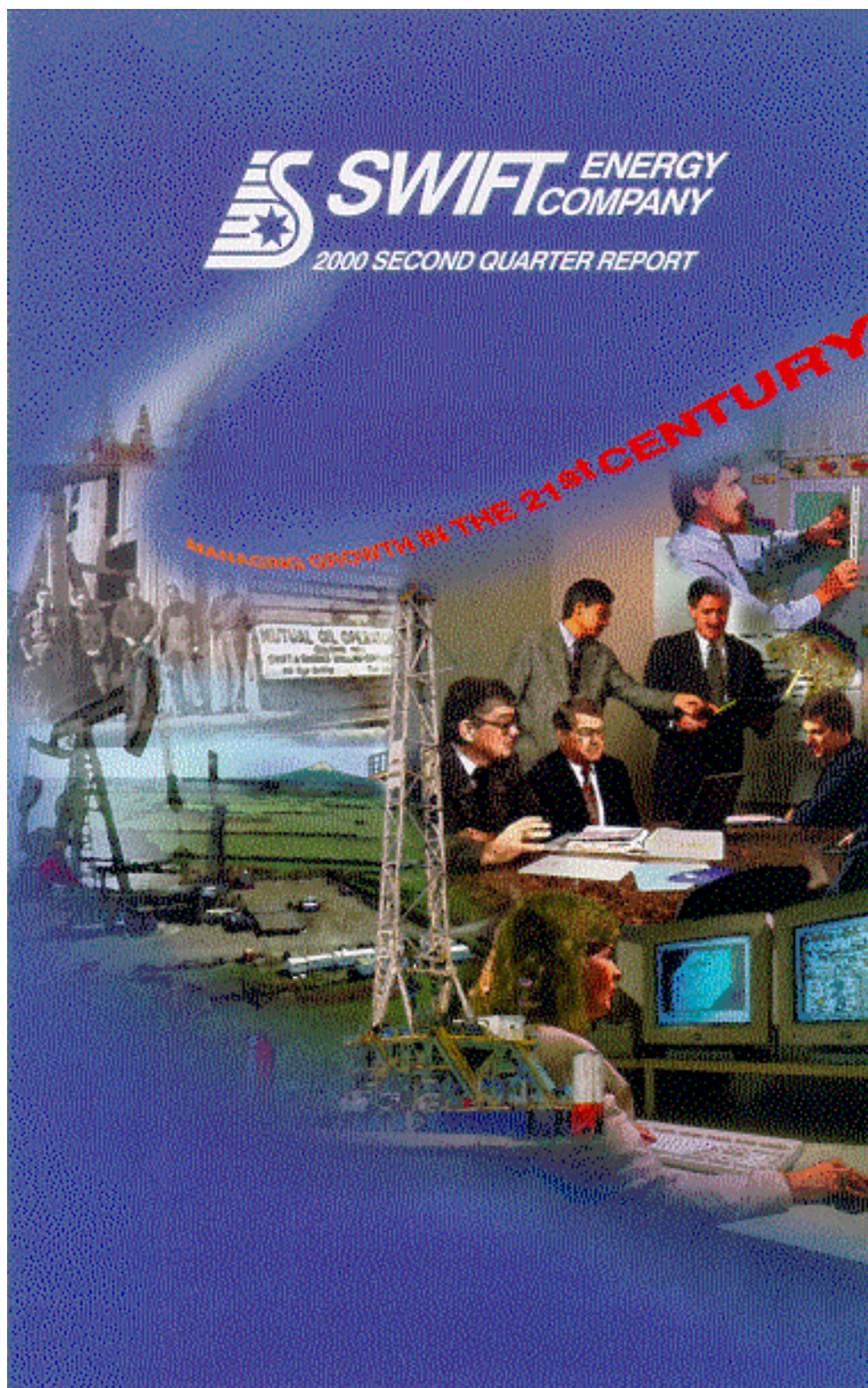


SWIFT ENERGY COMPANY
2000 SECOND QUARTER REPORT

MANAGING GROWTH IN THE 21ST CENTURY



Letter to Stockholders

Swift Energy Company reported record performance levels for both the second quarter and the first half of the year 2000. Compared to the second quarter of 1999, we realized increases of 93% in revenues, 351% in net income, and 136% in cash flows from operations. The new quarter highs were \$46.1 million for revenues, \$14.2 million for net income (\$0.68 per basic share, \$0.61 per diluted share), and \$31.8 million for cash flows.

Compared to the first six months of 1999, we realized increases of 85% in revenues, 437% in net income, and 96% in cash flows from operations. The new six-month highs were \$83.9 million for revenues, \$23.8 million for net income (\$1.14 per basic share, \$1.04 per diluted share), and \$55.3 million in cash flows from operations.

Our significantly improved performance is primarily attributable to the higher prices we have been receiving this year for our oil and natural gas. For the comparable second quarters, the average price for oil rose 81% from \$15.25 to \$27.55 per barrel, while the average price for natural gas rose 94% from \$2.05 to \$3.99 per thousand cubic feet (per Mcf). For the comparable six-month periods, the price for oil increased 112% from \$12.93 to \$27.45 per barrel, and the price for natural gas increased 79% from \$1.94 to \$3.47 per Mcf.

Our performance in the second quarter of 2000 was also boosted by a 2% increase in production from the previous year. More importantly, we realized a 3% increase in production from the first quarter of 2000 and a 6% increase from the fourth quarter of 1999, both resulting from our recently accelerated capital expenditure program. Because we had limited our drilling activities until prices began to stabilize at higher levels, our production had gradually declined throughout 1999.

With the accelerated program, the number of successful wells we drilled or participated in during the first half of 2000 exceeded the total number for the whole of 1999. We have interests in 26 development wells and two exploratory wells that were successfully completed during the first six months of 2000, compared to 19 development wells and two exploratory wells in all of 1999.

As would be expected, the development wells have been concentrated in our four core areas of operation: 12 in the AWP Olmos Field in South Texas; six in the Masters Creek Area in Central Louisiana; two in the Brookeland Area in East Texas; and two in the Giddings Area along the Texas Gulf Coast. The remaining four wells, all with small Swift interests, were drilled outside the core areas.

Although we had planned to drill only 12 wells in the AWP Field during 2000, retaining a 100% working interest in each, the current favorable industry environment has encouraged us to increase the pace of the field's development program. As a result, in addition to six wells drilled in each of the first two quarters, we have four additional wells under way. Begun in 1989, the development program still includes over 100 proved undeveloped locations.

Our AWP program also continues to include major production enhancement projects for wells already on line. During the second quarter, we performed second fractures on 17 wells, thereby providing new or extended flow paths into the wells. Also during the second quarter, we installed coiled tubing velocity

strings in 13 wells to increase their flow. For the first six months of the year, we conducted a total of 36 second fractures and 28 coiled tubing installations.

In the Masters Creek Area, we participated in three successful development wells drilled to the Austin Chalk trend during the second quarter. Of these, one is Swift operated with a 100% working interest. After being on line six weeks, the well is producing an average of 140 barrels of oil and 1,785 Mcf of gas per day. We have working interests of 23% and 36% in the other two wells, the latter having been placed on line with an average daily production of 980 barrels of oil and 2,150 Mcf of gas. By the end of July, we had four additional Swift-operated wells under way in the Masters Creek Area, three development wells targeting the Austin Chalk trend and one exploratory well targeting the Saratoga formation.

During the second quarter we also participated in two other successful wells drilled to the Austin Chalk trend, one in the Brookeland Area with a 40% working interest (now producing at approximately 70 barrels of oil and 2,200 Mcf of gas per day) and the other in the Giddings Area with a 25% working interest (now producing at approximately 710 barrels of oil and 1,100 Mcf of gas per day). In July, an additional well was drilling in the Brookeland Area and two additional wells were drilling in the Giddings Area.

Also in the second quarter, we participated in a successful exploratory well drilled to the Wilcox formation in Goliad County, Texas. This well, in which we have a 12% interest, is producing an average of 1,200 Mcf of gas per day.

In New Zealand, we are now drilling our first field delineation well following our 1999 discovery well in the Taranaki Basin on the nation's north island. The well (the Rimu-B1) will immediately be followed by a second delineation well. In the meantime, we are completing engineering studies for production facilities and are in discussions with potential purchasers of oil and gas, with initial production from the area expected to begin in 2001. The permit area, in which we hold a 90% interest, covers 100,700 net acres along the western coast of the island and includes additional exploratory sites.

All of the Swift Energy activities now under way have instilled great expectations about the future of the Company. As noted from the list of officers printed in this report, the responsibility for meeting those expectations will be shared by a management team that now includes new names in key executive positions. All these individuals have had extensive previous management experience within the Company and have demonstrated that they can provide the continuity needed as long-time leaders retire. We couldn't have more confidence in them or, in fact, in our entire management team, which we believe will take Swift Energy Company to new heights in the near future.



Terry E. Swift
President and
Director



A. Earl Swift
Chief Executive Officer
and Chairman

Consolidated Balance Sheets

Swift Energy Company and Subsidiaries

(in Thousands)

	June 30, 2000	December 31, 1999
	(Unaudited)	
Assets		
Current assets	\$ 68,752	\$ 50,605
Property and equipment, net	426,515	395,836
Other	6,853	7,858
	<u>\$ 502,120</u>	<u>\$ 454,299</u>
Liabilities and Stockholders' Equity		
Current liabilities	\$ 42,908	\$ 34,070
Long-term debt	239,098	239,068
Deferred revenues	180	577
Deferred income taxes	21,624	10,180
Stockholders' equity	198,310	170,404
	<u>\$ 502,120</u>	<u>\$ 454,299</u>

Second-Quarter Volumes and Prices

Swift Energy Company and Subsidiaries

(Unaudited)

	2nd Qtr. 2000	2nd Qtr. 1999	% Change
Natural gas production (Mcf)	6,910,947	6,688,316	+3%
Oil & condensate production (barrels)	649,894	644,323	+1%
Average gas price per Mcf	\$ 3.99	\$ 2.05	+94%
Average oil price per barrel	\$ 27.55	\$ 15.25	+81%

Mcf = 1,000 cubic feet

Consolidated Statements of Income

Swift Energy Company and Subsidiaries

(Unaudited)

(in Thousands Except Income per Share)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2000	1999	2000	1999
Revenues:				
Oil and gas sales	\$ 45,503	\$ 23,573	\$ 82,687	\$ 44,668
Fees from limited partnerships and joint ventures	76	57	119	100
Interest income	371	10	639	23
Other, net	177	289	430	626
	<u>46,127</u>	<u>23,929</u>	<u>83,875</u>	<u>45,417</u>
Costs and Expenses:				
Oil and gas production	6,888	4,131	13,032	8,551
General and administrative, net	1,460	1,185	2,608	2,294
Depreciation, depletion, and amortization	11,551	10,478	23,022	21,227
Interest expense, net	4,010	3,349	8,076	6,653
	<u>23,909</u>	<u>19,143</u>	<u>46,738</u>	<u>38,725</u>
Income Before Income Taxes	22,218	4,786	37,137	6,692
Provision for Income Taxes	8,005	1,634	13,334	2,258
Net Income	<u>\$ 14,213</u>	<u>\$ 3,152</u>	<u>\$ 23,803</u>	<u>\$ 4,434</u>
Per Share Amounts—				
Basic	<u>\$ 0.68</u>	<u>\$ 0.20</u>	<u>\$ 1.14</u>	<u>\$ 0.27</u>
Diluted	<u>\$ 0.61</u>	<u>\$ 0.20</u>	<u>\$ 1.04</u>	<u>\$ 0.27</u>
Weighted Average Shares				
Outstanding	21,008	16,152	20,928	16,154

Consolidated Statements of Cash Flows

Swift Energy Company and Subsidiaries

(Unaudited)
(in Thousands)

	Period Ended June 30,	
	2000	1999
Cash Flows from Operating Activities:		
Net income	\$ 23,803	\$ 4,434
Non-cash revenue and expense items	36,025	23,084
Net change in operating assets and liabilities	(4,479)	785
Net Cash Provided by Operating Activities	55,349	28,303
Cash Flows from Investing Activities:		
Additions to property and equipment	(51,151)	(23,190)
Proceeds from the sale of property and equipment	759	1,746
Net cash received (distributed) as operator of oil and gas properties	4,887	(1,355)
Net cash received as operator of partnerships and joint ventures	1,353	3,244
Limited partnership formation and marketing costs	—	(649)
Other	(26)	(183)
Net Cash Used in Investing Activities	(44,178)	(20,387)
Cash Flows from Financing Activities:		
Net payments of bank borrowings	—	(6,200)
Net proceeds from issuances of common stock	2,355	477
Purchase of treasury stock	—	(1,463)
Net Cash Provided by (Used in) Financing Activities	2,355	(7,186)
Net Increase in Cash and Cash Equivalents	\$ 13,526	\$ 730
Cash and Cash Equivalents at Beginning of Period	22,686	1,631
Cash and Cash Equivalents at End of Period	\$ 36,212	\$ 2,361

Investor Information

BOARD OF DIRECTORS

A. Earl Swift
Chairman of the Board
Swift Energy Company

Virgil N. Swift
Vice Chairman of the Board
CEO, Swift Energy International

Terry E. Swift
President
Swift Energy Company

G. Robert Evans
Retired Chairman and CEO
Material Sciences Corporation

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

Joe A. D'Amico
Executive Vice President,
Chief Operating Officer

Bruce H. Vincent
Executive Vice President—
Corporate Development,
Secretary

Alton D. Heckaman, Jr.
Senior Vice President—Finance,
Chief Financial Officer,
Controller

James M. Kitterman
Senior Vice President—Operations

Victor R. Moran
Senior Vice President—
Energy Marketing
& Business Development

James P. Mitchell
Vice President—Land

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

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TRANSFER AGENT AND REGISTRAR

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Trust Company
40 Wall Street
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Pacific Exchange, Inc.
Symbol "SFY"

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

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