



Cabot Oil & Gas Announces Pearsall Joint Venture

June 22, 2012

HOUSTON, June 22, 2012 /PRNewswire via COMTEX/ --Cabot Oil & Gas (NYSE: COG) today announced the Company has signed a definitive agreement with a wholly-owned U.S. subsidiary of Osaka Gas Co., Ltd. ("Osaka") for the sale of a 35 percent non-operated working interest in the Pearsall Shale in approximately 50,000 net acres leased by the Company in Atascosa, Frio, La Salle and Zavala counties of Texas for a total price of \$250 million. Closing of the transaction, including the joint venture agreement, is anticipated to occur on June 26, 2012. Under the agreement Osaka will pay \$125 million in cash to Cabot at closing and will pay an additional \$125 million to carry 85 percent of Cabot's share of future drilling costs ("drilling carry") in the Pearsall Shale. The drilling carry is expected to be fully utilized by year-end 2013 based on current drilling plans. Initial plans call for two rigs to operate under the JV with drilling commencing in July 2012. A third rig will be added to the drilling program during 2013 and a fourth rig will be added in 2014. Cabot will retain its lease rights above the Pearsall, including the Eagle Ford Shale formation.

Dan O. Dinges, Cabot's Chairman, President and Chief Executive Officer, commented, "We are excited to partner with Osaka, one of Japan's leading energy companies, in developing our leasehold in the Pearsall Shale. We believe the Pearsall Shale could prove to be an additional liquids-rich catalyst in our portfolio and are pleased with the results we have seen to date--both internally and from neighboring peers. This transaction will provide the capital necessary to accelerate drilling of this formation, while still maintaining Cabot's 100 percent interest in our Eagle Ford leasehold."

Cabot Oil & Gas Corporation, headquartered in Houston, Texas is a leading independent natural gas producer with its entire resource base located in the continental United States. For additional information, including a PowerPoint presentation regarding the Pearsall, visit the Company's Internet homepage at www.cabotog.com.

**FOR MORE INFORMATION CONTACT
Scott Schroeder (281) 589-4993**

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