October 14, 2014

Antero Resources Third Quarter 2014 Operations Update

DENVER, Oct. 14, 2014 /PRNewswire/ --**Antero Resources (NYSE: AR)** ("Antero" or the "Company") announced third quarter 2014 operational highlights today.

- Third quarter 2014 average net daily gas equivalent production was 1,080 MMcfe/d, a 91% increase over the prior year quarter and a 21% increase sequentially
- Third quarter 2014 average net daily liquids production was 25,000 Bbl/d, a 217% increase over the prior year quarter and a 24% increase sequentially
- Realized natural gas price before hedging averaged $3.63 per Mcf, a $0.43 negative differential to Nymex
- Realized natural gas price after hedging averaged $4.31 per Mcf, a $0.25 positive differential to Nymex
- Realized NGL price (C3+) averaged $46.66 per barrel, or 48% of Nymex WTI
- Realized natural gas equivalent price including NGLs, oil and hedges averaged $4.91 per Mcfe
- Four-well RJ Smith pad in the Marcellus had a combined 56 MMcfe/d peak 30-day sales rate (21% liquids while rejecting ethane)

Operating Update

All operational figures are as of the date of this release unless otherwise noted.

Antero's net daily production for the third quarter of 2014 averaged 1,080 MMcfe/d, including 25,000 Bbl/d of liquids (14% liquids). Third quarter 2014 production represents an organic production growth rate of 91% and 21% from the third quarter of 2013 and second quarter of 2014, respectively. Liquids production for the third quarter of 2014 represents an organic production growth rate of 217% and 24% from the third quarter of 2013 and second quarter of 2014, respectively. The Company has now completed and placed on line a combined 361 horizontal wells in the Marcellus and Utica Shale plays since commencing drilling operations in Appalachia in 2009.

Antero's average realized natural gas price before hedging for the third quarter of 2014 was $3.63 per Mcf, a $0.43 negative differential to the Nymex average price for the period.

Approximately 59% of Antero's third quarter 2014 natural gas production was sold and priced at favorable price indices including TCO, Chicago and Nymex. The remaining 41% of third quarter gas production was priced at various other Appalachian index pricing points including Dominion South (35%) and Tetco M2 (6%) which weakened during the course of the third quarter.

The third quarter of 2014 was the first full quarter that Antero had access to the Chicago market through the Rockies Express Pipeline ("REX") utilizing the Seneca Lateral that was placed into service by REX on June 26, 2014. Antero currently has 250,000 MMBtu/d of firm capacity on REX that increases to 600,000 MMBtu/d of firm capacity in November 2014. Additionally, Antero currently has 420,000 MMbtu/d of firm capacity on Columbia accessing the TCO market pool that increases to 580,000 MMBtu/d of firm capacity in November 2014. Of the 580,000 MMBtu/d of firm capacity on Columbia, Antero has the ability to utilize 530,000 MMbtu/d of firm backhaul capacity on Columbia Gulf giving access to the Gulf Coast markets at the CGTLA index. This Gulf Coast backhaul has not been utilized to date due to the strength of TCO index pricing relative to Nymex. By November 2014, including firm sales arrangements, Antero will have access to 1,380,000 MMbtu/d of firm capacity accessing currently more favorable gas markets including CGTLA, Chicago, Nymex and TCO.

Antero's average realized natural gas price after hedging for the third quarter of 2014 was $4.31 per Mcf, a $0.25 positive differential to the Nymex average price for the period. For the third quarter of 2014, Antero realized a cash settled natural gas hedge gain of $58 million, or $0.68 per Mcf. This cash settled natural gas hedge gain included $38 million associated with hedges at the Dominion South index, $19 million associated with hedges at the TCO index, and $1 million associated with hedges at Nymex.

Antero's average realized C3+ natural gas liquid (NGL) price for the third quarter of 2014 was $46.66 per barrel, or approximately 48% of the Nymex WTI oil price average for the period. Antero's NGL barrels are comprised of propane, butane and heavier liquids as ethane is rejected at the gas processing plant and sold in the natural gas stream. Antero's average realized oil price before hedges for the quarter was $84.16 per barrel, a $13.62 per barrel discount to the Nymex WTI price. The average all-in natural gas equivalent price, including NGLs, oil and hedge settlements, was $4.91 per Mcfe for the third quarter of 2014.

The following table details the components of average net sales volumes and average realized prices for the three months ended September 30, 2014:

	Three Months Ended September 30, 2014			
	Gas (MMcf/d)	Oil (Bbls/d)	C3+ NGLs (Bbls/d)	Combined Gas Equivalent (MMcfe/d)
Average Net Sales Volumes	938	3,780	21,220	1,080
Average Realized Prices	Gas ($/Mcf)	Oil ($/Bbl)	C3+ NGLs ($/Bbl)	Combined Gas Equivalent ($/Mcfe)
Average realized price before cash settled hedges	$ 3.63	$ 84.16	$ 46.66	$ 4.33
Cash settled hedges	0.68	(1.69)	—	0.58
Average realized price after cash settled hedges	$ 4.31	$ 82.47	$ 46.66	$ 4.91
Nymex average gas price	$ 4.06			$ 4.06

Positive differential to Nymex	$ 0.25	$ 0.85

Commenting on product pricing, Glen Warren, President and Chief Financial Officer, said "We realized a $0.25 per Mcf premium to Nymex for our natural gas production including hedges during the quarter. Going forward, we forecast premium natural gas price realizations relative to Nymex through the 2016 forecast period due to our favorable firm transportation capacity to Gulf Coast and Midwest markets, our significant Appalachian index price hedges and our high Btu residue gas. This forecast is based on a number of assumptions including current Nymex strip prices, current index prices and Antero production targets. Further, we realized an $0.85 per Mcfe premium to Nymex on a gas equivalent basis for our combined gas, NGL and oil production including hedges during the quarter due to our growing liquids production."

Commenting on operating results, Paul Rady, Chairman of the Board and CEO, said "With consistently strong well results in our Marcellus and Utica rich gas areas, we continue to deliver Appalachian E&P industry leading production growth with net production for the quarter exceeding 1 Bcfe/d for the first time. As the most active driller in Appalachia today, Antero remains poised to deliver high growth and strong cash flow for the foreseeable future. Our third quarter 2014 production solidly positions us to meet our recently increased 2014 production guidance as well as our 45% to 50% growth targets for both 2015 and 2016."

Marcellus Shale —Antero has utilized shorter stage length (SSL) completions on virtually all of its 93 horizontal Marcellus wells completed and placed on line during 2014. Of the 93 wells completed in 2014 utilizing SSL completions, 84 have been on line for more than 30 days and had an average 30-day rate of 13.0 MMcfe/d while rejecting ethane (14% liquids). The average lateral length for the 84 wells was approximately 7,900 feet.

Production rates from SSL wells continue to exhibit 20% to 30% improvement as compared to the non-SSL type curve. The average well cost for an SSL well, defined as a well with an average stage length less than 225 feet, is approximately 10% to 15% higher than a comparable non-SSL well with an average stage length of 350 feet.

In September of 2014, Antero placed on line the four-well RJ Smith pad in its Highly-Rich Gas regime which had a combined 56 MMcfe/d peak 30-day sales rate with 1220 Btu gas while rejecting ethane (21% liquids). These strong 30-day rates are supportive of the continued transition of Antero's development program into the more liquids rich areas of its Marcellus leasehold position utilizing SSL completions.

Antero is currently operating 15 drilling rigs in the Marcellus Shale play including four intermediate rigs. Six of these drilling rigs are powered by either natural gas from producing wells in the field or liquefied natural gas (LNG). Antero implemented a program two years ago to convert drilling rigs to natural gas from the field or LNG in order to reduce emissions, realize fuel savings and minimize diesel tanker truck traffic.

The Company has 91 gross (90 net) horizontal wells either in the process of drilling, completing or waiting on completion as well as two gross (two net) wells waiting on pipeline in the Marcellus. Antero has five dedicated completion crews and three spot completion crews currently working in West Virginia.

Antero has been utilizing the first "Clean Fleet" completion spread in the Marcellus Shale since July 2014 and the fleet has delivered excellent performance. Antero recently executed a contract for a second Clean Fleet completion spread with U.S. Well Services ("USWS") and expects the fleet to be placed in operation in the Marcellus Shale during the second quarter of 2015. Clean Fleets are the industry's first fully mobile, fully electric hydraulic completion systems that are powered entirely by natural gas, resulting in the replacement of diesel engines with electric motors. Clean Fleet is a patented system developed by USWS that incorporates existing industry equipment configured to provide completion services with enhanced safety features, smaller physical and environmental footprints and reduced noise levels at a lower cost relative to traditional completion equipment.

Utica Shale –Antero has completed and placed on line 30 wells in the Utica Shale during 2014. Of the 30 wells completed in 2014, 25 have been on line for more than 30 days and had an average 30-day rate of 15 MMcfe/d while rejecting ethane (44% liquids). The average lateral length for the 25 wells was approximately 7,600 feet.

Last week, Antero placed on line the first three wells on the four-well Urban Pad, having an average Btu of 1187, which had a combined 37 MMcfe/d initial 3-day sales rate in ethane rejection (14% liquids). Additionally, Antero also just placed on line the first two wells on the three-well Monroe Pad, having an average Btu of 1181, which had a combined 27 MMcfe/d initial 3-day sales rate in ethane rejection (14% liquids). All five of these wells are flowing with restricted chokes and have an average flowing casing pressure of 4,850 psi. These wells are initially being flowed at restricted rates in order to maintain pipeline integrity due to the high flow rates. The Company plans to complete nine additional wells located in the Highly-Rich Gas regime and two additional wells in the Highly-Rich Gas/Condensate regime throughout the remainder of the year.

Antero is currently operating seven drilling rigs in the Utica Shale play including one intermediate rig. Five of these drilling rigs are powered by either natural gas or LNG.

The Company has 29 gross (26 net) horizontal wells either in the process of drilling, completing or waiting on completion. Antero currently has one full time dedicated completion crew and one spot completion crew working in Ohio.

Hedging Update

As of today, Antero has hedged 1.5 Tcfe of future production using fixed price swaps covering the period from October 1, 2014 through December 2019 at an average index price of $4.54/MMBtu and $93.18/Bbl. Based on the Company's 2014 annual production guidance, approximately 70% of Antero's estimated fourth quarter 2014 production, excluding NGLs, is hedged at an average index price of $4.73/MMBtu and $93.18/Bbl. Approximately 64% of Antero's hedge portfolio is made up of Nymex hedges and 36% is tied to Appalachian Basin, Chicago or Gulf Coast indices. Antero has the ability to physically deliver a substantial portion of its natural gas production through direct firm transportation to CGTLA near Henry, Louisiana, the index for Nymex pricing, essentially eliminating basis risk on the Company's Nymex hedges. Antero has 10 different counterparties to its hedge contracts, all of which are lenders in Antero's bank credit facility.

The following table summarizes Antero's hedge positions held as of October 14, 2014:

Period		Natural Gas MMBtu/d	Average Index price	Oil Bbl/d	Average Index price
4Q 2014:					
TCO		210,000	$5.24	—	—
Nymex		340,000	$4.18	—	—
DOM S		160,000	$5.27	—	—
CGTLA		10,000	$3.98	—	—
WTI		—	—	3,000	$93.18
	4Q 2014 Total	720,000	$4.73	3,000	$93.18
2015:					
TCO		120,000	$5.01	—	—
Nymex		270,000	$4.12	—	—
DOM S		230,000	$5.60	—	—
CGTLA		40,000	$4.00	—	—
	2015 Total	660,000	$4.79	—	—
2016:					
TCO		60,000	$4.91	—	—
Nymex		150,000	$4.16	—	—
DOM S		272,500	$5.35	—	—
CGTLA		170,000	$4.09	—	—
	2016 Total	652,500	$4.71	—	—
2017		780,000	$4.34	—	—
2018		1,072,500	$4.50	—	—
2019		817,500	$4.41	—	—

In addition, Antero has hedged 247 Bcf of basis on future production using fixed price TCO basis swaps covering the period from January 1, 2015 through December 31, 2017 at an average basis differential of $0.39/MMbtu.

NGL Firm Transportation Update

Antero previously announced a 51,500 barrel per day commitment to a 10-year transport, terminal and storage agreement with Sunoco Logistics Partners LP related to its Mariner East II Project that will connect the NGL resources in the Marcellus and Utica Shale to Sunoco's existing infrastructure and international port at its Marcus Hook facility near Philadelphia. Antero recently increased its commitment under this agreement to 61,500 barrels per day (11,500 barrels of ethane, 35,000 barrels of propane and 15,000 barrels of butane). Additionally, Antero has executed an ethane export agreement for 11,500 barrels per day with Borealis to commence upon start-up of Mariner East II. Antero will also have the ability, through the Marcus Hook facility, to market ethane, propane and butane to local markets in the Northeast as well as export product to international markets. International markets are currently paying a premium price for NGLs relative to Appalachian prices.

Antero Third Quarter 2014 Earnings Release and Call

Antero plans to issue its third quarter 2014 earnings release on Monday, November 3, 2014 after the close of trading on the New York Stock Exchange.

A conference call is scheduled on Tuesday, November 4, 2014 at 9:00 am MT to discuss the results. A brief Q&A session for security analysts will immediately follow the discussion of the results for the quarter. To participate in the call, dial in at 877-300-8521 (U.S.), 855-669-9657 (Canada), or 412-317-6026 (International) and reference passcode 10053701. A telephone replay of the call will be available until November 14, 2014 at 9:00 am MT at 877-

870-5176 (U.S.) or 858-384-5517 (International) using the same passcode.

A simultaneous webcast of the call may be accessed over the internet at www.anteroresources.com. The webcast will be archived for replay on the Company's website until November 14, 2014 at 9:00 am MT.

Presentation

An updated presentation has been posted to the Company's website to reflect and support information contained in this release. The presentation can be found at www.anteroresources.com on the homepage. Information on the Company's website does not constitute a portion of this press release.

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 located in the Appalachian Basin in West Virginia, Ohio and Pennsylvania. The Company's website is located at www.anteroresources.com.

This release includes "forward-looking statements". 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.

Antero cautions you that these forward-looking statements are subject to all of the risks and uncertainties, most of which are difficult to predict and many of which are beyond the Company's control, incident to the exploration for and development, production, gathering and sale of natural gas, NGLs 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 Antero's Annual Report on Form 10-K for the year ended December 31, 2013.

Logo - https://photos.prnewswire.com/prnh/20131101/LA09101LOGO

SOURCE Antero Resources