



GUIDANCE

1Q 2019

FY 2019

Production

Mmcfe/d ~2,225 ~2,325 to 2,345

Expenses

| | |
|---|--------------------|
| Direct operating expense per mcfe | \$0.17 - \$0.19 |
| Transport, gathering, processing and compression expense per mcfe | \$1.48 - \$1.52 |
| Production tax expense per mcfe | \$0.05 - \$0.06 |
| Exploration expense | \$6 - \$9 million |
| Unproved impairment expense | \$7 - \$10 million |
| G&A expense per mcfe | \$0.20 - \$0.22 |
| Interest expense per mcfe | \$0.24 - \$0.26 |
| DD&A expense per mcfe | \$0.74 - \$0.78 |
| Net brokered natural gas (gain) expense | ~ (\$3.0 million) |

Differential Calculations^(a)

1Q 2019 Natural Gas Price Differential (including basis hedging): NYMEX plus \$0.01

| | <u>FY 2019 Guidance</u> |
|---|------------------------------|
| Natural Gas: | NYMEX minus \$0.15 to \$0.20 |
| Natural Gas Liquids (including ethane): | 36% – 38% of WTI |
| Oil/Condensate: | WTI minus \$6.00 to \$8.00 |

Differential Pricing History

| | <u>4Q 2017</u> | <u>1Q 2018</u> | <u>2Q 2018</u> | <u>3Q 2018</u> | <u>4Q 2018</u> |
|----------------------------------|----------------|----------------|----------------|----------------|----------------|
| Natural Gas (compared to HH) | (\$0.35) | +\$0.13 | (\$0.16) | (\$0.15) | (\$0.08) |
| Oil/Condensate (compared to WTI) | (\$4.63) | (\$4.08) | (\$4.82) | (\$4.92) | (\$6.28) |
| NGL (% of WTI) ^(b) | | 35% | 35% | 39% | 40% |

(a) Differentials based on pre-NYMEX hedge pricing, excluding transportation, gathering and compression expense. Natural Gas differential includes basis hedging. Based on strip pricing as of 02/15/2019

(b) Prior to 2018, Marcellus processing expenses had been reported as a deduct to NGL price making prior year quarters incomparable