Cabot Oil & Gas Corporation Announces Year-End Proved Reserves of 3.03 Tcfe

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HOUSTON, Feb. 20, 2012 /PRNewswire/ -- Cabot Oil & Gas Corporation (NYSE: COG) today reported year-end 2011 Total Proved Reserves of 3.03 Tcfe, a pro-forma increase of 22 percent after adjusting for the year's asset sales, or a 12 percent increase in absolute terms. "This reserve growth was driven entirely by a seven-rig organic drilling program focused on Marcellus gas drilling in Pennsylvania and liquids drilling in Texas and Oklahoma, as the Company did not add any reserves through purchases," said Dan O. Dinges, Chairman, President and Chief Executive Officer. "Additionally, our reserve growth replaced 212 Bcfe in asset sales and record production of 187.5 Bcfe in 2011."

Highlights for 2011 include:

- 710 Bcfe of total additions (628 Bcf of gas and 14 MMbbls of oil)
- 116 percent increase in oil and liquids proved reserves
- Total Company all-in finding costs of $1.21 per Mcfe
- Marcellus all-in finding costs of $0.65 per Mcf
- Typical 2011 Marcellus well with 15 frac stages booked reserves of 11 Bcf
- Marcellus positive reserve revision of 259 Bcf, primarily from increasing booked reserves on 2010 program wells to 11 Bcf and increasing Marcellus PUD locations to 7.5 Bcf per well
- Positive overall revisions even after the removal of 190 Bcfe of legacy PUDs due to the five-year rule

The reserve reconciliation for the year includes the following:

Beginning balance (Bcfe)	2,701.1
Activity:	
Additions	710.0
Revisions	21.5
Production	(187.5)
Sales	(212.4)
Ending Balance (Bcfe)	3,032.7

"Our efforts in both the Marcellus gas and Eagle Ford oil plays generated significant value for Cabot as reflected in these results," commented Dinges. "Our ability to more than double our oil reserves, overcome significant reserve sales and manage our PUD inventory, while creating double-digit growth in reserves at a very economic cost, is a value added proposition."

Cabot's undrilled PUD reserves percentages remained flat at 36 percent with the overall PUD percentage increasing to 41 percent due to the number of uncompleted Marcellus stages and the sale of primarily proved developed reserves in the Rocky Mountains. Additionally, this PUD inventory carries a future development cost of $1.4 billion, a number funded with two to three years of anticipated cash flows, even at current commodity pricing.

"We continue to have success in all our initiatives and these efforts afford us years of opportunity at the current pace of development," stated Dinges. "A recently completed empirical study for Marcellus development indicated that Cabot has about 3,000 potential drilling locations, including Purcell and upper Marcellus. The depth of our drilling inventory highlights the bright, long-term resource potential for Cabot Oil & Gas Corporation. At year-end 2011, we had only 106 horizontal wells in Pennsylvania producing 600 Mmcf per day."

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 Internet homepage at www.cabotog.com.

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