



TARGETING. ANALYSIS. MEDIA. GRAPHICS.

**Energy Industry Data and Trends Supplemental Slides:**  
**The State of the Industry: The Oil & Gas Conference 23**

*August 2018*

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The State of the Industry: The Oil & Gas Conference 23 Slides

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The background of the slide features a dark blue overlay on a photograph of oil pumpjacks. In the upper portion, there are faint, semi-transparent images of financial documents, including bar charts and line graphs, suggesting a focus on industry economics and data analysis.

# The State of the Industry: The Oil & Gas Conference 23



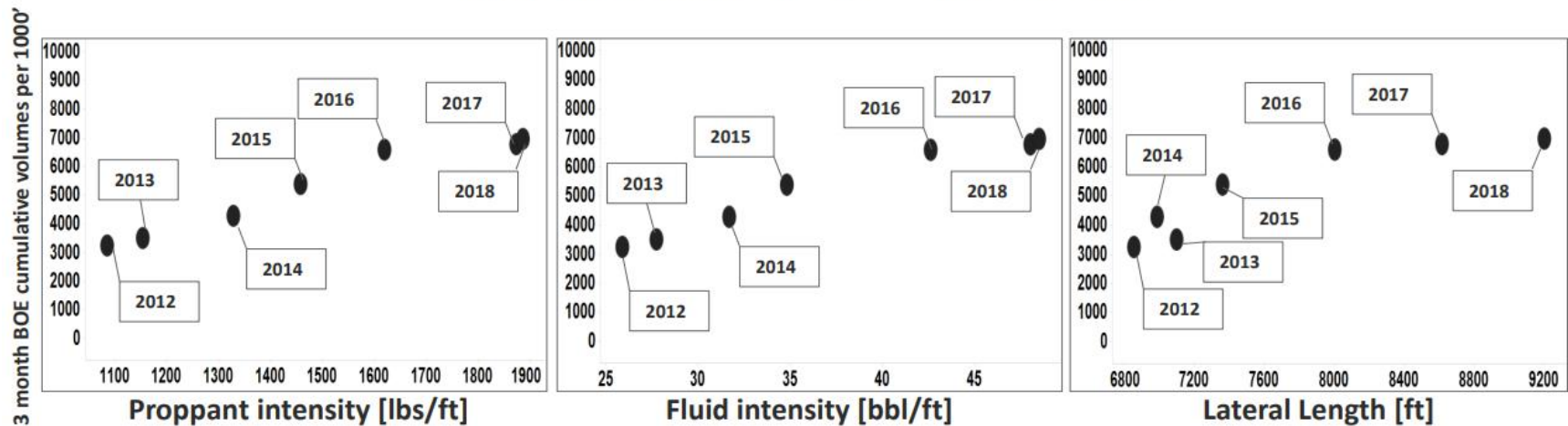
# Midland Basin Completions Trends



## MIDLAND BASIN COMPLETIONS EFFECTIVENESS



3-Month Cumulative BOE per 1000' vs Completion variables



Horizontal wells since 2012 – plateaus for the last two years

Data source: RS Energy



## Controlling Our Destiny – Developing In-Field Sand Mine



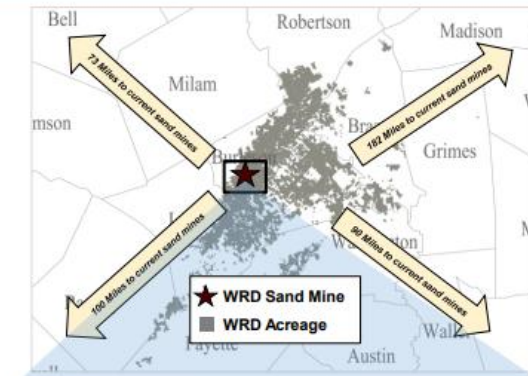
### Overview

- Annual capacity of ~2.0 MM tons
- WRD 2018 sand demand of ~1.2 MM tons
- >40 years of reserves at current pace
- Grain and mesh consistent with Gen 3 well design
- Permits received; planned in service by Q1'19

### Significant Economic Benefits

- 58% reduction in sand costs with \$400K - \$600K savings per well<sup>(1)</sup>
- \$65 - \$75 million total capital investment with less than two-year payback
- Improves well IRR's by up to ~16%<sup>(2)</sup>
- Secures operational control
- Opportunity for third-party sales

### In-Field Location Reduces Costs



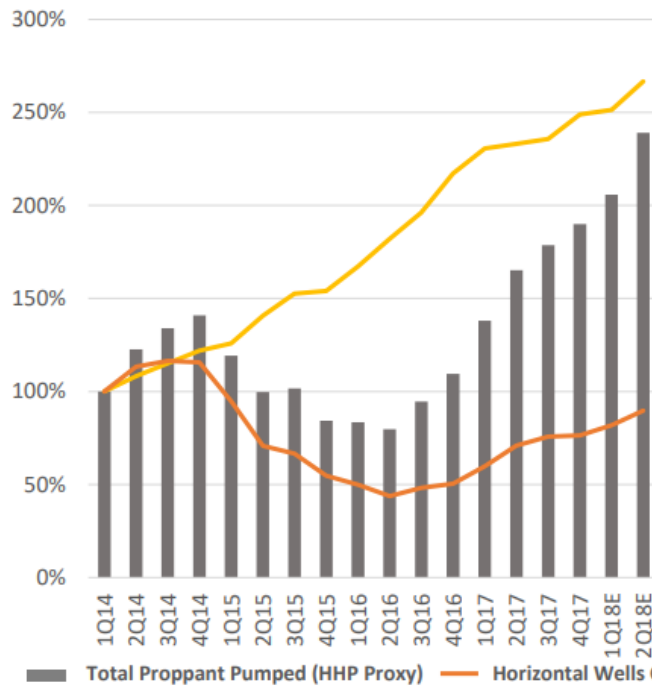
**Expected Sand Mine Savings of \$1.2-\$1.8 Billion Over WRD Inventory**

1. Sand cost reduction at the midpoint of estimated well cost savings.

2. Based on consensus pricing as of 8/1/18: \$65.91 / \$2.89 for 2018, \$64.00 / \$3.00 for 2019, \$65.38 / \$3.01 for 2020, \$63.00 / \$3.15 for 2021, \$61.50 / \$3.20 for 2022 and thereafter for WTI and Henry Hub, respectively.

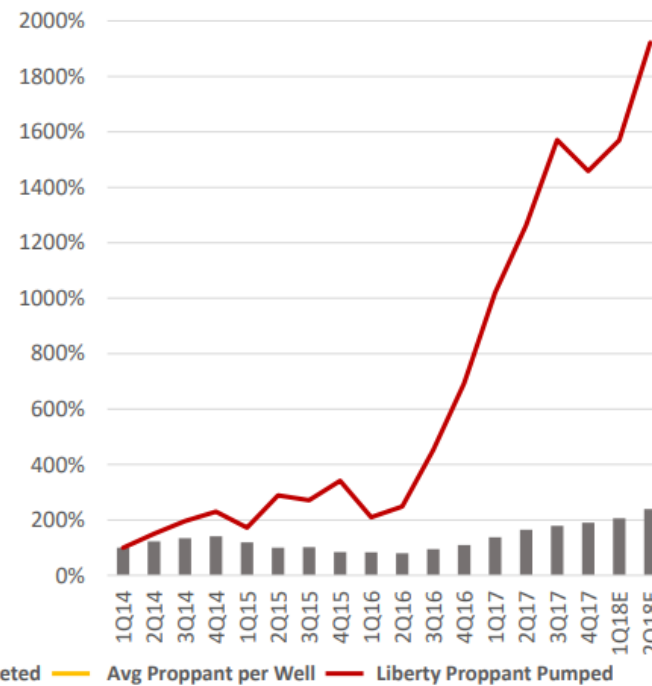
## Frac Demand Continues to Grow – Lower 48

Increased Intensity Increases HHP Requirement<sup>1</sup>



**Frac Intensity (proppant) Increases per well**  
**Increased demand for Frac Fleets above well count #**

Liberty Proppant Pumped Growth vs Industry<sup>1</sup>

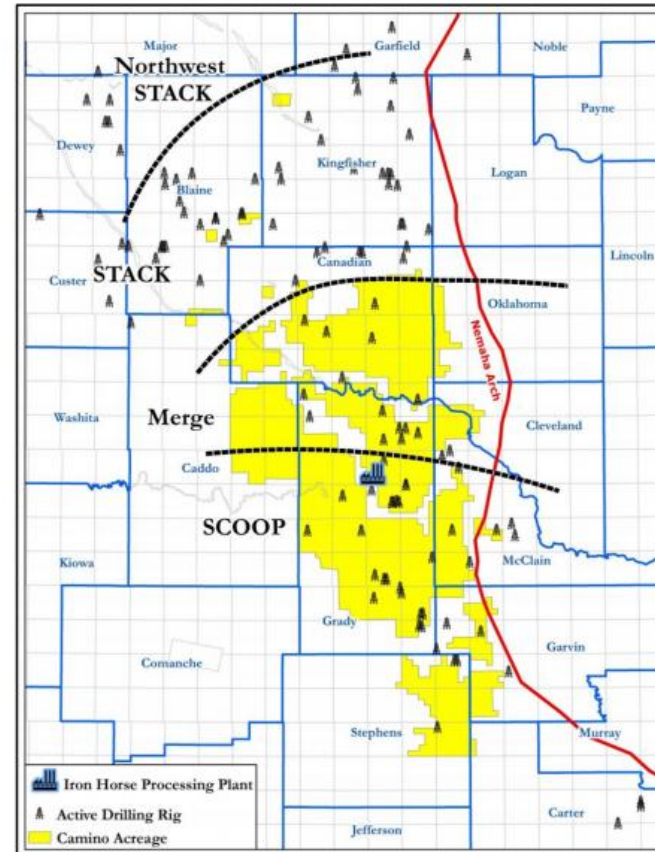


**Liberty Executes Rapid Growth**  
**4 fleets in 1Q14 to 22 fleets in 2Q18**

(1) Source: Coras Research

## Camino Overview

- NGP backed + Co-Investors
- ~107,000 net acres
  - ~70% operated / >70% HBP
- ~19,000 Boe/d (~55% liquids)<sup>(1)</sup>
  - >25,000 Boe/d 2018 exit
- ~240 PDP operated wells (~40 Hz)
  - ~800 PDP non-operated wells (~400 Hz)
- 3 rigs running
- ~2,000 operated locations
  - 20+ year operated inventory
- Midstream (gas gathering)
  - Iron Horse Midstream – Equity Owner
  - Downstream Optionality



1) 3-stream production as of July 2018 per Camino estimates.

**CAMINO**

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## Land & Leases

### Net Acres

- 1) 450,000 - Anadarko
- 2) 406,000 - Anschutz**
- 3) 400,000 - EOG
- 4) 398,000 - Devon
- 5) 275,000 - Chesapeake
- 6) 160,000 - Samson
- 7) 148,000 - Wold
- 8) 115,000 - Ballard
- 9) 112,000 - North Woods
- 10) 60,000 - Conoco
- 11) 58,000 - ATX
- 12) 52,000 - Impact

Note: Acreage estimate based on various sources



### PRB Lease Terms - Overview

- NRI range of 80% to 87.5%
- Large percentage of acreage HBP
- Primary terms of 4 to 10 years
- Little to no drilling obligations (i.e. continuous operations)
- No Pugh clauses
- Ongoing efforts across basin to further “core” up operated positions/increase WI

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# Felix Energy and Recent Comparable Permian M&A Transactions



	FANG-EGN	CXO-RSPP	FANG-Ajax	OAS-Forge	Felix at Average Adjusted Acreage Valuation
Acreage	89,000	92,000	25,500	20,300	60,000
Production (MBOEPD)	90.4	56	12.1	3.5	23
Value/Acre	\$103,371	\$103,261	\$48,824	\$46,601	\$55,640
Adjusted Value/Acre	\$67,820	\$81,957	\$32,216	\$40,567	
Total Value	\$9.2 Billion	\$9.5 Billion	\$1.245 Billion	\$946 Million	\$4.14 Billion

Source: EnerCom Analytics

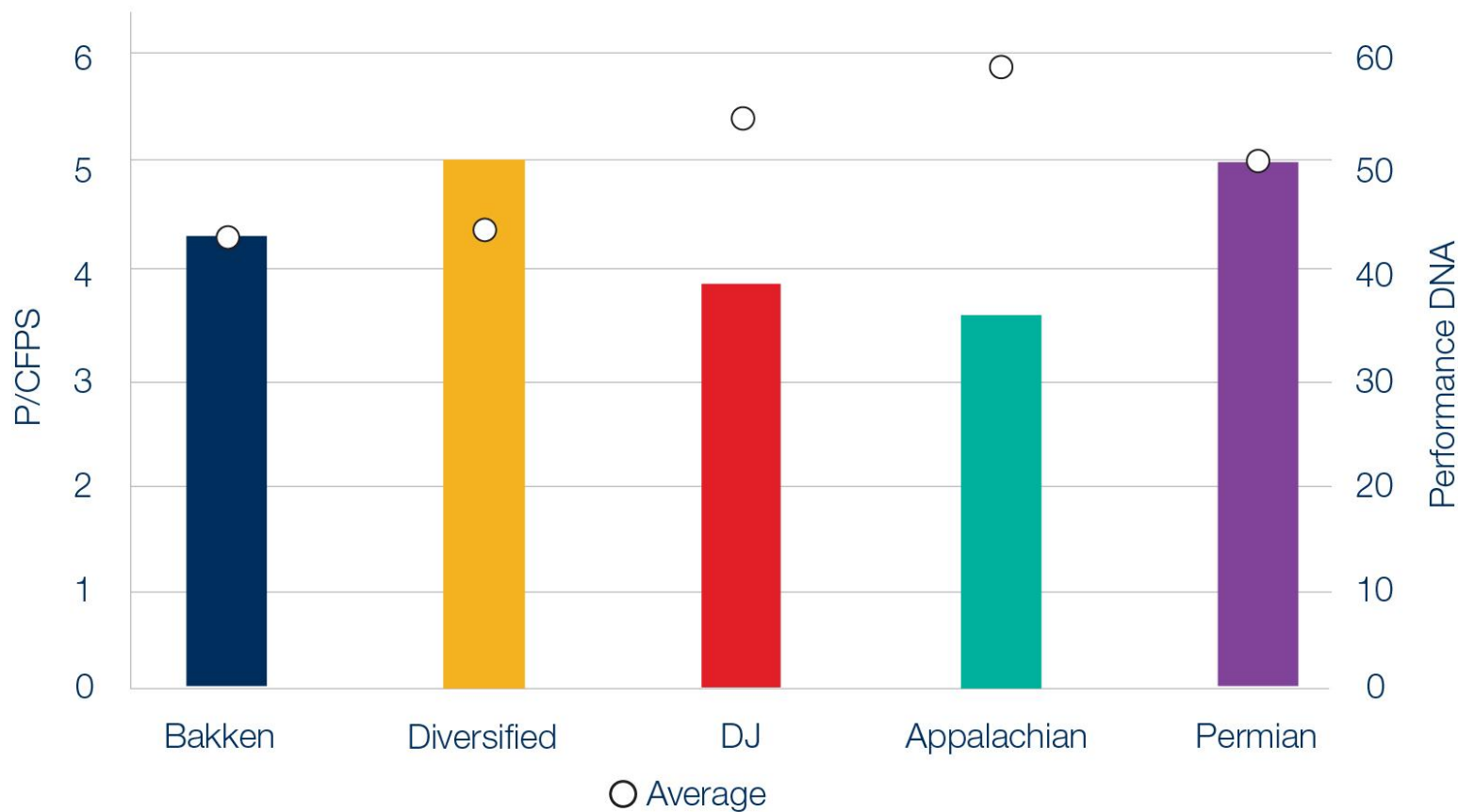
## CORPORATE STRATEGY



### ARKOMA STACK LEADING OPERATOR

- Consolidated asset base provides increasing profitability
  - Continued focus on higher returns by refining best in class development practices
  - New Arkoma Stack production delivers exceptional results in Woodford & Mayes formations
- Position for growth in re-emerging basin
  - Pursue strategic acquisitions of area operators with high quality positions
  - Bolt-on acreage growth available through an active drilling program
- Two year outlook to reverse merge or IPO to fund additional growth
  - Focused outlook to \$1 billion valuation under current growth strategy
  - Opportunity to be acquired by public company during a basin consolidation strategy

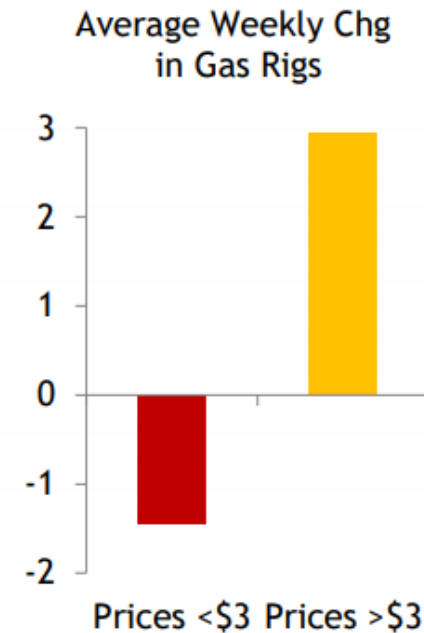
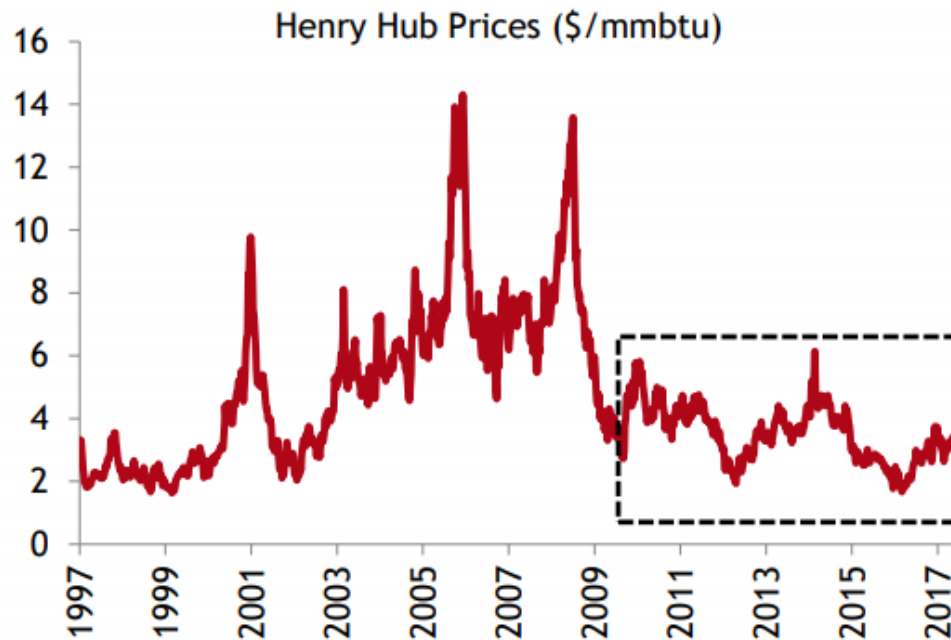
# Basin P/CFPS and Average Performance DNA



Source: EnerCom Analytics

## A Greatest Hits Slide from Enercom 2017! Nothing Much Has Changed for Nat-Gas Pricing

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Source: Bloomberg, Baker Hughes, CIBC



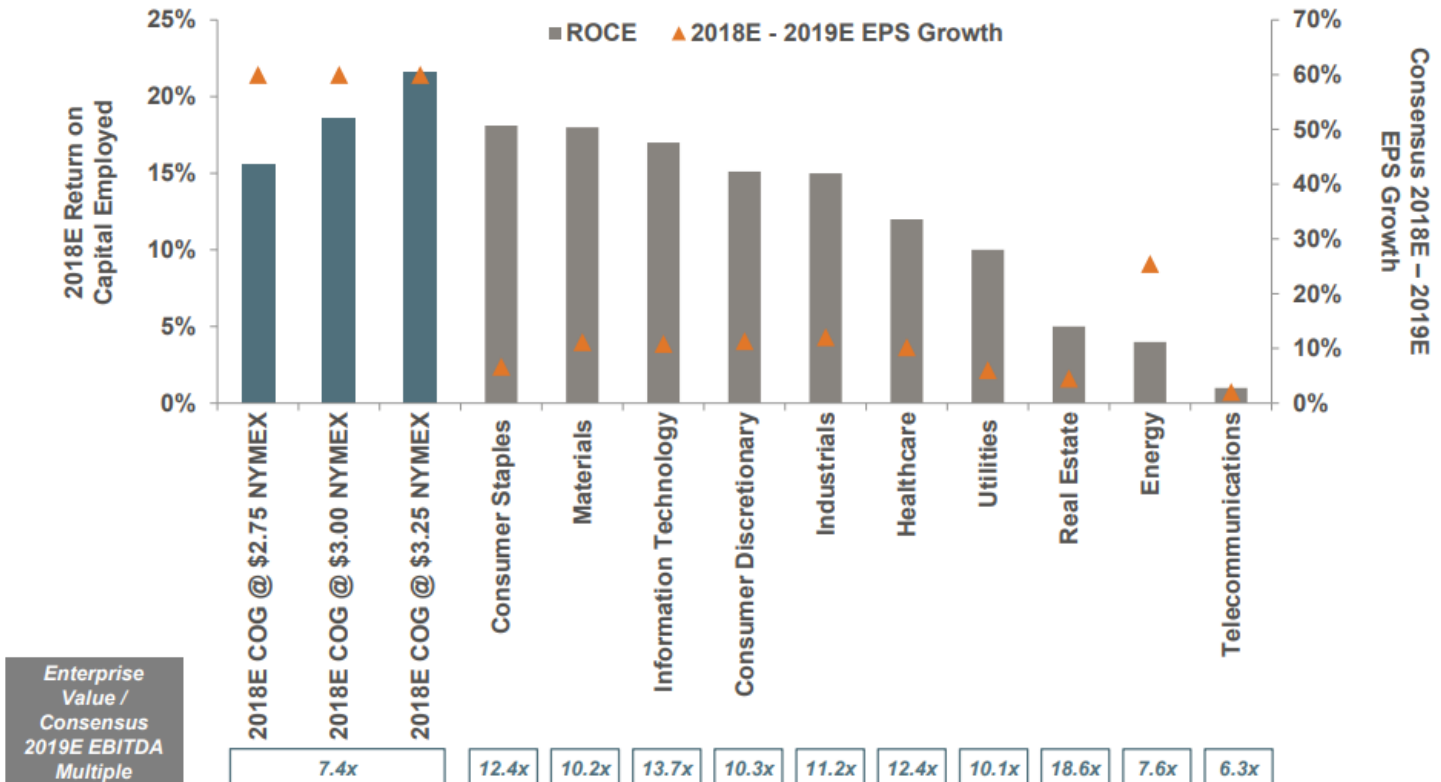


# Cabot Compared to Broader S&P 500 Index

Cabot's Anticipated Corporate Returns and Growth Are Competitive Across the Broader S&P 500 Index



COG's ROCE and EPS Growth Outlook vs. Median Estimates By Sector<sup>1</sup>



<sup>1</sup> COG ROCE and EPS calculations are based on internal estimates. COG's ROCE is calculated with capital employed net of cash to match the methodology used in the referenced broker research. NTM ROCE estimates by sector are sourced from Wolfe Research's report on February 12, 2018 titled "Putting Producer ROCE Targets Into Context".  
Note: FactSet median estimates as of 7/25/2018; excludes the Financials sector due to limited 2019 EBITDA estimates.

# Supplemental Market Slides



# FUNDING A CAPITAL INTENSIVE INDUSTRY

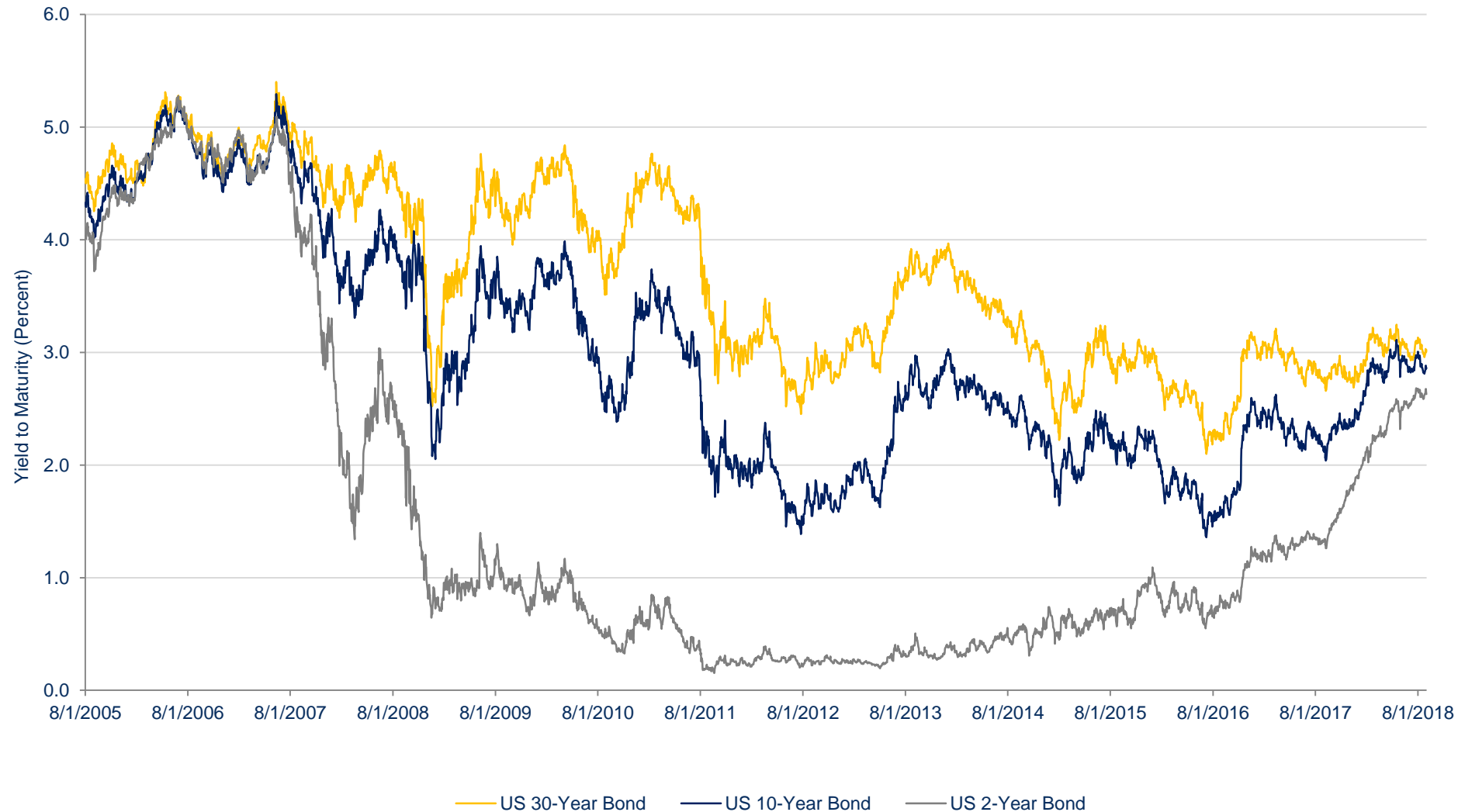


*In 2017, Companies Raised More Than \$105 Billion in Capital*

U.S. and Canadian Offerings	2013	2014	2015	2016	2017	2018 YTD
Initial Public Offerings	\$6,670MM	\$8,210MM	\$1,390MM	\$3,230MM	\$4,210MM	\$1,280MM
Follow-on Offerings	\$20,260MM	\$22,380MM	\$24,540MM	\$42,330MM	\$13,890MM	\$4,020MM
Debt Offerings	\$85,310MM	\$113,840MM	\$105,183MM	\$58,282MM	\$87,869MM	\$59,469MM
<b>Totals</b>	<b>\$112,240MM</b>	<b>\$144,430 MM</b>	<b>\$131,113MM</b>	<b>\$103,842MM</b>	<b>\$105,969MM</b>	<b>\$64,769MM</b>
U.S. & Canada M&A Announcements	\$123B/ 770 deals	\$264B/ 1,040 deals	\$102.9B/ 492 deals	\$135.5B/ 549 deals	\$122.9B/ 487 deals	\$116.5B/ 359 deals
Global M&A Announcements	\$215B/ 1,303 deals	\$373B/ 1,694 deals	\$305.1B/ 1,021 deals	\$286.4B/ 1,078 deals	\$194.5B/ 1,004 deals	\$156.1B/ 607 deals

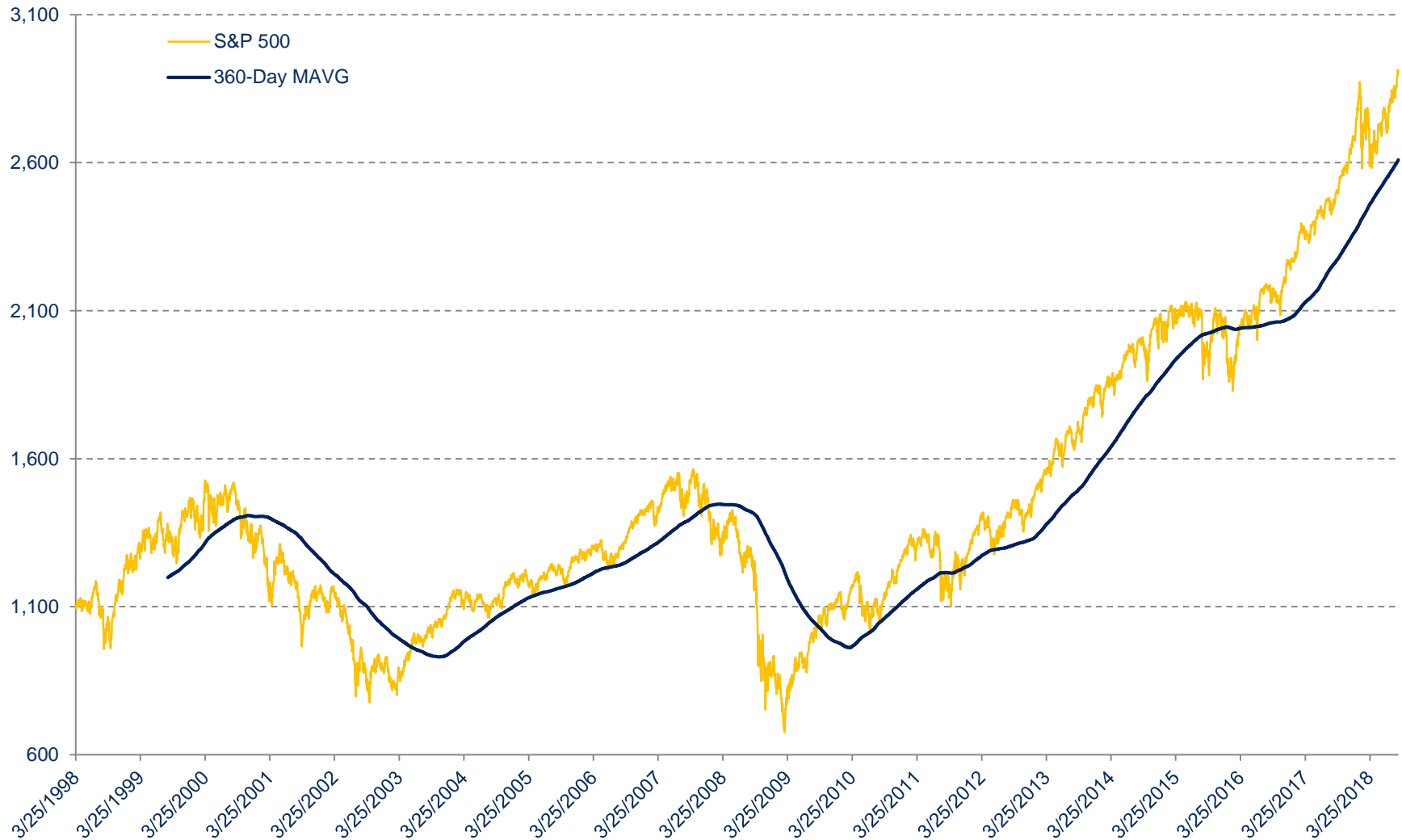
Source: Bloomberg, EnerCom Inc.

# U.S. Treasury Yields





# S&P 500 vs. 360-Day MAVG (Long-Term)

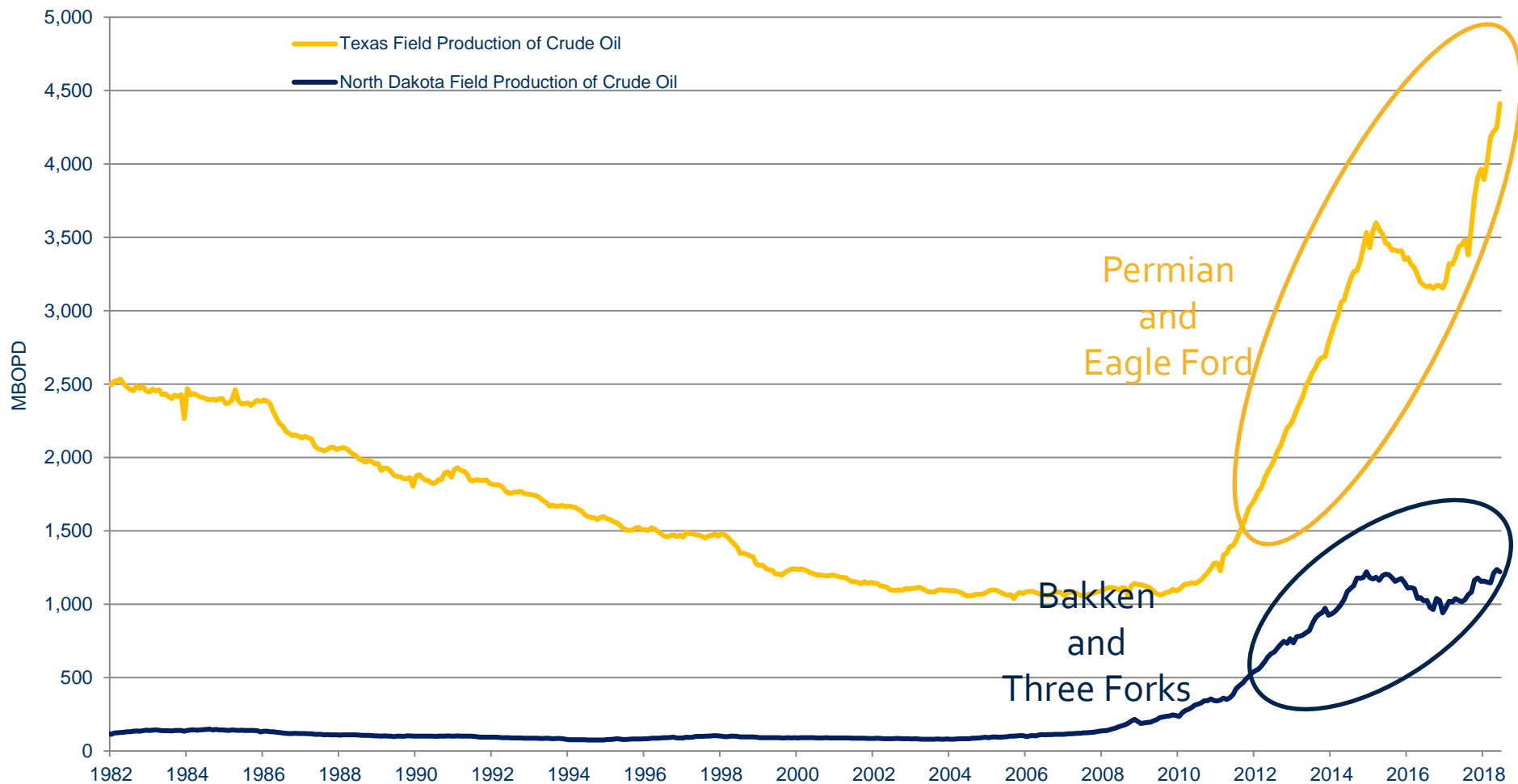


Source: Bloomberg.

# Key Basins Driving Oil Production Growth



## Texas and North Dakota Crude Oil Production

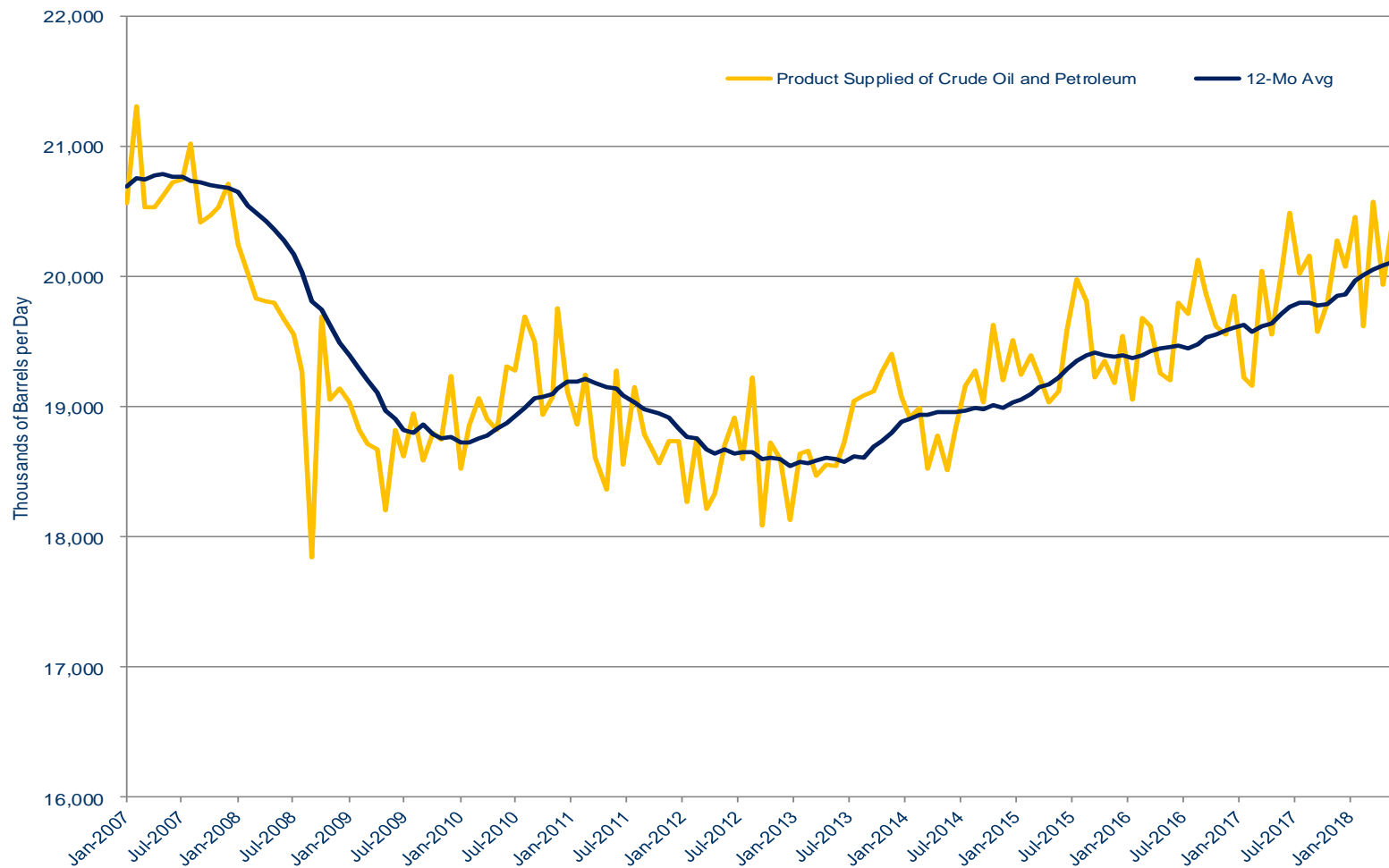


Source: EIA.

# U.S. Oil and Petroleum Product Supplied

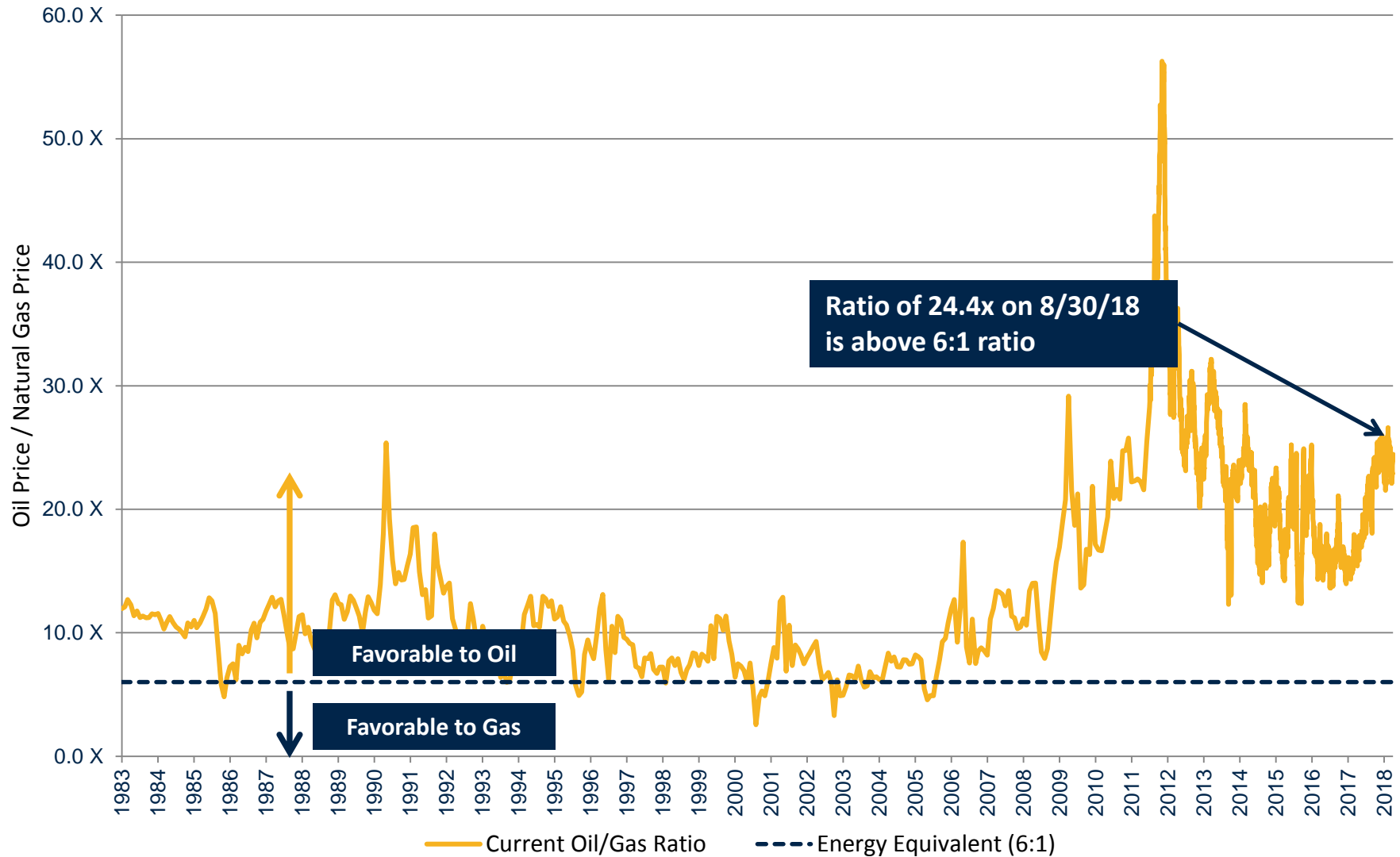


Jun-18 U.S. oil demand was down 1.7% from May-18 and up 1.0% from Jun-17



Source: EIA, EnerCom

# Energy Equivalent Pricing



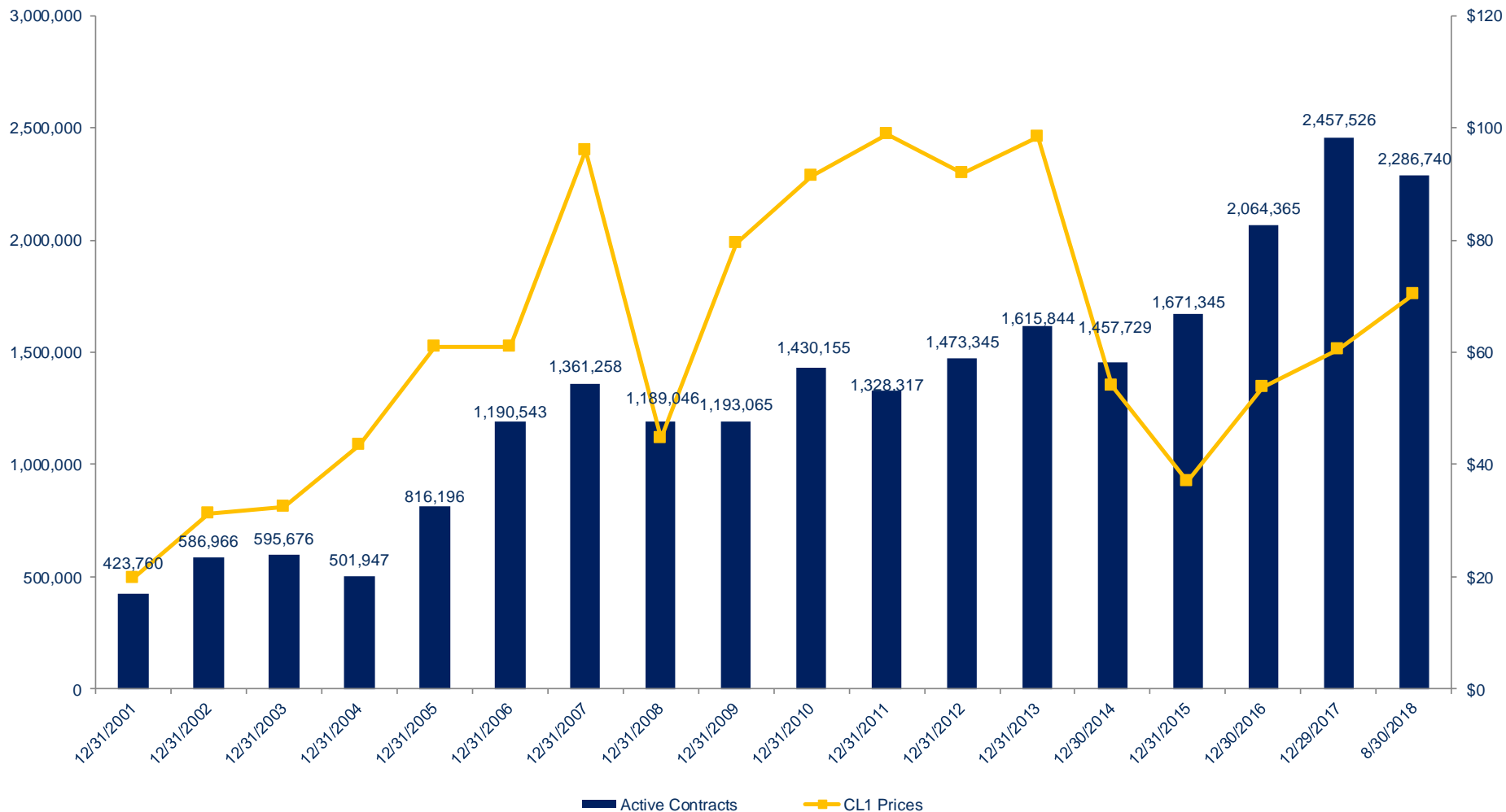
Source: Bloomberg, EIA, EnerCom.



# Active NYMEX Crude Oil Contracts

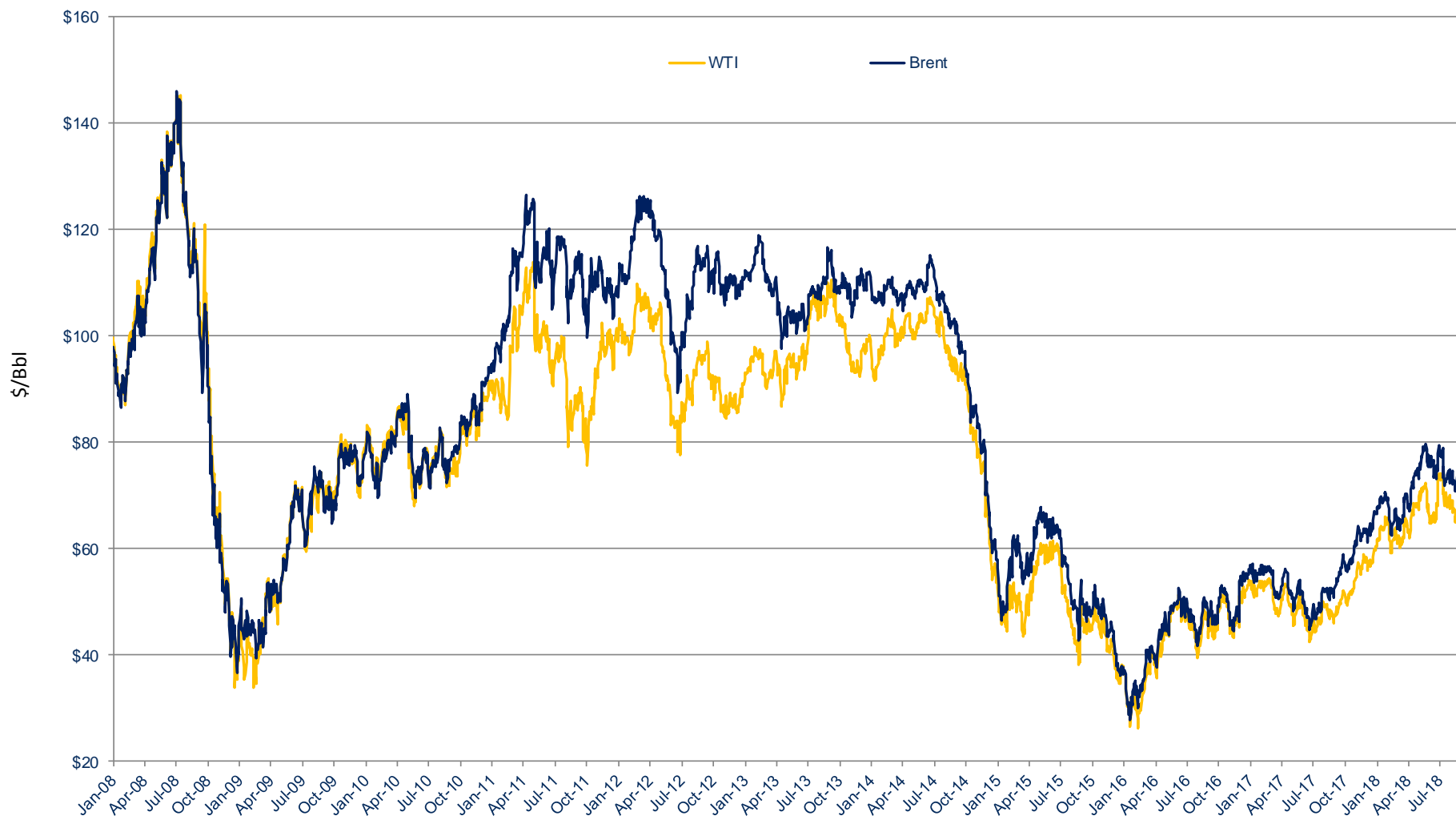


2001 - 2018 YTD



Sources: Bloomberg

# Oil Prices – WTI and Brent

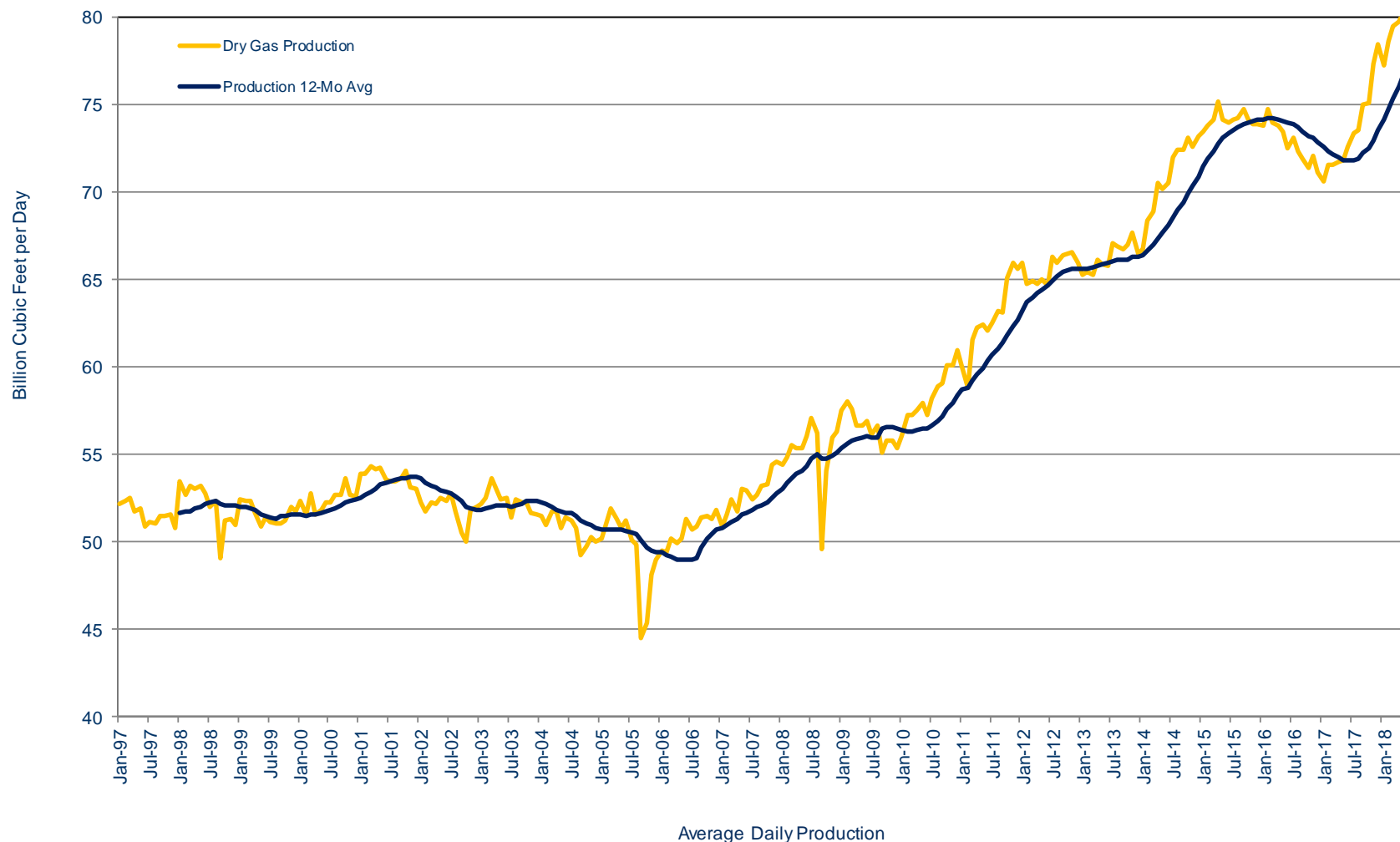


Source: Bloomberg.

# U.S. Natural Gas Production



Average production in the Lower 48 was up 0.84% in Jun-18 from May-18 and up 11.56% from Jun-17

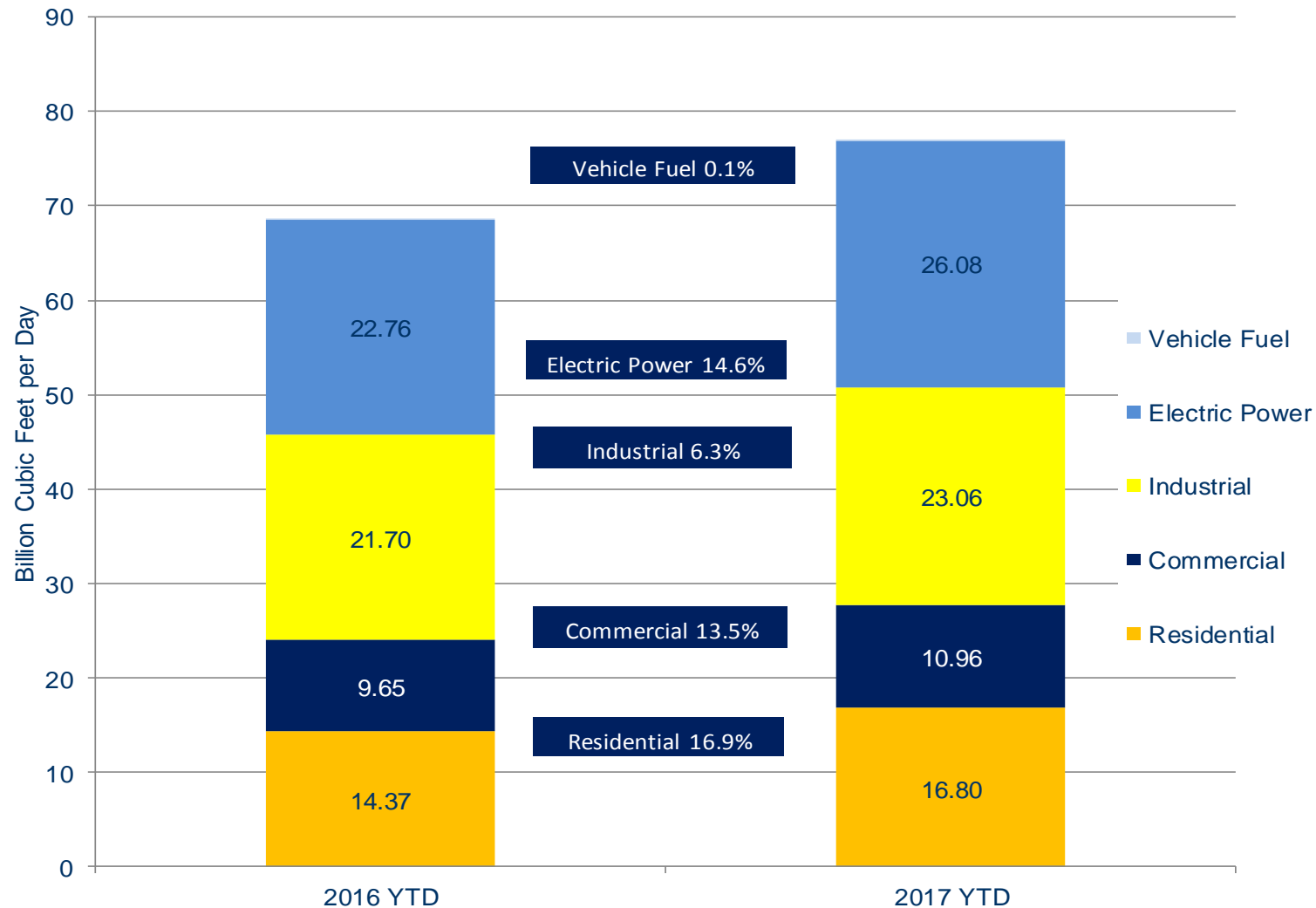


Source: EIA.

# U.S. Natural Gas Consumption



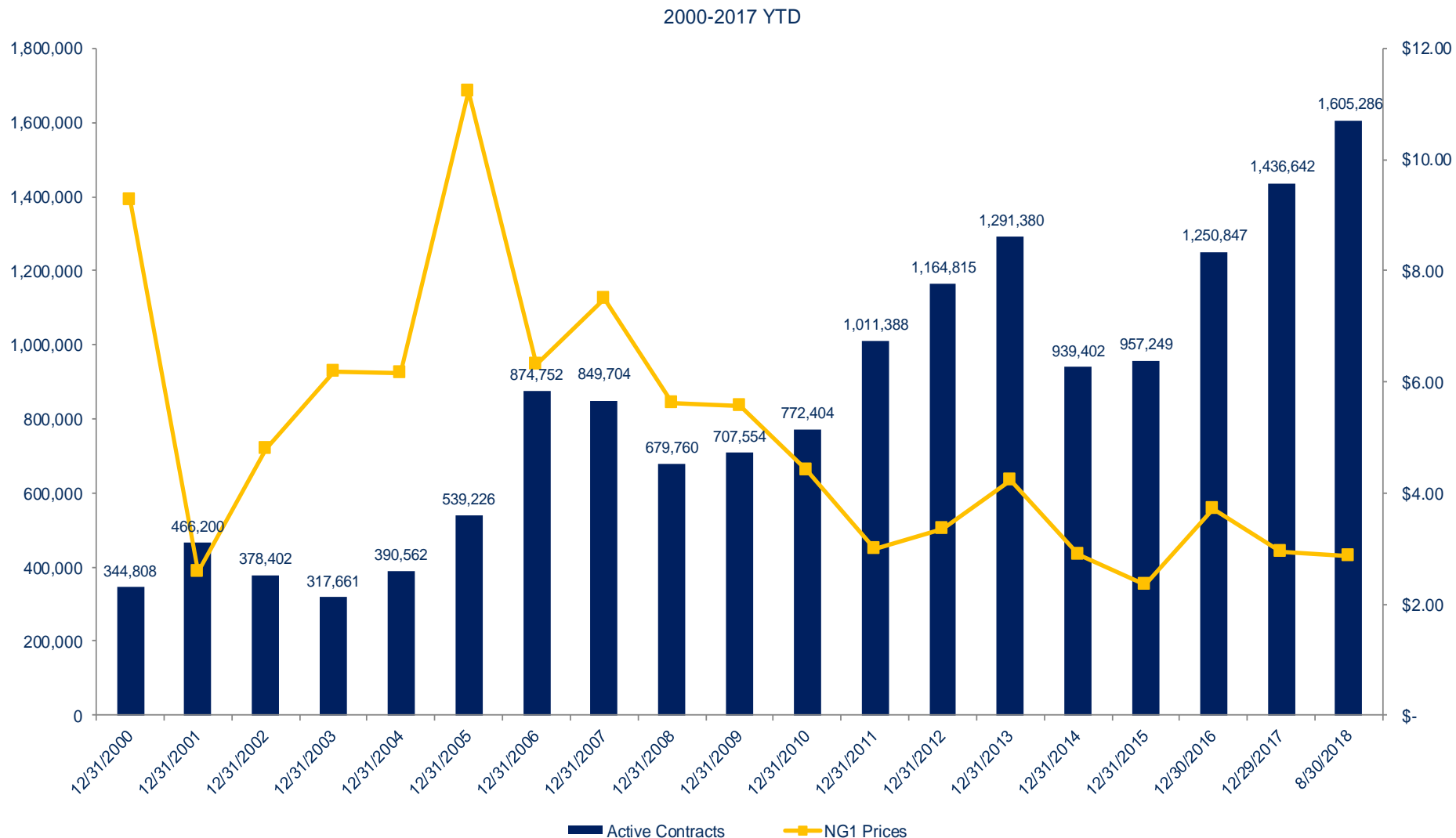
YTD 2018 Natural Gas Consumption 12.2% over 2017



Source: EIA and EnerCom.

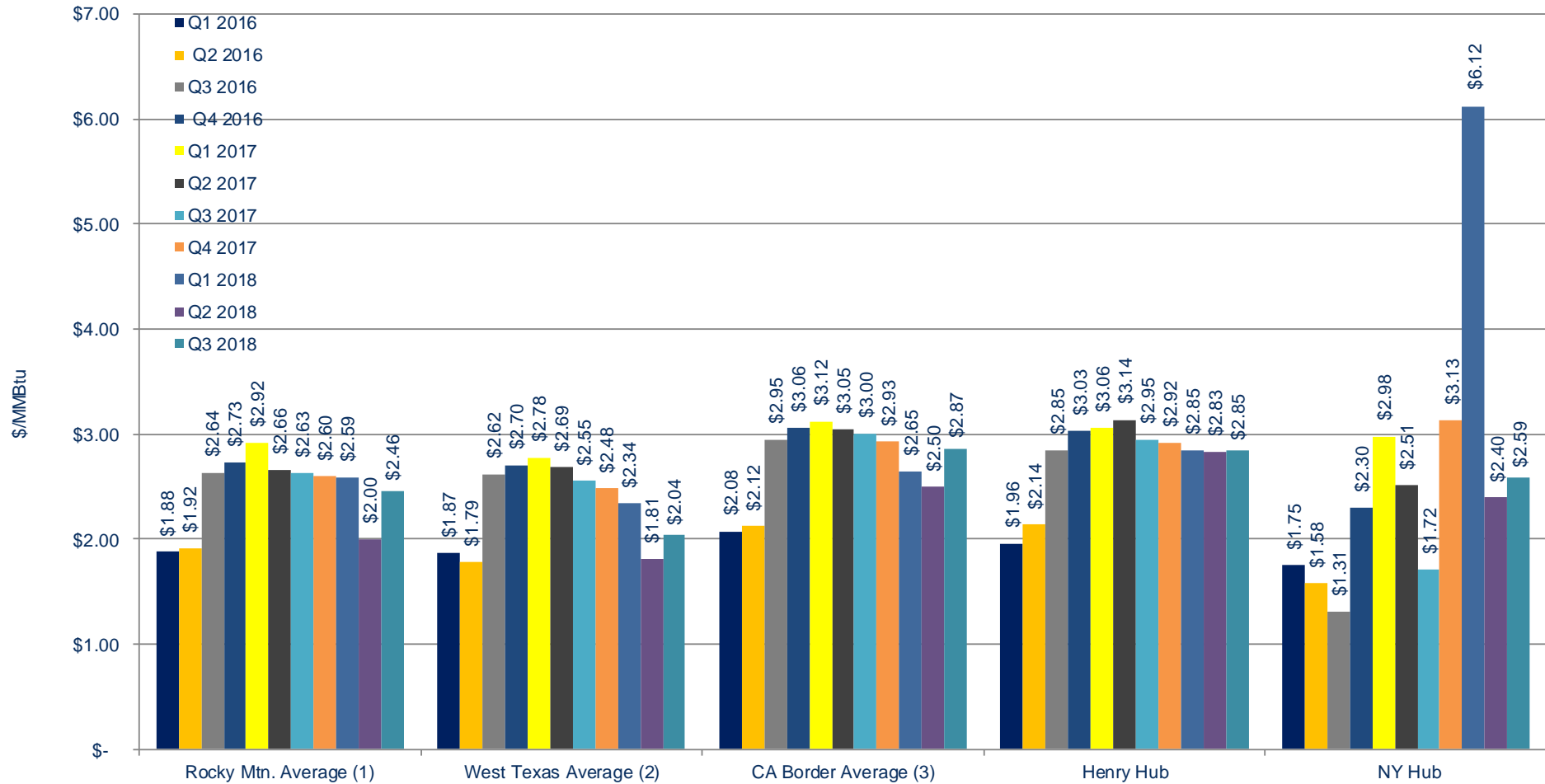


# Active Natural Gas Contracts



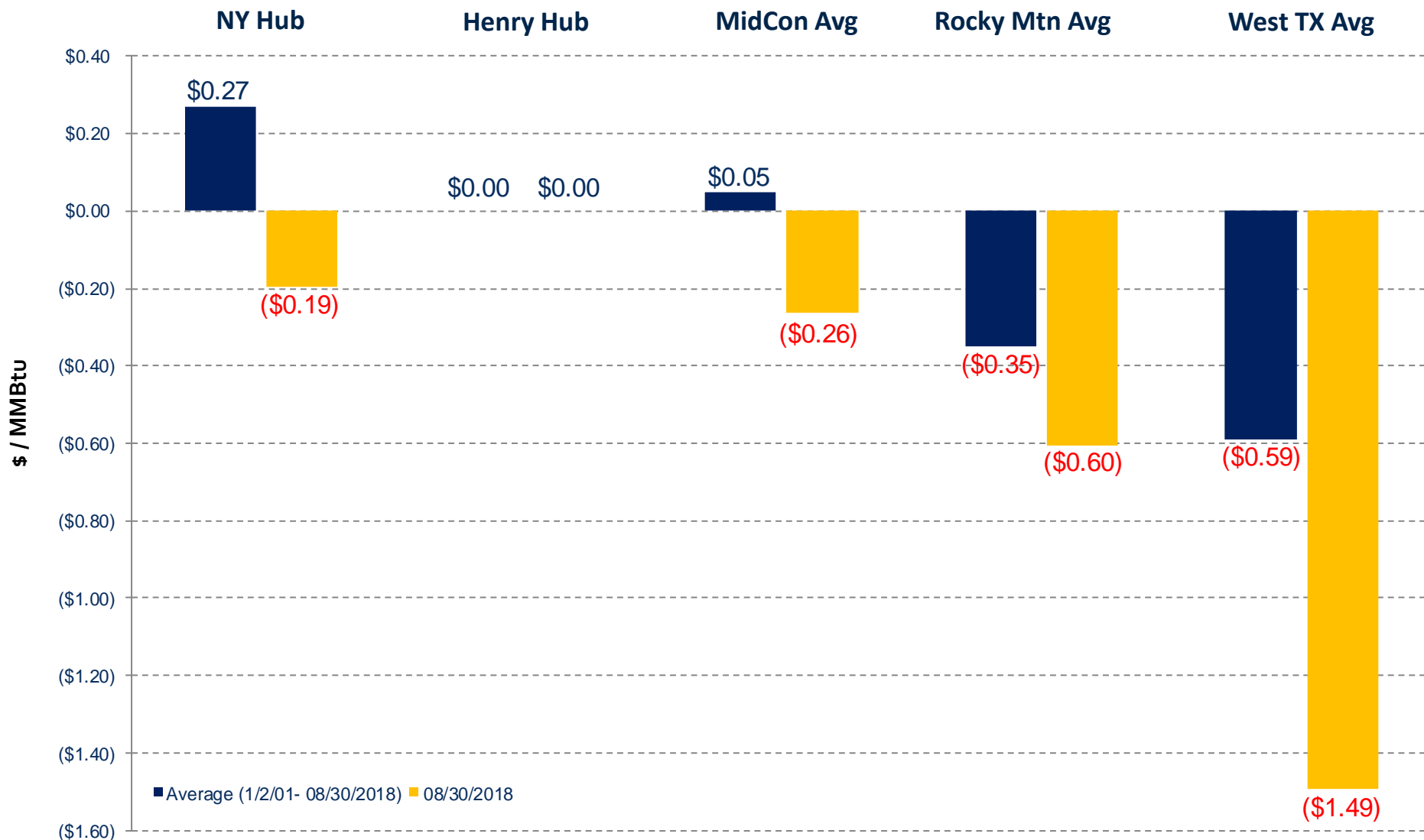
Sources: Bloomberg

# U.S. Regional Natural Gas Prices



Notes: (1) Average of 3 Rocky Mountain hubs (2) Average of 2 West Texas hubs (3) Average of 3 hubs delivering gas to California border

# Regional Gas Price Differentials



Source: Bloomberg, EnerCom.