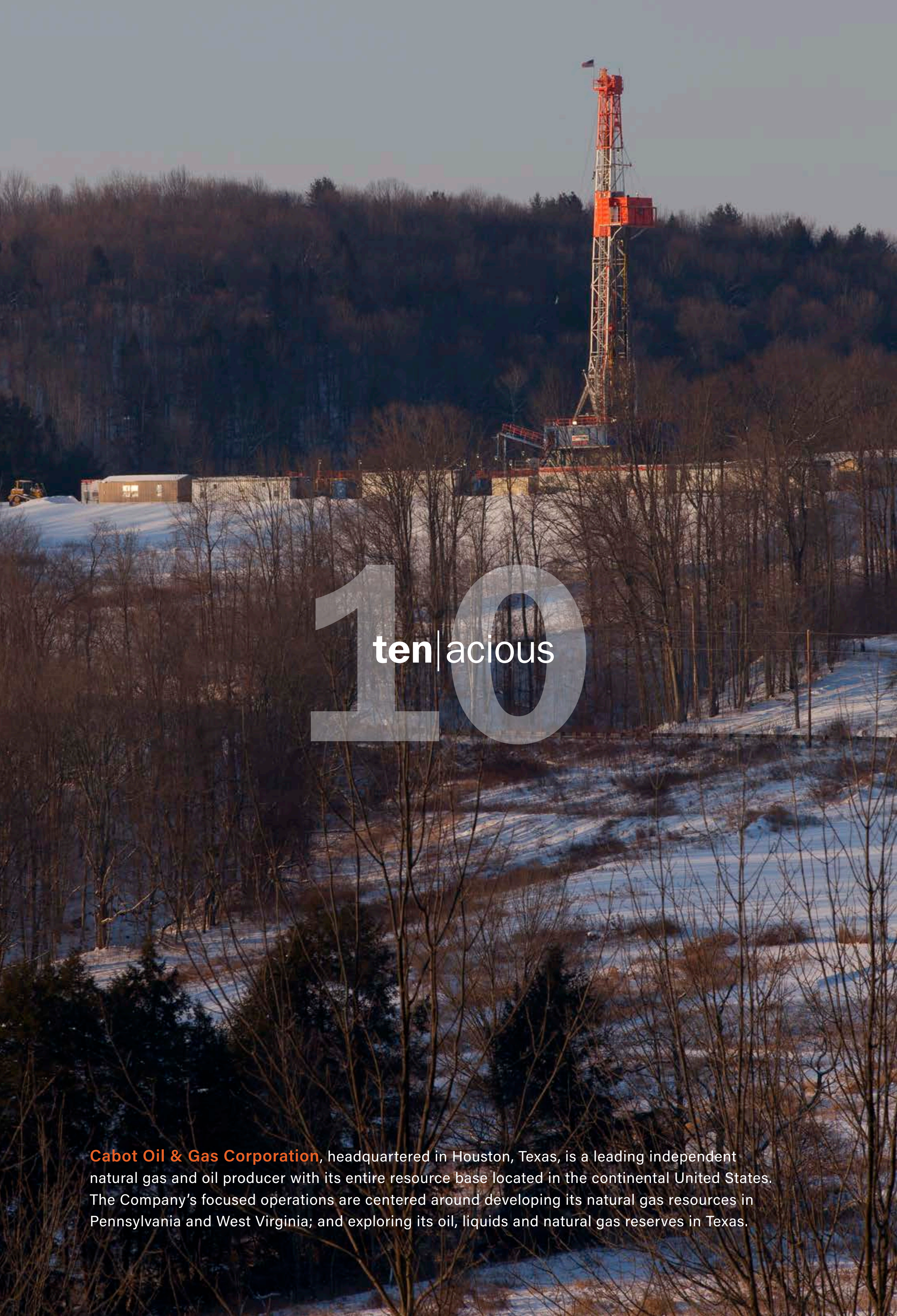
CABOT OIL & GAS CORPORATION

ten|acious

A **decade** of
progress and perseverance in the Marcellus Shale.

2016 Annual Report



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Cabot Oil & Gas Corporation, headquartered in Houston, Texas, is a leading independent natural gas and oil producer with its entire resource base located in the continental United States. The Company's focused operations are centered around developing its natural gas resources in Pennsylvania and West Virginia; and exploring its oil, liquids and natural gas reserves in Texas.

Lower commodity prices have presented challenges in recent years, but they are no match for the strategy, skill and tenaciousness of **Cabot Oil & Gas** as we continue to succeed and grow. Knowing all we have learned and pioneered during the last decade, the prospect of what we will accomplish and the value we will create for shareholders in years to come is exciting.

A **decade** of
progress and perseverance in the Marcellus Shale.

Fellow Shareholders:

One year ago, Cabot reaffirmed its commitment to our shareholders with a strategy to react and persevere through the downturn of natural gas and oil prices. The objective was to maintain the strength of our balance sheet by spending less capital and align ourselves with enough flexibility to both navigate through challenging market conditions and position ourselves well in the future.

Charles Dickens' famous quote from *A Tale of Two Cities*, "It was the best of times, it was the worst of times ..." accurately describes how 2016 unfolded for Cabot Oil & Gas Corporation. The year was marked with highs and lows which tested the fortitude of not only our team, but also our shareholders' patience. For this commitment to the Company, I thank you and reiterate my belief that the worst is behind us and the best is yet to come.

Key highlights for the year, demonstrating the positive, or "best of times," included:

- Grew annual production by four percent year-over-year to a record 627.1 Bcfe
- Increased total proved reserves by five percent to a record 8.6 Tcfe, including a 16 percent increase in total proved developed reserves
- Reduced total company all-sources finding and development costs to a record-low of $0.37 per Mcfe
- Improved total unit costs (including financing) by eight percent year-over-year to a near 20-year low of $2.17 per Mcfe
- Reduced outstanding debt by 25 percent year-over-year
- Ended the year with an undrawn $1.8 billion credit facility and cash on hand of approximately $500 million
- Demonstrated disciplined capital spending in line with commodity price expectations, resulting in a free cash flow positive investment program
- Divested non-core assets and used proceeds to cover dividend payments and equity pipeline investments
- Witnessed a mindset change toward energy, infrastructure and business in Washington, D.C.

The challenges, or "worst of times," the Company experienced during the year included:

- The lowest full-year natural gas price realizations in Cabot's 27-year history as a public company, along with the lowest consecutive 24-month period for realizations when combining 2015 and 2016
- Oil price realizations in 2016 were the lowest the Company experienced in more than a decade
- Even with increased production levels, these historically low realized prices led to a "normalized" net loss of $97 million for 2016, the first of its kind since 1995
- Lack of sufficient infrastructure has been an overhang for Cabot for an extended period of time and the denial of a critical permit for the Constitution Pipeline by the State of New York in April created additional challenges in an already difficult market. Our legal challenge to this decision is before the court and we await the court's findings, hopefully during the second quarter of 2017
- The Federal Energy Regulatory Commission (FERC) delayed a second infrastructure project when the final Environmental Impact Statement for the Atlantic Sunrise project was pushed back due to additional evaluations, creating uncertainty around the approval process before ultimately issuing its final approval on February 3, 2017

Each of these challenges was punitive to our equity value throughout the year. In spite of this activity, our team continued to focus on the items we could control versus those issues outside of our control.

In our world-class Marcellus Shale position, we implemented a new generation of well completion design, which included changes to stage spacing and proppant volumes, resulting in a 16 percent increase in our estimated ultimate recovery (EUR) per 1,000 lateral feet to 4.4 Bcf. The entire 2017 program will utilize this completion design with expectations of similar positive results. Just 10 years ago, Cabot began operations in the Marcellus Shale drilling its first well in what is now one of the largest shale gas fields in the world. Over the past decade the Company has drilled over 500 wells and completed over 11,000 frac stages, resulting in cumulative production of approximately 2.9 Tcf of natural gas.

In our Eagle Ford Shale position in South Texas, we also implemented a new completion design with a goal of improving well productivity and economics in this oil-focused play. The initial success of this new well design, coupled with reduced costs from longer laterals and more efficient drilling, has resulted in significant improvements in our Eagle Ford rates of return despite the lower oil price environment. We have made significant progress in our efforts to improve overall economics, providing us with the conviction to re-engage a one rig, full-year program in 2017.

Despite continued challenges on the infrastructure front, our marketing team added in-basin power generation projects totaling 405 Mmcf per day of demand to our delivery portfolio commencing in 2018. An additional 150 Mmcf per day of contracted sales were recently secured on the FERC-approved Atlantic Sunrise project, which is expected to begin construction this summer and be placed in service in mid-2018. With the addition of

From left to right: Steven W. Lindeman, Senior Vice President, South Region and Engineering; Jeffrey W. Hutton, Senior Vice President, Marketing; Todd L. Liebl, Senior Vice President, Land and Business Development and Phillip L. Stalnaker, Senior Vice President, North Region

From left to right: Matthew P. Kerin, Vice President and Treasurer; Deidre L. Shearer, Vice President and Corporate Secretary; G. Kevin Cunningham, Vice President and General Counsel and Todd M. Roemer, Vice President and Controller

these new sales contracts, we have a clear path to 3.7 Bcf per day of deliverability. Our potential production capacity increases to over 4.0 Bcf per day as Constitution clears the legal and regulatory hurdles, effectively doubling current production levels.

During 2016 we sold most of our East Texas operations, which reduced our cost structure and reaffirmed our decade-long effort to reshape our portfolio of producing assets.

Looking back and seeing our progress, I remain optimistic about our future prospects, especially in light of the many positive initiatives we have in front of us.

Outlook We enter 2017 with a renewed sense of optimism on several fronts and for several reasons. First and foremost, Cabot's objective is to deliver profitable results and to conduct our operations in a safe and prudent manner for the protection of our employees and contractors with an unwavering commitment to comply with or exceed all regulations to enhance the environment and communities where we operate.

Additionally, we see a renewed pro-business sentiment coming from Washington. A focus on reasonable regulation and overdue infrastructure investments will create many new jobs and growth in the energy sector. Recent project approvals confirm our optimism and anticipation that our projects will continue to progress as scheduled. We anticipate our natural gas price realizations will improve considerably as the addition of new infrastructure allows us to access new markets and helps relieve the current supply and demand imbalance in Appalachia.

The continued progress on all of these fronts sets Cabot up for a profitable 2017 with expectations of further growth in reserves and production, along with additional cost reductions and efficiency gains. As we look even further ahead, we anticipate 2018 will be an inflection year for Cabot with the addition of new infrastructure and improved price realizations.

In our two core operating areas, we expect to build momentum throughout the year.

In the Marcellus Shale, our plans call for over a 60 percent year-over-year increase in investment in order to start building growth for the much anticipated Atlantic Sunrise project in mid-2018. Additionally, we have both the Moxie Freedom and the Lackawanna Energy Center power plants coming online during 2018, providing incremental outlets for production growth. Cabot has two rigs and one completion crew under contract during 2017 to start building the inventory of wells required to fill this new capacity upon in-service.

In the Eagle Ford Shale, our plans call for over a 100 percent increase in investment relative to 2016, resulting in an anticipated 50 percent increase in exit-to-exit oil volumes. We plan to operate one rig all year, with a focus on drilling longer laterals to maximize efficiencies. Additionally, a completion crew will be utilized all year.

Looking back, and seeing our progress, I remain optimistic about our future prospects as I write this letter, especially in light of the many positive initiatives we have in front of us.

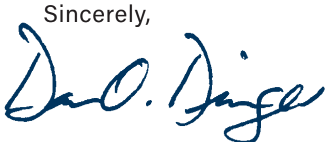
Beginning in 2008, we commenced production in the Marcellus Shale and have increased our volumes to over 2 Bcf per day in a relatively short period of time. With the most prolific, capital efficient wells in the Marcellus Shale, the world-class nature of our asset has become evident. Delays in the infrastructure build-out throughout Appalachia have created a recent tempering of Cabot's growth trajectory; however, with a line of sight towards the commissioning of new pipelines and a plan in place to start our renewed

From left to right: Dan O. Dinges, Chairman, President and CEO; Scott C. Schroeder, Executive Vice President and Chief Financial Officer growth profile to fill the anticipated demand, we are strategically evaluating our next opportunities.

In light of our potential for significant free cash flow generation, we will remain focused on investing in our operations in 2017 and beyond. Additionally, we see our free cash flow potentially being utilized for new organic growth efforts and to support increased levels of cash returned to our shareholders.

I would like to thank our employees, shareholders, my management team and our Board of Directors, for their constant support and encouragement through what has been a challenged last couple of years. As I indicated, and truly believe, there are brighter days ahead on several fronts in the near term. The theme of this annual report is **Tenacious** (highlighting the 10-year history of the company maker – the Marcellus). Throughout this period, all of us have had to be tenacious in our efforts to move Cabot forward – and that tenacity remains a key part of the fiber woven into our culture.

Sincerely,

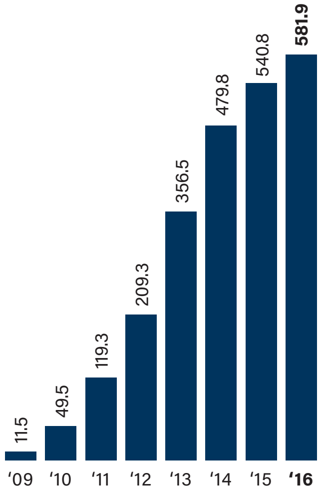


Dan O. Dinges
Chairman, President and Chief Executive Officer

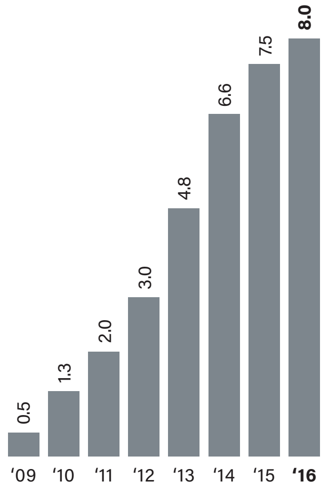
MARCE

Cabot is the 2nd largest natural gas producer in Pennsylvania.

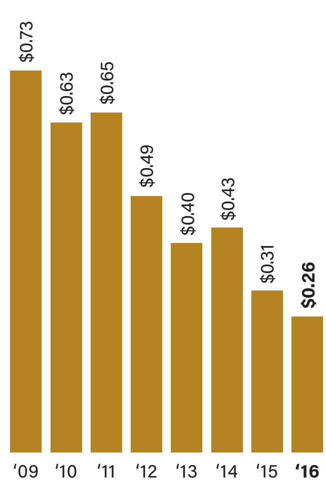
Marcellus Net Production (*Bcf*)



Marcellus Proved Reserves (*Tcf*)



Marcellus All-Sources Finding and Development Costs (*$ per Mcf*)



LLUS Shale

A **partner** in Pennsylvania.

For more than a decade, Cabot Oil & Gas has been a strong economic and community partner in Pennsylvania. Our goal has always been to make the region stronger, and we are proud of the many accomplishments we – and our dedicated employees – have achieved.

Operations

- **$4.6B** total capital dollars spent since 2006
- **$963M** paid in royalties to 5,948 land owners since 2008
- **$48M** spent on road maintenance since 2009
- **300+** Cabot employees with 90% local workforce
- **$60.6M** paid by Cabot in Impact Fee dollars to the Commonwealth

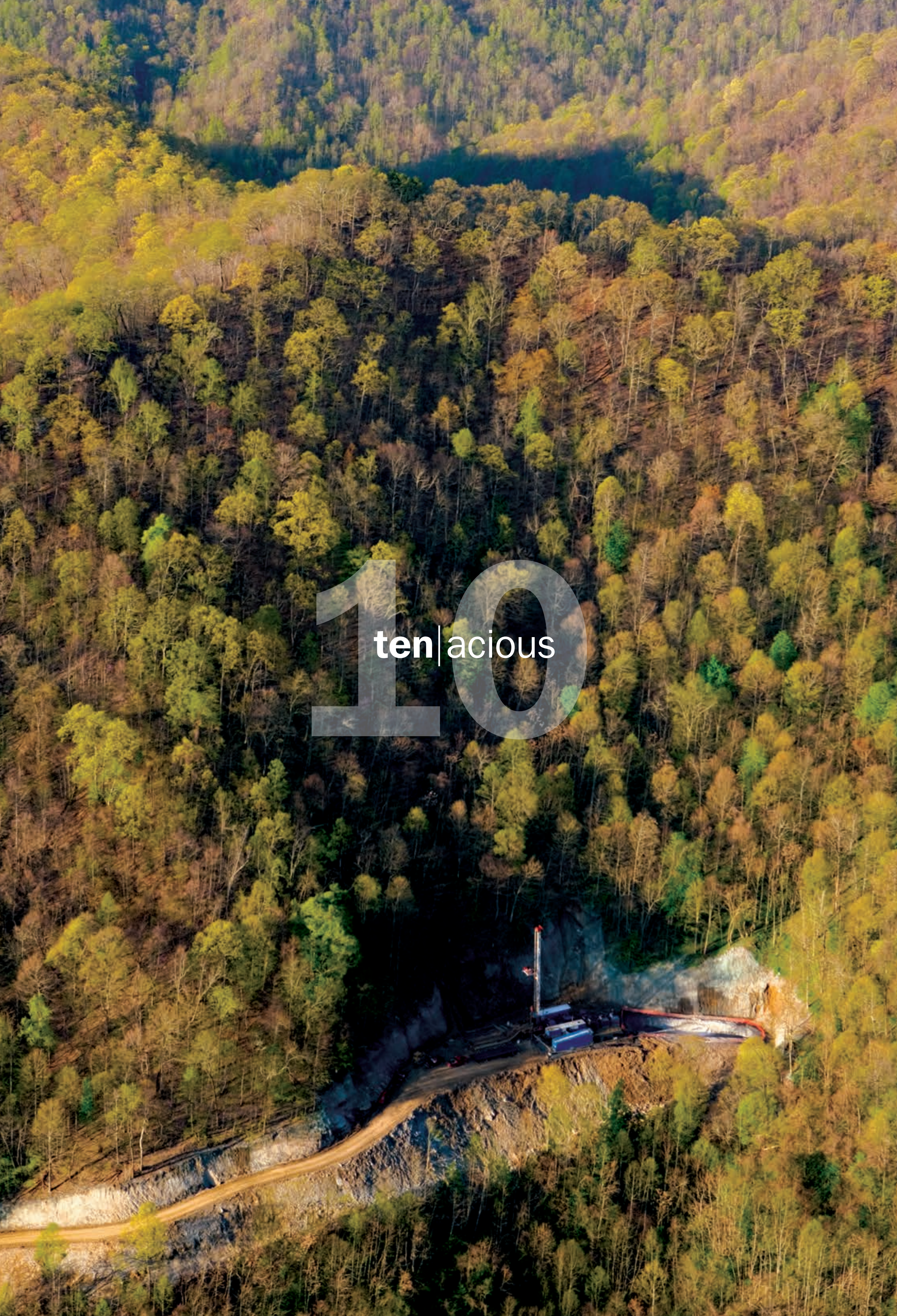
Community

- **$4.4M** raised for construction of Endless Mountains Health Systems hospital
- **$6M** donated to community organizations since 2011
- **$754K** awarded to educational programs through EITC tax credits since 2012
- **$2.5M** endowment at Lackawanna College School of Petroleum & Natural Gas

Expectations for increased infrastructure capacity in 2018.

TGP Orion Project	**Status:**	Received FERC certificate on February 2, 2017
	Target in-service:	June 2018
	Total project size:	135 Mmcf/d
	Cabot exposure:	Sole supplier
Moxie Freedom Power Plant	**Status:**	Currently under construction and on schedule
	Target in-service:	June 2018
	Total project size:	165 Mmcf/d
	Cabot exposure:	Sole supplier
Lackawanna Energy Center	**Status:**	Currently under construction and on schedule
	Target in-service:	Phases-in from June to December 2018
	Total project size:	240 Mmcf/d
	Cabot exposure:	Sole supplier

Atlantic Sunrise Project	**Status:**	Received FERC certificate on February 3, 2017
	Target in-service:	Mid-2018
	Total project size:	1.7 Bcf/d
	Cabot exposure:	1.0 Bcf/d for first three years: 850 Mmcf/d thereafter
PennEast Pipeline	**Status:**	Final Environmental Impact Statement expected on April 7, 2017
	Target in-service:	2H 2018
	Total project size:	1.0 Bcf/d
	Cabot exposure:	150 Mmcf/d
Constitution Pipeline	**Status:**	Pending appeal of New York DEC permit denial
	Target in-service:	As early as 2H 2018
	Total project size:	650 Mmcf/d
	Cabot exposure:	500 Mmcf/d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A **decade** of Marcellus milestones.

2006

- Acquired first lease
- Drilled first vertical well

2008

- Drilled first horizontal well
- First production

2009

- First multi-horizontal well pad placed on production

2010

- Surpassed 100 Mmcf/d of gross production
- Sold gathering system to focus capital spending on accelerating production growth

2011

- Cabot named #1 performing S&P 500 stock, driven by success in the Marcellus

2012

- Surpassed 1 Bcf/day of gross production
- Annual production growth of 75 percent

2013

- Produced 14 of the top 20 wells in Pennsylvania
- Annual production growth of 70 percent

2014

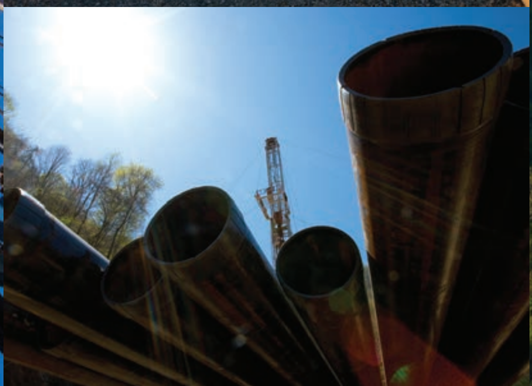
- Exceeded 1 Tcf of cumulative gross production
- Surpassed 2 Bcf/d of gross production

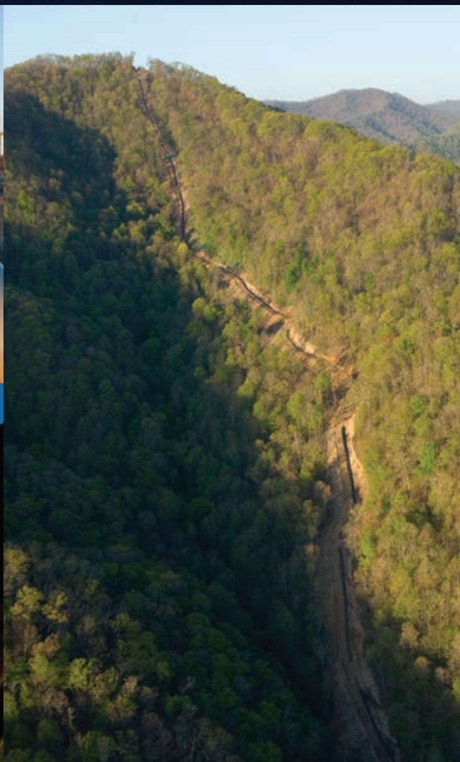
2015

- 500th horizontal well drilled
- Exceeded 2 Tcf of cumulative gross production

2016

- 11,000th frac stage completed
- First well to exceed 18 Bcf of cumulative gross production





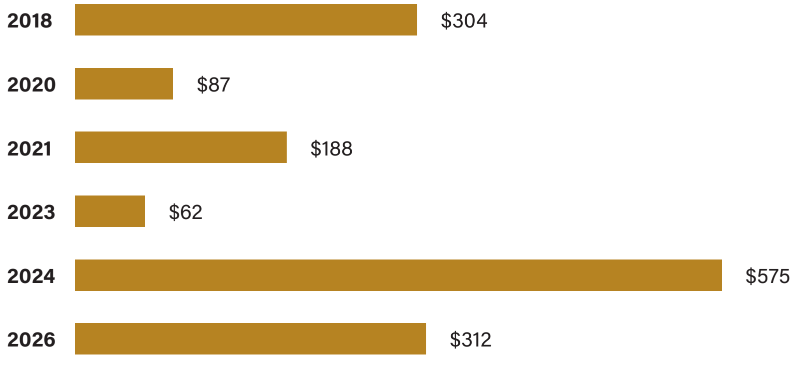
Financial Highlights

Income Statement (*In millions, except for per share amounts*)	2014	2015	**2016**
Operating Revenue	$ 2,173.0	$ 1,357.2	**$ 1,155.7**
Operating Expenses	2,087.0	1,457.8	**1,717.9**
Operating Income	106.2	(90.4)	**(566.6)**
Net Income	104.5	(113.9)	**(417.1)**
Per Share	0.25	(0.28)	**(0.91)**
Common Dividend Per Share	$ 0.08	$ 0.08	**$ 0.08**
Average Common Shares Outstanding (*In thousands*)	415,840	413,696	**456,847**

Cash Flow (*In millions*)			
Discretionary Cash Flow	$ 1,272.0	$ 699.1	**$ 460.7**
Cash Flows from Operations	1,236.4	740.7	**392.4**
Cash Flows from Investing	(1,664.8)	(993.3)	**(353.2)**
Cash Flows from Financing	$ 426.0	$ 232.2	**$ 458.9**

Balance Sheet (*In millions*)			
Current Assets	$ 413.4	$ 144.8	**$ 715.9**
Current Liabilities	499.0	235.6	**257.8**
Short-Term Debt	-	20.0	**-**
Long-Term Debt	1,752.0	2,005.0	**1,520.5**
Equity	$ 2,142.7	$ 2,009.2	**$ 2,567.7**

Debt Maturity Schedule (*In millions*)



Operational Highlights

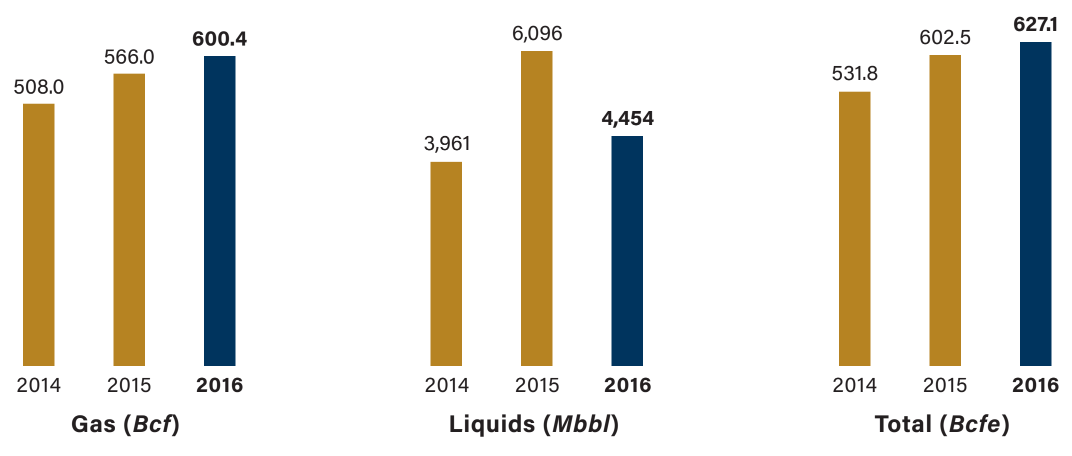
Wells Drilled and Completed	2014	2015	**2016**
Total Gross	174	107	**76**
Total Net	151	99	**76**
% Gross Success Rate	100%	100%	**100%**

Proved Reserves	2014	2015	**2016**
Natural Gas (*Bcf*)	7,081.7	7,855.8	**8,281.3**
Oil, Condensate & Natural Gas Liquids (*Mmbbl*)	53.1	55.7	**49.2**
Total Proved (*Bcfe*)	7,400.5	8,190.2	**8,576.3**
Total Developed (*Bcfe*)	4,502.2	4,829.0	**5,623.0**
% Gas	96%	96%	**97%**
% Developed	61%	59%	**66%**

Reserve Additions (*Bcfe*)	2014	2015	**2016**
Additions	1,910.6	965.4	**683.9**
Additions, Revisions & Purchases	2,480.5	1,392.2	**1,054.0**
Reserve Replacement	452%	231%	**168%**

Finding & Development Costs (*$/Mcfe*)	2014	2015	**2016**
Additions	$ 0.81	$ 0.81	**$ 0.57**
Additions & Revisions	0.65	0.56	**0.37**
All Sources	$ 0.71	$ 0.57	**$ 0.37**

Production



Board of Directors

DIRECTORS

Dan O. Dinges
Chairman, President and Chief Executive Officer

Dorothy M. Ables
Former Chief Administrative Officer,
Spectra Energy Corp

Rhys J. Best
Chairman (non executive),
MRC Global

Robert S. Boswell
Chairman and Chief Executive Officer,
Laramie Energy, LLC

Robert Kelley (Lead Director)
Former Chairman,
President and Chief Executive Officer,
Noble Affiliates, Inc.
(Subsequently renamed Noble Energy Inc.)

W. Matt Ralls
Former Executive Chairman,
Chief Executive Officer and President,
Rowan Companies, plc

COMMITTEES

AUDIT COMMITTEE

Robert Kelley – Chairman
Dorothy M. Ables
Rhys J. Best
Robert S. Boswell

COMPENSATION COMMITTEE

Rhys J. Best – Chairman
Dorothy M. Ables
W. Matt Ralls

EXECUTIVE COMMITTEE

Robert Kelly – Chairman
Dan O. Dinges
W. Matt Ralls

CORPORATE GOVERNANCE AND
NOMINATIONS COMMITTEE

W. Matt Ralls – Chairman
Rhys J. Best
Robert Kelley

SAFETY AND ENVIRONMENTAL
AFFAIRS COMMITTEE

W. Matt Ralls – Chairman
Robert S. Boswell
Robert Kelley

Officers

Dan O. Dinges
Chairman, President and Chief Executive Officer

Scott C. Schroeder
Executive Vice President and
Chief Financial Officer

Jeffrey W. Hutton
Senior Vice President, Marketing

Todd L. Liebl
Senior Vice President,
Land and Business Development

Steven W. Lindeman
Senior Vice President,
South Region and Engineering

Phillip L. Stalnaker
Senior Vice President,
North Region

G. Kevin Cunningham
Vice President and General Counsel

Matthew P. Kerin
Vice President and Treasurer

Todd M. Roemer
Vice President and Controller

Deidre L. Shearer
Vice President and Corporate Secretary

Corporate Information

ANNUAL MEETING

The annual meeting of the shareholders will be held Wednesday, May 3, 2017 at 8:00 a.m. (Central Time) at the corporate office in Houston, Texas.

CORPORATE OFFICE

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INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

PricewaterhouseCoopers LLP
1000 Louisiana Street, Suite 5800
Houston, Texas 77002

RESERVE ENGINEERS

Miller & Lents, Ltd.
Oil & Gas Consultants
909 Fannin Street, Suite 1300
Houston, Texas 77010

INVESTOR RELATIONS

Additional copies of the Form 10-K are available without charge. Shareholders, securities analysts, portfolio managers and others who have questions or need additional information concerning the Company may contact:

Matthew P. Kerin
Vice President and Treasurer
(281) 589-4642
matt.kerin@cabotog.com

TRANSFER AGENT/REGISTRAR

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Shareowner Services
1110 Centre Pointe Curve, Suite 101
Mendota Heights, MN 55120-4100
(800) 468-9716
www.shareowneronline.com

General Inquiries:
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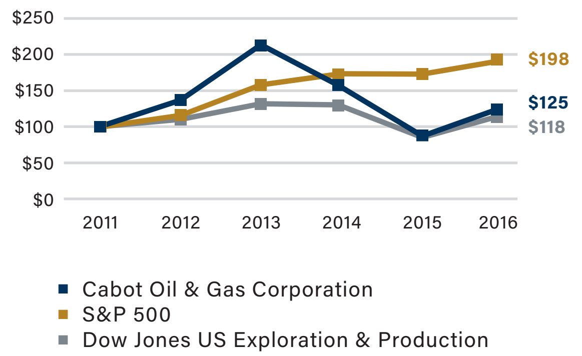
St. Paul, MN 55164-0854
(800) 468-9716

Certified/Overnight Mail:
Wells Fargo Shareowner Services
1110 Centre Pointe Curve, Suite 101
Mendota Heights, MN 55120-4100

Telephone Number for Foreign Shareholders:
(651) 450-4064

PERFORMANCE GRAPH

The following graph compares our common stock performance with the performance of the Standard & Poors' 500 Stock Index and the Dow Jones U.S. Exploration & Production Index for the period December 2011 through December 2016. The graph assumes that the value of the invstment in our common stock and in each index was $100 on December 31, 2011 and that all dividends were reinvested.



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