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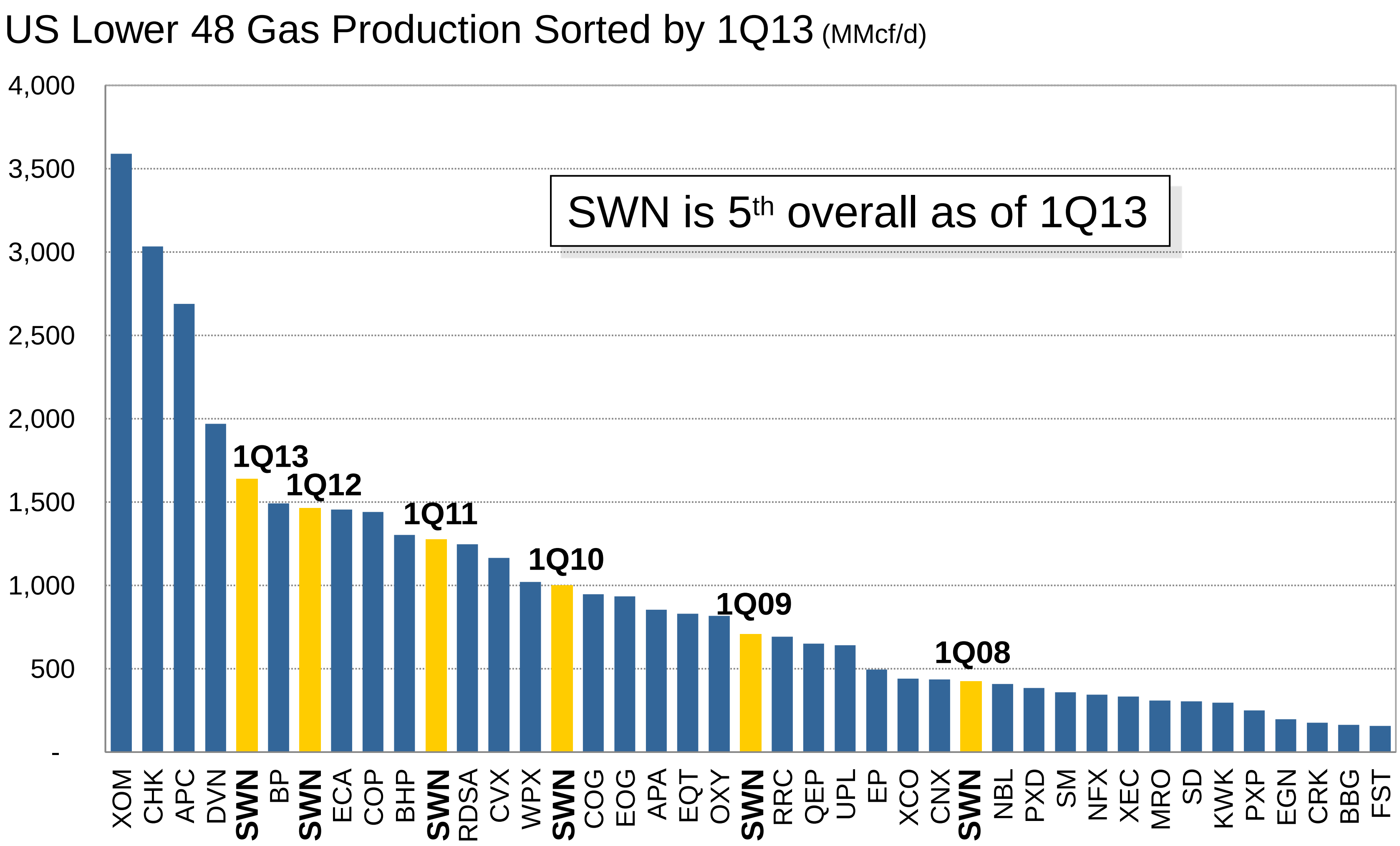
Natural Gas – Our National Treasure

2013 EIA
Energy Conference

June 17-18, 2013
Washington, DC

Jim Tramuto
Vice President
Governmental & Regulatory Strategies

SWN Ranked 5th in U.S. Gas Production



Source: Public company reports, Southwestern Energy

Where do We Deliver?
Producers Role in Supplying Gas

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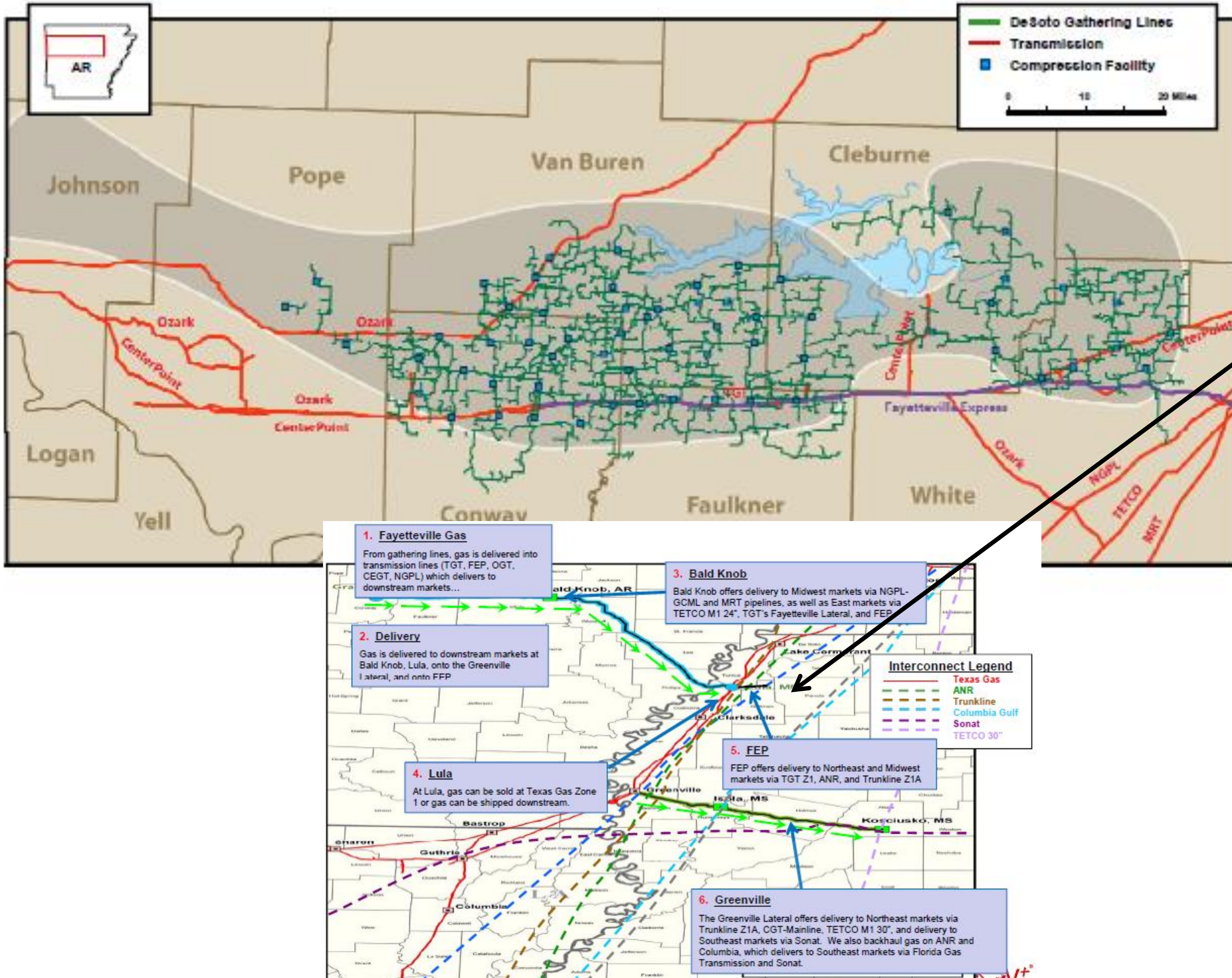
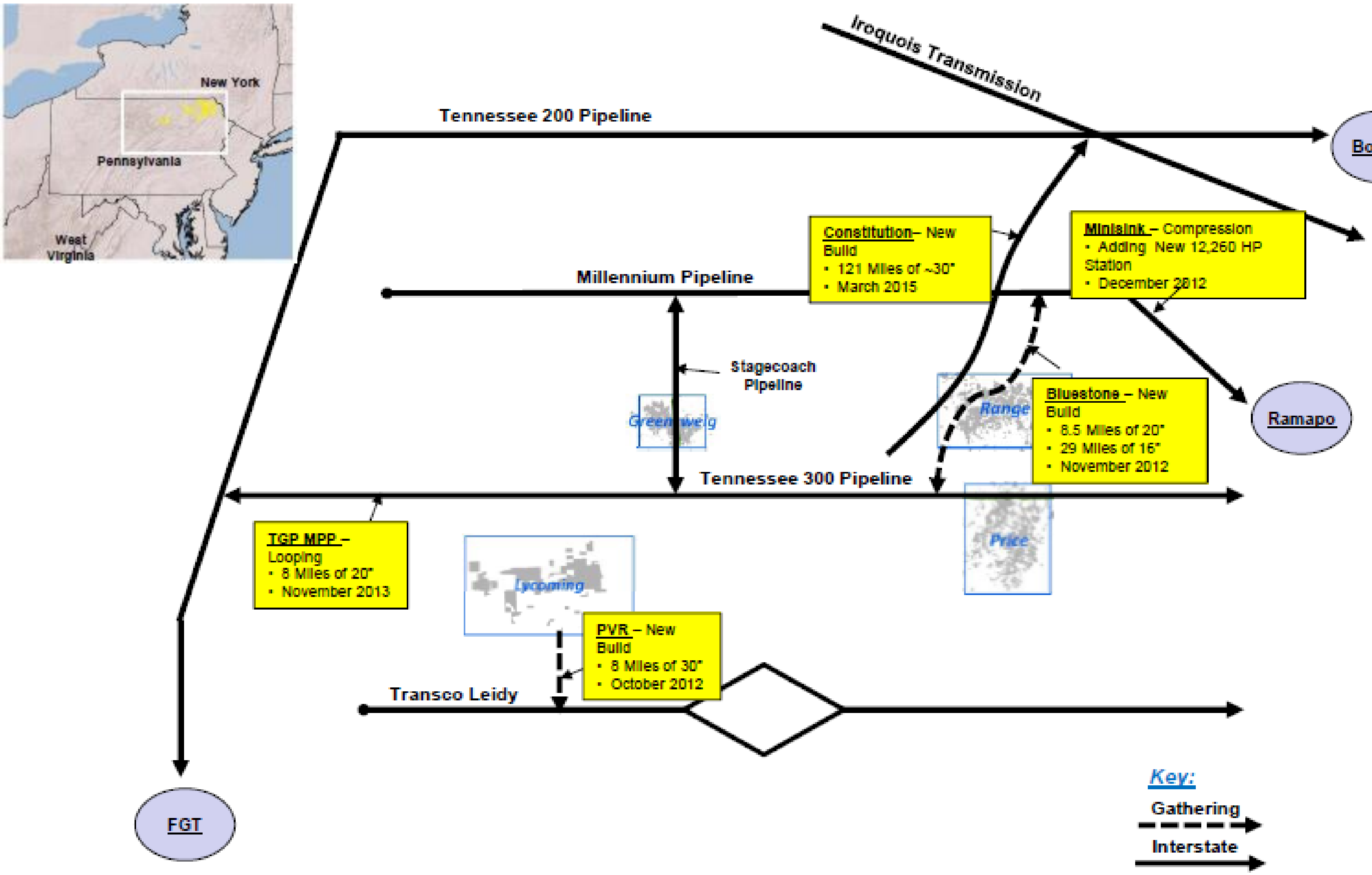


Where do We Deliver?
Producers Role in Supplying Gas



Abundant Supply & Growing

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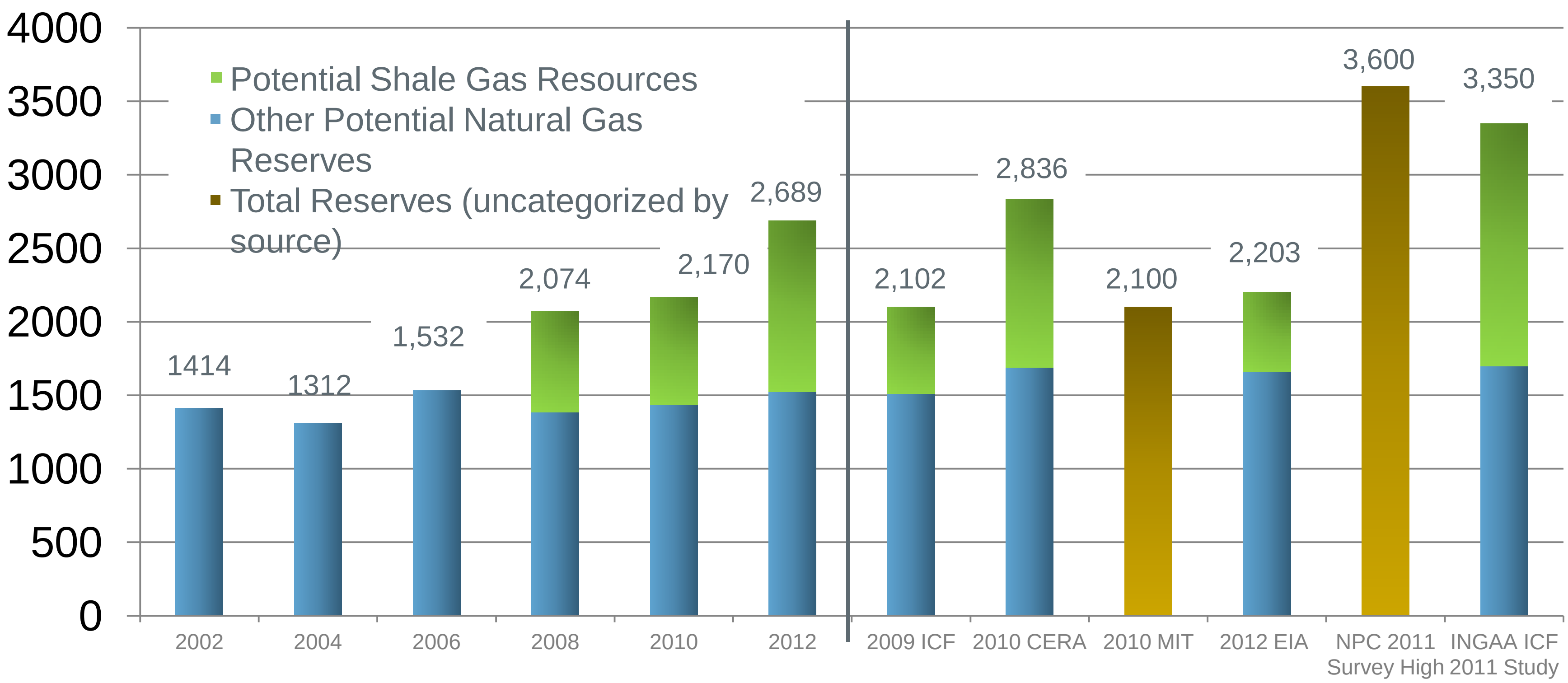
Estimates of U.S. Recoverable Natural Gas

(TCF – trillion cubic feet))



Sources:
ICF: As reported in MIT Energy Initiative, 2010, The Future of Natural Gas, interim report ; Table 2.1
EIA: 2012 AEO, June 2012
PGC: Potential Gas Committee's Advance Summary and press release of its biennial assessment; see www.potentialgas.org
CERA: IHS CERA, 2010, Fueling North America's Energy Future: The Unconventional Natural Gas Revolution and the Carbon Agenda
MIT: MIT Energy Initiative, 2010, The Future of Natural Gas, interim report
NPC: Realizing the Potential of North America's Abundant Natural Gas and Oil Resources Johns Hopkins University ; Prudent Development Study 2011

Where Will the Gas Come From?

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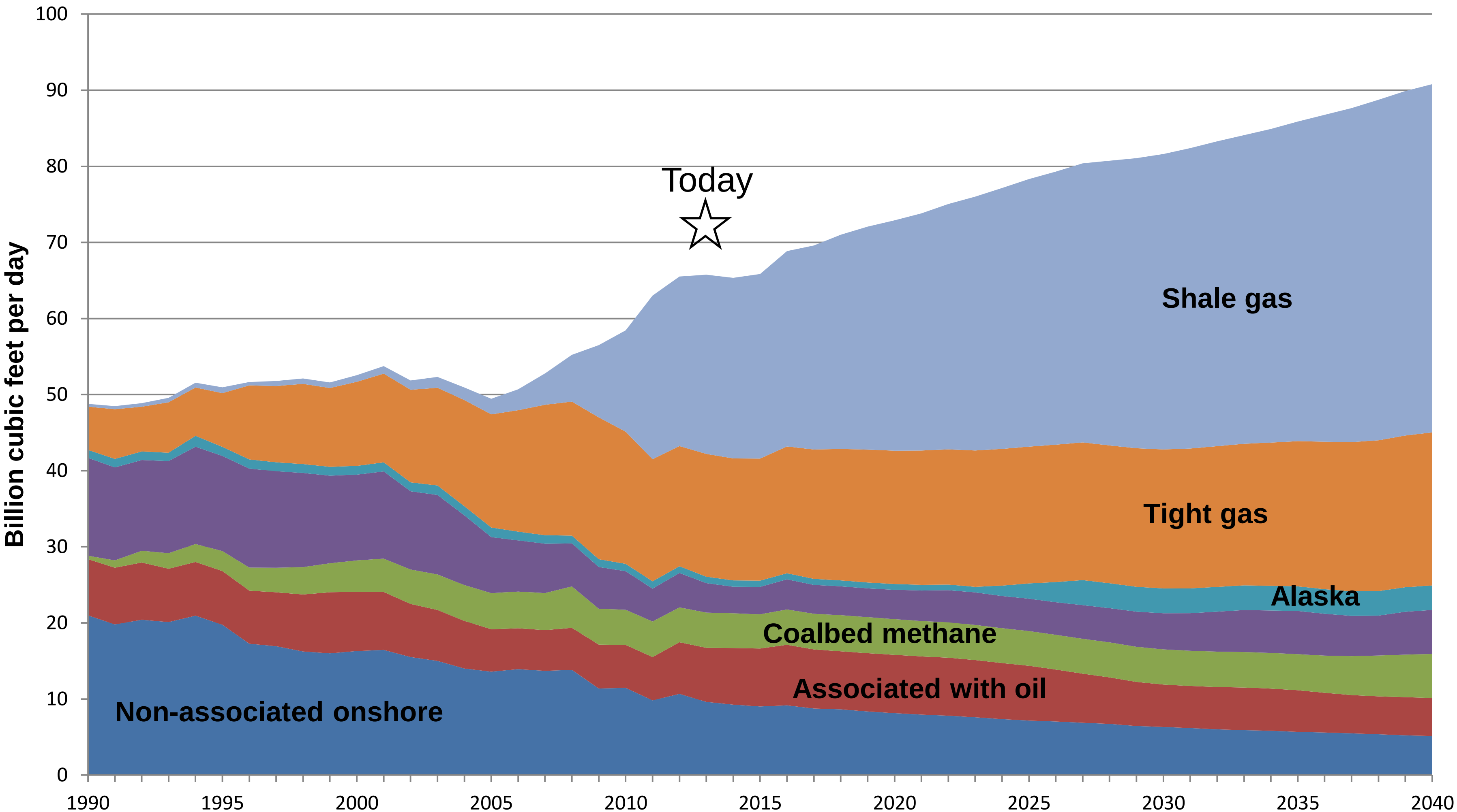
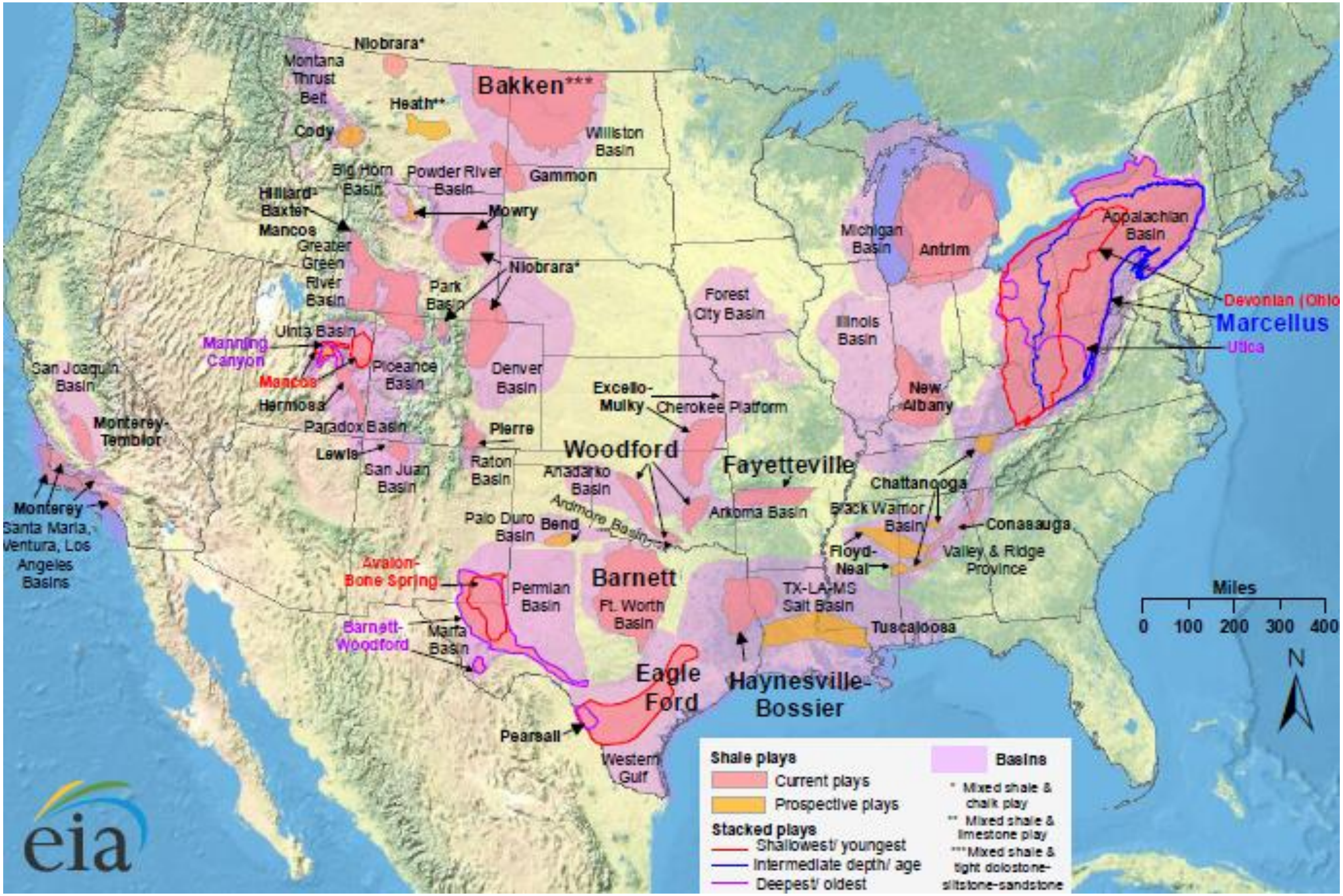


Source: EIA, Annual Energy Outlook 2013

US Shale Plays



Natural Gas Growth Areas

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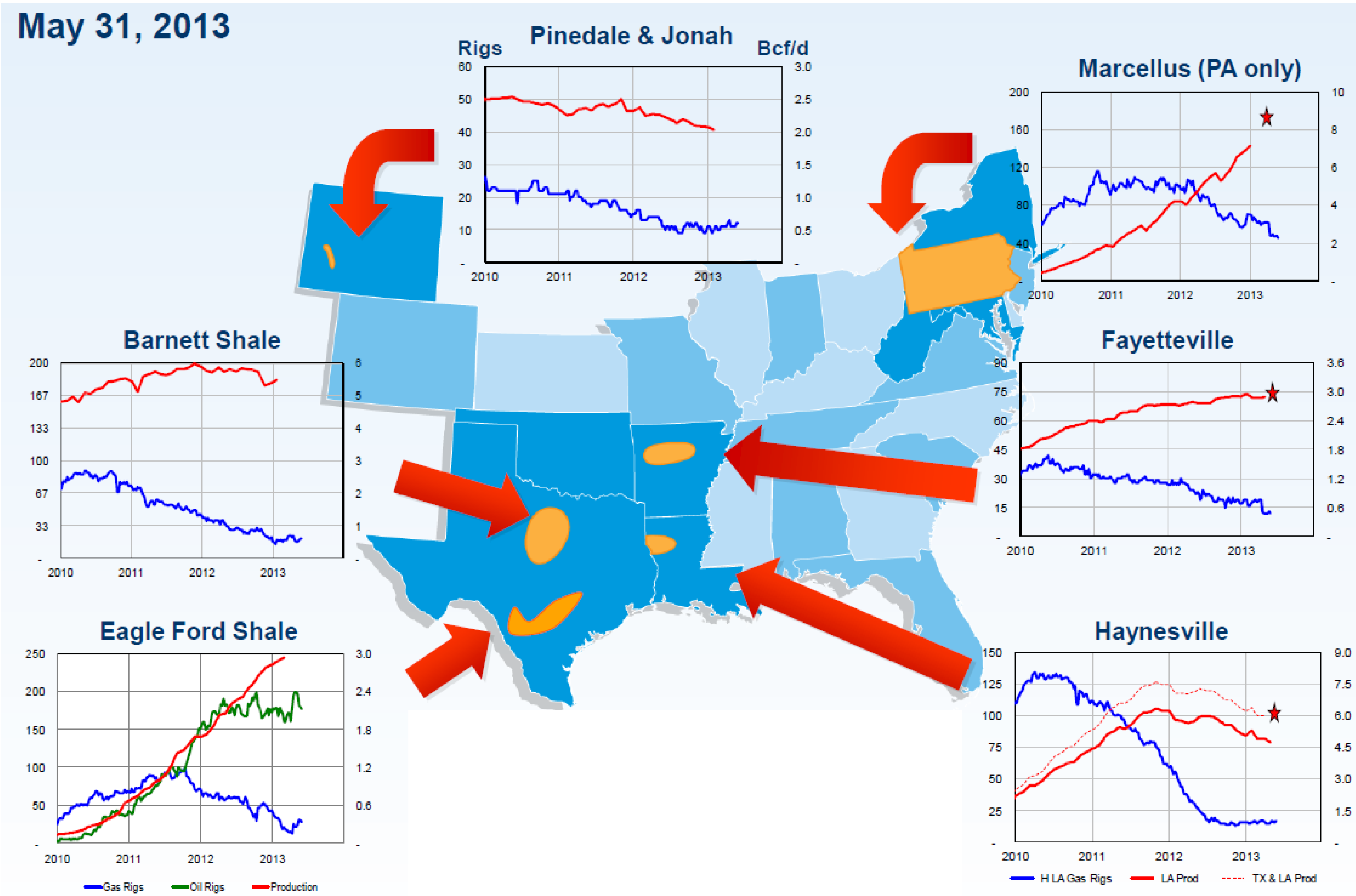
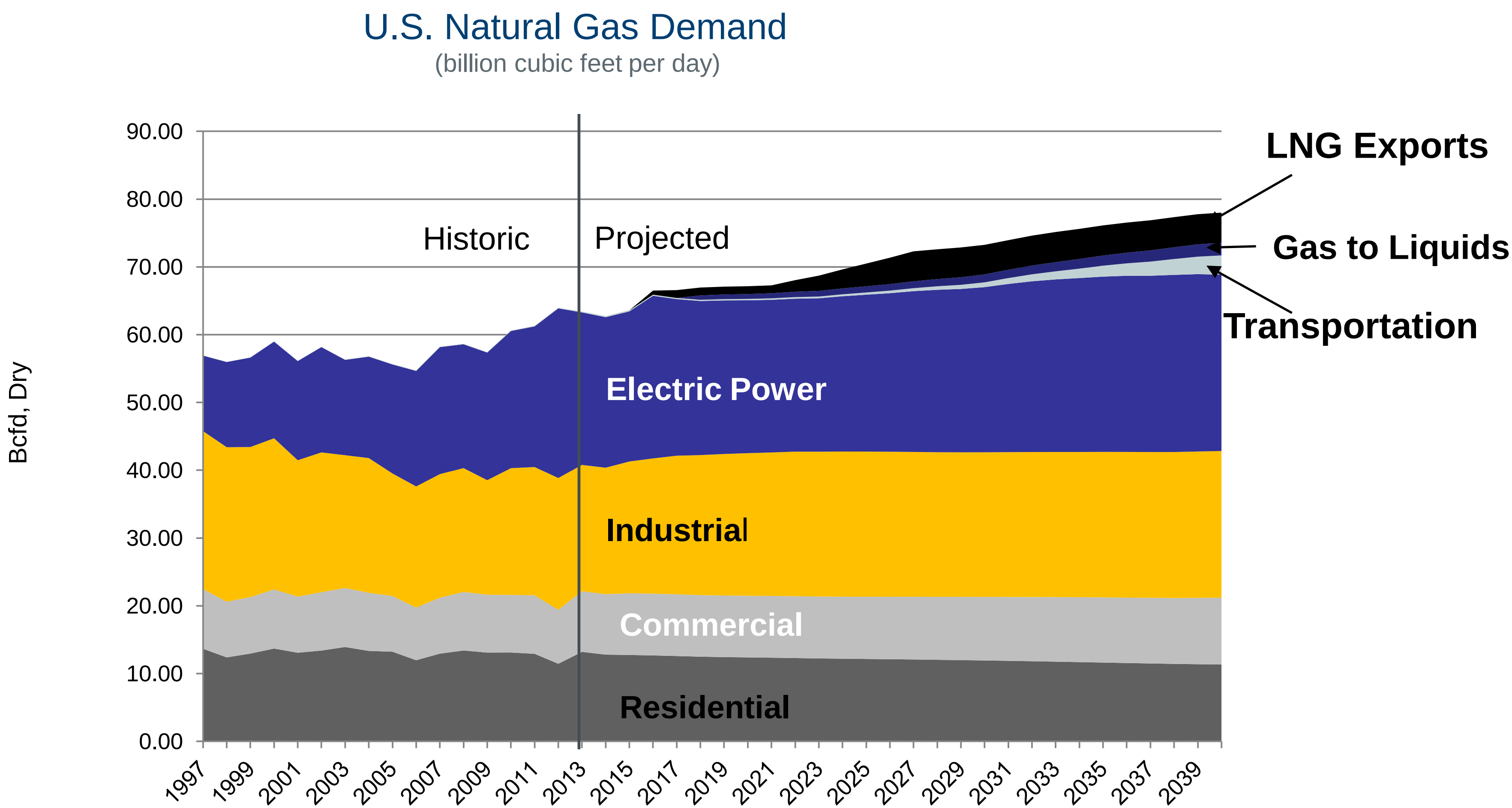


(Based on data from Baker Hughes, PIRA, Pi/Dwights & HPDI)

★ *PIRA Pipeline Flow Data: Haynesville includes both Texas and Louisiana*

Trends in Demand—EIA's View in 2013



Projected Data Source: EIA Annual Energy Outlook :2013, early release
Historic Data Source: EIA Natural Gas Monthly, February 2013

Why Natural Gas is our National Treasure

- The unconventional Gas paradigm has created a new world with long term low price implications.
- Shale plays are larger than seen over the last century and they are getting better in both quality and efficiencies.
- Producers time frames are months and years.
- Basic industry strategies drive gas prices and volatility lower.

Today's Amazing Production Response to Rig Count?

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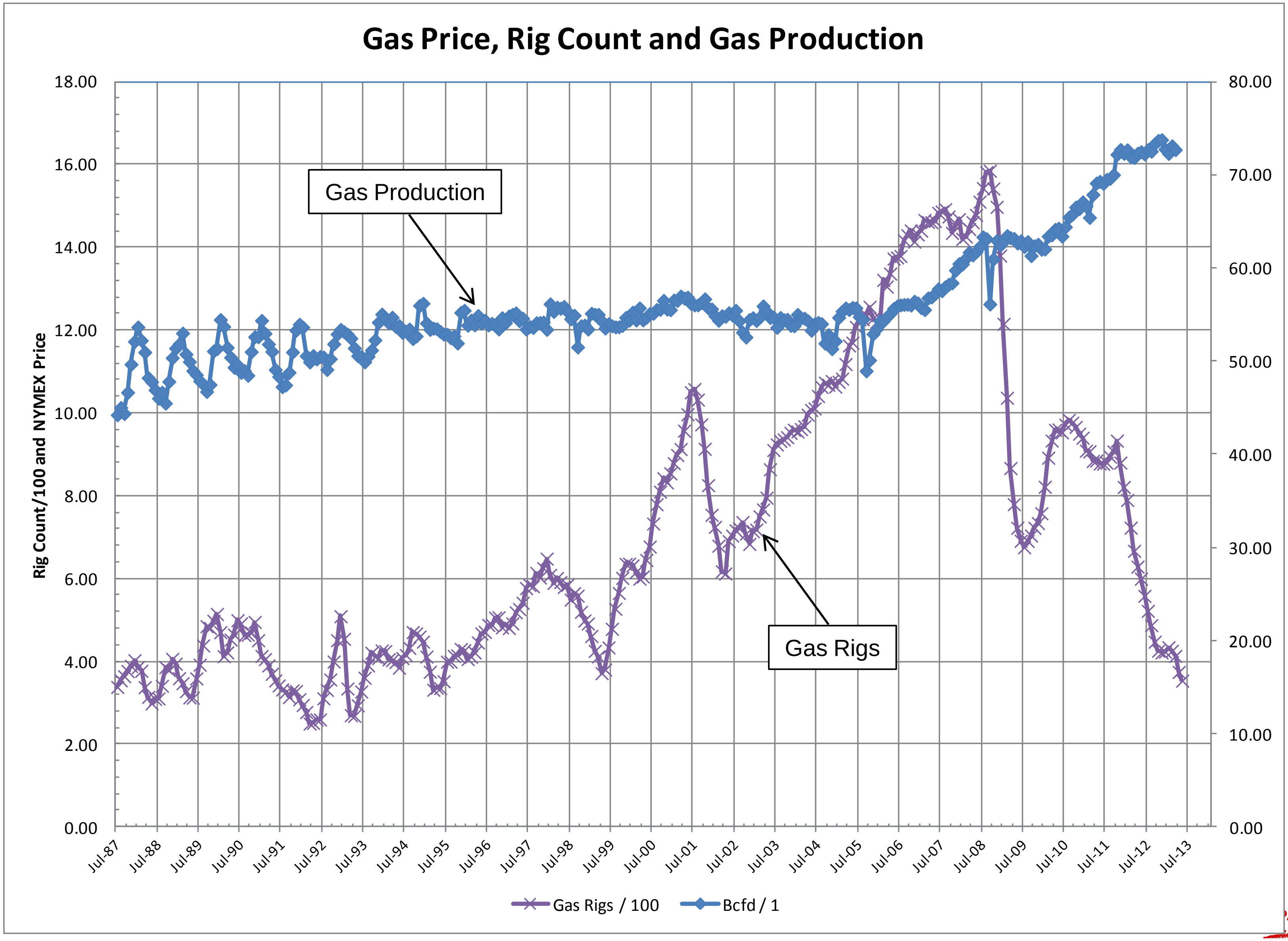

Current Demand compared to Production

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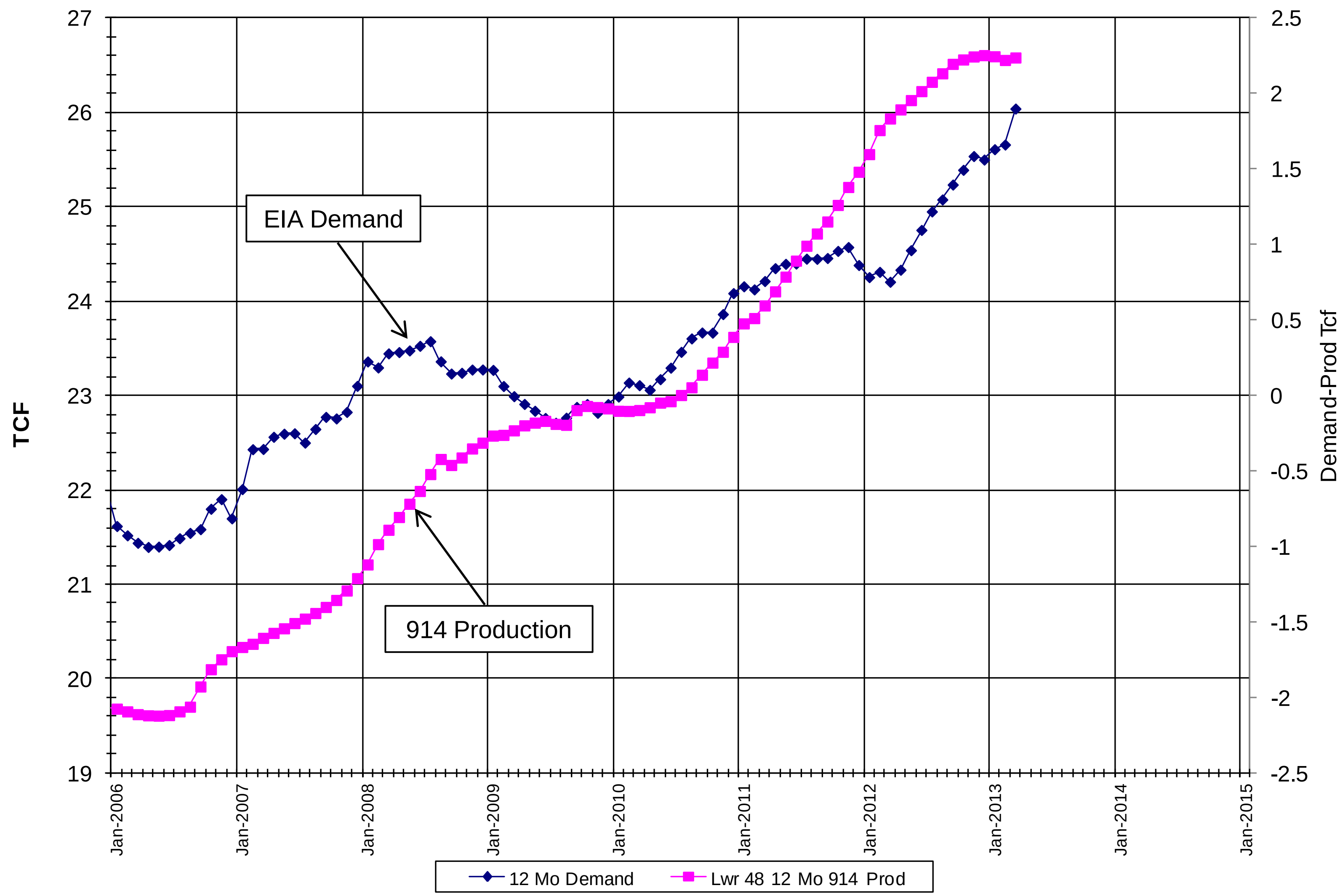
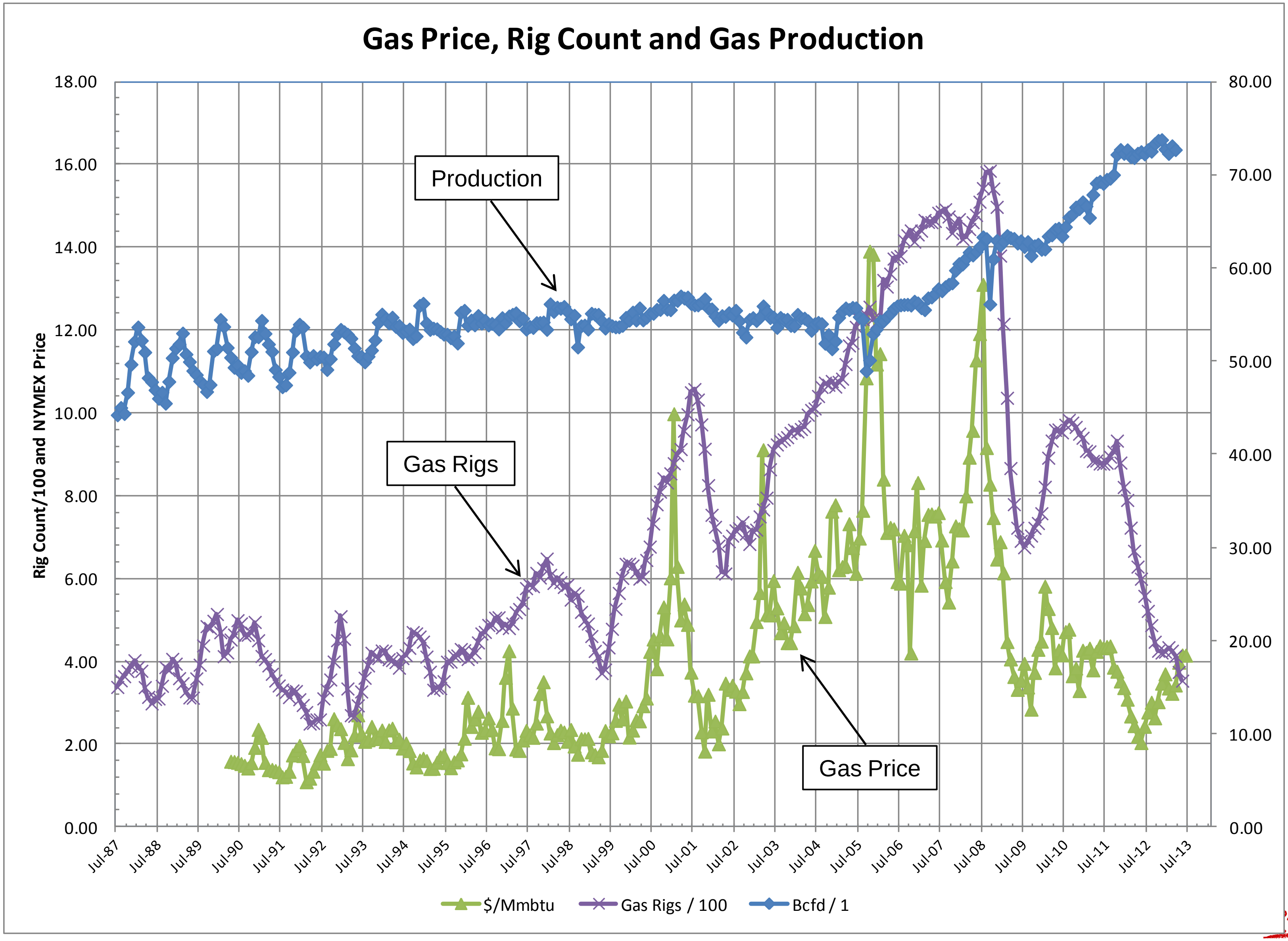


Source: EIA – 12 Month Rolling Average of Production and Demand

Natural Gas Price Response



Natural Gas Growth Areas

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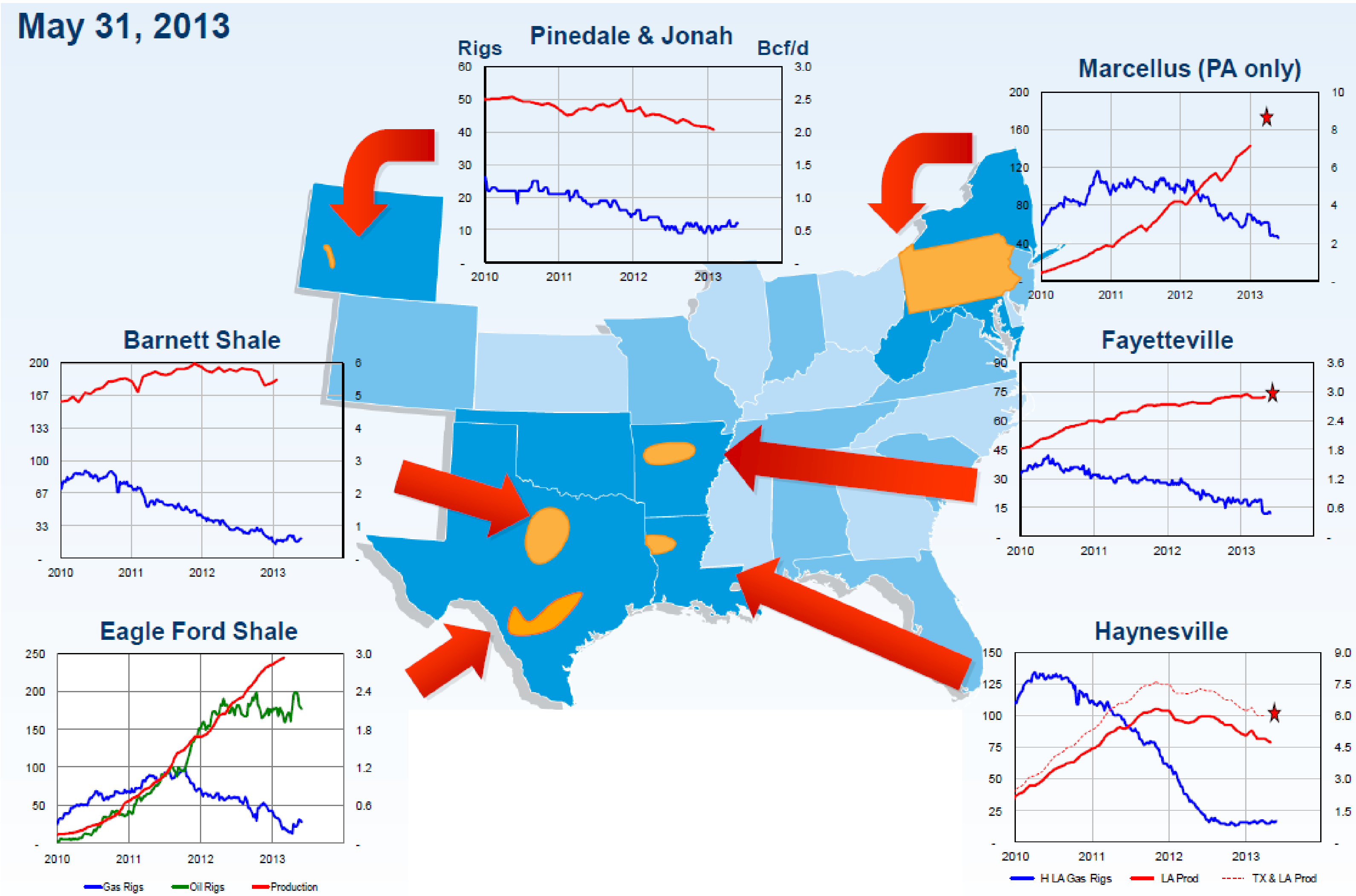

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Natural Gas – A National Treasure
US Wins

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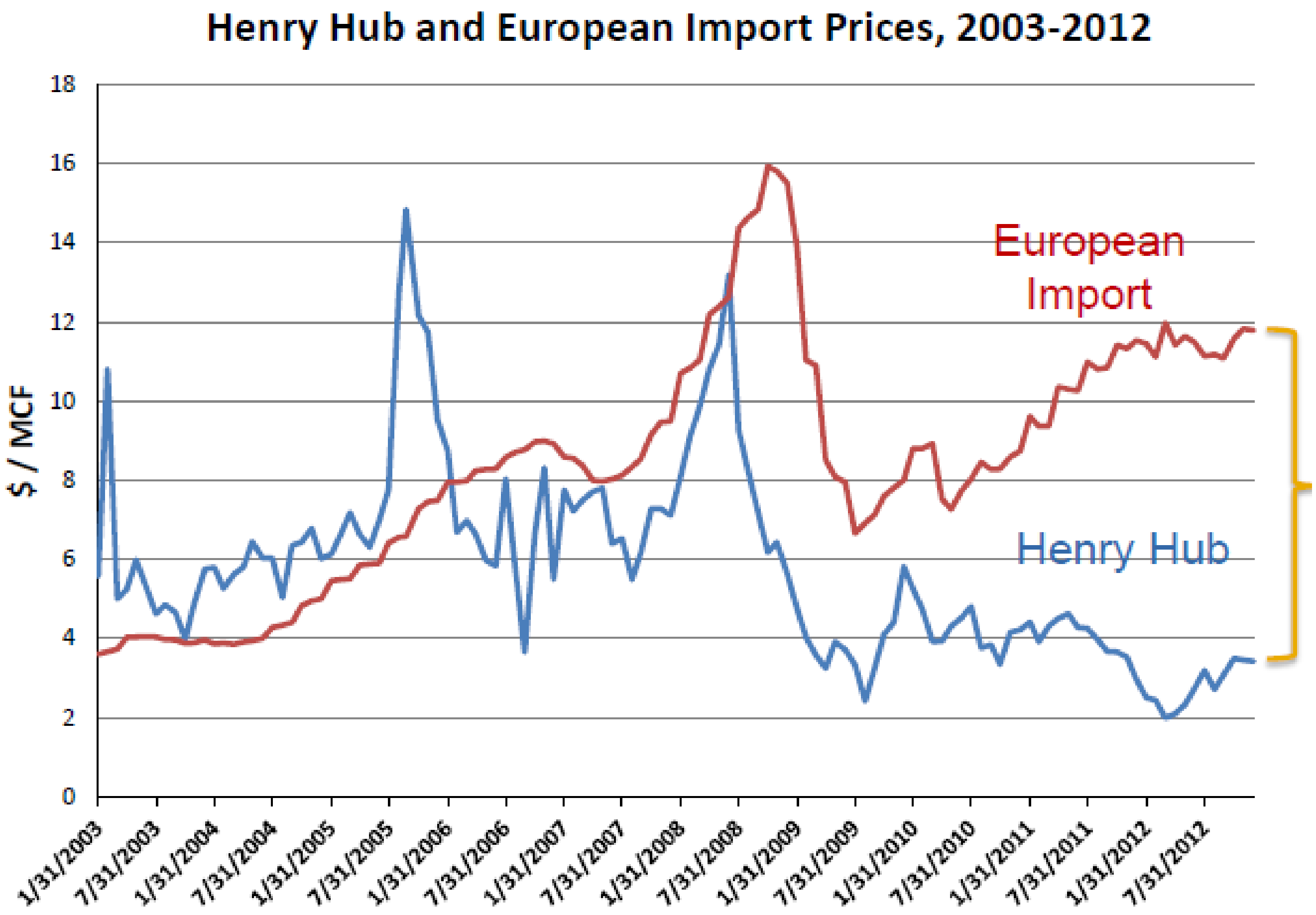

$675 Billion cost advantage 2008-2012

Baker Hughes

What Must We Do as a Country to Maximize This National Treasure

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- Most Producers deliver to liquid sales points through firm transportation agreements – the market must take the firm supply from these points.
- Additional mainline pipelines and market area storage infrastructure is needed to serve the growing load which results from incremental power generation, industrial, chemical and commercial loads.
- Innovative regulatory solutions at the state and national level are needed to supply incentives to put the needed pipeline and market area storage and infrastructure into place.
- The gas producing industry has delivered and will continue to deliver in the future!

Contact Information

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