2010 TIPRO Central Texas Business Development Reception

“South Texas Eagle Ford and Olmos – from Unconventional to Conventional”

30 Years of Seizing Opportunities

1979 – 2009

October 20, 2010
Industry Activity Focus Areas

<table>
<thead>
<tr>
<th>Olmos</th>
<th>Eagle Ford*</th>
</tr>
</thead>
<tbody>
<tr>
<td>~41,000</td>
<td>~79,000</td>
</tr>
</tbody>
</table>

Swift Net Prospective Acreage for Horizontal Drilling as of 8/1/10

602 Wells (Permitted/Drilling/Completed) as of 9/1/10
Eagle Ford Appraisal / Development Areas

North SUN TSH
North AWP
Eagle Ford JV
South AWP

Fasken

Graphics are for presentation purposes only & do not depict all land, geologic & engineering information.
Swift owns ~79,000 net acres prospective for Eagle Ford

- ~1,000 locations assuming 80 acre well spacing
- 4 - 7 Bcfe resource potential per gas well
- 250 - 374 Mboe resource potential per liquids rich well
- $6 - $7 MM cost per well in development mode

Approximate Swift Eagle Ford Acreage (as of August 1, 2010)*

<table>
<thead>
<tr>
<th>County</th>
<th>Gross</th>
<th>Net</th>
</tr>
</thead>
<tbody>
<tr>
<td>McMullen</td>
<td>67,000</td>
<td>53,000</td>
</tr>
<tr>
<td>La Salle</td>
<td>18,000</td>
<td>14,000</td>
</tr>
<tr>
<td>Webb</td>
<td>8,000</td>
<td>8,000</td>
</tr>
<tr>
<td>Zavala</td>
<td>4,000</td>
<td>4,000</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>97,000</strong></td>
<td><strong>79,000</strong></td>
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</tbody>
</table>

* Rounded to nearest thousand acres
Swift owns ~41,000 net acres in McMullen County prospective for horizontal Olmos development

- ~ 240 locations assuming 160 acre well spacing
- 3 - 5 Bcfe resource potential per well
- $6 - $7 MM cost per well in development mode
Regional Depositional Model – South Texas

- Olmos Paralic-Deltaic
- Olmos Shoreface
- Olmos Inner Shelf
- Olmos Mid Shelf
- Eagle Ford Backreef
- Eagle Ford Fore reef
- Edwards Shelf Margin
- Glen Rose
- Pearsall Shale
- Sligo Backreef
- Sligo Reef
- Jurassic E. Cretaceous
- Salt
- Jurassic
- Wilcox Expansion Fault
- Swift Acreage Position
Eagle Ford Resource Play Overview

- Excellent Thickness
- High Kerogen and Total Organic Carbon Content
- High Porosity
- High Carbonate Content
- Low Clay Content
- Dry Gas to Gas / Condensate to Oil Thermal Windows
- Strong IP’s and EUR’s

Comparison of U.S. Shales

<table>
<thead>
<tr>
<th>GAS SHALE BASIN</th>
<th>BARNETT</th>
<th>FAYETTEVILLE</th>
<th>HAYNESVILLE</th>
<th>WOODFORD</th>
<th>EAGLE FORD</th>
<th>SWIFT EAGLE FORD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Depth, ft.</td>
<td>6,500-8,500</td>
<td>1,000-7,000</td>
<td>10,500-13,500</td>
<td>6,000-11,000</td>
<td>2,500-15,000</td>
<td>8,000-15,000</td>
</tr>
<tr>
<td>Net Thickness, ft.</td>
<td>100-600</td>
<td>20-200</td>
<td>200-300</td>
<td>120-220</td>
<td>150-350</td>
<td>100-450</td>
</tr>
<tr>
<td>Total Organic Carbon, %</td>
<td>4.5</td>
<td>4-9.8</td>
<td>0.5-4</td>
<td>1-14</td>
<td>2-6</td>
<td>3-7</td>
</tr>
<tr>
<td>Total Porosity, %</td>
<td>4-5</td>
<td>2-8</td>
<td>8-9</td>
<td>3-9</td>
<td>6-14</td>
<td>6-15</td>
</tr>
<tr>
<td>Gas Content, scf/ton</td>
<td>300-350</td>
<td>60-220</td>
<td>100-330</td>
<td>200-300</td>
<td>200-220</td>
<td>200-230</td>
</tr>
<tr>
<td>Quartz, %</td>
<td>48</td>
<td>35</td>
<td>28</td>
<td>45</td>
<td>15</td>
<td>15</td>
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<tr>
<td>Clay, %</td>
<td>21</td>
<td>38</td>
<td>39</td>
<td>22</td>
<td>18</td>
<td>18</td>
</tr>
<tr>
<td>Carbonate, %</td>
<td>8</td>
<td>12</td>
<td>14</td>
<td>5</td>
<td>50</td>
<td>50</td>
</tr>
<tr>
<td>Kerogen, %</td>
<td>9</td>
<td>7</td>
<td>5</td>
<td>10</td>
<td>10</td>
<td>10</td>
</tr>
<tr>
<td>IP, MMcfd</td>
<td>1-9</td>
<td>2-7</td>
<td>15-24</td>
<td>2.5-12</td>
<td>7-9</td>
<td>6-10</td>
</tr>
<tr>
<td>EUR, Bcf/well</td>
<td>2-5</td>
<td>2-2.5</td>
<td>4-5-8.5</td>
<td>2.7-3.4</td>
<td>4-7</td>
<td></td>
</tr>
</tbody>
</table>

Sources: DOE, Core Lab, NuTech, AAPG, Atlas Energy, SM Energy, Range, Petrohawk
Building The Resource Factory

- Evaluation & Data Capture
- Calibration
- Re-Calibration
- Appraisal & Efficiency Capture
- Development & Optimization Capture
- Manufacturing & Commercial Capture
<table>
<thead>
<tr>
<th>Evaluation &amp; Data Capture Phase</th>
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<tbody>
<tr>
<td><strong>Sub-Surface Modeling</strong></td>
</tr>
<tr>
<td>- 2D Seismic mapping</td>
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<tr>
<td>- X Sections/petrophysics</td>
</tr>
<tr>
<td>- Micro-seismic data</td>
</tr>
<tr>
<td>- Volumetric calculations</td>
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<tr>
<td>- Exploration &amp; appraisal site selection</td>
</tr>
<tr>
<td><strong>Completion &amp; Production</strong></td>
</tr>
<tr>
<td>- Baseline lateral lengths, frac stages, spacing, horsepower requirements and recipe</td>
</tr>
<tr>
<td>- Flow back measurement, fluid characteristics &amp; history matching to pre-drill models</td>
</tr>
<tr>
<td>- Identify technology applications</td>
</tr>
<tr>
<td>- Utilize HSE plans &amp; regulatory processes</td>
</tr>
<tr>
<td><strong>Drilling &amp; Formation Evaluation</strong></td>
</tr>
<tr>
<td>- Pilot holes, logs, cores &amp; petrophysics</td>
</tr>
<tr>
<td>- Lateral landing &amp; geo-steering techniques</td>
</tr>
<tr>
<td>- Wellbore integrity</td>
</tr>
<tr>
<td>- Identify technology applications</td>
</tr>
<tr>
<td><strong>Infrastructure &amp; Marketing</strong></td>
</tr>
<tr>
<td>- Source water (drill or haul), flow lines, processing and inter-connects</td>
</tr>
<tr>
<td>- Interruptible transportation and sales</td>
</tr>
</tbody>
</table>
North AWP Eagle Ford Location Map
(Liquids Rich Window)

Net Acres: ~ 20,000
Locations: 245
Potential: 61 - 92 Mmboe
(unrisked)

Swift’s Eagle Ford Acreage
Producing in the Eagle Ford Shale
Permitted, Drilling or WOC
Evaluation Wells
Appraisal Wells

Graphics are for presentation purposes only & do not depict all land, geologic & engineering information.
PCQ # 1H Petrophysical Analysis

- Gross Thickness: 150’
- Net Thickness: 116’
- Porosity: 11.3%
- TOC: 5%
- IP: 1,134 bopd & 1.1 mmcfgd
- FTP: 1,750 psi
Net Acres: ~ 13,000
Locations: 162
Potential: 0.6 - 1.1 Tcfe (un-risked)
Bracken JV #3H Petrophysical Analysis

- Gross Thickness: 377’
- Net Thickness: 232’
- Porosity: 14%
- TOC: 4%
- IP: 7.5 mmcfgd
- FTP: 6,590 psi
- Choke: 16/64”
Bracken Family # 1-H – Micro-seismic
11 Stages of Fracture Stimulation

Map View

View From West

- IP: 9.0 mmcf gd
- FTP: 5,900 psi
South AWP Eagle Ford Location Map (Gas Window)

Net Acres: ~ 21,000
Locations: 261
Potential: 1.0 - 1.8 Tcfe (un-risked)

South AWP

Awaiting 3-D

Swift’s Eagle Ford Acreage
Producing in the Eagle Ford Shale
Permitted, Drilling or WOC
Evaluation Wells
Appraisal Wells

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AWP – 2009/2010 Horizontal Olmos Development

Net Acres: ~ 41,000
Locations: 255
Potential: 0.8 - 1.3 Tcf (un-risked)

Initial Test Well
10 MMcfEq per Day

AWP Field
2009 Olmos Program
2010 Olmos Program

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North Sun TSH Location Map (Liquids Rich Window)

Net Acres: ~ 14,000
Locations: 177
Potential: 44 – 66 Mmboe (un-risked)

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Carden # 1-H Petrophysical Analysis

- Gross Thickness: 159’
- Net Thickness: 125’
- Porosity: 10.3%
- TOC: 4.2%
- IP – WOC

Lower Eagle Ford Rotary SWC
Fasken Ranch Location Map (Gas Window)

Net Acres: ~ 8,000
Locations: 104
Potential: 0.4 – 0.7 Tcfe (un-risked)

Fasken A 1H

Swift’s Eagle Ford Acreage
Producing in the Eagle Ford Shale
Permitted, Drilling or WOC
Evaluation Wells
Appraisal Wells
Fasken # 1-H Petrophysical Analysis

- Gross Thickness: 452’
- Net Thickness: 184’
- Porosity 10.2%
- TOC: 4%
- IP: 9.4 mmcfgd
- FTP: 4,550 psi

Lower Eagle Ford Shale Core
<table>
<thead>
<tr>
<th>Appraisal &amp; Efficiency Capture Phase</th>
</tr>
</thead>
</table>

### Sub-surface Modeling
- Incorporate well data & trade data into geologic model
- Preliminary fault mapping
- Refined volumetrics & sensitivity analysis
- Conceptual simulation modeling
- Preliminary economic modeling

### Completions and Production
- Adjust lateral lengths, frac stages, spacing, horsepower, recipe & compare to baseline
- Contractor & equipment alliances
- Integrate frac/drill schedules
- Production logging, history matching, phase behavior & calibration to IP/EUR models

### Drilling & Formation Evaluation
- Contractor & equipment alliances
- Batch drilling
- Work efficiencies – casing design, bit selection, rotary steerable techniques
- Limited logging, swc’s, improved geosteering

### Infrastructure and Marketing
- Develop water handling system – WSW’s, flow lines and pits
- Layout common flow lines, processing/treatment facilities & inter-connects
- Evaluate longer-term market options/costs/differentials
- Prepare full-scale facilities /capacity analysis & sensitivities
Drilling Performance - Well Design Evolution

Original Design
- Production Liner Tie Back @ 9800'
- Production Liner @ TD
- Intermediate Casing @ 11,000'
- Production Casing @ TD Cemented in place
- Surface Casing @ 1600'

Current Design
- Surface Casing @ 5500'

Saves ~ $800 k per well
Drilling Performance (Days vs. Depth) – South Texas Eagleford Horizontal Wells

- Fasken 1H (Jan 2010)
- PCQ 1H (Jan 2010)
- Hayes 1H (March 2010)
Drilling Performance (Days vs. Depth) – South Texas Olmos Horizontal Wells

AFP 2H and 3H set consecutive global records:
- 9,421’ and 9,569’ continuous runs with PDC and RSS
1st Generation Frac Design

- Surface Casing @ 1,600'
- Production Liner tied back to surface TOL @ 9,800'
- Intermediate Casing @ 10,940' TVD
- 16” Drive Pipe @ 97.5’

**Olmos**

- Swellable Packers
- 9 stages spaced 500’ apart
- Single Frac Port
- 3.7 MM pounds of 40/70 and 20/40 sand
- 72K Bbls of gelled frac fluid

**Swellpackers w/ sleeve assembly between**

- 4.5” x 6.25” x 5m

*Diagram shows the wellbore design with various stages and components.*
2\textsuperscript{nd} Generation Frac Design

Surface casing @ 433’

Casing @ 5,520’

Production Casing @ TD

Olmos & Eagle Ford

- Cemented Liner
- 11-13 stages planned - spaced 300’ apart
- 8 sets of perforation per stage
- 2.7 - 3.0 MM pounds of 40/70 sand
- 175 k – 225 k Bbls of frac water
Horizontal Eagle Ford Producers

- **Liquids Rich**
  - Fasken 1H 12 Stages
  - PCQ 1H 13 Stages
  - SMR 1H 12 Stages
  - Hayes 1H 7 Stages

- **Gas & Gas with NGL’s**
  - Bracken JV 1H 11 Stages
  - Bracken JV 3H 10 Stages (restricted)
  - SMR 1H 12 Stages

IP Rate - Mcfd vs. Pressure

- **Hayes 1H**
  - 7 Stages

- **Fasken 1H**
  - 12 Stages

- **PCQ 1H**
  - 13 Stages

- **SMR 1H**
  - 12 Stages

- **Bracken JV 1H**
  - 11 Stages

- **Bracken JV 3H**
  - 10 Stages (restricted)
Horizontal Olmos Producers

Gas with NGL’s & Condensate
Gas with NGL’s

- Bracken 33H
  - 9 Stages
- Bracken 34H
  - 9 Stages
- Bracken 36H
  - 9 Stages
- Huff 1H
  - 7 Stages
- AFP 1H
  - 13 Stages
- AFP 2H
  - 8 Stages
  - (6 remaining)

IP Rate - Mcfd
Pressure (1,000 PSI)
## Development & Optimization Capture Phase

### Sub-surface Modeling
- Acquire 3D Seismic
- Prepare integrated 3D geological/reservoir model & update with well data
- Develop reservoir simulation model & optimize
- Develop full scale economic models

### Drilling & Evaluation
- Work rig efficiencies, optimized pad drilling, capture lessons-learned & time/cost efficiencies
- Enhanced SCM – contractor alliances, yards, offices
- Selected logs & cores for calibration to 3D Model

### Completions & Production
- Lessons-learned captured for optimized well lengths, orientations, stages, etc.
- Production logging & history matching calibrated to 3D models
- Optimize well counts, patterns & spacing tied to simulation
- Develop full scale operating & regulatory plans

### Infrastructure & Marketing
- Optimize common water management system, facilities/flow lines
- Capacity commitments/tariffs for transportation systems & markets
- Implement hedging strategies
- Fine tune field infrastructure and capacity layouts, costs, schedules
Swift South Texas 3D Program

- Approximately 800 square miles
- Proprietary Merge of 12 Surveys
- Processing for Controlled Phase & Amplitude
- Prestack Time Migration with Anisotropy Correction
- Fracture Detection & Inversion for Rock Properties
- Accurate and Efficient Placement of Horizontal Wellbores

3D Seismic for AWP Area

La Salle

McMullen

Live Oak
Development Drilling Efficiencies

Pad Drilling Saves $125 k/well

Batch Drilling Saves $100 k/well and shortens overall development time

Optimized Rotary-Steerable operations save $200-350 k/well
Water Management is Extremely Important

**PRODUCING WELL LOCATION**

- Frac Stimulation
  - Uses ~ 200,000 bw (50,000 b/d x 4 days)
- Duck Pond
  - Holds ~ 35,000 bw
  - Use in staging frac and storing produced water

**WATER WELL LOCATION**

- Water Supply Well (7)
  - Delivers 15,000 b/d
- Frac Pond (9)
  - Holds ~ 200,000 bw
  - Supplies water for frac and stores produced water
- Storage/Blending Tanks

Transfer Lines

- Water
Fracture Stimulation Efficiency

- **Wells TD'd**
- **Wells Frac'd**
- **Wells in Inventory**

**Graph Details:**
- **Y-axis:** # Wells
- **X-axis:** Quarters (1st qtr, 2nd qtr, 3rd qtr, 4th qtr)
- **Years:** 2010, 2011

- **Legend:**
  - **Dedicated Frac Spread Starts**

**Graph Description:**
- The graph illustrates the number of wells tied down (TD'd), wells frac'd, and wells in inventory for each quarter in 2010 and 2011.
- The dedicated frac spread starts are indicated by a yellow line, showing a trend over the years.

**Key Observations:**
- In 2010, the number of wells TD'd and frac'd is relatively low, with a slight increase towards the end of the year.
- In 2011, the number of wells TD'd and frac'd shows a significant increase, especially in the 1st and 2nd quarters, with a decline towards the end of the year.
- The dedicated frac spread starts are visible with a peak in the 2nd quarter of 2010, followed by a decline in 2011.
Olmos Vertical vs. Horizontal Efficiencies

- **Vertical Program Averages**
  - Drilling Time: 15 days
  - Capital Cost: $1.4 MM
  - EUR Per Well: 0.4 Bcfe
  - IP Rate: 0.500 MMcfed

- **Horizontal Program Averages**
  - Drilling Time: 16 - 23 days
  - Capital Cost: $6 – 7 MM
  - EUR Per Well: 3 – 5 Bcfe
  - IP Rate: 6 – 10 Mmcfed

- **Horizontal Program Efficiencies**
  - Drilling Time: 1.1 – 1.5 X
  - Capital Cost: 4.3 – 5 X
  - EUR Per Well: 7.5 – 12.5 X
  - IP Rate: 12 – 20 X
  - Unit Cost/Mcfe: Significant Reduction

Significant Reduction
Eagle Ford Development Economics
Dry Gas Model With Sensitivities

5 BCF Case

- $4.00
- $5.00
- $6.00
- $7.00

$5 Case

- 6 BCF (IP = 10.8 MMcf/d)
- 5 BCF (IP = 9 MMcf/d)
- 4 BCF (IP = 7.2 MMcf/d)

IRR vs Well Cost $MM

BFIT, After State/Local Tax & Opex
Eagle Ford Development Economics
Liquids Rich Model With Sensitivities

312 MBOE Case

$90 / $6.00
$80 / $5.00
$70 / $4.00

312 MBOE (IP = 720 bbl/d)
374 MBOE (IP = 720 bbl/d)
312 MBOE (IP = 600 bbl/d)
250 MBOE (IP = 480 bbl/d)

BFIT, After State/Local Tax & Opex
Manufacturing & Commercial Capture Phase

- Execute optimized Plan of Development
- Squeeze operational efficiencies
  - Supply chain management
  - Perform benchmarking and share best practices
  - Optimize manpower and data management
- Recalibrate reservoir performance to sub-surface and economic models
- Manage transportation, sales and lease contracts
- Ensure good hedging strategies
- Be good stewards to all Stakeholders
  - Ensure safe operations
  - Protect the environment
  - Manage the well-being of employees, investors, contractors, landowners and community
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- Protect the environment
- Manage the well-being of employees, investors, contractors, landowners and community
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