 million in 2013 in the Marcellus (Susquehanna & Wyoming Counties)
- Corporate Social Responsibility
 - Since 2010, over \$5 million has been invested back into the community through non-profit organizations, educational scholarships and community events.



Natural Gas: Fueling Cabot

- As of end of May 2014 Cabot has offset/saved:
 - Approximately 75,000 Gasoline Gallon Equivalents (GGE) – Transportation
 - Approximately 250,000 Diesel Gallon Equivalents (DGE) – Drilling & competition
 - 190,000 – Drilling
 - 60,000 – Completions



Natural Gas: Fueling NEPA

- UPS
- Sanofi-Pasteur
- North American Manufacturing
- Proctor & Gamble
- Dandy Mini Mart
- Plains Township & Duryea Borough
- The Diaz Companies



Dandy Mini Mart brings natural gas pumps to Athens

By Kelly McCarthy



May 2, 2013

Long term benefits

- Air quality improvement
- Energy security
- Reduced dependence on foreign oil





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