



New Things

$$\frac{R^2}{A} \rightarrow V^+$$



Southwestern Energy  
Company

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*The Road to*

*V<sup>+</sup>*

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April 13, 2005

# Forward-Looking Statements

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All statements, other than historical financial information, may be deemed to be forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Although the company believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, such statements are not guarantees of future performance and actual results or developments may differ materially from those in the forward-looking statements. Important factors that could cause actual results to differ materially from those in the forward-looking statements herein include, but are not limited to, the timing and extent of changes in commodity prices for gas and oil, the timing and extent of the company's success in discovering, developing, producing and estimating reserves, property acquisition or divestiture activities that may occur, the effects of weather and regulation on the company's gas distribution segment, increased competition, the impact of federal, state and local government regulation, the financial impact of accounting regulations and critical accounting policies, changing market conditions and prices, the comparative cost of alternative fuels, conditions in capital markets and changes in interest rates, availability of oil field personnel, services, drilling rigs and other equipment, the extent to which the Fayetteville Shale play can replicate the results of other productive shale gas plays, the potential for significant variability in reservoir characteristics of the Fayetteville Shale over such a large acreage position, as well as various other factors beyond the company's control, and any other factors listed in the reports the company has filed with the Securities and Exchange Commission. A discussion of these and other factors affecting the company's performance is included in the company's periodic reports filed with the Securities and Exchange Commission, including its Annual Report on Form 10-K for the year ended December 31, 2003. Unless otherwise required by applicable securities laws, the company disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

# About Southwestern

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- **Focused on domestic exploration and production of natural gas.**
  - **645 Bcfe of reserves; 92% natural gas; 11.9 R/P at year-end 2004.**
- **Track record of adding significant reserves at low costs.**
  - **Since 1999, we've averaged annual production growth of 10%, reserve growth of 13%, 246% reserve replacement, and F&D cost of \$1.28 per Mcfe.**
- **E&P strategy built on organic growth through the drillbit.**
  - **Over 80% of planned E&P capital allocated to drilling in 2005.**
- **Proven management team has increased Southwestern's market capitalization from \$187 million at year-end 1998 to over \$2 billion today.**

# How It Looked from the Outside



## 1997 to 2000 - A Mess

- *Trouble - Lawsuit*
- *Doubters*

*Overton - Once in a Lifetime?*

*Lawsuit  
\$109 MM*



*Gulf Coast - South La. Wildcats*

*New Ventures?*



## 1997 & 1998 - A Mess





## 1998 & 1999 - *Built the Team*





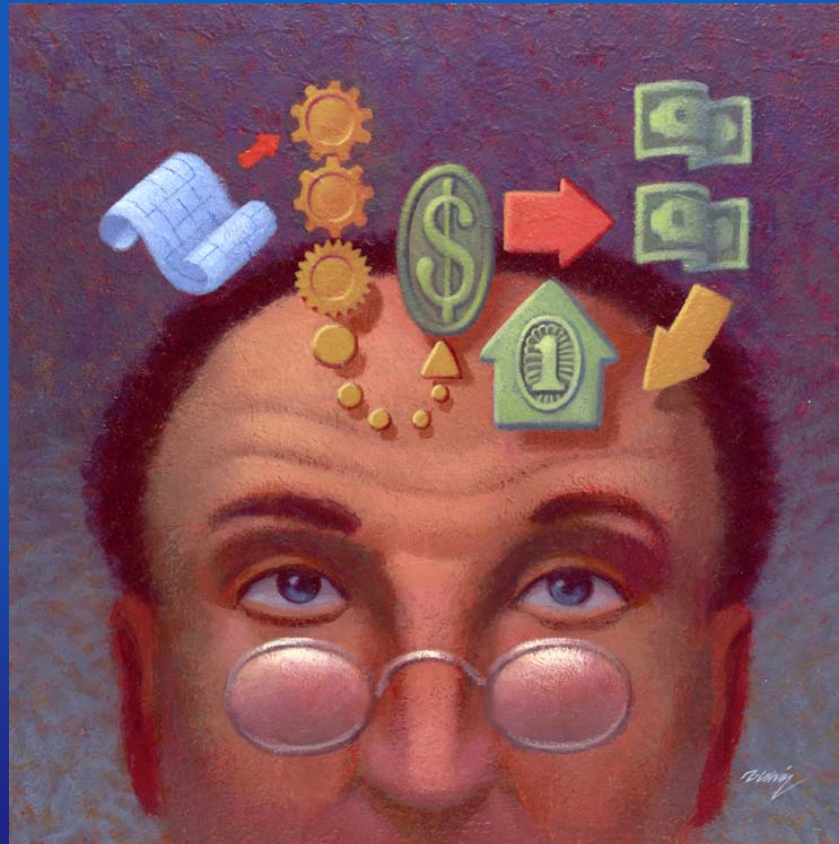
2000  
*Lawsuit - A Low Blow*





## 1999 - 2004 *Innovating*

- *Focus on PVI*
- *Gulf Coast Exploration*
- *East Texas Idea - Lots of Operational Innovation*
- *Arkoma Revitalization including New Plays*



# Here Is What It Is Really All About

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The *Right People* doing the *Right Things*, wisely investing the cash flow from the underlying *Assets* will create *Value +*.

# What's Important ?

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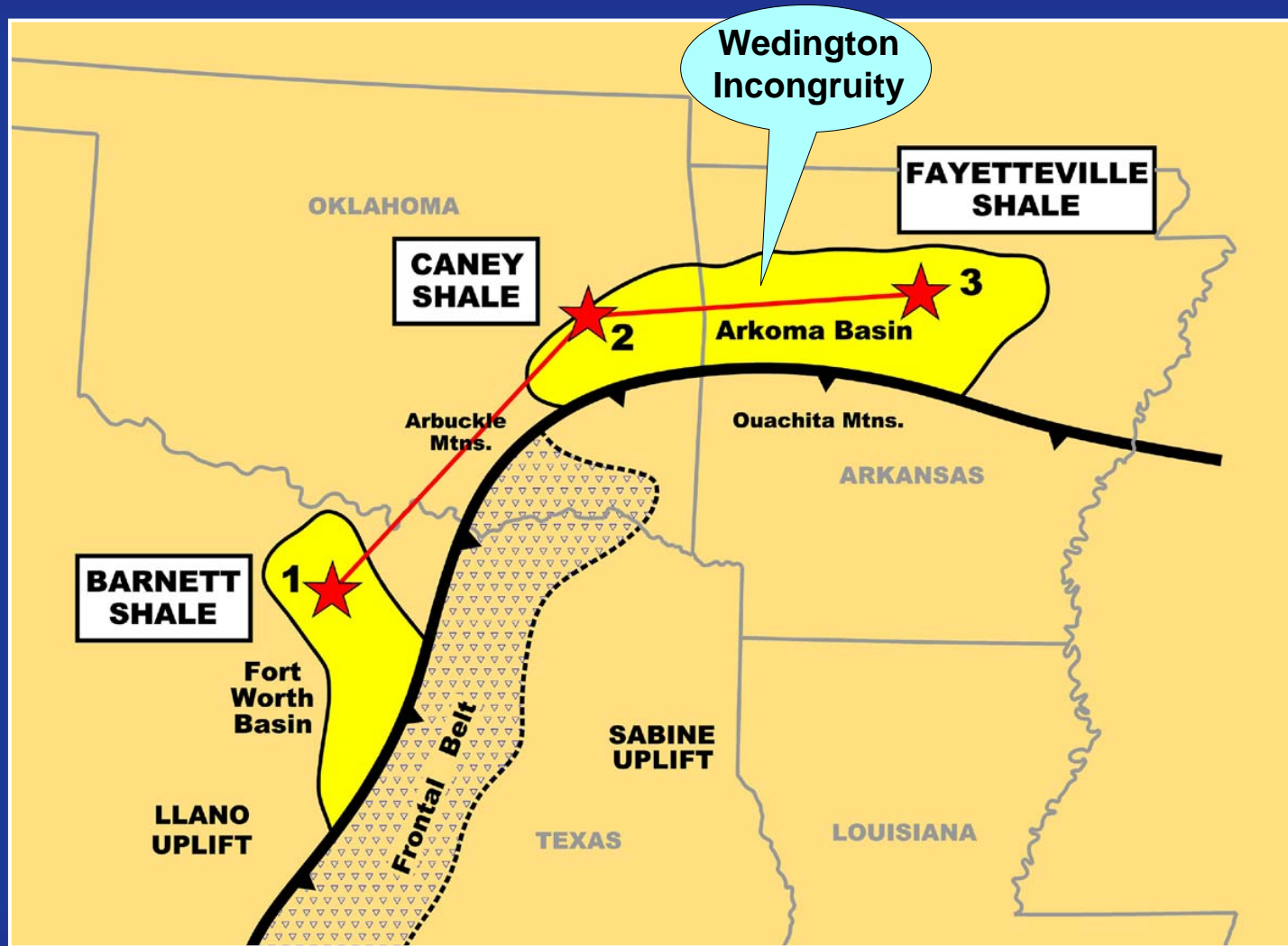


- *“If you’re not trying to achieve something - you won’t.”*
- *“Our objective is NOT to grow production and reserves, but to grow our NAV per share at a higher rate than our peers.”*
- *“The name of the game is to stay in the game.”*
- *“The key is our people.”*
- *“Oil and gas is first found in people’s minds.”*
- *“My job is to make sure everyone is headed approximately east or approximately west.”*
- *“Work hard and play hard.”*
- *“I want to work with people I enjoy being around - life is too short to do otherwise.”*
- *“Create an environment that fosters the generation of ideas.”*

# Let's Talk About Innovation



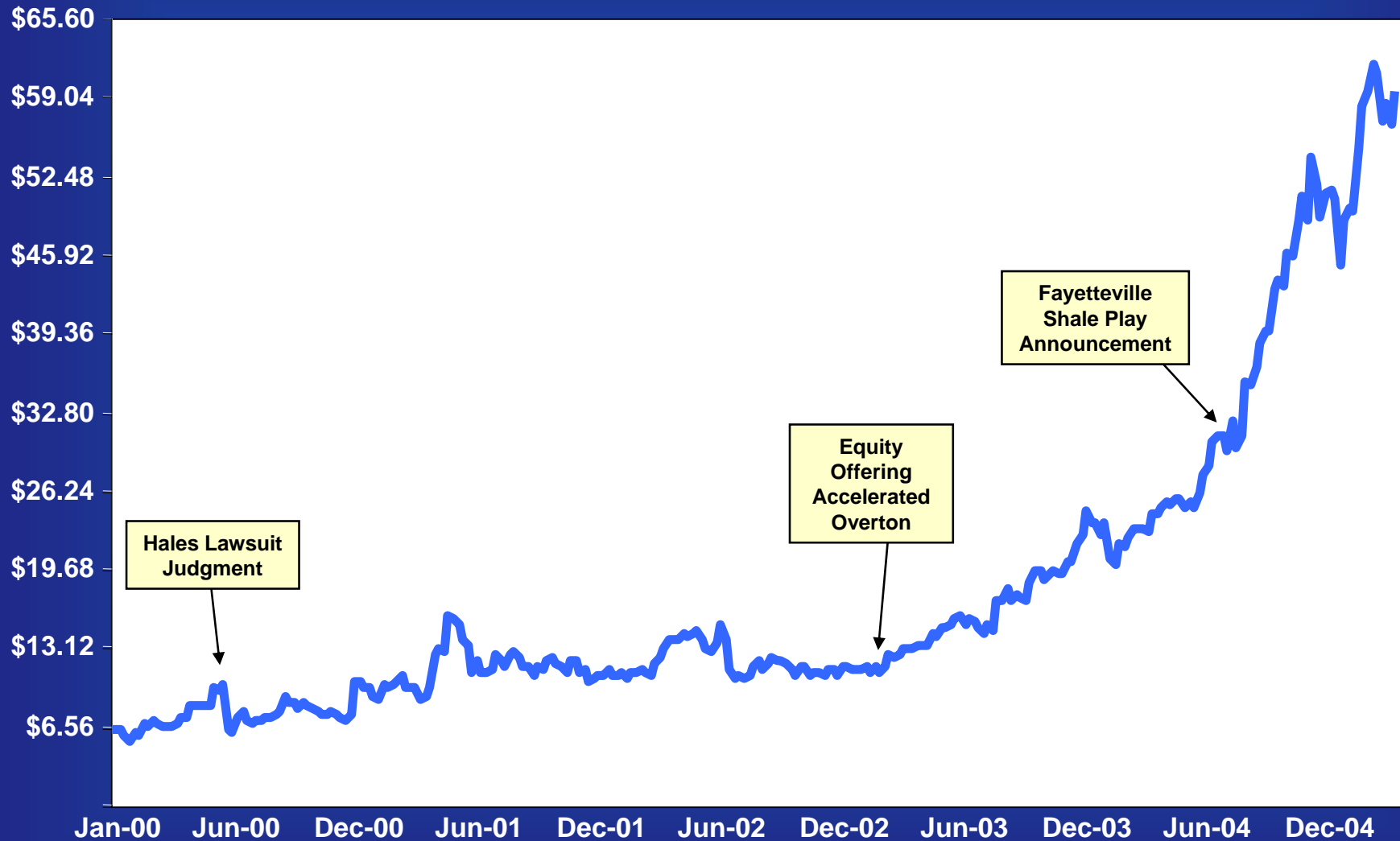
# Fayetteville Shale Play - Innovation



- The Fayetteville Shale is a Mississippian-age shale that is the geologic equivalent of the Caney Shale in Oklahoma and the Barnett Shale in north Texas.

*Forward-Looking Statement*

# Where Is SWN Headed?



Note: Stock price performance from 12/31/99 to 4/8/05.



- Run hard.
- Find oil and gas.
- Be a place that values people and where good ideas get acted on.
- Grow NAV per share faster than our competitors.
- Have fun while we're doing it.