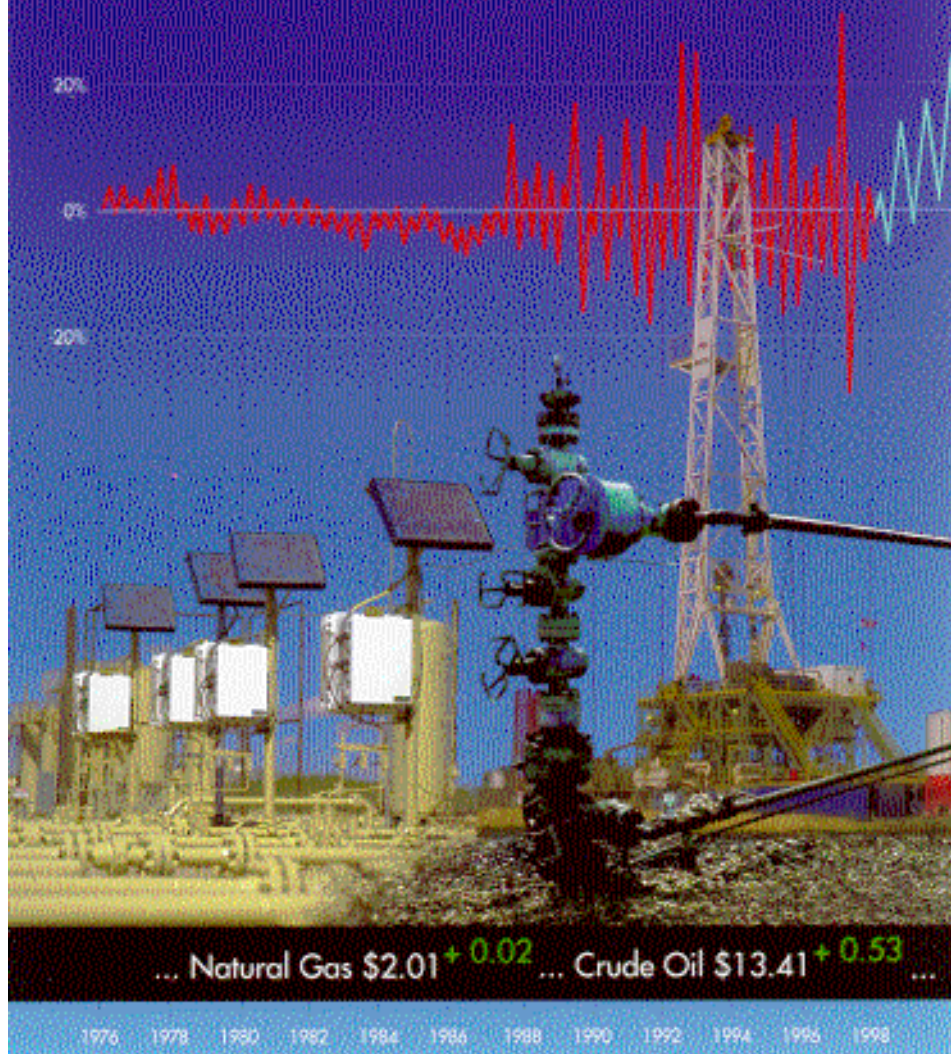


SWIFT ENERGY COMPANY
1999 THIRD QUARTER REPORT

Managing Growth in a Volatile Environment



... Natural Gas \$2.01 + 0.02 ... Crude Oil \$13.41 + 0.53 ...

1976 1978 1980 1982 1984 1986 1988 1990 1992 1994 1996 1998

Letter to Stockholders

During the third quarter of 1999, Swift Energy Company's revenues from the sale of oil and natural gas reached \$30.7 million, an all-time high that was 29% above the revenues from sales during the same period in 1998. The higher sales pushed net income for the quarter up to \$7.1 million, or \$0.37 per share. This compares with a third quarter 1998 net income of \$2.5 million before a non-cash charge to earnings that resulted in a net loss of \$3.50 per share. Net cash provided by operating activities in the third quarter of 1999 rose to \$20.3 million (\$1.06 per share), up 61% from last year.

For the nine-months period ending September 30, 1999, revenues from sales increased 36% to \$75.4 million compared to the same period in 1998, net income rose 34% to \$11.5 million (\$0.67 per share), and net cash provided by operating activities increased 28% to \$48.6 million (\$2.84 per share).

These increases in performance are primarily attributable to increases in the prices we received for our oil and gas, which, in turn, were due to an oil price turnaround that began in the second quarter of this year when the Organization of Petroleum Exporting Countries (OPEC) held fast in its determination to push prices up by limiting production. The average price we received for oil during the third quarter increased 55% to \$18.46 per barrel, a price not seen since the first quarter of 1997. The accompanying increase in the average price for gas was 48% to \$2.84 per Mcf, a price not seen since the fourth quarter of 1997. The combined average price we received for our production rose 50% to \$2.92 per thousand cubic feet of natural gas equivalent (Mcf) in the third quarter and 11% to \$2.31 per Mcfe for the nine-months period.

With the low oil and gas price environment that persisted throughout 1998, we made a decision late last year to reduce the Company's pace of development drilling in 1999 and to manage our production for an overall annual increase of approximately 10%. As a result, our third-quarter production was down from last year. For the nine-months period, we had a production increase of 23% to 32.7 Bcfe.

Our major producing fields continue to be the two large Austin Chalk fields we acquired last year, the Masters Creek Field in Louisiana and the Brookeland Field just across the border in Texas. Together they provided 52% of our production for the quarter and 53% for the first nine months of the year. During the third quarter, we added a new development well in which we have a 100% working interest in the Brookeland Field (Jasper County) and benefited from our working interests of 26% and 8% in two other development wells drilled in the Masters Creek Field (Vernon Parish) by Union Pacific Resources. We are currently drilling two additional wells in the Masters Creek Field, one begun in the third quarter and the other in the fourth quarter, that will test the Saratoga formation as well as the Austin Chalk formation.

We also had third-quarter successes in two other Austin Chalk fields, both of which were mentioned in our second-quarter report. In Fayette County,

Texas, an exploratory well in which we have a 31.5% working interest was placed on line early in the fourth quarter at 4,900 Mcf of gas and 1,200 barrels of oil per day, with the operator, Bellwether Exploration Company, planning to drill an offset well in the near future. In Colorado County, Texas, we completed a development well in which we have a 44.8% working interest. Also in Colorado County, we have recently begun drilling an exploratory well to the Edwards formation.

In our AWP Olmos Field in McMullen County, Texas, our on-going fracture-extension program resulted in the technique being applied to 31 wells during the third quarter, with an average net incremental production increase of 176 Mcfe per day per well. In addition, we installed coiled tubing in 19 wells that increased their production by an average of 30 Mcfe per day per well. And with commodity prices appearing to be stabilizing at higher levels, in October we resumed in-fill drilling in the AWP Field. At least six development wells should be completed before year end.

Finally, we recently completed our first operated well outside the United States. We announced on October 4 that the Rimu-A1 well drilled to a depth of 16,493 feet in the onshore Taranaki Basin in New Zealand would undergo production testing during the fourth quarter. While the well was being drilled, hydrocarbon shows were encountered in four zones between 11,700 feet and 14,800 feet.

Swift Energy celebrated its 20th anniversary on October 11, and it is with considerable satisfaction that we review our successful operation within a period characterized by highly volatile product prices. Just this past year we experienced the lowest oil prices in a half century (when adjusted for inflation). Anticipating a much improved environment in the year 2000, we can now expect to once again accelerate our drilling program, both to further develop the fields from which we are currently producing and to explore the numerous prospects we have in inventory. We look forward to the challenge.



Terry E. Swift
President and
Chief Operating Officer



A. Earl Swift
Chairman and
Chief Executive Officer

Consolidated Balance Sheets

Swift Energy Company and Subsidiaries

(in Thousands)

	September 30, 1999	December 31, 1998
	(Unaudited)	
Assets		
Current assets	\$ 69,100	\$ 35,246
Property and equipment, net	361,819	359,723
Other	9,705	8,676
	<u>\$ 440,624</u>	<u>\$ 403,645</u>
Liabilities and Stockholders' Equity		
Current liabilities	\$ 32,478	\$ 31,415
Long-term debt	239,054	261,200
Deferred revenues	826	1,667
Deferred income taxes	5,533	—
Stockholders' equity	<u>162,733</u>	<u>109,363</u>
	<u>\$ 440,624</u>	<u>\$ 403,645</u>

Third-Quarter Volumes and Prices

Swift Energy Company and Subsidiaries

(Unaudited)

	3rd Qtr. 1999	3rd Qtr. 1998	% Change
Natural gas production (Mcf)	6,838,924	8,076,988	-15%
Oil & condensate production (barrels)	611,948	695,434	-12%
Average gas price per Mcf	\$ 2.84	\$ 1.93	+48%
Average oil price per barrel	\$ 18.46	\$ 11.94	+55%

Mcf = 1,000 cubic feet

Consolidated Statements of Income

Swift Energy Company and Subsidiaries

(Unaudited)

(in Thousands Except Income per Share)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	1999	1998	1999	1998
Revenues:				
Oil and gas sales	\$ 30,737	\$ 23,859	\$ 75,406	\$ 55,342
Fees from limited partnerships and joint ventures	93	93	192	298
Interest income	244	33	267	96
Other, net	205	573	831	1,638
	<u>31,279</u>	<u>24,558</u>	<u>76,696</u>	<u>57,374</u>
Costs and Expenses:				
Oil and gas production	5,138	4,045	13,689	8,920
General and administrative, net	1,054	1,058	3,348	2,940
Depreciation, depletion, and amortization	10,403	13,348	31,630	27,333
Interest expense, net	3,749	2,386	10,402	5,355
Write down of oil & gas properties	—	90,773	—	90,773
	<u>20,344</u>	<u>111,610</u>	<u>59,069</u>	<u>135,321</u>
Income (Loss) Before Income Taxes	10,935	(87,052)	17,627	(77,947)
Provision (Benefit) for Income Taxes	3,827	(29,621)	6,085	(26,642)
Net Income (Loss)	<u>\$ 7,108</u>	<u>\$ (57,431)</u>	<u>\$ 11,542</u>	<u>\$ (51,305)</u>
Per Share Amounts—				
Basic	<u>\$ 0.37</u>	<u>\$ (3.50)</u>	<u>\$ 0.67</u>	<u>\$ (3.11)</u>
Diluted	<u>\$ 0.36</u>	<u>\$ (3.50)</u>	<u>\$ 0.67</u>	<u>\$ (3.11)</u>
Weighted Average Shares				
Outstanding	19,070	16,419	17,126	16,481

Consolidated Statements of Cash Flows

Swift Energy Company and Subsidiaries

(Unaudited)
(in Thousands)

	Nine Months Ended September 30,	
	1999	1998
Cash Flows from Operating Activities:		
Net income (loss)	\$ 11,542	\$ (51,305)
Non-cash revenue and expense items	37,033	90,522
Net change in operating assets and liabilities	(11)	(1,143)
Net Cash Provided by Operating Activities	48,564	38,074
Cash Flows from Investing Activities:		
Additions to property and equipment	(34,907)	(170,942)
Proceeds from the sale of property and equipment	3,914	1,294
Net cash received (distributed) as operator of oil and gas properties	4,177	(11,211)
Net cash received (distributed) as operator of partnerships and joint ventures	4,262	1,706
Limited partnership formation and marketing costs	(856)	(408)
Other	(327)	(95)
Net Cash Used in Investing Activities	(23,737)	(179,656)
Cash Flows from Financing Activities:		
Proceeds from senior subordinated notes	124,054	—
Net proceeds from (payments of) bank borrowings	(146,200)	143,585
Net proceeds from issuances of common stock	42,794	1,193
Purchase of treasury stock	(1,463)	(3,050)
Payments of debt issuance costs	(3,501)	(541)
Net Cash Provided by Financing Activities	15,684	141,187
Net Increase (Decrease) in Cash and Cash Equivalents	\$ 40,511	\$ (395)
Cash and Cash Equivalents at Beginning of Period	1,631	2,047
Cash and Cash Equivalents at End of Period	\$ 42,142	\$ 1,652

Investor Information

BOARD OF DIRECTORS

A. Earl Swift
Chairman of the Board
Swift Energy Company

Virgil N. Swift
Vice Chairman of the Board
Swift Energy Company

G. Robert Evans
Retired Chairman and CEO
Material Sciences Corporation

Raymond O. Loen
President
R. O. Loen Company

Henry C. Montgomery
Chairman and Founder
Montgomery Financial Services Corp.

Clyde W. Smith, Jr.
President
Millennium Technology Services, Inc.

Harold J. Withrow
Consultant

OFFICERS

A. Earl Swift
Chief Executive Officer

Terry E. Swift
President
Chief Operating Officer

Virgil N. Swift
Executive Vice President—Business Development

John R. Alden
Senior Vice President—Finance,
Chief Financial Officer, Secretary

Joe A. D'Amico
Senior Vice President—Exploration & Development

James M. Kitterman
Senior Vice President—Operations

Bruce H. Vincent
Senior Vice President—Funds Management

Alton D. Heckaman, Jr.
Vice President
Controller

James P. Mitchell
Vice President—Land

Victor R. Moran
Vice President—Natural Gas Marketing/
Business Development

Khushroo N. J. Patel
Vice President—Geophysics

Tara L. Seaman
Vice President—Acquisitions, Dispositions,
& Reserves

James R. Stewart, Jr.
Vice President—Drilling & Production

Adrian D. Shelley
Treasurer

D. Wynn Ibach
General Counsel

CORPORATE HEADQUARTERS

Swift Energy Company
16825 Northchase Drive, Suite 400
Houston, Texas 77060-6098
Telephones: (281) 874-2700
(800) 777-2412

TRANSFER AGENT AND REGISTRAR


American Stock Transfer &
Trust Company
40 Wall Street
New York, New York 10005
Telephone: (212) 936-5100

INDEPENDENT ACCOUNTANTS

Arthur Andersen LLP
711 Louisiana, Suite 1300
Houston, Texas 77002

EXCHANGE LISTINGS

New York Stock Exchange
Pacific Exchange, Inc.
Symbol "SFY"

Swift Energy ® and  ® are registered service marks of Swift Energy Company.

For additional information, contact: John R. Alden, Chief Financial Officer, Phone: (281) 874-2700 or (800) 777-2412, Fax: (281) 874-2726, E-mail: info@swiftenergy.com, Web site: www.swiftenergy.com.

Swift Energy Company
16825 Northchase Drive, Suite 400
Houston, Texas 77060-6098
Web Site: <http://www.swiftenergy.com>
Telephone: (281) 874-2700

Is an Electronic Version Preferable?

At the Swift Energy worldwide web site (<http://www.swiftenergy.com>), you can view Swift Energy's quarterly reports, press releases, and a number of other Company documents as soon as they are released for publication. If you prefer not to receive printed copies of these documents and to be notified when they are posted on the web site, please send your full name, e-mail address, and a request to be added to our e-mail updates list to: updates@swiftenergy.com.