



## **MERGER OF EQUALS**

Creating a Premier, Free Cash Flow  
Focused Energy Company

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May 24, 2021

## Cautionary Statement Regarding Forward-Looking Information

This presentation contains certain “forward-looking statements” within the meaning of federal securities laws. Words such as “anticipates,” “believes,” “expects,” “intends,” “plans,” “outlook,” “will,” “should,” “may” and similar expressions may be used to identify forward-looking statements. Forward-looking statements are not statements of historical fact and reflect Cabot’s and Cimarex’s current views about future events. Such forward-looking statements include, but are not limited to, statements about the benefits of the proposed merger involving Cabot and Cimarex, including future financial and operating results; Cabot’s and Cimarex’s plans, objectives, expectations and intentions; the expected timing and likelihood of completion of the transaction; the expected timing and amount of any future dividends; and other statements that are not historical facts, including estimates of oil and natural gas reserves and resources, estimates of future production, assumptions regarding future oil and natural gas pricing, planned drilling activity, future results of operations, projected cash flow and liquidity, the achievement of synergies, business strategy and other plans and objectives for future operations. No assurances can be given that the forward-looking statements contained in this presentation will occur as projected and actual results may differ materially from those projected. Forward-looking statements are based on current expectations, estimates and assumptions that involve a number of risks and uncertainties that could cause actual results to differ materially from those projected. These risks and uncertainties include, without limitation, the ability to obtain the requisite Cabot and Cimarex stockholder approvals; the risk that Cabot or Cimarex may be unable to obtain governmental and regulatory approvals required for the merger; the risk that an event, change or other circumstances could give rise to the termination of the proposed merger; the risk that a condition to closing of the merger may not be satisfied on a timely basis or at all; the length of time necessary to close the proposed transaction, which may be longer than anticipated for various reasons; the risk that the businesses will not be integrated successfully; the risk that the cost savings and any other synergies from the transaction may not be fully realized or may take longer to realize than expected; the risk that any announcement relating to the proposed transaction could have adverse effects on the market price of Cabot’s common stock or Cimarex’s common stock; the risk of litigation related to the proposed transaction; the effect of future regulatory or legislative actions on the companies or the industry in which they operate, including the risk of new restrictions with respect to well spacing, hydraulic fracturing, natural gas flaring or other oil and natural gas development activities; the risk that the credit ratings of the combined business may be different from what the companies expect; disruption from the transaction making it more difficult to maintain relationships with customers, employees or suppliers; the diversion of management time on merger-related issues; the volatility in commodity prices for crude oil and natural gas; the continuing effects of the COVID-19 pandemic and the impact thereof on Cabot’s and Cimarex’s businesses, financial condition and results of operations; actions by, or disputes among or between, the Organization of Petroleum Exporting Countries and other producer countries; the presence or recoverability of estimated reserves; the ability to replace reserves; environmental risks; drilling and operating risks; exploration and development risks; competition; the ability of management to execute its plans to meet its goals; and other risks inherent in Cabot’s and Cimarex’s businesses. In addition, the declaration and payment of any future dividends, whether regular base quarterly dividends, variable dividends or special dividends following completion of the proposed transaction, will depend on the combined business’ financial results, cash requirements, future prospects and other factors deemed relevant by the board of directors of Cabot (as then constituted). These risks, as well as other risks related to the proposed transaction, will be described in the registration statement on Form S-4 and joint proxy statement/prospectus that will be filed with the SEC in connection with the proposed transaction. While the list of factors presented here is, and the list of factors to be presented in the registration statement on Form S-4 are, considered representative, no such list should be considered to be a complete statement of all potential risks and uncertainties. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual outcomes may vary materially from those indicated. For additional information about other factors that could cause actual results to differ materially from those described in the forward-looking statements, please refer to: (1) Cabot’s annual reports on Form 10-K, quarterly reports on Form 10-Q and current reports on Form 8-K, which are available on Cabot’s website at [www.cabotog.com/investor-relations](http://www.cabotog.com/investor-relations) and on the SEC’s website at <http://www.sec.gov>; and (2) Cimarex’s annual reports on Form 10-K, quarterly reports on Form 10-Q and current reports on Form 8-K, which are available on its website at [www.cimarex.com/investor-relations](http://www.cimarex.com/investor-relations) and on the SEC’s website at <http://www.sec.gov>.

Forward-looking statements are based on the estimates and opinions of management at the time the statements are made. Except to the extent required by applicable law, neither Cabot nor Cimarex undertakes any obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events or otherwise. Readers are cautioned not to place undue reliance on these forward-looking statements that speak only as of the date hereof.

## No Offer or Solicitation

This presentation is not intended to and shall not constitute an offer to buy or sell or the solicitation of an offer to buy or sell any securities, or a solicitation of any vote or approval, nor shall there be any sale of securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction. No offering of securities shall be made, except by means of a prospectus meeting the requirements of Section 10 of the U.S. Securities Act of 1933, as amended.

## Additional Information about the Merger and Where to Find It

In connection with the proposed transaction, Cabot intends to file with the Securities and Exchange Commission ("SEC") a registration statement on Form S-4 that will include a joint proxy statement of Cabot and Cimarex and that also constitutes a prospectus of Cabot. Each of Cabot and Cimarex may also file other relevant documents with the SEC regarding the proposed transaction. This presentation is not a substitute for the joint proxy statement/prospectus or registration statement or any other document that Cabot or Cimarex may file with the SEC. The definitive joint proxy statement/prospectus (if and when available) will be mailed to stockholders of Cabot and Cimarex. INVESTORS AND SECURITY HOLDERS ARE URGED TO READ THE REGISTRATION STATEMENT, JOINT PROXY STATEMENT/PROSPECTUS AND ANY OTHER RELEVANT DOCUMENTS THAT MAY BE FILED WITH THE SEC, AS WELL AS ANY AMENDMENTS OR SUPPLEMENTS TO THOSE DOCUMENTS, CAREFULLY AND IN THEIR ENTIRETY IF AND WHEN THEY BECOME AVAILABLE BECAUSE THEY CONTAIN OR WILL CONTAIN IMPORTANT INFORMATION ABOUT CABOT, CIMAREX AND THE PROPOSED TRANSACTION. Investors and security holders will be able to obtain free copies of the registration statement and joint proxy statement/prospectus (if and when available) and other documents containing important information about Cabot, Cimarex and the proposed transaction, once such documents are filed with the SEC through the website maintained by the SEC at <http://www.sec.gov>. Copies of the documents filed with the SEC by Cabot may be obtained free of charge on Cabot's website at [www.cabotog.com/investor-relations](http://www.cabotog.com/investor-relations) or by contacting Matt Kerin by email at [matt.kerin@cabotog.com](mailto:matt.kerin@cabotog.com) or by phone at 281-589-4642. Copies of the documents filed with the SEC by Cimarex may be obtained free of charge on Cimarex's website at [www.cimarex.com/investor-relations](http://www.cimarex.com/investor-relations).

## Participants in the Solicitation

Cabot, Cimarex and certain of their respective directors and executive officers may be deemed to be participants in the solicitation of proxies in respect of the proposed transaction. Information about the directors and executive officers of Cabot, including a description of their direct or indirect interests, by security holdings or otherwise, is set forth in Cabot's proxy statement for its 2021 Annual Meeting of Stockholders, which was filed with the SEC on March 12, 2021, and Cabot's Annual Report on Form 10-K for the fiscal year ended December 31, 2020, which was filed with the SEC on February 26, 2021. Information about the directors and executive officers of Cimarex, including a description of their direct or indirect interests, by security holdings or otherwise, is set forth in Cimarex's proxy statement for its 2021 Annual Meeting of Stockholders, which was filed with the SEC on March 26, 2021, and Cimarex's Annual Report on Form 10-K for the fiscal year ended December 31, 2020, which was filed with the SEC on February 23, 2021. Other information regarding the participants in the proxy solicitations and a description of their direct and indirect interests, by security holdings or otherwise, will be contained in the joint proxy statement/prospectus and other relevant materials to be filed with the SEC regarding the proposed transaction when such materials become available. Investors should read the joint proxy statement/prospectus carefully when it becomes available before making any voting or investment decisions. You may obtain free copies of these documents from Cabot or Cimarex using the sources indicated above.

# Merger of Equals Creates a Premier Energy Company



Free Cash Flow Focused, Diversified Energy Company



**HIGH-QUALITY, DIVERSIFIED  
OPERATING PLATFORM**

~600 MBoepd  
1Q21 production



**FREE CASH FLOW  
LEADER**

~\$4.7bn FCF  
2022–2024



**ACCELERATING CAPITAL  
RETURNS**

Target to deliver  
50%+ of FCF to  
shareholders



**FINANCIAL  
STRENGTH**

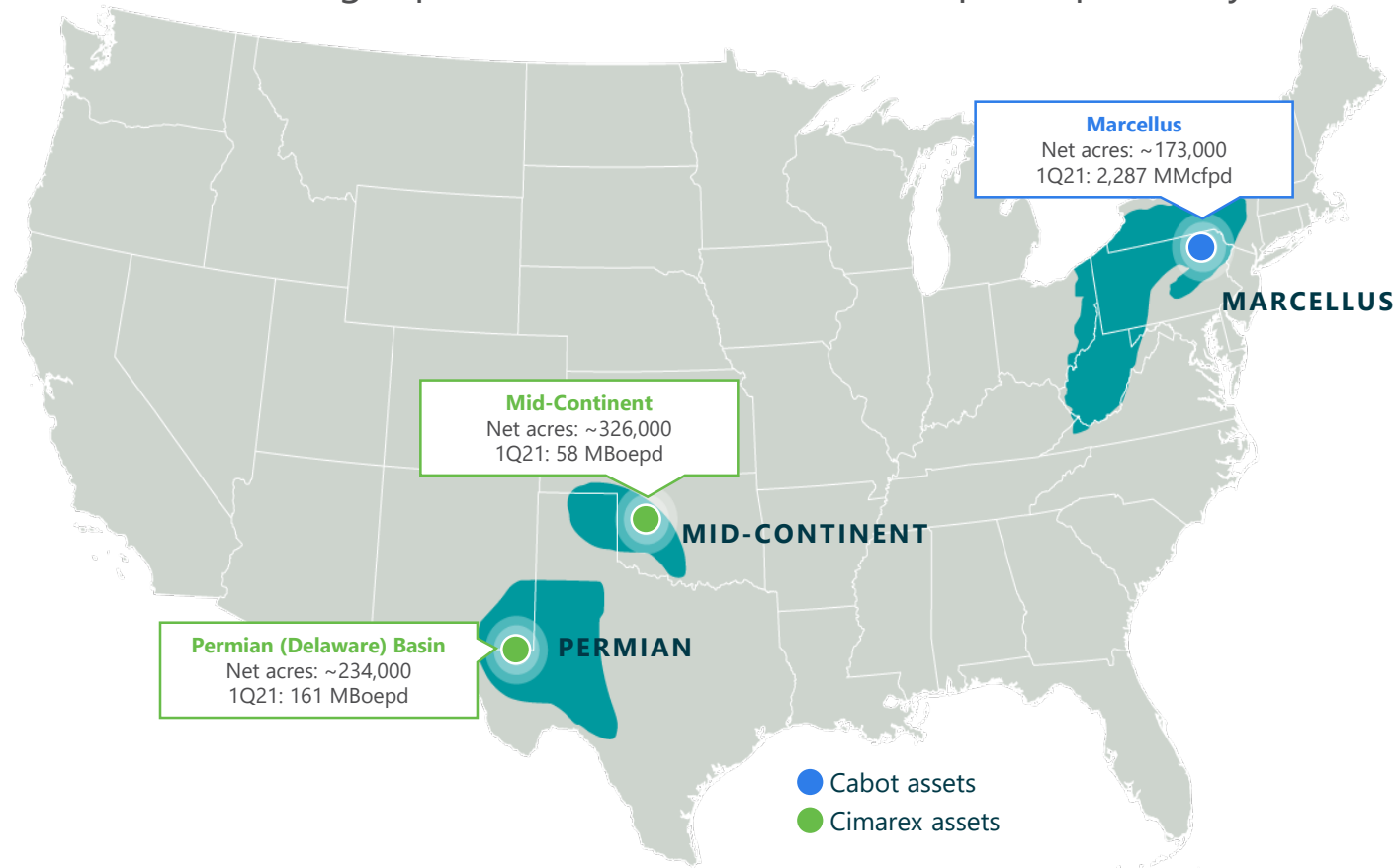
Maintain <1x net  
debt-to-EBITDAX



**COMMITMENT TO ESG  
& SUSTAINABILITY**

## Combining top-tier, low-cost assets

Diversified oil & gas portfolio with size, scale & capital optionality



2022–2024 cumulative FCF is a preliminary estimate based on \$55/Bbl WTI oil price and \$2.75/MMBtu NYMEX gas price

# Merger of Equals Overview



## Transaction structure

- Stock-for-stock merger of equals with a total combined enterprise value of ~\$17bn
- Exchange ratio: 4.0146 shares of Cabot for each share of Cimarex
- Pro forma equity ownership: 49.5% Cabot & 50.5% Cimarex on a fully diluted basis

## Financials & synergies

- Strong free cash flow generation with expectation of ~\$4.7bn of cumulative free cash flow 2022-2024
- Anticipate increasing base dividend, paying \$0.50 per share special dividend after closing & introducing quarterly variable dividend
- Strong balance sheet with a commitment to maintaining a low leverage ratio
- Targeting \$100mm of estimated annual G&A cost synergies beginning within 18 months to 2 years

## Leadership & governance

- Executive Chairman: Dan O. Dinges
- Chief Executive Officer: Thomas E. Jorden
- Board of Directors: 10 total directors, 5 from Cabot (including Mr. Dinges) & 5 from Cimarex (including Mr. Jorden)

## Company & headquarters

- Combined company to be headquartered in Houston, Texas
- Maintaining regional offices

## Approvals & timing

- Unanimously approved by Cabot and Cimarex Boards of Directors
- Subject to approval by the shareholders of each of Cabot & Cimarex
- Other customary regulatory approvals & conditions
- Closing expected in 4Q 2021; both companies anticipate paying respective base dividends through closing



# Strategic Rationale

A Stronger & More Resilient Energy Company



## Premier Multi-Basin Exposure

Consolidating top-tier teams & assets to create a diversified portfolio with scale & capital optionality  
Low-cost, capital-efficient inventory underpins robust FCF outlook



## Sustainable Free Cash Flow

Asset quality & commodity diversification  
Free cash flow focused with responsive reinvestment to support through-cycle cash generation



## Accelerating Capital Returns

Well positioned to deliver enhanced capital returns to shareholders  
Anticipate increasing base dividend, announcing special dividend & introducing quarterly variable dividend



## Strong Balance Sheet

Financial strength with maximum flexibility  
Maintain <1x net debt-to-EBITDAX



## Commitment to ESG & Sustainability

Building on proven commitments to ESG  
Linking executive compensation to ESG performance  
Maintaining Board oversight of ESG risks & programs

"The combination of Cabot and Cimarex creates a free cash flow focused, diversified energy company with scale, inventory and financial strength to thrive across commodity price cycles."



DAN O. DINGES

"This transformational merger combines our top-tier assets and advances our shared focus on delivering superior returns for investors."



THOMAS E. JORDEN

# Premier Multi-Basin Exposure

Combined Business Will Have Robust, Highly Economic Inventory

## Commodity & asset diversification are competitive advantages

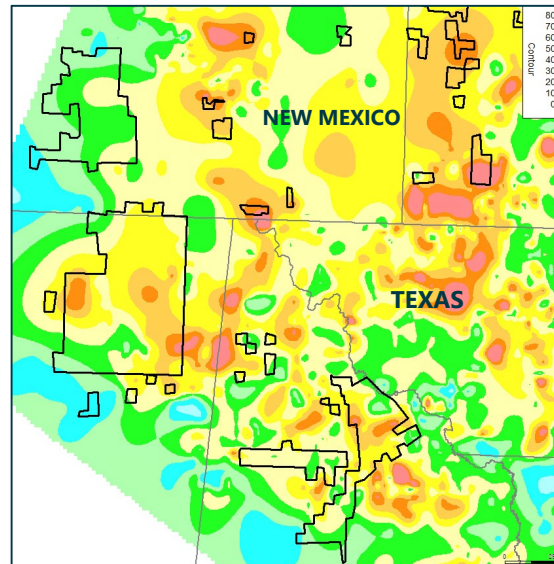
- ✓ Reduce portfolio cash flow volatility
- ✓ Enable counter-cyclical investment & returns
- ✓ Support long-term value creation

## Combining top-tier, low-cost assets

- › Cabot's assets sit in the most productive areas of the premier U.S. gas basin
- › Cimarex's assets sit in the most productive areas in the premier U.S. oil basin

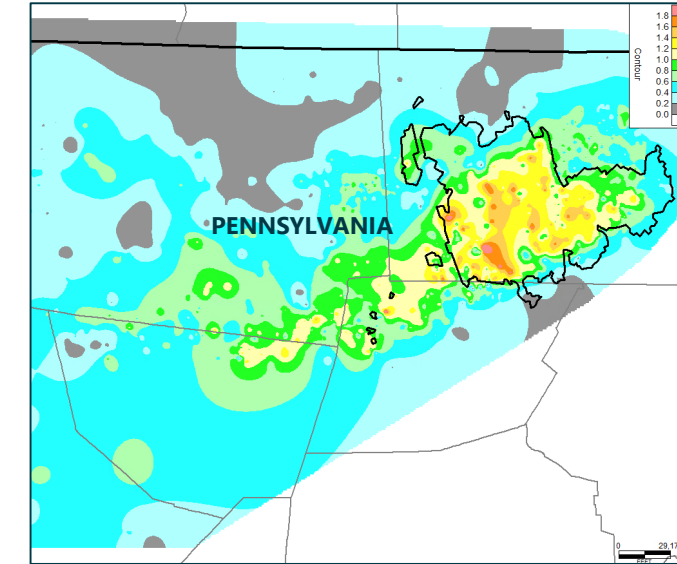
### DELAWARE BASIN

24-mo. cum. production (Wolfcamp Boe/lateral ft)<sup>1</sup>



### MARCELLUS

24-mo. cum. production (Marcellus Bcf/1k lateral ft)

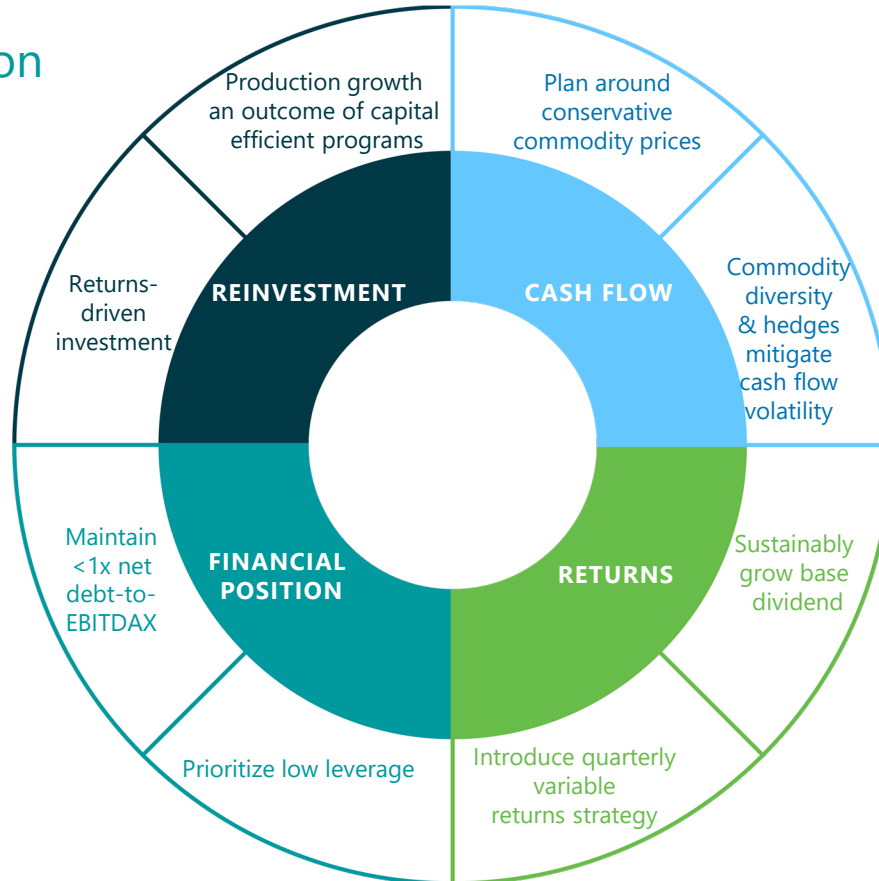


<sup>1</sup>Boe shown at 20:1

# Sustainable Free Cash Flow

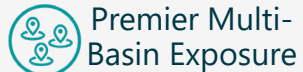
FCF Generation Driven by Disciplined Capital Allocation Strategy

## Capital allocation framework



## Key priorities

- 1 Return cash to shareholders**
  - Sustainable base dividend
  - Supplemental/variable dividends & share repurchases
- 2 Maintain a resilient balance sheet**
  - Maintaining <1x net debt-to-EBITDAX
- 3 Invest in our business**
  - Disciplined capital expenditures
  - Responsive reinvestment to market environment
  - Value-enhancing opportunities



Premier Multi-Basin Exposure



Sustainable Free Cash Flow



Accelerating Capital Returns



Strong Balance Sheet



Commitment to ESG & Sustainability



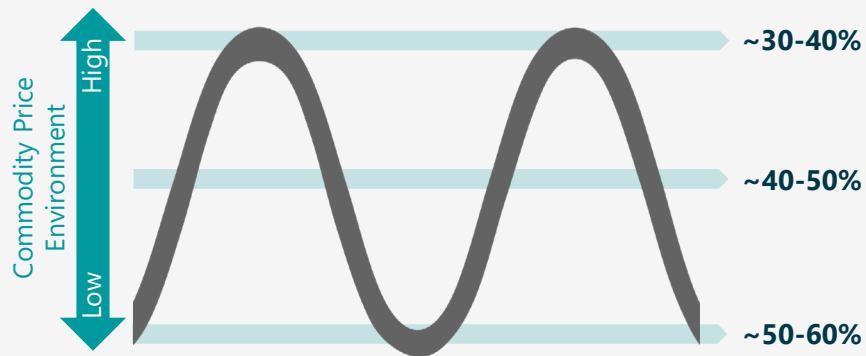
# Sustainable Free Cash Flow

Robust Outlook for FCF

## Responsive capital allocation

Supports through-cycle cash generation & prioritizes capital efficiency

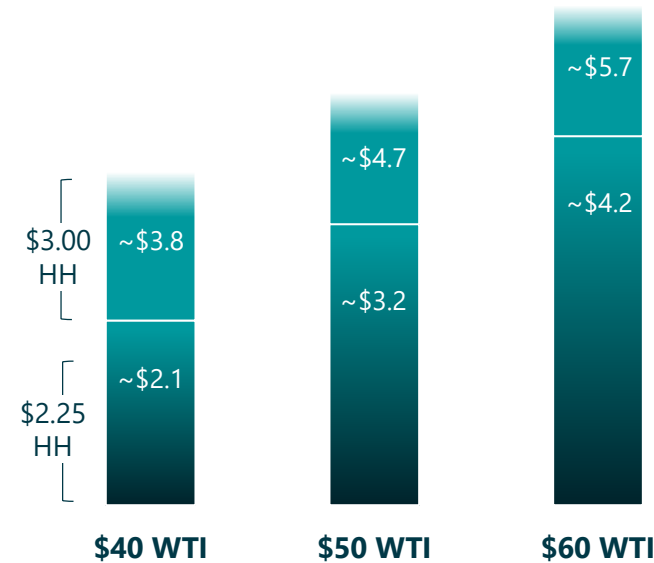
### REINVESTMENT RATE (% CFO)



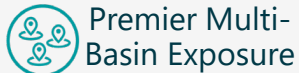
## 3-year outlook for FCF generation

Commodity price scenarios illustrate resilient & sustainable FCF

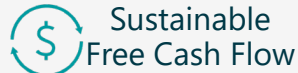
### 2022-2024 CUMULATIVE FCF OUTLOOK (\$bn)



- ✓ 3-year **cumulative FCF** ~32% of pro forma market cap vs peer avg. ~28%<sup>1</sup>
- ✓ Modest **oil & total equivalent growth**
- ✓ High-quality portfolio with **low maintenance capital requirements (<\$35/Bbl & <\$2/MMBtu prices)**



Premier Multi-Basin Exposure



Sustainable Free Cash Flow



Accelerating Capital Returns



Strong Balance Sheet



Commitment to ESG & Sustainability

<sup>1</sup>Source: FactSet; Peers include U.S. onshore focused independent upstream companies >\$10bn market cap: CLR, COP, DVN, EOG, FANG, HES, PXD

# Accelerating Capital Returns

Dividend Framework to Return Cash Through the Cycle

## SUSTAINABLE BASE DIVIDEND

- › Anticipate **increasing annual dividend to \$0.50 per share** (\$0.125 quarterly)
  - Represents ~\$400mm
  - Material increase for both Cabot & Cimarex
- › **Sustainable** across range of market conditions
  - <\$35/Bbl & <\$2/MMBtu prices
- › Committed to **growing** over time

## VARIABLE DIVIDEND

- › **Expect to introduce quarterly variable dividend after closing**
- › Flexible mechanism to target **total return of 50%+ of free cash flow**
- › **Plan to pay quarterly** based on prior quarter's free cash flow; expect first payment 1Q22

## SPECIAL DIVIDEND

- › **\$0.50 per share (~\$400mm) special dividend expected to be payable after closing**
  - Equates to receiving additional annual base dividend
- › Flexible & opportunistic tool
- › May evaluate future special dividends/share repurchases

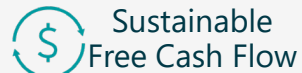
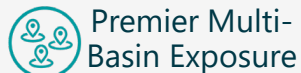


Track Record of Returning Capital to Shareholders

Cabot & Cimarex have returned a combined

**\$2.3bn**

to shareholders since 2016 through dividends & share repurchases



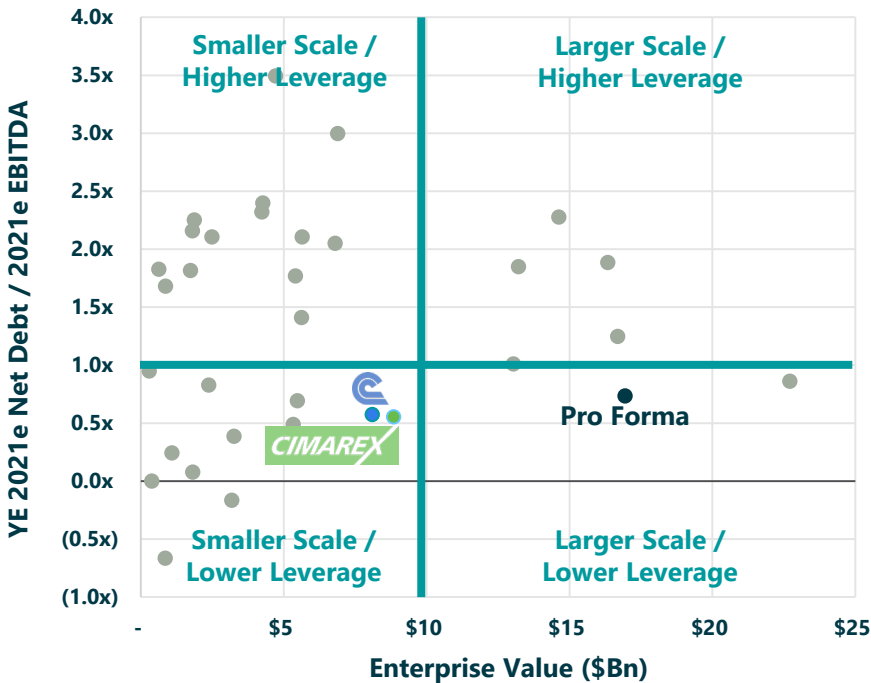
# Strong Balance Sheet

Resilient Financial Position

## Low leverage + scale

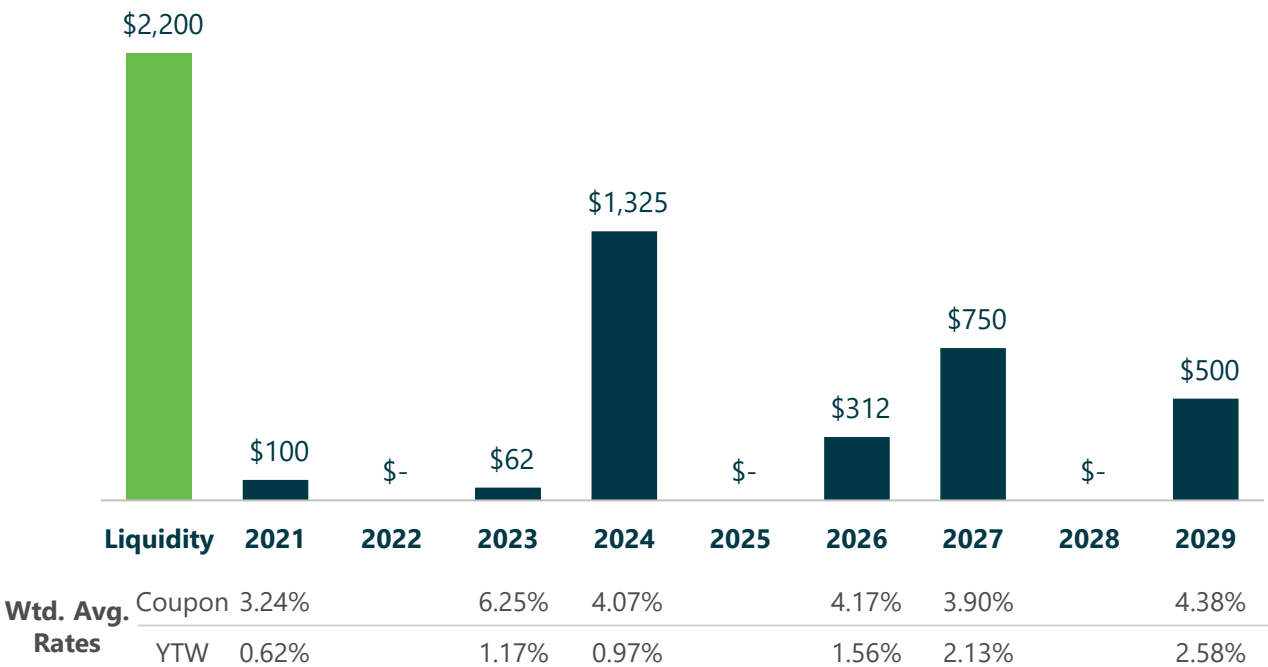
Provides significant capital optionality

● Peer universe<sup>1</sup>



## Pro forma liquidity & debt maturity profile

Scale supports low cost of capital



Premier Multi-Basin Exposure



Sustainable Free Cash Flow



Accelerating Capital Returns



Strong Balance Sheet



Commitment to ESG & Sustainability

<sup>1</sup>Upstream company universe excludes companies with TEV greater than \$25bn, minerals companies, offshore companies & international companies; FANG excluded from analysis given consensus estimates do not yet fully reflect recent transactions

# Commitment to ESG & Sustainability

Shared Commitments to Environmental Stewardship, Sustainability & Strong Corporate Governance



## Environment, social & safety performance

- › Cabot reported **0 flaring, 100% produced & flowback water recycled & 0 hydrocarbon spills** in 2020
- › Cimarex **reduced GHG emissions intensity 22%** in 2020
- › Combined business **commits to strong safety performance & further reducing GHG emissions**



## Governance

- › Continue to **embed ESG in compensation** structure
- › Maintain **board-level oversight of ESG** performance & programs
- › Commit to **independent, diverse & experienced board**



## Sustainability reporting

- › Combined business to **report on ESG performance & progress**, in line with SASB & TCFD standards
- › For additional information, refer to Cabot's 2020 Sustainability Report & Cimarex's ESG disclosures on its website



Premier Multi-Basin Exposure



Sustainable Free Cash Flow



Accelerating Capital Returns



Strong Balance Sheet



Commitment to ESG & Sustainability

# A Premier Energy Company

Free Cash Flow Focused, Diversified Energy Company



## HIGH-QUALITY, DIVERSIFIED OPERATING PLATFORM

~600 MBoepd  
1Q21 production



## FREE CASH FLOW LEADER

~\$4.7bn FCF  
2022–2024



## ACCELERATING CAPITAL RETURNS

Target to deliver  
50%+ of FCF to  
shareholders



## FINANCIAL STRENGTH

Maintain <1x net  
debt-to-EBITDAX



Premier Multi-Basin Exposure



Sustainable Free Cash Flow



Accelerating Capital Returns



Strong Balance Sheet



Commitment to ESG & Sustainability





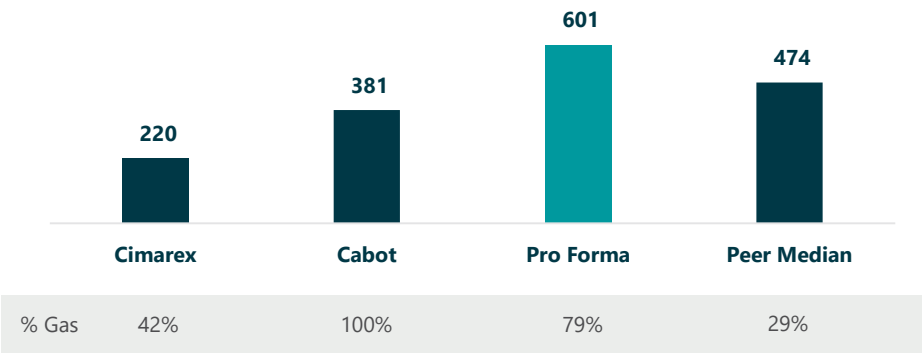
# Appendix

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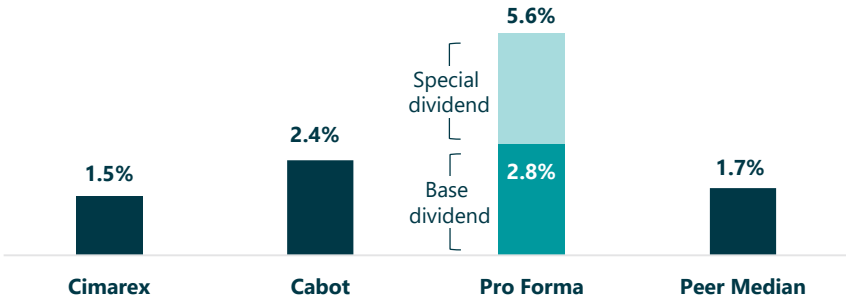
# An Attractive Investment Thesis

Scale, Robust Free Cash Flow, Expanding Capital Returns & Financial Strength

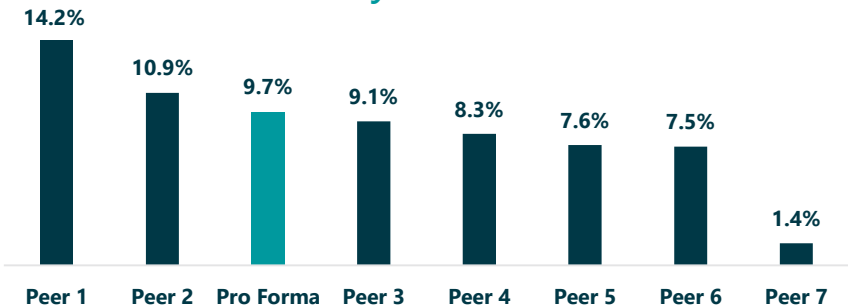
Current production (MBoepd)



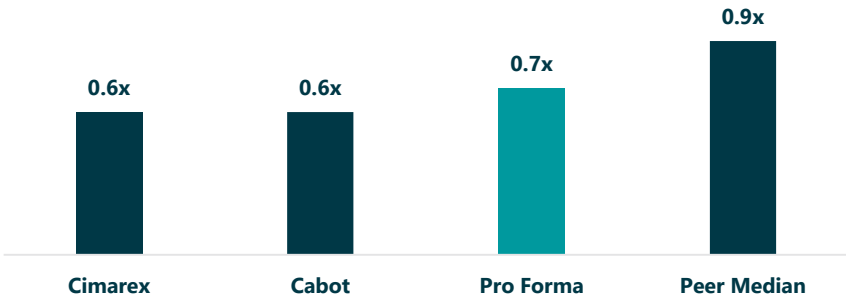
Current base dividend yield



2021E Free cash flow yield<sup>1,2</sup>



2021E Leverage<sup>1,3</sup>



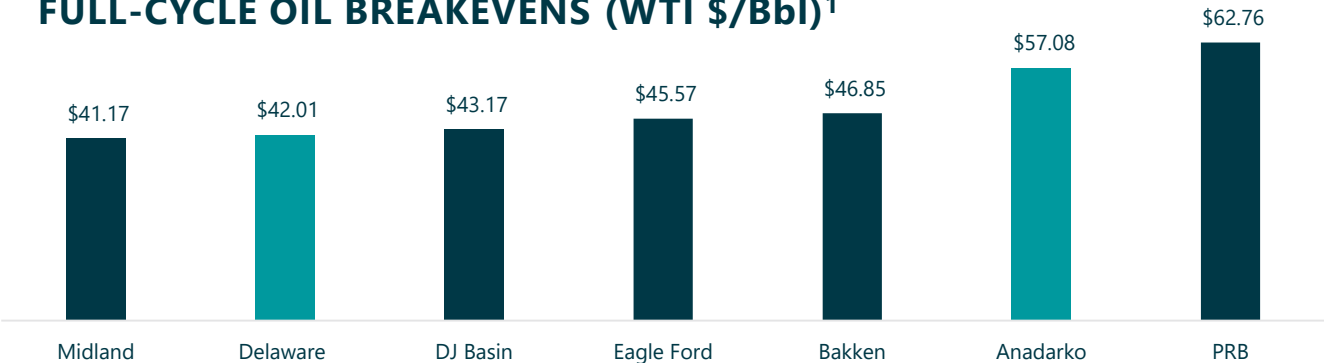
Source: Public Filings & FactSet  
Note: Peers include U.S. onshore focused independent upstream companies >\$10bn market cap: CLR, COP, DVN, EOG, FANG, HES, PXD  
<sup>1</sup> Based on select Wall Street Research, FactSet consensus and management estimates. Analysis assumes run-rate synergies of \$100mm  
<sup>2</sup> Free Cash Flow Yield calculated as CFFO less capex divided by market capitalization  
<sup>3</sup> Includes the impact of one-time special dividend, transaction costs and one quarter of synergies

# Top-Tier Resource Depth

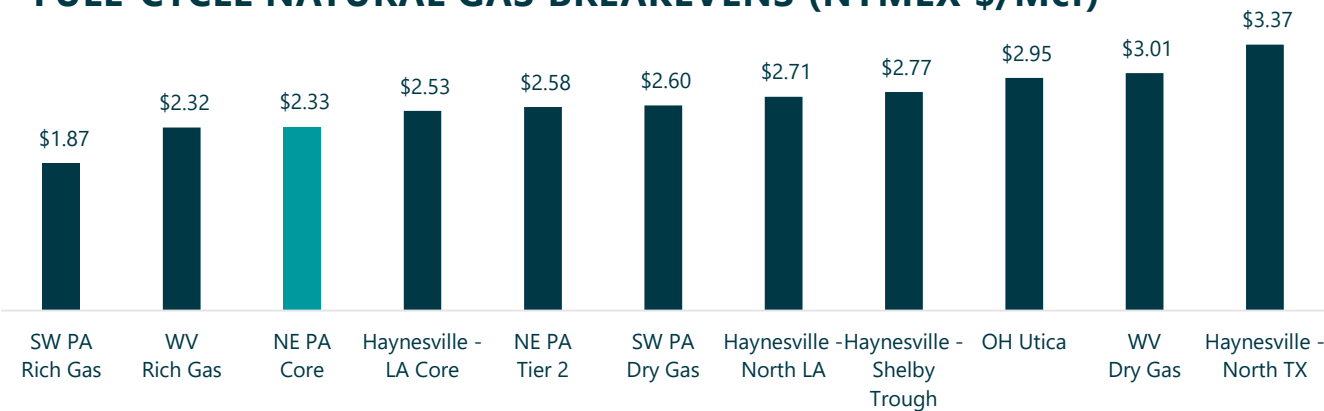
Combined Portfolio Represents >20 Years of Inventory

## Combining top-tier resource

### FULL-CYCLE OIL BREAKEVENS (WTI \$/Bbl)<sup>1</sup>



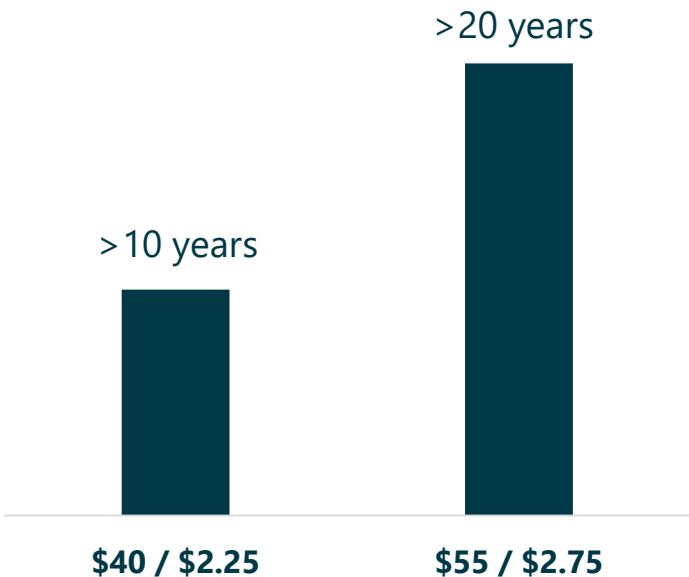
### FULL-CYCLE NATURAL GAS BREAKEVENS (NYMEX \$/Mcf)<sup>1</sup>



## High-quality, multi-decade drilling inventory

Years of inventory with present value/investment > 1.5x<sup>2</sup>

### PRO FORMA INVENTORY LIFE



<sup>1</sup>Oil & natural gas play breakeven analysis assumes 25% BTAX IRRs & strip pricing as of 3/3/2021; sourced from J.P. Morgan equity research (3/16/2021)

<sup>2</sup>PV/I defined as PV10 of well level net operating cash flows divided by capital investment in respective well. Inventory years calculated as total net capital for wells with PV/I greater than 1.5x, divided by total pro forma 2021 capital; flat NYMEX WTI \$/Bbl & Henry Hub NYMEX \$/MMBtu



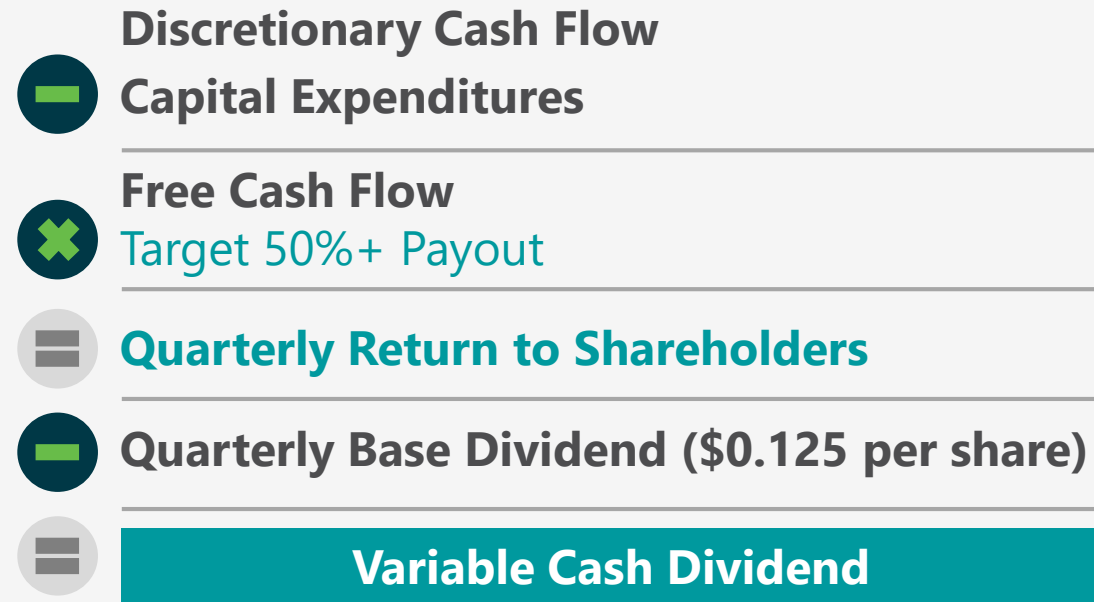
## VARIABLE DIVIDEND

- › Expect to introduce quarterly variable dividend upon closing
- › Flexible mechanism to target **total return of 50%+ of free cash flow**
- › Plan to pay quarterly based on prior quarter's free cash flow; expect first payment 1Q22

## Variable cash dividend

Target return of cash to shareholders 50%+

### CALCULATED ON A QUARTERLY BASIS



## Free cash flow (non-GAAP) definition

This presentation provides free cash flow, or FCF, which is a non-GAAP financial measure. Free cash flow is discretionary cash flow in excess of oil and gas capital expenditures and other capital expenditures. Cabot and Cimarex believe that free cash flow is useful to investors as it provides a measure to compare both cash flow from operating activities and oil and gas capital expenditures across periods on a consistent basis, and the management teams of Cabot and Cimarex use FCF for this purpose.

Discretionary Cash Flow is a non-GAAP financial measure. Discretionary cash flow represents net cash provided by operating activities as determined under GAAP without regard to changes in operating assets and liabilities. Cabot and Cimarex believe that discretionary cash flow is an accepted measure of an oil and natural gas company’s ability to generate cash to fund development and acquisition activities and service debt or pay dividends, and the management teams of Cabot and Cimarex use discretionary cash flow for this purpose.

These non-GAAP measures should not be considered as alternatives to, or more meaningful than, net cash provided by operating activities as an indicator of operating performance.

## Free cash flow at various price scenarios

Scenarios based on WTI oil / NYMEX natural gas

### 2022-2024 CUMULATIVE FCF (\$bn)

