



**Building for  
the Future**

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**SWN**  
Southwestern Energy®

**The Fayetteville Shale**  
From an idea to 3% of the  
nation's gas supply

**George Sheffer**  
Vice President Operations

# Forward-Looking Statements

All statements, other than historical facts and financial information, may be deemed to be forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. All statements that address activities, outcomes and other matters that should or may occur in the future, including, without limitation, statements regarding the financial position, business strategy, production and reserve growth and other plans and objectives for the company's future operations, are forward-looking statements. Although the company believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, such statements are not guarantees of future performance and actual results or developments may differ materially from those in the forward-looking statements. The company has no obligation and makes no undertaking to publicly update or revise any forward-looking statements. You should not place undue reliance on forward-looking statements. They are subject to known and unknown risks, uncertainties and other factors that may affect the company's operations, markets, products, services and prices and cause its actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. In addition to any assumptions and other factors referred to specifically in connection with forward-looking statements, risks, uncertainties and factors that could cause the company's actual results to differ materially from those indicated in any forward-looking statement include, but are not limited to: the timing and extent of changes in market conditions and prices for natural gas and oil (including regional basis differentials); the company's ability to fund the company's planned capital investments; the company's ability to transport its production to the most favorable markets or at all; the timing and extent of the company's success in discovering, developing, producing and estimating reserves; the economic viability of, and the company's success in drilling, the company's large acreage position in the Fayetteville Shale play overall as well as relative to other productive shale gas plays; the impact of government regulation, including any increase in severance or similar taxes, legislation relating to hydraulic fracturing, the climate and over the counter derivatives; the costs and availability of oilfield personnel, services and drilling supplies, raw materials, and equipment, including pressure pumping equipment and crews; the company's ability to determine the most effective and economic fracture stimulation for the Fayetteville Shale formation; the company's future property acquisition or divestiture activities; the impact of the adverse outcome of any material litigation against the company; the effects of weather; increased competition and regulation; the financial impact of accounting regulations and critical accounting policies; the comparative cost of alternative fuels; conditions in capital markets, changes in interest rates and the ability of the company's lenders to provide it with funds as agreed; credit risk relating to the risk of loss as a result of non-performance by the company's counterparties and any other factors listed in the reports the company has filed and may file with the Securities and Exchange Commission (SEC). For additional information with respect to certain of these and other factors, see the reports filed by the company with the SEC. The company disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

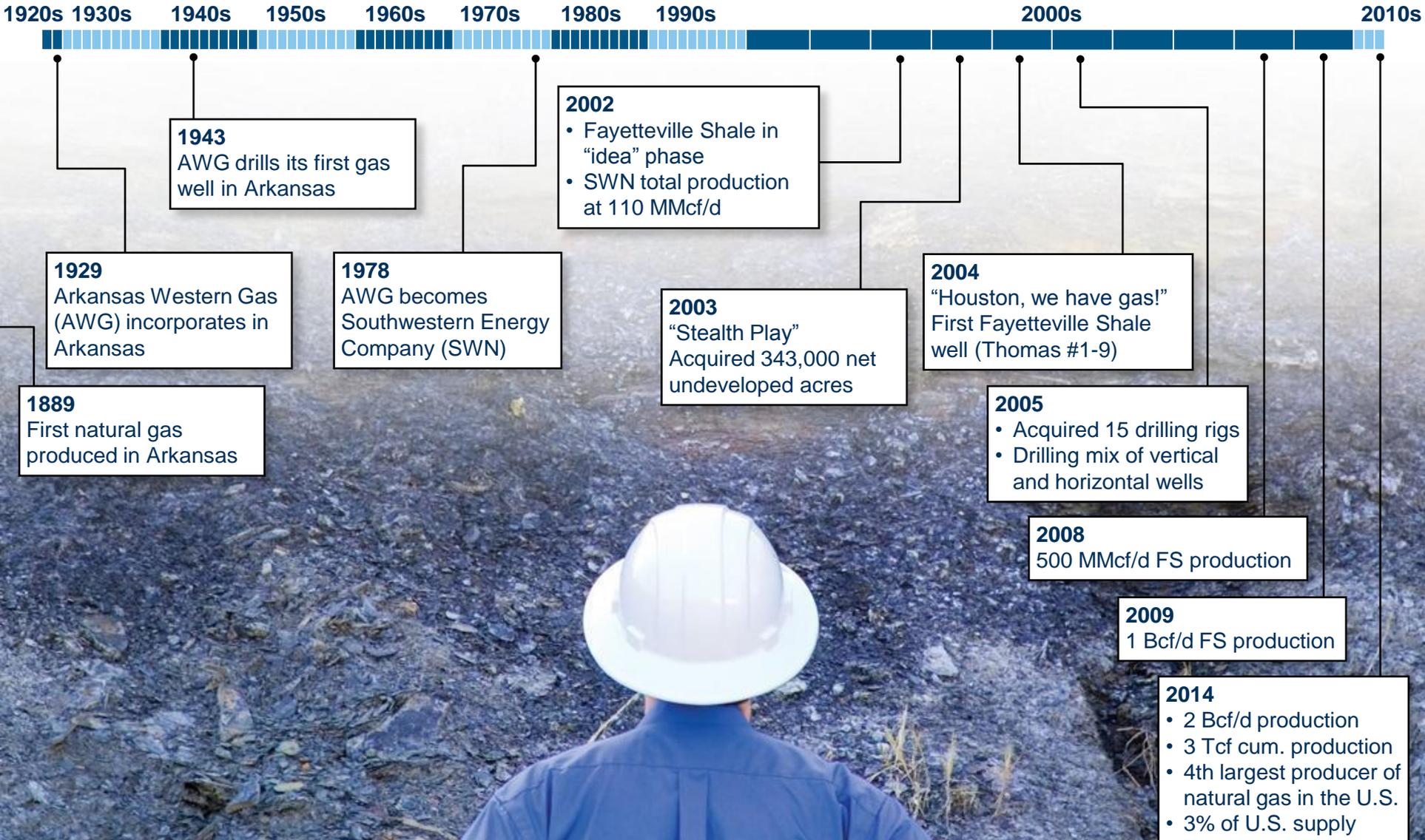
The SEC has generally permitted oil and gas companies, in their filings with the SEC, to disclose only proved reserves that a company has demonstrated by actual production or conclusive formation tests to be economically and legally producible under existing economic and operating conditions. We use the terms "estimated ultimate recovery," "EUR," "probable," "possible," and "non-proven" reserves, reserve "potential" or "upside" or other descriptions of volumes of reserves potentially recoverable through additional drilling or recovery techniques that the SEC's guidelines may prohibit us from including in filings with the SEC. These estimates are by their nature more speculative than estimates of proved reserves and accordingly are subject to substantially greater risk of being actually realized by the company.

The contents of this presentation are current as of May 1, 2014.

- Exploration and production timeline
- Scope and scale of production
- Proactive solutions that led to success
- Key partnerships
- Continuing responsible operations
- Q & A

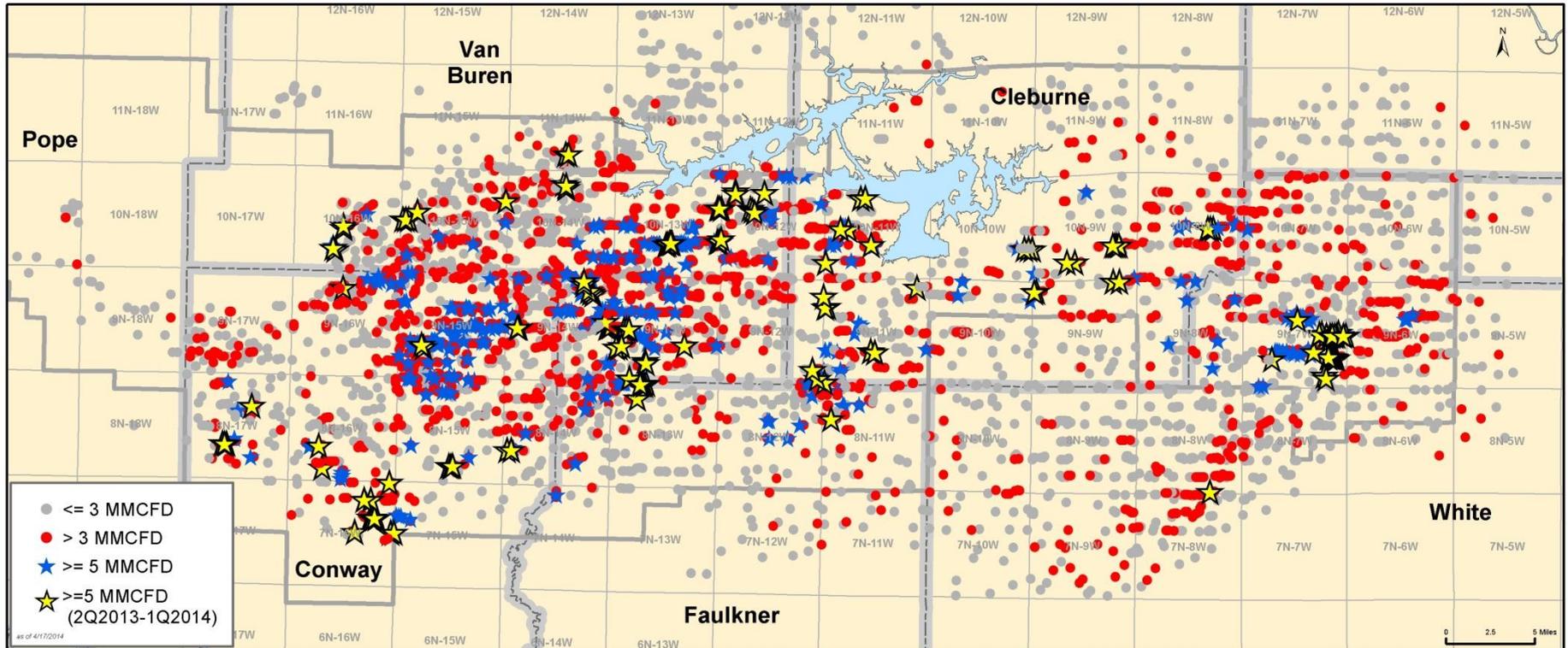


# History of SWN and the Fayetteville Shale



- The Fayetteville shale discovery proved that there were other shale plays that could be developed economically.
- Since 2004, more than 3,500 wells have been completed by SWN in the Fayetteville shale.
- In approximately 10 years, SWN has developed the Fayetteville shale into a 2 Bcf/d field with 4.8 Tcf in net reserves booked at year-end 2013.
- In 2013, SWN:
  - Completed 425 wells
  - Pumped 4,557 stages
  - Used 1.8 billion lbs of sand

# Fayetteville Shale Focus Area



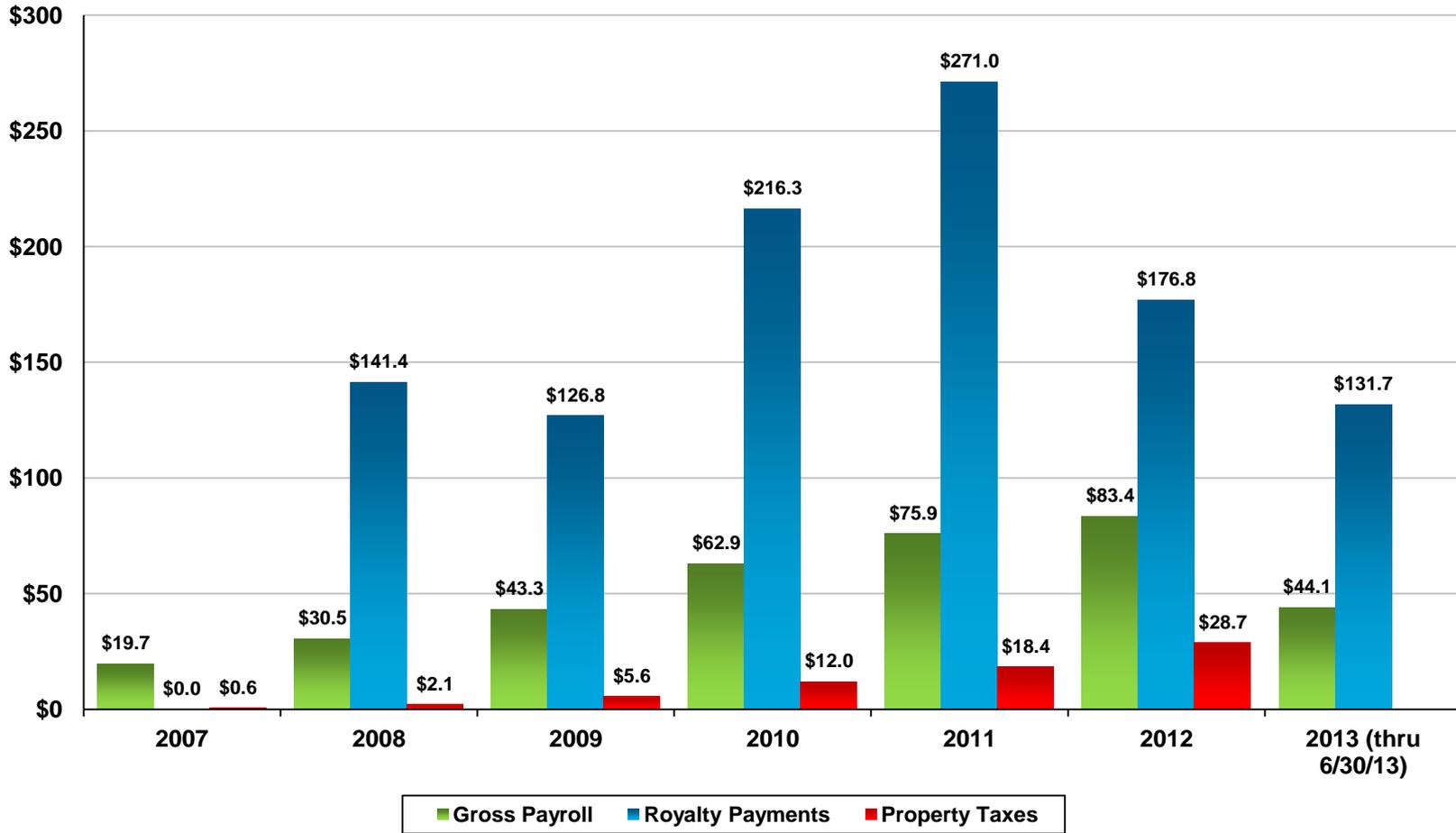
- SWN holds approx. 906,000 net acres in the Fayetteville shale.
- SWN discovered the Fayetteville shale and has first mover advantage – average acreage cost of \$320 per acre with a 15% royalty and average working interest of 74%.
- We plan to drill approximately 460 to 470 operated horizontal wells in 2014.
- Nine of the top ten highest wells based on initial producing rates were drilled in the second half of 2013.

Notes: Data as of March 31, 2014. Rates are AOGC Form 13 and Form 3 test rates.

Forward-Looking Statement



## SWN Examples in Fayetteville Shale Counties (\$ Million)



Source: Southwestern Energy

Note: Gross Payroll is defined as direct salaries and income paid to employees who are residents in their respective counties  
 Other is defined as charitable giving, expenses paid for road repairs, and dust control, etc., which benefit residents, organizations and communities in their respective counties

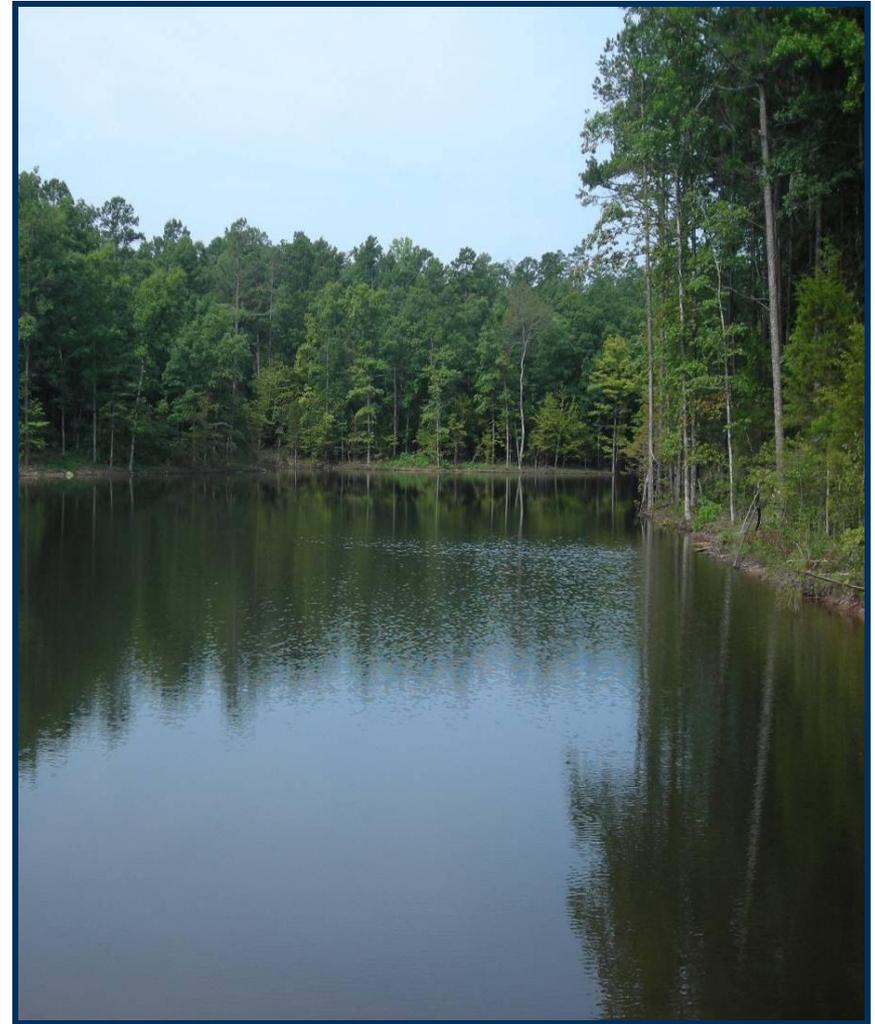


- Being proactive in several areas has helped make the Fayetteville shale a standout success.
  - Reducing our operational footprint
  - Developing community partnerships
  - Working with regulatory agencies on all levels

- Horizontal drilling and multi-well pads
- Creative water supply and transport
- Centralized logistics control

Sourcing water for hydraulic fracturing operations in a manner that would not compete with water for public use and would reduce truck traffic.

- Constructed 162 ponds
- Contracted use of 389 private water sources
- Manage permits for creek and stream withdrawals
- Reuse 100% flow back water



## Water Transfer Operations from Pond to Hydraulic Fracturing Site



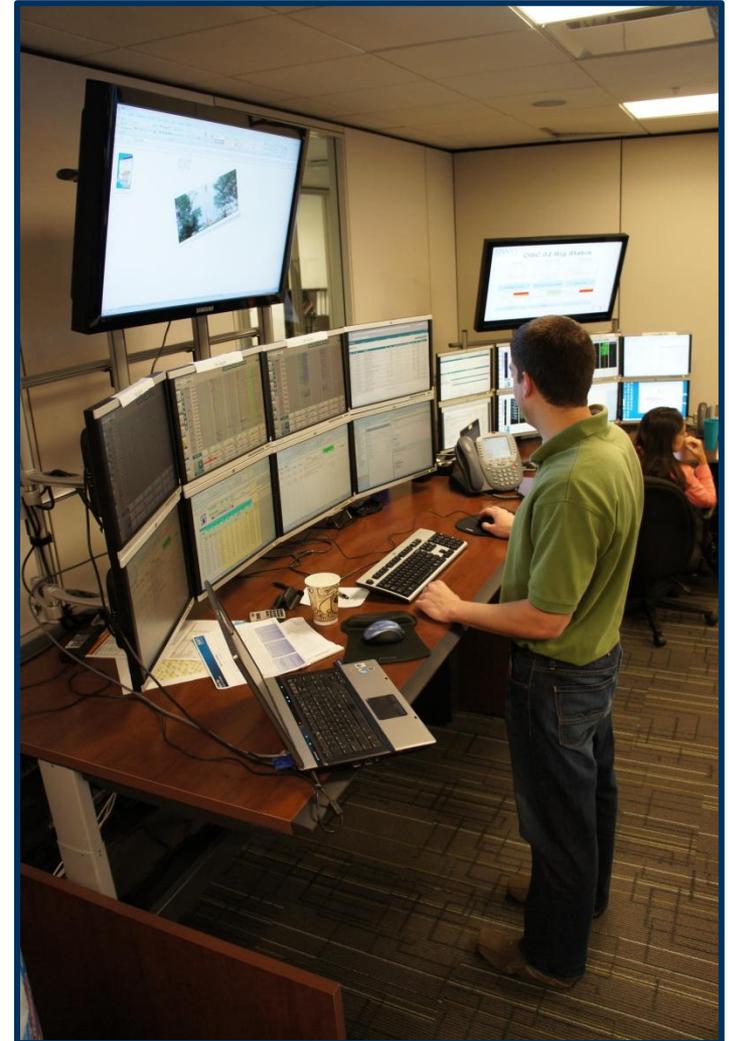
### Use of ponds has significantly reduced transport by truck

- Typical well uses ~120,000 bbls of water (~920 trucks)
- Transfer operations have reduced water transport by truck by 80 - 90%

## Logistics Operations Center (LOC)

Charged with the optimization of truck traffic and minimization of impact to highways.

- Established in 2009
- 24/7 command center for all movements of field materials, water and sand in the Fayetteville shale, and water in the Marcellus shale
- Managed approx. 367,000 movements in 2013
- Instrumental to the timely delivery and take away of products and materials





- Goal: Hire locally
- Developed the Petroleum Technology Program
  - 2 year program
- Formed scholarship fund with other producers

## Community giving

- Everyday Heroes
- School grants
- 4-H
- County fairs
- Volunteerism
- Charitable donations
- SWN-Sponsored Arkansas State Science Fair
- Damascus Bobwhite Quail Habitat Restoration Project
- Junior Achievement of AR



- Arkansas was the first state to require hydraulic fracturing chemical disclosure. (2011)
- New rule requiring the sound level of 55 decibels at all “Noise Sensitive Areas” in proximity to natural gas compressors. (2011)
- According to a third-party review of Arkansas hydraulic fracturing regulations by STRONGER found industry regulations are “well managed and professional” and “identified a number of program strengths that warrant special recognition.”



## USACE Mitigation Credits

- Restored over 500 acres of aquatic and terrestrial habitat
- Rehabilitated more than 8 miles of streams
- Our mitigation efforts have been presented by the USACE as national examples





Southwestern Energy named  
**2012 Natural Gas  
Production Partner  
of the Year**

U.S. Environmental Protection Agency

U.S. Environmental Protection Agency

of the Year

more than  
**37.0 Bcf**  
METHANE EMISSION REDUCTIONS  
from 2006 - 2012



## Development Solutions

Balancing Environment, Community & Economy  
a division of Southwestern Energy

- Key is balancing environment, community and economy
- Focused on delivering V+ to all that are impacted by our business

## Offset 100% of fresh water used

in Southwestern's operations by 2016:



**CONSERVE**  
and monitor water use



**REDUCE**  
water demand



**PROTECT**  
water resources



**INNOVATE**  
watershed management



