

Southwestern Energy Announces Derivative Position Added to Support Acquisition Financing

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[Southwestern Energy Company](#) (NYSE: SWN) (the "Company") today announced additional natural gas derivatives implemented by the Company and GEP Haynesville, LLC ("GEP") to support the repayment of the borrowings contemplated by the Company to help finance its pending acquisition of GEP. The incremental positions are sufficient to cover at least 80% of the expected 2022 to 2024 production from the acquired properties.

"Protecting financial strength is one of the core pillars of our strategy. With these incremental and acquisition-specific hedge positions executed at favorable prices, we have locked in sufficient cash flow to repay acquisition debt in a timely manner, which aligns with our stated goal to reduce our total debt to a target range of \$3.0 billion to \$3.5 billion," said Bill Way, Southwestern Energy President and Chief Executive Officer.

Please refer to the Company's quarterly report on Form 10-Q filed with the Securities and Exchange Commission for complete information on the Company's commodity, basis and interest rate protection.

		Weighted Average Price per MMBtu			
	Volume (Bcf)	Swaps	Sold Puts	Purchased Puts	Sold Calls
Combined SWN + GEP natural gas derivatives - October 1, 2021 through November 26, 2021 ⁽¹⁾					
2022					
Fixed price swaps	116	\$ 4.30	\$ -	\$ -	\$ -
Two-way costless collars	3	-	-	5.00	6.80
Total	119				
2023					
Fixed price swaps	183	\$ 3.47	\$ -	\$ -	\$ -
Two-way costless collars	92	-	-	3.25	4.02
Total	275				
2024					
Fixed price swaps	167	\$ 3.13	\$ -	\$ -	\$ -
Two-way costless collars	44	-	-	3.07	3.64
Total	211				

⁽¹⁾ Represents the combined derivatives entered into on a stand-alone basis by SWN and by GEP from October 1, 2021 to November 26, 2021. Upon acquisition close, GEP's derivative positions are expected to be novated to SWN.

Weighted Average Price per MMBtu

	Volume (Bcf)	Swaps	Sold Puts	Purchased Puts	Sold Calls
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SWN natural gas derivative position as of September 30, 2021

2022

Fixed price swaps	539	\$ 2.77	\$ -	\$ -	\$ -
Two-way costless collars	141	-	-	2.66	3.06
Three-way costless collars	333	-	2.06	2.51	2.94
Total	1,013				

2023

Fixed price swaps	274	\$ 2.76	\$ -	\$ -	\$ -
Two-way costless collars	83	-	-	2.69	2.92
Three-way costless collars	215	-	2.09	2.54	3.00
Total	572				

2024

Fixed price swaps	57	\$ 2.43	\$ -	\$ -	\$ -
Three-way costless collars	11	-	2.25	2.80	3.54
Total	68				

GEP natural gas derivative position as of September 30, 2021

2022

Fixed price swaps	75	\$ 2.94	\$ -	\$ -	\$ -
Three-way costless collars	14	-	2.15	2.65	2.86
Total	89				

About Southwestern Energy

[Southwestern Energy Company](#) (NYSE: SWN) is a leading U.S. producer of natural gas and natural gas liquids focused on responsibly developing large-scale energy assets in the nation's most prolific shale gas basins. SWN's returns-driven strategy strives to create sustainable value for its stakeholders by leveraging its scale, financial strength and operational execution. For additional information, please visit www.swn.com and www.swn.com/responsibility.

About GEP Haynesville

GEP Haynesville, LLC, a joint venture formed by the principals of GeoSouthern Haynesville, LP and a private equity firm, and based in the Woodlands, Texas, is a leading energy company focused on the development of natural gas properties in the stacked Haynesville and Middle Bossier shale plays in North Louisiana.

Forward-Looking Statements

Certain statements and information herein may constitute "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Exchange Act, as amended. The words "believe," "expect," "anticipate," "plan," "predict," "intend," "seek," "foresee," "should," "would," "could," "attempt," "appears," "forecast," "outlook," "estimate," "project," "potential," "may," "will," "likely," "guidance," "goal," "model," "target," "budget" and other similar expressions are intended to identify forward-looking statements, which are generally not historical in nature. Statements may be forward looking even in the absence of these particular words. Examples of forward-looking statements include, but are not limited to, statements regarding the proposed acquisition of GEP Haynesville, LLC (the "Proposed Transaction"), costs in connection with the Proposed Transaction, estimated financial metrics giving effect to the Proposed Transaction, including the estimate of additional year-end 2021 reserves and related pricing assumptions, expected natural gas production from properties in connection with the Proposed Transaction, repayment of our debt, total amount of our debt, our financial position, business strategy, production, reserve growth and other plans and objectives for our future operations, and generation of free cash flow. These forward-looking statements are based on our current expectations and beliefs concerning future developments and their potential effect on us. The forward-looking statements contained in this document are largely based on our expectations for the future, which reflect certain estimates and assumptions made by our management. These estimates and assumptions reflect our best judgment based on currently known market conditions, operating trends, and other factors. Although we believe such estimates and assumptions to be reasonable, they are inherently uncertain and involve a number of risks and uncertainties that are beyond our control. As such, management's assumptions about future events may prove to be inaccurate. For a more detailed description of the risks and uncertainties involved, see "Risk Factors" in our most recently filed Annual Report on Form 10-K, subsequent Quarterly Reports on Form 10-Q, Current Reports on Form 8-K, and other SEC filings. We do not intend to publicly update or revise any forward-looking statements as a result of new information, future events, changes in circumstances, or otherwise. These cautionary statements qualify all forward-looking statements attributable to us, or persons acting on our behalf. Management cautions you that the forward-looking statements contained herein are not guarantees of future performance, and we cannot assure you that such statements will be realized or that the events and circumstances they describe will occur. Factors that could cause actual results to differ materially from those anticipated or implied in the forward-looking statements herein include, but are not limited to: the timing and extent of changes in market conditions and prices for natural gas, oil and natural gas liquids ("NGLs"), including regional basis differentials and the impact of reduced demand for our production and products in which our production is a component due to governmental and societal actions taken in response to COVID-19 or other public health crises and any related company or governmental policies and actions to protect the health and safety of individuals or governmental policies or actions to maintain the functioning of national or global economies and markets; our ability to accurately estimate the future amount of natural gas produced at the properties in connection with the Proposed Transaction; our ability to fund our planned capital investments; a change in the amount of our debt; a change in our credit rating, an increase in interest rates and any adverse impacts from the discontinuation of the London Interbank Offered Rate; the extent to which lower commodity prices impact our ability to service or refinance our existing debt; the impact of volatility in the financial markets or other global economic factors; difficulties in appropriately allocating capital and resources among our strategic opportunities; the timing and extent of our success in discovering, developing, producing and estimating reserves; our ability to maintain leases that may expire if production is not established or profitably maintained; our ability to realize the expected benefits from recent acquisitions or the Proposed Transaction; costs in connection with the Proposed Transaction; the consummation of or failure to consummate the Proposed Transaction and the timing thereof; integration of operations and results subsequent to the Proposed Transaction; our ability to transport our production to the most favorable markets or at all; the impact of government regulation, including changes in law, the ability to obtain and maintain permits, any increase in severance or similar taxes, and legislation or regulation relating to hydraulic fracturing, climate and over-the-counter derivatives; the impact of the adverse outcome of any material litigation against us or judicial decisions that affect us or our industry generally; the effects of weather; increased competition; the financial impact of accounting regulations and critical accounting policies; the comparative cost of alternative fuels; credit risk relating to the risk of loss as a result of non-performance by our counterparties; and any other factors listed in the reports we have filed and may file with the SEC that are incorporated by reference herein. All written and oral forward-looking statements attributable to us are expressly qualified in their entirety by this cautionary statement.

Use of Non-GAAP Information

This news release contains non-GAAP financial measures, such as net cash flow, free cash flow, net debt and adjusted EBITDA, including certain key statistics and estimates. We report our financial results in accordance with accounting principles generally accepted in the United States of America ("GAAP"). However, management believes certain non-GAAP performance measures may provide users of this financial information additional meaningful comparisons between current results and the results of our peers and of prior periods. Please see the Appendix for definitions of the non-GAAP financial measures that are

based on reconcilable historical information.

Use of Projections

The financial, operational, industry and market projections, estimates and targets in this news release are forward-looking statements that are based on assumptions that are inherently subject to significant uncertainties and contingencies, many of which are beyond SWN's and GEP's control. The assumptions and estimates underlying the projected, expected or target results are inherently uncertain and are subject to a wide variety of significant business, economic, regulatory and competitive risks and uncertainties that could cause actual results to differ materially from those contained in the financial, operational, industry and market projections, estimates and targets, including assumptions, risks and uncertainties described in "Forward-looking Statements" above.

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