Cabot Oil & Gas Corporation Increases Proved Reserves 27 Percent to 3.8 Tcfe

February 21, 2013

2012 Marcellus Drilling Program Averages 13.9 Bcf per Well

HOUSTON, Feb. 21, 2013 /PRNewswire/ -- Cabot Oil & Gas Corporation (NYSE: COG) today reported year-end 2012 proved reserves of 3.8 trillion cubic feet equivalent (Tcfe), an increase of 27 percent over year-end 2011. This is 100 percent organically generated growth and represents the third consecutive year of reserve growth exceeding 20 percent, after adjusting for the sale of its Rocky Mountain properties in 2011. Total reserve replacement from all sources was 417 percent at a finding cost of $0.87 per thousand cubic feet equivalent (Mcfe). "In spite of a 33 percent decrease in the benchmark natural gas price used in calculating proved reserves in 2012, we grew year-end proved reserves significantly without an increase to our PUD percentage," said Dan O. Dinges, Chairman, President and Chief Executive Officer. "Our all sources finding cost of $0.87 per Mcfe is our lowest in 15 years and further highlights the capital efficiency of our portfolio."

Cabot's reserve growth was primarily driven by its drilling programs in the Marcellus Shale, Eagle Ford Shale and Marmaton oil play, which resulted in 926.8 billion cubic feet equivalent (Bcfe) of additions for the year. The Company reported an additional 369.6 Bcfe of positive revisions for the year, primarily as a result of performance improvements in the Marcellus Shale. The Company also recognized 114.5 Bcfe of negative price revisions due to lower natural gas prices in 2012 and 66.5 Bcfe of negative revisions due to reclassification of legacy East Texas proved undeveloped (PUD) reserves to the probable category in compliance with current Securities and Exchange Commission regulations.

Proved Reserves Reconciliation (in Bcfe)	
Balance at December 31, 2011	**3,032.7**
Additions	926.8
Revisions	188.6
Production	(267.7)
Sales	(38.0)
Balance at December 31, 2012	**3,842.4**

Marcellus Shale proved reserves increased more than 51 percent in 2012 as a result of the continued success of Cabot's drilling program in the play. This increase included 420.8 Bcf of positive performance revisions due to increased reserve bookings on producing/drilled wells and increased reserve bookings on PUD locations from an estimated ultimate recovery (EUR) of 7.5 Bcf to 9 Bcf per well. All sources reserve replacement for the Marcellus Shale properties was 603 percent at a finding cost of $0.49 per Mcf, 25 percent lower than the $0.65 per Mcf in 2011. "Our Marcellus program continues to demonstrate outstanding results. Our 2012 drilling program's average producing Marcellus well was drilled with a 4,087 foot useable lateral length and completed with 17.6 frac stages yielding an EUR of 13.9 Bcf per well," commented Dinges. "As we continue to drill longer lateral wells and utilize reduced frac stage spacing across the entire Marcellus program, we anticipate additional increases in EURs, further improving our already superior well economics in the play."

Natural gas represented approximately 96 percent of the Company's year-end 2012 proved reserves, in line with year-end 2011. Cabot's undrilled PUD reserves percentage remained flat at 36 percent while the overall PUD percentage decreased slightly to 40 percent. Similar to prior years, the Company took a conservative approach to its PUD bookings in the Marcellus Shale recognizing 0.7 offset PUD locations for each of its proved developed wells.

The Company's reserve base continues to be comprised of long-lived assets with a total reserves-to-production ratio of 14.4 years. "Based on our current estimates of identified drilling locations, we have a significant amount of running room with over three decades worth of drilling opportunities based on our planned 2013 drilling activity," stated 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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