

**Barclays**  
**CEO Energy Conference**  
*September 5<sup>th</sup>, 2017*



# Antero Investment Highlights



1

**Advanced Completions Drive Production Outperformance and Long Laterals Drive Capital Efficiency Gains**

2

**Capital Efficiency Gains and Cash Flow Growth Result in Free Cash Flow Generation and Strong Balance Sheet**

3

**Largest Core Liquids-Rich Inventory and Liquids Producer in Appalachia Provides Significant Exposure to Rising NGL Prices**

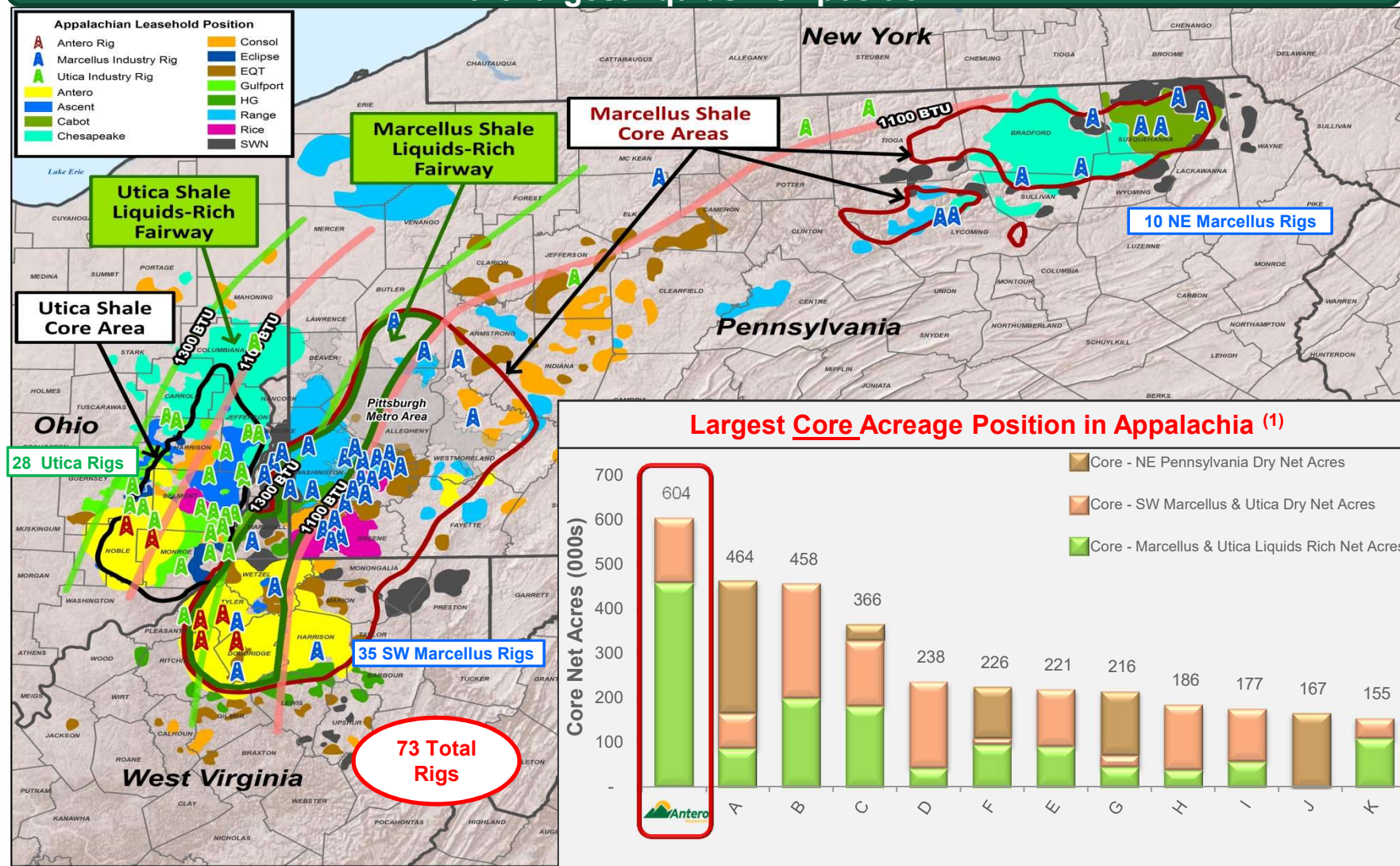
4

**Midstream Ownership & Integration Delivers Tremendous Value to Antero Shareholders**



# Largest Core Acreage Position in Appalachia

Antero has the largest core acreage position in Appalachia and the largest liquids-rich position



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 various other sources. Pro forma for all acquisitions announced to date including EQT/RICE. Rig information per RigData as of 8/25/2017.

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



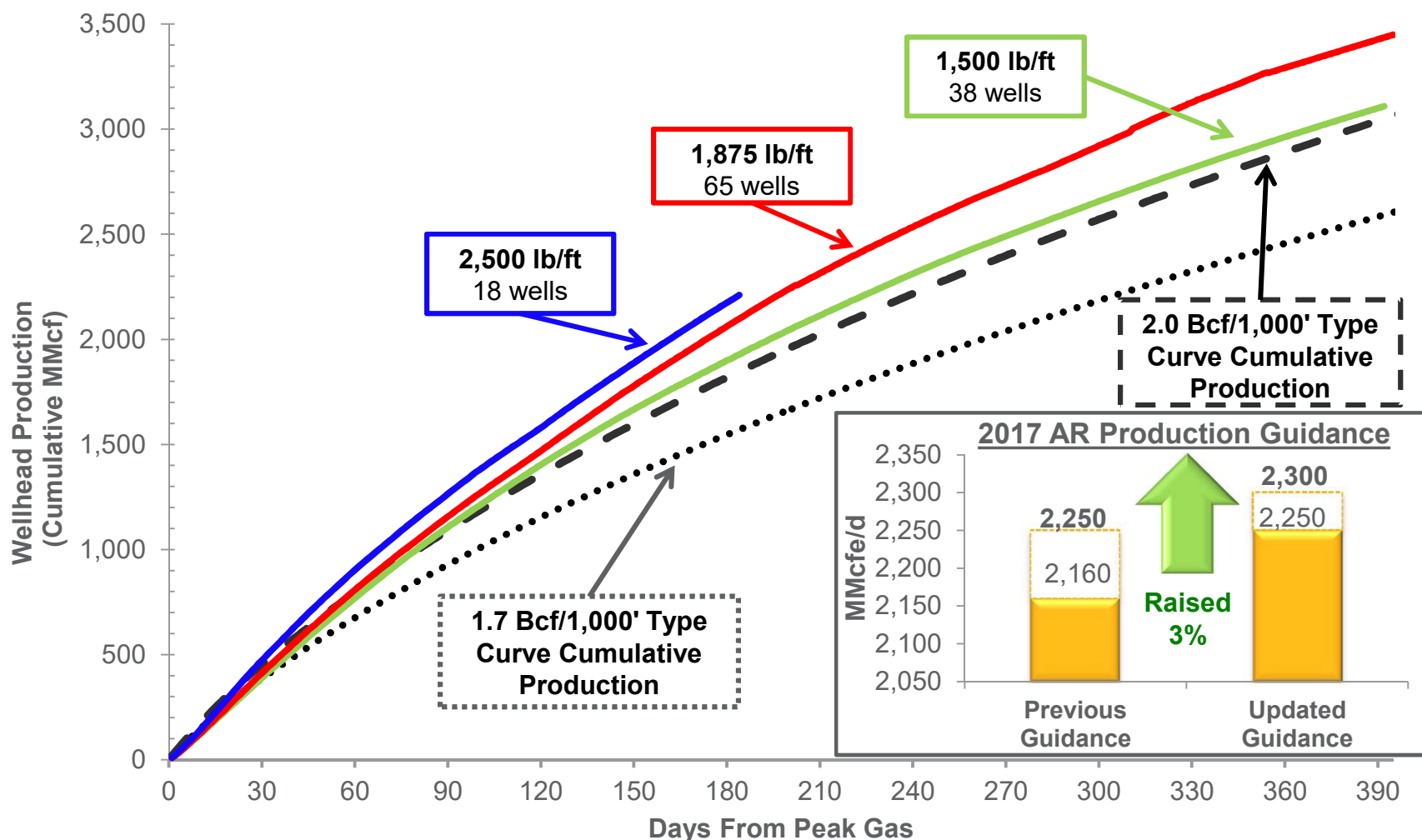
1

# Higher Intensity Completions Driving Outperformance



AR's production from advanced completions is outperforming the 2.0 Bcf/1,000' wellhead type curve – 2,500 lb/ft completions are 20% above type curve (First 184 days)

AR recently raised 2017 production guidance by 3% to 2,275 MMcf/d midpoint driven by well outperformance



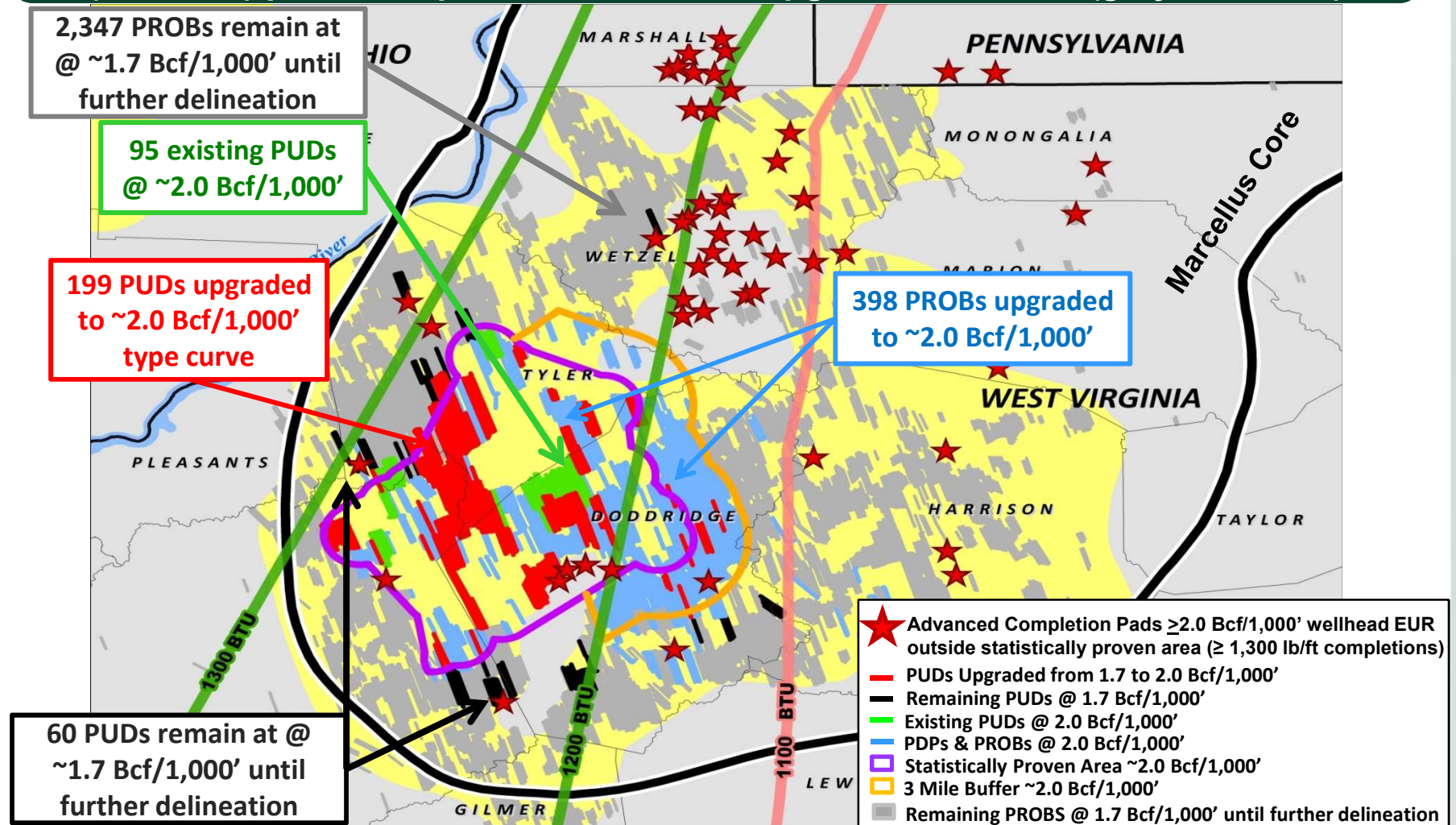
1. 1,875 pounds per foot type curve represents 36 1,750 pounds per foot wells and 29 2,000 pounds per foot wells.
2. Cumulative average production per well normalized to a 9,000' lateral.

1

# Which Has Led to Marcellus EUR Reserve Upgrades



Antero upgraded approximately 600 PUDs and probable locations during its mid-year reserves evaluation to ~2.0 Bcf/1,000' type curve – Antero and industry results (red stars) provide expectation of further upgrades over time (gray locations)

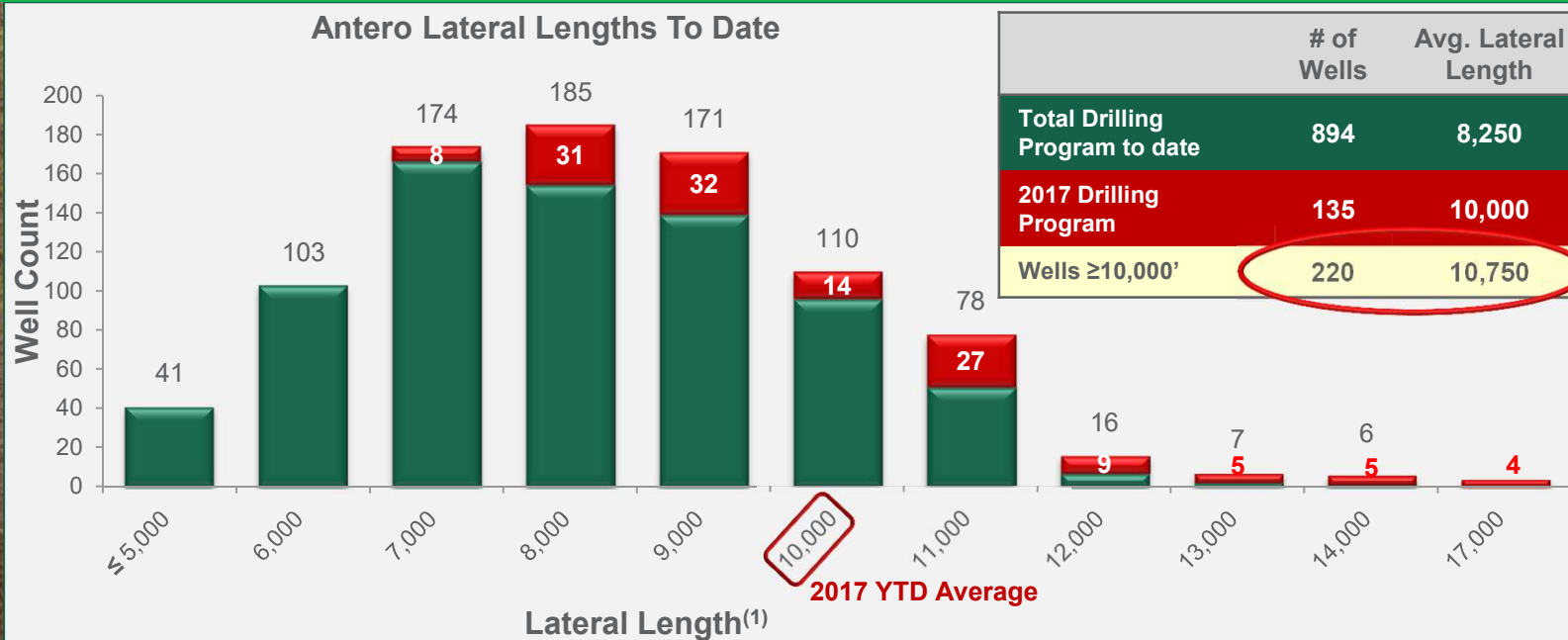


1

# Longer Laterals Further Drive Capital Efficiency



Antero has been a pioneer in drilling long laterals in Appalachia



## 6,000 Foot Lateral

### Pre-Tax Economics

ROR (%)	36%
PV-10 (\$MM)	\$5.0

## 9,000 Foot Lateral

### Pre-Tax Economics

ROR (%)	46%
PV-10 (\$MM)	\$8.8

## 12,000 Foot Lateral

### Pre-Tax Economics

ROR (%)	55%
PV-10 (\$MM)	\$12.6

NOTE: Assumes 2.0 Bcf/1,000' type curve for the Antero Marcellus Highly-Rich Gas (1250 Btu) and 6/30/2017 strip pricing.

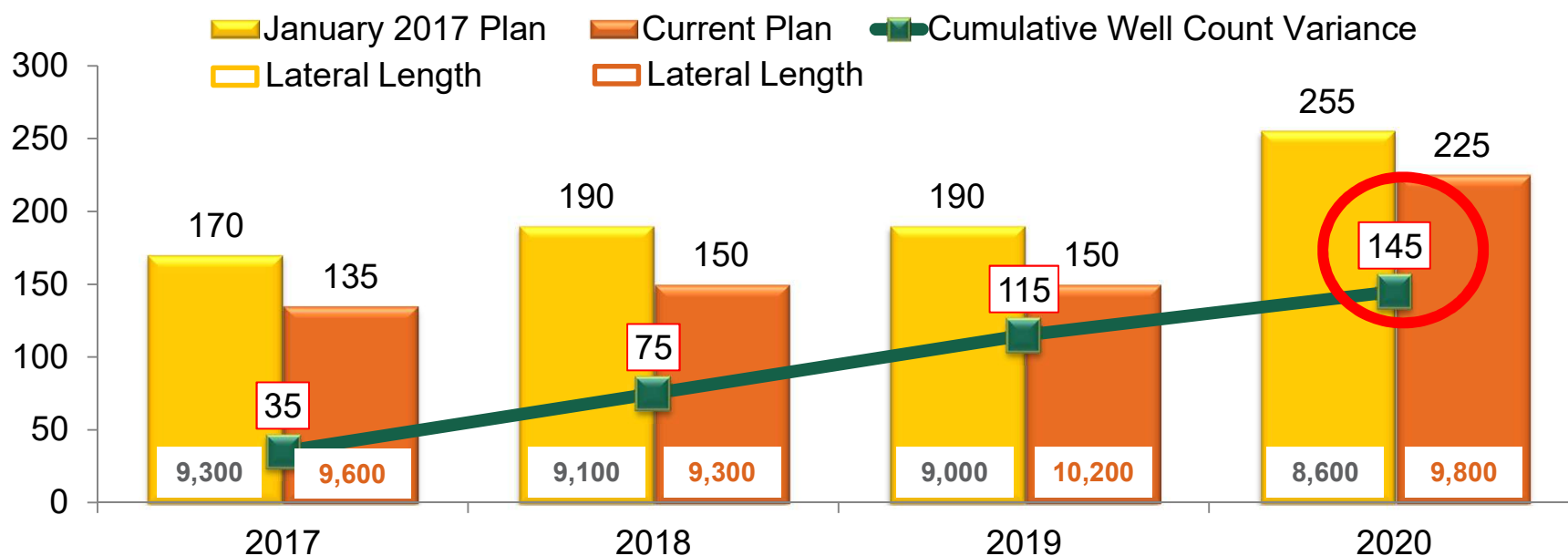
1. All laterals rounded to the nearest thousand. 788 of the 894 wells have been completed



## 1 Improving Capital Efficiencies

Improving EUR's and longer laterals result in 146 fewer well completions in the current development plan through 2020 while still achieving the same production targets

### Planned Antero Well Completions by Year (2017-2020)



### Drilling and Completion Capital Budget and Targets(\$MM)<sup>(1)</sup>

<u>2017 Budget</u>	<u>2018 Target</u>	<u>2019 Target</u>	<u>2020 Target</u>
\$1,300	~\$1,300	~\$1,600	Modest Increase

1. Represents a combination of 2,000# and 2,500# completions that utilize 42 Bbl/ft to 48 Bbl/ft of water.



## 2

## Strong Balance Sheet and Abundant Flexibility

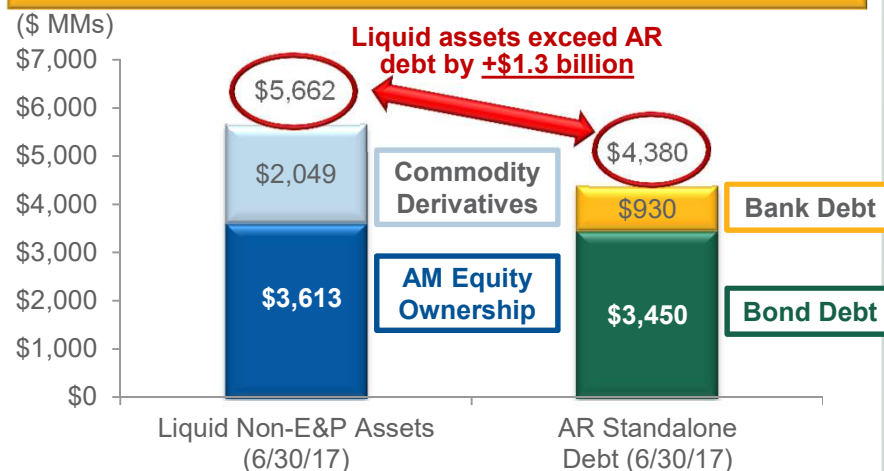


- Antero Resources has a flexible balance sheet: \$5.7 billion of liquid non-E&P assets
- While not part of our strategic plan, AR could eliminate all debt by monetizing its \$2.0 billion hedge position and \$3.6 billion of midstream holdings

### AR Standalone Balance Sheet

Liquid Non-E&P Assets		6/30/2017 Debt <sup>(1)</sup>	
Asset Type	\$MM	Debt Type	\$MM
Commodity derivatives <sup>(2)</sup>	\$2,049	Credit facility	\$930
AM equity ownership <sup>(3)</sup>	3,613	5.375% senior notes due 2021	1,000
Cash	22	5.125% senior notes due 2022	1,100
		5.625% senior notes due 2023	750
		5.00% senior notes due 2025	600
<b>Total</b>	<b>\$5,684</b>	<b>Total</b>	<b>\$4,380</b>

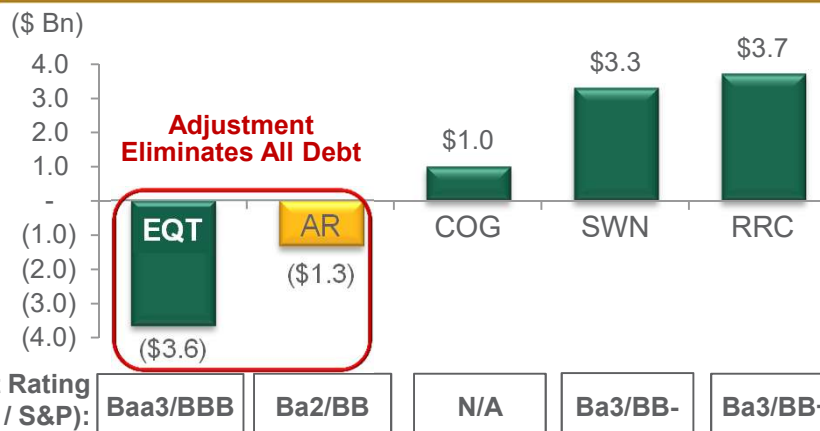
### AR Standalone Debt vs. Liquid Non-E&P Assets



### AR Standalone Leverage

(\$ in millions)	6/30/17
LTM Standalone EBITDAX	\$1,226
LTM AM Distributions to AR	119
LTM EBITDAX (Including AM Distributions)	\$1,345
AR Net Debt	4,358
<b>Net Debt/Standalone EBITDAX</b>	<b>3.2x</b>

### Non-E&P Asset-Adjusted Net Debt <sup>(4)</sup>



Corporate Credit Rating  
(Moody's / S&P):

Baa3/BBB	Ba2/BB	N/A	Ba3/BB-	Ba3/BB+
----------	--------	-----	---------	---------

1. AR balance sheet data as of 6/30/2017.

2. Mark-to-market as of 6/30/2017.

3. Based on AR ownership of 109 million AM units and closing price as of 6/30/2017.

4. Represents 6/30/17 net debt adjusted for mark-to-market value commodity hedges and public midstream ownership liquidation. All values as of 6/30/17.



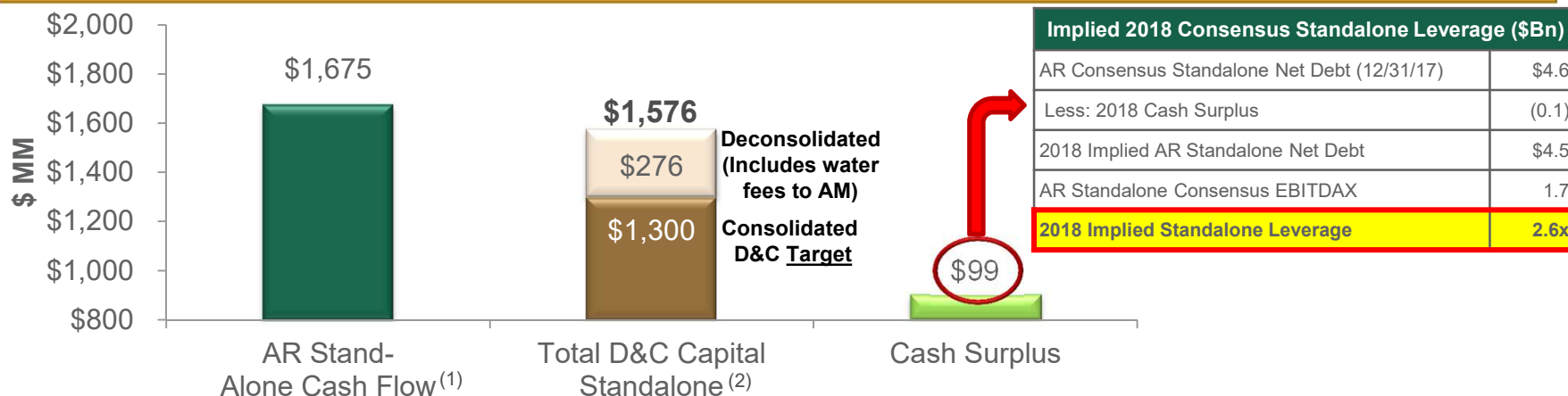
2

## Capital Efficiency Drives Cash Flow Growth While Deleveraging Balance Sheet

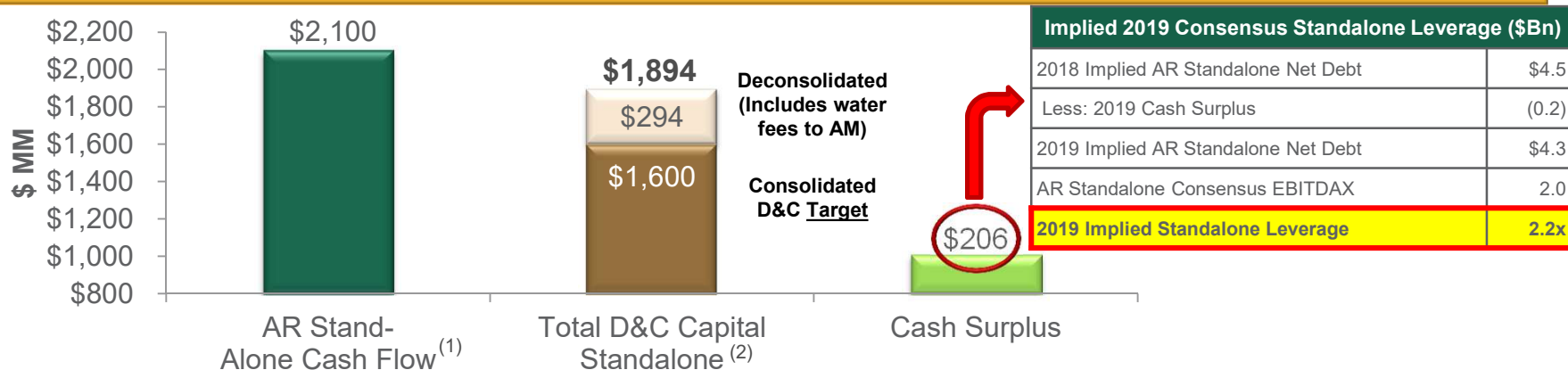


Antero Resources plans to grow its production 20% to 22% through 2020 while spending within cash flow and deleveraging its balance sheet

### 2018 Consensus Wall Street Research Estimates



### 2019 Consensus Wall Street Research Estimates



1. Represents Wall Street consensus EBITDAX for AR (consolidated), less Wall Street gathering and compression EBITDA for AM, less Wall Street consensus interest expense for AR (stand-alone), plus \$185 million and \$239 million in target distributions from AR's ownership of 109 million AM units for 2018 and 2019, respectively. 2019 calculation includes \$125 million earn out payment received at AR from AM.

2. Represents Company target for 2018 and 2019 D&C capital (both consolidated), plus AM water EBITDA per Wall Street estimates (proxy for AR water cost which is capitalized).

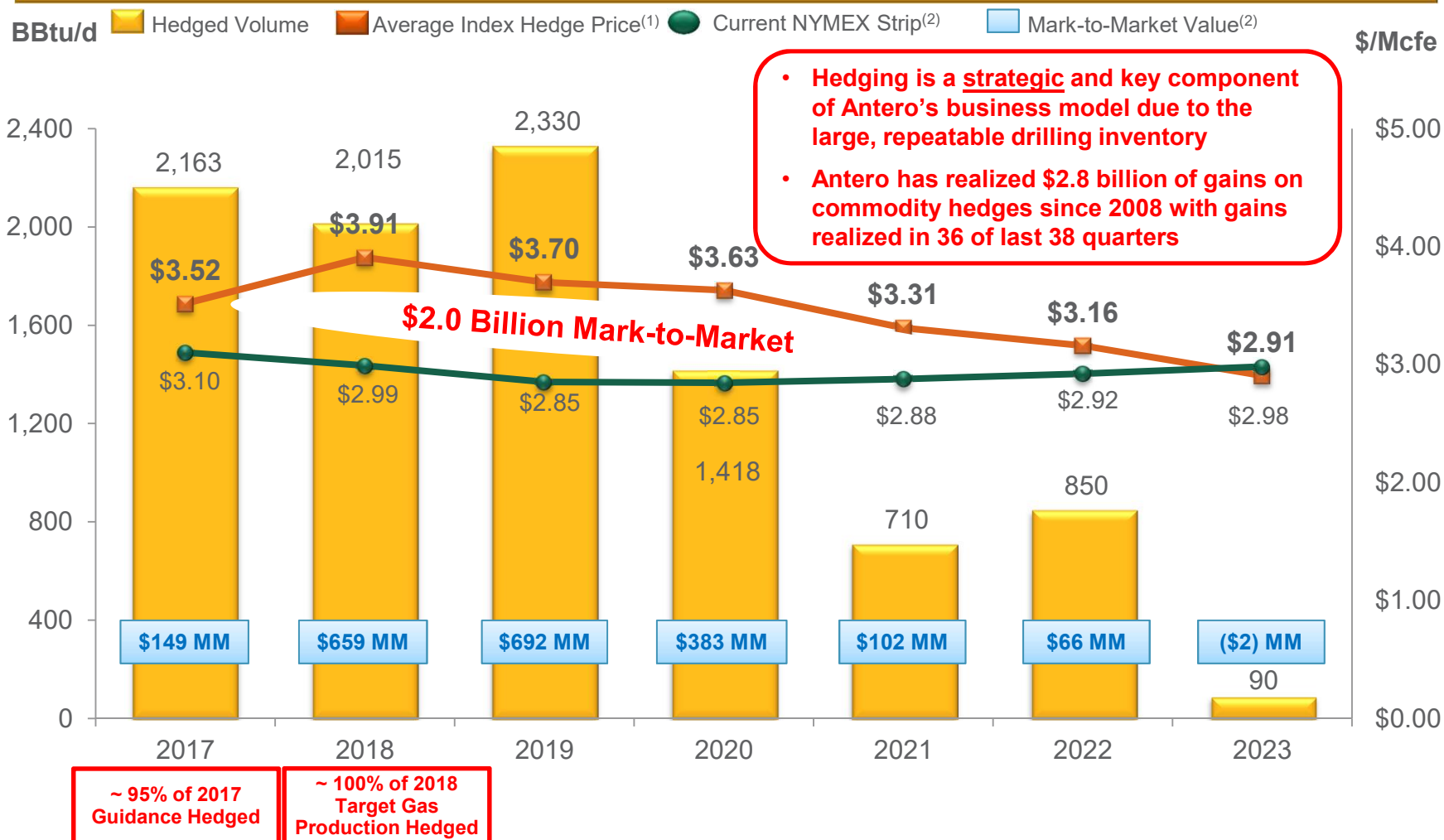
## 2

## Antero is Well Hedged at High Prices Relative to Strip



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

## Commodity Hedge Position



1. Weighted average index price based on volumes hedged assuming 6:1 gas to liquids ratio; excludes impact of TCO basis hedges. Includes 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.

2. As of 6/30/2017.

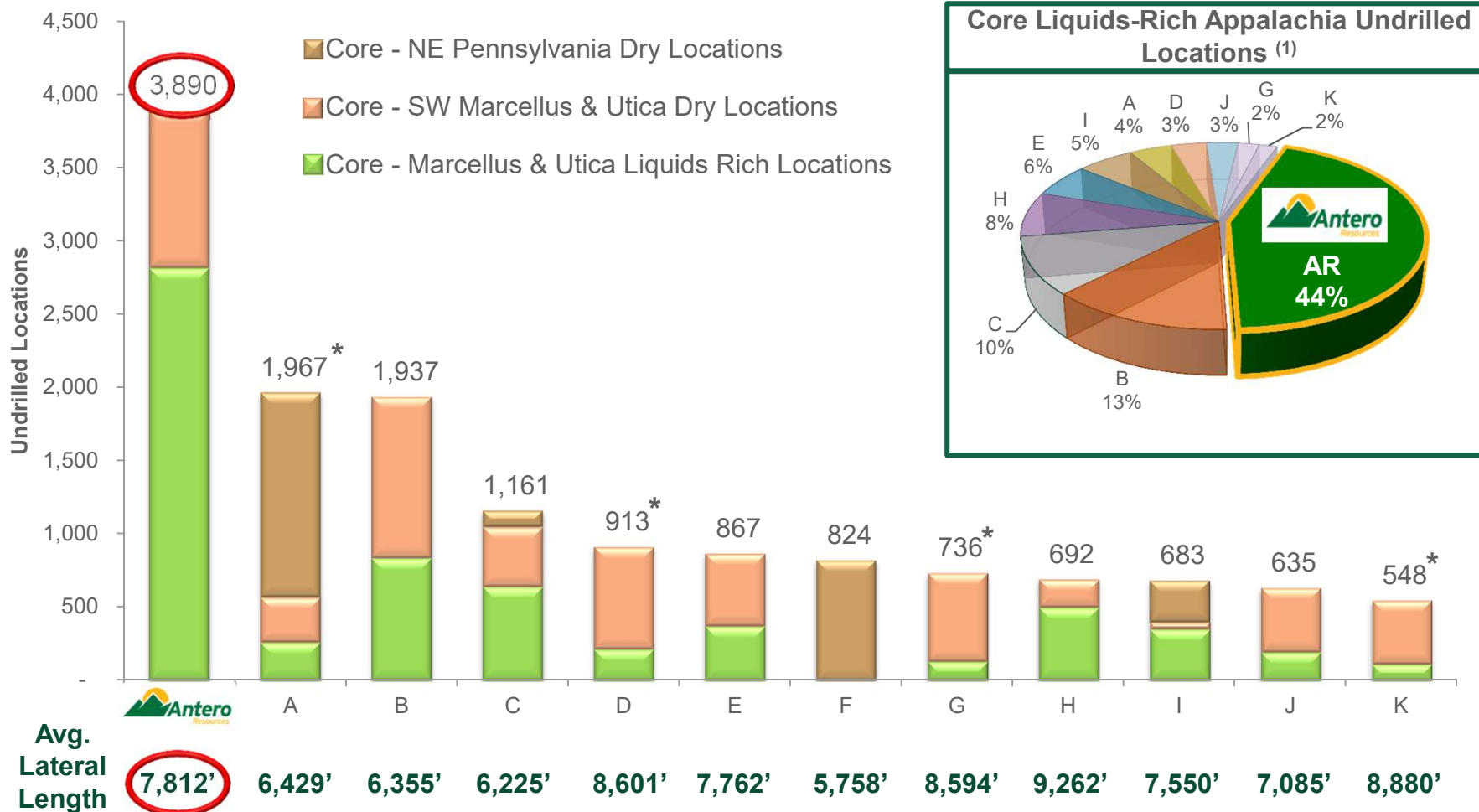
3

## Largest Core Drilling Inventory In Appalachia – Control 44% of Liquids-Rich Drilling Inventory



Large, repeatable core drilling inventory that averages over 7,800' in lateral length and includes 44% of all liquids-rich undrilled locations in Appalachia

### Undrilled Core Marcellus and Utica 3P Locations (1)(2)



1. Location count determined by Antero technical review of geology and well control to delineate core areas and peer acreage positions both drilled and undrilled..

2. Peers include Ascent, CHK, CNX, COG, CVX, EQT, GPOR, NBL, RICE, RRC and SWN.

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



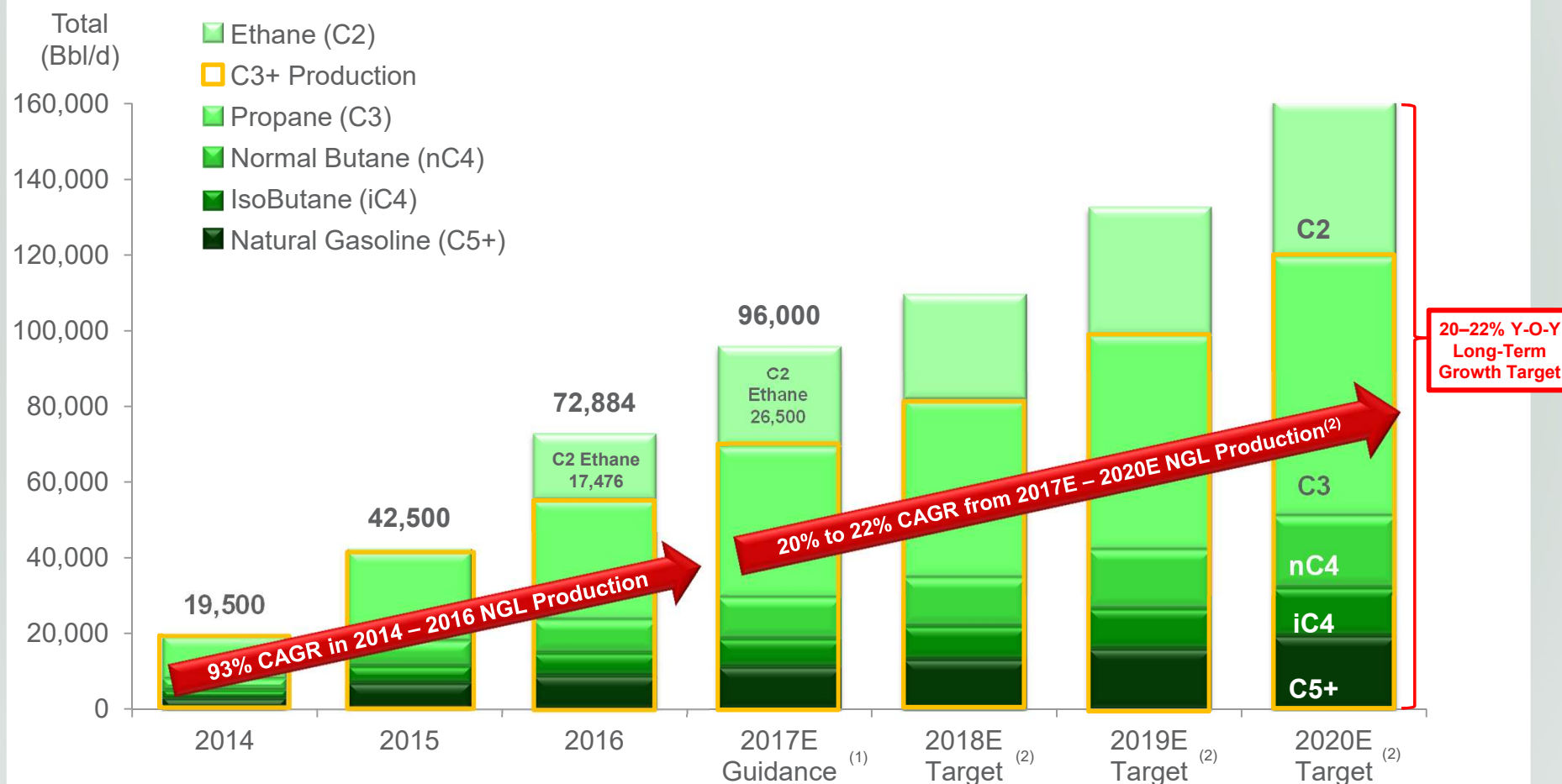


3

## Largest Liquids Producer in Appalachia – Rapidly Growing NGL Production

Antero is the largest NGL producer in the Northeast

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



1. Excludes condensate.

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

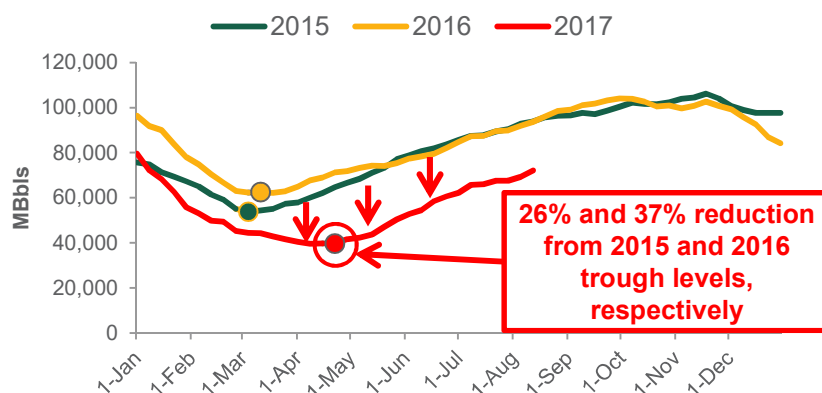
## 3

# Strong Propane Fundamentals

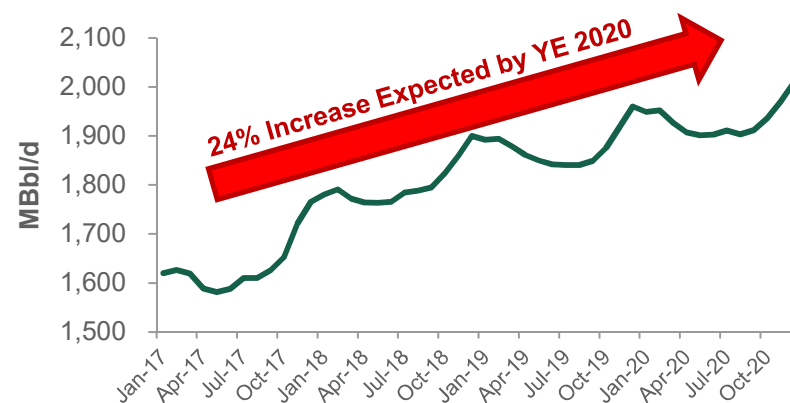


Antero is favorably positioned to take advantage of an improving propane market with low inventories, increasing demand and tightening of Mont Belvieu pricing relative to WTI

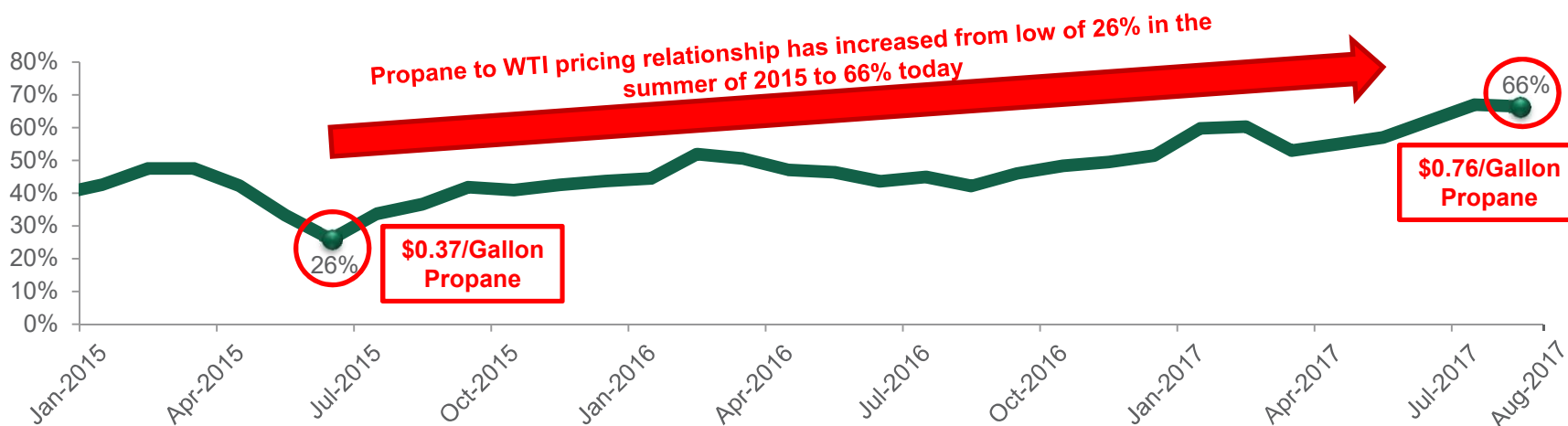
## Propane Inventories Are Short



## Propane Demand is Increasing



## Significant Tightening in Propane Markets Has Led to Increased Pricing Relative to WTI



3

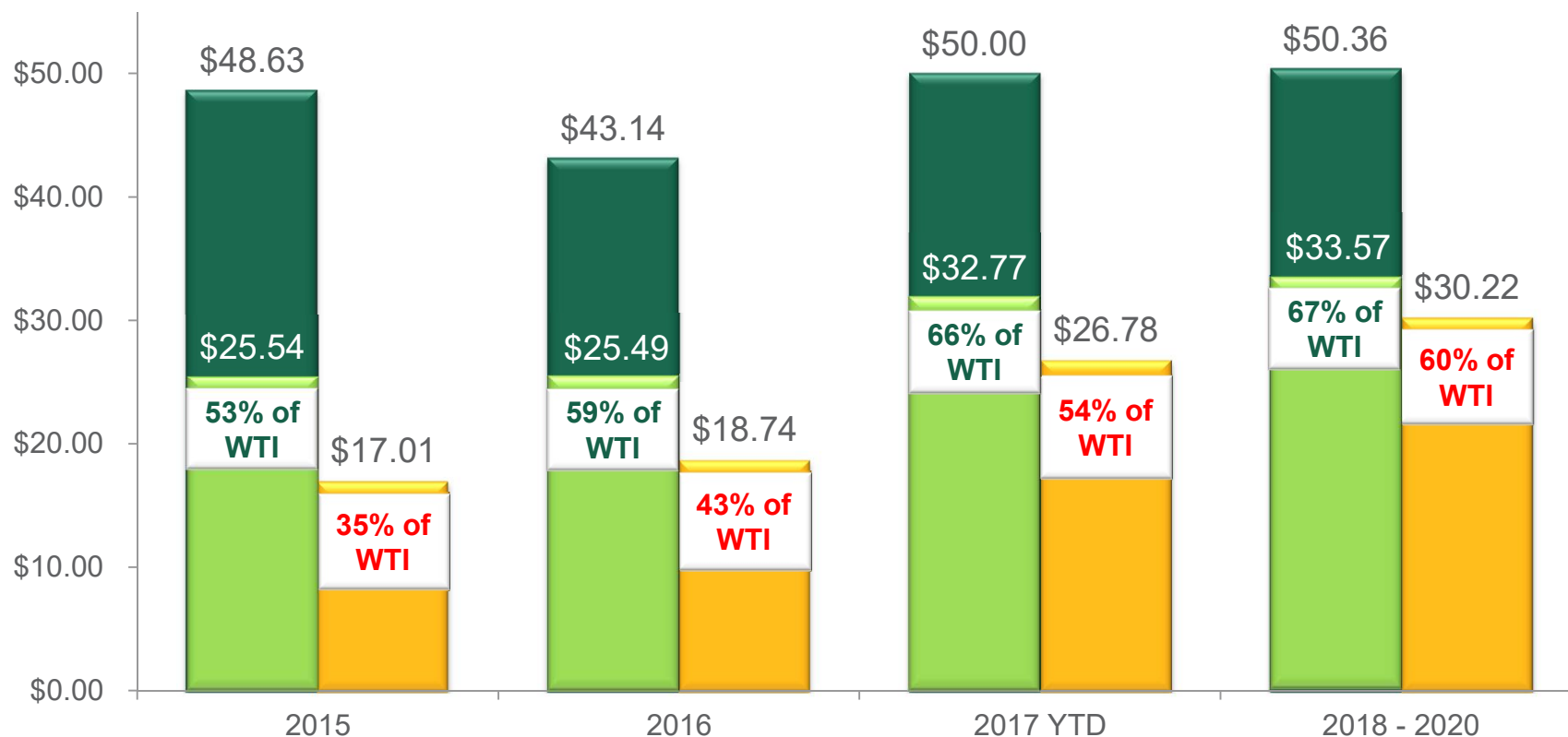
## Improving Propane Prices Drive Increase in C3+ NGL Netbacks



Despite a flat oil price environment, Antero's pre-hedged realized C3+ NGL price has increased 57% since 2015 and is expected to improve further

### Antero C3+ NGL Realized Pricing (\$/Bbl)<sup>(1)</sup>

■ WTI Price ■ Antero Realized C3+ Price ■ Mont Belvieu C3+ NGL Price



1. WTI price and Mont Belvieu C3+ NGL price forecasts represent strip pricing as of 8/31/2017. Antero year to date 2017 realized C3+ NGL pricing represents actuals through 6/30/2017. 2018-2020 realized C3+ NGL pricing reflects current company estimates.



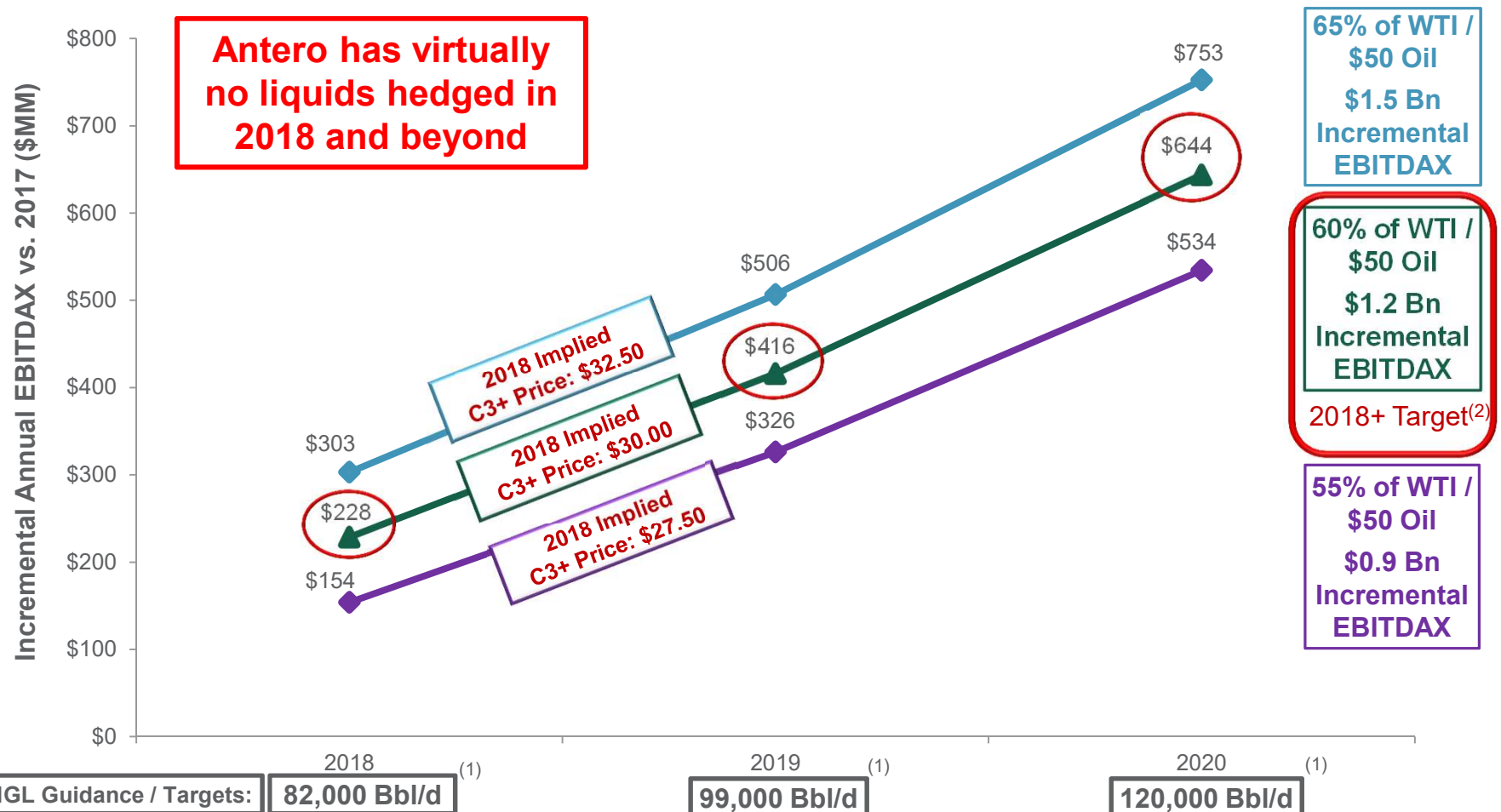
3

## Powerful Liquids-Pricing Upside Exposure



Assuming a flat \$50 oil price, 60% of WTI NGL realizations and 82,000 Bbl/d C3+ volumes, Antero is forecasted to realize over \$200 million of incremental unhedged EBITDAX in 2018

### Incremental Liquids-Driven EBITDAX to 2017E



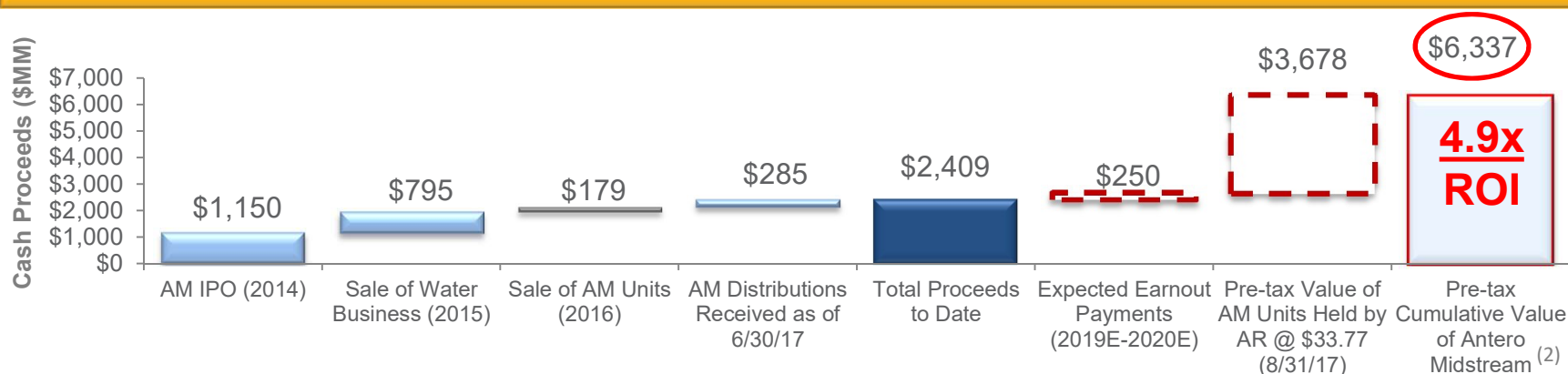
1. Represents midpoint of 20% - 22% long-term annual production growth targets. Incremental EBITDDAX based on midpoint of 2017 C3+ NGL production guidance of 68 MBbl/d to 71 MBbl/d and NGL pricing guidance of 50% to 55% of WTI.

## 4 Midstream Driving Value for AR Since Inception

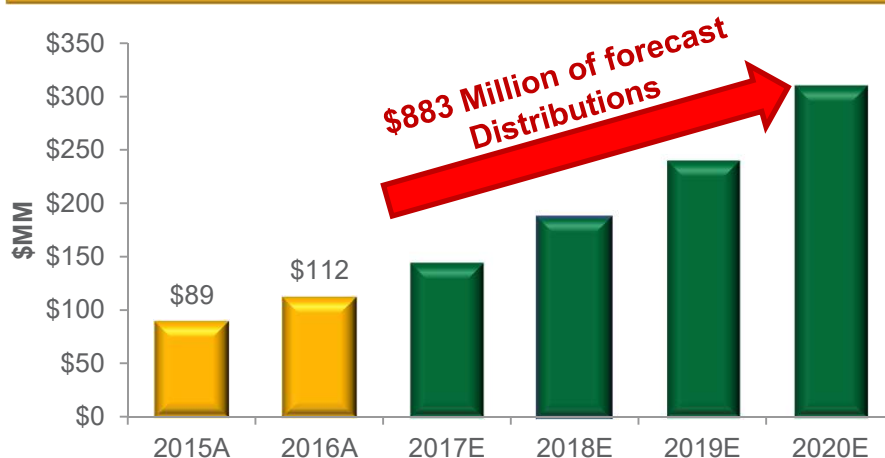


Midstream integration has provided tremendous value to AR shareholders and the go-forward upside is very attractive

### Antero Midstream Return on Investment (Pre-tax)<sup>(2)</sup>



### Cash Flow to AR from AM Distribution Growth<sup>(1)</sup>



### AM Share Price Value

AM price per unit	After-tax value of AM units held by AR (\$Billion) <sup>(3)</sup>	Value per AR share
\$29	\$2.5	\$8
<b>\$32</b>	\$2.7	\$9
\$35	\$2.9	\$9
\$38	\$3.1	\$10
<b>\$41</b>	\$3.3	\$11

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

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

1. Represents distribution growth targets for AR owned units through 2020.

2. Midstream proceeds received by AR to date plus market value of AR's 58% ownership of AM divided by the approximate \$1.3 billion of AR capital invested at time of AM IPO.

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

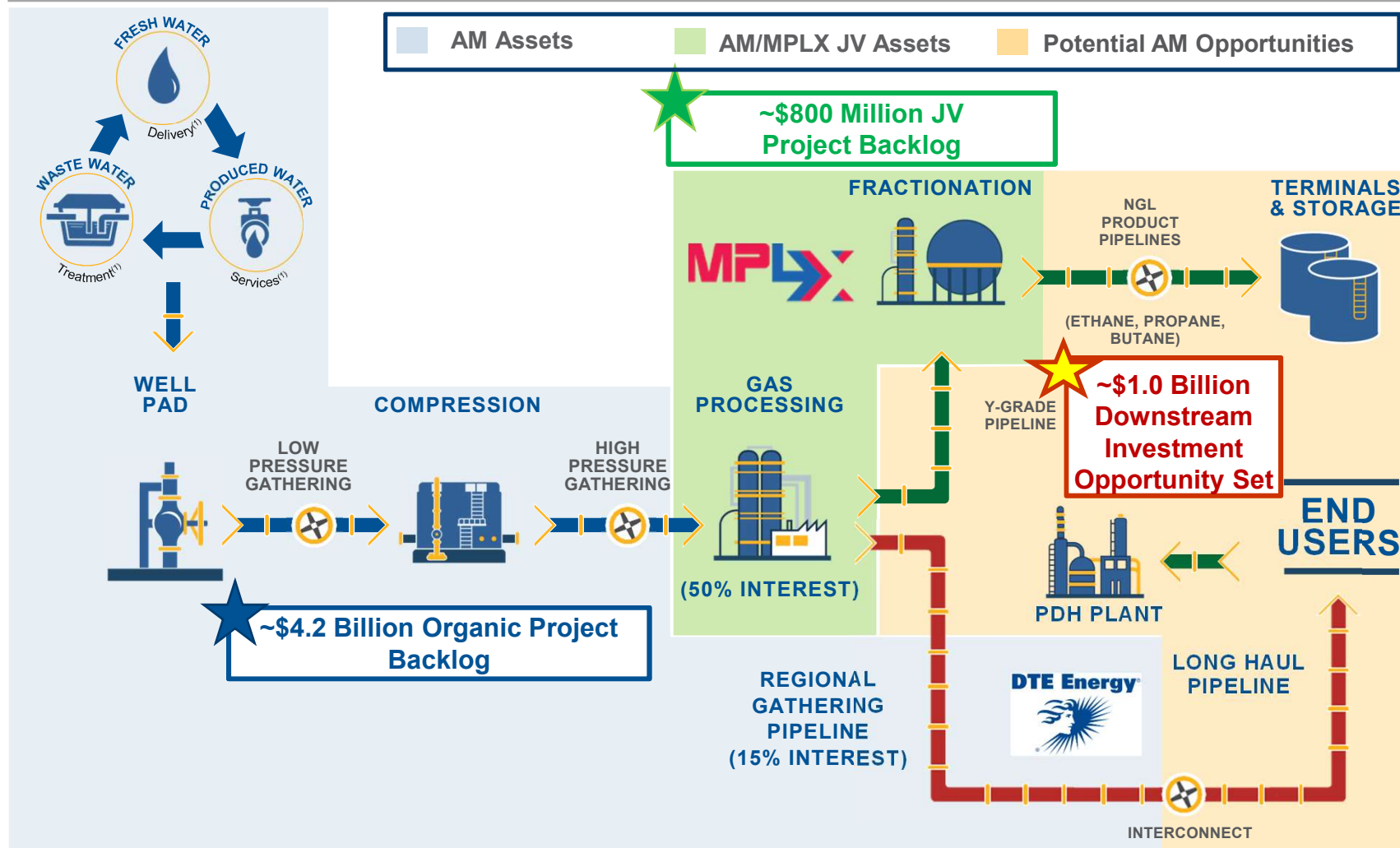


## 4 Capturing the Midstream Value Chain

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

Upstream

Downstream



Note: Third party logos denote company operator of respective asset.



4

## Antero Clearwater Facility Nearing Completion (4Q 2017) – In Start-Up Phase Now



- Largest oil and gas related water treatment facility in the world
  - 60,000 Bbls/d capacity
- 100% fixed fee long term contracts
- Compliments fresh water delivery infrastructure (\$800 million investment)
- At full capacity, will eliminate ~172,000 water truck trips per year, or ~15 MMBbls

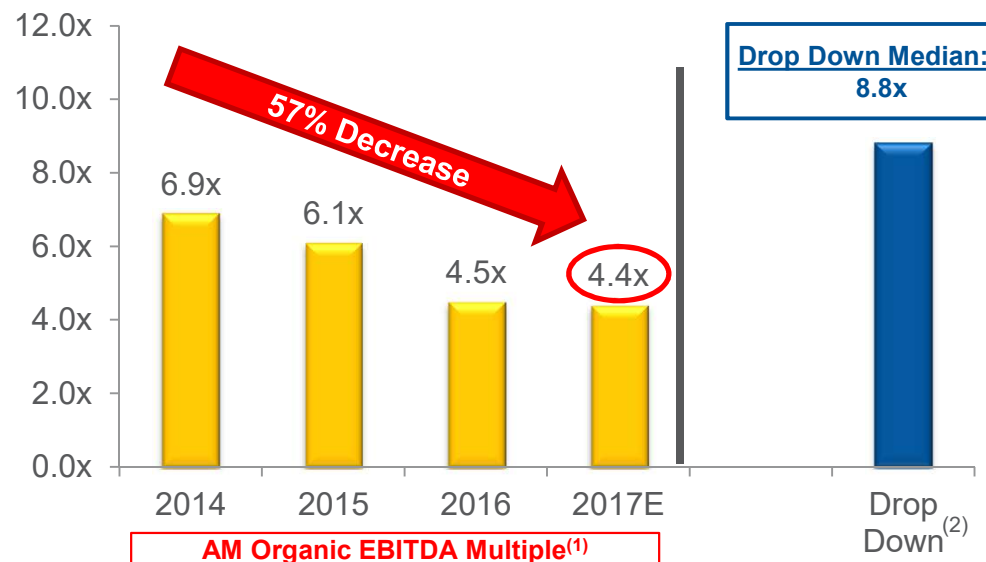


## 4 Organic Growth Drives the Business

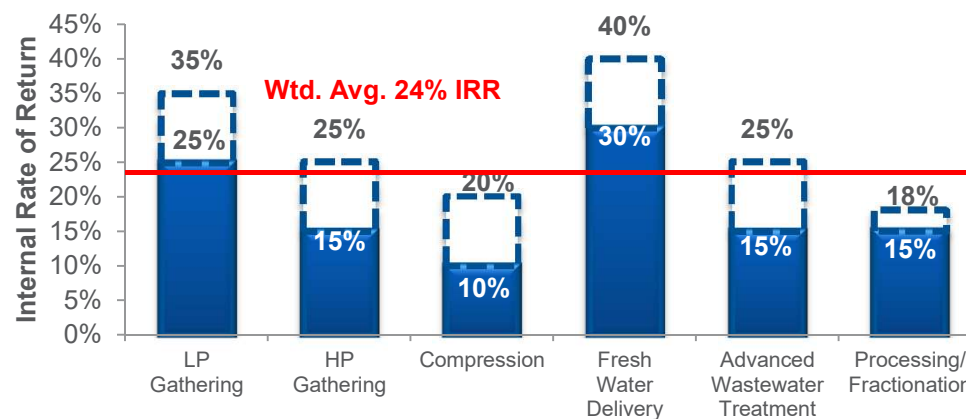
- Organic growth strategy provides attractive returns while avoiding the competitive acquisition market and reliance on capital markets
- Industry leading organic growth story
  - ~\$2.3 billion in capital spent through 9/30/2016 on gathering and compression and water assets
  - Assumes midpoint guidance EBITDA for 2017 (excluding JV)
  - 4.4x capital expenditures to buildout EBITDA
  - 10-year identified project inventory of \$5.0 billion
  - 24% weighted average project IRR

**AM Builds at 3x to 6x EBITDA**  
**vs.**  
**Other MLPs that Drop Down/Buy**  
**at 8x to 12x+ EBITDA**

### Organic Adjusted EBITDA Multiple vs. Drop Down Multiples



### Antero Midstream Project Unlevered IRRs



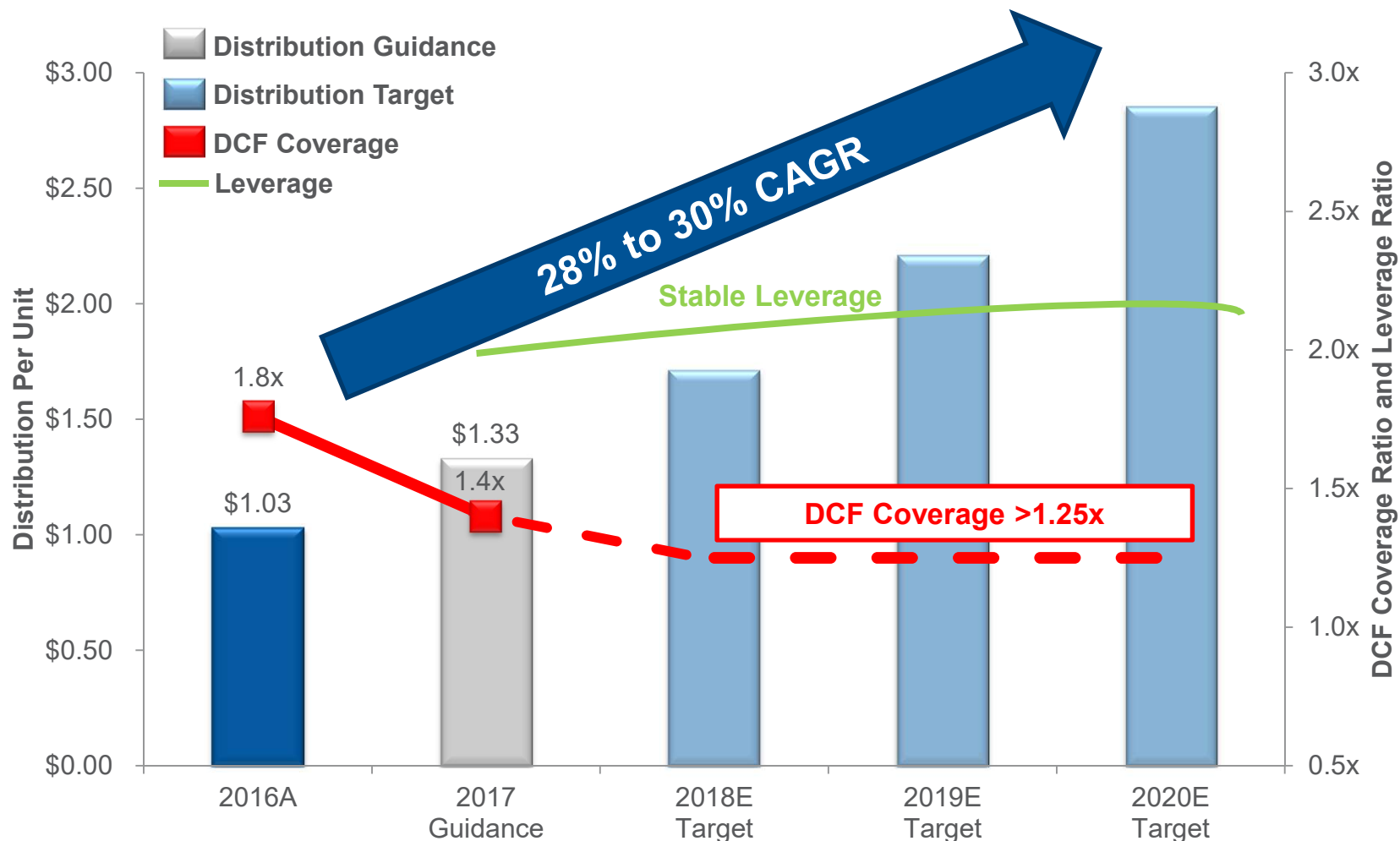
Note: Precedent data per IHS Herold's research and public filings.

- Antero Midstream organic multiples calculated as gathering and compression and water capital expended through Q3 of each respective year divided by Adjusted EBITDA, assuming 12-15 month lag between capital incurred and full system utilization.
- Selected gathering and compression drop down acquisitions since 1/1/2015. Drop down multiples are based on NTM EBITDA. Source: Public company filings and press releases.



## 4 Long Term Growth Outlook Through 2020

AM's \$2.6 billion organic opportunity set through 2020 and visible cash flow growth allow it to target a 28% to 30% distribution CAGR through 2020 and maintain leverage in the low 2-times



Note: Future distributions subject to Board approval. Leverage = Net debt divided by LTM EBITDA.

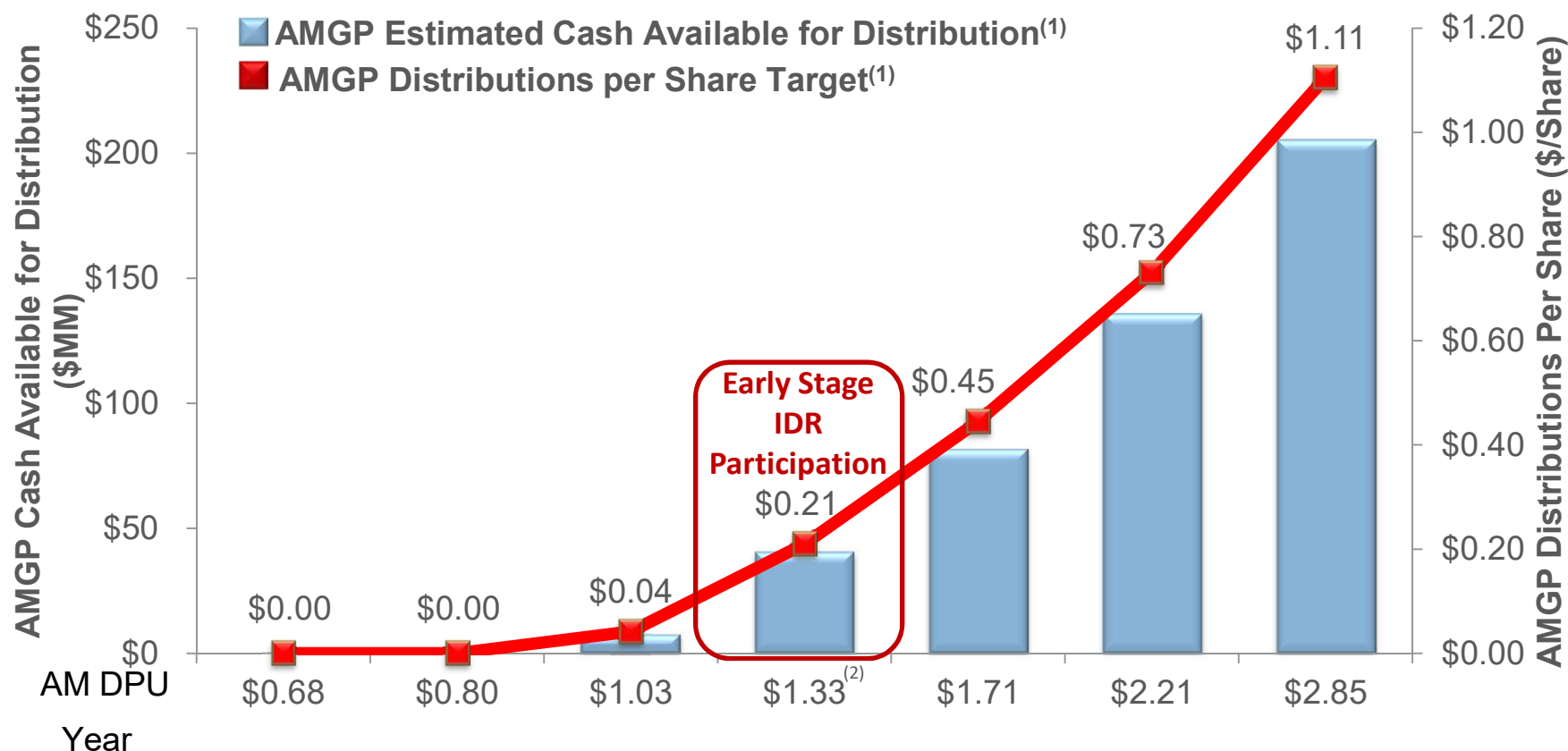


## 4 AMGP Highly Levered to AM Distribution Growth



AM distributions drive IDR cash flow which drives AMGP distributions

### AMGP Distribution Growth – Midpoint of Guidance and Long-term Targets



1. AMGP estimated cash available for distribution (CAFD) is net of (i) Series B unit distributions, (ii) general and administrative expense, and (iii) U.S. federal and state income taxes (assuming 38% effective income tax rate)

2. 2017 AMGP distribution assumes full-year distribution. Pro-rated distribution from IPO date to year-end 2017 equal to \$0.16 per share at the midpoint.

# Most Integrated Natural Gas and NGL Story in the U.S.



## World Class E&P Operator in Appalachia

1. **Assembled largest core drilling inventory in Appalachia**
  - Over 3,900 core undrilled locations
2. **Largest liquids producer in Appalachia**
  - Own 44% of total core liquids-rich drilling inventory in Appalachia
3. **Consistently drilled longest average lateral length year after year**
  - Drilled 220 wells with laterals longer than 10,000 feet
4. **Largest and most effective firm transport portfolio in Appalachia**
  - 4.8 Bcf/d by 2019 and 87% to premium markets"
5. **Created tremendous value through hedging**
  - Realized \$2.8 billion over past 9 years with \$2.0 billion mark to market on current position
6. **Leader in fresh water delivery and treatment**
  - Over \$800 million invested by AM
  - 2 million fresh water truck trips eliminated by pipeline delivery system



## A Leading Northeast Infrastructure Platform

1. **Long-term, 100% fixed fee contracts**
  - No direct commodity price exposure
2. **Organic, "just-in-time" investment strategy**
  - Efficient, organic return on capital (3x to 6x capex to buildout EBITDA multiples)
  - \$5.0 Bn project backlog through 2026
3. **Diversified asset mix**
  - Gathering, compression, processing, fractionation, fresh water distribution and wastewater treatment
4. **Highest LP distribution growth among MLPs**
  - 28% - 30% annual distribution growth target through 2020
5. **Abundant upside growth opportunities**
  - Downstream NGL infrastructure, 3<sup>rd</sup> party business, stacked pay drilling, acreage additions



## Levered Exposure to Northeast Infrastructure Buildout

1. **Combination of growth and yield is unmatched**
2. **Early stage 100% pure IDR vehicle**
3. **AM LP unit issuance for potential accretive transactions provides secondary growth driver**
4. **Debt-free balance sheet at AMGP**
  - Limited dependence on AM capital markets activity due to organic model
5. **Maximum exposure to decrease in corporate tax rate**
  - LP structure but treated as a corporation for tax purposes





## APPENDIX

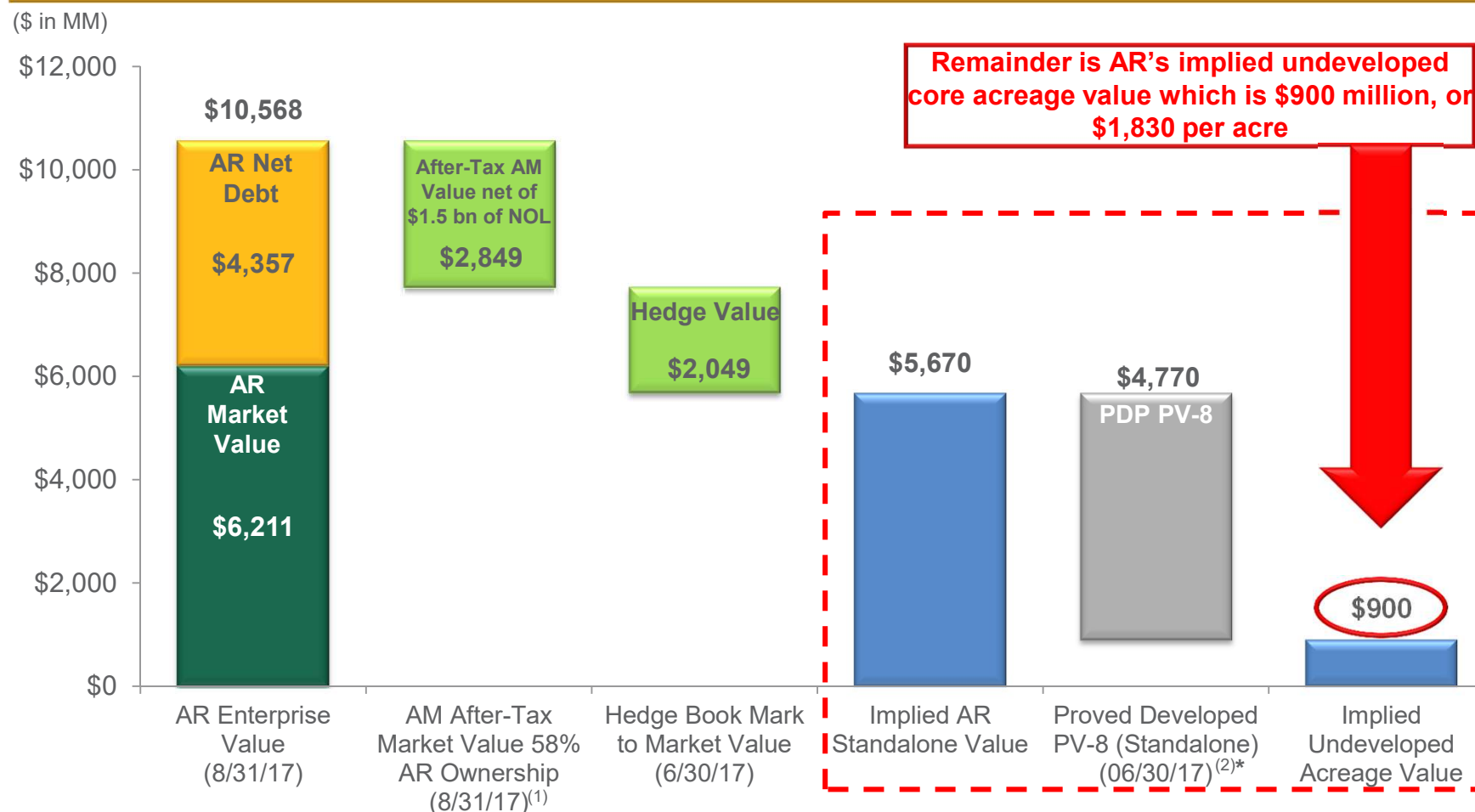




# Significant Value Proposition

Antero trades at only \$1,830 per core undeveloped acre after allocating \$2.8 Bn of after-tax midstream value, \$2.0 Bn of hedge value and \$4.8 Bn of PDP reserve value

## Antero Implied Standalone E&P Value (As of 8/31/2017)



\* Includes deductions of all (100%) gathering / compression fees paid to Antero Midstream and strip pricing as of 6/30/2017

1. Represents 108.9 million units of AM owned by AR, net of \$865 million tax expense of AM units divested. Taxes offset by \$1.5 billion of net operating losses held at AR.

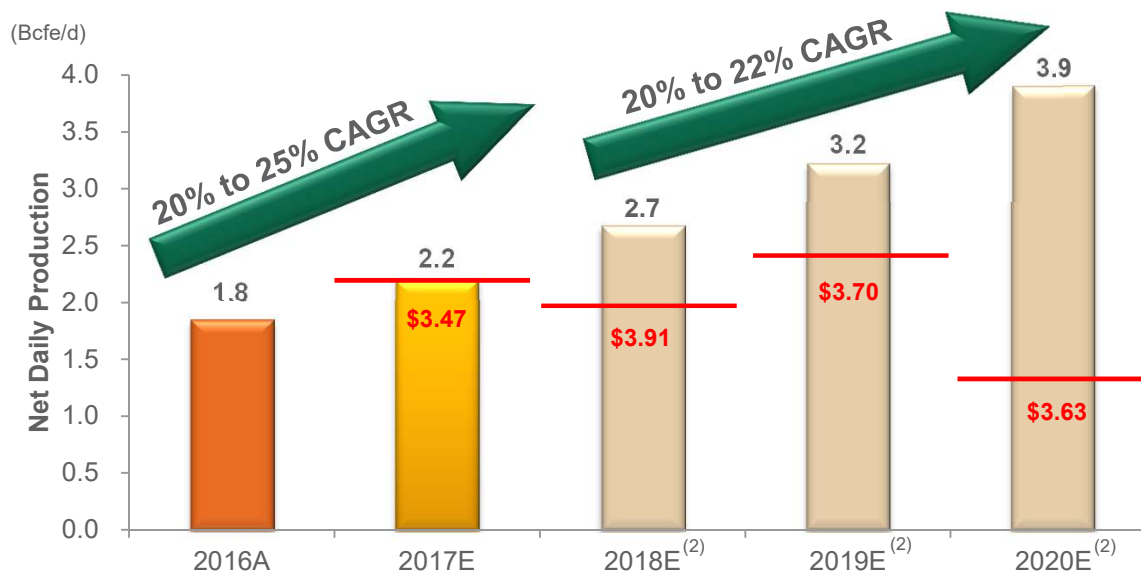
2. Represents PV-8 of expected cash flow from Antero's unaudited proved developed reserves as of June 30, 2017. Average NYMEX natural gas pricing of \$3.00/MMBtu and WTI oil pricing of \$52.06 oil through 2026.

# 2017 Guidance and Long Term Outlook



## Production Growth:

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



## 2017 Guidance

**\$1.3 Billion**  
Flat with prior year

In line with D&C capital

3.0x to 3.5x

98% Hedged at \$3.51/Mcfe

## 2018 - 2020 Long-Term Targets

Modest annual increases within  
Cash Flow from Operations

Doubling by 2020

Declining to mid 2x's by 2018

58% Hedged at \$3.76/Mcfe

## D&C Capital:

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

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

## Hedging:

1. 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.

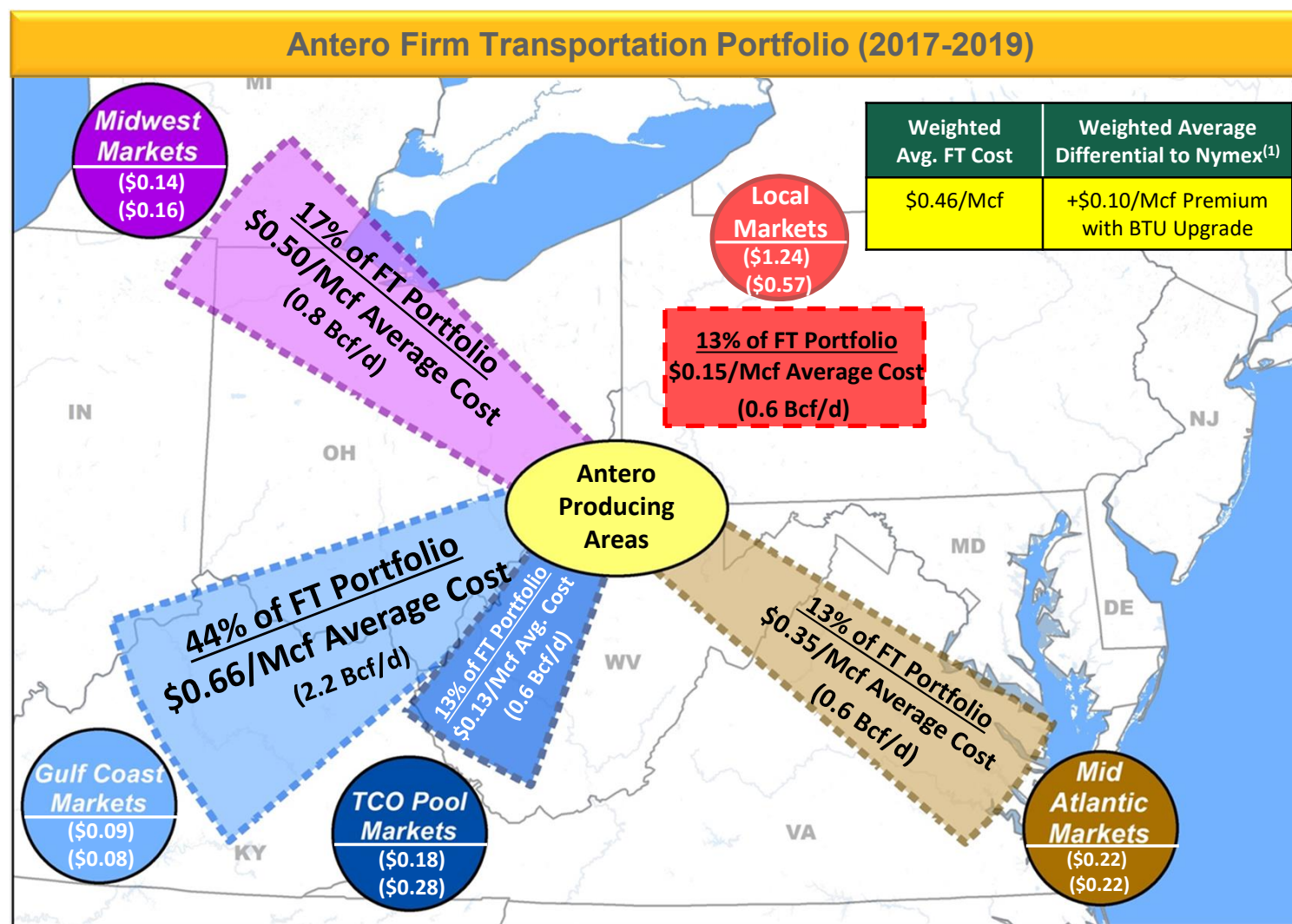
2. Represents midpoint of 20% - 22% long-term production growth targets.



# Most Attractive Firm Transport Portfolio in Appalachia



Antero's natural gas takeaway position results in price certainty at attractive all-in netbacks to Nymex: Nymex less \$0.36/Mcf expected 2017-2020, after deducting FT costs



Note: Strip basis differentials to Nymex Henry Hub represents August 2017 and 2017-2019 strip pricing, respectively as of July 31<sup>st</sup>, 2017 for each index.

1. Weighted average differential to Nymex calculated using 2017-2019 strip pricing as of July 31<sup>st</sup>, 2017.



# Antero Resources EBITDAX Reconciliation

## EBITDAX Reconciliation

(\$ in millions)

	Quarter Ended	LTM Ended
	<u>06/30/2017</u>	<u>06/30/2017</u>
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
(Gains) on sale of assets	-	(97.6)
Interest expense	68.6	262.9
Loss on early extinguishment of debt	-	17.0
Income tax expense (benefit)	18.8	25.5
Depreciation, depletion, amortization and accretion	201.8	827.4
Impairment of unproved properties	15.2	169.5
Exploration expense	1.8	8.7
Equity-based compensation expense	26.9	105.6
Equity in earnings of unconsolidated affiliates	(3.6)	(5.9)
Distributions from unconsolidated affiliates	5.8	13.5
Contract termination and rig stacking	-	0.01
<b>Consolidated Adjusted EBITDAX</b>	<b>\$320.8</b>	<b>\$1,534.7</b>

# Antero Resources Standalone EBITDAX Reconciliation



## AR Standalone EBITDAX Reconciliation

(\$ in millions)

	Six Months Ended	LTM Ended
	<u>06/30/2017</u>	<u>06/30/2017</u>
EBITDAX:		
Operating income	\$548.3	\$315.2
Commodity derivative fair value (gains)	(524.4)	(414.9)
Net cash receipts on settled derivatives instruments	75.9	462.1
Depreciation, depletion, amortization and accretion	346.7	716.5
Impairment of unproved properties and accretion	42.1	169.6
Exploration expense	3.9	8.7
Change in fair value of contingent acquisitions consideration	(7.1)	(16.7)
Equity-based compensation expense	39.2	79.0
(Gains) on sale of assets	-	(93.8)
State franchise taxes	-	
<b>Segment Adjusted EBITDAX</b>	<b>\$524.6</b>	<b>\$1,225.7</b>
AM distributions received net to AR ownership	\$63.1	\$119.2

# Antero Midstream EBITDA Reconciliation



## EBITDA and DCF Reconciliation

	Three months ended June 30,		LTM Period ended June 30,
	2016	2017	2017
<b>Net income</b>	<b>\$ 49,912</b>	<b>\$ 87,175</b>	<b>\$ 306,141</b>
Interest expense	3,879	9,015	32,162
Depreciation expense	24,140	30,512	109,946
Accretion of contingent acquisition consideration	3,461	3,590	16,748
Equity-based compensation	6,793	6,951	26,520
Equity in earnings of unconsolidated affiliates	(484)	(3,623)	(5,855)
Distributions from unconsolidated affiliates	—	5,820	13,522
Gain on asset sale			(3,859)
<b>Adjusted EBITDA</b>	<b>\$ 87,701</b>	<b>\$ 139,440</b>	<b>\$ 495,325</b>
Interest paid	(4,264)	(2,308)	(27,762)
Cash reserved/paid for bond interest	—	(8,735)	(8,735)
Cash reserved for payment of income tax withholding upon vesting of Antero			
Midstream Partners LP equity-based compensation awards	(1,000)	(2,431)	(7,567)
Cash distribution to be received from unconsolidated affiliate	778	—	(777)
Maintenance capital expenditures	(5,710)	(16,422)	(25,604)
<b>Distributable cash flow</b>	<b>\$ 77,505</b>	<b>\$ 109,545</b>	<b>\$ 424,877</b>