

# 2017 Guidance

As of February 23, 2017 (except as noted)



2017 Guidance	
	<b>\$3.25/\$55.00</b>
Production	890 - 910
Capital investments	\$1,175 - \$1,275 MM
Net cash flow <sup>(1)</sup>	\$1,075 - \$1,125 MM
Adjusted EBITDA <sup>(2)</sup>	\$1,175 - \$1,225 MM
Net income attributable to common stock	\$175 - \$225 MM
Earnings per share	\$0.35 - 0.45
<b>E&amp;P Metrics</b>	
Lease operating expense	\$0.89 - \$0.94 per Mcfe
General & administrative	\$0.20 - \$0.24 per Mcfe
Taxes, other than income	\$0.09 - \$0.11 per Mcfe
Natural gas differentials <sup>(3)</sup>	\$0.80 - \$0.90 per Mcf
Oil differentials	\$8.00 - \$10.00 per Bbl
NGL realizations	20 - 25% of WTI
Midstream EBITDA <sup>(2)</sup>	\$210 - \$225 MM
Interest expense – net of capitalization	\$125 - \$135 MM

2017 Production by Quarter				
	Q1	Q2	Q3	Q4
Gas (Bcf)	183 – 186	199 – 203	206 – 210	210 – 215
NGLs (MBbls)	2,850 – 2,950	3,050 – 3,150	3,510 – 3,610	3,550 – 3,650
Oil (MBbls)	455 – 505	525 – 575	730 – 780	760 – 810
<b>Total (Bcfe)</b>	<b>203 – 207</b>	<b>220 – 225</b>	<b>231 – 236</b>	<b>236 – 242</b>

Production/Capital Guidance by Division		
	Production (Bcfe)	Capital (\$MMs)
Northeast Appalachia	400 – 408	\$405 – 425
Southwest Appalachia	174 – 180	400 – 420
Fayetteville	315 – 320	105 – 120
New Ventures & Other E&P	1 – 2	15 – 25
Midstream		15 – 20
Corporate		10 – 20
Capitalized interest		115 – 125
Capitalized expense		110 – 120
<b>Total</b>	<b>890 – 910</b>	<b>\$1,175 – 1,275</b>

2017 Well Count Summary				
	NE App	SW App	Fay	Total
Drill	52 – 60	42 – 50	16 – 20	110 – 130
Complete	61 – 69	50 – 58	29 – 33	140 – 160
Wells to Sales	67 – 75	52 – 60	31 – 35	150 – 170
Ending DUC	28 – 33	27 – 32	–	55 – 65

- (1) Net cash flow is net cash flow before changes in operating assets and liabilities. It also excludes current taxes associated with any future asset sales. Net cash flow is a non-GAAP financial measure. See explanation and reconciliation on page 1.
- (2) EBITDA is a non-GAAP financial measure. See explanation and reconciliation on page 2.
- (3) Updated as of the earnings release dated April 27, 2017



\*The guidance speaks as of the dates indicated above, and Southwestern Energy Company undertakes no obligation to update this information, except as required to do so by law.

# 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.

## 2017 Guidance

**NYMEX - \$3.25 Gas / \$55.00 Oil**

(\$ in millions)

### Cash flow from operating activities:

Net cash provided by operating activities	\$1,075 - \$1,125
Add back (deduct):	
Change in operating assets and liabilities	-
Net cash flow	<b>\$1,075 - \$1,125</b>

# 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.

	2017 Guidance	
	Total Company	Midstream
	(\$ in millions)	
Adjusted net income attributable to common stock	\$175 - \$225	85 - 105
Add back:	108 - 108	-
Mandatory convertible preferred stock dividend	25 - 35	-
Participating securities - mandatory convertible preferred stock	\$308 - \$368	85 - 105
Net income attributable to SWN		
Add back:		
Provision for income taxes	191 - 229	52 - 64
Net interest expense	125 - 135	2 - 5
Non-cash stock based compensation	20 - 30	2 - 5
Depreciation, depletion and amortization	495 - 515	58 - 64
Adjusted EBITDA	<b>\$1,175 - \$1,225</b>	<b>\$210 - \$225</b>