Policy on Hydraulic Fracturing Fluids

Cabot is committed to minimizing the impact to the environment of all of its operations. To that end, in April 2012, we were instrumental in developing the Appalachian Shale Recommended Practices Group (ASRPG) "Recommended Standards and Practices" and we follow those guidelines in our operations in the Marcellus Shale. With regard to fluids used in our hydraulic fracturing operations in the area, the ASRPG guidelines state:

- In selecting additives for use in hydraulic fracturing fluids, Operators should consider the environmental characteristics of those components, balanced with the operational needs of the project.
- Operators should:
    - Strive to minimize the volume and concentration of MSDS listed hydraulic fracturing fluid additives.
    - Encourage development and use of more environmentally benign hydraulic fracturing fluid additives
    - Commit to transparency in their operations by disclosing composition of hydraulic fracturing fluid additives (e.g. Frac Focus) to the extent permitted by suppliers, while respecting related intellectual property rights, and proprietary and confidential business information.

Our contractor selection process considers both the effectiveness of the contractor and the level of toxicity in fluids used by the contractor. We prohibit our contractors from using diesel or benzene, toluene, ethylbenzene and xylenes (BTEX) chemicals in hydraulic fracturing fluids in all of our shale drilling operations. We also solicit our contractors to provide the most environmentally benign fluids that are available and effective to produce desired operational results. We continue to disclose all of the MSDS chemicals used in our fracturing fluids on the FracFocus website.

We are confident that our current hydraulic fracturing operations are being conducted in a manner that is responsible to the environment and to our shareholders. We will, however, continue to be supportive of the development of more environmentally benign hydraulic fracturing fluid additives by our active participation in the ASRPG and through ongoing engagement with our team of contractors, who are leading the industry in the research and development of improved alternatives. Should the hydraulic fracturing industry develop a fracturing fluid or technology that produces similar operational results with less of an environmental impact than fluids we are currently using, we will be an enthusiastic adopter.