





Natural gas provided **38%** of U.S. electricity generation
in 2019.



see the **light**

Light in this context illuminates and provides a beacon for the future. At Cabot Oil & Gas Corporation, we believe that natural gas provides opportunity for a bright future, one filled with technology, innovation and prosperity for both today and tomorrow. We are a producer of 100 percent natural gas and more importantly, a key part of the near term and longer term solution for a cleaner tomorrow.

Today, our nation's light is provided by a mix of sources with different carbon impacts. To materially change this mix will take time, investment, new innovation and technology. Cabot is committed to work toward the next generation of advances – whether for power generation, or reducing emissions and supporting clean energy initiatives – all with an eye toward human and economic prosperity. Bringing the benefits of light to all for a better life for the long term.

Sources of U.S. Electricity Generation, 2019



TOTAL = **4.12 Trillion Kilowatthours**



Note: Electricity generation from utility-scale facilities.

Source: U.S. Energy Information Administration, *Electric Power Monthly*, February 2020



We believe natural gas provides opportunity for a *bright future*, one filled with innovation and prosperity.

Photo above, from left to right: **Scott C. Schroeder**, Executive Vice President and Chief Financial Officer;
Dan O. Dinges, Chairman, President and Chief Executive Officer

Cabot's strategy around its business has always been to be the best-in-class operator, minimizing its operating impact on the land and landowners, while maximizing the benefits to the surrounding community, with a goal of benefiting society as a whole. To that end, the following shines a light on how this strategy has translated into action in our tenure in the Marcellus.

We recognize that climate change is one of the biggest issues facing us right now. Cabot is committed to using advanced technology to limit and reduce our methane emissions. We are actively implementing technology across our operations from design phase to equipment improvements. With this attitude of innovation, we believe **we can tackle the issue of climate change standing before us** and we pledge to work hard today to find viable solutions for a better tomorrow.



Cabot embraces environmental innovation and is a leader in utilizing new technology to reduce our overall impact on the environment. We continue to **recycle over 99.8 percent of the water we use** in our operations and excel at finding ways to improve upon the methods used to transport water.



Overall, the natural gas and oil industry continues to take a stance on decreasing impacts through innovative technology. In fact, **methane emissions have fallen 82 percent¹** in the Appalachian Basin (Marcellus and Utica Shales) while at the same time, the combined oil and natural gas production in the basin has increased 379 percent.

We are committed to working with our peers and trade associations to drive meaningful conversations and outcomes regarding carbon policy in the United States.



Over the last decade, the continued retirement and replacement of coal-fired power plants have led to the increased market share of natural gas supplying the country's energy needs.² Cabot is part of this transition effort as the sole-provider of natural gas to two state-of-the-art power generation facilities in northeastern Pennsylvania. An added benefit of the switch to natural gas is **a decrease in greenhouse gas emissions from electric generation of about 28 percent³** between 2007 and 2017.



A recent study reported that thanks to the tremendous increase in natural gas produced in the country, **families and businesses have saved \$1.1 trillion on their energy bills⁴** between 2008 and 2018. These savings are thanks to the direct use of natural gas but also through the larger share as a power generating fuel.



The abundance of natural gas as a power generation fuel makes it **the perfect partner for renewable energy sources⁵** like wind and solar which can often operate only intermittently. Natural gas provides a reliable baseload which partners with renewable energy to provide uninterrupted service to homes and businesses.

It is from this platform that we will continue our efforts to improve the environment, being a beacon of light by doing the right thing.

¹ <https://www.shaledirectories.com/blog/methane-emissions-dropping-like-a-rock-in-the-appalachian-basin/>

² January 2020, EIA (<https://www.eia.gov/totalenergy/data/monthly/>)

³ U.S. EPA's Inventory of U.S. Greenhouse Gas Emissions and Sinks: 1990-2017 (<https://www.epa.gov/ghgemissions/inventory-us-greenhouse-gas-emissions-and-sinks>)

⁴ *Natural Gas Savings to End Users: 2008-2018 A Technical Briefing Paper* by Kleinhenz & Associates

⁵ <https://www.eia.gov/outlooks/aeo/pdf/AEO2020%20Full%20Report.pdf>

see the **light**

With our resilient business model and our ability
to deliver strong financial results
even in the lows of the natural gas price cycle,
Cabot Oil & Gas will continue to shine a light on
the future of natural gas as a clean,
low-cost energy source for decades to come.

2019 Annual Report

Cabot Oil & Gas Corporation

To Our Shareholders:

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Last year, my letter to shareholders highlighted that Cabot's Board of Directors and management team fully embraced our investors' focus on capital discipline, return *on* and *of* capital, and sustainable free cash flow generation. I am pleased to inform you that Cabot delivered on that promise once again, despite steady headwinds the industry faced most of the year. The overall report card for the year was stellar on the operational and financial fronts, which somewhat mitigated the bearish sentiment that has engulfed the upstream energy space. To highlight just how well the Company performed, the following is an overview of the strategic, operational and financial accomplishments that were achieved in 2019.

Strategically, the Company monetized its remaining infrastructure investments, which generated a gain of \$66.4 million. This decision followed the full in-service of the Atlantic Sunrise pipeline in late 2018 and our economically driven decision to cease investment in additional infrastructure projects. This effort simplified Cabot into an upstream company focused solely on the development of its Marcellus Shale assets in northeast Pennsylvania, and culminated a decade long effort to transform Cabot into the most efficient, low-cost operator in the industry. Additionally toward this objective, we realigned our organizational structure due to recent asset sales and a shift away from exploration activity.

We believe in returning value
to our shareholders as opposed to just growth for
the sake of growth.

We also exceeded our promise of returning at least 50 percent of annual free cash flow, giving back \$665.4 million to you as shareholders through dividends and share repurchases. This level of capital return represented 118 percent of 2019 free cash flow. Cabot's Board of Directors, in conjunction with management, raised the dividend twice during 2019 resulting in a 43 percent increase in the quarterly dividend per share. Additionally, the Company repurchased 25.5 million shares during the year, which reduced our weighted-average shares outstanding by seven percent year-over-year. Our commitment to returning capital to shareholders through the commodity price cycles is a cornerstone of our corporate strategy and that will not change.

see the **light**

As the United States moves toward incorporating more renewable energy sources into our daily lives, Cabot is committed to being a solid partner with renewables to meet current and future energy consumption needs.

Operationally, the team had another tremendous year by growing absolute reserves and production by 11 percent and 18 percent, respectively, driven by efficient capital programs in both 2018 and 2019. Total proved reserves now stand at 12.9 Tcfe, with the proved developed portion accounting for 8.1 Tcfe. Our daily gross production levels hit a record of 3.0 Bcfe per day during the fourth quarter of 2019. Our production growth during 2019 helped to achieve our objective of filling a portion of new infrastructure that was placed in service during the fourth quarter of 2018. This achievement, combined with strong natural gas prices during the winter of 2018/2019, enhanced that strategic decision. Fast forward to the current commodity price environment, the value of any growth strategy should be called into question. More on our current plans later; however, we are eliminating growth in production for 2020, instead focusing on maintaining current production levels, generating positive free cash flow and protecting the strength of our balance sheet.

Our 2019 drilling program added reserves at an additions-only finding and development cost of \$0.37 per Mcfe, which was in line with results from recent years. In addition, the team continued to test new pilot programs across our acreage position. These included the continued evaluation of our completion design, well spacing, and lateral placement, in addition to the testing of an additional landing target within our Marcellus formation. Some of these efforts met or exceeded our expectations, while some remain ongoing science projects. However, we continue to test new ideas, with an acute focus on maximizing the value of our asset base and improving our capital efficiency.

Financially, our results exceeded expectations while setting new company records, some of which will serve us well in the challenged natural gas price environment we are now facing. To that end, the most impactful success for the year was our improvement in all-in operating expenses per unit to \$1.44 per Mcfe, an 18 percent reduction from our previous record of \$1.76 per Mcfe in 2018. Additionally, cash operating expenses per unit were \$0.93 per Mcfe in 2019, further highlighting our industry-leading cost structure that allows us to continue to provide free cash flow generation through the commodity price cycles.

Other financial records achieved during the year include:

- Net Income of \$681.1 million, or \$1.64 per share;
- Net cash provided by operating activities of \$1.4 billion;

- Free cash flow of \$563.1 million, representing the fourth consecutive year of positive free cash generation;
- Return on capital employed of 22.2 percent, a 630 basis point increase from 2018; and
- Net debt-to-EBITDAX of 0.7x at year-end 2019, a reduction from 1.0x at year-end 2018.

2020 Outlook

To expand on my comments regarding the difficult macro environment for the energy space, let me discuss our plans for 2020. Clearly, supply and demand are out of balance for natural gas, which accounts for 100 percent of our production. Combine the excess supply dynamic with reduced weather-related demand during the winter 2019/2020 heating season and you have an extremely challenged start to the year. In response, Cabot has reduced its capital program in 2020 to \$575 million, a 27 percent reduction from 2019, by reducing both rig count and well completion activity with the objective to hold production flat year-over-year in an effort to not exacerbate the current market oversupply. I would add that I have instructed our team to remain flexible in the program as we continue to analyze the outlook for the natural gas markets in 2020 and beyond and are prepared to reduce capital spending further if market conditions warrant it. Regardless of the ultimate outcome on realized prices, I can assure you that throughout the commodity price cycles we will remain focused on disciplined capital investment that demonstrates our focus on returns, continued cost control, maintaining our financial strength, generating positive free cash flow, returning capital to shareholders, and increasing our proved reserve base.

Cabot returned *118% of 2019 free cash flow* to shareholders through dividends and share repurchases.

Environmental, Social, and Governance (ESG) Initiative

With the onset of 2020 – a new year and a new decade – we will be expanding and formalizing our reporting around our ongoing ESG programs and outcomes. Much like our response to the returns and free cash flow model requested by shareholders over the last few years, we are embarking on more disclosure around ESG through a newly redesigned website, complete with statistics and answers to critical questions. This reporting is scheduled to be completed during the third quarter of 2020.



*From left to right: **Jeffrey W. Hutton**, Senior VP, Marketing; **Phillip L. Stalnaker**, Senior VP, Operations; **Steven W. Lindeman**, Senior VP, EHS and Engineering; and **Todd L. Liebl**, Senior VP, Land and Business Development*

We make every effort to reduce and limit our impact on air, water and the environment with the best technologies currently available. We support a national energy policy that includes natural gas and other environmentally sound energy sources including wind, solar, and nuclear, to name a few, and also understand that for the foreseeable future natural gas needs to be a substantial part of the energy mix to help mitigate emissions and provide continuity of energy supply to avoid future disruptions.



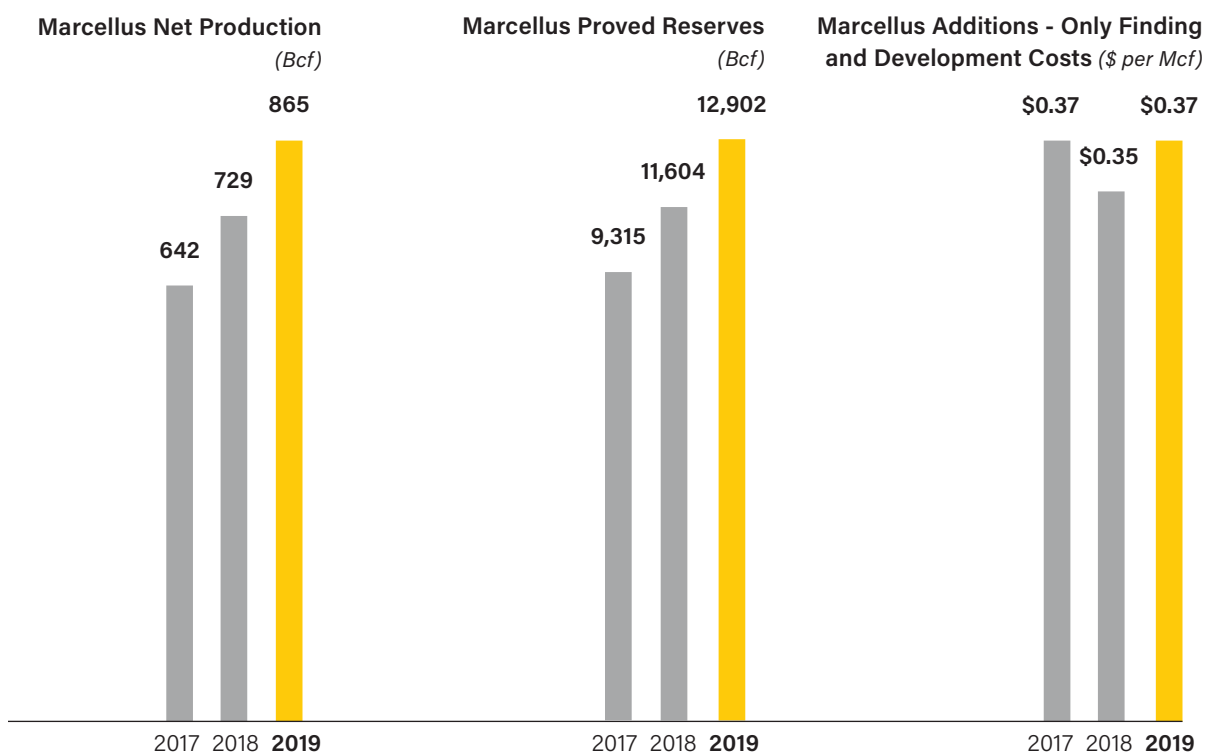
*From left to right: **Todd M. Roemer**, VP and Chief Accounting Officer; **Charles E. Dyson II**, VP, Information Services; **Julius Leitner**, VP, Marketing; **G. Kevin Cunningham**, VP and General Counsel; **Deidre Shearer**, VP, Administration and Corporate Secretary; and **Matthew P. Kerin**, VP, Finance and Treasurer*

Cabot's success remains closely tied to the efforts from all of our dedicated employees, including approximately 270 upstream employees and 270 employees at our wholly-owned subsidiary GasSearch Drilling Services Corporation (GDS), which provides pad construction, water hauling, trucking and roustabout services for Cabot. Cabot is an industry leader on many fronts, including our ability to operate efficiently with one of the lowest general and administrative cost structures in the industry. This is truly a testament to the hard work of our employees, who create a culture that enables Cabot to provide corporate returns that are envied by the industry. A special note of thanks to all of these employees for their daily efforts to make Cabot successful. I would also like to thank our board of directors, who have been extremely supportive of our strategy from the start and who continue to provide excellent counsel on our strategic direction. Finally, thank you, our shareholders, for having faith in this team. We continue to value your thoughts, ideas and direction to continue moving this Company forward. Our commitment to free cash flow, return on capital, and return of capital back to shareholders with the least possible impact to the environment remains paramount in importance to us. Thank you for allowing us to earn your continued support.

Sincerely,

Dan O. Dinges

Chairman, President and Chief Executive Officer



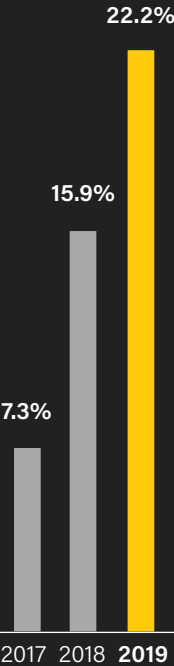
Four-Year
Compound Annual Dividend Growth Rate

45%

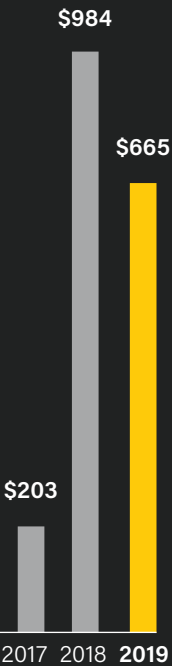
Earnings per Share
(\$ per share)



Return on Capital Employed



Capital Returned to Shareholders
(in millions)



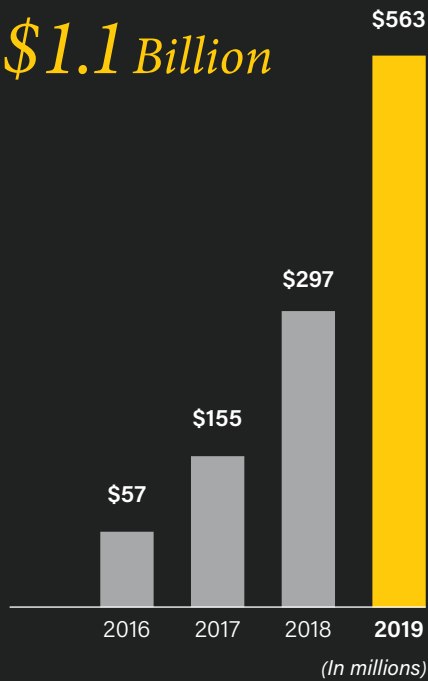
Financial Highlights

Income Statement <i>(In millions, except for per share amounts)</i>	2017	2018	2019
Operating Revenue	\$ 1,764.2	\$ 2,188.1	\$ 2,066.3
Operating Expenses	1,803.4	1,401.2	1,189.6
Operating Income	(151.3)	771.8	955.7
Net Income	100.4	557.0	681.1
Per Share	0.22	1.25	1.64
Common Dividend Per Share	\$ 0.17	\$ 0.25	\$ 0.35
Average Common Shares Outstanding	463.7	445.5	415.5

Cash Flow <i>(In millions)</i>			
Discretionary Cash Flow	\$ 976.1	\$ 1,268.4	\$ 1,360.8
Cash Flows from Operations	898.2	1,104.9	1,445.8
Cash Flows from Investing	(706.2)	(293.4)	(543.9)
Cash Flows from Financing	\$ (210.5)	\$ (1,289.3)	\$ (690.4)

Balance Sheet <i>(In millions)</i>			
Current Assets	\$ 765.0	\$ 544.5	\$ 568.2
Current Liabilities	630.0	287.3	328.0
Short-Term Debt	304.0	-	87.0
Long-Term Debt	1,217.9	1,226.1	1,133.0
Equity	\$ 2,523.9	\$ 2,088.2	\$ 2,151.5

Cumulative Four-Year Free Cash Flow



Operational Highlights

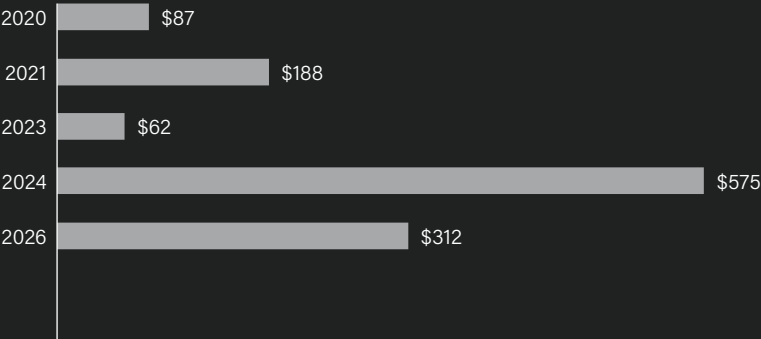
Wells Drilled	2017	2018	2019
Total Gross	91	97	96
Total Net	83	95	94
% Gross Success Rate	99%	91%	100%

Proved Reserves			
Natural Gas (Bcf)	9,352.8	11,604.1	12,902.4
Oil, Condensate & Natural Gas Liquids (Mmbbl)	62.3	0.1	-
Total Proved (Bcfe)	9,726.3	11,604.8	12,902.5
Total Proved Developed (Bcfe)	6,187.6	7,402.8	8,055.9
% Natural Gas	96%	100%	100%
% Proved Developed	64%	64%	62%

Reserve Additions (Bcfe)			
Additions	1,236.1	2,243.5	2,116.4
Additions, Revisions & Purchases	2,164.6	3,023.9	2,163.4
Reserve Replacement	316%	411%	250%

Finding & Development Costs (\$/Mcfe)					
Additions	\$	0.62	\$	0.40	\$ 0.37
Additions & Revisions		0.35		0.30	0.36
All Sources	\$	0.35	\$	0.30	\$ 0.36

Debt Maturity Schedule (In millions)



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), Arcosa Inc.
and MRC Global Inc.

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

Amanda M. Brock
Chief Operating Officer and
Chief Commercial Officer, Solaris Midstream

Peter B. Delaney
Former Chairman, President and Chief Executive
Officer, OGE Energy Corporation

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

Marcus A. Watts
President, The Friedkin Group

COMMITTEES

AUDIT COMMITTEE

Dorothy M. Ables – Chairman
Robert S. Boswell
Amanda M. Brock
Peter B. Delaney
Robert Kelley

COMPENSATION COMMITTEE

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

CORPORATE GOVERNANCE AND NOMINATIONS COMMITTEE

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

SAFETY AND ENVIRONMENTAL AFFAIRS COMMITTEE

Robert S. Boswell – Chairman
Amanda M. Brock
Peter B. Delaney
Marcus A. Watts

EXECUTIVE COMMITTEE

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

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,
EHS and Engineering

Phillip L. Stalnaker
Senior Vice President, Operations

G. Kevin Cunningham
Vice President and General Counsel

Charles E. Dyson II
Vice President, Information Services

Matthew P. Kerin
Vice President, Finance and Treasurer

Julius Leitner
Vice President, Marketing

Todd M. Roemer
Vice President and Chief Accounting Officer

Deidre L. Shearer
Vice President, Administration
and Corporate Secretary

Corporate Information

ANNUAL MEETING

The annual meeting of the shareholders will be held Thursday, April 30, 2020 at 8:00 a.m. (Central Time) at the corporate office in Houston, Texas.

CORPORATE OFFICE

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www.cabotog.com

INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

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

RESERVE ENGINEERS

Miller & Lents, Ltd.
Global 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, Finance and Treasurer
(281) 589-4642
matt.kerin@cabotog.com

TRANSFER AGENT/REGISTRAR

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

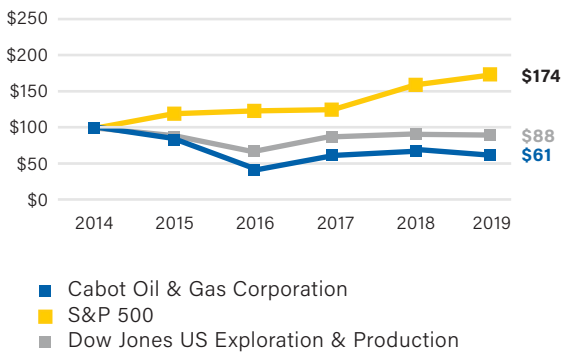
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(800) 468-9716

Certified/Overnight Mail:
EQ 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 2014 through December 2019. The graph assumes that the value of the investment in our common stock and in each index was \$100 on December 31, 2014 and that all dividends were reinvested.



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Cabot Oil & Gas is proud to celebrate its *first decade* as part of this community, with more to come.



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www.cabotog.com