



GUIDANCE **2Q 2018** **FY 2018**

Production

Mmcfe/d 2,190 ~11% over 2017

Expenses

Direct operating expense per mcfe	\$0.18 - \$0.19
Transport, gathering, processing and compression expense per mcfe	\$1.34 - \$1.38
Production tax expense per mcfe	\$0.05 - \$0.07
Exploration expense	\$7 - \$10 million
Unproved impairment expense	\$12 - \$15 million
G&A expense per mcfe	\$0.21 - \$0.23
Interest expense per mcfe	\$0.27- \$0.29
DD&A expense per mcfe	\$0.82 - \$0.85
Net brokered natural gas expense	~ \$2 million

Differential Calculations^(a) **2Q 2018** **FY 2018**

Natural Gas -	NYMEX minus \$0.17	NYMEX minus \$0.15
Natural Gas Liquids (NGLs) -		32% - 36% of WTI
Oil/Condensate -		WTI minus \$5.00-\$6.00

Differential Pricing History

	<u>1Q 2017</u>	<u>2Q 2017</u>	<u>3Q 2017</u>	<u>4Q 2017</u>	<u>1Q 2018</u>
Natural Gas (compared to HH)	+\$0.01	(\$0.39)	(\$0.51)	(\$0.35)	+\$0.13
Oil/Condensate (compared to WTI)	(\$4.84)	(\$4.84)	(\$4.80)	(\$4.63)	(\$4.08)
NGL (% of WTI) ^(b)					35%

- (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 04/12/2018
- (b) Prior to 2018, Marcellus processing expenses had been reported as a deduct to NGL price making prior year quarters incomparable