



GUIDANCE

4Q 2018

FY 2018

Production

Mmcfe/d 2,255 – 2,265 ~11% over 2017

Expenses

Direct operating expense per mcfe	\$0.15 - \$0.17
Transport, gathering, processing and compression expense per mcfe	\$1.52 - \$1.56
Production tax expense per mcfe	\$0.05 - \$0.06
Exploration expense	\$7 - \$10 million
Unproved impairment expense	\$8 - \$10 million
G&A expense per mcfe	\$0.18 - \$0.20
Interest expense per mcfe	\$0.24 - \$0.26
DD&A expense per mcfe	\$0.78 - \$0.82
Net brokered natural gas expense	~ \$3 million

Differential Calculations^(a)

	<u>New FY 2018 Guidance</u>	<u>Prior FY 2018 Guidance</u>
Natural Gas:	NYMEX minus \$0.08	NYMEX minus \$0.10
Natural Gas Liquids (including ethane):	37% – 38% of WTI	35% – 36% of WTI
Oil/Condensate:	WTI minus \$5.00 to \$6.00	WTI minus \$5.00 to \$6.00

4Q 2018 Natural Gas Price Differential (including basis hedging): NYMEX minus \$0.12
4Q 2018 NGL Price Differential: 39% - 40% of WTI

Differential Pricing History

	<u>3Q 2017</u>	<u>4Q 2017</u>	<u>1Q 2018</u>	<u>2Q 2018</u>	<u>3Q 2018</u>
Natural Gas (compared to HH)	(\$0.51)	(\$0.35)	+\$0.13	(\$0.16)	(\$0.15)
Oil/Condensate (compared to WTI)	(\$4.80)	(\$4.63)	(\$4.08)	(\$4.82)	(\$4.92)
NGL (% of WTI) ^(b)			35%	35%	39%

(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 10/10/2018

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