

NEWS RELEASE

SOUTHWESTERN ENERGY TO SELL FAYETTEVILLE SHALE BUSINESS FOR CASH OF \$1.865 BILLION PLUS ASSUMPTION OF CONTRACTUAL OBLIGATIONS

Strategic and transformative action repositions the Company to deliver greater value from higher return Appalachia assets

Announces debt reduction plan, share repurchase program and supplemental investment to drive liquids and value growth

SPRING, Texas – September 4, 2018 – Southwestern Energy Company (NYSE: SWN) (the “Company”) today announced that it has entered into a definitive agreement with Flywheel Energy, LLC, a private company backed by Kayne Private Energy Income Funds, to sell its Fayetteville Shale E&P and related midstream gathering assets for \$1.865 billion in cash, subject to adjustments and customary closing conditions. In addition, the buyer will assume approximately \$438 million of future contractual liabilities after taking into account certain obligations retained by the Company. The transaction, which was unanimously approved by Southwestern Energy’s directors, has an effective date of July 1, 2018, and is expected to close in December 2018.

The Company also announced:

- A conditional tender offer for up to \$900 million of its Senior Notes, as described in a separate press release also issued today;
- A share repurchase program of up to \$200 million; and
- Allocation of up to \$600 million over the next two years, in aggregate, supplementing cash flow to further develop the Company’s liquids-rich Appalachia assets and accelerate the path to self-funding. Until investments are made, these funds will be used to repay credit facility borrowings.

Bill Way, President and CEO of Southwestern Energy, said, “The sale of Fayetteville represents a pivotal and deliberate step towards fulfilling our promise to reposition Southwestern Energy to capture greater returns from our higher margin Appalachia assets. We are pleased with the process, the outcome and the resulting valuation of this significant asset. I’d like to thank the employees of Fayetteville for their years of extraordinary service to the Company and its shareholders, particularly during this process.

“This transaction is a significant milestone in advancing our strategic plan. Our shareholders will benefit from an optimized portfolio, stronger balance sheet including improved financial flexibility and the return of capital to all shareholders through a share repurchase program. I am grateful for the tireless work of our entire dedicated and talented SWN team that sets the stage for a stronger future.”

Financial Impact

Following the closing, the Company will have pro-forma debt of approximately \$2.3 billion. A portion of proceeds will be used to replace cash flow that would otherwise have been generated by the Fayetteville assets and reinvested into SWN's liquids-rich assets in West Virginia. The resulting increase in activity in West Virginia is expected to accelerate the Company's path to self-funded growth in production and shareholder value. The Company targets a long-term sustainable debt/EBITDA ratio of 2x by 2020.

The commitments under the Company's revolving credit facility are expected to remain at approximately \$2.0 billion following the close of the transaction.

As a result of the transaction, Southwestern Energy expects additional annualized interest and organizational cost reductions of \$60-75 million. This is incremental to the \$110 million in annualized interest and G&A savings announced in the second quarter. The Company expects to offset federal taxes using existing net operating losses.

Company Outlook

Subject to its rigorous capital allocation philosophy, the Company anticipates deploying up to six rigs in 2019, generating total production growth of 8-12% and liquids growth of 15-25%. For 2020, the Company anticipates total production growth in the mid-teens and liquids growth in the mid-twenties. These expected outcomes are dependent upon market conditions and subject to completion of the Company's annual budget processes.

Activity will be weighted toward Southwest Appalachia's high margin, liquids-rich inventory. The Company continues to develop its premium acreage, with total production growing over 60% since 2016.

Southwestern Energy has over 475,000 (net) acres in the Appalachia Basin prospective for Upper and Lower Marcellus, Upper Devonian and Utica/Upper Point Pleasant development. Within Appalachia, Southwestern Energy has identified over 40 Tcfe of resource, which includes more than 1,800 economic drilling locations below \$2.75/Mcf gas and \$50/Bbl oil. The Company's year-end 2017 Appalachia reserves were 11.1 Tcfe, 33% of which were condensate and natural gas liquids.

Transaction Details

Under the terms of the transaction, Southwestern Energy will exit Fayetteville. These assets include approximately 915,000 net acres, 4,033 operated producing wells, 3.7 Tcf of proved reserves as of year-end 2017, anticipated 2019 production of 225-230 Bcf and associated midstream gathering infrastructure and compression. The Company will transfer to the buyer at closing certain natural gas hedge positions that the Company has or will put in place on behalf of the buyer. The buyer will assume \$564 million of contractual obligations, with the Company responsible for certain of these potential obligations of up to \$126 million related to unused transportation through 2020.

Advisors

J.P. Morgan Securities LLC is serving as financial advisor to Southwestern Energy, and Latham & Watkins LLP is serving as legal advisor. Houlihan Lokey Capital, Inc. provided certain evaluation services to the Company's Board of Directors.

About Southwestern Energy Company

Southwestern Energy Company (NYSE: SWN) is an independent energy company whose wholly-owned subsidiaries are engaged in natural gas, natural gas liquids and oil exploration, development, production, gathering and marketing. Additional information about the Company is available at www.swn.com.

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Forward Looking Statement

This news release contains 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; changes in expected levels of natural gas and oil reserves or production; operating hazards, drilling risks, unsuccessful exploratory activities; 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; potential liability for remedial actions under existing or future environmental regulations; 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.

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