

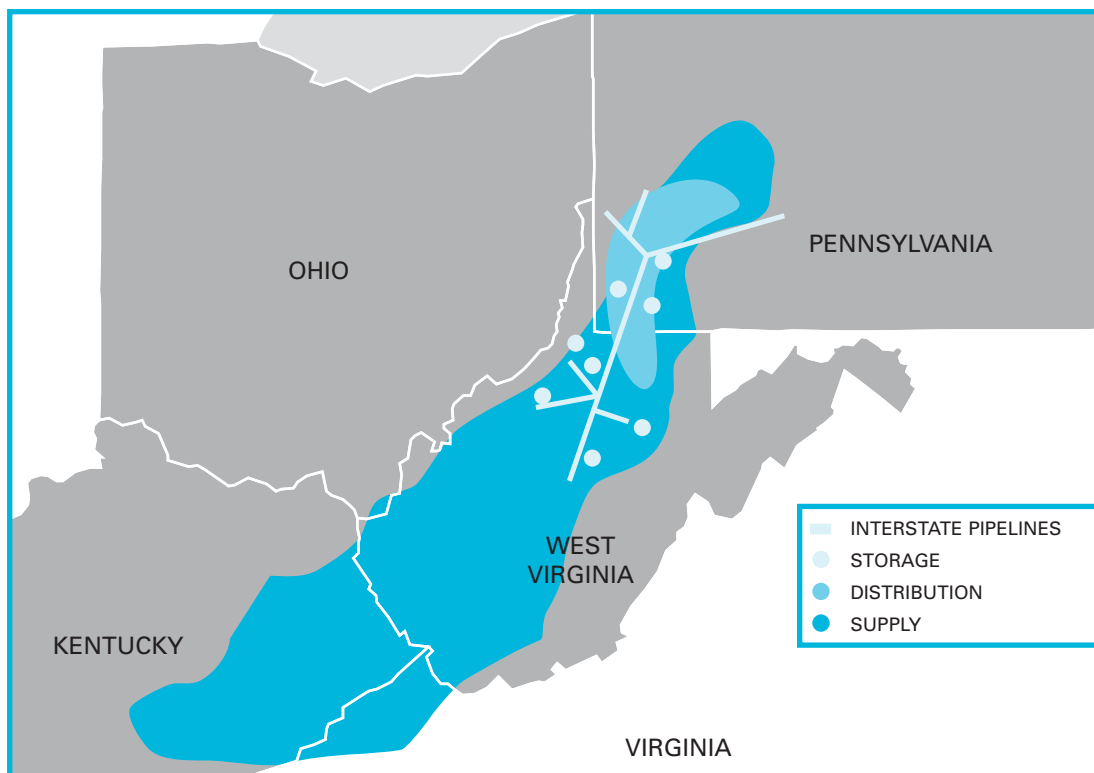
The logo for Equitable Resources, featuring the word "EQUITABLE" in a large, bold, sans-serif font above the word "RESOURCES" in a smaller, all-caps, sans-serif font. The text is white and is set against a dark grey rectangular background. A light blue circular shape is partially visible behind the text.

EQUITABLE  
RESOURCES

The background of the cover is a black and white photograph of an oil drilling rig. The rig is a tall, complex structure with various pipes, ladders, and platforms. In the foreground, there are many long, parallel pipes laid out on the ground, receding into the distance. The sky is clear and bright, and there are some hills or mountains in the far background. The overall scene is industrial and suggests a focus on energy production.

annual report  
equitable resources 07

## LOCATIONS



## PROFILE

**Equitable Resources, Inc.** (NYSE: EQT) is an integrated energy company, with an emphasis on Appalachian area natural gas activities, including production, gathering and processing, distribution, transmission, storage and marketing.

**Equitable Supply** is one of the largest natural gas producers in the Appalachian basin, with proved reserves of 2.7 trillion cubic feet. The segment also engages in gathering and delivering natural gas and a limited amount of natural gas liquids throughout the Appalachian basin.

**Equitable Utilities** includes three integrated divisions: a regulated natural gas distribution business, serving 275,000 customers; an interstate natural gas pipeline business; and a nonregulated natural gas marketing business. The segment's service territory primarily comprises southwestern Pennsylvania and West Virginia.

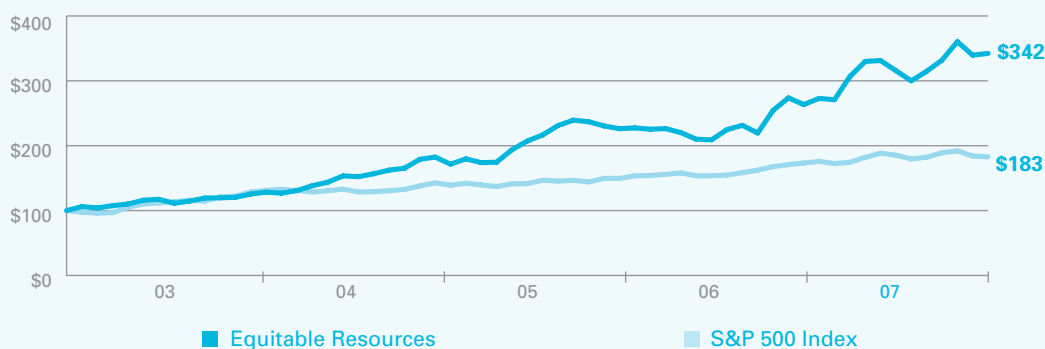
## FINANCIAL HIGHLIGHTS

| years ended december 31,                         | 2007          | 2006          | 2005          |
|--|---------------|---------------|---------------|
| <b>operational results</b> (Dollars in millions) |               |               |               |
| Operating Revenues                               | \$ 1,361.4    | \$ 1,267.9    | \$ 1,253.7    |
| Operating Income                                 | 311.7         | 372.5         | 343.8         |
| Net Income                                       | 257.5         | 220.3         | 260.1         |
| Capital Expenditures                             | 776.7         | 403.1         | 275.5         |
| <b>balance sheet data</b> (Dollars in millions)  |               |               |               |
| Total Assets                                     | \$ 3,937.0    | \$ 3,282.3    | \$ 3,342.3    |
| Total Debt                                       | 1,203.5       | 899.5         | 1,131.8       |
| <b>proved reserves and acreage</b>               |               |               |               |
| Proved (Tcfe)                                    | 2.7           | 2.5           | 2.4           |
| Percent Developed                                | 65%           | 69%           | 71%           |
| Percent Natural Gas                              | >99%          | >99%          | >99%          |
| Pre-Tax PV-10 (billions)*                        | \$ 4.0        | \$ 3.0        | \$ 7.6        |
| Total Net Acreage (millions)                     | 3.1           | 3.1           | 3.1           |
| Reserve Replacement**                            | 386%          | 284%          | 108%          |
| <b>common stock data</b> (Dollars)               |               |               |               |
| Earnings per Share – Diluted                     | \$ 2.10       | \$ 1.80       | \$ 2.10       |
| Dividends Paid per Share                         | 0.88          | 0.87          | 0.82          |
| Stock Price Range                                | 56.75 – 39.26 | 44.48 – 31.59 | 41.18 – 27.89 |
| Stock Price – Year End                           | 53.28         | 41.75         | 36.69         |

\*See Note 24 to the Consolidated Financial Statements.

\*\*Extensions, discoveries and other additions to proved reserves divided by production.

### TOTAL SHAREHOLDER RETURN (Dollars)



### CAUTIONARY STATEMENTS

The Securities and Exchange Commission (the "SEC") permits oil and gas companies, in their filings with the SEC, to disclose only proved reserves that a company has demonstrated by actual production or conclusive formation tests to be economically and legally producible under existing economic and operating conditions. The company uses the terms "probable," "possible," "potential," and other descriptions of volumes of reserves potentially recoverable through additional drilling or recovery techniques that the SEC's guidelines would prohibit the company from including in filings with the SEC. These estimates are, by their nature, more speculative than estimates of proved reserves and, accordingly, are subject to substantially greater risk of being actually realized. Investors are urged to consider closely the disclosure in the company's 2007 Form 10-K to which this annual report is attached and available from the company at 225 North Shore Drive, Pittsburgh, PA 15212, Attention: Corporate Secretary. You can also obtain the company's 2007 Form 10-K from the SEC by calling 1-800-SEC-0330.

Certain matters discussed in this annual report contain forward-looking statements. Statements that do not relate strictly to historical or current facts are forward-looking. Without limiting the generality of the foregoing, forward-looking statements may include guidance regarding the company's drilling and infrastructure programs, production growth, capital expenditures and reserves. A variety of factors could cause the company's actual results to differ materially from the anticipated results or other expectations expressed in the company's forward-looking statements. The risks and uncertainties that may affect the company's business and forward-looking statements include, but are not limited to, the risk factors set forth in Item 1A of the company's 2007 Form 10-K to which this annual report is attached and other factors discussed in reports filed by the company with the Securities and Exchange Commission from time to time. Any forward-looking statement speaks only as of the date on which such statement is made and the company does not intend to correct or update any forward-looking statement, whether as a result of new information, future events or otherwise.

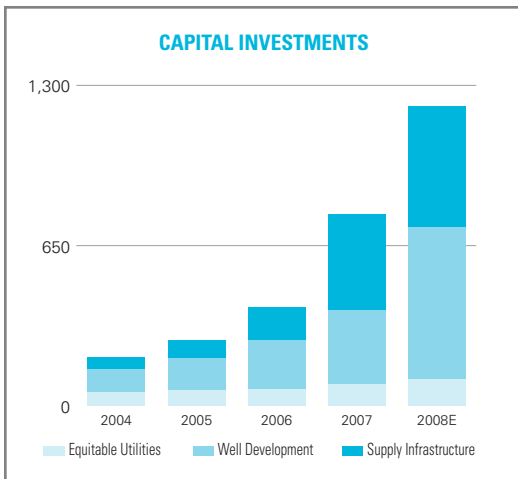


Shareholders owning the common stock of Equitable Resources for the calendar year 2007 earned a total shareholder return of 29.9% on their investment, inclusive of stock price appreciation and dividend payments.

This past year Equitable Resources confirmed its transformation from a turnaround, and modestly growing, “integrated” natural gas business into a company anticipating significant growth in Appalachian production and associated midstream activities. The emergence of this strategic shift was not rooted in ideology or in some idiosyncratic whim of management. It arose from the persistent attention paid to solving a relatively straightforward problem: boosting the productivity of extracting and selling natural gas trapped within unconventional reservoirs (shale and coal) beneath our vast acreage in the Appalachian basin.



The appeal of the Appalachian basin and the Devonian shale historically has been limited by low well recoveries using “conventional” drilling technologies. Although located close to major markets, Appalachian basin gathering and gas processing infrastructure remains antiquated and filled to near capacity. With the emergence of high productivity horizontal wells, solving the infrastructure constraint is now an economic proposition.



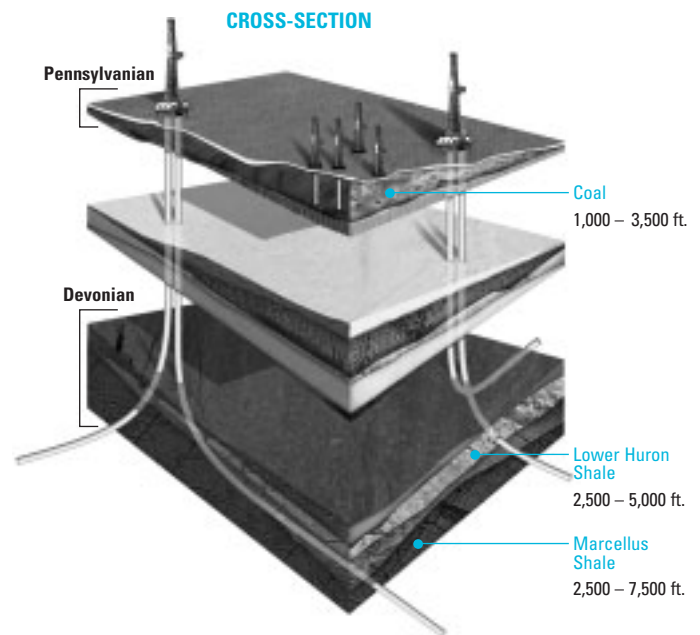
Equitable engineers cracked the productivity code in the low pressure Devonian shale of Appalachia. In the process, we became a world leader in applying air drilling technology for horizontal well development. What began as a pilot program of five wells at the end of 2006 has blossomed into a full-fledged program — far exceeding our expectations for success. We drilled 88 horizontal wells in 2007, 63 more than our original plan. Our current cost per well estimate of \$1.2 million is 20% lower than our estimates a year ago. Our expected recovery per well of between 0.75 – 1.5 Bcfe is 50% higher than a



year ago. Such achievements allow us to project that horizontal drilling in the Devonian shale is not only a viable alternative, but it is preferred to conventional vertical drilling.

**In 2008, we plan to drill between 250 and 300 horizontal wells.** The program has two goals. First, we will test our emerging plays and continue to experiment with the technology to drill and complete horizontal wells more effectively. About 15% of our wells will be drilled to do that. Second, we will apply what we already have learned as standard operating procedure for field-wide horizontal well development in the Devonian shale of Kentucky and West Virginia.

**One of the more interesting** experimental opportunities involves exploring the high pressure Marcellus shale — an opportunity available to Equitable in southwestern Pennsylvania and northern West Virginia. The high pressure Marcellus play has the potential for more prolific per well production, albeit at costs higher than we have seen in the lower





pressure Huron and Cleveland shale farther south. The economics of this play will be tested early in 2008. Equitable has drilling rights to 190,000 acres in this play.

There is also a low pressure Marcellus shale play that extends throughout most of northern and central West Virginia. Drilling techniques to exploit this play are expected to be similar to those used in the Huron shale, including air drilling and foam fracturing. We expect to test this play in early 2008 and have 300,000 acres to drill if it turns out to be economically interesting.

**Another interesting test for us** will be the application of “multilateral” drilling. Multilateral horizontal wells have a goal of significantly enhancing productivity and possibly lowering completion costs.

**Equitable also will take its first tangible steps toward** evaluating the potential for natural gas discoveries from deeper geologic zones beneath the Devonian shale. Some experts believe that there are significant gas

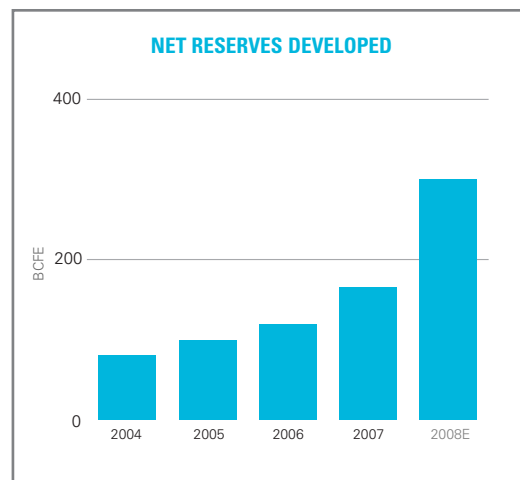
reserves deep in Appalachia. The question is whether the gas can be produced economically. We have hired an exploration team and expect to begin acquiring our own proprietary seismic data in 2009. Depending on the outcome of that work, we hope to begin exploratory drilling in late 2009 or 2010. While clearly bearing a higher risk than horizontal drilling in the Devonian shale, this opportunity warrants a prudent level of investment. Importantly, we have not yet estimated nor included reserves from deep drilling activity in any of our current reserve categories.

**The tangential benefit of the horizontal drilling program is** evident from our gas reserve assessment. At year end, proved reserves increased by 7% to 2.7 Tcfe. The sum of proved, possible and probable reserves increased by 26%, for a total reserve potential of 7.2 Tcfe. In addition, based on an assessment of resource potential beneath our acreage holding, we can see the potential for an additional 7 – 13 Tcfe in five emerging plays.



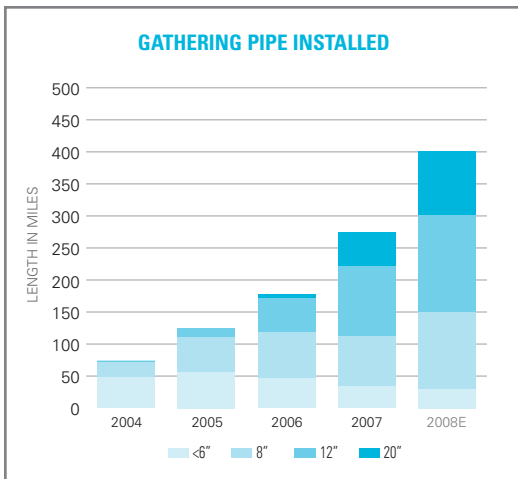
Of course, reserve growth is good, but production growth is better. At this time, we estimate that we can grow production at an average rate of 12% through 2012. We also can imagine growth rates higher than this; but commitment to a higher rate is dependent on a series of required pipeline, compression and processing investments to accelerate the flow of gas from well to sales meter.

**Moving beyond the wells,** Equitable is taking a leadership role in the build-out of midstream pipes, compression and processing in the Appalachian basin. In 2008, we expect to turn in line our Big Sandy pipeline and Langley processing plant in Kentucky. We also intend to spend \$500 million to construct other midstream projects in order to accelerate development of the growing reserve base. All told, Equitable will commit approximately \$1.2 billion in capital for drilling wells and building midstream assets in 2008.





Early in 2008, we terminated our previously announced acquisition of Dominion's Pennsylvania and West Virginia gas companies. Equitable and Dominion jointly decided not to go forward with the acquisition given delays in the legal approval process that could have taken another year and a half. The process had simply gone on too long and our resources are better focused elsewhere.



In closing, I am more optimistic than ever about the opportunities we have at Equitable. While the company has changed significantly in a short period of time, one fundamental commitment remains solidly in place: our commitment to earn a return that exceeds the cost of capital. Growth in itself, while exciting, is insufficient at Equitable. The Equitable team thanks you for your trust and support.

## SUMMARY OF OPERATING INCOME BY BUSINESS SEGMENT

Equitable Resources, Inc. and Subsidiaries

(thousands)

| YEAR-TO-DATE                             |                  |                  |                  | UTILITIES         |
|--|------------------|------------------|------------------|-------------------|
|  | DISTRIBUTION     | PIPELINE         | MARKETING        |                   |
| <b>DECEMBER 2007</b>                     |                  |                  |                  |                   |
| Net operating revenues                   | \$ 149,800       | \$ 67,517        | \$ 67,948        | \$ 285,265        |
| Operating expenses                       | 105,708          | 32,854           | 4,678            | 143,240           |
| Depreciation, depletion and amortization | 20,021           | 8,510            | 47               | 28,578            |
| Impairment of long-lived assets          | –                | –                | –                | –                 |
| <b>OPERATING INCOME</b>                  | <b>\$ 24,071</b> | <b>\$ 26,153</b> | <b>\$ 63,223</b> | <b>\$ 113,447</b> |

(thousands)

| YEAR-TO-DATE                             |                  |                  |                  | UTILITIES         |
|--|------------------|------------------|------------------|-------------------|
|  | DISTRIBUTION     | PIPELINE         | MARKETING        |                   |
| <b>DECEMBER 2006</b>                     |                  |                  |                  |                   |
| Net operating revenues                   | \$ 143,335       | \$ 72,586        | \$ 59,089        | \$ 275,010        |
| Operating expenses                       | 89,959           | 31,636           | 1,871            | 123,466           |
| Depreciation, depletion and amortization | 19,938           | 8,737            | 56               | 28,731            |
| Impairment of long-lived assets          | (1,369)          | (1,027)          | –                | (2,396)           |
| <b>OPERATING INCOME</b>                  | <b>\$ 34,807</b> | <b>\$ 33,240</b> | <b>\$ 57,162</b> | <b>\$ 125,209</b> |

(thousands)

| YEAR-TO-DATE                             |                  |                  |                  | UTILITIES        |
|--|------------------|------------------|------------------|------------------|
|  | DISTRIBUTION     | PIPELINE         | MARKETING        |                  |
| <b>DECEMBER 2005</b>                     |                  |                  |                  |                  |
| Net operating revenues                   | \$ 156,858       | \$ 53,767        | \$ 42,739        | \$ 253,364       |
| Operating expenses                       | 94,713           | 26,604           | 2,078            | 123,395          |
| Depreciation, depletion and amortization | 19,483           | 8,317            | 74               | 27,874           |
| Impairment of long-lived assets          | 2,340            | 1,501            | –                | 3,841            |
| <b>OPERATING INCOME</b>                  | <b>\$ 40,322</b> | <b>\$ 17,345</b> | <b>\$ 40,587</b> | <b>\$ 98,254</b> |

(thousands)

|            |            | SUPPLY     | CORPORATE<br>AND UNALLOCATED<br>EXPENSES | EQUITABLE<br>RESOURCES, INC. |
|------------|------------|------------|--|------------------------------|
| PRODUCTION | GATHERING  |            |  |                              |
| \$ 394,583 | \$ 107,092 | \$ 501,675 | \$ -                                     | \$ 786,940                   |
| 101,082    | 57,188     | 158,270    | 63,955                                   | 365,465                      |
| 62,084     | 17,776     | 79,860     | 1,364                                    | 109,802                      |
| -          | -          | -          | -  | -                            |
| \$ 231,417 | \$ 32,128  | \$ 263,545 | \$ (65,319)                              | \$ 311,673                   |

(thousands)

|            |            | SUPPLY     | CORPORATE<br>AND UNALLOCATED<br>EXPENSES | EQUITABLE<br>RESOURCES, INC. |
|------------|------------|------------|--|------------------------------|
| PRODUCTION | GATHERING  |            |  |                              |
| \$ 377,626 | \$ 110,945 | \$ 488,571 | \$ -                                     | \$ 763,581                   |
| 91,653     | 57,254     | 148,907    | 21,471                                   | 293,844                      |
| 54,124     | 16,376     | 70,500     | 891                                      | 100,122                      |
| -          | -          | -          | (512)                                    | (2,908)                      |
| \$ 231,849 | \$ 37,315  | \$ 269,164 | \$ (21,850)                              | \$ 372,523                   |

(thousands)

|            |           | SUPPLY     | CORPORATE<br>AND UNALLOCATED<br>EXPENSES | EQUITABLE<br>RESOURCES, INC. |
|------------|-----------|------------|--|------------------------------|
| PRODUCTION | GATHERING |            |  |                              |
| \$ 390,290 | \$ 98,901 | \$ 489,191 | \$ -                                     | \$ 742,555                   |
| 79,559     | 50,635    | 130,194    | 43,792                                   | 297,381                      |
| 49,281     | 15,616    | 64,897     | 756                                      | 93,527                       |
| 519        | -         | 519        | 3,475                                    | 7,835                        |
| \$ 260,931 | \$ 32,650 | \$ 293,581 | \$ (48,023)                              | \$ 343,812                   |

## DIRECTORS AND OFFICERS

### Equitable Resources, Inc. and Subsidiaries

#### DIRECTORS

**VICKY A. BAILEY (1)**

President  
Anderson Stratton International, LLC

**PHYLLIS A. DOMM, Ed. D. (2,4)**

President  
Management and Marketing Solutions Associates, Inc.

**MURRY S. GERBER (4)**

Chairman and Chief Executive Officer  
Equitable Resources, Inc.

**BARBARA S. JEREMIAH (1,3)**

Executive Vice President – Corporate Development  
Alcoa, Inc.

**THOMAS A. MCCONOMY (1)**

Retired Chairman, President and Chief Executive Officer  
Calgon Carbon Corporation

**GEORGE L. MILES, JR. (3,4)**

President and Chief Executive Officer  
WQED Multimedia (Pittsburgh)

**DAVID L. PORGES**

President and Chief Operating Officer  
Equitable Resources, Inc.

**JAMES E. ROHR (2,4)**

Chairman and Chief Executive Officer  
The PNC Financial Services Group, Inc.

**DAVID S. SHAPIRA (3)**

Chairman, Chief Executive Officer and President  
Giant Eagle, Inc.

**LEE T. TODD, JR., PH.D. (2)**

President  
University of Kentucky

**JAMES W. WHALEN (1,4)**

President of Finance and Administration  
Targa Resources, Inc.

#### MANAGEMENT TEAM

**MURRY S. GERBER**

Chairman and Chief Executive Officer

**DAVID L. PORGES**

President and Chief Operating Officer

**JOHANNA G. O'LOUGHLIN**

Senior Vice President, General Counsel and  
Corporate Secretary

**PHILIP P. CONTI**

Senior Vice President and Chief Financial Officer

**RANDALL L. CRAWFORD**

President, Midstream & Distribution and  
Senior Vice President, Equitable Resources, Inc.

**JOSEPH E. O'BRIEN**

Senior Vice President

**MARTIN A. FRITZ**

President, Midstream and Vice President,  
Equitable Resources, Inc.

**STEVEN T. SCHLOTTERBECK**

President, Production and Vice President,  
Equitable Resources, Inc.

**M. ELISE HYLAND**

President, Equitable Gas Company and  
Vice President, Equitable Resources, Inc.

**CHARLENE PETRELLI**

Vice President and Chief Human Resources Officer

**THERESA Z. BONE**

Vice President and Corporate Controller

**JOHN A. BERGONZI**

Vice President, Finance

#### BOARD COMMITTEES

- (1) Audit
- (2) Compensation
- (3) Corporate Governance
- (4) Executive

## SHAREHOLDER INFORMATION

### CORPORATE HEADQUARTERS

225 North Shore Drive  
Pittsburgh, PA 15212  
(412) 553-5700

### INTERNET HOME PAGE

[www.eqt.com](http://www.eqt.com)

### CORPORATE INFORMATION

Corporate news releases, Forms 10-K and 10-Q, the annual report and other information about the company are available through Equitable Resources' home page on the Internet.

### INVESTOR RELATIONS

Patrick J. Kane  
Chief Investor Relations Officer  
(412) 553-7833  
[pkane@eqt.com](mailto:pkane@eqt.com)

### INVESTOR SERVICES

Shareholders who need information on dividend payments, reinvestment and direct deposit, duplicate forms 1099, assistance with stock transfer and change of address should contact:

BNY Mellon Shareowner Services  
P.O. Box 358015  
Pittsburgh, PA 15252-8015  
[www.mellon.com/mis](http://www.mellon.com/mis)  
(800) 589-9026

### TRUSTEES AND PAYING AGENTS

Medium Term Notes:

- Series A Notes
- Series B Notes
- Series C Notes

DB Services Tennessee, Inc.  
Deutsche Bank Trust Company Americas  
648 Grassmere Park Road  
Nashville, TN 37211  
(800) 735-7777

- 7.75% Debentures due July 15, 2026
- 5.15% Notes due November 15, 2012
- 5.15% Notes due March 1, 2018
- 5.00% Notes due October 1, 2015

The Bank of New York  
101 Barclay Street  
New York, NY 10286  
(800) 254-2826 Bondholder Relations

### INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Ernst & Young LLP  
One PPG Place  
Pittsburgh, PA 15222

### STOCK EXCHANGE LISTING

New York Stock Exchange, Inc.  
Ticker symbol: EQT

### QUARTERLY STOCK INFORMATION PER SHARE

| 2007   | HIGH    | LOW     | DIVIDEND |
|--------|---------|---------|----------|
| First  | \$50.50 | \$39.26 | \$0.22   |
| Second | 53.70   | 47.96   | 0.22     |
| Third  | 54.42   | 44.57   | 0.22     |
| Fourth | 56.75   | 51.54   | 0.22     |

| 2006   | HIGH    | LOW     | DIVIDEND |
|--------|---------|---------|----------|
| First  | \$39.02 | \$34.05 | \$0.21   |
| Second | 37.00   | 31.59   | 0.22     |
| Third  | 37.48   | 32.55   | 0.22     |
| Fourth | 44.48   | 34.83   | 0.22     |

### DIVIDEND REINVESTMENT AND STOCK PURCHASE PLAN

The Plan provides shareholders with a convenient method of acquiring additional shares of Equitable Resources, Inc. common stock without paying brokerage fees and service charges in connection with purchases and offers the following:

- Optional cash payments from \$25 to \$5,000 monthly
- Deposit certificates in your Plan account for safekeeping
- Sell shares through the Plan.

Nominal fees are payable by the Plan participant in connection with the deposit of certificates, issuance of certificates, termination of participation, and sale of shares. For further information, contact BNY Mellon Shareowner Services.

### DIRECT DEPOSIT OF DIVIDENDS

Shareholders may elect to have dividends deposited electronically to their checking or savings account at any financial institution that participates in the Automated Clearing House system. This service provides immediate access to your money and eliminates the possibility of mail delays or lost, stolen, or destroyed dividend checks. Contact BNY Mellon Shareowner Services for information.

### ANNUAL MEETING

The Annual Meeting of Shareholders will be held on April 23, 2008, at 10:30 a.m. in the Spring Hill Suites located at 223 Federal Street in Pittsburgh, Pennsylvania.

DESIGN: BD&E, INC., PITTSBURGH, PENNSYLVANIA

PHOTOGRAPHY: TERRY CLARK PHOTOGRAPHY, PITTSBURGH, PENNSYLVANIA

*The rig shown on the front cover is a GEFCO SpeedStar 185K rig drilling a Lower Huron horizontal well in Equitable Resources' Jenkins Prospect, Letcher County, KY.*

# EQUITABLE RESOURCES

Equitable Resources, Inc.

225 North Shore Drive

Pittsburgh, PA 15212

[www.eqt.com](http://www.eqt.com)