

August 13, 2012



# Antero Resources Reports Second Quarter 2012 Results and Delivers Operating Update

DENVER, Aug. 13, 2012 /PRNewswire/ --

## Highlights:

- Net production averaged 348 MMcfd, up 57% over the prior-year quarter
- Consolidated EBITDAX was \$106 million, up 38% over the prior-year quarter
- Closed \$445 million Arkoma Basin asset sale in June
- Completed first two horizontal wells in the Utica Shale play in Ohio with encouraging results
- Current net production of 310 MMcfd following Arkoma sale — 243 MMcfd net from the Marcellus alone
- 11 Antero operated drilling rigs currently running in Appalachian core areas
- Natural gas hedges increased by 3% to 848 Bcfe through 2017 at \$5.13 NYMEX-equivalent

**Antero Resources** today released its second quarter 2012 results. Those financial statements are included in Antero Resources LLC's Quarterly Report on Form 10-Q for the quarter ended June 30, 2012, which has been filed with the Securities and Exchange Commission.

## Recent Developments

On June 29, 2012, Antero Resources completed the sale of its exploration and production assets in the Arkoma Basin (along with the associated commodity hedges) to Vanguard Natural Resources, LLC. Net proceeds from the sale at closing after purchase price adjustments for revenues and costs realized during the quarter were \$435 million and Antero recognized a \$427 million noncash loss on the sale. At June 30, 2012, after the repayment of a portion of outstanding borrowings with the proceeds of the Arkoma Basin asset sale, Antero had \$90 million of borrowings and \$40 million of letters of credit outstanding leaving \$620 million of available lender commitments under the Credit Facility. The next regular borrowing base redetermination is expected to occur in October 2012.

In this release, Antero's results are presented two ways: (1) in accordance with GAAP, where the results of operations of the Arkoma Basin assets and the loss on the sale are presented as discontinued operations and (2) in a non-GAAP manner, where the results of operations of the Arkoma Basin assets (prior to the sale) and the loss on the sale are aggregated with the Company's results from continuing operations. Antero is including this presentation in order to more clearly illustrate what its results of operations during the period were. However, investors should be cautioned that this non-GAAP presentation is not

representative of Antero's future operations, which will no longer include Arkoma Basin assets and revenues. See "Non-GAAP Financial Measures" for reconciliation between these two presentations.

### **Financial Results for the Second Quarter**

Production for the second quarter of 2012 increased by 57% to 32 Bcfe relative to the second quarter of 2011, in each case including the production from the Arkoma Basin. The net production increase was primarily driven by new wells in the Marcellus Shale and the Piceance Basin. Net production of 32 Bcfe for the quarter was comprised of 30 Bcf of natural gas, 266,000 barrels of NGLs and 81,000 barrels of oil, representing a 10% sequential increase over the first quarter of 2012. Net daily production averaged 348 MMcfed for the second quarter, a record high for Antero, and was comprised of 325 MMcfed of natural gas (93%), 2,922 Bbl/d of NGLs (5%) and 886 Bbl/d of crude oil (2%). Net NGL production increased 77% over the second quarter of 2011. Excluding the Arkoma Basin assets, net production increased 82% from the second quarter of 2011 to 25 Bcfe or 271 MMcfed, in the second quarter of 2012.

GAAP revenues for the second quarter of 2012 decreased by 64% compared to the second quarter of 2011 to \$61 million, primarily due to a \$70 million unrealized loss on commodity derivatives in 2012 compared to a \$90 million unrealized gain on commodity derivatives in the prior year quarter. Reported GAAP earnings resulted in a net loss of \$478 million for the three months ended June 30, 2012, including a loss on the sale of the Arkoma Basin assets of \$427 million, a \$70 million unrealized loss on commodity derivatives as natural gas prices increased from the prior quarter, and a \$16 million deferred income tax benefit. Gas-equivalent prices, after adjusting for all realized gains on commodity derivatives, averaged \$5.30 per Mcfe.

(The non-GAAP amounts presented below combine the Arkoma Basin operations with the Company's other operations. See "Non-GAAP Financial Measures" for a definition of each of these non-GAAP financial measures and tables that reconcile each of these non-GAAP measures to their most directly comparable GAAP financial measure.)

Non-GAAP adjusted net revenues for the second quarter 2012 increased 39% to \$163 million compared to the second quarter of 2011 (including cash-settled derivatives but excluding unrealized derivative gains and losses). For a reconciliation of adjusted net revenues to revenues from operations (GAAP), please read "Non-GAAP Financial Measures". Liquids production (NGLs and oil) contributed 19% of revenues before commodity hedges during the second quarter of 2012 compared to 11% in the prior year quarter. Average natural gas prices before hedges decreased 52% from the prior-year quarter to \$2.20 per Mcf and average natural gas-equivalent prices before hedges decreased 48% to \$2.53 per Mcfe. Additionally, average realized gas prices including hedges decreased by 11% to \$5.00 per Mcf. Average realized NGL prices decreased by 38% to \$32.73 per barrel, while average realized oil prices including hedges increased by 3% to \$77.49 per barrel.

Average gas-equivalent prices, including NGLs, oil and hedges, decreased 12% to \$5.14 per Mcfe. For the quarter, Antero realized natural gas hedging gains of \$83 million, or \$2.61 per Mcfe. However, due to the fact that expiring financial hedges are settled and realized on a monthly basis while long-term non-expiring hedges are marked to market at the end of the quarter, we realized gains on hedges that expired during the quarter while we realized a loss

on long-term non-expiring hedges as natural gas prices rose near the end of the second quarter of 2012.

Excluding the unrealized gain on commodity derivatives, the loss on asset sale, and deferred income tax benefit, adjusted net income, a non-GAAP measure, was \$22 million for the quarter. Driven by a 39% increase in revenues, cash flow from operations before changes in working capital, a non-GAAP measure, increased 31% from the prior-year quarter to \$77 million. EBITDAX of \$106 million for the second quarter of 2012 was 38% higher than the prior-year quarter, also primarily due to increased production. For a description of EBITDAX, adjusted net income and cash flow from operations before changes in working capital and reconciliation to the nearest comparable GAAP measures, please read "Non-GAAP Financial Measures".

Per unit cash production costs (lease operating, gathering, compression and transportation, and production tax) including the Arkoma Basin assets for the second quarter of 2012 were \$1.49 per Mcfe, a 4% improvement from the prior year quarter. This improvement was primarily driven by increased production volumes from new Marcellus Shale wells that generally have low per unit production costs compared to the Company's existing production base. Per unit depreciation, depletion and amortization expense decreased 12% from the prior year quarter to \$1.71 per Mcfe, driven by low cost reserve increases. On a per unit basis including the Arkoma Basin assets, general and administrative expense for the second quarter 2012 was \$0.33 per Mcfe, a 20% decline from the second quarter of 2011, primarily driven by the increase in gas-equivalent production.

### **Antero Operations**

Antero's current gross operated production is 378 MMcfd, and estimated net production is 310 MMcfd, including non-operated production, NGLs and oil. During the first six months of 2012, Antero completed 22 gross operated wells (20 net wells) and currently has 27 gross operated wells (26 net wells) in various stages of drilling, completion or waiting on completion.

**Marcellus Shale** — Antero is operating ten drilling rigs in the Marcellus Shale play, all of which are drilling in northern West Virginia. The Company plans to add an 11th drilling rig in August and a 12th rig in October 2012. Antero has 315 MMcfd of gross operated production in the play of which 98% is coming from 88 horizontal Marcellus Shale wells, resulting in 243 MMcfd of net production. Antero has 19 horizontal wells either completing or waiting on completion and has two fully-dedicated frac crews currently working in West Virginia along with intermittent spot crews as needed. A third Antero-dedicated frac crew is scheduled to begin work in the fourth quarter of 2012. The 88 horizontal Marcellus wells that Antero has completed to date have an average lateral length of 6,550'. In the second quarter of 2012, Antero completed 13 horizontal Marcellus Shale wells with an average 24-hour peak rate of 14.0 MMcfd and an average lateral length of approximately 7,200'.

There continues to be a number of infrastructure projects underway in Harrison and Doddridge Counties, West Virginia that will facilitate rich gas transportation to the 200 MMcfd Sherwood I gas processing plant which is scheduled to start up late in the third quarter of 2012. Antero has committed to a second 200 MMcfd gas processing plant, Sherwood II, to be located on the same site as Sherwood I. Sherwood II is expected to go in service in the second quarter of 2013. Antero has also committed to the fabrication of a third 200 MMcfd gas processing plant, Sherwood III, giving Antero access to a total of 600 MMcfd of gas

processing capacity by the end of 2013.

MarkWest is also building the Zinnia high pressure pipeline lateral and the Pike Fork high pressure lateral which will transport rich gas production from western Harrison and eastern Doddridge Counties to the Sherwood processing plants. The high pressure laterals are expected to be in service when the Sherwood I plant goes online in the third quarter of 2012 and will move rich gas that is gathered by Crestwood Midstream Partners in the area of dedication to the Sherwood gas processing facilities.

Antero is building the 17-mile Canton low pressure pipeline lateral which will gather rich gas in northern Doddridge County and deliver the gas to the Sherwood I plant. The southern section of the Canton low pressure lateral is expected to be in service when the Sherwood I plant goes in service with the remainder of the pipeline expected to go in service in the fourth quarter of 2012. MarkWest is also building compression facilities located at the Sherwood I plant to serve the Canton low pressure lateral. Antero is building the White Oak high pressure lateral which will transport rich gas production from western Doddridge County to the Sherwood processing facilities. The White Oak lateral is expected to be in service in the fourth quarter of 2012 along with initial compression facilities.

Antero has 258,000 net acres in the Marcellus Shale play of which only 16% was associated with proved reserves at mid-year 2012.

**Utica Shale** — Antero has assembled a 56,000 net acre leasehold position in the Utica Shale play of eastern Ohio. Almost all of the acreage is located in the rich gas/condensate window of the Utica Shale play. Antero has completed two horizontal wells with encouraging results and is currently drilling a third horizontal well. The two completed wells are shut-in waiting on pipeline and processing infrastructure.

**Piceance Basin** — Antero is no longer operating a drilling rig in the Piceance Basin as of late July 2012 when its drilling contract expired. The Company's gross operated production in the Piceance is currently 63 MMcfd and 67 MMcfed net including 2 MMcfed of non-operated production from 231 wells online. The 67 MMcfed net is comprised of approximately 44 MMcfd of tailgate gas, 3,200 Bbls/d of NGLs and 800 Bbls/d of light oil. Antero has eight Mesaverde wells waiting on completion in its Gravel Trend rich gas area and has one frac crew currently working in the basin.

Antero has 62,000 net acres in the Piceance.

### Commodity Hedges

Antero has hedged 848 Bcfe for the period beginning in the third quarter of 2012 through the end of 2017 using simple fixed price swaps at an average NYMEX-equivalent price of \$5.13 per MMBtu. Approximately 80% of estimated production for the last six months of 2012 is hedged at a NYMEX-equivalent price of \$5.52 per MMBtu and approximately 70% of estimated 2013 production is hedged at a NYMEX-equivalent price of \$5.14 per MMBtu. Virtually all of Antero's financial hedges are tied to the local basin. In the following table, these basin prices are converted to NYMEX-equivalent prices using current basis differentials in the over-the-counter futures market. Antero has ten different counterparties to its hedge contracts, all but one of which are lenders in the Company's bank credit facility.

Natural gas  
equivalent

NYMEX-  
equivalent

| Calendar Year | MMBtu/day | index price |
|---------------|-----------|-------------|
| 2012          | 263,443   | \$ 5.52     |
| 2013          | 374,333   | \$ 5.14     |
| 2014          | 420,000   | \$ 5.36     |
| 2015          | 450,000   | \$ 5.44     |
| 2016          | 532,500   | \$ 5.07     |
| 2017          | 410,000   | \$ 4.37     |

## Non-GAAP Financial Measures

The table below reconciles the Company's GAAP results from continuing operations to Non-GAAP results including operations of the Arkoma Basin assets (prior to the sale) and the loss on the sale. Antero is including this presentation in order to more clearly illustrate its results of operations during the period:

### ANTERO RESOURCES LLC

Statements of Operations and Additional Data  
Based on GAAP reported earnings with additional  
Details of items included in each line in Form 10-Q

|                                                     | Three Months Ended June 30, 2011 |                                |                             | Three Months Ended |                                |
|-----------------------------------------------------|----------------------------------|--------------------------------|-----------------------------|--------------------|--------------------------------|
|                                                     | As Reported                      | Arkoma Discontinued Operations | Including Arkoma Operations | As Reported        | Arkoma Discontinued Operations |
| (in thousands, except per unit and production data) |                                  |                                |                             |                    |                                |
| <b>Operating revenues:</b>                          |                                  |                                |                             |                    |                                |
| Natural gas sales                                   | \$ 60,138                        | 26,557                         | 86,695                      | 52,531             | 12,496                         |
| NGL sales                                           | 4,983                            | 2,993                          | 7,976                       | 6,057              | 2,644                          |
| Oil sales                                           | 2,297                            | 591                            | 2,888                       | 6,072              | 268                            |
| Realized commodity derivative gains                 | 12,260                           | 7,060                          | 19,320                      | 65,873             | 16,638                         |
| Unrealized commodity derivative gains               | 89,621                           | 8,194                          | 97,815                      | (69,576)           | (19,525)                       |
| Total operating revenues                            | 169,299                          | 45,395                         | 214,694                     | 60,957             | 12,521                         |
| <b>Operating expenses:</b>                          |                                  |                                |                             |                    |                                |
| Lease operating expenses                            | 6,160                            | 1,523                          | 7,683                       | 5,761              | 2,436                          |
| Gathering, compression and transportation           | 12,256                           | 7,551                          | 19,807                      | 27,256             | 6,975                          |
| Production taxes                                    | 3,967                            | 142                            | 4,109                       | 4,403              | 232                            |
| Exploration expenses                                | 2,077                            | 227                            | 2,304                       | 3,031              | 121                            |
| Impairment of unproved properties                   | 131                              | 651                            | 782                         | 1,538              | —                              |
| Depletion, depreciation and amortization            | 21,580                           | 17,399                         | 38,979                      | 36,306             | 17,600                         |
| Accretion of asset retirement obligations           | 84                               | 25                             | 109                         | 108                | 29                             |

|                                                                                |           |          |          |           |          |
|--------------------------------------------------------------------------------|-----------|----------|----------|-----------|----------|
| General and administrative                                                     | 8,207     | —        | 8,207    | 10,473    | —        |
| Loss on sale of compressor station                                             | 8,700     | —        | 8,700    | —         | —        |
| Total operating expenses                                                       | 63,162    | 27,518   | 90,680   | 88,876    | 27,393   |
| Operating income                                                               | 106,137   | 17,877   | 124,014  | (27,919)  | (14,872) |
| Interest expense and loss on interest rate derivatives                         | (15,606)  | —        | (15,606) | (24,223)  | —        |
| Income (loss) before income taxes                                              | 90,531    | 17,877   | 108,408  | (52,142)  | (14,872) |
| Income tax benefit (expense)                                                   | (33,785)  | —        | (33,785) | 16,159    | —        |
| Income from continuing operations                                              | 56,746    | 17,877   | 74,623   | (35,983)  | (14,872) |
| Income (loss) from discontinued operations and sale of discontinued operations | 17,877    | (17,877) | —        | (442,104) | 14,872   |
| Net income (loss) attributable to Antero members                               | \$ 74,623 | —        | 74,623   | (478,087) | —        |
| <b>Production data:</b>                                                        |           |          |          |           |          |
| Natural gas (Bcf)                                                              | 13        | 6        | 19       | 23        | 7        |
| NGLs (MBbl)                                                                    | 93        | 57       | 150      | 188       | 78       |
| Oil (MBbl)                                                                     | 26        | 8        | 34       | 78        | 3        |
| Combined (Bcfe)                                                                | 14        | 6        | 20       | 25        | 7        |
| Daily combined production (MMcfe/d)                                            | 149       | 72       | 221      | 271       | 77       |
| <b>Average prices before effects of hedges:</b>                                |           |          |          |           |          |
| Natural gas (per Mcf)                                                          | \$ 4.68   | \$ 4.30  | \$ 4.56  | \$ 2.28   | \$ 1.92  |
| NGLs (per Bbl)                                                                 | \$ 53.67  | \$ 51.94 | \$ 53.01 | \$ 32.28  | \$ 33.80 |
| Oil (per Bbl)                                                                  | \$ 88.08  | \$ 78.70 | \$ 85.98 | \$ 78.04  | \$ 94.04 |
| Combined (per Mcfe)                                                            | \$ 4.97   | \$ 4.59  | \$ 4.85  | \$ 2.62   | \$ 2.20  |
| <b>Average realized prices after effects of hedges:</b>                        |           |          |          |           |          |
| Natural gas (per Mcf)                                                          | \$ 5.67   | \$ 5.44  | \$ 5.59  | \$ 5.14   | \$ 4.47  |
| NGLs (per Bbl)                                                                 | \$ 53.67  | \$ 51.94 | \$ 53.01 | \$ 32.28  | \$ 33.80 |
| Oil (per Bbl)                                                                  | \$ 74.69  | \$ 78.70 | \$ 75.59 | \$ 76.88  | \$ 94.04 |

|                                                                    |         |         |         |         |         |
|--------------------------------------------------------------------|---------|---------|---------|---------|---------|
| Combined<br>(per Mcfe)<br><b>Average<br/>Costs (per<br/>Mcfe):</b> | \$ 5.88 | \$ 5.66 | \$ 5.81 | \$ 5.30 | \$ 4.58 |
| Lease<br>operating<br>costs                                        | \$ 0.45 | \$ 0.23 | \$ 0.38 | \$ 0.23 | \$ 0.35 |
| Gathering,<br>compression,<br>and<br>transportation                | \$ 0.90 | \$ 1.15 | \$ 0.98 | \$ 1.11 | \$ 1.00 |
| Production<br>taxes                                                | \$ 0.29 | \$ 0.02 | \$ 0.20 | \$ 0.18 | \$ 0.03 |
| Depletion,<br>depreciation,<br>amortization<br>and accretion       | \$ 1.59 | \$ 2.65 | \$ 1.94 | \$ 1.47 | \$ 2.52 |
| General and<br>administrative                                      | \$ 0.61 | \$ —    | \$ 0.41 | \$ 0.43 | \$ —    |

## ANTERO RESOURCES LLC

Statements of Operations and Additional Data  
Based on GAAP reported earnings with additional  
Details of items included in each line in Form 10-Q

|                                                    | Six Months Ended June 30, 2011                      |                                      |                                   | Six Months Ended June 30, 2010 |                                      |  |
|----------------------------------------------------|-----------------------------------------------------|--------------------------------------|-----------------------------------|--------------------------------|--------------------------------------|--|
|                                                    | As<br>Reported                                      | Arkoma<br>Discontinued<br>Operations | Including<br>Arkoma<br>Operations | As<br>Reported                 | Arkoma<br>Discontinued<br>Operations |  |
|                                                    | (in thousands, except per unit and production data) |                                      |                                   |                                |                                      |  |
| <b>Operating<br/>revenues:</b>                     |                                                     |                                      |                                   |                                |                                      |  |
| Natural gas<br>sales                               | \$ 96,961                                           | 50,592                               | 147,533                           | 107,281                        | 31,432                               |  |
| NGL sales                                          | 8,338                                               | 5,223                                | 13,561                            | 15,245                         | 4,913                                |  |
| Oil sales                                          | 4,449                                               | 967                                  | 5,416                             | 13,325                         | 357                                  |  |
| Realized<br>commodity<br>derivative<br>gains       | 31,735                                              | 16,823                               | 48,558                            | 128,909                        | 33,681                               |  |
| Unrealized<br>commodity<br>derivative<br>gains     | 26,953                                              | (6,404)                              | 20,549                            | 124,887                        | (11,025)                             |  |
| Gain on sale<br>of assets                          | —                                                   | —                                    | —                                 | 291,305                        | —                                    |  |
| Total<br>operating<br>revenues                     | 168,436                                             | 67,201                               | 235,637                           | 680,952                        | 59,358                               |  |
| <b>Operating<br/>expenses:</b>                     |                                                     |                                      |                                   |                                |                                      |  |
| Lease<br>operating<br>expenses                     | 11,400                                              | 3,584                                | 14,984                            | 12,180                         | 4,344                                |  |
| Gathering,<br>compression<br>and<br>transportation | 21,892                                              | 15,065                               | 36,957                            | 45,912                         | 16,267                               |  |
| Production<br>taxes                                | 6,668                                               | 569                                  | 7,237                             | 9,794                          | 417                                  |  |
| Exploration<br>expenses                            | 4,934                                               | 499                                  | 5,433                             | 4,899                          | 269                                  |  |

|                                                                                |           |          |          |           |          |  |
|--------------------------------------------------------------------------------|-----------|----------|----------|-----------|----------|--|
| Impairment of unproved properties                                              | 2,176     | 924      | 3,100    | 2,165     | 409      |  |
| Depletion, depreciation and amortization                                       | 38,748    | 33,900   | 72,648   | 65,678    | 35,900   |  |
| Accretion of asset retirement obligations                                      | 156       | 49       | 205      | 209       | 56       |  |
| General and administrative                                                     | 14,568    | —        | 14,568   | 19,646    | —        |  |
| Loss on sale of compressor station                                             | 8,700     | —        | 8,700    | —         | —        |  |
| Total operating expenses                                                       | 109,242   | 54,590   | 163,832  | 160,483   | 57,662   |  |
| Operating income                                                               | 59,194    | 12,611   | 71,805   | 520,469   | 1,696    |  |
| Interest expense and loss on interest rate derivatives                         | (30,754)  | —        | (30,754) | (48,593)  | —        |  |
| Income (loss) before income taxes                                              | 28,440    | 12,611   | 41,051   | 471,876   | 1,696    |  |
| Income tax benefit (expense)                                                   | (25,363)  | —        | (25,363) | (196,696) | —        |  |
| Income from continuing operations                                              | 3,077     | 12,611   | 15,688   | 275,180   | 1,696    |  |
| Income (loss) from discontinued operations and sale of discontinued operations | 12,611    | (12,611) | —        | (425,536) | (1,696)  |  |
| Net income (loss) attributable to Antero members                               | \$ 15,688 | —        | 15,688   | (150,356) | —        |  |
| <b>Production data:</b>                                                        |           |          |          |           |          |  |
| Natural gas (Bcf)                                                              | 22        | 12       | 34       | 43        | 14       |  |
| NGLs (MBbl)                                                                    | 177       | 99       | 276      | 415       | 123      |  |
| Oil (MBbl)                                                                     | 54        | 12       | 66       | 157       | 4        |  |
| Combined (Bcfe)                                                                | 23        | 13       | 36       | 46        | 14       |  |
| Daily combined production (MMcfe/d)                                            | 126       | 71       | 197      | 253       | 79       |  |
| <b>Average prices before effects of hedges:</b>                                |           |          |          |           |          |  |
| Natural gas (per Mcf)                                                          | \$ 4.51   | \$ 4.17  | \$ 4.39  | \$ 2.52   | \$ 2.31  |  |
| NGLs (per Bbl)                                                                 | \$ 47.10  | \$ 52.62 | \$ 49.08 | \$ 36.75  | \$ 39.93 |  |
| Oil (per Bbl)                                                                  | \$ 83.10  | \$ 81.88 | \$ 82.88 | \$ 84.73  | \$ 93.95 |  |

|                                                                                                   |          |          |          |          |          |
|---------------------------------------------------------------------------------------------------|----------|----------|----------|----------|----------|
| Combined<br>(per Mcfe)<br><b>Average<br/>realized<br/>prices after<br/>effects of<br/>hedges:</b> | \$ 4.80  | \$ 4.43  | \$ 4.67  | \$ 2.95  | \$ 2.56  |
| Natural gas<br>(per Mcf)                                                                          | \$ 6.01  | \$ 5.55  | \$ 5.84  | \$ 5.55  | \$ 4.79  |
| NGLs (per<br>Bbl)                                                                                 | \$ 47.10 | \$ 52.62 | \$ 49.08 | \$ 36.75 | \$ 39.93 |
| Oil (per Bbl)                                                                                     | \$ 73.81 | \$ 81.88 | \$ 75.27 | \$ 81.95 | \$ 93.95 |
| Combined<br>(per Mcfe)<br><b>Average<br/>Costs (per<br/>Mcfe):</b>                                | \$ 6.18  | \$ 5.75  | \$ 6.03  | \$ 5.74  | \$ 4.90  |
| Lease<br>operating<br>costs                                                                       | \$ 0.50  | \$ 0.28  | \$ 0.42  | \$ 0.26  | \$ 0.30  |
| Gathering,<br>compression,<br>and<br>transportation                                               | \$ 0.96  | \$ 1.18  | \$ 1.04  | \$ 1.00  | \$ 1.13  |
| Production<br>taxes                                                                               | \$ 0.29  | \$ 0.04  | \$ 0.20  | \$ 0.21  | \$ 0.03  |
| Depletion,<br>depreciation,<br>amortization<br>and<br>accretion                                   | \$ 1.69  | \$ 2.65  | \$ 2.04  | \$ 1.43  | \$ 2.51  |
| General and<br>administrative                                                                     | \$ 0.64  | \$ —     | \$ 0.41  | \$ 0.43  | \$ —     |

Adjusted net revenue as set forth in this release represents total operating revenues adjusted for certain non-cash items including unrealized derivative gains and losses and gains and losses on asset sales. We believe that adjusted net revenue is useful to investors in evaluating operational trends of the Company and its performance relative to other oil and gas producing companies. Adjusted net revenue is not a measure of financial performance under GAAP and should not be considered in isolation or as a substitute for total operating revenues as an indicator of financial performance. The following table reconciles total operating revenues to total adjusted net revenues:

|                                                   | Three months ended<br>June 30, |            | Six months ended<br>June 30, |            |
|---------------------------------------------------|--------------------------------|------------|------------------------------|------------|
|                                                   | 2012                           | 2011       | 2012                         | 2011       |
| Total revenues from continuing operations         | \$ 60,957                      | \$ 169,299 | \$ 680,952                   | \$ 168,436 |
| Total revenues from discontinued operations       | 12,521                         | 45,395     | 59,358                       | 67,201     |
| Total revenues                                    | \$ 73,478                      | \$ 214,694 | \$ 740,310                   | \$ 235,637 |
| Gain on sale of assets                            | —                              | —          | (291,305)                    | —          |
| Unrealized commodity derivative (gains)<br>losses | 89,101                         | (97,815)   | (113,862)                    | (20,549)   |
| Adjusted net revenues                             | \$ 162,579                     | \$ 116,879 | \$ 335,143                   | \$ 215,088 |

Adjusted net income as set forth in this release represents income from operations before deferred income taxes, adjusted for certain non-cash items from operations and discontinued operations. We believe that adjusted net income is useful to investors in evaluating

operational trends of the Company and its performance relative to other oil and gas producing companies. Adjusted net income is not a measure of financial performance in accordance with GAAP and should not be considered in isolation or as a substitute for net income (loss) as an indicator of financial performance. The following table reconciles income from operations to adjusted net income:

|                                                | Three months ended<br>June 30, |                  | Six months ended<br>June 30, |                  |
|------------------------------------------------|--------------------------------|------------------|------------------------------|------------------|
|                                                | 2012                           | 2011             | 2012                         | 2011             |
| Net income (loss)                              | \$ (478,087)                   | \$ 74,623        | \$ (150,356)                 | \$ 15,688        |
| Unrealized commodity derivative (gains) losses | 89,101                         | (97,815)         | (113,862)                    | (20,549)         |
| Loss on sale of Arkoma Basin assets            | 427,232                        |                  | 427,232                      |                  |
| Gain on sale of Marcellus gathering assets     |                                |                  | (291,305)                    |                  |
| Loss on sale of compressor station             | -                              | 8,700            | -                            | 8,700            |
| Income tax expense (benefit)                   | (16,159)                       | 33,785           | 196,696                      | 25,363           |
| Adjusted net income                            | <u>\$ 22,087</u>               | <u>\$ 19,293</u> | <u>\$ 68,405</u>             | <u>\$ 29,202</u> |

Cash flow from operations before changes in working capital as presented in this release represents net cash provided by operations before changes in working capital. Cash flow from operations before changes in working capital is widely accepted by the investment community as a financial indicator of an oil and gas company's ability to generate cash to internally fund exploration and development activities and to service debt. Cash flow from operations before changes in working capital is also useful because it is widely used by professional research analysts in valuing, comparing, rating and providing investment recommendations of companies in the oil and gas exploration and production industry. In turn, many investors use this published research in making investment decisions. Cash flow from operations before changes in working capital is not a measure of financial performance under GAAP and should not be considered as an alternative to cash flows from operations, investing, or financing activities, as an indicator of cash flows, or as a measure of liquidity. The following table reconciles net cash provided by operating activities to cash flow from operations before changes in working capital as used in this release:

|                                                             | Three months ended<br>June 30, |                  | Six months ended<br>June 30, |                   |
|-------------------------------------------------------------|--------------------------------|------------------|------------------------------|-------------------|
|                                                             | 2012                           | 2011             | 2012                         | 2011              |
| Net cash provided by operating activities                   | \$ 60,493                      | \$ 41,736        | \$ 160,984                   | \$ 111,903        |
| Net change in working capital                               | (16,654)                       | (17,101)         | 4,040                        | 6,451             |
| Cash flow from operations before changes in working capital | <u>\$ 77,147</u>               | <u>\$ 58,837</u> | <u>\$ 156,944</u>            | <u>\$ 105,452</u> |

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 of assets, franchise taxes and expenses related to business acquisitions. 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% and 7.25% 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. The following table represents a reconciliation of our net income to EBITDAX for the three and six months ended June 30, 2010 and 2011:

|                                                          | Three months ended<br>June 30, |                  | Six months ended<br>June 30, |                   |
|----------------------------------------------------------|--------------------------------|------------------|------------------------------|-------------------|
|                                                          | 2012                           | 2011             | 2012                         | 2011              |
| Net income (loss)                                        | \$ (478,087)                   | \$ 74,623        | \$ (150,356)                 | \$ 15,688         |
| Unrealized loss (gain) on commodity derivative contracts | 89,101                         | (97,814)         | (113,862)                    | (20,549)          |
| Interest expense and other                               | 24,223                         | 15,606           | 48,593                       | 30,754            |
| Provision (benefit) for income taxes                     | (16,159)                       | 33,785           | 196,696                      | 25,363            |
| Depreciation, depletion, amortization and accretion      | 54,044                         | 39,088           | 101,844                      | 72,853            |
| Impairment of unproved properties                        | 1,538                          | 782              | 2,574                        | 3,100             |
| Exploration expense                                      | 3,151                          | 2,304            | 5,167                        | 5,433             |
| Loss on sale of Arkoma Basin assets                      | 427,232                        | —                | 427,232                      | —                 |
| Gain on sale of gathering systems                        | —                              | —                | (291,305)                    | —                 |
| Loss on sale of compressor station                       | —                              | 8,700            | —                            | 8,700             |
| Other                                                    | 1,196                          | 156              | 1,996                        | 523               |
| EBITDAX                                                  | <u>\$ 106,239</u>              | <u>\$ 77,230</u> | <u>\$ 228,579</u>            | <u>\$ 141,865</u> |

The cash prices realized for oil, NGLs and natural gas production including the amounts realized on cash settled derivatives are a critical component in the Company's performance tracked by investors and professional research analysts in valuing, comparing, rating and providing investment recommendations and forecasts of companies in the oil and gas exploration and production industry. In turn, many investors use this published research in

making investment decisions. Due to the GAAP disclosures of various hedging and derivative transactions, such information is now reported in various lines of the income statement.

*Antero Resources is an independent oil and natural gas company engaged in the acquisition, development and production of unconventional natural gas properties primarily located in the Appalachian Basin in West Virginia, Pennsylvania and Ohio and the Piceance Basin in Colorado. Our website is [www.anteroresources.com](http://www.anteroresources.com).*

*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.*

**ANTERO RESOURCES LLC**  
Condensed Consolidated Balance Sheets  
December 31, 2011 and June 30, 2012  
(Unaudited)  
(In thousands)

| <b>Assets</b>                                                                                                        | <b>2011</b> | <b>2012</b> |
|----------------------------------------------------------------------------------------------------------------------|-------------|-------------|
| Current assets:                                                                                                      |             |             |
| Cash and cash equivalents                                                                                            | \$ 3,343    | 5,575       |
| Accounts receivable — trade, net of allowance for doubtful accounts of \$182 and \$10 in 2011 and 2012, respectively | 25,117      | 36,720      |
| Notes receivable — short-term portion                                                                                | 7,000       | 8,333       |
| Accrued revenue                                                                                                      | 35,986      | 17,451      |
| Derivative instruments                                                                                               | 248,550     | 220,361     |
| Other                                                                                                                | 13,646      | 13,911      |
| Total current assets                                                                                                 | 333,642     | 302,351     |
| Property and equipment:                                                                                              |             |             |
| Natural gas properties, at cost (successful efforts method):                                                         |             |             |
| Unproved properties                                                                                                  | 834,255     | 984,105     |
| Producing properties                                                                                                 | 2,497,306   | 1,925,216   |
| Gathering systems and facilities                                                                                     | 142,241     | 113,270     |

|                                                            |                     |                  |
|------------------------------------------------------------|---------------------|------------------|
| Other property and equipment                               | 8,314               | 9,615            |
|                                                            | <u>3,482,116</u>    | <u>3,032,206</u> |
| Less accumulated depletion, depreciation, and amortization | (601,702)           | (353,406)        |
| Property and equipment, net                                | <u>2,880,414</u>    | <u>2,678,800</u> |
| Derivative instruments                                     | 541,423             | 575,255          |
| Notes receivable — long-term portion                       | 5,111               | 3,333            |
| Other assets, net                                          | 28,210              | 26,343           |
| Total assets                                               | <u>\$ 3,788,800</u> | <u>3,586,082</u> |
| <b>Liabilities and Equity</b>                              |                     |                  |
| Current liabilities:                                       |                     |                  |
| Accounts payable                                           | \$ 107,027          | 132,998          |
| Accrued liabilities                                        | 35,011              | 46,298           |
| Revenue distributions payable                              | 34,768              | 32,953           |
| Advances from joint interest owners                        | 2,944               | 2,239            |
| Current income tax liability                               | —                   | 10,300           |
| Deferred income tax liability                              | 75,308              | 86,978           |
| Total current liabilities                                  | <u>255,058</u>      | <u>311,766</u>   |
| Long-term liabilities:                                     |                     |                  |
| Long-term debt                                             | 1,317,330           | 1,042,172        |
| Deferred income tax liability                              | 245,327             | 412,053          |
| Other long-term liabilities                                | 12,279              | 11,641           |
| Total liabilities                                          | <u>1,829,994</u>    | <u>1,777,632</u> |
| Equity:                                                    |                     |                  |
| Members' equity                                            | 1,460,947           | 1,460,947        |
| Accumulated earnings                                       | 497,859             | 347,503          |
| Total equity                                               | <u>1,958,806</u>    | <u>1,808,450</u> |
| Total liabilities and equity                               | <u>\$ 3,788,800</u> | <u>3,586,082</u> |

## ANTERO RESOURCES LLC

### Condensed Consolidated Statements of Operations and Comprehensive Income (Loss) Three months ended June 30, 2011 and 2012 (Unaudited) (In thousands)

|                                                                                                                                                                         | <b>2011</b>     | <b>2012</b>     |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------|-----------------|
| Revenue:                                                                                                                                                                |                 |                 |
| Natural gas sales                                                                                                                                                       | \$ 60,138       | 52,531          |
| Natural gas liquids sales                                                                                                                                               | 4,983           | 6,057           |
| Oil sales                                                                                                                                                               | 2,297           | 6,072           |
| Realized and unrealized gain (loss) on commodity derivative instruments (including unrealized gains (losses) of \$89,621 and \$(69,576) in 2011 and 2012, respectively) | <u>101,881</u>  | <u>(3,703)</u>  |
| Total revenue                                                                                                                                                           | <u>169,299</u>  | <u>60,957</u>   |
| Operating expenses:                                                                                                                                                     |                 |                 |
| Lease operating expenses                                                                                                                                                | 6,160           | 5,761           |
| Gathering, compression and transportation                                                                                                                               | 12,256          | 27,256          |
| Production taxes                                                                                                                                                        | 3,967           | 4,403           |
| Exploration expenses                                                                                                                                                    | 2,077           | 3,031           |
| Impairment of unproved properties                                                                                                                                       | 131             | 1,538           |
| Depletion, depreciation and amortization                                                                                                                                | 21,580          | 36,306          |
| Accretion of asset retirement obligations                                                                                                                               | 84              | 108             |
| General and administrative                                                                                                                                              | 8,207           | 10,473          |
| Loss on sale of assets                                                                                                                                                  | 8,700           | —               |
| Total operating expenses                                                                                                                                                | <u>63,162</u>   | <u>88,876</u>   |
| Operating income (loss)                                                                                                                                                 | <u>106,137</u>  | <u>(27,919)</u> |
| Interest expense                                                                                                                                                        | <u>(15,606)</u> | <u>(24,223)</u> |
| Income (loss) from continuing operations before income taxes and discontinued operations                                                                                | 90,531          | (52,142)        |

|                                                                                        |           |           |
|----------------------------------------------------------------------------------------|-----------|-----------|
| Income tax (expense) benefit                                                           | (33,785)  | 16,159    |
| Income (loss) from continuing operations                                               | 56,746    | (35,983)  |
| Discontinued operations:                                                               |           |           |
| Income (loss) from results of operations and sale of discontinued operations           | 17,877    | (442,104) |
| Net income (loss) and comprehensive income (loss) attributable to Antero equity owners | \$ 74,623 | (478,087) |

## ANTERO RESOURCES LLC

### Condensed Consolidated Statements of Operations and Comprehensive Income (Loss) Six months ended June 30, 2011 and 2012 (Unaudited) (In thousands)

|                                                                                                                                                        | 2011      | 2012      |
|--------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|-----------|
| Revenue:                                                                                                                                               |           |           |
| Natural gas sales                                                                                                                                      | \$ 96,961 | 107,281   |
| Natural gas liquids sales                                                                                                                              | 8,338     | 15,245    |
| Oil sales                                                                                                                                              | 4,449     | 13,325    |
| Realized and unrealized gain on commodity derivative instruments (including unrealized gains of \$26,953 and \$124,887 in 2011 and 2012, respectively) | 58,688    | 253,796   |
| Gain on sale of gathering system                                                                                                                       | —         | 291,305   |
| Total revenue                                                                                                                                          | 168,436   | 680,952   |
| Operating expenses:                                                                                                                                    |           |           |
| Lease operating expenses                                                                                                                               | 11,400    | 12,180    |
| Gathering, compression and transportation                                                                                                              | 21,892    | 45,912    |
| Production taxes                                                                                                                                       | 6,668     | 9,794     |
| Exploration expenses                                                                                                                                   | 4,934     | 4,899     |
| Impairment of unproved properties                                                                                                                      | 2,176     | 2,165     |
| Depletion, depreciation and amortization                                                                                                               | 38,748    | 65,678    |
| Accretion of asset retirement obligations                                                                                                              | 156       | 209       |
| General and administrative                                                                                                                             | 14,568    | 19,646    |
| Loss on sale of assets                                                                                                                                 | 8,700     | —         |
| Total operating expenses                                                                                                                               | 109,242   | 160,483   |
| Operating income                                                                                                                                       | 59,194    | 520,469   |
| Other expense:                                                                                                                                         |           |           |
| Interest expense                                                                                                                                       | (30,660)  | (48,593)  |
| Realized and unrealized losses on interest derivative instruments, net (including unrealized gains of \$4,212 in 2011)                                 | (94)      | —         |
| Total other expense                                                                                                                                    | (30,754)  | (48,593)  |
| Income from continuing operations before income taxes and discontinued operations                                                                      | 28,440    | 471,876   |
| Income tax expense                                                                                                                                     | (25,363)  | (196,696) |
| Income from continuing operations                                                                                                                      | 3,077     | 275,180   |
| Discontinued operations:                                                                                                                               |           |           |
| Income (loss) from results of operations and sale of discontinued operations                                                                           | 12,611    | (425,536) |
| Net income (loss) and comprehensive income (loss) attributable to Antero equity owners                                                                 | \$ 15,688 | (150,356) |

## ANTERO RESOURCES LLC

### Condensed Consolidated Statements of Cash Flows Six months ended June 30, 2011 and 2012 (Unaudited) (In thousands)

|                                                                                                       | <b>2011</b>      | <b>2012</b>      |
|-------------------------------------------------------------------------------------------------------|------------------|------------------|
| Cash flows from operating activities:                                                                 |                  |                  |
| Net income (loss)                                                                                     | \$ 15,688        | (150,356)        |
| Adjustment to reconcile net income to net cash provided by operating activities:                      |                  |                  |
| Depletion, depreciation, and amortization                                                             | 38,904           | 65,887           |
| Impairment of unproved properties                                                                     | 2,176            | 2,165            |
| Unrealized gains on derivative instruments, net                                                       | (31,165)         | (124,887)        |
| Loss on sale of discontinued operations                                                               | —                | 427,232          |
| Loss (gain) on sale of assets                                                                         | 8,700            | (291,305)        |
| Depletion, depreciation, amortization and impairment of unproved properties — discontinued operations | 34,873           | 36,365           |
| Unrealized losses on derivative instruments, net — discontinued operations                            | 6,404            | 11,025           |
| Deferred taxes                                                                                        | 25,363           | 178,396          |
| Other                                                                                                 | 4,509            | 2,422            |
| Changes in current assets and liabilities:                                                            |                  |                  |
| Accounts receivable                                                                                   | 712              | (15,791)         |
| Accrued revenue                                                                                       | (11,894)         | 18,535           |
| Other current assets                                                                                  | (2,745)          | (3,162)          |
| Accounts payable                                                                                      | (252)            | (17,058)         |
| Accrued liabilities                                                                                   | 6,701            | 11,298           |
| Revenue distributions payable                                                                         | 11,442           | 575              |
| Advances from joint interest owners                                                                   | 2,487            | (657)            |
| Current income taxes payable                                                                          | —                | 10,300           |
| Net cash provided by operating activities                                                             | <u>111,903</u>   | <u>160,984</u>   |
| Cash flows from investing activities:                                                                 |                  |                  |
| Additions to proved properties                                                                        | —                | (4,451)          |
| Additions to unproved properties                                                                      | (45,960)         | (263,737)        |
| Drilling costs                                                                                        | (229,122)        | (377,199)        |
| Additions to gathering systems and facilities                                                         | (49,953)         | (47,982)         |
| Additions to other property and equipment                                                             | (799)            | (1,300)          |
| Proceeds from asset sales                                                                             | 15,379           | 811,253          |
| Changes in other assets                                                                               | (2,635)          | (257)            |
| Net cash provided by (used in) investing activities                                                   | <u>(313,090)</u> | <u>116,327</u>   |
| Cash flows from financing activities:                                                                 |                  |                  |
| Borrowings (repayments) on bank credit facility, net                                                  | 225,000          | (275,000)        |
| Distribution to members                                                                               | (28,858)         | —                |
| Other                                                                                                 | —                | (79)             |
| Net cash provided by (used in) financing activities                                                   | <u>196,142</u>   | <u>(275,079)</u> |
| Net increase (decrease) in cash and cash equivalents                                                  | <u>(5,045)</u>   | <u>2,232</u>     |
| Cash and cash equivalents, beginning of period                                                        | 8,988            | 3,343            |
| Cash and cash equivalents, end of period                                                              | <u>\$ 3,943</u>  | <u>5,575</u>     |
| Supplemental disclosure of cash flow information:                                                     |                  |                  |
| Cash paid during the period for interest                                                              | \$ (29,150)      | (45,064)         |
| Supplemental disclosure of noncash investing activities:                                              |                  |                  |
| Changes in accounts payable for additions to properties, gathering systems and facilities             | \$ 3,654         | 31,593           |

## OPERATING DATA

The following table sets forth selected operating data for the three months ended June 30, 2011 compared to the three months ended June 30, 2012:

| Three Months Ended<br>June 31,                      |      | Amount of<br>Increase<br>(Decrease) | Percent<br>Change |
|-----------------------------------------------------|------|-------------------------------------|-------------------|
| 2011                                                | 2012 |                                     |                   |
| (in thousands, except per unit and production data) |      |                                     |                   |
| Operating revenues:                                 |      |                                     |                   |

|                                                                                |                  |                |               |           |          |
|--------------------------------------------------------------------------------|------------------|----------------|---------------|-----------|----------|
| Natural gas sales                                                              | \$ 60,138        | 52,531         | (7,607)       | (13)      | %        |
| NGL sales                                                                      | 4,983            | 6,057          | 1,074         | 22        | %        |
| Oil sales                                                                      | 2,297            | 6,072          | 3,775         | 164       | %        |
| Realized commodity derivative gains                                            | 12,260           | 65,873         | 53,613        | 437       | %        |
| Unrealized commodity derivative gains (losses)                                 | 89,621           | (69,576)       | (159,197)     | *         |          |
| Total operating revenues                                                       | 169,299          | 60,957         | (108,342)     | (64)      | %        |
| <b>Operating expenses:</b>                                                     |                  |                |               |           |          |
| Lease operating expense                                                        | 6,160            | 5,761          | (399)         | (6)       | %        |
| Gathering, compression and transportation                                      | 12,256           | 27,256         | 15,000        | 122       | %        |
| Production taxes                                                               | 3,967            | 4,403          | 436           | 11        | %        |
| Exploration expenses                                                           | 2,077            | 3,031          | 954           | 46        | %        |
| Impairment of unproved properties                                              | 131              | 1,538          | 1,407         | 1,074     | %        |
| Depletion, depreciation and amortization                                       | 21,580           | 36,306         | 14,726        | 68        | %        |
| Accretion of asset retirement obligations                                      | 84               | 108            | 24            | 29        | %        |
| General and administrative                                                     | 8,207            | 10,473         | 2,266         | 28        | %        |
| Loss on sale of compressor station                                             | 8,700            | —              | (8,700)       | *         |          |
| Total operating expenses                                                       | 63,162           | 88,876         | 25,714        | 41        | %        |
| Operating income (loss)                                                        | 106,137          | (27,919)       | (134,056)     | *         |          |
| Interest expense                                                               | (15,606)         | (24,223)       | (8,617)       | 55        | %        |
| Income (loss) before income taxes                                              | 90,531           | (52,142)       | (142,673)     | *         |          |
| Income tax benefit (expense)                                                   | (33,785)         | 16,159         | 49,944        | *         |          |
| Income (loss) from continuing operations                                       | 56,746           | (35,983)       | (92,729)      | *         |          |
| Income (loss) from discontinued operations and sale of discontinued operations | 17,877           | (442,104)      | (459,981)     | *         |          |
| Net income (loss) attributable to Antero members                               | \$ 74,623        | (478,087)      | (552,710)     | *         |          |
| <b>EBITDAX</b>                                                                 | <b>\$ 77,230</b> | <b>106,239</b> | <b>29,009</b> | <b>38</b> | <b>%</b> |
| <b>Production data:</b>                                                        |                  |                |               |           |          |
| Natural gas (Bcf)                                                              | 13               | 23             | 10            | 79        | %        |
| NGLs (MBbl)                                                                    | 93               | 188            | 95            | 199       | %        |
| Oil (MBbl)                                                                     | 26               | 78             | 52            | 102       | %        |
| Combined (Bcfe)                                                                | 14               | 25             | 11            | 82        | %        |
| Daily combined production (MMcfe/d)                                            | 149              | 271            | 122           | 82        | %        |
| <b>Average prices before effects of hedges:</b>                                |                  |                |               |           |          |
| Natural gas (per Mcf)                                                          | \$ 4.68          | \$ 2.28        | \$ (2.40)     | (51)      | %        |
| NGLs (per Bbl)                                                                 | \$ 53.67         | \$ 32.28       | \$ (21.39)    | (40)      | %        |
| Oil (per Bbl)                                                                  | \$ 88.08         | \$ 78.04       | \$ (10.04)    | (11)      | %        |
| Combined (per Mcfe)                                                            | \$ 4.97          | \$ 2.62        | \$ (2.35)     | (47)      | %        |
| <b>Average realized prices after effects of hedges:</b>                        |                  |                |               |           |          |
| Natural gas (per Mcf)                                                          | \$ 5.67          | \$ 5.14        | \$ (0.53)     | (9)       | %        |
| NGLs (per Bbl)                                                                 | \$ 53.67         | \$ 32.28       | \$ (21.39)    | (40)      | %        |
| Oil (per Bbl)                                                                  | \$ 74.69         | \$ 76.88       | \$ 2.19       | 3         | %        |
| Combined (per Mcfe)                                                            | \$ 5.88          | \$ 5.30        | \$ (0.58)     | (10)      | %        |
| <b>Average Costs (per Mcfe):</b>                                               |                  |                |               |           |          |
| Lease operating costs                                                          | \$ 0.45          | \$ 0.23        | \$ (0.22)     | (49)      | %        |
| Gathering, compression and transportation                                      | \$ 0.90          | \$ 1.11        | \$ 0.21       | 23        | %        |
| Production taxes                                                               | \$ 0.29          | \$ 0.18        | \$ (0.11)     | (38)      | %        |
| Depletion, depreciation, amortization and accretion                            | \$ 1.59          | \$ 1.47        | \$ (0.12)     | (8)       | %        |
| General and administrative                                                     | \$ 0.61          | \$ 0.43        | \$ (0.18)     | (30)      | %        |

## OPERATING DATA

The following table sets forth selected operating data for the six months ended June 30, 2011 compared to the six months ended June 30, 2012:

|  | Six Months Ended<br>June 30, | Amount of<br>Increase | Percent |
|--|------------------------------|-----------------------|---------|
|--|------------------------------|-----------------------|---------|

|                                                         | 2011                                                | 2012      | (Decrease) | Change |   |
|---------------------------------------------------------|-----------------------------------------------------|-----------|------------|--------|---|
|                                                         | (in thousands, except per unit and production data) |           |            |        |   |
| <b>Operating revenues:</b>                              |                                                     |           |            |        |   |
| Natural gas sales                                       | \$ 96,961                                           | 107,281   | 10,320     | 11     | % |
| NGL sales                                               | 8,338                                               | 15,245    | 6,907      | 83     | % |
| Oil sales                                               | 4,449                                               | 13,325    | 8,876      | 200    | % |
| Realized commodity derivative gains                     | 31,735                                              | 128,909   | 97,174     | 306    | % |
| Unrealized commodity derivative gains                   | 26,953                                              | 124,887   | 97,934     | 363    | % |
| Gain on sale of assets                                  | —                                                   | 291,305   | 291,305    | *      |   |
| Total operating revenues                                | 168,436                                             | 680,952   | 512,516    | 304    | % |
| <b>Operating expenses:</b>                              |                                                     |           |            |        |   |
| Lease operating expense                                 | 11,400                                              | 12,180    | 780        | 7      | % |
| Gathering, compression and transportation               | 21,892                                              | 45,912    | 24,020     | 110    | % |
| Production taxes                                        | 6,668                                               | 9,794     | 3,126      | 47     | % |
| Exploration expenses                                    | 4,934                                               | 4,899     | (35)       | (1)    | % |
| Impairment of unproved properties                       | 2,176                                               | 2,165     | (11)       | (1)    | % |
| Depletion, depreciation and amortization                | 38,748                                              | 65,678    | 26,930     | 70     | % |
| Accretion of asset retirement obligations               | 156                                                 | 209       | 53         | 34     | % |
| General and administrative                              | 14,568                                              | 19,646    | 5,078      | 35     | % |
| Loss on sale of compressor station                      | 8,700                                               | —         | (8,700)    | *      |   |
| Total operating expenses                                | 109,242                                             | 160,483   | 51,241     | 47     | % |
| Operating income                                        | 59,194                                              | 520,469   | 461,275    | 779    | % |
| Interest expense and loss on interest rate derivatives  | (30,754)                                            | (48,593)  | (17,839)   | 58     | % |
| Income (loss) before income taxes                       | 28,440                                              | 471,876   | 443,436    | 1,559  | % |
| Income tax expense                                      | (25,363)                                            | (196,696) | (171,333)  | 676    | % |
| Income from continuing operations                       | 3,077                                               | 275,180   | 272,103    | 8,843  | % |
| Income (loss) from discontinued operations              | 12,611                                              | (425,536) | (438,147)  | *      |   |
| Net income (loss) attributable to Antero members        | \$ 15,688                                           | (150,356) | (166,044)  | *      |   |
| <b>EBITDAX</b>                                          | \$ 141,865                                          | 228,579   | 86,714     | 61     | % |
| <b>Production data:</b>                                 |                                                     |           |            |        |   |
| Natural gas (Bcf)                                       | 22                                                  | 43        | 21         | 98     | % |
| NGLs (MBbl)                                             | 177                                                 | 415       | 238        | 134    | % |
| Oil (MBbl)                                              | 54                                                  | 157       | 103        | 194    | % |
| Combined (Bcfe)                                         | 23                                                  | 46        | 23         | 101    | % |
| Daily combined production (MMcfe/d)                     | 126                                                 | 253       | 127        | 101    | % |
| Average prices before effects of hedges:                |                                                     |           |            |        |   |
| Natural gas (per Mcf)                                   | \$ 4.51                                             | \$ 2.52   | \$ (1.99)  | (44)   | % |
| NGLs (per Bbl)                                          | \$ 47.10                                            | \$ 36.75  | \$ (10.35) | (22)   | % |
| Oil (per Bbl)                                           | \$ 83.10                                            | \$ 84.73  | \$ 1.63    | 2      | % |
| Combined (per Mcfe)                                     | \$ 4.80                                             | \$ 2.95   | \$ (1.85)  | (39)   | % |
| <b>Average realized prices after effects of hedges:</b> |                                                     |           |            |        |   |
| Natural gas (per Mcf)                                   | \$ 6.01                                             | \$ 5.55   | \$ (0.46)  | (8)    | % |
| NGLs (per Bbl)                                          | \$ 47.10                                            | \$ 36.75  | \$ (10.35) | (22)   | % |
| Oil (per Bbl)                                           | \$ 73.81                                            | \$ 81.95  | \$ 8.14    | 11     | % |
| Combined (per Mcfe)                                     | \$ 6.18                                             | \$ 5.74   | \$ (0.44)  | (7)    | % |
| <b>Average Costs (per Mcfe):</b>                        |                                                     |           |            |        |   |
| Lease operating costs                                   | \$ 0.50                                             | \$ 0.26   | \$ (0.24)  | (48)   | % |
| Gathering, compression and transportation               | \$ 0.96                                             | \$ 1.00   | \$ 0.04    | 4      | % |
| Production taxes                                        | \$ 0.29                                             | \$ 0.21   | \$ (0.08)  | (28)   | % |
| Depletion, depreciation amortization and accretion      | \$ 1.69                                             | \$ 1.43   | \$ (0.26)  | (15)   | % |
| General and administrative                              | \$ 0.64                                             | \$ 0.43   | \$ (0.21)  | (33)   | % |

SOURCE Antero Resources