

2018 Guidance

As of February 8, 2018 (except as noted)⁽¹⁾

| 2018 Production by Quarter | | | | | |
|----------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| | Q1 | Q2 | Q3 | Q4 | Total Year |
| Gas (Bcf) | 196 – 200 | 197 – 202 | 204 – 211 | 207 – 218 | 804 – 831 |
| NGLs (MBbls) | 3,950 – 4,200 | 4,050 – 4,400 | 4,750 – 5,000 | 5,250 – 5,400 | 18,000 – 19,000 |
| Oil (MBbls) | 560 – 635 | 665 – 730 | 900 – 965 | 900 – 970 | 3,025 – 3,300 |
| Total (Bcfe) | 223 – 229 | 225 – 233 | 238 – 247 | 244 – 256 | 930 – 965 |
| Total (Mmcf/d) | 2,478 – 2,544 | 2,473 – 2,560 | 2,587 – 2,685 | 2,652 – 2,783 | 2,548 – 2,644 |

| 2018 Guidance | |
|---|----------------------|
| | \$2.85/\$60.00 |
| Capital investments | \$1,150 - \$1,250 MM |
| Net cash flow ⁽²⁾ | \$1,150 - \$1,250 MM |
| Adjusted EBITDA ⁽³⁾ | \$1,250 - \$1,350 MM |
| Net income attributable to common stock | \$350 - \$450 MM |
| Earnings per share | \$0.59 – 0.76 |
| Share count | 585 – 595 |

E&P Metrics

| | |
|---|--------------------------|
| Lease operating expense | \$0.89 - \$0.94 per Mcfe |
| General & administrative | \$0.19 - \$0.23 per Mcfe |
| Taxes, other than income | \$0.09 - \$0.11 per Mcfe |
| Full cost pool amortization | \$0.55 - \$0.60 per Mcfe |
| Natural gas differentials ⁽³⁾ | \$0.70 - \$0.80 per Mcf |
| Oil differentials | \$8.00 - \$10.00 per Bbl |
| NGL realizations | 23 - 28% of WTI |
| Midstream EBITDA ⁽²⁾ | \$170 - \$200 MM |
| Midstream depreciation | \$60 - \$70 MM |
| Interest expense – net of capitalization ⁽³⁾ | \$130 - \$140 MM |

| Production/Capital Guidance by Division | | |
|---|-------------------|------------------------|
| | Production (Bcfe) | Capital (\$MMs) |
| Northeast Appalachia | 440 – 454 | \$340 – 360 |
| Southwest Appalachia | 231 – 244 | 490 – 510 |
| Fayetteville | 258 – 265 | 15 – 25 |
| Southwest Appalachia water project | | 65 – 75 |
| Other E&P | 1 – 2 | 10 – 15 |
| Midstream | | 5 – 10 |
| Corporate | | 10 – 20 |
| Capitalized interest | | 115 – 125 |
| Capitalized expense | | 100 – 110 |
| Total | 930 – 965 | \$1,150 – 1,250 |

| 2018 Well Count Summary | | | | |
|-------------------------|---------|---------|-------|-----------|
| | NE App | SW App | Fay | Total |
| Drill | 36 – 44 | 63 – 71 | 1 – 5 | 100 – 120 |
| Complete | 50 – 58 | 54 – 62 | 1 – 5 | 105 – 125 |
| Wells to Sales | 56 – 64 | 68 – 76 | 1 – 5 | 125 – 145 |
| Ending DUC | 8 – 13 | 27 – 32 | – | 35 – 45 |

(1) Excludes any impact from the strategic actions announced on February 8, 2018.

(2) Net cash flow and EBITDA are non-GAAP financial measures. See explanation and reconciliation on page 1 and 2.

(3) Updated as of the earnings release dated April 26, 2018

Explanation and Reconciliation of Non-GAAP Financial Measures: Net Cash Flow

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. One such non-GAAP financial measure is net cash flow. Management presents this measure because (i) it is accepted as an indicator of an oil and gas exploration and production company’s ability to internally fund exploration and development activities and to service or incur additional debt, (ii) changes in operating assets and liabilities relate to the timing of cash receipts and disbursements which the company may not control and (iii) changes in operating assets and liabilities may not relate to the period in which the operating activities occurred. These adjusted amounts are not a measure of financial performance under GAAP.

| | 2018 Guidance |
|---|--|
| | NYMEX - \$2.85 Gas/ \$60.00 Oil |
| | (\$ in millions) |
| Cash flow from operating activities: | |
| Net cash provided by operating activities | \$1,150 - \$1,250 |
| Add back (deduct): | |
| Change in operating assets and liabilities | - |
| Net cash flow | <u>\$1,150 - \$1,250</u> |

Explanation and Reconciliation of Non-GAAP Financial Measures: EBITDA

EBITDA is defined as net income plus interest, income tax expense, depreciation, depletion and amortization, gains (losses) on sale of assets, write-down of inventory, restructuring charges and loss on debt extinguishment. Adjusted EBITDA is defined as EBITDA less gains and/or losses on derivatives (net of settlement). Southwestern has included information concerning EBITDA and Adjusted EBITDA because they are used by certain investors as a measure of the ability of a company to service or incur indebtedness and because it is a financial measure commonly used in the energy industry. EBITDA and Adjusted EBITDA should not be considered in isolation or as a substitute for net income, net cash provided by operating activities or other income or cash flow data prepared in accordance with generally accepted accounting principles or as a measure of the company's profitability or liquidity. EBITDA and Adjusted EBITDA, as defined above, may not be comparable to similarly titled measures of other companies. Net income is a financial measure calculated and presented in accordance with generally accepted accounting principles. The table below reconciles historical Adjusted EBITDA with historical net income.

| | 2018 Guidance | |
|--|--------------------------|----------------------|
| | Total Company | Midstream |
| | (\$ in millions) | |
| Adjusted net income attributable to common stock | \$350 - \$450 | \$75 - \$100 |
| Add back: | | |
| Provision for income taxes | 114 - 146 | 24 - 32 |
| Net interest expense | 150 - 160 | - |
| Non-cash stock based compensation | 20 - 30 | 2 - 5 |
| Depreciation, depletion and amortization | 590 - 610 | 60 - 70 |
| Adjusted EBITDA | \$1,250 - \$1,350 | \$170 - \$200 |