Cabot Oil & Gas Corporation Increases Proved Reserves 42 Percent to 5.5 Tcfe

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HOUSTON, Feb. 20, 2014 /PRNewswire/ -- Cabot Oil & Gas Corporation (NYSE: COG) today reported year-end proved reserves of 5.5 trillion cubic feet equivalent (Tcfe), an increase of 42 percent over year-end 2012. "This level represents a doubling of our proved reserves in just three years from a 100 percent organic drilling program, despite an active divestiture program that has seen 380 Bcfe removed during this time period," stated Dan O. Dinges, Chairman, President and Chief Executive Officer. "Also of note is that this step change increase occurred while holding the undrilled proved undeveloped (PUD) percentage flat at 36 percent and the drilled PUD percentage flat between 4 and 5 percent." Total reserve replacement from all-sources was 522 percent for 2013 with an equally impressive all-sources finding cost of $0.55 per million cubic feet equivalent (Mcfe). "This finding cost achievement is the lowest figure reported by Cabot since 1992 and includes the impact of our oil initiatives throughout the Company," commented Dinges. "When looking at the all-sources finding cost for the Marcellus only, the figure drops to a truly remarkable $0.40 per Mcf."

The table below reconciles the components driving the 2013 reserve increase.

Proved Reserves Reconciliation (in Bcfe)	
Balance at December 31, 2012	**3,842**
Additions	1,725
Revisions	433
Production	(414)
Sales	(132)
Balance at December 31, 2013	**5,454**

Cabot's Marcellus Shale asset now comprises 87 percent of the Company's total proved reserves and contributed 86 percent of Cabot's 2013 reported production. "Our continued improvement in Marcellus well performance has been the primary driver of Cabot's reserve growth and our 2013 program further highlights the strides we continue to make in the play," stated Dinges. "Our average 2013 program estimated ultimate recovery (EUR) of 3.6 billion cubic feet (Bcf) per 1,000' of lateral is 23 percent higher than the next closest Marcellus operator based on publicly reported data, further highlighting the quality of our Marcellus asset. This is further reinforced by the statistics recently released by the state of Pennsylvania highlighting Cabot with the top 13 producing wells for the second half of 2013, and 17 of the top 20." The table below highlights the program comparisons between 2012 and 2013.

	2012	**2013**
Lateral length (Ft.)	4,087'	4,666'
Stages	18	23
EUR (Bcf)	13.9	16.9
EUR/1,000' (Bcf)	3.4	3.6
Maximum lateral length (Ft.)	7,837'	8,664'
Maximum EUR (Bcf)	28	32

"For the year, we grew our PV-10 value by 100 percent moving from $3.13 billion to $6.25 billion, driven by these operational results and slight price improvements," said Dinges. "Additionally, our year-end reserve report saw Upper Marcellus recoveries at 75 percent of the Lower Marcellus, or 2.7 Bcf per 1,000' of lateral, which is the third highest EUR per 1,000' reported across the Marcellus. Cabot's 2013 results continue to validate the Marcellus as the most economic pure gas play in North America with rates of return in excess of 100% at wellhead prices of just $3.00 per Mmbtu."

In 2014, Cabot will continue to extend its average Lower Marcellus lateral lengths and pursue further select testing of the Upper Marcellus formation. "We have a few other initiatives planned for the year that we will report once we have sufficient production data," added Dinges.

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, visit the Company's homepage at **www.cabotog.com**.

The statements regarding future financial performance and results and the other statements which are not historical facts contained in this release are forward-looking statements that involve risks and uncertainties, including, but not limited to, market factors, the market price (including regional basis differentials) of natural gas and oil, results of future drilling and marketing activity, future production and costs, and other factors detailed in the Company's Securities and Exchange Commission filings.

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