January 28, 2013

Antero Resources Announces 2013 Capital Budget and Outlook

DENVER, Jan. 28, 2013 /PRNewswire/ -- **Antero Resources** today announced its planned capital budget for 2013 as well as its 2013 outlook. Antero's capital budget for 2013 is $1.65 billion and includes $1.15 billion for drilling and completion, $350 million for the construction of gathering pipelines and facilities in the Appalachian Basin including $150 million for water-handling infrastructure primarily in the Marcellus Shale and $150 million for leasehold. The capital budget excludes acquisitions.

All of the $1.15 billion drilling and completion budget is allocated to Antero-operated drilling, and virtually all of the 2013 drilling and completion budget is allocated to drilling rich gas acreage. Approximately 87% of the drilling and completion budget is allocated to the Marcellus Shale and the remaining 13% is allocated to the Utica Shale. During 2013, Antero plans to operate an average of 12 drilling rigs in the Marcellus Shale and 2 drilling rigs in the Utica Shale. These 14 rigs will be supplemented by 3 to 4 shallow rigs that will drill the vertical section of some horizontal wells to the kick-off point at approximately 6,000 feet. The shallow rigs increase drilling efficiency and reduce overall well costs.

Antero is currently building an 80-mile water sourcing and pipeline distribution system in West Virginia that it estimates will reduce frac water costs from approximately$6.00 per barrel currently to approximately $2.00 per barrel going forward, resulting in cost savings of up to $600,000 per well. In addition to well cost savings, Antero expects the water distribution system to provide a reliable year-round water supply and to significantly reduce truck traffic. The Company estimates that over 30% of the planned 2013 wells to be completed and as much as 75% of the planned 2014 wells to be completed will benefit from the new water infrastructure.

The capital budget is expected to be funded internally from operating cash flow, through the use of the undrawn capacity under Antero's bank credit facility, through potential future capital markets transactions and potential sales of non-core assets.

2013 Outlook

Antero periodically provides guidance on certain factors that affect future financial performance. We are using the following key assumptions in our projections for 2013:

2013 Outlook:	
NYMEX Gas Price ($/MMBtu)	$3.60
WTI Oil Price ($/Bbl)	$95
Net Production (MMcfed)	530 – 570 MMcfed
Net Liquids Production Bbld)	10,000 – 12,000 Bbld
EBITDAX ($MMs)(1)	$660 – $700 million

Cash Production Costs ($/Mcfe) (2)	$1.40 – $1.60/Mcfe
G&A ($/Mcfe)	$0.25 – 0.30/Mcfe

(1) See "Non-GAAP Financial Measures"
(2) Includes lease operating expenses, gathering, compression and transportation expenses and production taxes.

As a result of our capital budget discussed above, Antero's 2013 net production is expected to average in a range of 530 to 570 MMcfed. This represents a year over year increase of 59% to 71% as compared to our estimated 2012 average net production of 335 MMcfed, which included production from the recently divested Arkoma and Piceance Basin properties. Excluding Arkoma and Piceance production in 2012, Antero's Appalachian net production is expected to increase by a range of 121% to 138% in 2013. Net liquids production is expected to increase to an average of 10,000 to 12,000 barrels per day (Bbld) in 2013 primarily driven by expanding Marcellus Shale processing capacity and rich gas volumes and the anticipated initial start-up of gas processing facilities in our Utica Shale project in June 2013.

Antero is currently operating 13 drilling rigs in the Marcellus Shale, including 3 shallow rigs, and 2 rigs in the Utica Shale. Antero's current gross operated production is approximately 460 MMcfd and estimated net production is 360 MMcfed, including 1,600 Bbld of NGLs and 200 Bbld of oil. Antero has an additional estimated 55 MMcfed of net production in the Marcellus Shale and Utica Shale associated with six wells that are shut-in and a number of producing wells that are constrained and waiting on pipeline, compression or processing facilities. Antero has 28 horizontal wells in the Marcellus either completing or waiting on completion. In the Utica, Antero also has two horizontal wells waiting on completion.

Non-GAAP Financial Measures

EBITDAX is a non-GAAP financial measure that we define as net income before interest expense and other income or expense, taxes, impairments, depletion, depreciation, amortization, exploration expense, unrealized hedge gains or losses, gain or loss on sale, franchise taxes, non-controlling interest and stock compensation. EBITDAX, as used and defined by us, may not be comparable to similarly titled measures employed by other companies and is not a measure of performance calculated in accordance with GAAP. EBITDAX should not be considered in isolation or as a substitute for operating income, net income or loss, cash flows provided by operating, investing and financing activities, or other income or cash flow statement data prepared in accordance with GAAP. EBITDAX provides no information regarding a company's capital structure, borrowings, interest costs, capital expenditures, and working capital movement or tax position. EBITDAX does not represent funds available for discretionary use because those funds are required for debt service, capital expenditures, working capital, and other commitments and obligations. However, our management team believes EBITDAX is useful to an investor in evaluating our operating performance because this measure is widely used by investors in the natural gas and oil industry to measure a company's operating performance without regard to items excluded from the calculation of such term, which can vary substantially from company to company depending upon accounting methods and book value of assets, capital structure and the method by which assets were acquired, among other factors; helps investors to more meaningfully evaluate and compare the results of our operations from period to period by removing the effect of our capital structure from our operating structure; and is used by our management team for various purposes, including as a measure of operating performance, in presentations to our board of directors, as a basis for strategic planning and forecasting and by our lenders pursuant to a covenant under our senior secured revolving credit facility.

EBITDAX is also used as a measure of operating performance pursuant to a covenant under the indenture governing our 9.375% senior notes, our 7.25% senior notes and our 6.00% senior notes.

There are significant limitations to using EBITDAX as a measure of performance, including the inability to analyze the effect of certain recurring and non-recurring items that materially affect our net income or loss, the lack of comparability of results of operations of different companies and the different methods of calculating EBITDAX reported by different companies.

Antero Resources is an independent oil and natural gas company engaged in the acquisition, development and production of unconventional oil and liquids-rich natural gas properties primarily located in the Appalachian Basin in West Virginia, Ohio and Pennsylvania. Our website is located at www.anteroresources.com.

Cautionary Statements:

This release includes "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. Such forward-looking statements are subject to a number of risks and uncertainties, many of which are beyond Antero's control. All statements, other than historical facts included in this release, are forward-looking statements. All forward-looking statements speak only as of the date of this release. Although Antero believes that the plans, intentions and expectations reflected in or suggested by the forward-looking statements are reasonable, there is no assurance that these plans, intentions or expectations will be achieved. Therefore, actual outcomes and results could materially differ from what is expressed, implied or forecast in such statements.

We caution 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 "Item 1A. Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2011.

SOURCE Antero Resources