

2014

ANNUAL REPORT



Cabot Oil & Gas Corporation

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 exploiting its oil, liquids and to a lesser extent, natural gas reserves in Texas.

Fellow Shareholders

2014 MARKED ANOTHER SUCCESSFUL YEAR FOR CABOT OIL & GAS AS WE BUILT ON OUR MOMENTUM FROM PRIOR YEARS BY ESTABLISHING NEW OPERATIONAL AND FINANCIAL MILESTONES THROUGHOUT THE YEAR.

As expected, 2014 proved to be another challenging year for natural gas prices in Appalachia. Despite these headwinds, we still delivered on our goal of providing top-tier production, reserve and cash flow growth. Our operational and financial highlights for 2014 included the following:

- Production growth of 29 percent, which represents the Company's fifth consecutive year of production growth over 25 percent
- Proved reserve growth of 36 percent, which represents the Company's fifth consecutive year of double-digit reserve growth and includes 100 percent growth in our crude oil / liquids reserve base



Front row, left to right: 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

Middle row, left to right: G. Kevin Cunningham, Vice President and General Counsel; Matt Kerin, Treasurer; Phil L. Stalnaker, Vice President and Regional Manager – North Region; Todd L. Liebl, Vice President, Land and Business Development; Deidre L. Shearer, Corporate Secretary and Managing Counsel

Back row, left to right: Steven W. Lindeman, Vice President, Engineering and Technology; Todd M. Roemer, Controller; Robert G. Drake, Vice President, Information Services

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- Net income growth (excluding selected items) of 36 percent
- Cash flow from operating activities growth of 21 percent
- All-sources finding and development cost of \$0.71 per Mcfe, including a finding and development cost of \$0.43 per Mcf in the Company's Marcellus Shale asset
- Total unit costs of \$2.56 per Mcfe, a 16 percent improvement over 2013
- \$139 million of share repurchases to reduce shares outstanding by 4.3 million shares
- Approximately 40,000 net acres added in the Eagle Ford Shale via bolt-on acquisitions and grassroots leasing
- \$925 million of senior notes issued at a weighted average interest rate of 3.65 percent



29%
PRODUCTION
GROWTH

3

Our recent operational and financial performance highlights Cabot's ability to deliver strong results in a challenged price environment; however, we are not immune to the market conditions facing the entire oil and gas industry in 2015 due to the recent decline in commodity prices resulting from an oversupplied market for both crude oil and natural gas. This oversupply has largely been a result of the success Cabot and its peers have achieved in finding, developing and delivering an abundant supply of new resource to the American people. Currently, the midstream industry is investing billions of dollars to construct new pipelines and infrastructure to connect supply basins to existing and new demand areas around the country. This midstream build-out, coupled with a significant reduction in drilling activity by operators in response to lower commodity prices, will expedite the rebalancing of the supply and demand dynamics and ultimately result in a point of equilibrium for this commodity cycle. In the meantime, Cabot is prepared to weather a lower commodity price environment for the foreseeable future due to the same key attributes that have allowed us to deliver peer-leading results through previous down-cycles: our high-quality asset base; our fiscal discipline and strong financial position; and the hard work of our dedicated team of employees.





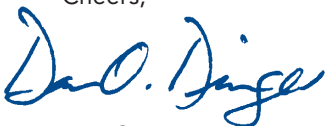
Cabot originally issued its initial 2015 capital budget in October 2014; however, in a short period of time our operating environment changed drastically as commodity prices declined rapidly. With a continued focus on protecting the balance sheet and maximizing return on investment, we adjusted our 2015 program to adapt to the current environment. The final program results in an operating plan that generates production growth of 10 percent to 18 percent, despite a reduction in capital spending of 50 percent year-over-year. Most importantly, we have designed our capital program to be funded primarily by operating cash flows to avoid adding incremental leverage to our balance sheet.

Despite a change in the absolute level of activity in 2015, our strategy remains unchanged: target our capital spending to align with operating cash flows; focus our drilling efforts on maintaining our core acreage positions while high-grading the drilling program and optimizing operating efficiencies; and retain our high-quality employee base that has allowed us to continue to excel in all market environments. This strategy served us well prior to this recent downturn in the oil and gas markets and it is that same focus and discipline that will allow us to exit this cycle well-positioned for the opportunities that lie ahead.

I am confident in our team's ability to execute on our plan in 2015 and deliver another solid year of operational and financial results. I remain equally as confident in Cabot's long-term plan for value creation given the extensive inventory of drilling opportunities ahead of us in both the Marcellus Shale and Eagle Ford Shale, coupled with the demand outlook for both crude oil and natural gas over the next few years. While 2015 will be a challenged period for our industry, I believe we are as well-positioned as any to navigate this environment and we will remain focused on generating long-term value for shareholders despite these near-term headwinds.

I would like to thank our shareholders for the continued support as well as our employees and Board of Directors for the dedication and leadership that have been provided year after year. Additionally, I would like to extend a very special thank you to Dexter Peacock, who will be retiring this April. Dexter is our longest serving director, having joined the Board in 1998. He has served on every committee of the Board in his tenure and for the last several years he served as our Lead Director and chaired the Executive Committee. Dexter has been an integral part of Cabot's success and I wish him the best in his future endeavors.

Cheers,



Dan O. Dinges

Chairman, President and Chief Executive Officer



Marcellus Shale

CABOT'S MARCELLUS SHALE POSITION, FOCUSED IN THE CORE OF THE DRY GAS WINDOW IN NORTHEAST PENNSYLVANIA, CONTINUES TO DELIVER BEST-IN-CLASS OPERATIONAL RESULTS YEAR AFTER YEAR AND 2014 WAS NO EXCEPTION.

35%
INCREASE
IN MARCELLUS SHALE
PRODUCTION

Net production from the Marcellus Shale was 479.8 Bcf for the year, an increase of 35 percent over 2013. This growth was built on the continued success of Cabot's organic drilling program, which included 114 net wells drilled in 2014. During the fourth quarter of 2014, the Company achieved a new milestone by producing over 2 Bcf per day of natural gas from only 370 producing horizontal wells, of which 50 percent had been producing for more than two years. The Company's well productivity was further highlighted in data released by the Pennsylvania Department of Environmental Protection showing that Cabot had the top 16 performing wells in the state by cumulative production for the last six months of 2014.

Cabot generated record reserve growth in 2014 as the Company booked almost 2.3 Tcf of new proved reserves in the Marcellus Shale, increasing the proved reserve base to 6.6 Tcf. This reserve growth was driven by its active drilling program and positive performance revisions, resulting in an all-sources finding and development cost of \$0.43 per Mcf. The average Marcellus horizontal producing well for the 2014 program was booked at year-end with an estimated ultimate recovery (EUR) of over 18 Bcf, up from 16.9 Bcf for the 2013 program. This increase was a result of the success the Company has experienced from its enhanced completion techniques and by extending the average lateral length throughout its acreage position.

From left to right: Tom Baron, Drilling Engineer; Jerry Dugas, Drilling Superintendent; Mike Bail, Drilling Engineer

From left to right: John Abshire, Senior Geologist; A.S. 'Buddy' Wylie, Exploration Manager; Emily Mercurio, Geologist; Angie Pell, Geologist





From left to right: Tomas Castillo, Completions Engineer;
Jim Edwards, Completions Manager; Missy Wiant, Completions Tech



From left to right: Angie Pell, John Abshire and Emily Mercurio (shown on previous page)



From left to right: Mark Talarico, Construction Foreman; Janice Lobdell, Landman; Mike Pirner, Construction Foreman

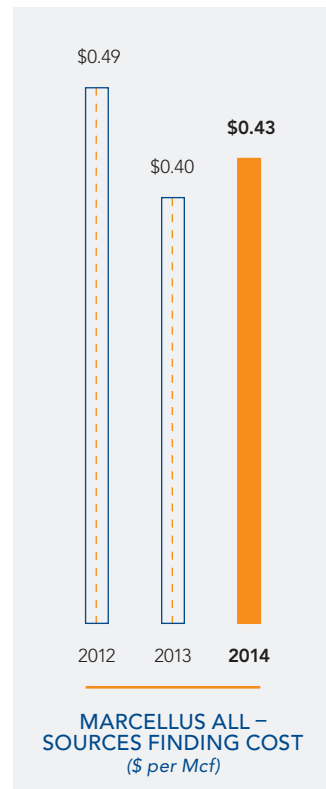
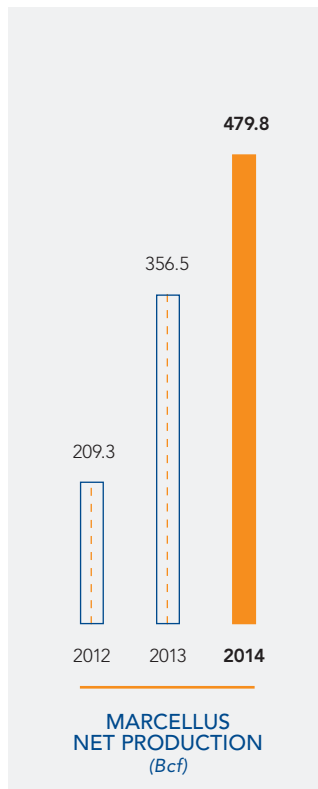
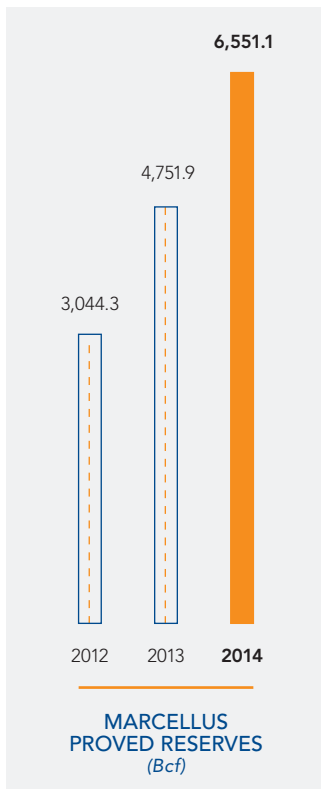
Strong well productivity and continued improvements in operating efficiencies have positioned Cabot as the low-cost leader in the Marcellus Shale, allowing its assets to remain profitable even in a period of weaker natural gas prices. While the expectation is that regional natural gas prices will remain challenged in 2015 until new takeaway capacity is placed in-service in Appalachia, the Company's cash operating costs (including gathering and transportation) of \$0.80 per Mcf in 2014 highlight its ability to generate strong margins through most commodity price cycles.

As a result of the current price environment and the Company's disciplined focus on spending within operating cash flow, Cabot is reducing its planned Marcellus Shale drilling activity in 2015 to approximately 70 wells. This level of activity is expected to result in average daily production volumes for the year that are flat with production levels from the fourth quarter of 2014, while still allowing the Company to maintain the operating efficiencies it has developed over the past few years and meet any near-term drilling obligations. If regional pricing exceeds expectations throughout the year, Cabot has sufficient flexibility in its program to accelerate its operations due to the low capital intensity nature of its assets and the Company plans to be opportunistic if the market warrants.



From left to right: Joe Arnold, Pipeline Specialist; Bob Birtch, Lead Operator; Keenan Small, Field Operator

The long-term outlook for Cabot in the Marcellus Shale remains bright with over 28 Bcf per day of announced new takeaway capacity in the Appalachian Basin over the next four years, including over 6 Bcf per day in 2015. Included in these totals are the Constitution Pipeline, currently slated for in-service in the second half of 2016, and the Atlantic Sunrise Pipeline, currently slated for in-service in the second half of 2017. Cabot is an equity owner in both of these projects and has approximately 1.35 Bcf per day of committed capacity on these pipelines to move its natural gas to markets outside of Appalachia. This line-of-sight to production growth over the coming years is a key differentiator for the Company and one that positions Cabot for years of continued success.



From left to right: Adam Wolfe, District Engineer;
Tom Ott, Reservoir Engineer; Crystal Baker, Facilities Engineer;
John Paps, Reservoir Engineering Manager; Guy Shirey, District Engineer





Eagle Ford Shale

2014 MARKED THE REVITALIZATION OF CABOT'S EAGLE FORD SHALE PROGRAM. THE COMPANY ENTERED THE YEAR WITH PLANS TO OPERATE ONLY TWO RIGS IN THE PLAY; HOWEVER, BASED ON CONTINUED IMPROVEMENTS IN WELL PERFORMANCE AND FURTHER COST SAVINGS RESULTING FROM OPERATING EFFICIENCIES, CABOT ADDED A THIRD RIG MID-YEAR TO CAPITALIZE ON ITS OPERATING MOMENTUM AND STRONG OIL PRICES.

100%

YEAR-OVER-YEAR INCREASE

IN CABOT'S LIQUIDS RESERVE BASE

Driven by its recent success in the play and the desire to diversify its production and revenue mix, Cabot focused on building scale in its leasehold position in the oil-window of the Eagle Ford Shale and opportunistically added approximately 40,000 net acres through a combination of small bolt-on acquisitions and grassroots leasing at a low cost of entry, bringing its core position to approximately 89,000 net acres. With the addition of this newly acquired acreage, the Company added a fourth rig and by the fourth quarter the Company's Eagle Ford program averaged over 14,000 barrels per day of net liquids production – an increase of over 100 percent over the first quarter of the year.

Cabot's 2014 Eagle Ford Shale program included 61 net wells drilled, an increase from 33 net wells drilled in 2013. This escalation in operating activity throughout the year resulted in a 100 percent year-over-year increase in Cabot's liquids reserve base. Additionally, Cabot increased its total drilling inventory in the Eagle Ford Shale to over 1,300 gross locations as a result of the recent acreage additions and the success of downspacing tests throughout its operating area.

Despite the strong operating success and momentum achieved in 2014, the recent decline in oil prices has prompted the Company to adjust its planned level of activity in the Eagle Ford Shale in 2015. Cabot plans to continue to operate three rigs during the first quarter of the year to meet current drilling obligations; however, in the second quarter the Company will begin decreasing its activity levels as it awaits a recovery in oil prices. For the year, the Company plans to drill approximately 45 wells with a focus on capturing all primary-term acreage. During this time, Cabot's Eagle Ford team will continue to work on new ideas to reduce costs and further improve the economics of these assets and is poised to accelerate its oil-weighted drilling efforts when the market conditions improve. Cabot is well-positioned to capitalize on a long-term recovery in oil prices with its multi-decade inventory of oil-focused drilling opportunities in the Eagle Ford Shale.

From left to right: Tom Huebinger, Reservoir Engineering Manager; Rafael Almodovar, Completions Engineer; Robert Bob, Systems Analyst; Ryan Cordes, Production and Facilities Manager; Nathan Brown, Reservoir Engineer; Nathan Ray, Drilling Engineer; Derek Davis, Completions Engineer





89,000

NET ACRES IN THE
OIL-WINDOW OF THE
EAGLE FORD SHALE





Rick Mullins, General Foreman; Dan Smales, General Foreman

Financial Highlights

INCOME STATEMENT *(In millions, except for per share amounts)*

	2012	2013	2014
Operating Revenue	\$ 1,204.5	\$ 1,746.3	\$ 2,173.0
Operating Expenses	949.0	1,217.1	2,087.0
Operating Income	306.2	551.6	106.2
Net Income	131.7	279.8	104.5
Per Share	0.31	0.67	0.25
Common Dividend Per Share	\$ 0.04	\$ 0.06	\$ 0.08
Average Common Shares Outstanding <i>(In thousands)</i>	419,075	420,188	415,840

CASH FLOW *(In millions)*

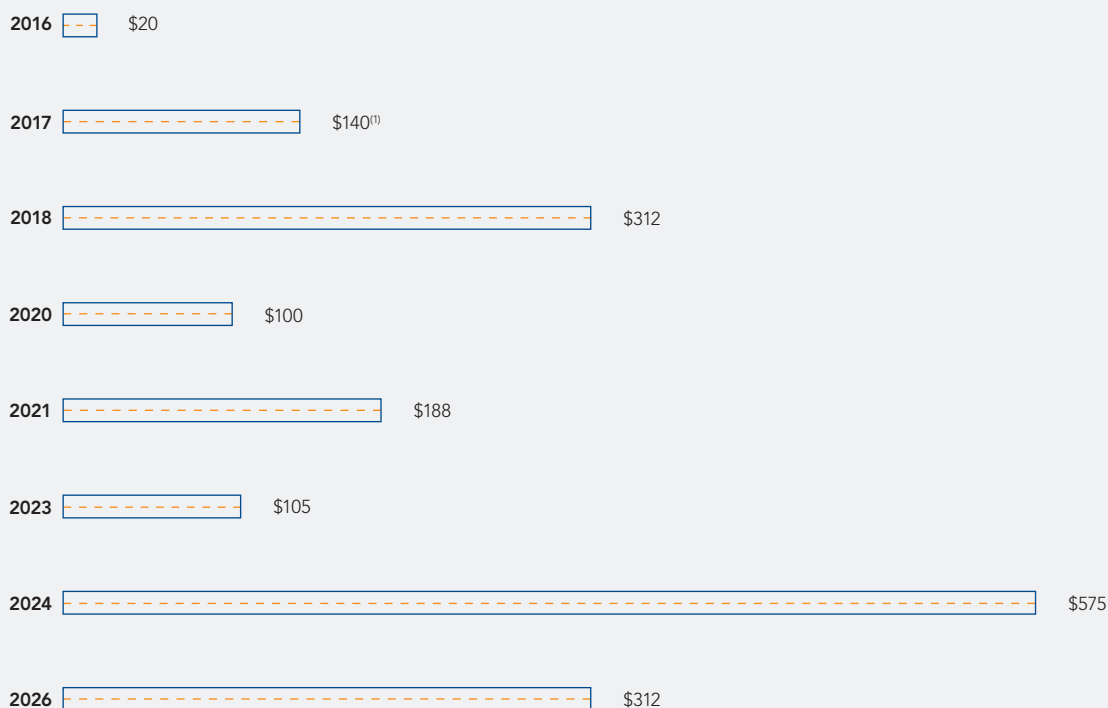
	2012	2013	2014
Discretionary Cash Flow	\$ 680.1	\$ 1,098.2	\$ 1,272.0
Cash Flows from Operations	652.1	1,024.5	1,236.4
Cash Flows from Investing	(765.5)	(918.2)	(1,664.8)
Cash Flows from Financing	\$ 114.2	\$ (113.7)	\$ 426.0

BALANCE SHEET *(In millions)*

	2012	2013	2014
Current Assets	\$ 270.3	\$ 378.9	\$ 413.4
Current Liabilities	444.1	407.9	499.0
Short-Term Debt	75.0	-	-
Long-Term Debt	1,012.0	1,147.0	1,752.0
Equity	\$ 2,131.4	\$ 2,204.6	\$ 2,142.7



DEBT MATURITY (In millions)



⁽¹⁾ Debt associated with Revolving Credit Facility

Operational Highlights

WELLS DRILLED

	2012	2013	2014
Total Gross	170	181	200
Total Net	118	154	177
% Gross Success Rate	98%	98%	100%

PROVED RESERVES

	2012	2013	2014
Natural Gas (Bcf)	3,696.1	5,294.9	7,081.7
Oil, Condensate & Natural Gas Liquids	24.4	26.5	53.1
Total Proved (Bcfe)	3,842.4	5,454.2	7,400.5
Total Developed (Bcfe)	2,293.2	3,228.4	4,502.2
% Gas	96%	97%	96%
% Developed	60%	59%	61%

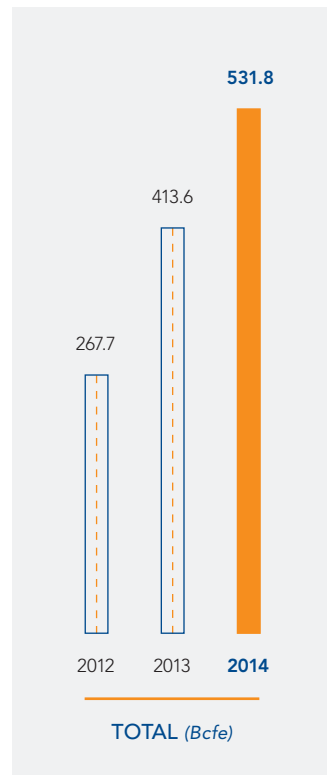
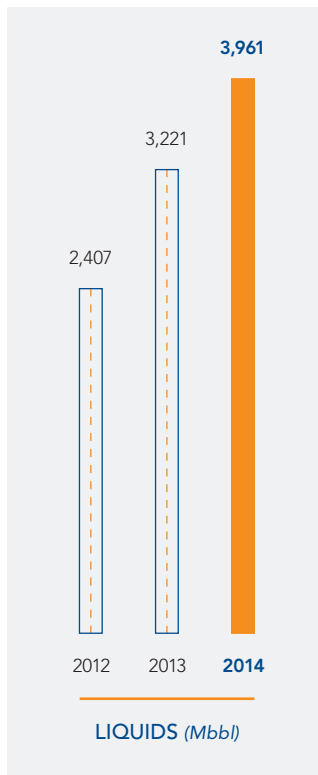
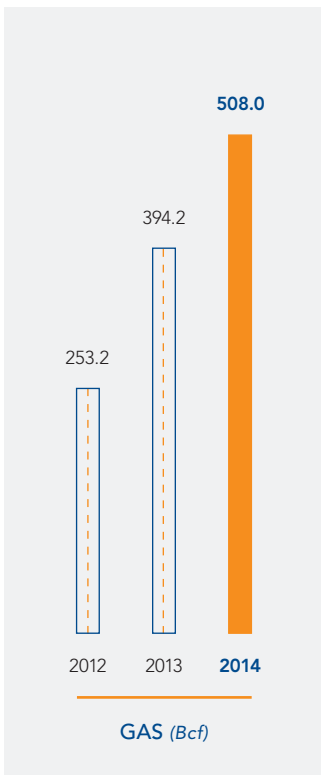
RESERVE ADDITIONS (Bcfe)

	2012	2013	2014
Additions	926.8	1,724.7	1,910.6
Additions, Revisions & Purchases	1,115.4	2,157.6	2,480.5
Reserve Replacement	417%	522%	466%

FINDING & DEVELOPMENT COSTS (\$/Mcfe)

	2012	2013	2014
Additions	\$ 1.05	\$ 0.69	\$ 0.81
Additions & Revisions	0.87	0.55	0.65
All Sources	\$ \$0.87	\$ 0.55	\$ 0.71

PRODUCTION



Board Of Directors

DIRECTORS

Dan O. Dinges

Chairman, President and Chief Executive Officer

Rhys J. Best

Former Chairman and Chief Executive Officer,
Lone Star Technologies, Inc.

James R. Gibbs

Former Chairman, President and Chief Executive
Officer, Frontier Oil Corporation

Robert L. Keiser

Former Chairman and Chief Executive Officer,
Oryx Energy Company

Robert Kelley (Lead Director)

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

P. Dexter Peacock (Retiring April 2015)

Of Counsel, Andrews Kurth L.L.P.
Former Managing Partner,
Andrews Kurth L.L.P.

W. Matt Ralls

Executive Chairman,
Former Chief Executive Officer and President,
Rowan Companies, plc

COMMITTEES

AUDIT COMMITTEE

Robert Kelley – Chairman

Rhys J. Best

Robert L. Keiser

COMPENSATION COMMITTEE

Rhys J. Best – Chairman

James R. Gibbs

P. Dexter Peacock

EXECUTIVE COMMITTEE

P. Dexter Peacock – Chairman

Dan O. Dinges

James R. Gibbs

CORPORATE GOVERNANCE AND NOMINATIONS COMMITTEE

James R. Gibbs – Chairman

P. Dexter Peacock

W. Matt Ralls

SAFETY AND ENVIRONMENTAL AFFAIRS COMMITTEE

Robert L. Keiser – Chairman

Robert Kelley

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

G. Kevin Cunningham

Vice President, General Counsel

Robert G. Drake

Vice President, Information Services

Todd L. Liebl

Vice President, Land and Business Development

Steven W. Lindeman

Vice President, Engineering and Technology

Phillip L. Stalnaker

Vice President and Regional Manager,
North Region

Matthew P. Kerin

Treasurer

Todd M. Roemer

Controller

Deidre L. Shearer

Corporate Secretary and Managing Counsel

Corporate Information

ANNUAL MEETING

The annual meeting of the shareholders will be held Thursday, April 23, 2015 at 8:00 a.m. (Central Time) at the corporate office in Houston, Texas.

CORPORATE OFFICE

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Houston, Texas 77210-4544
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www.cabotog.com

INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

PricewaterhouseCoopers LLP
1000 Louisiana, Suite 5800
Houston, Texas 77002

RESERVE ENGINEERS

Miller & Lents, Ltd
Oil & Gas Consultants
909 Fannin, 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:

Matt Kerin

Treasurer
(281) 589-4642
matt.kerin@cabotog.com

TRANSFER AGENT/REGISTRAR

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

General Inquiries:

Wells Fargo Shareowner Services
P.O. Box 64854
St. Paul, MN 55164-0854
(800) 468-9716

Certified/Overnight Mail:

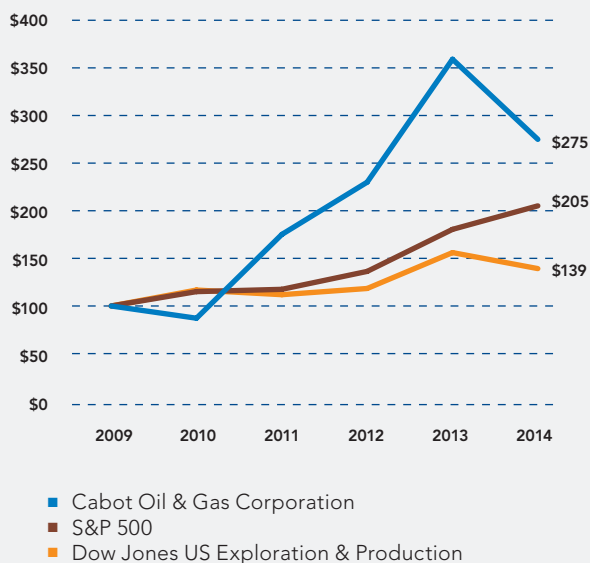
Wells Fargo Shareowner Services
1110 Centre Pointe Curve, Suite 101
Mendota Heights, MN 55120-4100

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 2009 through December 2014. The graph assumes that the value of the investment in our common stock and in each index was \$100 on December 31, 2009 and that all dividends were reinvested.



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