



GUIDANCE	<u>3Q 2017</u>	<u>FY 2017</u>
Production		
Mmcfe/d	1,970	~30% over 2016
% Liquids	30% to 32%	
Expenses		
Direct operating expense per mcfe	\$0.17 - \$0.18	
Transport, gathering, processing and compression expense per mcfe	\$1.05 - \$1.07	
Production tax expense per mcfe	\$0.05 - \$0.06	
Exploration expense	\$15 - \$18 million	
Unproved Impairment expense	\$20 - \$23 million	
G&A expense per mcfe	\$0.21 - \$0.23	
Interest expense per mcfe	\$0.26- \$0.28	
DD&A expense per mcfe	\$0.86 - \$0.88	
Net Brokered Natural Gas expense	~ \$3 million	

Differential Calculations^(a)	<u>3Q 2017</u>	<u>FY 2017</u>
Natural Gas -	NYMEX minus \$0.52	NYMEX minus \$0.30
Natural Gas Liquids (NGLs) -		28%-30% of WTI
Oil/Condensate -		WTI minus \$5-\$6

Differential Pricing History	<u>2Q 2016</u>	<u>3Q 2016</u>	<u>4Q 2016</u>	<u>1Q 2017</u>	<u>2Q 2017</u>
Natural Gas (compared to HH)	(\$0.48)	(\$0.68)	(\$0.37)	+\$0.01	(\$0.39)
Oil/Condensate (compared to WTI)	(\$13.57)	(\$5.81)	(\$4.66)	(\$4.84)	(\$4.84)
NGL (% of WTI)	24%	25%	29%	31%	30%

(a) Differentials based on pre-NYMEX hedge pricing, excluding transportation, gathering and compression expense. Natural Gas differential includes basis hedging.