Cabot Oil & Gas Corporation Announces Year-End Proved Reserves of 2.7 Tcfe, 31 Percent Increase Year-Over-Year

February 22, 2011

Cabot Oil & Gas Corporation Announces Year-End Proved Reserves of 2.7 Tcfe, 31 Percent Increase Year-Over-Year

HOUSTON, Feb. 22, 2011 /PRNewswire via COMTEX/ --

Cabot Oil & Gas Corporation (NYSE: COG) today announced that its year-end 2010 proved reserves increased 31 percent to 2.7 Tcfe over the prior year. Generating this growth was an organic drilling program that achieved 603 percent production replacement (from additions and revisions only); an all-sources finding cost of $1.05 per Mcfe ($0.89 when lease acquisitions are removed); all while maintaining proved undeveloped (PUD) reserve bookings at 36 percent of the total. Additionally, Cabot increased its proved liquids reserves by 22 percent to 9.5 million barrels.

A significant portion of Cabot's reserve adds were in its industry-leading area of the Marcellus, which provides substantially higher rates of return. Indicative of the value of Cabot's acreage position in the Marcellus is the 10 Bcf average EUR per producing well booked from its 2010 drilling program. Because of the overall small sample pool in the Marcellus play (44 producing horizontal wells at year-end), Cabot took a conservative approach to its PUD bookings recognizing 0.9 offset PUD locations per well drilled with an EUR of 6.5 Bcf for each, assuming a 10-stage frac.

Cabot's overall PUD reconciliation also includes the removal of 183 Bcfe that was reclassified to probable from the Company's conventional resource basins. Although these reserves remain economic, with Cabot's multi-year inventory of industry-leading Marcellus locations, the Company has no current plans to drill these reserves within five years. The revision category was also impacted by a slight gain with year-end pricing of 35 Bcfe and a significant positive revision of 285 Bcfe, based on superior performance of the Marcellus producing wells. This decision significantly enhances the overall value of Cabot's PUD bookings. More importantly, this PUD inventory carries a future development cost of $1.3 billion, a number easily funded by cash flow in the five-year required drilling window.

"Our 2010 drilling program illustrates the value every dollar invested yields to our shareholders," said Dan O. Dinges, Chairman, President and Chief Executive Officer. "On a debt-adjusted per share basis, we continue to add value with increases in reserves and production. Not only has our Marcellus operation demonstrated its prolific nature; we have also transitioned our capital allocation in our South region to 100 percent liquids for 2011." Dinges added, "We grew our reserves by 31 percent in 2010 at a very attractive finding cost, even with a very conservative posture for PUD booking. I anticipate our 2011 drilling program will continue to yield similar results with an added positive of more liquids in the mix."

The reserve reconciliation for the year includes the following:

Beginning balance (Bcfe)	2,059.9
Activity:	
Additions	650.6
Revisions	136.7
Purchases	0.6
Production	(130.6)
Sales	(16.1)
Ending Balance (Bcfe)	2,701.1

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 http://www.cabotog.com/.

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

SOURCE Cabot Oil & Gas Corporation