

# Company Overview August 2017



#### FORWARD-LOOKING STATEMENTS



This presentation contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. All statements, other than statements of historical facts, included in this presentation that address activities, events or developments that Antero Resources Corporation and its subsidiaries (collectively, the "Company" or "Antero") expects, believes or anticipates will or may occur in the future are forward-looking statements. The words "believe," "expect," "anticipate," "plan," "intend," "estimate," "project," "foresee," "should," "would," "could," or other similar expressions are intended to identify forward-looking statements. However, the absence of these words does not mean that the statements are not forward-looking. Without limiting the generality of the foregoing, forward-looking statements contained in this presentation specifically include estimates of the Company's reserves, expectations of plans, strategies, objectives and anticipated financial and operating results of the Company, including as to the Company's drilling program, production, hedging activities, capital expenditure levels and other guidance included in this presentation. These statements are based on certain assumptions made by the Company based on management's experience and perception of historical trends, current conditions, anticipated future developments and other factors believed to be appropriate. Such statements are subject to a number of assumptions, risks and uncertainties, many of which are beyond the control of the Company, which may cause actual results to differ materially from those implied or expressed by the forward-looking statements. These include the factors discussed or referenced under the heading "Item 1A. Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2016 and in the Company's subsequent filings with the SEC.

The Company cautions you that these forward-looking statements are subject to all of the risks and uncertainties, most of which are difficult to predict and many of which are beyond our control, incident to the exploration for and development, production, gathering and sale of natural gas and oil. These risks include, but are not limited to, commodity price volatility, inflation, lack of availability of drilling and production equipment and services, environmental risks, drilling and other operating risks, regulatory changes, the uncertainty inherent in estimating natural gas and oil reserves and in projecting future rates of production, cash flow and access to capital, the timing of development expenditures, and the other risks described under the heading "Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2016 and in the Company's subsequent filings with the SEC.

Any forward-looking statement speaks only as of the date on which such statement is made and the Company undertakes no obligation to correct or update any forward-looking statement, whether as a result of new information, future events or otherwise, except as required by applicable law.

Antero Resources Corporation is denoted as "AR" in the presentation, Antero Midstream Partners LP is denoted as "AM" and Antero Midstream GP LP is denoted as "AMGP", which are their respective New York Stock Exchange ticker symbols.

### CHANGES SINCE JUNE 2017 PRESENTATION



Updated AR slides showing equity value, enterprise value and hedge value based on 6/30/2017 pricing

Slides 3, 28, 40, 46

Updated AR slides showing Proved, 3P Reserves, PV-10 and gross undeveloped locations as at 6/30/2017

Slides 4, 13, 14, 41, 44, 45

**Updated AR slides showing new production guidance** for 2017

Slides 5, 8, 11

Updated AR slides showing Marcellus and Utica single well economics at 6/30/2017 strip pricing

Slides 15, 19, 21, 44, 45

Updated AR slides showing 6/30/2017 balance sheet and liquidity position

Slide 28, 47, 52

#### ANTERO PROFILE



Market Cap<sup>(1)</sup>..... \$6.8 billion

Enterprise Value<sup>(1)</sup>..... \$12.1 billion

LTM EBITDAX..... \$1.5 billion

Corporate Debt Ratings..... Ba2 / BB

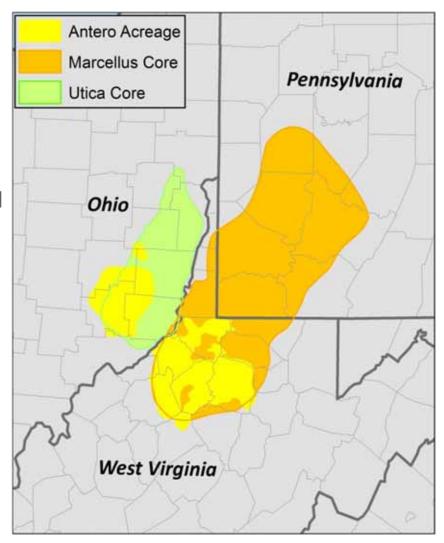
Net Production (2Q 2017)... 2,200 MMcfe/d

% Liquids...... 28%

3P Reserves<sup>(2)</sup>...... 53.0 Tcfe

% Natural Gas...... 71%





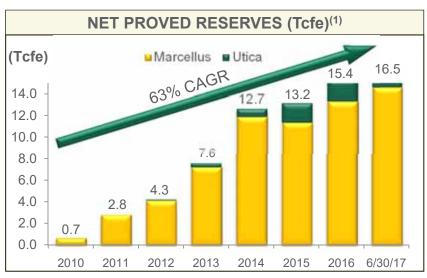
<sup>1.</sup> Based on market cap as of 6/30/2017 plus net debt excluding minority interest (\$0.6 billion) on a consolidated basis as of 6/30/2017.

<sup>2. 3</sup>P reserves as of 6/30/2017, assuming ethane rejection of which 96% represent 2P reserves.

<sup>3.</sup> Net acres as of 6/30/2017.

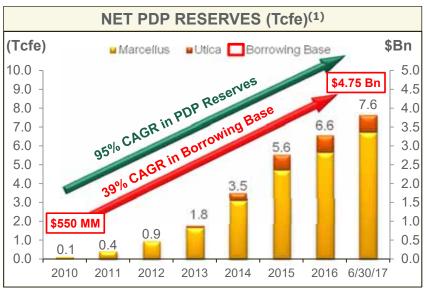
#### OUTSTANDING 6/30/2017 RESERVE GROWTH

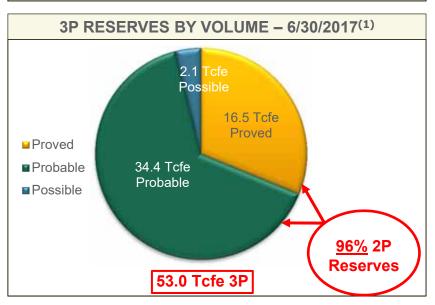




#### 6/30/2017 RESERVE ADDITIONS

- Proved reserves increased 7% to 16.5 Tcfe
  - Proved pre-tax PV-10 at SEC pricing of \$9.3 billion, including \$1.3 billion of hedge value
  - Proved pre-tax PV-10 at <u>strip pricing</u> of \$10.1 billion, including \$1.7 billion of hedge value
  - Increased Marcellus wellhead type curve to 2.0 Bcf/1,000' of lateral for additional 199 PUD locations
- 3P reserves increased 14% to 53.0 Tcfe
  - 3P PV-10 at <u>strip pricing</u> of \$17.0 billion, including \$1.7 billion of hedge value
  - Increased Marcellus wellhead type curve to 2.0 Bcf/1,000' of lateral for additional 398 Probable locations
- All-in F&D cost of \$0.48/Mcfe for 6/30/2017





<sup>1. 2012, 2013, 2014</sup> and 2015 reserves assuming ethane rejection. In 2016, 554 MMBbls of ethane assumed recovered to meet ethane contract. In 6/30/2017, 656 MMBbls of ethane assumed recovered to meet ethane contract. 6/30/2017 SEC prices were \$2.88/MMBtu for natural gas and \$43.33/Bbl for oil on a weighted average Appalachian index basis. 6/30/2017 10-year average strip prices are NYMEX \$3.00/Mcf, WTI \$52.06/Bbl, propane \$0.69/gal and ethane \$0.32/gal.

# ANTERO RESOURCES - INCREASED 2017 GUIDANCE



Key Operating & Financial Assumptions	Updated (1)	Previous	
Key Variable	2017 Guidance <sup>(1)</sup>	2017 Guidance <sup>(1</sup>	
Net Daily Production (MMcfe/d)	2,250 – 2,300	2,160 – 2,250	
Net Residue Natural Gas Production (MMcf/d)	1,650 — 1,675	1,625 – 1,675	
Net C3+ NGL Production (Bbl/d)	68,000 – 71,000	65,000 – 70,000	
Net Ethane Production (Bbl/d)	26,000 – 27,000	18,000 – 20,000	
Net Oil Production (Bbl/d)	6,000 — 7,000	5,500 - 6,500	
Net Liquids Production (Bbl/d)	100,000 — 105,000	88,500 – 96,500	
Natural Gas Realized Price <u>Premium</u> to NYMEX Henry Hub Before Hedging (\$/Mcf) <sup>(2)(3)</sup>	+\$0.00 - \$0.10		
Oil Realized Price Differential to NYMEX WTI Oil Before Hedging (\$/Bbl)	\$(7.00)	- \$(9.00)	
C3+ NGL Realized Price (% of NYMEX WTI) <sup>(2)</sup>	50%	- 55%	
Ethane Realized Price (Differential to Mont Belvieu) (\$/Gal)	\$6	0.00	
Operating:			
Cash Production Expense (\$/Mcfe) <sup>(4)</sup>	\$1.55	- \$1.65	
Marketing Expense, Net of Marketing Revenue (\$/Mcfe)	\$0.075 - \$0.125		
G&A Expense (\$/Mcfe)	\$0.15 - \$0.20		
Operated Wells Completed	1	170	
Drilled Uncompleted Wells	30		
Capital Expenditures (\$MM):			
Drilling & Completion	\$1,300		
Land	\$200		
Total Capital Expenditures (\$MM)		,500	

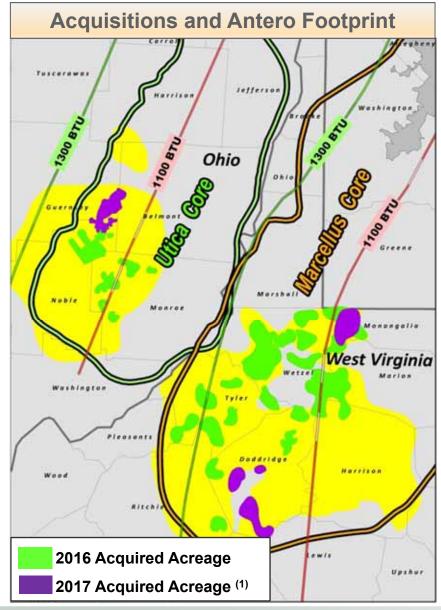
Updated guidance per press release dated 08/02/2017.
 Based on strip pricing as of 2/24/2017.

### A LEADING CONSOLIDATOR IN APPALACHIA



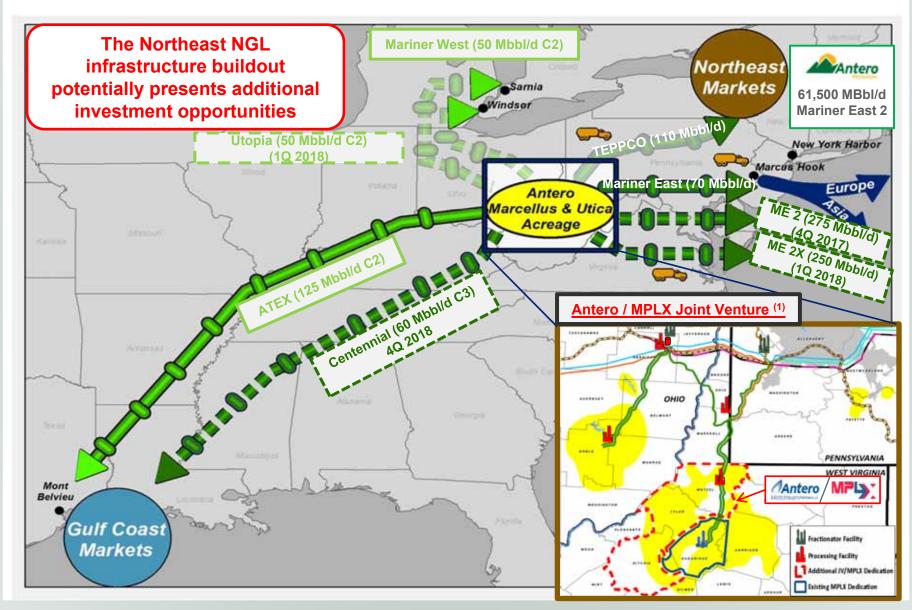
### **Activity**

- Antero has grown its acreage position by over 200,000 net acres since its IPO in October 2013
- Since the beginning of 2016, Antero has acquired over 111,000 net acres in the core of the Marcellus and Utica Shale plays
- Virtually all of the acquired acreage is now dedicated to Antero Midstream
- Closed on 10,300 net acre Marcellus acquisition in early June (Doddridge & Wetzel Counties)
  - Includes 17 MMcfe/d of net production, 15 drilled but uncompleted wells and one drilling pad
  - Undeveloped properties included an estimated 418
     Bcfe and 958 Bcfe of unaudited proved reserves and 3P reserves, respectively
- Consolidated acreage position drives efficiencies:
  - Longer laterals
  - More wells per pad
  - Higher utilization of gathering, compression and freshwater infrastructure
  - Facilitates central water treatment avoiding injection



### NGL INFRASTRUCTURE BUILDOUT IN THE NORTHEAST



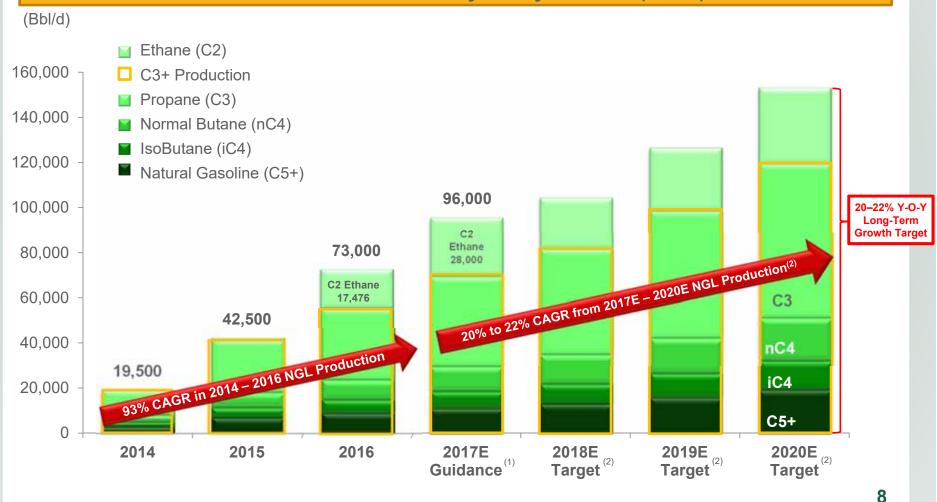


### RAPIDLY GROWING NGL PRODUCTION...



### Antero is the largest NGL producer in the Northeast

### **NGL** Production Growth by Purity Product (Bbl/d)



<sup>1.</sup> Excludes condensate.

<sup>2.</sup> Assumes midpoint of 20 – 22% year-over-year equivalent production growth in 2018-2020 (from original 2017E midpoint guidance of 2,205 MMcfe/d). For illustrative purposes C3+ production growth assumed at same rate.

# ... AND RISING LIQUIDS PRICE ENVIRONMENT



# An increase in Mont Belvieu pricing combined with an improvement in local differentials has resulted in meaningful upside to Antero's realized C3+ NGL pricing

	Histo	rical	Guidance / Targets			
(\$/BbI)	2015A	2016A	2017 Guidance 2018E+ (Excl. ME2) (Incl. ME2)			
WTI Crude Oil(1)	\$48.63	\$43.14	\$49.95 \$50.50			
Mont Belvieu NGL Price(2)	\$25.24	\$25.49	\$31.70 \$31.65			
% of WTI (Prior to Local Differentials)	52%	59%	63%			
	~40% Increase in Mont Belvieu NGL Pricing (1)					
Local Differentials	-					
Local Differential to Mont Belvieu <sup>(3)</sup>	\$(8.23)	\$(6.75)	\$(4.00) - \$(7.00) \$(1.00) - \$(4.00)			
Antero Realized C3+ NGL Price(3)	\$17.01	\$18.74	<b>\$24.70 - \$27.70</b> \$30.65 - \$27.65			
% of WTI <sup>(2)</sup>	35%	43%	50% - 55% - 60%			
~45% to 60% Increase in Realized C3+ NGL Pricing (1)						

<sup>1.</sup> Based on 7/31/2017 strip pricing.

<sup>2.</sup> Weighted average by product and assumes 1225 BTU gas.

<sup>3.</sup> Based on unhedged contracted differentials for C4+ NGL products, guidance from midstream providers and strip pricing as of 7/31/2017.

# PROVIDES POWERFUL LIQUIDS PRICING UPSIDE EXPOSURE



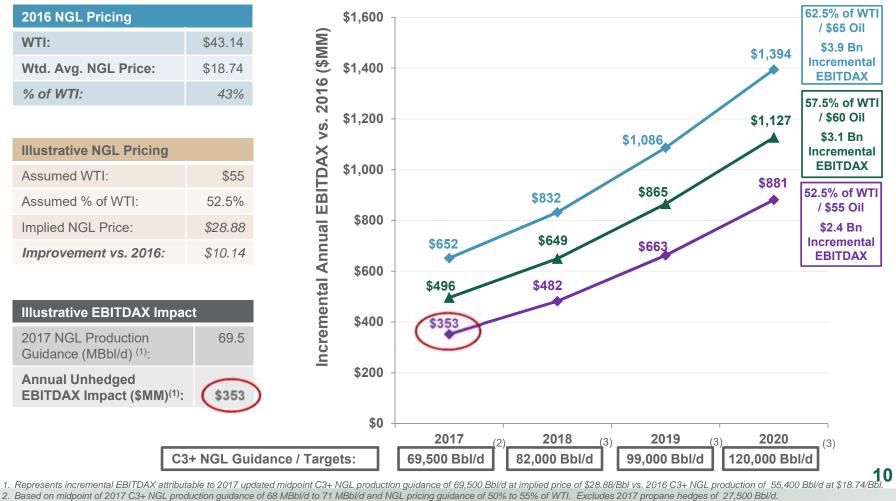
Assuming \$55 oil, 52.5% of WTI NGL realizations and 69,500 Bbl/d C3+ volumes, Antero should realize \$353 million of incremental unhedged EBITDAX in 2017 (vs. 2016)

#### **Incremental Liquids-Driven EBITDAX vs. 2016**

2016 NGL Pricing	
WTI:	\$43.14
Wtd. Avg. NGL Price:	\$18.74
% of WTI:	43%

Illustrative NGL Pricing	
Assumed WTI:	\$55
Assumed % of WTI:	52.5%
Implied NGL Price:	\$28.88
Improvement vs. 2016:	\$10.14

Illustrative EBITDAX Impac	t
2017 NGL Production Guidance (MBbl/d) <sup>(1)</sup> :	69.5
Annual Unhedged EBITDAX Impact (\$MM) <sup>(1)</sup> :	\$353



<sup>2.</sup> Based on midpoint of 2017 C3+ NGL production guidance of 68 MBbl/d to 71 MBbl/d and NGL pricing guidance of 50% to 55% of WTI. Excludes 2017 propane hedges of 27,500 Bbl/d.

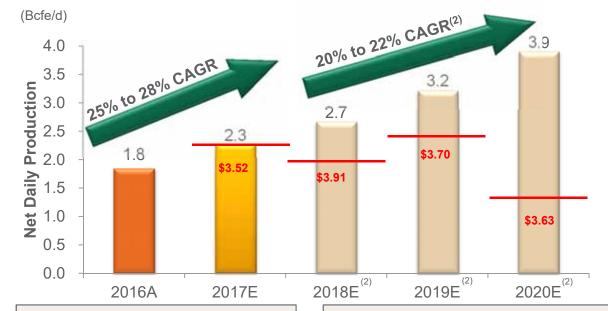
<sup>3.</sup> Represents midpoint of 20% - 22% long-term production growth targets.

### 2017 GUIDANCE AND LONG TERM OUTLOOK



#### **Production Growth:**

- **Guidance**
- Long-Term Targets
  - Hedged Volume (Bcfe)
- \$ Hedged Price (\$/Mcfe)



#### 2017 Guidance

2018 - 2020 Long Term Targets

### **D&C** Capital:

Consolidated Cash Flow from Operations<sup>(1)</sup>:

Leverage<sup>(1)</sup>:

**Hedging:** 

\$1.3 Billion Flat with prior year

In line with D&C capital

3.0x to 3.5x

~95% Hedged at \$3.52/Mcfe

Modest annual increases within Cash Flow from Operations

Doubling by 2020

Declining to mid-2s by 2018

59% Hedged at \$3.76/Mcfe

<sup>1.</sup> Assuming 12/31/2016 4-year strip pricing averaging \$3.12/MMBtu for natural gas and \$56.23/Bbl for oil. Consolidated cash flow from operations includes realized hedge gains.

<sup>2.</sup> Represents midpoint of 20% - 22% long-term production growth targets based off previous 2017 guidance range of 2,160 – 2,250 MMcfe/d.

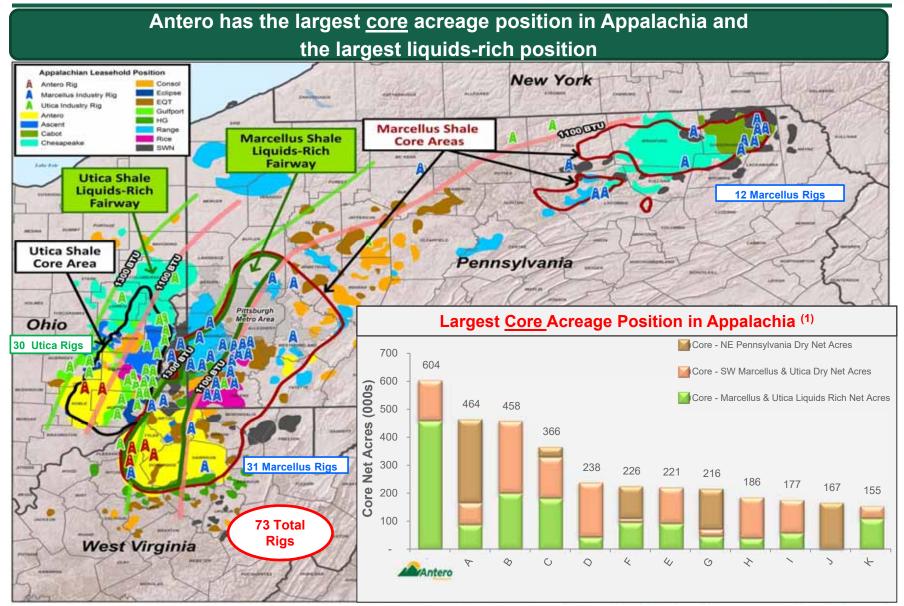
### KEY DRIVERS BEHIND LONG TERM OUTLOOK





# DRILLING INVENTORY – LARGEST <u>CORE</u> ACREAGE POSITION IN APPALACHIA





Source: Core outlines based upon Antero geologic interpretation, well control and peer acreage positions based on investor presentations, news releases, 10-K/10-Qs and other sources. Rig information per RigData as of 7/28/2017.

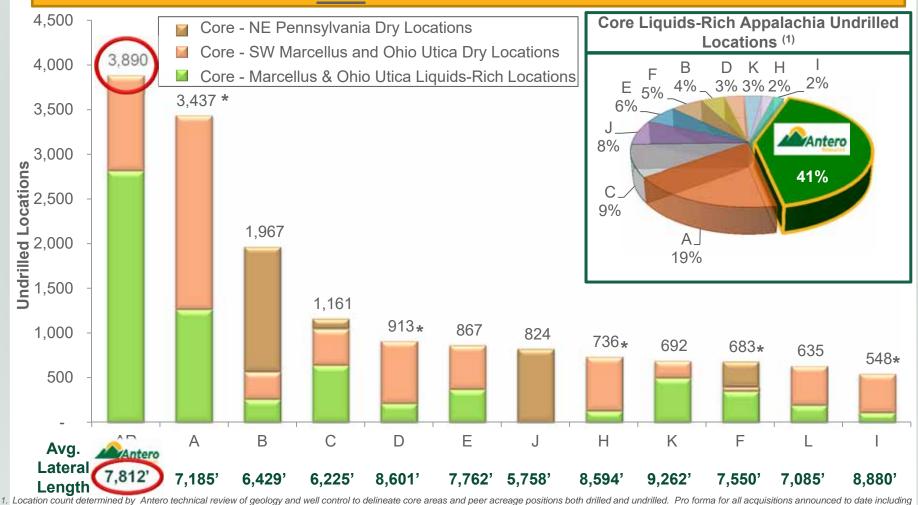
<sup>1.</sup> Peers include CHK, CNX, COG, CVX, EQT, GPOR, NBL RICE, RRC, STO and SWN.

# DRILLING INVENTORY - LARGEST CORE DRILLING INVENTORY IN SOUTHWEST APPALACHIA



Large, repeatable <u>core</u> drilling inventory that averages over 7,800' in lateral length and includes 41% of all liquids-rich undrilled locations in Appalachia

#### **Undrilled Core Marcellus and Utica Locations** (1)(2)



<sup>2.</sup> Peers include Ascent, CHK, CNX, COG, CVX, EQT, GPOR, HG Energy, RICE, RRC and SWN.

EQT/RICE.

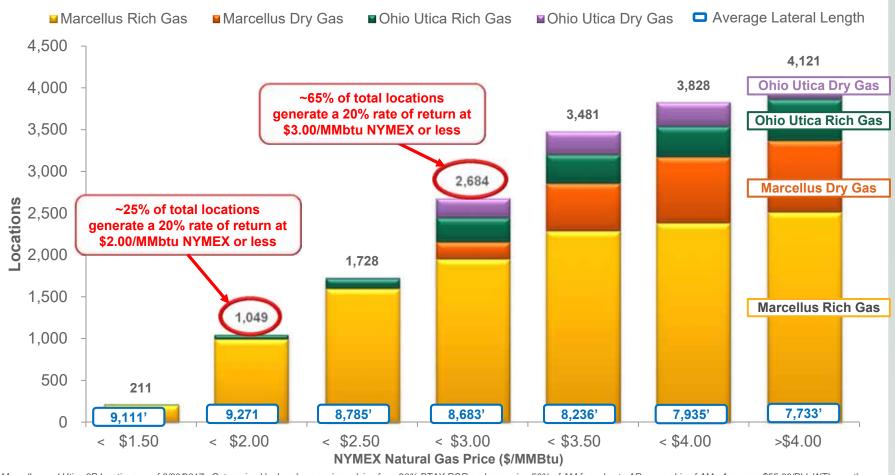
Undrilled location count net of acreage allocated to publicly disclosed joint ventures.

#### DRILLING INVENTORY - LOW BREAKEVEN PRICES



Antero has a 16-year drilling inventory that generates a 20% rate of return at \$3.00/MMbtu NYMEX or less, assuming the 2017 development pace (170 completions)

#### Cumulative 3P Drilling Inventory – Breakeven Prices at 20% ROR (1)(2)



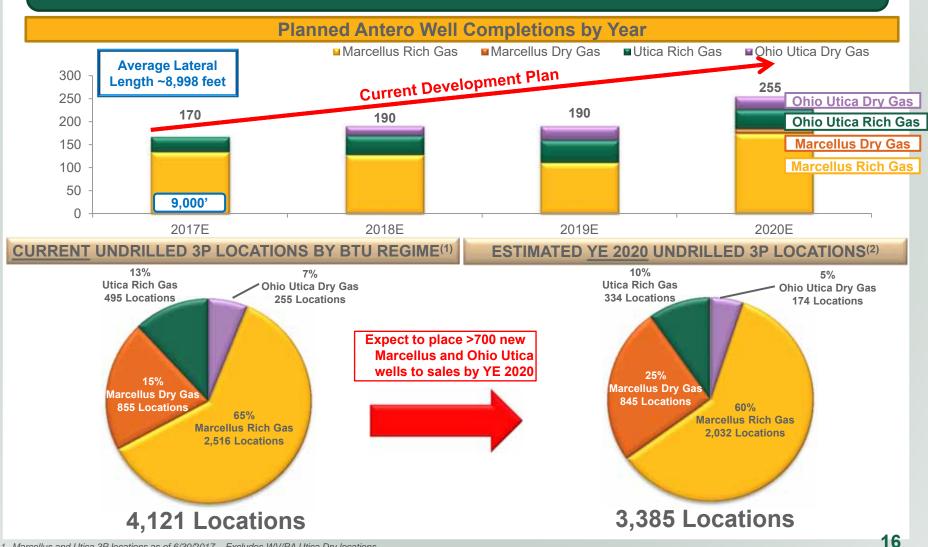
<sup>1.</sup> Marcellus and Utica 3P locations as of 6/30/2017. Categorized by breakeven price solving for a 20% BTAX ROR and assuming 50% of AM fees due to AR ownership of AM. Assumes \$55.00/Bbl WTI over the next five years and strip pricing for C3+ NGLs, which is ~53% of WTI.

<sup>2.</sup> Includes 3,890 total core locations plus 231 non-core 3P locations.

#### DRILLING INVENTORY - MULTI-YEAR GROWTH ENGINE



Antero plans to develop over 700 horizontal locations in the Marcellus and Ohio Utica by the end of the decade while utilizing less than 18% of its current 3P drilling inventory



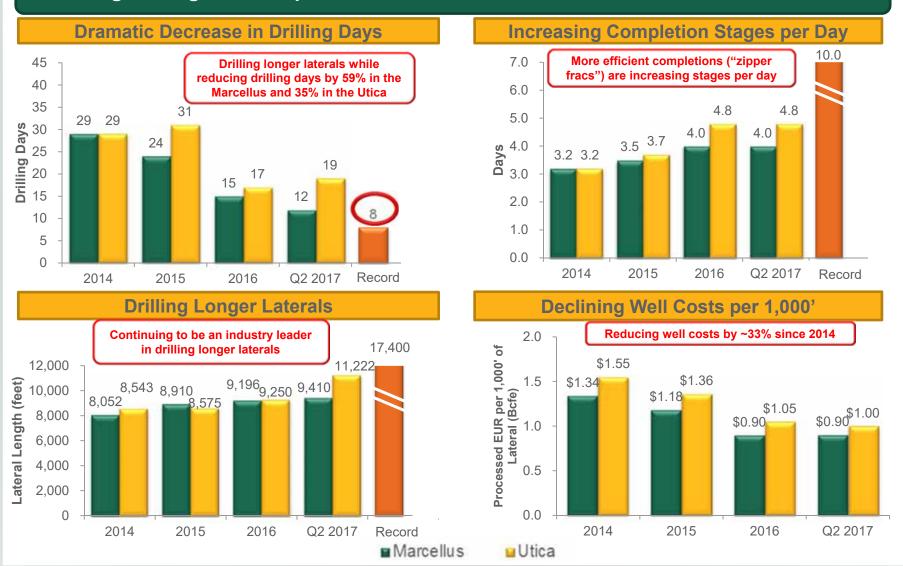
<sup>1.</sup> Marcellus and Utica 3P locations as of 6/30/2017. Excludes WV/PA Utica Dry locations.

<sup>2.</sup> Adjusted for 64 Marcellus wells and 5 Utica wells placed online in 1H 2017.

# CAPITAL EFFICIENCY – CONTINUOUS OPERATING IMPROVEMENT



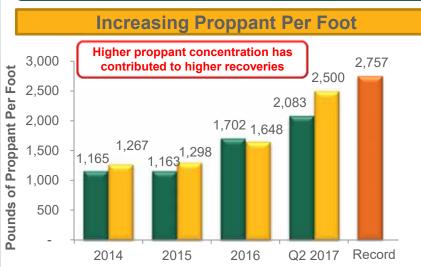
### Driving drilling and completion efficiencies which continues to lower well costs

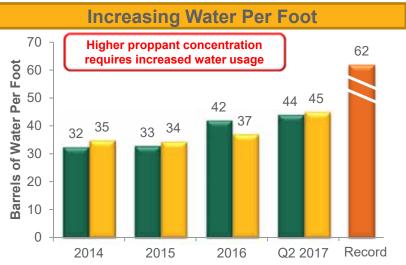


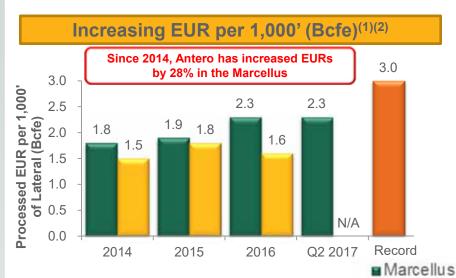
### CAPITAL EFFICIENCY - DRAMATICALLY LOWER F&D COST

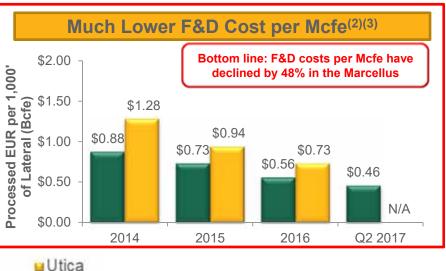


# Enhanced completion designs have contributed to improved recoveries and capital efficiency









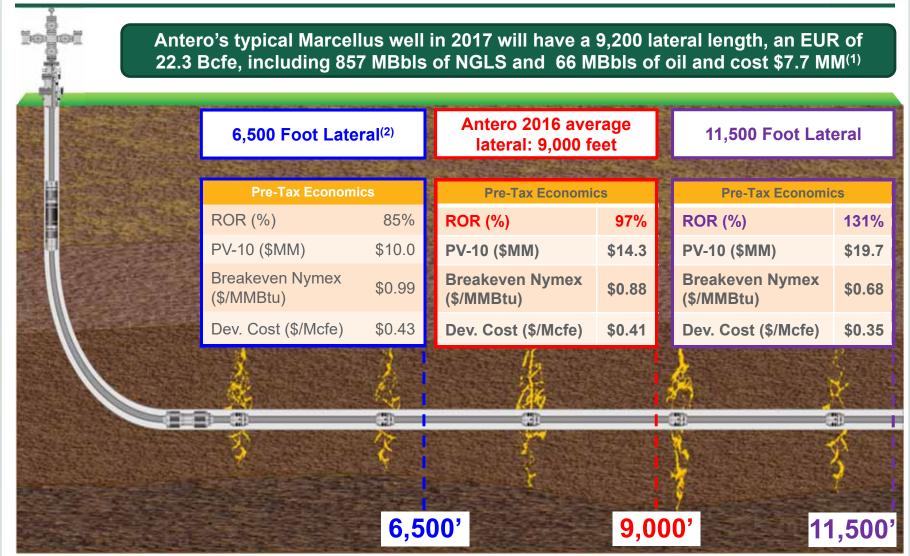
1. Based on statistics for wells completed within each respective period.

2. Ethane rejection assumed.

3. Current D&C cost per 1,000' lateral divided by net EUR per 1,000' lateral assuming 85% NRI in Marcellus and 81% NRI in Utica.

### CAPITAL EFFICIENCY – LONGER LATERALS IMPROVE ROR





NOTE: Assumes 2.0 Bcf/1,000' type curve for the Antero Marcellus Highly-Rich Gas/Condensate (1275 – 1350 Btu) and 6/30/2017 strip pricing.

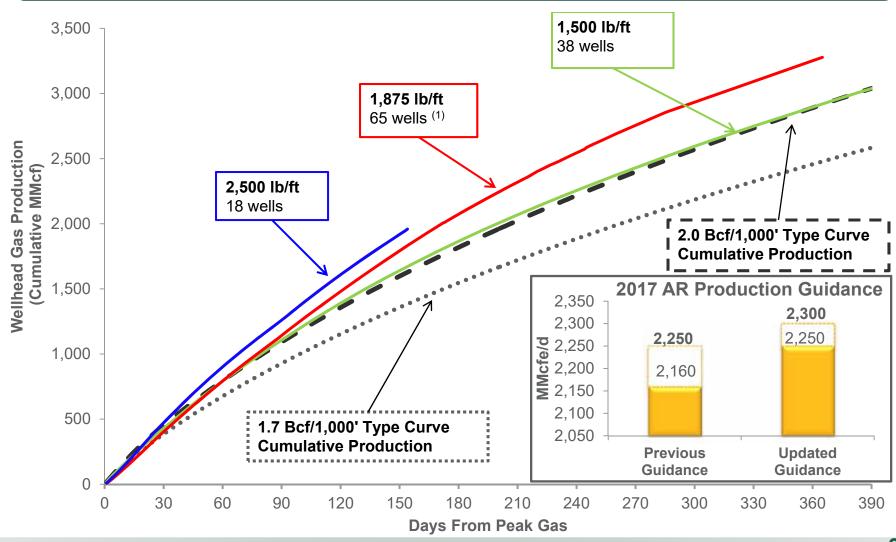
<sup>1.</sup> Assumes ethane rejection and 2.0 Bcf/1,000' recovery at the wellhead.

<sup>2.</sup> Represents 2016 Marcellus average for peers including: CNX, COG, EQT, RICE, RRC based on public guidance.

# WELL PERFORMANCE – OPTIMIZING WELL RECOVERIES WITH HIGHER INTENSITY COMPLETIONS



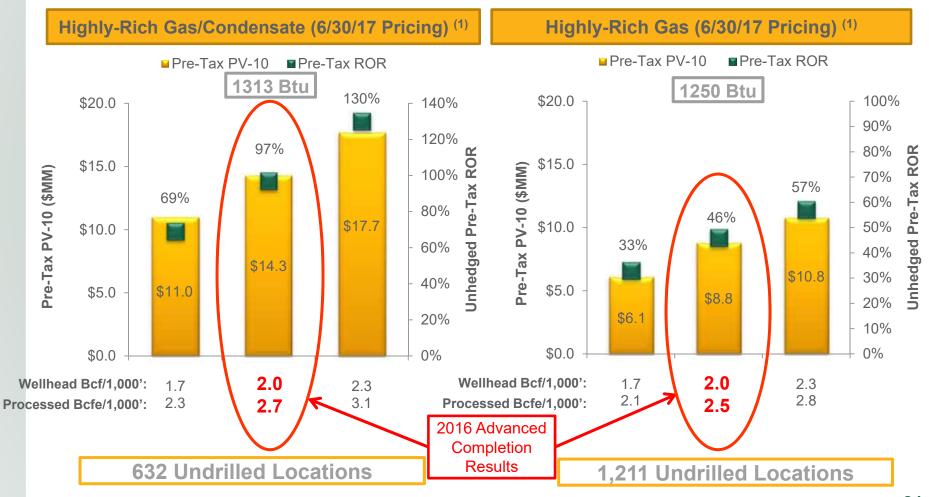
AR's Production from 1,500 to 2,500 lb/ft completions is outperforming the 2.0 Bcf/1,000' wellhead type curve – 2,500 lb/ft completions are 20% above type curve (First 150 days)



### WELL PERFORMANCE - IMPROVING MARCELLUS RETURNS



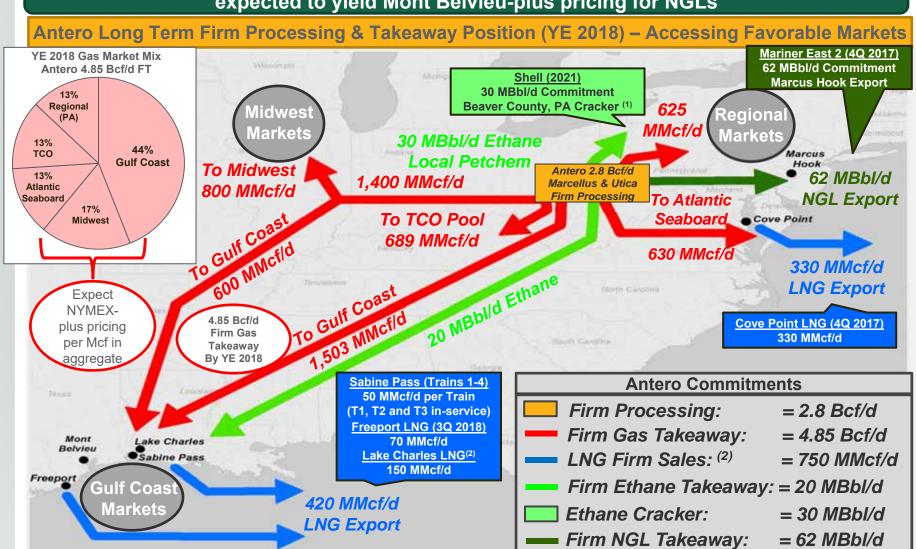
### Integrated platform yields attractive well economics and sustainable growth



# PRICE REALIZATIONS – LARGEST FT PORTFOLIO IN NORTHEAST



Antero transportation commitments yield NYMEX-plus pricing for natural gas and are expected to yield Mont Belvieu-plus pricing for NGLs



<sup>1.</sup> Shell announced final investment decision (FID) on 6/7/2016.

<sup>2.</sup> Lake Charles LNG 150 MMcf/d commitment subject to Shell FID.

# PRICE REALIZATIONS - ANTERO FIRM TRANSPORT MITIGATES NORTHEAST BASIS RISK



Antero Expected Pricing: 2017-2020 (\$/MMBtu)				
Forecasted Realized Natural Gas Price (1)	Nymex + ~\$0.10			
- Average FT Expense (operating expense)	\$(0.46)			
- Average Net Marketing Expense	\$(0.10)			
= Net Natural Gas Price vs. Nymex	\$(0.46)			
Dom South and Tetco M2 Realized Natural Gas Strip (2)	Nymex - \$(0.57)			
Antero Pricing Relative to Northeast Differential	+\$0.11			

Even with the relative tightening of local basis indicated in the futures market, Antero's expected netback through the end of the decade (after deducting FT and marketing costs) is \$0.11 per MMBtu higher than the local Dominion South and TETCO M2 indices

<sup>1.</sup> Based on management forecast of net production, BTU of future production and the 2017 through 2020 futures strip as of 06/30/17 for various indices that Antero can access with its firm transport portfolio.

2. Assumes 50/50 DOM S and TETCO M2 split, from ICE futures as of 06/30/2017.

# PRICE REALIZATIONS – FAVORABLE PRICE INDICES



# Antero expects to realize a <u>premium</u> to NYMEX gas prices before hedges through 2020

(\$/Mcf)	<u>2017E</u>	2018-2020 <u>Target</u>
NYMEX (1) NEW YORK MERCANTILE EXCHANGE	\$3.10	\$2.90
Basis Differential to NYMEX <sup>(1)</sup>	\$(0.24)	\$(0.15) - \$(0.20)
BTU Upgrade <sup>(2)</sup>	\$0.29	\$0.25
Realized Gas Price	\$3.15	\$2.95 - \$3.00
Premium to Nymex without Hedges	+\$0.05	+\$0.05 - \$0.10
Estimated Realized Hedge Gains	\$0.47	\$0.67
Realized Gas Price with Hedges	\$3.62	\$3.62 - \$3.67
Premium to NYMEX with Hedges	+\$0.52	+\$0.72 - +\$0.77

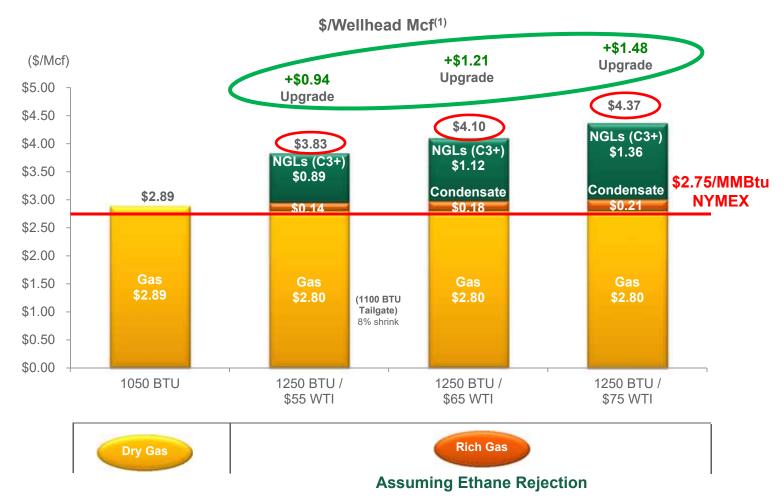
<sup>1.</sup> Based on 06/30/2017 strip pricing.

<sup>2.</sup> Based on BTU content of residue sales gas.

# PRICE REALIZATIONS – LIQUIDS PRICING UPGRADE IN THE MARCELLUS



# Antero realizes a significant upgrade to NYMEX gas prices by producing liquids-rich gas and condensate



<sup>1.</sup> Assumes \$2.75/MMBtu NYMEX, \$55/Bbl to \$75/Bbl WTl and NGL prices equal to 52.5% of WTl (midpoint of 2017 guidance). 45 Bbl/MMcf (ethane rejection) recovery for NGLs and 3 Bbl/MMcf for condensate, processing shrink included.

# SIGNIFICANT CASH FLOW GROWTH - CAPITAL EFFICIENCY DRIVES CASH FLOW GROWTH



# Antero plans to grow its production 20% to 22% through 2020 while essentially spending within cash flow





#### **2019 Consensus Wall Street Research Estimates**



<sup>1.</sup> Represents Wall Street consensus EBITDAX for AR (consolidated), less Wall Street gathering and compression EBITDA for AM.

Represents Wall Street consensus interest expense for AR (consolidated), less Wall Street consensus interest expense for AM.

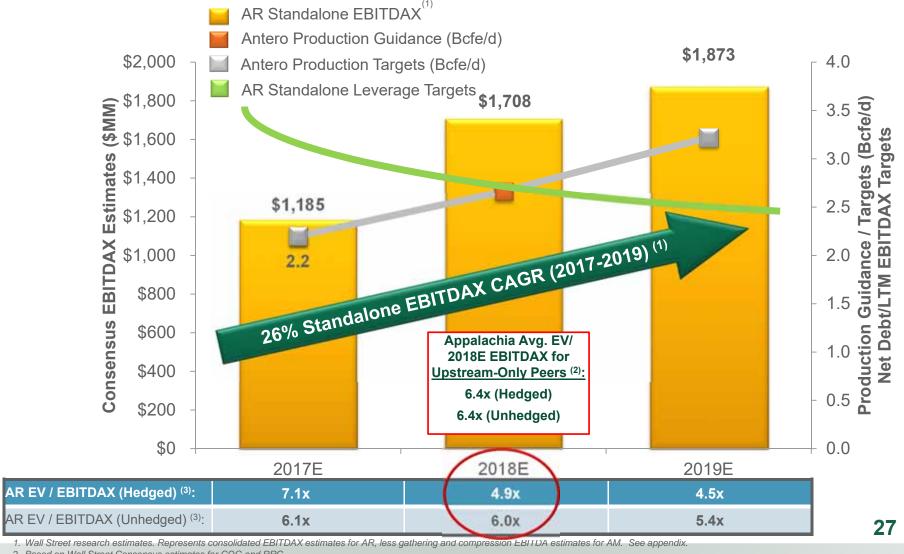
<sup>3.</sup> Represents target distributions for AM multiplied by AR's ownership of 109 million AM units.

Represents Wall Street research estimates for D&C capital (consolidated), plus AM water EBITDA per Wall Street estimates (proxy for AR water cost which is capitalized).

# SIGNIFICANT CASH FLOW GROWTH - SIGNIFICANT CASH FLOW GROWTH DRIVES DECLINING LEVERAGE PROFILE



# Visible upstream cash flow growth and a declining leverage profile is currently valued at less than 5x 2018 and 2019 EBITDAX (1)(2)



<sup>2.</sup> Based on Wall Street Consensus estimates for COG and RRC.

<sup>3.</sup> See appendix for detailed calculations of enterprise value and hedged and unhedged EBITDAX

# BALANCE SHEET – STRONG BALANCE SHEET AND HIGH FLEXIBILITY

4. AR credit facility commitments of \$4.0 billion, borrowing base of \$4.75 billion.



6/30/2017 Debt <sup>(1)</sup>	)	Liquid Non-E&P	Assets	6/30/2017 Debt (	1)	Liquid A	Assets
Debt Type	\$MM	Asset Type	\$MM	Debt Type	\$MM	Asset Type	\$MM
Credit facility	\$930	Commodity derivatives(2	\$2,049	Credit facility	\$305	Cash	\$1
5.375% senior notes due 2021	1,000	AM equity ownership <sup>(3)</sup>	3,613	5.375% senior notes due 2024	650		
5.125% senior notes due 2022	1,100	Cash	22	Total	\$955	Total	\$18
5.625% senior notes due 2023	750						
5.00% senior notes due 2025	600						
Liquid "non-E		ts" of \$5.7 Bn	1	Only 20% of All	// credit fac	cility capacity dra	wn
Liquid "non-E significantly excee	&P asset	ts" of \$5.7 Bn debt of \$4.4 billion			/I credit fac	cility capacity dra	wn
significantly excee	&P asser	ts" of \$5.7 Bn debt of \$4.4 billion ty	MM				wn \$MM
· · · · · · · · · · · · · · · · · · ·	&P asser	ts" of \$5.7 Bn debt of \$4.4 billion ty	MM \$22	Pro Asset Type			
significantly excee	&P asser	ts" of \$5.7 Bn debt of \$4.4 billion ty		Pro Asset Type Cash			\$MM
Significantly exceeds  Asset Type  Cash	&P asser	ts" of \$5.7 Bn debt of \$4.4 billion ty	\$22   4,000   (930)	Pro Asset Type Cash Credit facility – capacity Credit facility – drawn			<b>\$MM</b>
Asset Type Cash Credit facility – commitments(4) Credit facility – drawn Credit facility – letters of credit	&P asser	ts" of \$5.7 Bn debt of \$4.4 billion ty	\$22   4,000   (930)   (706)	Pro Asset Type Cash Credit facility – capacity Credit facility – drawn Credit facility – letters of credit	Forma L		\$MM \$1. 1,50 (305
Asset Type Cash Credit facility – commitments(4) Credit facility – drawn	&P asser	ts" of \$5.7 Bn debt of \$4.4 billion ty	\$22   4,000   (930)	Pro Asset Type Cash Credit facility – capacity Credit facility – drawn	Forma L		\$MM \$1 1,50

### VALUE IN MIDSTREAM OWNERSHIP



#### **Cash flows to AR from AM Distribution Growth**



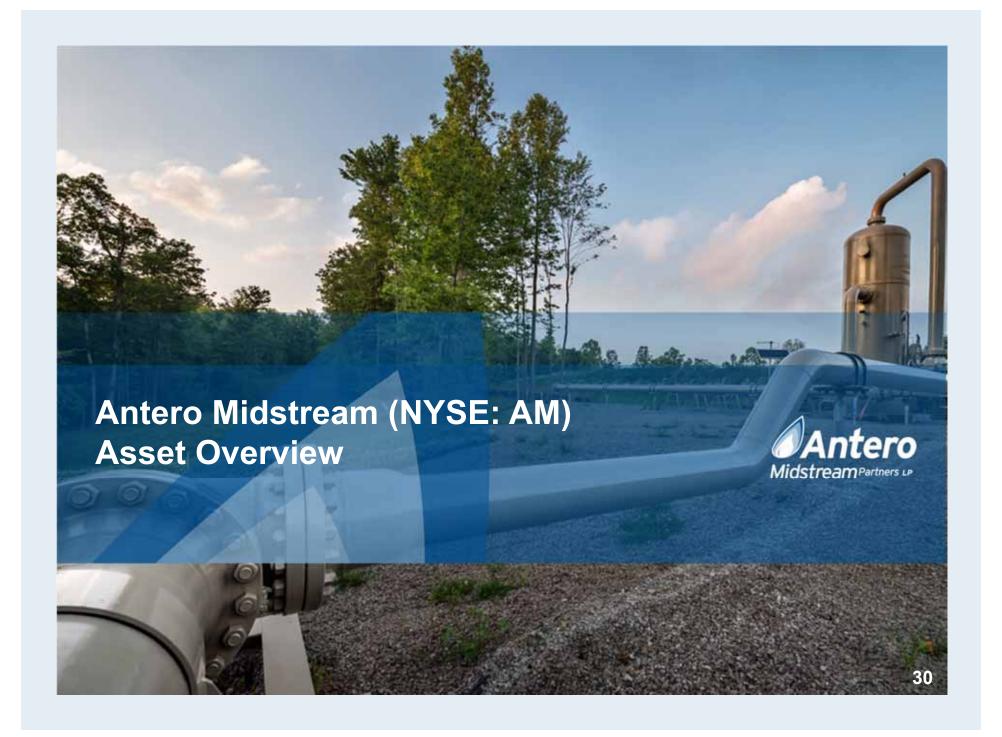
AM price per unit	Value of AM units held by AR (\$Billion) <sup>(1)</sup>	Value per AR share
\$29	\$2.5	\$8
\$32	\$2.7	\$9
\$35	\$2.9	\$9
\$38	\$3.1	\$10
\$41	\$3.3	\$11

**Consensus AM Price Target: \$41** 

100% of 16 analysts covering AM have "Buy" rating

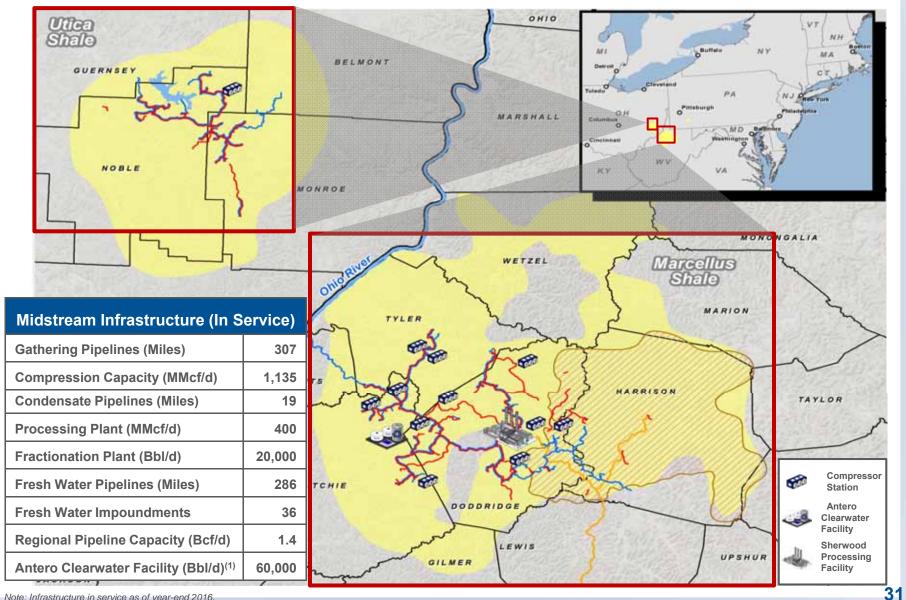
Note: Represents distributions declared during fiscal year ended December 31 based on Antero Midstream guidance and long-term distribution growth targets.

1. After-tax using 38% federal and state tax rate and \$1.5 billion of AR NOLs.



### ANTERO MIDSTREAM ASSET OVERVIEW





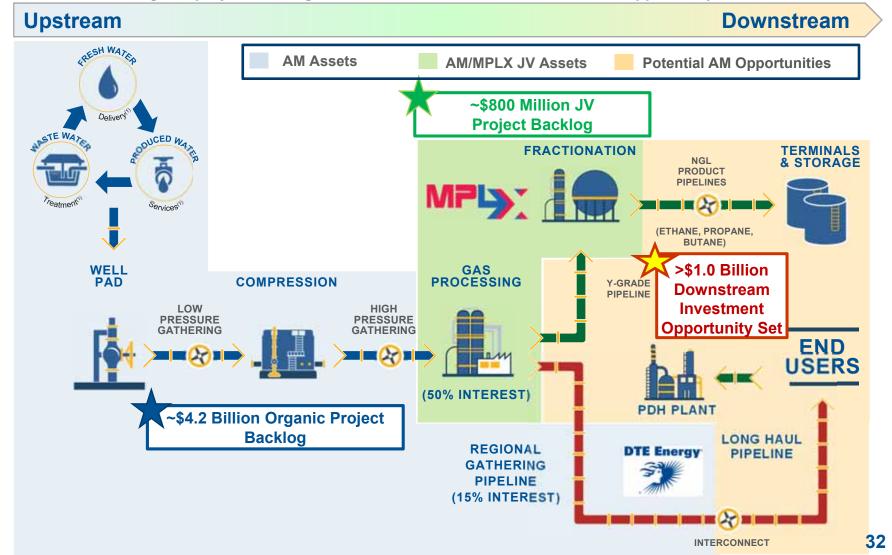
Note: Infrastructure in service as of year-end 2016.

<sup>1.</sup> The Antero Clearwater Facility is scheduled to be placed into service in the fourth quarter of 2017.

# VALUE CHAIN OPPORTUNITY- MIDSTREAM VALUE CHAIN BUILDOUT



- Participating in the full value chain diversifies and sustains Antero's integrated business model
- \$5.0 billion organic project backlog and \$1.0 billion downstream investment opportunity set



# Processing and Fractionation JV Momentum



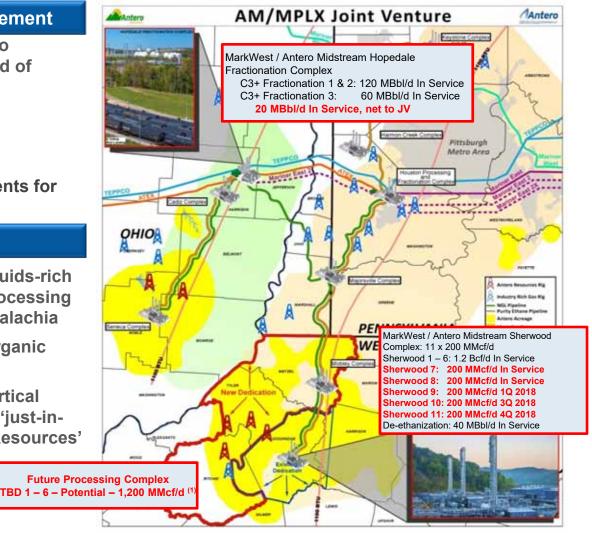
Antero Midstream (NYSE: AM) and MPLX (NYSE: MPLX) formed a joint venture for processing and fractionation infrastructure in the core of the liquids-rich Marcellus and Utica Shales in February 2017

#### **Achievements Since Announcement**

- Successfully placed in service two processing plants with 400 MMcf/d of combined capacity
  - Sherwood 7: Fully Utilized
  - Sherwood 8: Fully Utilized
  - Sherwood 9: Due 1Q18
- Announced additional commitments for Sherwood Plants 10 and 11

#### **Strategic Rationale**

- Further aligns the largest core liquids-rich resource base with the largest processing and fractionation footprint in Appalachia
- Fits with AM's "full value chain organic growth" strategy
- Improved visibility throughout vertical value chain and ability to deploy "just-intime" capital supporting Antero Resources' rich gas development



Note: RigData as of 7/28/17. Rigs drilling in rich gas areas only.

1. New West Virginia site location still to be determined.

# ANTERO MIDSTREAM GATHERING AND COMPRESSION ASSET OVERVIEW

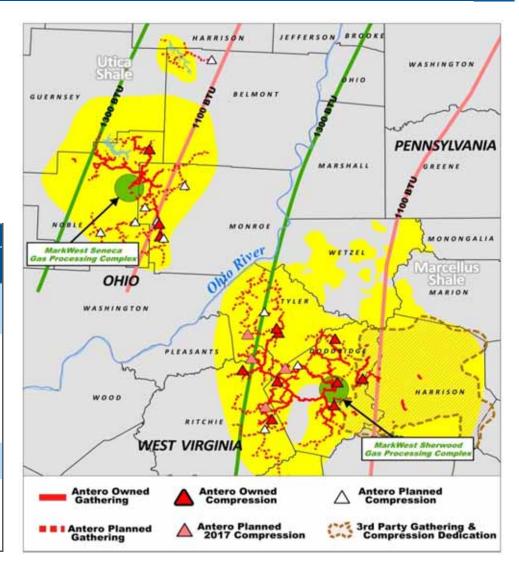


#### **Gathering and Compression Assets**

- Gathering and compression assets in core of rapidly growing Marcellus and Utica Shale plays
- Acreage dedication of ~562,000 gross leasehold acres for gathering and compression services
- Additional stacked pay potential with dedication on ~288,000 gross acres of Utica deep rights underlying the Marcellus in WV and PA
- 100% fixed fee long term contracts

Projected Gathering and	Compression I	nfrastructure
	Marcellus	Utica

	Marcellus Shale	Utica Shale	Total
YE 2016 Cumulative Gathering/ Compression Capex (\$MM) <sup>(1)</sup>	\$1,236	\$470	\$1,706
Gathering Pipelines (Miles)	213	94	307
Compression Capacity (MMcf/d)	1,015	120	1,135
Condensate Gathering Pipelines (Miles)	-	19	19
2017E Gathering/Compression Capex Budget (\$MM) <sup>(2)</sup>	\$255	\$95	\$350
Gathering Pipelines (Miles)	30	5	35
Compression Capacity (MMcf/d)	490	-	490



<sup>1.</sup> As of 12/31/2016.

<sup>2.</sup> Includes both expansion capital and maintenance capital.

### ANTERO MIDSTREAM WATER BUSINESS OVERVIEW

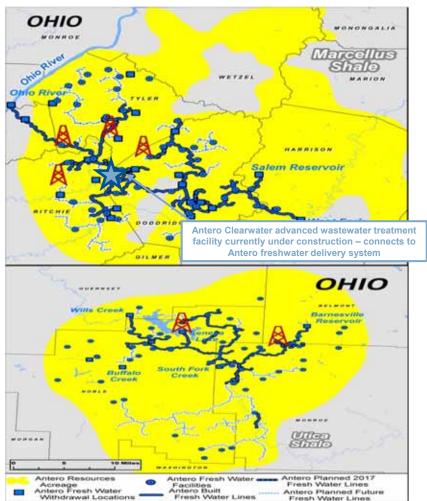


- AM acquired AR's integrated water business for \$1.05 billion plus earn out payments of \$125 million at year-end in each of 2019 and 2020
  - The acquired business includes Antero's Marcellus and Utica freshwater delivery business, the fully-contracted future advanced wastewater treatment complex and all fluid handling and disposal services for Antero

#### **Water Business Assets**

- Fresh water delivery assets provide fresh water to support Marcellus and Utica well completions
- Year-round water supply sources: Clearwater Facility, Ohio River, local rivers & reservoirs<sup>(2)</sup>
- 100% fixed fee long term contracts

Projected Water Business Infrastructure <sup>(1)</sup>				
	Marcellus Shale	Utica Shale	Total	
YE 2016 Cumulative Fresh Water Delivery Capex (\$MM) (2)	\$610	\$135	\$745	
Water Pipelines (Miles)	203	83	286	
Fresh Water Storage Impoundments	23	13	36	
2017E Fresh Water Delivery Capex Budget (\$MM)	\$50	\$25	\$75	
Water Pipelines (Miles)	28	9	37	
Fresh Water Storage Impoundments	3	1	4	
Cash Operating Margin per Well <sup>(3)</sup>	\$1.0MM - \$1.1MM	\$925k - \$975k		
2017E Advanced Waste Water Treatment Budget (\$MM)			\$100	
2017E Total Water Business Budget (\$MM)			\$175	

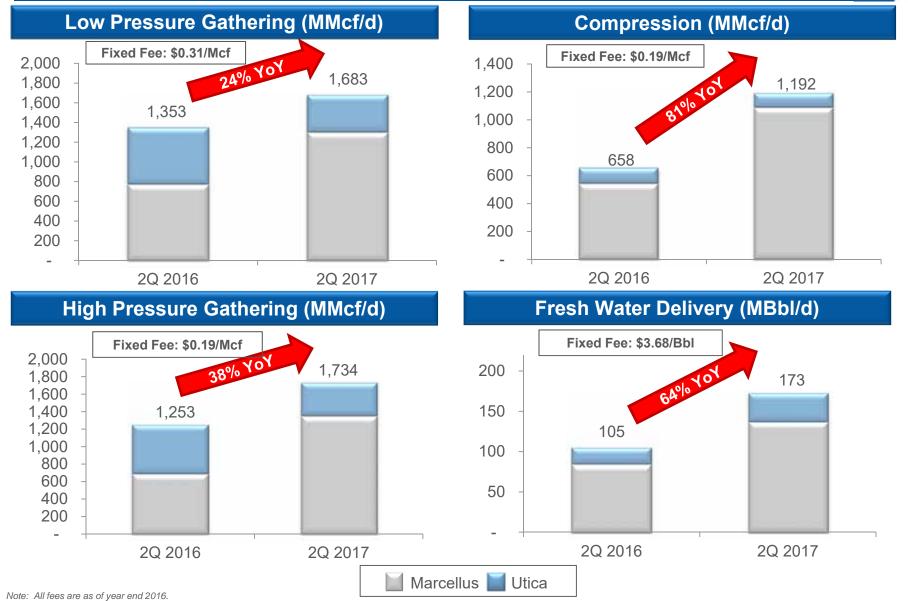


Note: Antero acreage position reflects tax districts in which greater than 3,000 net acres are owned.

- 1. All Antero water withdrawal sites are fully permitted under long-term state regulatory permits both in WV and OH.
- 2. As of 12/31/2016.
- 3. Marcellus assumes fee of \$3.69 per barrel subject to annual inflation and 40 barrels of water per lateral foot that utilize the fresh water delivery system based on 9,000 foot lateral. Operating margin excludes G&A. Utica assumes fee of \$3.64 per barrel subject to annual inflation and 37 barrels of water per lateral foot that utilize the fresh water delivery system based on 9,000 foot lateral. Water volumes assume 5% recycling. Operating margin excludes G&A.

# High Growth Year-Over-Year Midstream Throughput





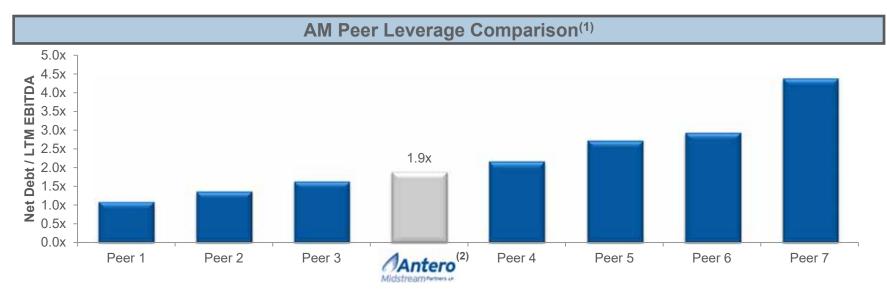
## SIGNIFICANT FINANCIAL FLEXIBILITY



AM Liquidity (6/30/2017)	
(\$ in millions)	
Revolver Capacity	\$1,500
Less: Borrowings	(305)
Plus: Cash	18
Liquidity	\$1,213

#### **Financial Flexibility**

- \$1.5 billion revolver in place to fund future growth capital (5.0x Debt/EBITDA Cap)
- Liquidity of \$1,213 million at 6/30/2017 based off \$1,500 million revolver
- Sponsor (NYSE: AR) has Ba2/BB corporate debt ratings
- AM corporate debt ratings also Ba2/BB



<sup>1.</sup> As of 3/31/2017. Peers include TEP, EQM, WES, RMP, SHLX, DM, and CNNX. 2. Antero Midstream leverage as of 6/30/2017.

#### 2017 - 2020 OUTLOOK



### Macro

- Significant natural gas demand growth through 2020
- Continued oil and NGL price recovery



- 25% to 28% revised production growth guidance for 2017
- 20% to 22% production growth CAGR targets for 2018 2020
  - Forecast a \$0.05 to \$0.15/Mcf premium to NYMEX natural gas prices through 2020
  - 59% of production targets hedged through 2020 at \$3.76/MMBtu
- 24% to 26% liquids contribution to production
- Maintaining D&C spending within consolidated cash flow from operations through 2020
- Declining leverage profile to "mid 2s"
- Strong commitment to health, safety and environment
- Investing \$5.0 billion in midstream project inventory with AM through 2026, with upside exposure to full value chain opportunities

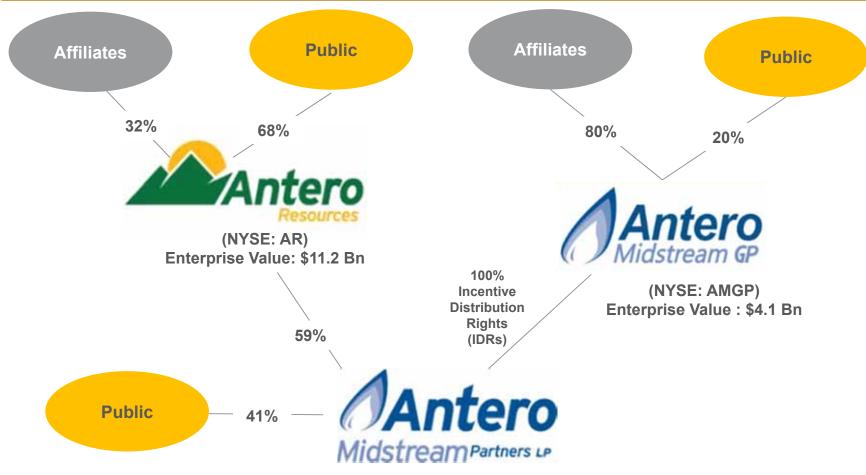




# ANTERO SIMPLIFIED ORGANIZATIONAL STRUCTURE



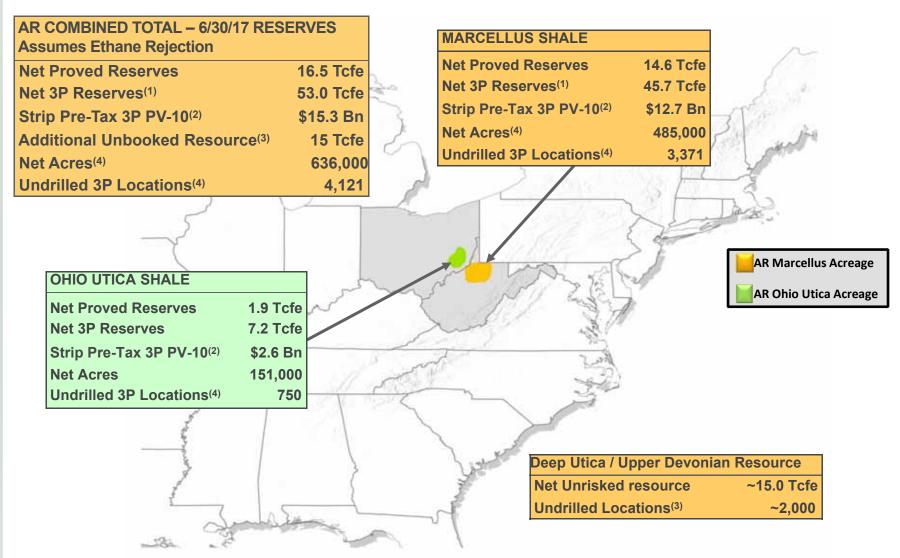
## The combined enterprise value of the Antero complex is over \$18 billion



(NYSE: AM) Enterprise Value : \$7.1 Bn

### 3P RESERVES & RESOURCE





Note: 6/30/2017 SEC prices were \$2.88/MMBtu for natural gas and \$43.33/Bbl for oil on a weighted average Appalachian index basis.

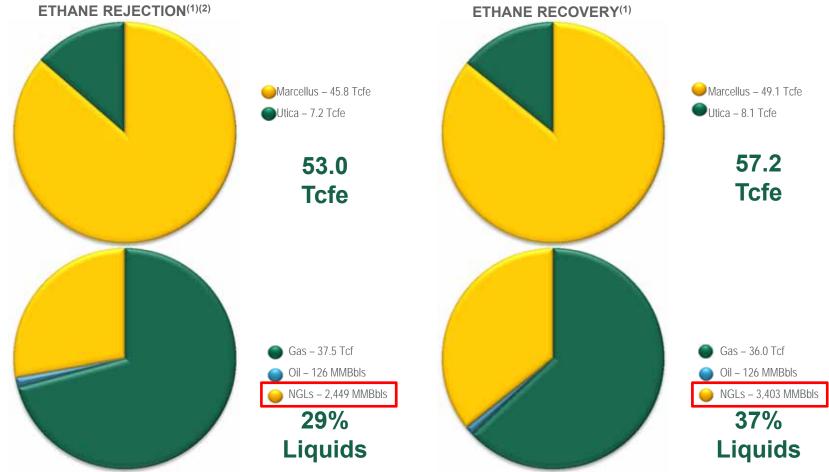
- 1. SEC reserves as of 6/30/2017.
- 2. 3P reserve pre-tax PV-10 based on annual strip pricing for first 10-years and flat thereafter as of 6/30/2017. Excludes hedge value of \$1.7 billion.
- 3. Incremental net unrisked resource of 15 Tcfe supported by over 2,000 locations, including 600 Marcellus, 1,000 Upper Devonian and 400 deep Utica.
- 4. Net acres and locations as of 6/30/2017.

# CONSIDERABLE RESERVE BASE WITH ETHANE OPTIONALITY



- 23 year proved reserve life based on 2016 production annualized
- Reserve base provides significant exposure to liquids-rich projects
  - 3P reserves of over 3.5 BBbl of NGLs and condensate in ethane recovery mode; 37% liquids





<sup>1.</sup> Ethane rejection occurs when ethane is left in the wellhead gas stream as the gas is processed, rather than being separated out and sold as a liquid after fractionation. When ethane is left in the gas stream, the BTU content of the residue gas at the outlet of the processing plant is higher. Producers will elect to "reject" ethane when the price received for the higher BTU residue gas is greater than the price received for the ethane being sold as a liquid after fractionation. When ethane is recovered, the BTU content of the residue gas is lower, but a producer is then able to recover the value of the ethane sold as a separate NGL product.

<sup>2. 7.0</sup> Tcfe of ethane reserves (1,170 million barrels) was included in 6/30/2017 reserves from the Marcellus Shale as the first de-ethanizer was placed online at the MarkWest Sherwood facility in December 2015 and Antero's first ethane sales contract is expected to commence in 2017 upon the completion of Mariner East 2.

### WELL COST REDUCTIONS

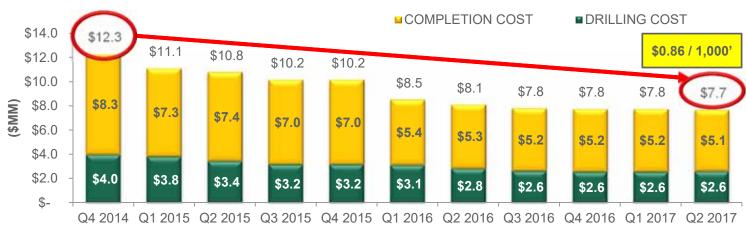


37% Reduction in

Marcellus well costs

since Q4 2014

#### Marcellus Well Cost Reductions for a 9,000' Lateral (\$MM)(1)



#### Utica Well Cost Reductions for a 9,000' Lateral (\$MM)(2)



NOTE: Based on statistics for drilled wells within each respective period.

<sup>1.</sup> Based on 1,250 lbs/ft of proppant and 200 ft. stage spacing.

<sup>2.</sup> Based on 1,300 lbs/ft of proppant and 175 ft. stage spacing.

# MARCELLUS SINGLE WELL ECONOMICS - IN ETHANE REJECTION

180%



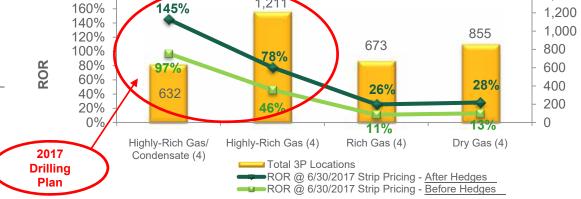
1,400

#### **Assumptions**

- Natural Gas 6/30/2017 strip
- Oil 6/30/2017 strip
- NGLs ~53% of Oil Price 2017+

	NYMEX (\$/MMBtu)	WTI (\$/BbI)	C3+ NGL <sup>(2)</sup> (\$/Bbl)	ROR
2017	\$3.10	\$47	\$24	_
2018	\$2.99	\$48	\$27	
2019	\$2.85	\$49	\$28	
2020	\$2.85	\$51	\$29	2017
2021	\$2.88	\$52	\$29	Drilling
2022-26	\$2.92-\$3.23	\$53-\$56	\$30-\$32	Plan

#### Marcellus Well Economics and Total Gross Locations(1)



	Highly-Rich Gas/	Highly-Rich		
Classification	Condensate <sup>(4)</sup>	Gas <sup>(4)</sup>	Rich Gas <sup>(4)</sup>	Dry Gas <sup>(4)</sup>
Modeled BTU	1313	1250	1150	1050
EUR (Bcfe):	24.4	22.1	19.7	18.0
EUR (MMBoe)	4.1	3.7	3.3	3.0
% Liquids:	33%	24%	11%	0%
Lateral Length (ft):	9,000	9,000	9,000	9,000
Proppant (lbs/ft sand):	1,750	1,750	1,750	1,750
Well Cost (\$MM):	\$8.3	\$8.3	\$8.3	\$8.3
Bcfe/1,000':	2.7	2.5	2.2	2.0
Net F&D (\$/Mcfe):	\$0.41	\$0.42	\$0.50	\$0.55
Direct Operating Expense (\$/well/month):	\$1,353	\$1,353	\$1,353	\$1,353
Direct Operating Expense (\$/Mcf):	\$0.96	\$0.96	\$1.20	\$0.74
Transportation Expense (\$/Mcf):	\$0.44	\$0.46	\$0.44	\$0.44
Pre-Tax NPV10 (\$MM):	\$14.3	\$8.8	\$0.29	\$0.69
Pre-Tax ROR:	97%	46%	11%	13%
Payout (Years):	0.9	1.7	7.2	6.4
Gross 3P Locations in BTU Regime <sup>(3)</sup> :	632	1,211	673	855

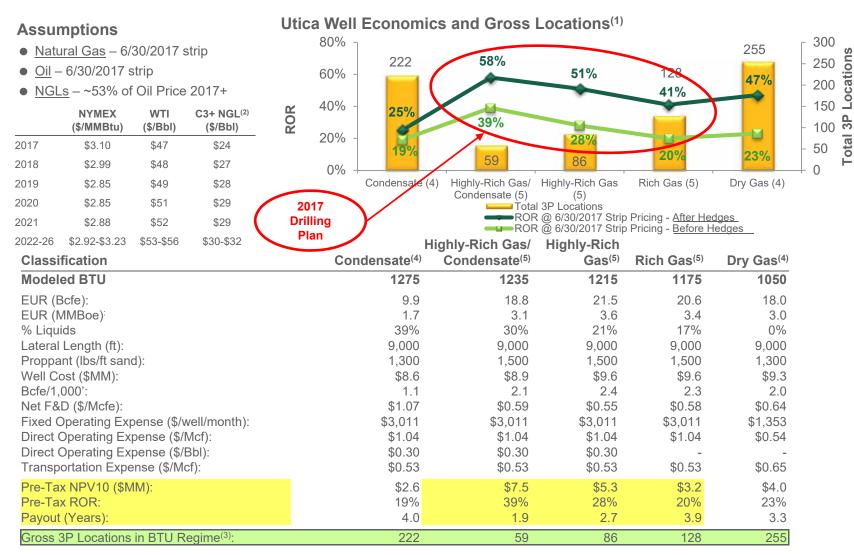
<sup>1. 6/30/2017</sup> pre-tax well economics based on a 9,000' lateral, 6/30/2017 natural gas and WTI strip pricing for 2017-2026, flat thereafter, NGLs at ~53% of WTI, and applicable firm transportation and operating costs including 50% of Antero Midstream fees. Well cost estimates include \$1.2 million for road, pad and production facilities. NGL prices are forecast to increase in 2017 relative to WTI due to projected in-service date of Mariner East 2 project allowing for a significant increase in AR NGL exports via ship.

Pricing for a 1225 BTU y-grade ethane rejection barrel.
 Undeveloped well locations as of 6/30/2017.

<sup>4.</sup> Assumes enhanced completions (1,750 lbs/ft of proppant).

# UTICA SINGLE WELL ECONOMICS – IN ETHANE REJECTION





<sup>1. 6/30/2017</sup> pre-tax well economics based on a 9,000' lateral, 6/30/2017 natural gas and WTI strip pricing for 2017-2026, flat thereafter, NGLs at ~53% of WTI, and applicable firm transportation and operating costs including 50% of Antero Midstream fees. Well cost estimates include \$1.2 million for road, pad and production facilities. NGL prices are forecast to increase in 2017 relative to WTI due to projected in-service date of Mariner East 2 project allowing for a significant increase in AR NGL exports via ship.

2. Pricing for a 1225 BTU y-grade ethane rejection barrel.

<sup>3.</sup> Undeveloped well locations as of 6/30/2017, pro forma for recent acreage acquisition. 3P locations representative of BTU regime; EUR and economics within regime will vary based on BTU content.

<sup>4.</sup> Assumes standard completions (1,300 lbs/ft of proppant).

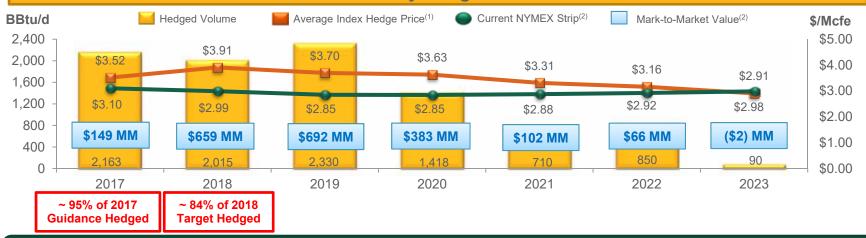
<sup>5.</sup> Assumes enhanced completions (1,500 lbs/ft of proppant).

### LARGEST GAS HEDGE POSITION IN U.S. E&P



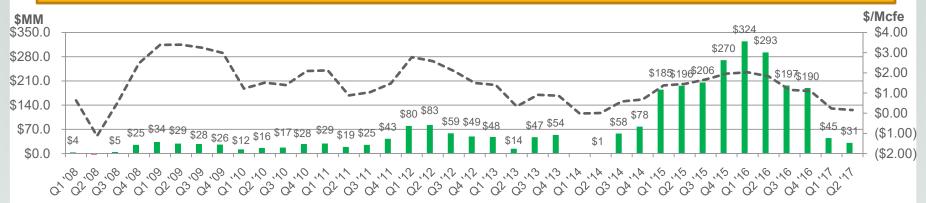
~\$2.0 billion mark-to-market unrealized gain based on 6/30/2017 prices with 3.1 Tcfe hedged from July 1, 2017 through year-end 2023 at \$3.62 per MMBtu

### **Commodity Hedge Position**



- Hedging is a key component of Antero's business model due to the large, repeatable drilling inventory
- · Antero has realized \$2.8 billion of gains on commodity hedges since 2008 with gains realized in 36 of last 38 quarters

### Quarterly Realized Gains/(Losses) - 1Q '08 - 2Q '17



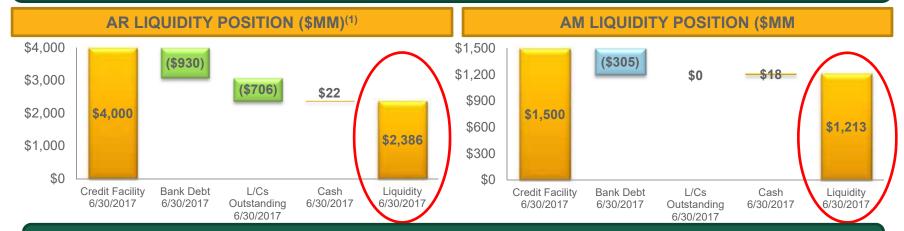
<sup>1.</sup> Weighted average index price based on volumes hedged assuming 6:1 gas to liquids ratio; excludes impact of TCO basis hedges. 27,500 Bbl/d of propane hedged in 2017 and 2,000 Bbl/d hedged in 2018. 20,000 Bbl/d of ethane hedged in 2017 and 3,000 Bbl/d of oil hedged in 2017.

<sup>2.</sup> As of 6/30/2017.

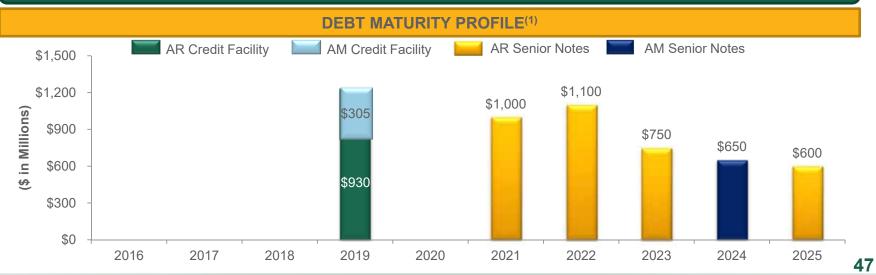
#### LIQUIDITY & DEBT TERM STRUCTURE



- Approximately \$3.6 billion of combined AR and AM financial liquidity as of 6/30/2017
- No leverage covenant in AR bank facility, only interest coverage and working capital covenants



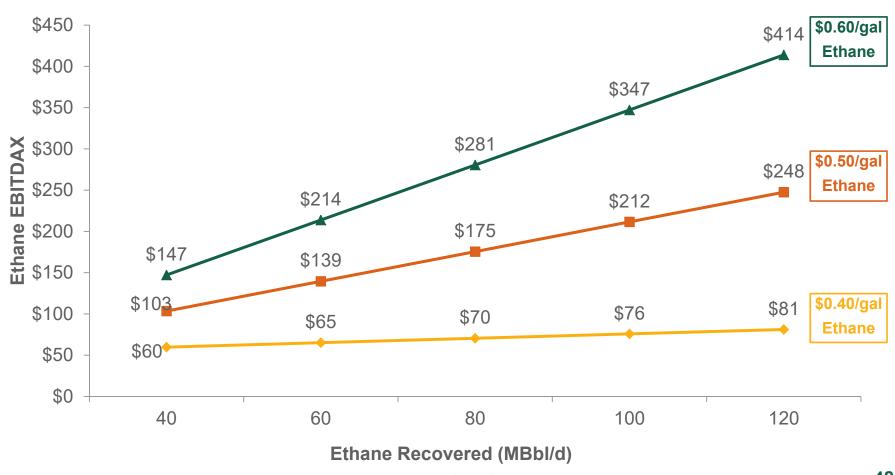
Recent credit facility increases, equity and high yield offerings have allowed Antero to reduce its cost of debt to 4.7% and significantly enhance liquidity with an average debt maturity of June 2022



# ANTERO HAS SIGNIFICANT EXPOSURE TO UPSIDE IN ETHANE (C2) PRICES



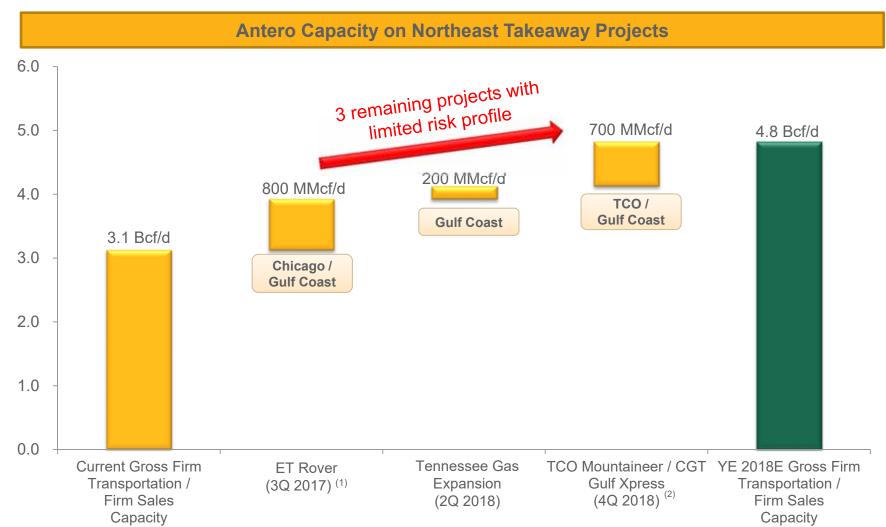
# Incremental EBITDAX Attributable to Ethane Recovery<sup>(1)</sup>



### INCREMENTAL ANTERO TAKEAWAY CAPACITY



## Approximately 65% of Antero's expected firm transportation capacity is in service today



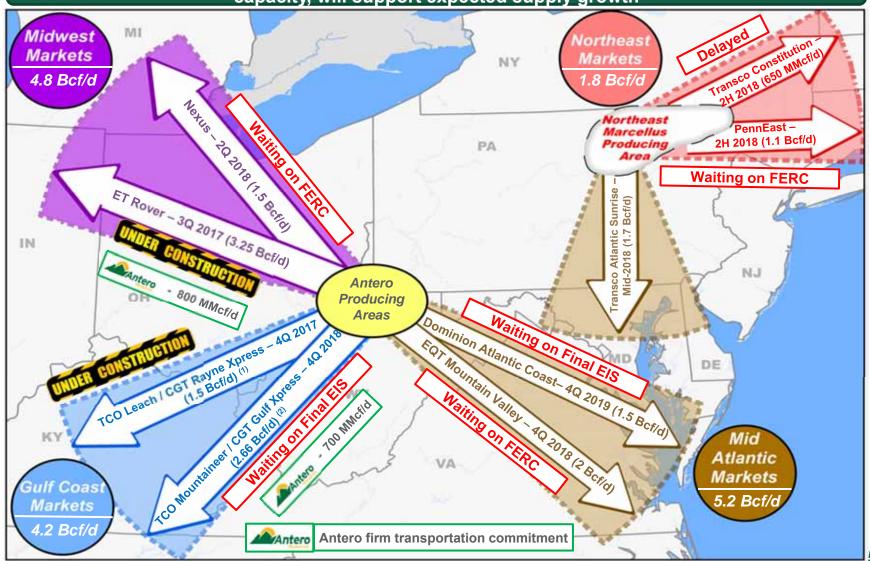
<sup>1.</sup> Antero has contracted for downstream capacity of 800 MMcf/d that connects to Rover ince placed in service.

<sup>2.</sup> Represents 700 MMcf/d of capacity on TCO Mountaineer that can be sold into TCO pool and 183 MMcf/d of capacity available on CGT Gulf Xpress to the Gulf Coast markets.

## KEY APPALACHIAN NATURAL GAS TAKEAWAY PROJECTS



Growth in natural gas infrastructure by the end of 2019, resulting in 16.8 Bcf/d of incremental capacity, will support expected supply growth



Source: Public filings and press releases. Excludes TETCO expansions (972 MMcf/d) that are currently under construction.

1. 1.05 Bcf/d capacity available to move gas from Leach to the Gulf on CGT Rayne Xpress.

<sup>2. 860</sup> MMcf/d of capacity available on CGT Gulf Xpress to move gas to the Gulf Coast markets

#### POSITIVE RATINGS MOMENTUM



• Antero's stable credit metrics through the commodity price crisis and improving leverage profile ensured its rating remained unchanged despite the downgrades experienced by many of its peers

#### Moody's / S&P Historical Corporate Credit Ratings

#### Moody's Rating Rationale

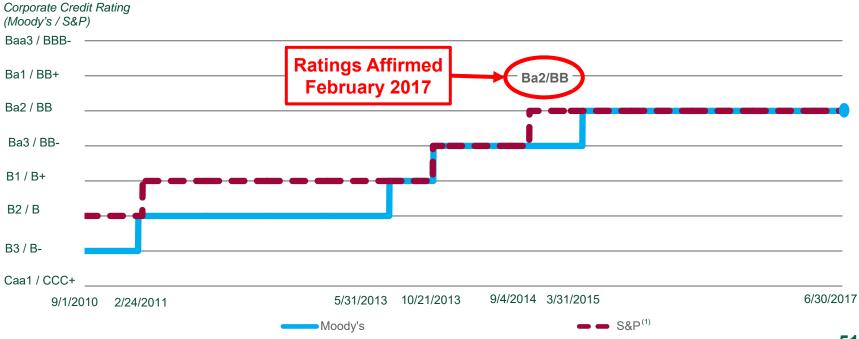
Outlook Stable. "The outlook change reflects Moody's expectation of lower financial leverage and less negative free flow through 2018 relative to our prior estimates. Facing weak industry conditions, Antero has taken a number of measures over the past year to keep its leverage in check, including issuing over \$1 billion of equity, raising \$170 million from asset sales and reducing debt with those proceeds, while also cutting operating and capital costs."

- S&P Credit Research, February 2017

#### **S&P Rating Rationale**

"Outlook Stable. The affirmation reflects our expectation that Antero will be able to maintain adequate liquidity and credit measures appropriate for the rating over the next two years. We expect the company will continue to increase production and reserves while maintaining FFO to debt above 20%."

- S&P Credit Research, March 2017



# ANTERO CAPITALIZATION - CONSOLIDATED



(\$ in millions)	6/30/2017
Cash	\$40
AR Senior Secured Revolving Credit Facility	930
AM Bank Credit Facility	305
5.375% Senior Notes Due 2021	1,000
5.125% Senior Notes Due 2022	1,100
5.625% Senior Notes Due 2023	750
5.00% Senior Notes Due 2025	600
5.375% Senior Notes Due 2024 – AM	650
Net Unamortized Premium	2
Total Debt	\$5,337
Net Debt	\$5,297

AR
LISTED
NYSE.

Financial & Operating Statistics	
LTM EBITDAX <sup>(1)</sup>	\$1,535
LTM Interest Expense <sup>(2)</sup>	\$259
Proved Reserves (Bcfe) (6/30/2017)	16,514
Proved Developed Reserves (Bcfe) (6/30/2017)	8,280
Credit Statistics	
Net Debt / LTM EBITDAX	3.4x
Net Debt / Net Book Capitalization	39%
Net Debt / Proved Developed Reserves (\$/Mcfe)	\$0.64
Net Debt / Proved Reserves (\$/Mcfe)	\$0.32
Liquidity	
Credit Facility Commitments <sup>(3)</sup>	\$5,500
Less: Borrowings	(1,235)
Less: Letters of Credit	(706)
Plus: Cash	40
Liquidity (Credit Facility + Cash)	\$3,599



<sup>1. 6/30/2017</sup> EBITDAX reconciliation provided in Appendix.

<sup>2.</sup> LTM interest expense adjusted for all capital market transactions since 1/1/2016.

<sup>3.</sup> AR lender commitments at \$4.0 billion and borrowing base capacity at \$4.75 billion. AM credit facility capacity at \$1,500 million.

## HEALTH, SAFETY, ENVIRONMENT & COMMUNITY



## Antero Core Values: Protect Our People, Communities And The Environment

# Strong West Virginia Presence

 79% of all Antero Marcellus employees and contract workers are West Virginia residents



Antero named Business of the Year for 2013 in Harrison County, West Virginia "For outstanding corporate citizenship and community involvement"



Antero representatives recently participated in a ribbon cutting with the Governor of West Virginia for the grand opening of the first natural gas fueling station in the state; Antero supported the station with volume commitments for its NGV truck fleet

Keys to Execution	
Local Presence	<ul> <li>Antero has more than 3,500 employees and contract personnel working full-time for Antero in West Virginia. 79% of these personnel are West Virginia residents.</li> <li>District office in Marietta, OH</li> <li>District office in Bridgeport, WV</li> <li>312 (53%) of Antero's 587 employees are located in West Virginia and Ohio</li> </ul>
Safety & Environmental	<ul> <li>Five company safety representatives and 57 safety consultants cover all material field operations 24/7 including drilling, completion, construction and pipelining</li> <li>37 person environmental staff plus outside consultants monitor all operations and perform baseline water well testing</li> </ul>
Natural Gas Vehicles (NGV)	<ul> <li>Antero supported the first natural gas fueling station in West Virginia</li> <li>Antero has 30 NGV trucks and plans to continue to convert its truck fleet to NGV</li> </ul>
Pad Impact Mitigation	<ul> <li>Closed loop mud system – no mud pits</li> <li>Protective liners or mats on all well pads in addition to berms</li> </ul>
Natural Gas Powered Frac Equipment	Two natural gas powered clean fleet frac crews operating
Green Completion Units	<ul> <li>All Antero well completions use green completion units for completion flowback, essentially eliminating methane (CH4) emissions (full compliance with EPA 2015 requirements)</li> </ul>
Central Fresh Water System & Water Recycling	<ul> <li>Numerous sources of water – built central water system to source fresh water for completions</li> <li>Building state of the art wastewater treatment facility in WV (60,000 Bbl/d)</li> <li>Will recycle virtually all flowback and produced water when facility in-service</li> </ul>
LEED Gold Headquarters Building	Corporate headquarters in Denver, Colorado LEED Gold Certified  53

## SUPPORT DATA



(\$ in MM, unless otherwise noted)

# **AR Standalone Enterprise Value**

AR Market Capitalization	\$6,817
AR Net Debt (06/30/17)	4,357
AR Enterprise Value	\$11,174
Less: AM Market Value Owned by AR <sup>(2)</sup>	(2,789)
AR Enterprise Value (Net of AM Ownership)	\$8,385
Less: Hedge Mark-to-Market (06/30/17)	(2,049)
AR EV (Net of AM and Hedge Value)	\$6,337

# **Wall Street Consensus Pricing & EBITDAX**

_	2017	2018	2019
Nymex Natural Gas (\$/MMBtu)	\$3.10	\$2.99	\$2.85
Nymex WTI Oil (\$/Bbl)	\$46.53	\$48.12	\$49.41
AR Consolidated EBITDAX	\$1,534	\$2,159	\$2,481
Less: AM Gathering & Compression EBITDA	(349)	(451)	(608)
AR Standalone EBITDA	\$1,185	\$1,708	\$1,873
Less: Hedge Gains	(149)	(659)	(692)
AR Standalone EBITDA (Unhedged)	\$1,036	\$1,049	\$1,181
Implied EV / Standalone EBITDA (Hedged)	7.1x	4.9x	4.5x
Implied EV / Standalone EBITDA (Unhedged)	6.1x	6.0x	5.4x

# **AM After-Tax Market Value**

AM units owned by AR	108.9
AM unit price	\$ 32.87
AM Market Value	\$ 3,579
Tax Basis in AM Units	0
Total Gain on Sale	\$ 3,579
Less: AR NOLs	(1,500)
Net Gain on Sale	\$ 2,079
Taxes Due (38% tax rate)	\$ 790
After-tay Value of AM Owned Units	\$ 2 789

# **Wall Street Consensus Interest Expense**

	2018	2019
AR Consolidated Interest Expense	\$289	\$284
Less: AM Interest Expense	(58)	(76)
AR Standalone Interest Expense	\$232	\$208

# **AM** Distributions to AR

	2018	2019
AM Targeted Distribution per Unit (1)	\$1.71	\$2.21
AM Units Owned by AR (MM)	108	108
Total AM Distributions Received by AR	\$185	\$239

Note: Market data as of 6/30/2017.

<sup>1.</sup> Represents midpoint of 28% to 30% distribution target.

<sup>2.</sup> Represents 108.9 million units of AM owned by AR, net of \$722 million tax expense of AM units divested. Taxes offset by \$1.5 billion of net operating losses held at AR.



# ANTERO RESOURCES EBITDAX RECONCILIATION

#### **EBITDAX Reconciliation**

(\$ in millions)	Quarter Ended	LTM Ended	
	6/30/2017	6/30/2017	
EBITDAX:			
Net income including noncontrolling interest	\$40.0	\$160.9	
Commodity derivative fair value gains	(85.6)	(414.9)	
Net cash receipts on settled derivatives instruments	31.1	462.1	
Gain of sale on assets	-	(97.6)	
Interest expense	68.6	262.9	
Loss on early extinguishment of debt	-	16.9	
Income tax expense	18.8	25.5	
Depreciation, depletion, amortization and accretion	201.7	827.4	
Impairment of unproved properties	15.2	169.6	
Exploration expense	1.8	8.7	
Equity-based compensation expense	27.0	105.6	
Equity in earnings of unconsolidated affiliate	(3.6)	(5.9)	
Distributions from unconsolidated affiliates	5.8	13.5	
Consolidated Adjusted EBITDAX	\$320.8	\$1,534.7	





#### **EBITDA** and DCF Reconciliation

\$ in thousands	Three months ended June 30,	
	2016	2017
Reconciliation of Net Income to Adjusted EBITDA and Distributable Cash Flow: Net income	\$49,912	\$87,175
Interest expense	3,879	9,015
Depreciation expense	24,140	30,512
Accretion of contingent acquisition consideration	3,461	3,590
Equity-based compensation	6,793	6,951
Equity in earnings from unconsolidated affiliate	(484)	(3,623)
		5,820
Adjusted EBITDA	\$87,701	\$139,440
Interest paid  Cash reserved for payment of income tax withholding upon vesting of Antero Midstream Partners LP equity-	(4,264)	(2,308)
based compensation awards	(1,000)	(2,431)
Cash to be received from unconsolidated affiliates	778	-
Cash reserved for bond interest	-	(8,734)
Maintenance capital expenditures	(5,710)	(16,422)
Distributable Cash Flow	\$77,505	\$109,545

#### CAUTIONARY NOTE



## Regarding Hydrocarbon Quantities

The SEC permits oil and gas companies, in their filings with the SEC, to disclose only proved, probable and possible reserve estimates (collectively, "3P"). Antero has provided internally generated estimates for proved, probable and possible reserves in this presentation in accordance with SEC guidelines and definitions. The estimates of proved, probable and possible reserves as of December 31, 2016 included in this presentation have been audited by Antero's third-party engineers. Unless otherwise noted, reserve estimates as of December 31, 2016 assume ethane rejection and strip pricing.

Actual quantities that may be ultimately recovered from Antero's interests may differ substantially from the estimates in this presentation. Factors affecting ultimate recovery include the scope of Antero's ongoing drilling program, which will be directly affected by commodity prices, the availability of capital, drilling and production costs, availability of drilling services and equipment, drilling results, lease expirations, transportation constraints, regulatory approvals and other factors; and actual drilling results, including geological and mechanical factors affecting recovery rates.

#### In this presentation:

- "3P reserves" refer to Antero's estimated aggregate proved, probable and possible reserves as of December 31, 2016. The SEC prohibits companies from aggregating proved, probable and possible reserves in filings with the SEC due to the different levels of certainty associated with each reserve category.
- "EUR," or "Estimated Ultimate Recovery," refers to Antero's internal estimates of per well hydrocarbon quantities that may be potentially recovered from a hypothetical future well completed as a producer in the area. These quantities do not necessarily constitute or represent reserves within the meaning of the Society of Petroleum Engineer's Petroleum Resource Management System or the SEC's oil and natural gas disclosure rules.
- "Condensate" refers to gas having a heat content between 1250 BTU and 1300 BTU in the Utica Shale.
- "Highly-Rich Gas/Condensate" refers to gas having a heat content between 1275 BTU and 1350 BTU in the Marcellus Shale and 1225 BTU and 1250 BTU in the Utica Shale.
- "Highly-Rich Gas" refers to gas having a heat content between 1200 BTU and 1275 BTU in the Marcellus Shale and 1200 BTU and 1225 BTU in the Utica Shale.
- "Rich Gas" refers to gas having a heat content of between 1100 BTU and 1200 BTU.
- "Dry Gas" refers to gas containing insufficient quantities of hydrocarbons heavier than methane to allow their commercial extraction or to require their removal in order to render the gas suitable for fuel use.