



**Building for
the Future**

$$\frac{R^2}{A} \rightarrow V^+$$

SWN
Southwestern Energy®

**Company Update
and
Guidance**

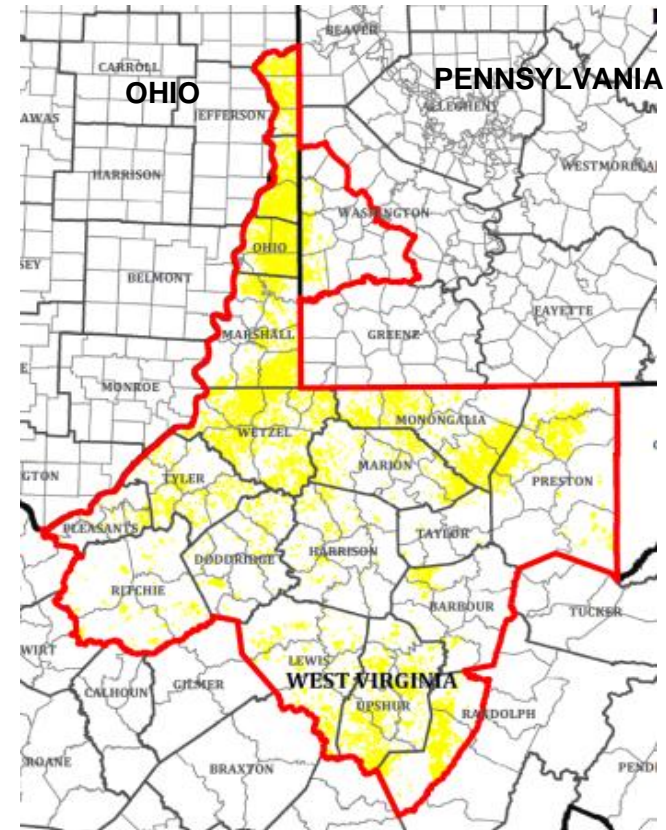
December 2014

NYSE: SWN

Transaction Highlights

Combined CHK & STO Acquisitions

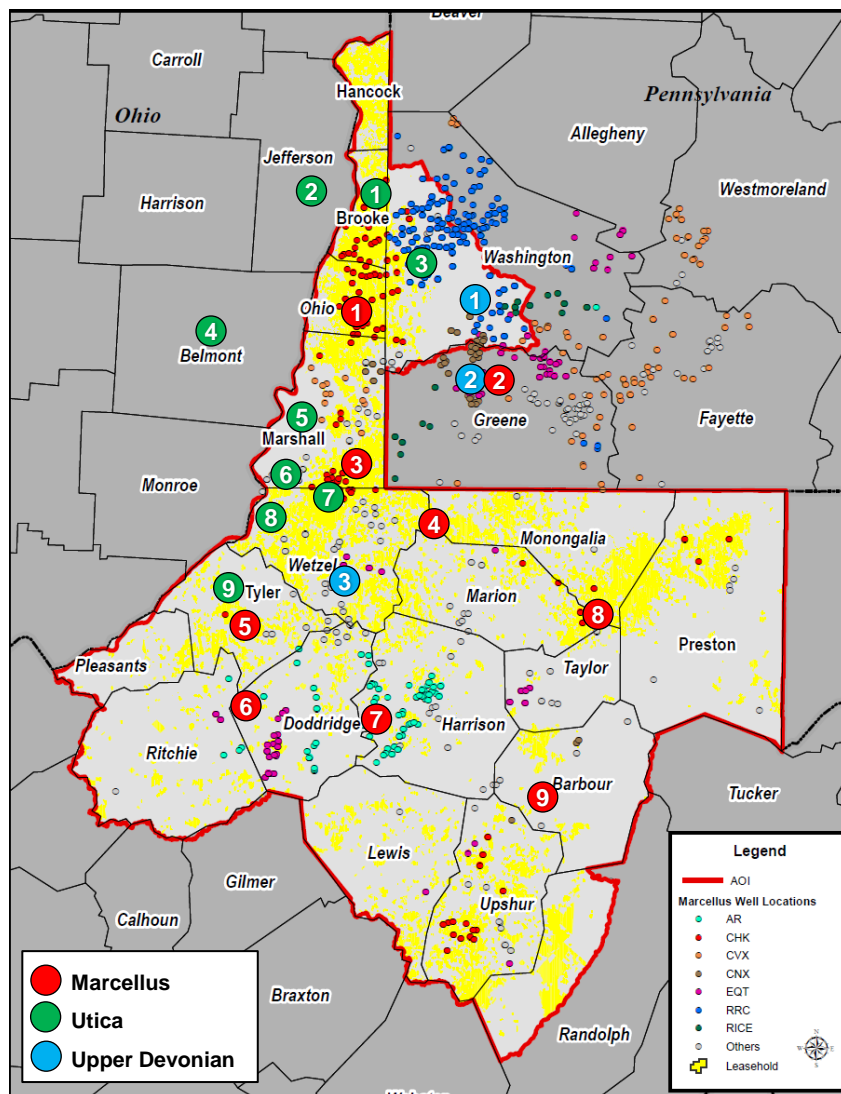
- **Purchase Price:** \$5.340 billion
- **Closing:** December 2014 / est. early 2015
- **Net Acres:** 443,000
- **Held by Production:** 54% with < 90,000 acres expiring in next 4 years
- **WI / NRI (8/8ths):** 73% / 86%
- **Proved Reserves:** 2.5 Tcfe at July 1, 2014
- **Est. Net Recoverable:** 45+ Tcfe
- **Est. Dec Production:** ~370 MMcfe/d
54% gas / 10% oil / 36% NGLs
- **Proven Petroleum System**
 - World-class targets in Upper Devonian, Marcellus and Utica
 - Established operating area for the industry
- **Early development stage allows SWN to lever vertical integration and operational expertise**
- **Expanding midstream infrastructure provides new takeaway outlets**



Exceeds Company's Economic Hurdle of 1.3 PVI Based Only On Wells Drilled to Date

- **Entry into liquids-rich part of Appalachia**
 - 45+ Tcfe of net recoverable resources
 - 5,350+ drillable locations
 - Stacked pays provide low cost access to multiple world-class objectives
 - Downspacing and continuous operational improvement potential throughout
- **Increases high-return portfolio; diversifies hydrocarbon mix**
 - Expands Appalachia operating area
 - Increases Appalachia drilling inventory by ~500%
 - Increases high margin liquids exposure
- **Leverages Southwestern's core competencies**
 - Significant capital and operational cost improvement potential
 - Attractive well economics in current and lower gas price environments
 - Scale provides vertical integration, innovation and learning opportunities
 - Potential for midstream infrastructure build out

Well-Positioned in Rapidly Developing Play



Acquired acreage is low-risk opportunity in the heart of world-class play

ID	Operator	Well Name	IP (Mmcfe/d)	IP30 (Mmcfe/d)	Lateral Length (feet)	% Liquids at IP30
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MARCELLUS

1	CHK/SWN	Melvin Kahle 8H		7.9	4,507	58%
2	EQT	Pierce Pad (8 wells)		15.4	5,814	0%
3	CHK/SWN	Gladys Briggs 8H		13.8	5,142	40%
4	CHK/SWN	Esther Clark 3H		5.2	6,556	0%
5	NBL	SHR1 Pad (6 wells)		10.1	8,741	19%
6	AR	Mash Unit (2 wells)		15.7	9,835	28%
7	AR	Ruth Unit 1H		19.2	6,514	14%
8	CHK/SWN	Edwin Bunner 8H		4.2	5,600	0%
9	CNX	AUD3		6.1	8,691	0%

UTICA

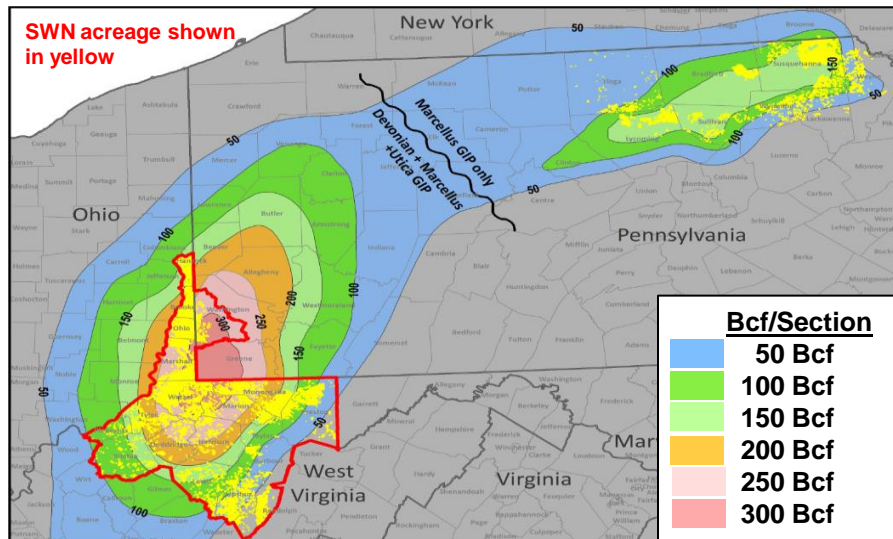
1	CHK/SWN	Hubbard 3H	11.1	8.1	3,550	0%
2	HES	NAC 3H-3	11.0		5,336	0%
3	RRC	Sportsman's Club 11H	59.0		5,420	0%
4	RICE	Bigfoot 9H	41.7		6,957	0%
5	CVX	Conner 6H	25.0		6,451	0%
6	GST	Simms 4-5H	29.4	19.8	4,447	0%
7	CHK/SWN	Messenger 3H	25.0	20.0	5,889	0%
8	SGY	Pribble 6H	30.0		3,605	0%
9	MHR	S. Winland #1300H	46.5		4,289	0%

UPPER DEVONIAN

1	CNX	NV39F	3.0	2.9	4,889	0%
2	EQT	7 Well Avg.		8.2	5,964	0%
3	EQT	11 Well Avg.		5.0	4,396	18%

All CHK operated rates exclude shut in days

Enhanced Position in Core Areas of Premier Play



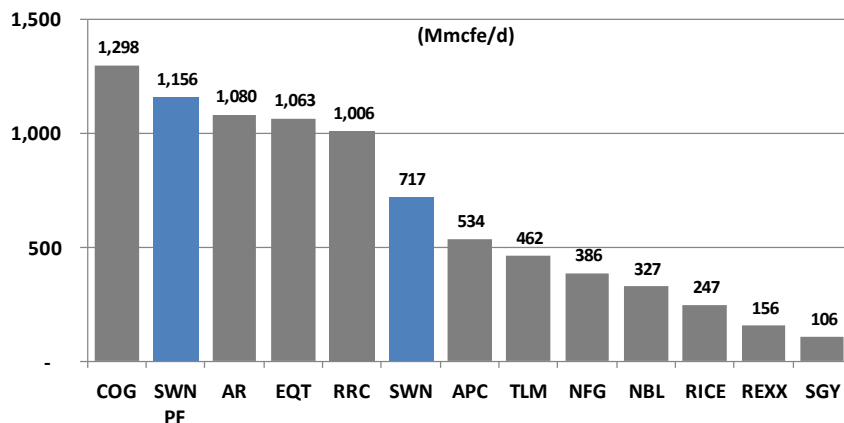
• Appalachian Summary

- Net Acres – 782,000
- Producing Operated Hz Wells – 500+
- Total Proved Reserves: 4.5 Tcfe⁽¹⁾

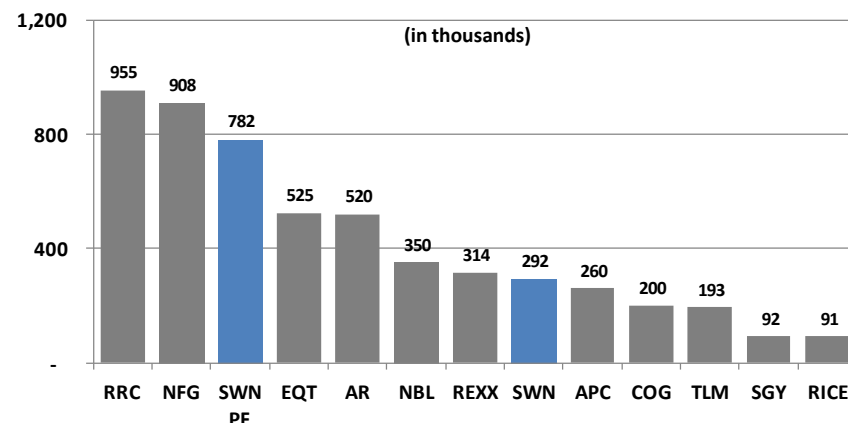
• Increasing Scale in 2015:

- Capital Program – \$1.4B
- New Wells to Sales – ~160
- Production – 490 - 500 Bcfe
- EBITDA – \$1.0B⁽²⁾

3Q14 Appalachia Production vs. Peers⁽³⁾



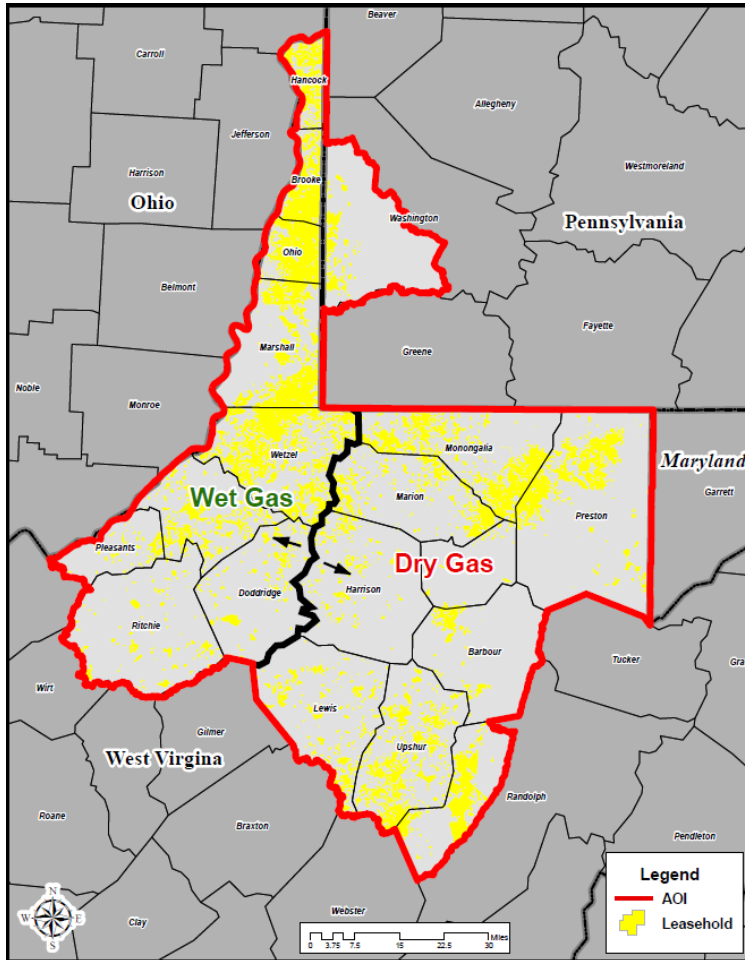
Unconventional Appalachia Net Acres vs. Peers⁽³⁾



⁽¹⁾ Reserves shown reflect December 2013 data for pre-acquisition SWN and July 2014 data for acquired asset

⁽²⁾ Assumed NYMEX price of \$4.00 and \$80.00 for natural gas and oil, respectively

⁽³⁾ Source: Company presentations and filings with estimates for net amounts in some cases



Type Well Summary

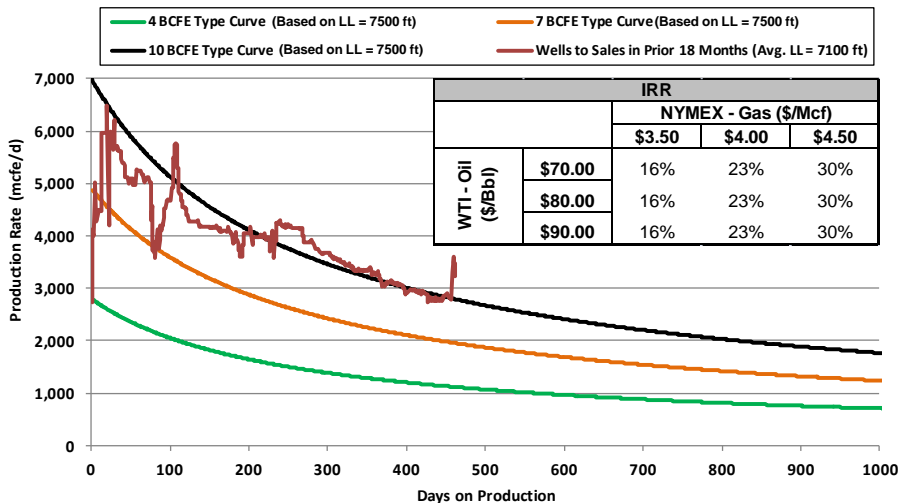
	Marcellus Wet	Marcellus Dry	Utica	Upper Devonian
EUR (Bcfe)	15.8	11.1	16.5	10.6
Lateral Length (ft)	7,500	7,500	7,500	7,500
EUR/1,000' (Bcfe)	2.11	1.48	2.20	1.41
D&C (\$MM)	\$9.3	\$9.3	\$10.8	\$8.8
% Liquids	49%	0%	0%	49%
Gross Potential Wells	1,850	700	1,700	1,100
Net Recoverable (Tcfe)	18.4	4.9	17.7	7.4

- 45+ Tcfe net recoverable resources
- Drilling inventory of 20+ years

Southwest Appalachia – Type Curves

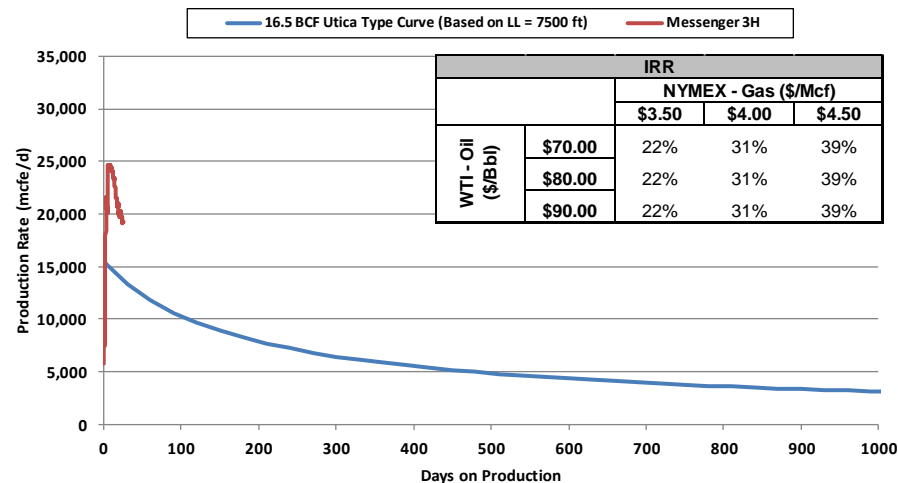
Marcellus – Dry Gas Region

EUR: 100% Gas



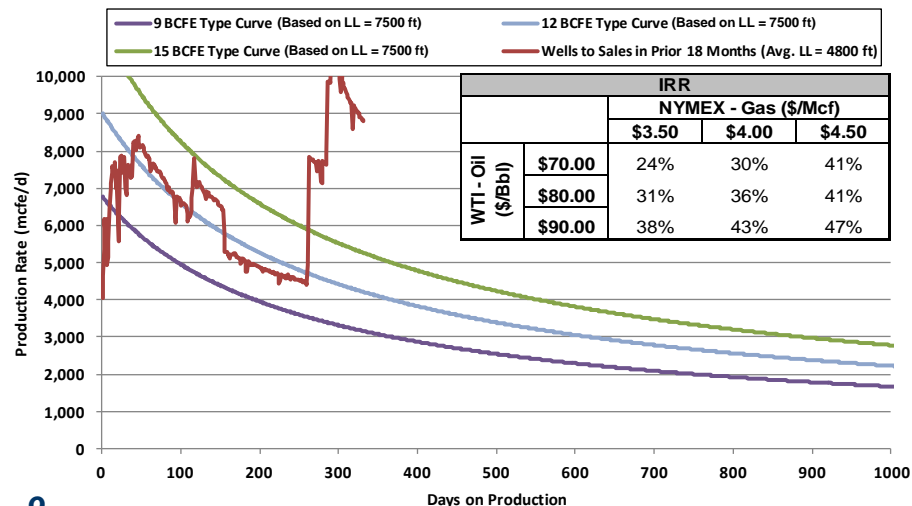
Utica

EUR: 100% Gas



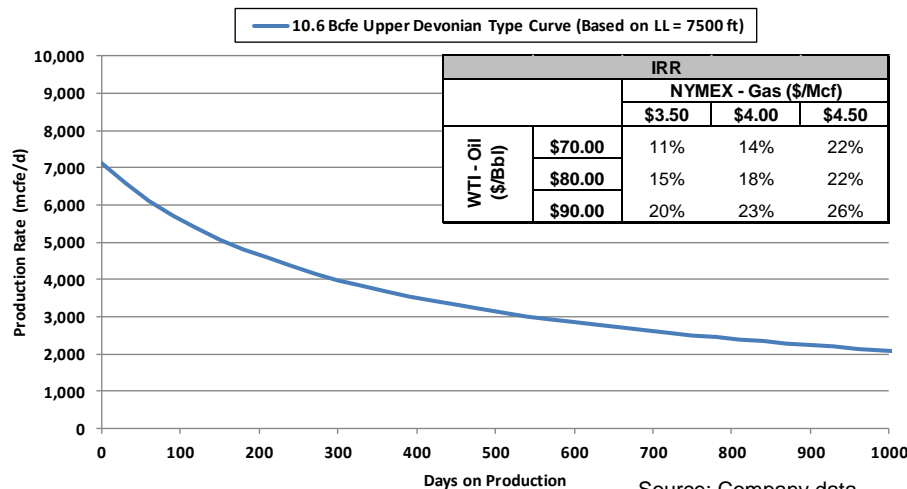
Marcellus – Wet Gas Region

EUR: ~51% Gas, 1% Condensate, 48% NGLs



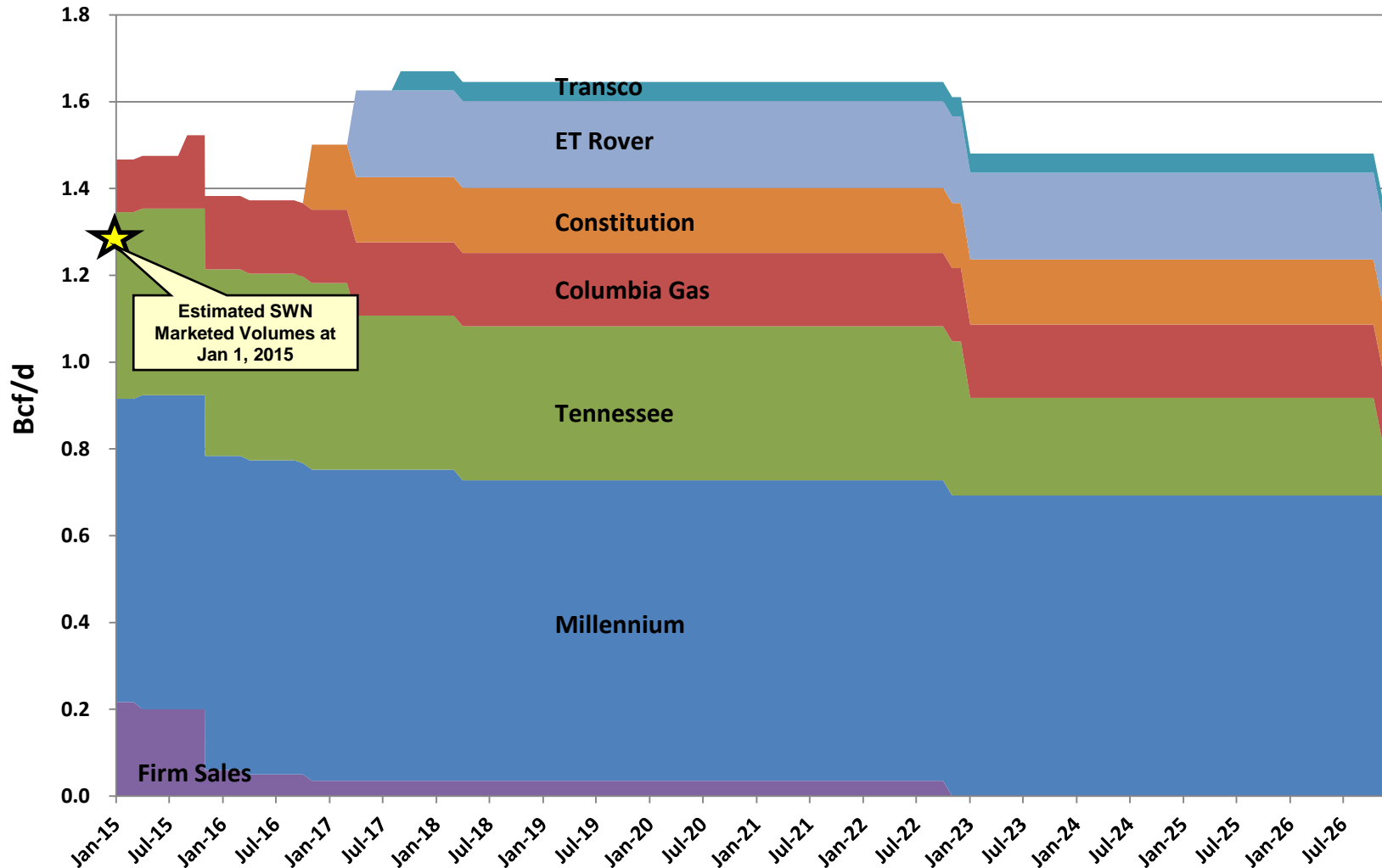
Upper Devonian

EUR: ~51% Gas, 1% Condensate, 48% NGLs



Source: Company data

Southwestern's Appalachia Takeaway

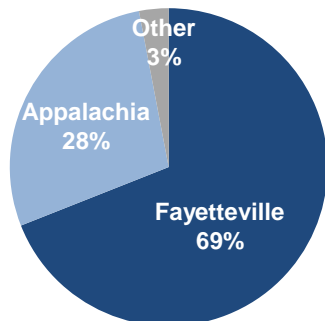


Industry agreements for ~4 Bcf/d incremental takeaway capacity in northeast PA and ~10 Bcf/d in southwest PA / West Virginia / Ohio between 2015 and 2018 have been executed and will provide new outlets for the industry.

The New SWN – Foundation for Growth

PROVED RESERVES

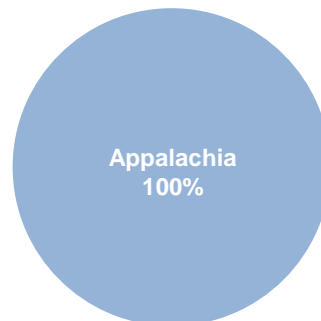
SWN Pre-Acquisition



7.0 Tcfe ⁽¹⁾



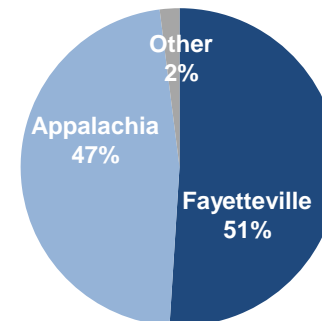
Acquisition



2.5 Tcfe ⁽¹⁾



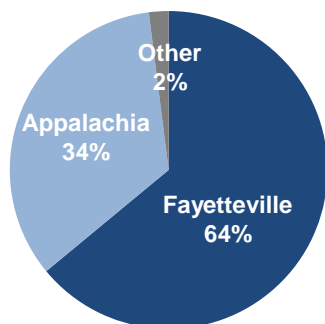
Pro Forma



9.5 Tcfe

PRODUCTION

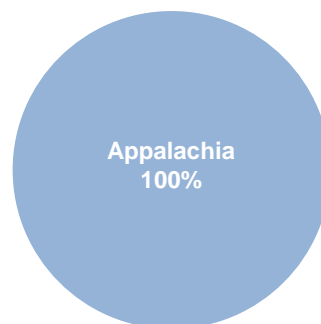
SWN Pre-Acquisition



2.1 Bcfe/d ⁽²⁾



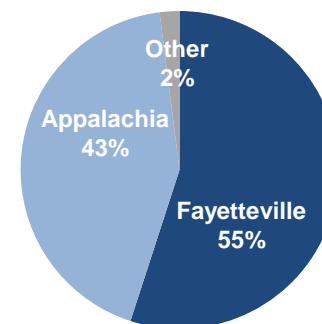
Acquisition



0.4 Bcfe/d ⁽²⁾

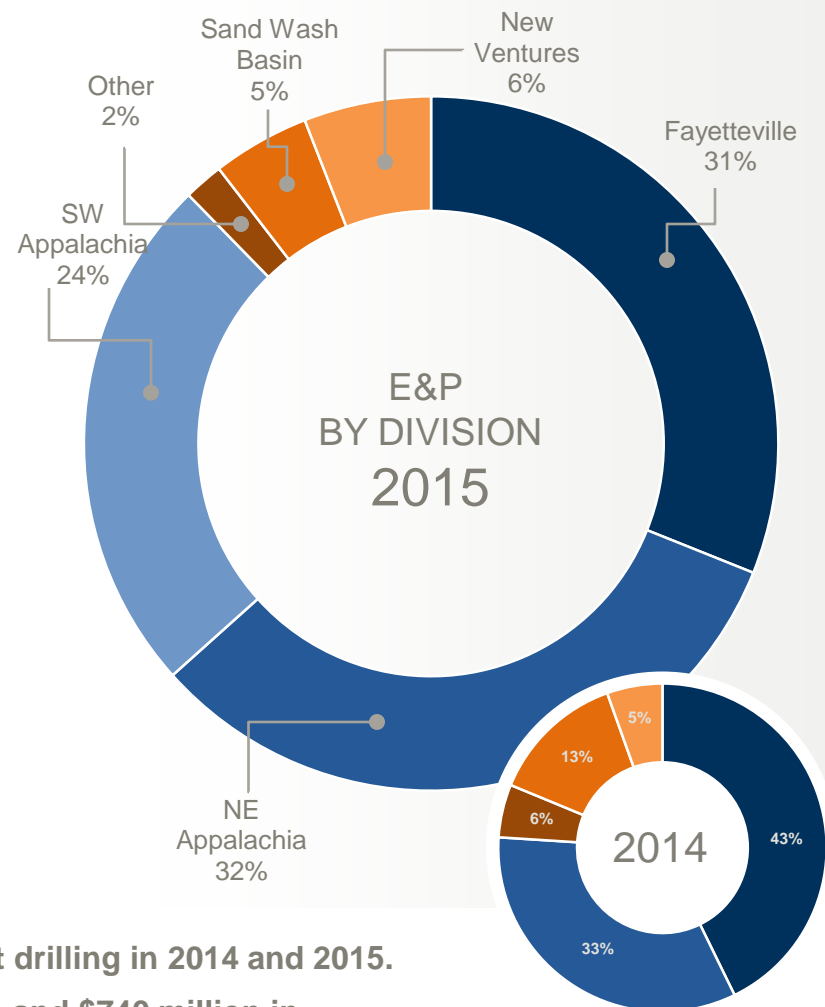
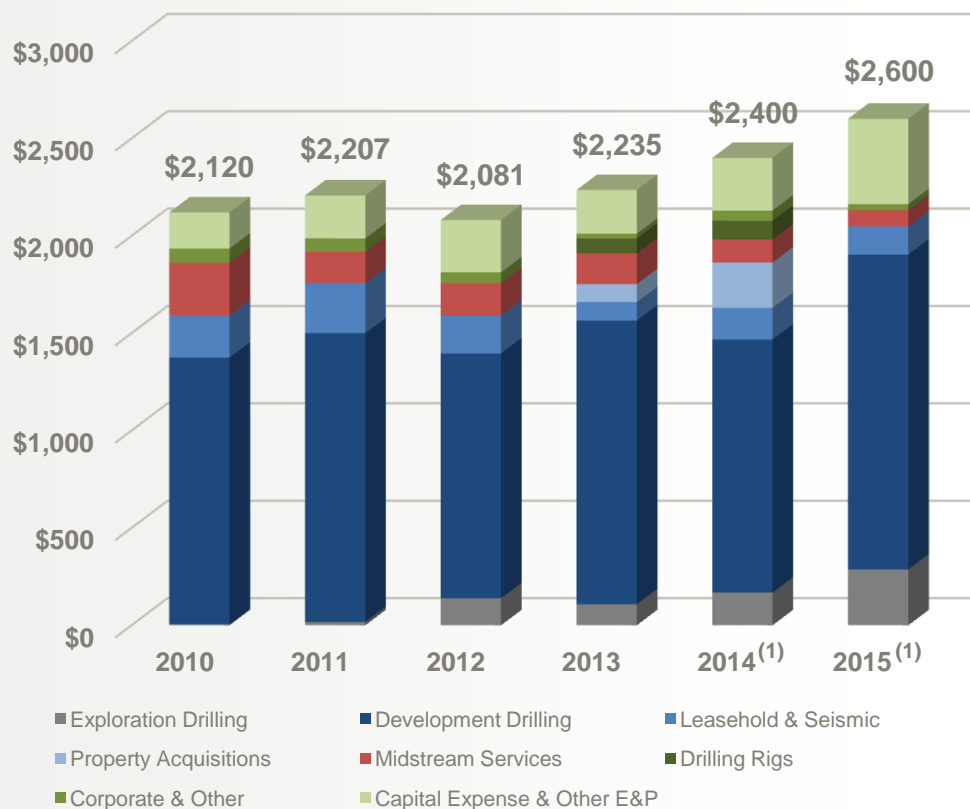


Pro Forma



2.5 Bcfe/d

BY SPENDING TYPE in \$Millions



E&P capital program heavily weighted to low-risk development drilling in 2014 and 2015.

Plan to invest approximately \$1 billion in the Fayetteville Shale and \$740 million in northeast Appalachia in 2014 (including Midstream).