# Credit Suisse 23rd Annual Energy Summit

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Compete and Win

NYSE: SWN

# Forward-Looking Statements

This presentation includes forward-looking statements. Forward-looking statements relate to future events and anticipated results of operations, business strategies and other aspects of our operations or operating results. In many cases you can identify forward-looking statements by terminology such as “anticipate,” “intend,” “plan,” “project,” “estimate,” “continue,” “potential,” “should,” “could,” “may,” “will,” “objective,” “guidance,” “outlook,” “effort,” “expect,” “believe,” “predict,” “budget,” “projection,” “goal,” “forecast,” “target” or similar words. Statements may be forward-looking even in the absence of these particular words. Where, in any forward-looking statement, the Company expresses an expectation or belief as to future results, such expectation or belief is expressed in good faith and believed to have a reasonable basis. However, there can be no assurance that such expectation or belief will result or be achieved. The actual results of operations can and will be affected by a variety of risks and other matters including, but not limited to, changes in commodity prices (including geographic basis differentials); changes in expected levels of natural gas and oil reserves or production; operating hazards, drilling risks, unsuccessful exploratory activities; natural disasters; limited access to capital or significantly higher cost of capital related to illiquidity or uncertainty in the domestic or international financial markets; international monetary conditions; unexpected cost increases in service or other costs related to drilling and completion activities; potential liability for remedial actions under existing or future environmental regulations; failure to obtain necessary regulatory approvals; potential liability resulting from pending or future litigation; and general domestic and international economic and political conditions; as well as changes in tax, environmental and other laws applicable to our business. Other factors that could cause actual results to differ materially from those described in the forward-looking statements include other economic, business, competitive and/or regulatory factors affecting our business generally as set forth in our filings with the Securities and Exchange Commission. Unless legally required, Southwestern Energy Company undertakes no obligation to update publicly any forward-looking statements, whether as a result of new information, future events or otherwise.

Cautionary Note to U.S. Investors – The SEC permits oil and gas companies, in their filings with the SEC, to disclose only proved, probable and possible reserves. We use the terms "resource" and “EUR” in this presentation that the SEC’s guidelines prohibit us from including in filings with the SEC. The quarterly reserves data included in this release are estimates we prepared that have not been audited by our independent reserve engineers. All such estimates are inherently more speculative than estimates of proved reserves and are subject to substantially greater risk of actually being realized. U.S. investors are urged to consider closely the oil and gas disclosures and associated risk factors in our Form 10-K and other reports and filings with the SEC. Copies are available from the SEC and from the SWN website.

This presentation contains non-GAAP financial measures, such as adjusted net income, adjusted EBITDA and net cash flow, including certain key statistics and estimates. We report our financial results in accordance with accounting principles generally accepted in the United States of America (“GAAP”). However, management believes certain non-GAAP performance measures may provide users of this financial information additional meaningful comparisons between current results and the results of our peers and of prior periods. Please see the Appendix for definitions and reconciliations of the non-GAAP financial measures that are based on reconcilable historical information.

The contents of this presentation are updated as of February 9, 2018 unless otherwise indicated.

# Executing on our Strategy

| Stabilize | Optimize and Increase Value | Reposition to Compete and Win |
|---|---|---|
| • Strengthened the balance sheet<br>• Reduced debt and improved liquidity through non-core asset monetization and equity offering<br>• Amended and extended bank facilities adding duration and preserving operational flexibility<br>• Restructured organization in 2016 to reduce costs by ~$175 million<br>• Committed to investing within cash flow through returns driven capital allocation | • Expand margins and improve capital efficiency<br>• Improved well productivity through technical and operational enhancements<br>• Proactive commodity risk management program<br>• Renegotiated transportation and processing agreements enhancing margins<br>• Extended debt maturities; improved liquidity profile | • Actively pursue strategic alternatives for the Fayetteville Shale E&P and related midstream gathering assets<br>• Further strengthen the balance sheet<br>• Accelerate value from the Company's Appalachia assets<br>• Identify and implement cost reductions<br>• Enhance financial flexibility and position long-term performance |

**Executing a 3-phase strategy to maximize shareholder value**

# Our Formula Drives Our Success

**Premier quality, large scale assets**

- Delivering robust value growth in core Appalachia areas
- Low decline, cash flow generating Fayetteville asset
- High degree of operational control and flexibility
- Identified upside present throughout portfolio

**Value focused capital allocation and investment practices**

- Investment return exceeds $1.30 of present value cash flow, discounted at 10%, for each dollar invested (1.3 PVI)
- Capital allocation based on highest return projects

**Increasing capital efficiency and margin expansion**

- Well enhancements and cost optimization, improving returns and expanding inventory
- Low cost, high margin culture
- Value creation across gas & NGL liquids value chain

**Rigorous financial discipline**

- Strengthen the balance sheet
- Invest within cash flow
- Proactive risk management

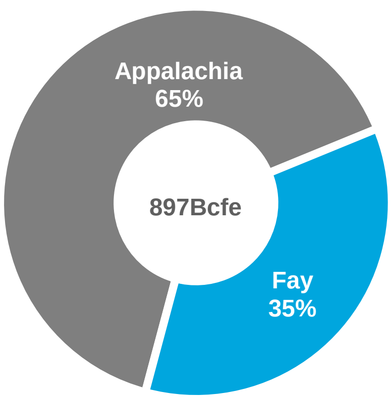
**Leading technology, operating and commercial capabilities**

- Superior reservoir performance
- Maximizing resource access through operational efficiency and execution
- Optimizing completion techniques to enhance well productivity and economics

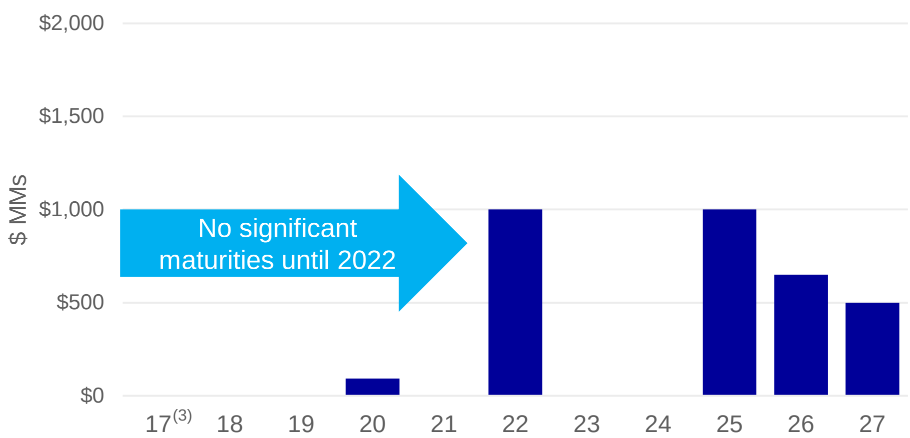
# 2017 Highlights

- Delivered on commitment to invest within net cash flow(1)
- Production of 897 Bcfe and total proved reserves of ~14.8 Tcfe(2)
- Optimized completion techniques leading to enhanced well productivity and returns
- Enhanced margins through renegotiation of transportation and processing contracts and expansion of low-cost firm pipeline capacity portfolio
- Extended maturity profile with no significant bond maturities before 2022

## 2017 Production



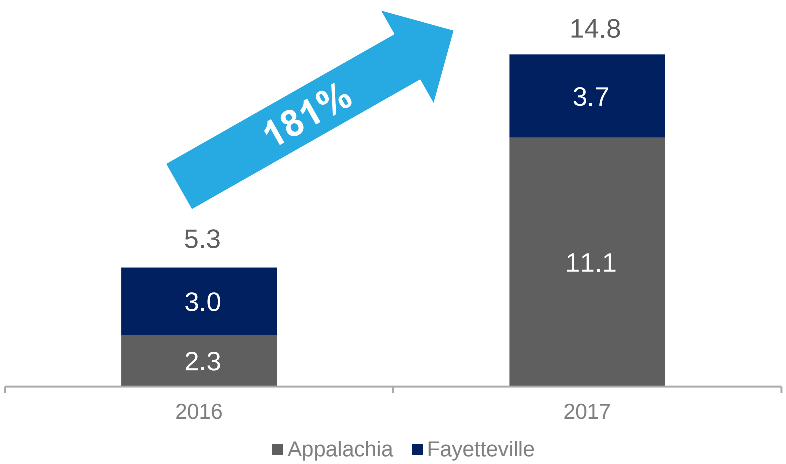

## Bond Maturity Schedule(3)




(1) Supplemented by the remaining $200 million from the 2016 equity offering as previously disclosed
(2) Preliminary reserves audited by independent petroleum engineering firm
(3) Bond maturity schedule as of 9/30/2017. 2017 Maturities of $40 million retired upon maturity in October 2017.

# 2017 Proved Reserves Growth

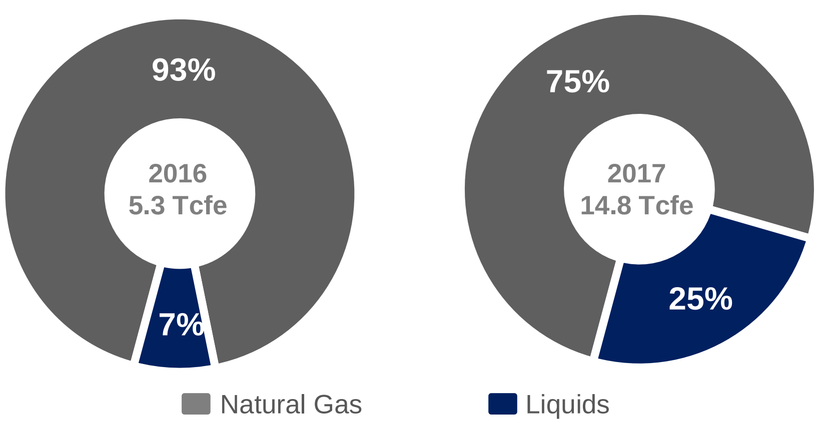
## Year-end Reserve Profile (Tcfe)



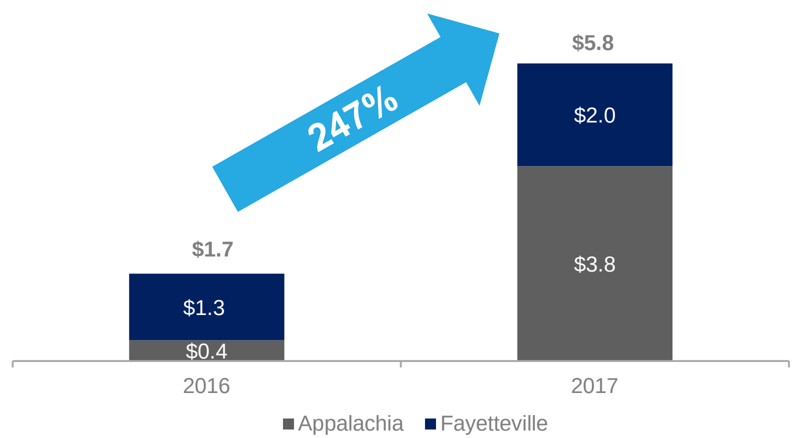

## Preliminary 2017 Proved Reserves [1]

- **Proved reserves** - 14.8 Tcfe (181% increase)
  - 75% natural gas and 25% liquids
  - 46% proved undeveloped
- **Appalachia reserves** - 11.1 Tcfe (393% increase)
  - Appalachia represents 75% of total reserves
- **Pre-tax PV-10 value** - $5.8 billion (247% increase)
  - Appalachia represents 66% of total value
- **Reserve life index** – 16.5 years (175% increase)

## Reserve Growth by Commodity




## Pre-tax PV10 ($B)

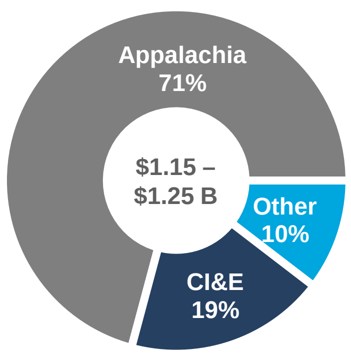



(1) Preliminary reserves audited by independent petroleum engineering firm

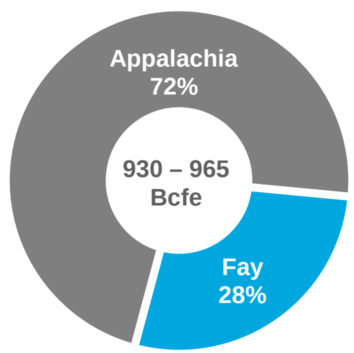
# 2018 Key Objectives

- Expand value
  - Capture additional value from higher margin gas liquids
  - Expansion of economic inventory
  - Reshape cost structure
  - Further enhance well productivity
- Increase capital efficiency
- Accelerate activity in the high returns Appalachian basin
- Reposition portfolio
- Improve balance sheet

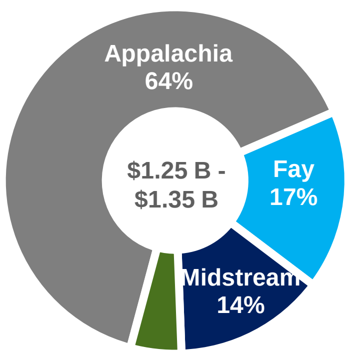
**2018 Capital[1]**




**2018 Production[1]**




**2018 EBITDA[1,2]**



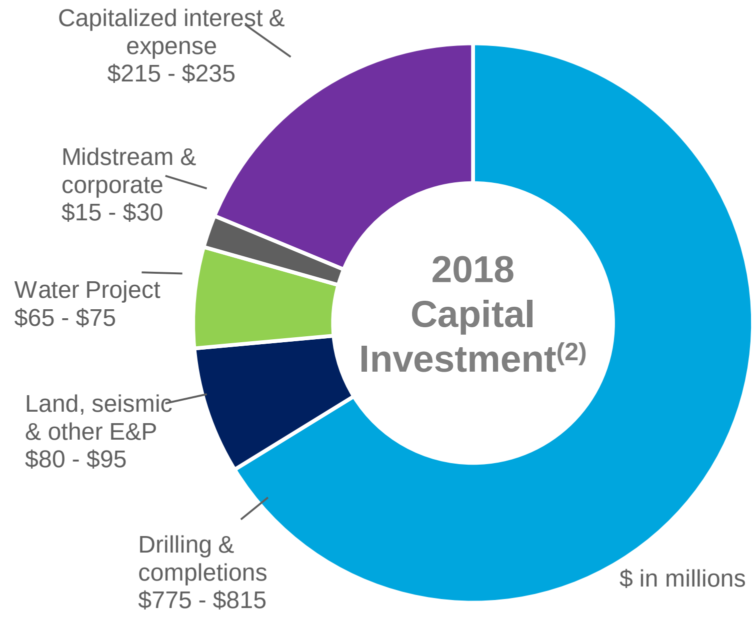

(1) Excludes any impact from the strategic actions announced February 8, 2018.
(2) EBITDA is a non-GAAP financial measures. See explanations and reconciliations on SWN.com under 2018 guidance.

# Doing More with Less in 2018

- Fully funded 2018 capital program at $2.85/$60.00 with flexibility to adjust investment levels and align with commodity prices
- Hedges on ~69% of projected 2018 natural gas volumes @ $2.97 per mcf[(1)]
- 2018 cash flow = $1.15 B to $1.25 B = 2018 capital investment

## Improving capital efficiency

| | |
|---|---|
| Higher cash flow | Lower gas price |
| Higher production | Less D&C activity |
| Higher returns | Less capital |



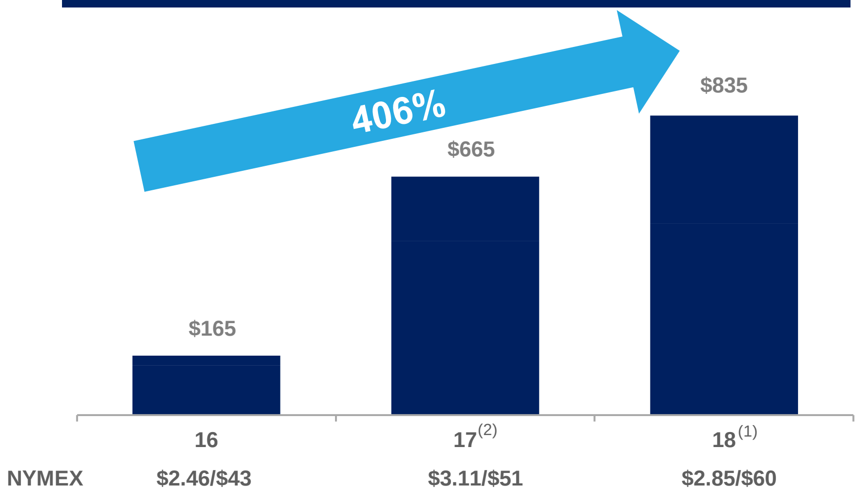

**Cash Flow Neutral with Changing Commodity Prices**

(1) Based on average swap or purchased put strike price
(2) Based on guidance issued in February 2018.

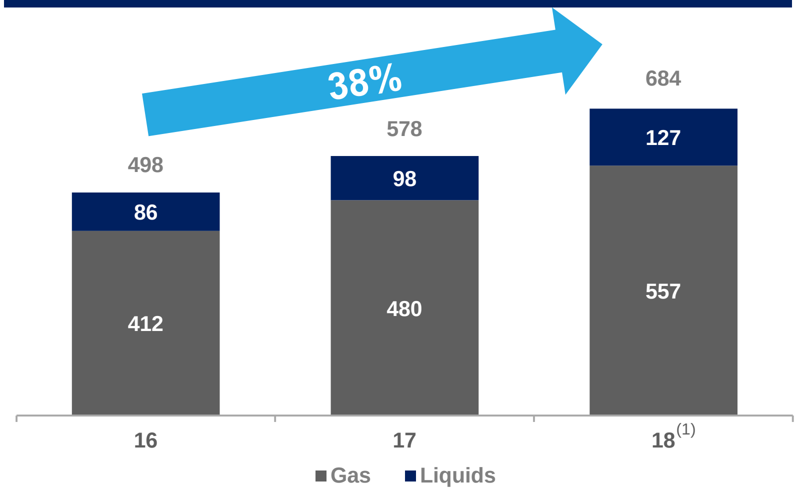
# Appalachia Growth Story

- Capable of self funding future growth
- Investment flexibility between wet and dry gas
- Production to grow ~18% (assuming midpoints) over 2017 from only $770MM in drilling and completions capital
  - 30% increase in Southwest Appalachia production
  - Northeast Appalachia transportation portfolio structured to capture materially improving basis differentials without significant increases in transportation costs

**Appalachia EBITDA Growth**




**Appalachia Production Growth**




(1) Based on guidance issued in February 2018 assuming a $2.85 NYMEX gas price and $60.00 oil price. Production based on midpoint of guidance.
(2) 2017 Cash flow annualized based on YTD Q3 results.

# Building for Tomorrow

- Pursue strategic alternatives for Fayetteville Shale
  - Further de-lever balance sheet
  - Expand financial flexibility
- Accelerate value from Appalachia assets
  - Target liquids growth in Southwest Appalachia to enhance returns
- Improve capital efficiency and expand margins
- Identify and implement structural, process and organizational changes to further reduce costs
- Expand breadth and depth of high return inventory at lower commodity prices

# Compete and Win

- Rigorous financial discipline
- Proactive risk management
- Returns-focused growth within cash flow
- Driving differentiation through environmental and regulatory standards
- Enhancing value from vertical integration
- Margin expansion through cost reductions and improved well productivity
- Operational and technical excellence