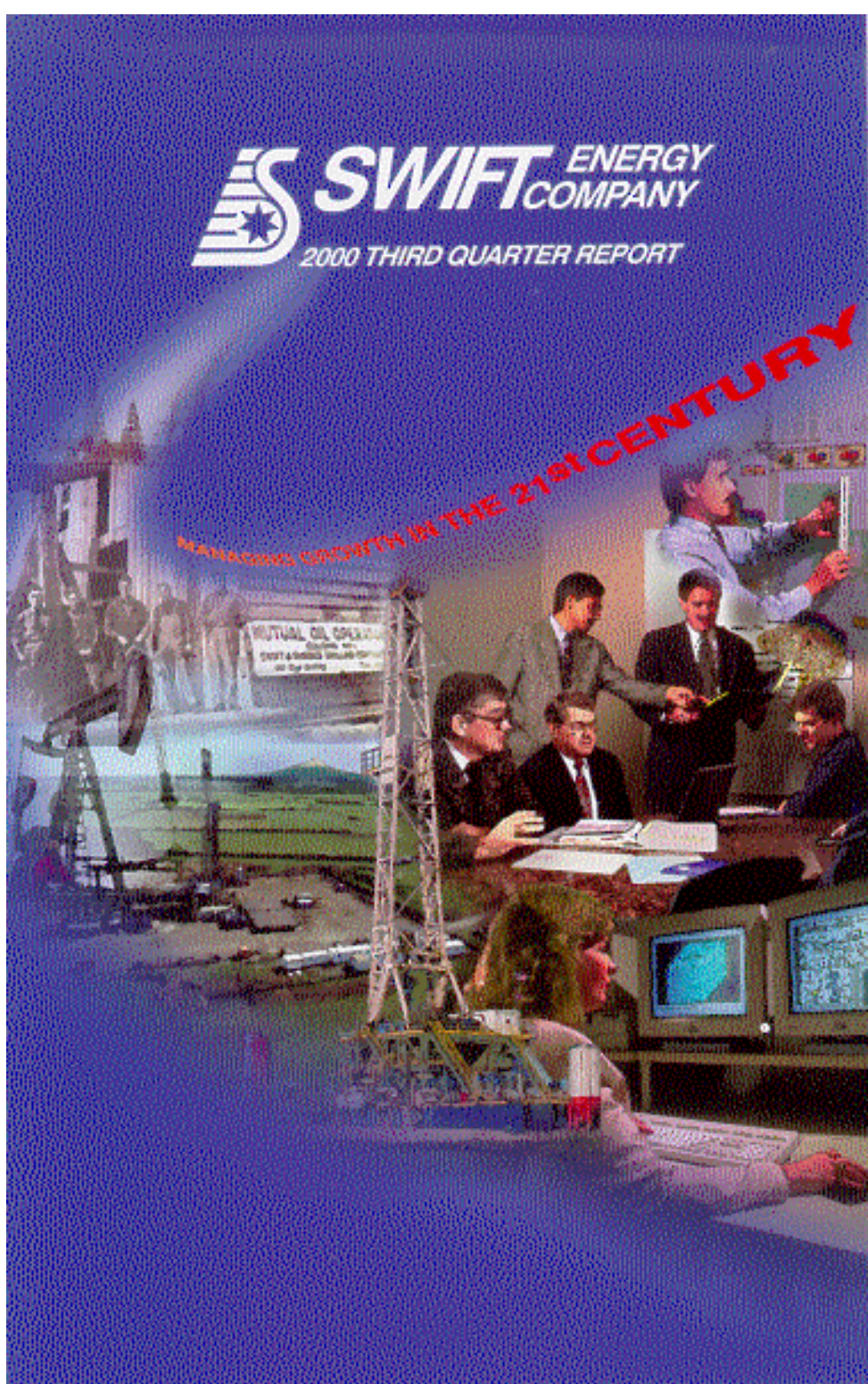


SWIFT ENERGY COMPANY
2000 THIRD QUARTER REPORT

MANAGING GROWTH IN THE 21ST CENTURY



Letter to Stockholders

Swift Energy continued to set record performance levels during the third quarter of 2000. Compared to the third quarter of 1999, the Company's revenues were up 58% to \$49.5 million, net income was up 123% to \$15.8 million (\$0.74 per basic share, \$0.66 per diluted share), and cash flows from operating activities were up 60% to \$32.5 million.

For the nine months ending September 30, revenues increased 74% to \$133.4 million, net income increased 243% to \$39.6 million (\$1.88 per basic share, \$1.71 per diluted share), and cash flows increased 81% to \$87.8 million.

These gains continue to result from increased oil and natural gas prices. The average price we received per barrel of oil during the third quarter of this year was 66% higher than the price we received in the third quarter of 1999—\$30.68 versus \$18.46. More importantly, the average price we received per thousand cubic feet (per Mcf) of natural gas, which comprises 66% of our total production, was 54% higher than the price we received in 1999—\$4.39 versus \$2.84. For the nine-month period, the price increases were 94% for oil and 69% for gas.

Our oil and gas production for the third quarter of 2000 totaled 10.5 billion cubic feet of natural gas equivalent, which is about the same level of production we had in the third quarter of 1999. Although we had anticipated production increases with our accelerated domestic drilling program, competition for field services and supplies in the higher-price environment has caused some delays in drilling rig scheduling and critical production and maintenance activities. However, the accelerated program has recently gained considerable momentum, and by the end of the third quarter we had already participated in 52 domestic wells this year and had eight additional wells under way. Thus in nine months we surpassed the 47 wells we had originally planned for the entire year. Six of the wells completed were exploratory wells with a 50% success rate, and 46 were development wells with an 89% success rate.

Of the 46 development wells drilled during the first three quarters, 21 were in our oldest core operating area, the South Texas AWP Olmos Field, all with a 100% working interest. We completed nine of the wells in the third quarter and spudded a 22nd well in the area before the end of the quarter. In other production-enhancement activities in the AWP Olmos Field during the year, we performed second fractures on 50 wells (14 in the third quarter) and installed coiled tubing velocity strings in 42 wells (14 in the third quarter). As a result, we were able to maintain our total AWP production for the first nine months of 2000 at approximately the level realized for the same period in 1999.

Also during the first three quarters, we participated in five horizontal wells (one exploratory, four development) completed in the Austin Chalk formation in our Texas Giddings Area. Of these, two development wells in which we have 25% working interests were drilled in the third quarter, both in Fayette County. One well tested at 627 barrels of oil and 670 Mcf of gas per day and the other at 1,224 barrels of oil and 1,990 Mcf of gas per day.

In our Brookeland Area, located in Newton County and Jasper County, Texas, we participated in three additional development wells drilled in the Austin Chalk. One of these was completed in the third quarter with a 100% Swift working interest and tested at 659 barrels of oil and 2,926 Mcf of gas per day. We had a fourth well under way in the area at the end of the quarter.

In our fourth core area, the Masters Creek Area in Vernon Parish and Rapides Parish, Louisiana, we participated in eight additional development wells completed in the Austin Chalk, including two drilled in the third quarter. One of these, in which we retained an 87% working interest, tested at 86 barrels of oil and 480 Mcf of gas per day. The other, in which we have a 79% interest, tested at 167 barrels of oil and 1,544 Mcf of gas per day. Four additional Austin Chalk development wells were begun in the area before the end of the quarter.

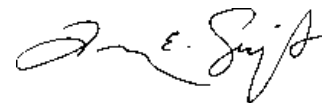
Also in the Masters Creek Area, we successfully drilled a third-quarter exploratory well (with a 100% working interest) in the Saratoga limestone formation located above the Austin Chalk formation. This well, which was also a horizontal well, tested at 534 barrels of oil and 196 Mcf of gas per day. A second test well in the Saratoga was under way at the end of the quarter.

Outside these core areas, we participated in six successful wells (one exploratory and five development), including a third-quarter development well drilled to the Wilcox formation in Lavaca County, Texas. We also made two acquisitions of producing properties during the third quarter—one in the Churchula Field in Alabama with estimated reserves of 8.1 Bcfe (72% natural gas) for \$4.0 million, and another in the AWP Olmos Field with estimated reserves of 9.7 Bcfe (77% natural gas) for \$8.8 million.

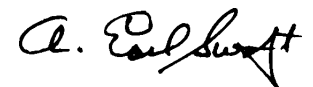
In New Zealand, we completed our first delineation well (the Rimu-B1) in the Taranaki Basin of the north island during the third quarter and are now drilling a second one (the Rimu-B2) to better define the range of two reservoir sandstones encountered in our 1999 discovery well (the Rimu-A1). The Upper Tariki reservoir that yielded production in the Rimu-A1 was present but largely faulted out in the Rimu-B1. Conversely, the Lower Tariki reservoir that was nonproductive in the Rimu-A1 was discovered to bear both oil and gas in the Rimu-B1. However, damage to the formation during deeper drilling apparently kept the test rates lower than analyses of our logs had predicted. To improve flow, we may later fracture the lower zone. Meanwhile, the Rimu-B2 is being drilled directionally between the two wells. Evidence gathered to date indicates that the Rimu discovery and a yet to be drilled Kauri prospect south of Rimu may be in direct communication to form a major multizone field.

We remain confident that the reserves associated with these prospects, together with those of a third prospect northwest of Rimu (the Tawa prospect), will greatly increase the Company's proven reserves base. We also have gained access to other potential reserves through recent agreements giving us interests in two additional permit areas in the Taranaki Basin, one a 20% interest in 57,401 acres and the other a 25% interest in 48,929 acres, both prospective for hydrocarbons at multiple levels. A well is currently drilling on the larger area.

Obviously, these are very exciting times for Swift Energy Company, both domestically and internationally, and we have great expectations for the 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)

	September 30, 2000	December 31, 1999
	(Unaudited)	
Assets		
Current assets	\$ 71,358	\$ 50,605
Property and equipment, net	473,573	395,836
Other	6,660	7,858
	<u>\$ 551,591</u>	<u>\$ 454,299</u>
Liabilities and Stockholders' Equity		
Current liabilities	\$ 67,418	\$ 34,070
Long-term debt	239,114	239,068
Deferred revenues	53	577
Deferred income taxes	30,029	10,180
Stockholders' equity	214,977	170,404
	<u>\$ 551,591</u>	<u>\$ 454,299</u>

Third-Quarter Volumes and Prices

Swift Energy Company and Subsidiaries

(Unaudited)

	3rd Qtr. 2000	3rd Qtr. 1999	% Change
Natural gas production (Mcf)	6,970,980	6,838,924	+2%
Oil & condensate production (barrels)	591,159	611,948	-3%
Average gas price per Mcf	\$ 4.39	\$ 2.84	+54%
Average oil price per barrel	\$ 30.68	\$ 18.46	+66%

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,	
	2000	1999	2000	1999
Revenues:				
Oil and gas sales	\$ 48,717	\$ 30,737	\$ 131,403	\$ 75,406
Fees from limited partnerships and joint ventures	138	93	258	192
Interest income	445	244	1,084	267
Other, net	225	205	655	831
	<u>49,525</u>	<u>31,279</u>	<u>133,400</u>	<u>76,696</u>
Costs and Expenses:				
Oil and gas production	7,569	5,138	20,601	13,689
General and administrative, net	1,649	1,054	4,257	3,348
Depreciation, depletion, and amortization	11,589	10,403	34,611	31,630
Interest expense, net	3,970	3,749	12,046	10,403
	<u>24,777</u>	<u>20,344</u>	<u>71,515</u>	<u>59,070</u>
Income Before Income Taxes	24,748	10,935	61,885	17,626
Provision for Income Taxes	8,916	3,827	22,250	6,085
Net Income	<u>\$ 15,832</u>	<u>\$ 7,108</u>	<u>\$ 39,635</u>	<u>\$ 11,541</u>
Per Share Amounts—				
Basic	<u>\$ 0.74</u>	<u>\$ 0.37</u>	<u>\$ 1.88</u>	<u>\$ 0.67</u>
Diluted	<u>\$ 0.66</u>	<u>\$ 0.36</u>	<u>\$ 1.71</u>	<u>\$ 0.67</u>
Weighted Average Shares				
Outstanding	21,348	19,070	21,068	17,126

Consolidated Statements of Cash Flows

Swift Energy Company and Subsidiaries

(Unaudited)
(in Thousands)

	Period Ended September 30,	
	2000	1999
Cash Flows from Operating Activities:		
Net income	\$ 39,635	\$ 11,542
Non-cash revenue and expense items	56,362	37,033
Net change in operating assets and liabilities	(8,162)	(11)
Net Cash Provided by Operating Activities	87,835	48,564
Cash Flows from Investing Activities:		
Additions to property and equipment	(102,121)	(34,908)
Proceeds from the sale of property and equipment	3,378	3,915
Net cash received as operator of oil and gas properties	19,485	4,177
Net cash received (distributed) as operator of partnerships and joint ventures	(1,866)	4,262
Limited partnership formation and marketing costs	—	(856)
Other	(12)	(327)
Net Cash Used in Investing Activities	(81,136)	(23,737)
Cash Flows from Financing Activities:		
Proceeds from senior subordinated notes	—	124,054
Net payments of bank borrowings	—	(146,200)
Net proceeds from issuances of common stock	2,928	42,794
Purchase of treasury stock	—	(1,463)
Payments of debt issuance costs	—	(3,501)
Net Cash Provided by Financing Activities	2,928	15,684
Net Increase in Cash and Cash Equivalents	\$ 9,627	\$ 40,511
Cash and Cash Equivalents at Beginning of Period	22,686	1,631
Cash and Cash Equivalents at End of Period	\$ 32,313	\$ 42,142

Investor Information

BOARD OF DIRECTORS

A. Earl Swift
CEO, Chairman of the Board
Swift Energy Company

Virgil N. Swift
Vice Chairman, Swift Energy Company
Chairman, Swift Energy International

Terry E. Swift
President, Swift Energy Company
President, Swift Energy International

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

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