
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d) of
the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): **January 8, 2019**

ANTERO RESOURCES CORPORATION

(Exact name of registrant as specified in its charter)

Delaware
(State or Other Jurisdiction
of Incorporation)

001-36120
(Commission File Number)

80-0162034
(IRS Employer
Identification Number)

1615 Wynkoop Street
Denver, Colorado 80202
(Address of Principal Executive Offices) (Zip Code)

Registrant's Telephone Number, including Area Code **(303) 357-7310**

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- ☒ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- ☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- ☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- ☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Item 7.01 Regulation FD Disclosure.

On January 8, 2019, Antero Resources Corporation (“Antero Resources”) issued a press release, a copy of which is attached hereto as Exhibit 99.1 and incorporated by reference herein, announcing its capital budget for the year ended December 31, 2019 and production guidance. On January 8, 2019, Antero Resources also updated its monthly investor presentation. The updated investor presentation may be viewed on Antero Resources’ website at www.anteroresources.com, and a copy of the investor presentation is included as Exhibit 99.2 to this Current Report on Form 8-K and is incorporated into this Item 7.01 by reference.

The information furnished in this Item 7.01 (including the exhibits) shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that section, nor shall such information be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, regardless of any general incorporation language in such filing, except as shall be expressly set forth by specific reference in such filing.

Item 8.01 Other Events.

To the extent required by law, the information in Item 7.01 of this Form 8-K is incorporated into this Item 8.01.

NO OFFER OR SOLICITATION

This Current Report, including the press release attached as an exhibit hereto, includes a discussion of a proposed business combination transaction (the “Transaction”) between Antero Midstream Partners LP (“Antero Midstream”) and Antero Midstream GP LP (“AMGP”). This communication is for informational purposes only and does not constitute an offer to sell or the solicitation of an offer to buy any securities or a solicitation of any vote or approval, in any jurisdiction, pursuant to the Transaction or otherwise, nor shall there be any sale, issuance, exchange or transfer of the securities referred to in this document in any jurisdiction in contravention of applicable law. No offer of securities shall be made except by means of a prospectus meeting the requirements of Section 10 of the Securities Act of 1933, as amended.

IMPORTANT ADDITIONAL INFORMATION

In connection with the Transaction, AMGP has filed with the U.S. Securities and Exchange Commission (“SEC”) a registration statement on Form S-4, which includes a joint proxy statement of Antero Midstream and AMGP and a prospectus of AMGP. The registration statement on Form S-4 has not been declared effective by the SEC, and the definitive joint proxy statement/prospectus has not yet been delivered to Antero Midstream unitholders or AMGP shareholders. **INVESTORS AND SECURITY HOLDERS OF ANTERO MIDSTREAM AND AMGP ARE URGED TO READ THE REGISTRATION STATEMENT AND THE JOINT PROXY STATEMENT/PROSPECTUS REGARDING THE TRANSACTION AND ALL OTHER RELEVANT DOCUMENTS THAT ARE FILED OR WILL BE FILED WITH THE SEC, AS WELL AS ANY AMENDMENTS OR SUPPLEMENTS TO THESE DOCUMENTS, CAREFULLY AND IN THEIR ENTIRETY BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION ABOUT THE TRANSACTION AND RELATED MATTERS.**

Investors and security holders will be able to obtain free copies of the registration statement and the joint proxy statement/prospectus (when available) and all other documents filed or that will be filed with the SEC by AMGP or Antero Midstream through the website maintained by the SEC at <http://www.sec.gov>. Copies of documents filed with the SEC by Antero Midstream will be made available free of charge on Antero Midstream’s website at <http://investors.anteromidstream.com/investor-relations/AM>, under the heading “SEC Filings,” or by directing a request to Investor Relations, Antero Midstream Partners LP, 1615 Wynkoop Street, Denver, Colorado 75219, Tel. No. (303) 357-7310. Copies of documents filed with the SEC by AMGP will be made available free of charge on AMGP’s website at <http://investors.anteromidstreamgp.com/Investor-Relations/AMGP> or by directing a request to Investor Relations, Antero Midstream GP LP, 1615 Wynkoop Street, Denver, Colorado 75219, Tel. No. (303) 357-7310.

PARTICIPANTS IN THE SOLICITATION

AMGP, Antero Midstream, Antero Resources and the directors and executive officers of AMGP and Antero Midstream's respective general partners and of Antero Resources may be deemed to be participants in the solicitation of proxies in respect to the Transaction.

Information regarding the directors and executive officers of Antero Midstream's general partner is contained in Antero Midstream's 2018 Annual Report on Form 10-K filed with the SEC on February 13, 2018, and certain of its Current Reports on Form 8-K. You can obtain a free copy of this document at the SEC's website at <http://www.sec.gov> or by accessing Antero Midstream's website at <http://www.anteromidstream.com>. Information regarding the executive officers and directors of AMGP's general partner is contained in AMGP's 2018 Annual Report on Form 10-K filed with the SEC on February 13, 2018 and certain of its Current Reports on Form 8-K. You can obtain a free copy of this document at the SEC's website at www.sec.gov or by accessing AMGP's website at <http://www.anteromidstreamgp.com>. Information regarding the executive officers and directors of Antero Resources is contained in Antero Resources' 2018 Annual Report on Form 10-K filed with the SEC on February 13, 2018 and certain of its Current Reports on Form 8-K. You can obtain a free copy of this document at the SEC's website at www.sec.gov or by accessing Antero Resources' website at <http://www.anteroresources.com>.

Investors may obtain additional information regarding the interests of those persons and other persons who may be deemed participants in the Transaction by reading the joint proxy statement/prospectus regarding the Transaction when it becomes available. You may obtain free copies of this document as described above.

Item 9.01 Financial Statements and Exhibits

(d) Exhibits.

Exhibits	Description
99.1	Antero Resources Corporation press release dated January 8, 2019.
99.2	Antero Resources Corporation January 2019 Investor Presentation.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

ANTERO RESOURCES CORPORATION

By: /s/ Glen C. Warren, Jr.

Glen C. Warren, Jr.

President and Chief Financial Officer

Dated: January 9, 2019



/CORRECTION — Antero Resources Corporation/

In the news release, Antero Resources Announces 2019 Capital Budget and Production Guidance, issued 08-Jan-2019 by Antero Resources Corporation over PR Newswire, we are advised by the company that in the first row of the “Cash Expense Guidance” table, the numbers in the “Consolidated” section should read “\$1.65” in the “Low” column and “\$1.75” in the “High” column, rather than “\$1.85” and “\$1.95” respectively. The complete, corrected release follows:

Antero Resources Announces 2019 Capital Budget and Production Guidance

Denver, Colorado, January 8, 2019— Antero Resources Corporation (NYSE: AR) (“Antero Resources” or the “Company”) today announced its 2019 capital budget and production guidance, reflecting a disciplined plan with Stand-alone drilling and completion capital spending at Stand-alone Adjusted Operating Cash Flow levels assuming \$50 per barrel WTI oil and \$3.00 per MMBtu NYMEX natural gas, while generating double digit production growth.

Guidance Highlights:

- **In response to recent oil and NGL price declines, the Company has reduced its 2019 drilling and completion capital budget relative to 2018 to a range of \$1.1 to \$1.25 billion on a consolidated basis and a range of \$1.3 to \$1.45 billion on a Stand-alone basis**
- **Full year 2019 production is expected to average 3,150 MMcfe/d to 3,250 MMcfe/d, a 17% to 20% increase over 2018 production guidance**
- **Liquids volumes, including NGLs and oil are expected to average 154,000 to 164,000 Bbl/d, 18% to 26% over 2018 liquids guidance, including 9,000 Bbl/d of oil, 100,000 Bbl/d of C3+ NGLs and 50,000 Bbl/d of recovered ethane, at the midpoint**
- **Plan to operate an average of 5 drilling rigs and 4 completion crews, down 1 to 2 crews from 2018**
- **Includes 115 to 125 well completions in 2019 with an average lateral length of 10,200 feet and 120 to 130 wells drilled with an average lateral length of 11,900 feet**
- **Forecasting Antero natural gas price realizations before hedges at a \$0.15-\$0.20/Mcf premium to Henry Hub and C3+ NGL realizations at 60-65% of WTI oil prices**
- **Mariner East 2 recently placed in-service enabling the first exports of C3+ NGLs on Antero’s 50,000 Bbl/d firm commitment**
- **Natural gas production guidance is 100% hedged in 2019**

Paul Rady, Chairman and Chief Executive Officer of Antero Resources commented, “Our 2019 drilling and completion plan reflects the impacts from efficiencies that continue to improve our development program. These efficiencies allow us to forecast attractive, double digit production growth despite fewer completion crews budgeted for 2019. We remain focused on capital discipline and have the operational and financial flexibility to adjust our development plan with changing commodity prices. Our diversified production mix along with our industry-leading hedge book and firm transportation portfolio have enabled us to effectively reduce commodity price risk including local basis risk. We believe these attributes will continue to provide Antero with a competitive advantage moving forward. To the extent that commodity prices strengthen, we expect capital allocation to reflect an appropriate mix of growth and return of capital to shareholders while continuing to maintain a strong balance sheet.”

Commenting on the 2019 outlook, Glen Warren, President, and Chief Financial Officer of Antero Resources said, “The strength of our balance sheet gives us flexibility with respect to our 2019 and future development plans, which is critical given the recent commodity price volatility. Going forward, our strategy will be focused on low leverage, prudent capital spending and a mix of production growth and return of capital to shareholders. If commodity prices deteriorate further, we have built in the flexibility to adjust our development plan accordingly. Long-term, we remain committed to a strategy of spending within cash flow, maintaining a strong balance sheet that includes an appropriate amount of commodity price hedging and returning the majority of free cash flow to shareholders.”

Recent Developments

During the fourth quarter of 2018 Antero initiated its \$600 million share repurchase program. As previously announced, through year-end 2018, Antero returned \$129 million of cash to shareholders by repurchasing 9.1 million shares, thereby reducing shares outstanding by 3%. Additionally, during the fourth quarter, Antero monetized \$357 million of its hedge position allowing the Company to further deleverage while maintaining upside to the natural gas strip in 2019.

In November 2018, Antero began delivering ethane under its 11,500 Bbl/d ten-year export agreement with Borealis. The ethane is being delivered through Mariner East 1 to Marcus Hook and loaded for shipment to Borealis' steam cracker in Sweden. The Mariner East 2 pipeline was placed in service on December 29, 2018, enabling Antero to transport up to 50,000 Bbl/d of propane and butane to Marcus Hook for export. Mariner East 2 is expected to improve propane and butane netbacks by approximately \$2.00 to \$4.00 per barrel on an annual basis.

In the fourth quarter of 2018, Antero executed its first supply agreement with a premier sand supplier to directly source its sand needs for completions. The first shipment of sand was received in mid-November. The Company expects to directly source high quality, low-cost sand for over 70% of its 2019 development program through similar agreements with additional sand suppliers. Antero anticipates well cost savings of approximately \$200,000 per well compared to 2018 levels due to sand self-sourcing.

2019 Capital Budget and Guidance

The following is a summary of Antero Resources' 2019 consolidated and Stand-alone capital budgets for drilling and completion and land capital.

Capital Budget (\$ in MM)	Consolidated		Stand-alone	
	Low	High	Low	High
Drilling & Completion	\$ 1,100	\$ 1,250	\$ 1,300	\$ 1,450
Land Capital	\$ 75	\$ 100	\$ 75	\$ 100
Total E&P Capital	\$ 1,175	\$ 1,350	\$ 1,375	\$ 1,550

The following is a summary of Antero Resources' 2019 operational, production, pricing and cash expense guidance.

Average Operated Drilling Rigs	5
Average Operated Completion Crews	4
Operated Wells Completed	115 to 125
Operated Wells Drilled	120 to 130

Production Guidance

Net Daily Production (MMcfe/d)	3,150 – 3,250
Net Daily Natural Gas Production (MMcf/d)	2,225 – 2,275
Total Net Daily Liquids Production (Bbl/d):	154,000 – 164,000
Net Daily Oil Production (Bbl/d)	8,500 – 9,500
Net Daily C3+ NGL Production (Bbl/d)	97,500 – 102,500
Net Daily Ethane Production (Bbl/d)	48,000 – 52,000

Realized Pricing Guidance

Natural Gas Realized Price vs. NYMEX Henry Hub (\$/Mcf)	\$0.15 – \$0.20
Oil Realized Price vs. WTI Oil (\$/Bbl)	(\$7.00) – (\$8.00)
C3+ NGL Realized Price (% of WTI Oil)	60% – 65%
Ethane Realized Price vs. Mont Belvieu (\$/Gal)	(\$0.05) – (\$0.07)

Cash Expense Guidance	Consolidated		Stand-alone	
	Low	High	Low	High
Cash Production Expense (\$/Mcf)(1)*	\$ 1.65	\$ 1.75	\$ 2.15	\$ 2.25
Marketing Expense, Net of Marketing Revenue (\$/Mcf)	\$ 0.175	\$ 0.225	\$ 0.175	\$ 0.225
G&A Expense (\$/Mcf) (2)	\$ 0.125	\$ 0.175	\$ 0.10	\$ 0.14

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- (1) Includes lease operating expenses, gathering, compression, processing, transportation expenses and production and ad valorem taxes. Stand-alone cash production expense includes 100% of gathering and compression and water fees paid to Antero Midstream that are eliminated on a consolidated basis.
 - (2) Excludes equity-based compensation.
- * The original release had an incorrect range for the projected 2019 Cash Production Expense. This range is corrected in this news release.

Natural Gas and NGL Price Realizations and Cash Costs

The Company expects to realize a \$0.15 to \$0.20 price premium compared to the NYMEX Henry Hub price for its natural gas sales during 2019, driven by an increase in the percentage of sales to both Gulf Coast and Midwest price indices and a reduction in overall sales to regional markets in 2019 compared to 2018. Antero is forecasting an oil price discount to WTI of \$7.00 to \$8.00 per barrel in 2019. Driven by the Mariner East 2 project, Antero is forecasting an average realized price for C3+ NGLs of 60% to 65% of WTI oil prices in 2019. Antero expects to sell approximately 50% of its C3+ NGL production in 2019 at Marcus Hook, PA at a premium to Mont Belvieu, which compares to an approximate \$6.00 per barrel discount to Mont Belvieu received on C3+ production during 2018.

Antero is forecasting an increase in cash production expenses due to an increase in transportation expenses. The increase in transportation expenses is primarily related to Antero's firm commitment on the Mariner East 2 project and is forecasted to be more than offset by the premium pricing at Marcus Hook.

Long-Term Outlook

Depending on the commodity price environment, Antero Resources plans to grow production at a 10% to 15% compound annual growth rate ("CAGR") from 2020 through 2023. Antero has a clear path to this production growth profile due to its Appalachian Basin-leading firm transportation portfolio for natural gas. The Company's activity level and production growth will vary on an annual basis depending on natural gas, oil and NGL price expectations with the objective of maintaining Stand-alone drilling and completion capital spending within Stand-alone Adjusted Operating Cash Flow levels, keeping leverage low while also maximizing the return of capital to shareholders.

Assuming flat \$50 per barrel WTI oil prices and \$2.85 per MMBtu NYMEX natural gas prices from 2020 through 2023, Antero Resources expects to grow production at the lower end of the production growth range, invest at levels that result in approximate Free Cash Flow neutrality and maintain leverage in the low 2x area declining below 2x leverage in the final two years of the outlook period (defined as Stand-alone Net Debt to Stand-alone Adjusted EBITDAX).

Assuming Wall Street analyst consensus commodity pricing of flat \$65 per barrel WTI oil and \$3.15 per MMBtu NYMEX natural gas prices from 2020 through 2023, Antero Resources expects to grow production at the high end of its production CAGR range, generate \$2.5 to \$3.0 billion of Free Cash Flow through 2023 and be in a position to both substantially reduce leverage and return significant capital to shareholders.

Non-GAAP Financial Measures

Stand-alone Adjusted Operating Cash Flow and Free Cash Flow

Free Cash Flow as presented in this release and defined by the Company represents Stand-alone Adjusted Operating Cash Flow, less Stand-alone Drilling and Completion capital, less Land Maintenance Capital. Stand-alone Adjusted Operating Cash Flow represents net cash provided by operating activities that will be reported in the Parent column of Antero's guarantor footnote to its financial statements before changes in working capital items. Stand-alone Adjusted Operating Cash Flow 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. Stand-alone Adjusted Operating Cash Flow 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.

Management believes that Stand-alone Adjusted Operating Cash Flow and Free Cash Flow are useful indicators of the company's ability to internally fund its activities and to service or incur additional debt on a Stand-alone basis. Management believes that changes in current assets and liabilities, which are excluded from the calculation of these measures, relate to the timing of cash receipts and disbursements and therefore may not relate to the period in which the operating activities occurred and generally do not have a material impact on the ability of the company to fund its operations.

There are significant limitations to using Stand-alone Adjusted Operating Cash Flow and Free Cash Flow as measures of performance, including the inability to analyze the effect of certain recurring and non-recurring items that materially affect the company's net income on a Stand-alone basis, the lack of comparability of results of operations of different companies and the different methods of calculating Stand-alone Adjusted Operating Cash Flow and Free Cash Flow reported by different companies. Stand-alone Adjusted Operating Cash Flow and Free Cash Flow do not represent funds available for discretionary use because those funds may be required for debt service, land acquisitions and lease renewals, other capital expenditures, working capital, income taxes, exploration expenses, and other commitments and obligations.

Stand-alone Adjusted Operating Cash Flow and Free Cash Flow are not measures of financial performance under GAAP and should not be considered in isolation or as a substitute for cash flows from operating, investing, or financing activities, as an indicator of cash flows, or as a measure of liquidity.

Total Debt, Net Debt and Stand-alone Net Debt

Net Debt is calculated as total debt less cash and cash equivalents. Management uses Consolidated Net Debt and Stand-alone Net Debt to evaluate its financial position, including its ability to service its debt obligations.

Adjusted EBITDAX and Stand-alone Adjusted EBITDAX

Adjusted EBITDAX as defined by the Company represents net income or loss, including noncontrolling interests, before interest expense, interest income, derivative fair value gains or losses, but including net cash receipts or payments on derivative instruments included in derivative fair value gains or losses, taxes, impairments, depletion, depreciation, amortization, and accretion, exploration expense, equity-based compensation, gain or loss on early extinguishment of debt, and gain or loss on sale of assets. Adjusted EBITDAX also includes distributions from unconsolidated affiliates and excludes equity in earnings or losses of unconsolidated affiliates.

Stand-alone Adjusted EBITDAX as defined by the Company represents income or loss as reported in the Parent column of Antero's guarantor footnote to its financial statements before interest expense, interest income, gains or losses from commodity derivatives and marketing derivatives, but including net cash receipts or payments on derivative instruments included in derivative gains or losses, income taxes, impairments, depletion, depreciation, amortization, and accretion, exploration expense, equity-based compensation, gain or loss on early extinguishment of debt, gain or loss on sale of assets, equity in earnings or loss of Antero Midstream and gain or loss on changes in the fair value of contingent acquisition consideration. Stand-alone Adjusted EBITDAX also includes distributions received from limited partner interests in Antero Midstream common units.

The GAAP financial measure nearest to Adjusted EBITDAX is net income or loss including noncontrolling interest that will be reported in Antero's condensed consolidated financial statements. The GAAP financial measure nearest to Stand-alone Adjusted EBITDAX is Stand-alone net income or loss that will be reported in the Parent column of Antero's guarantor footnote to its financial statements. While there are limitations associated with the use of Adjusted EBITDAX and Stand-alone Adjusted EBITDAX described below, management believes that these measures are useful to an investor in evaluating the company's financial performance because these measures:

- are widely used by investors in the oil and gas 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 Antero's operations (both on a consolidated and Stand-alone basis) from period to period by removing the effect of its capital structure from its operating structure; and
- is used by management for various purposes, including as a measure of Antero's operating performance (both on a consolidated and Stand-alone basis), in presentations to the company's board of directors, and as a basis for strategic planning and forecasting. Adjusted EBITDAX is also used by the board of directors as a performance measure in determining executive compensation. Adjusted EBITDAX, as defined by our credit facility, is used by our lenders pursuant to covenants under our revolving credit facility and the indentures governing the company's senior notes.

There are significant limitations to using Adjusted EBITDAX and Stand-alone Adjusted EBITDAX as measures of performance, including the inability to analyze the effect of certain recurring and non-recurring items that materially affect the company's net income on a consolidated and Stand-alone basis, the lack of comparability of results of operations of different companies and the different methods of calculating Adjusted EBITDAX reported by different companies. In addition, Adjusted EBITDAX and Stand-alone Adjusted EBITDAX provide no information regarding a company's capital structure, borrowings, interest costs, capital expenditures, and working capital movement or tax position.

Antero has not included reconciliations of Stand-alone Adjusted Operating Cash Flow and Free Cash Flow to their nearest GAAP financial measures because it cannot do so without unreasonable effort and any attempt to do so would be inherently imprecise.

Antero Resources is an independent natural gas and oil company engaged in the acquisition, development and production of unconventional liquids-rich natural gas properties located in the Appalachian Basin in West Virginia and Ohio. 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 Resources' control. All statements, except for statements of historical fact, made in this release regarding activities, events or developments Antero Resources expects, believes or anticipates will or may occur in the future, such as those regarding future commodity prices, future production targets, future earnings, future capital spending plans, improved and/or increasing capital efficiency, gas marketability, estimated realized natural gas, natural gas liquids and oil prices, expected drilling and development plans (including the number and lateral length of wells to be drilled, the number of drilling rigs) and future financial position, are forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. All forward-looking statements speak only as of the date of this release. Although Antero Resources 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 expressly disclaims any obligation to and does not intend to publicly update or revise any forward-looking statements, including statements set forth in the 2019 capital budget. To the extent a forward-looking statement contained in this release speaks as of a period covered by prior guidance, the information in this release is intended to supersede, and investors should not rely on, such prior guidance.

Antero Resources 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 Antero Resources' 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 Resources' Annual Report on Form 10-K for the year ended December 31, 2017.

For more information, contact Michael Kennedy — SVP — Finance, at (303) 357-6782 or mkennedy@anteroresources.com.



Company Presentation

JANUARY 2019

NO OFFER OR SOLICITATION

This presentation includes a discussion of a proposed business combination transaction (the "Transaction") between AM and AMGP. This presentation is for informational purposes only and does not constitute an offer to sell or the solicitation of an offer to buy any securities or a solicitation of any vote or approval, in any jurisdiction, pursuant to the Transaction or otherwise, nor shall there be any sale, issuance, exchange or transfer of the securities referred to in this document in any jurisdiction in contravention of applicable law. No offer of securities shall be made except by means of a prospectus meeting the requirements of Section 10 of the Securities Act of 1933, as amended.

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PARTICIPANTS IN THE SOLICITATION

AMGP, AM, AR and the directors and executive officers of AMGP and AM's respective general partners and of AR may be deemed to be participants in the solicitation of proxies in respect to the Transaction.

Information regarding the directors and executive officers of AM's general partner is contained in AM's 2018 Annual Report on Form 10-K filed with the SEC on February 13, 2018, and certain of its Current Reports on Form 8-K. You can obtain a free copy of this document at the SEC's website at <http://www.sec.gov> or by accessing AM's website at <http://www.anteromidstream.com>. Information regarding the executive officers and directors of AMGP's general partner is contained in AMGP's 2018 Annual Report on Form 10-K filed with the SEC on February 13, 2018 and certain of its Current Reports on Form 8-K. You can obtain a free copy of this document at the SEC's website at www.sec.gov or by accessing the AMGP's website at <http://www.anteromidstream.com>. Information regarding the executive officers and directors of AR is contained in AR's 2018 Annual Report on Form 10-K filed with the SEC on February 13, 2018 and certain of its Current Reports on Form 8-K. You can obtain a free copy of this document at the SEC's website at www.sec.gov or by accessing the AMGP's website at <http://www.anteroresources.com>.

Investors may obtain additional information regarding the interests of those persons and other persons who may be deemed participants in the Transaction by reading the joint proxy statement/prospectus regarding the Transaction when it becomes available. You may obtain free copies of this document as described above.

This presentation includes “forward-looking statements.” Such forward-looking statements are subject to a number of risks and uncertainties, many of which are beyond AR’s control. All statements, except for statements of historical fact, made in this presentation regarding activities, events or developments AR expects, believes or anticipates will or may occur in the future, such as 2019 and long-term financial and operational outlook, the expected sources of funding and timing for completion of the share repurchase program if at all, impacts of hedge monetizations, the expected consideration to be received in connection with the closing of the Transaction, the timing of the consummation of the Transaction, if at all, impacts of natural gas price realizations, AR’s expected ability to return capital to investors and targeted leverage metrics, AR’s estimated unhedged EBITDAX multiples, future plans for processing plants and fractionators, AR’s estimated production and the expected impact of Mariner East 2 on AR’s NGL pricing, are forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. All forward-looking statements speak only as of the date of this presentation. Although AR 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.

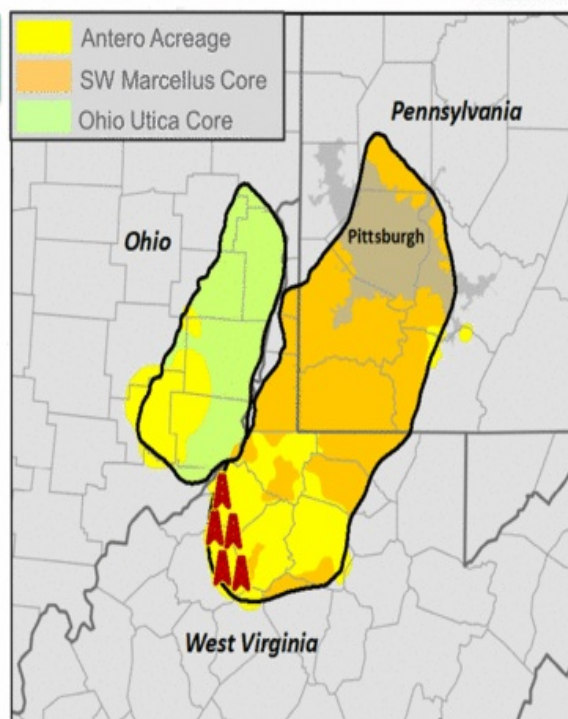
AR cautions you that these forward-looking statements are subject to all of the risks and uncertainties, most of which are difficult to predict and many of which are beyond the AR’s control, incident to the exploration for and development, production, gathering and sale of natural gas, NGLs and oil. 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 AR’s Annual Report on Form 10-K for the year ended December 31, 2017.

This presentation includes certain financial measures that are not calculated in accordance with U.S. generally accepted accounting principles (“GAAP”). These measures include (i) Consolidated Adjusted EBITDAX, (ii) Stand-alone Adjusted EBITDAX, (iii) Stand-alone Adjusted Operating Cash Flow, (iv) Free Cash Flow. Please see “Antero Definitions” and “Antero Non-GAAP Measures” for the definition of each of these measures as well as certain additional information regarding these measures, including the most comparable financial measures calculated in accordance with GAAP.

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

Antero Resources Profile

Market Cap.....	\$3.3B
Enterprise Value ⁽¹⁾	\$7.0B
Corporate Debt Ratings.....	Ba2 / BB+ / BBB-
Stand-alone Leverage ⁽²⁾	<2.2x
2019 Net Production Guidance	3.15 - 3.25 Bcfe/d
Liquids.....	154 -164 MBbl/d
3P Reserves.....	54.6 Tcfe
C2+ NGLs ⁽³⁾	2,131 MMBbls
Condensate.....	131 MMBbls
Net Acres.....	612,000
Core Drilling Locations.....	3,295
AR Midstream Ownership (53%)	\$2.4B



AR
LISTED
NYSE

Note: Equity market data as of 1/7/19. Balance sheet data, hedge mark to market as of 9/30/18 pro forma for \$357 million hedge monetization on 12/18/2018. Reserves as of 12/31/2017. Enterprise value excludes AM net debt. See 2019 Guidance page for production guidance details.

(1) Includes ownership of \$2.4 billion of Antero Midstream units.

(2) Stand-alone leverage is Stand-alone debt divided by LTM Stand-alone Adjusted EBITDAX and represents 9/30/18, pro forma for the \$357 hedge monetization.

(3) C2+ 3P Reserves contain 1,318 MMBbls of C3+ NGLs and 812 MMBbls of ethane. Assumes approximately 31% ethane recovery leaving 1,808 MMBbls of additional ethane in the natural gas stream.

Antero Announces 2019 Capital Budget and Production Guidance (January 2019)

- Disciplined plan with reduced D&C capital spending relative to 2018, within cash flow⁽¹⁾, while targeting 17% - 20% year-over-year production growth

Mariner East 2 In-service (December 2018)

- ME2 initial phase in-service on 12/29/18 (capacity to move AR's 50,000 Bbl/d commitment)
- AR's 11,500 Bbl/d ethane sales contract with Borealis was in-service 11/1/2018 and 5,000 Bbl/d ethane contract with Ineos in-service 1/1/2019 with exports out of Marcus Hook, PA on ME1

Hedge Monetizations and Restructuring (December 2018)

- Generated Proceeds of \$357 million to repay debt
- Resulting hedge portfolio protects price on 100% of 2019 and >50% of 2020 expected natural gas production

Share Repurchases (November/December 2018)

- Repurchased 9.1 million shares (3% of outstanding shares) at an average price of \$14.10/share
- Approximately \$470 million remaining in current \$600 million share repurchase program

Rover Sherwood Lateral In-service (November 2018)

- Enabled AR to shift ~550 MMcf/d of gas sales from Appalachian Basin pricing to premium Midwest pricing

Midstream Simplification (October 2018)

- Expected to close in 1Q 2019 (subject to the approval of Antero Midstream unitholders and AMGP shareholders), providing AR with at least \$300 million in cash depending on the cash election of public AM unitholders

(1) Stand-alone drilling and completion capital spending at approximately Stand-alone Adjusted Operating Cash Flow levels assuming \$50 per barrel WTI oil and \$3.00 per MMBtu NYMEX natural gas prices.

Released on January 8, 2019

	Stand-alone	Consolidated
Net Production (Bcfe/d)	3.15 – 3.25	
Net Natural Gas Production (Bcf/d)	2.225 – 2.275	
Net Liquids Production (Bbl/d)	154,000 – 164,000	
Net Oil, C3+ and Ethane Production (Bbl/d)	Oil: 8,500 – 9,500 C3+: 97,500 – 102,500 C2: 48,000 – 52,000	
Natural Gas Realized Price Differential to Nymex (\$/Mcf)	\$0.15 to \$0.20 Premium	
C3+ NGL Realized Price (% of Nymex WTI)	60% – 65%	
Cash Production Expense (\$/Mcf) ⁽¹⁾	\$2.15 – \$2.25	\$1.65 – \$1.75
Marketing Expense (\$/Mcf)	\$0.175 – \$0.225	
G&A Expense (\$/Mcf) (before equity-based compensation)	\$0.10 – \$0.14	\$0.125 – \$0.175
D&C Capital Expenditures (\$MM)	\$1,300 – \$1,450	\$1,100 – \$1,250
Land Capital Expenditures (\$MM)	\$75 – \$100	
Average Operated Rigs, Average Completion Crews & Operated Wells Completed	Rigs: 5 Completion Crews: 4 Wells Completed: 115 – 125	

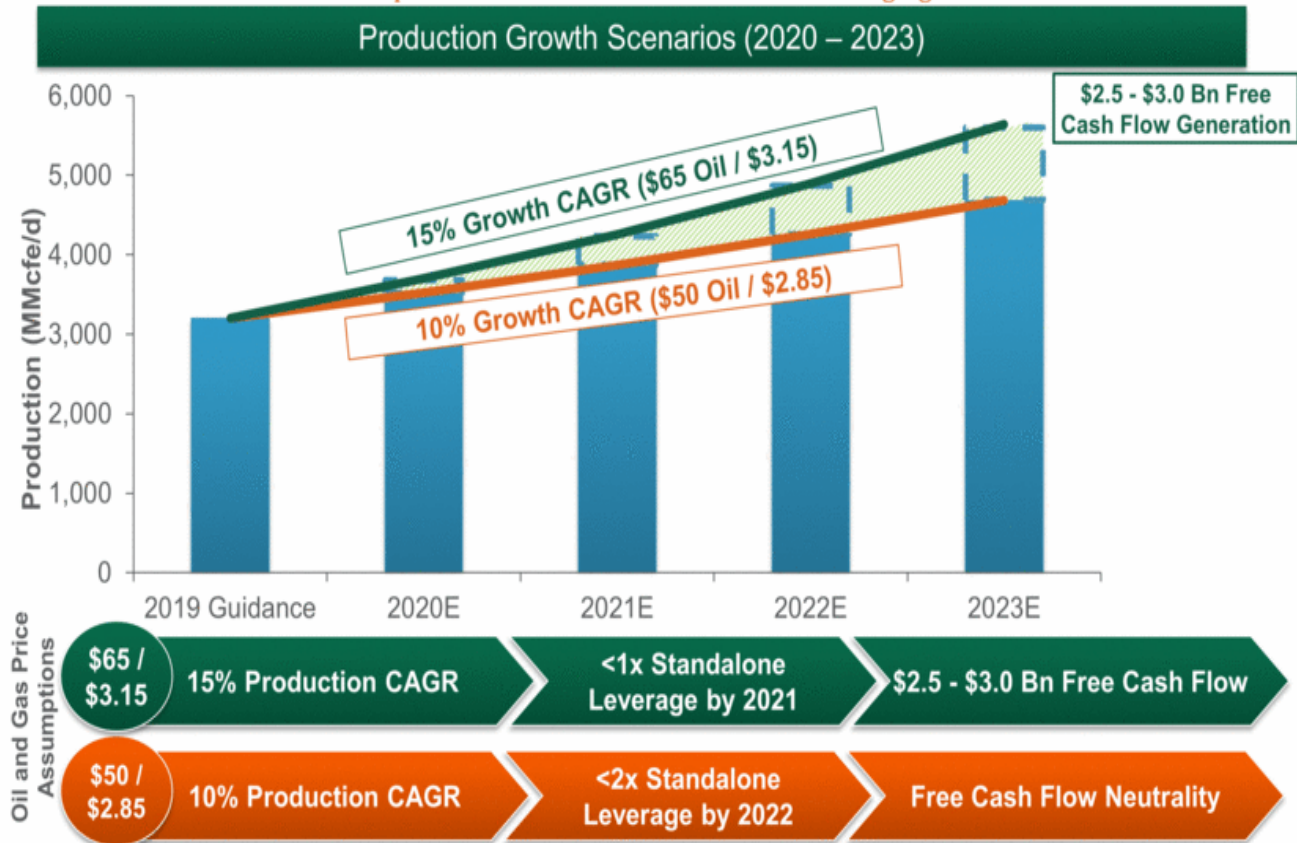
Note: See Appendix for key definitions. 2019 average NYMEX and WTI pricing was \$3.00/MMBtu and \$50.00/Bbl, respectively.

(1) Includes lease operating expense, gathering, compression, processing and transportation expense and production and ad valorem taxes.

Long-Term Outlook



Depending on the commodity price environment, Antero is poised to prudently grow production to maximize free cash flow, ultimately resulting in an appropriate mix of return of capital to shareholders and further deleveraging



Note: Production CAGR ranges apply to midpoint of 2019 production guidance.
(1) Based on midpoint of 2019 production guidance.

Antero's NGL Pricing Uplift from Mariner East 2



Mariner East 2 will allow AR to access international LPG markets and realize a ~\$2 to \$4/Bbl uplift on its exported barrels

50,000 Bbl/d Mariner East 2 export capability equates to ~\$50 to \$60 MM of incremental annual cash flow

Domestic Markets

International Markets

Mariner East 2 ("ME2")	
Initial Capacity (4Q18):	Committed volumes
Full Capacity (3Q19):	275 MBbl/d
AR Commitments:	35 Mbbl/d C3
	15 MBbl/d C4
AR Expansion Rights:	50 Mbbl/d C3/C4



Source: Poten Partners. Prices reflect blended price of propane and butane based on Antero's ME2 volume commitment.
 Note: Based on Baltic forward shipping rates and propane strip prices as of 12/31/18. Includes associated port and canal fees and charges.
 (1) Based on Wall Street research, Antero cost may be lower.

- Antero's 11,500 Bpd C2 sales contract with Borealis commenced on November 1, 2018
- First ship departed Marcus Hook on November 26th with 337,000 barrels of ethane bound for Borealis' steam cracker in Stenungsund, Sweden
- Expect to load ~1 ship per month for duration of 10-year contract



Antero monetized 1.575 Bcf/d of swaps generating approximately \$235 MM in proceeds

- April – December 2019 swaps monetized at attractive NYMEX levels and replaced with collars
- Puts protect downside at \$2.50/MMBtu and calls offset “put” costs while opening up the upside between current strip and call ceiling ranging from \$3.31/MMBtu to \$3.54/MMBtu
- 2019 hedge position anchored with 2.33 Bcf/d hedged at \$3.62/MMBtu in 1Q 2019
- Proceeds utilized for accelerated delevering

Antero 2019 Natural Gas Hedge Profile



(1) NYMEX strip as of 12/31/2018.

Antero reset 2020 swaps at slightly lower prices generating approximately \$122 MM in proceeds

- NYMEX swap price reduced from \$3.25/MMBtu to \$3.00/MMBtu in 2020
- No change to overall hedged volumes
- Proceeds utilized for accelerated delevering

Antero 2020 Natural Gas Hedge Profile



(1) NYMEX strip as of 12/31/2018.

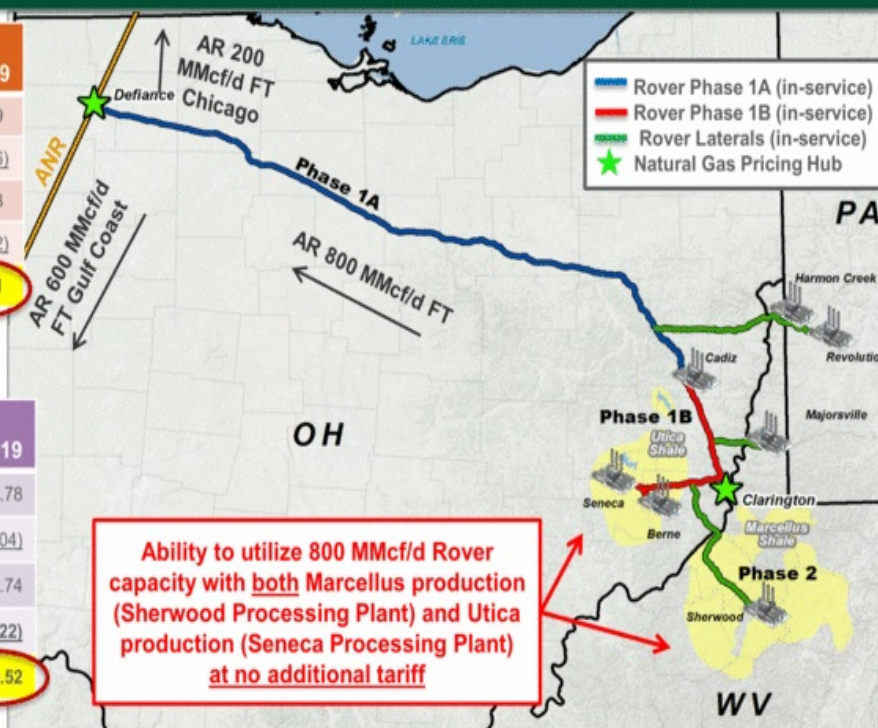
Rover Phase 2 Sherwood Lateral placed into service in November

Creates further optionality for Marcellus gas to access Chicago & Gulf Coast Markets

Rover Pipeline & Unhedged Volume Exposure Uplift

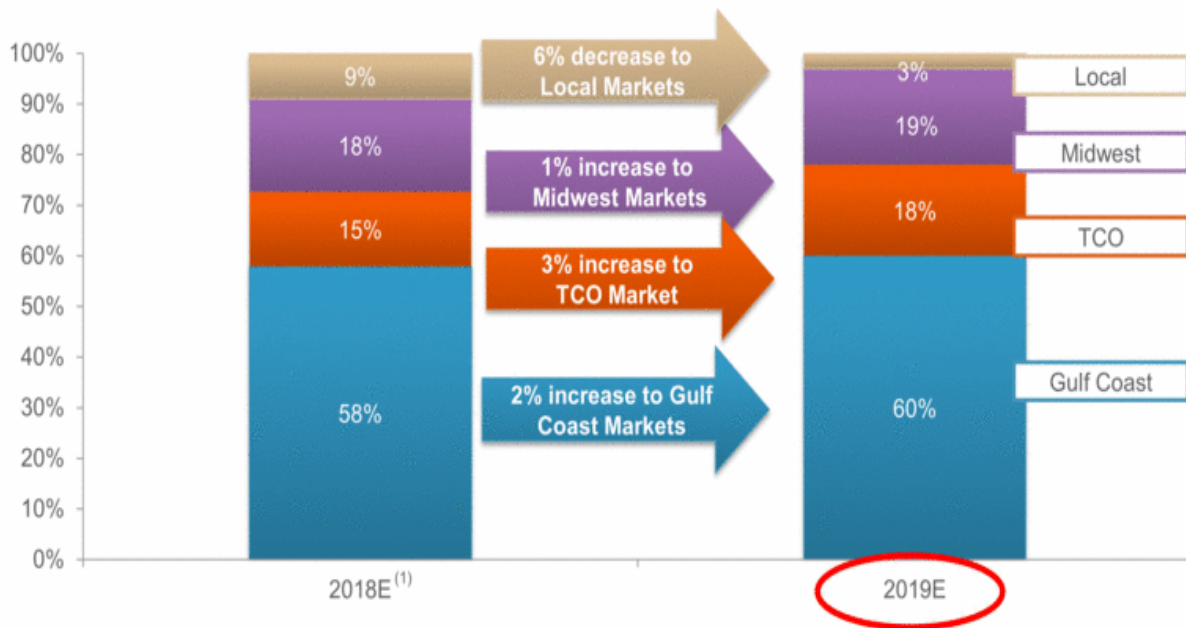
Chicago via Rover (\$/MMBtu)	2019
Chicago Price (\$/MMBtu) ⁽¹⁾	\$2.69
Approximate Variable Cost	\$(0.06)
Netback Price	\$2.63
TETCO M2 Price ⁽¹⁾	\$(2.22)
Uplift vs. TETCO M2	\$0.41

Gulf Coast via ANR (\$/MMBtu)	2019
Gulf Coast Price (\$/MMBtu) ⁽¹⁾	\$2.78
Approximate Variable Cost	\$(0.04)
Netback Price	\$2.74
TETCO M2 Price ⁽¹⁾	\$(2.22)
Uplift vs. TETCO M2	\$0.52



¹⁾ Based on strip pricing as of 12/31/2018. TETCO-M2 price includes \$0.14 of variable cost.

Antero Firm Transport Index Breakdown



Implied Premium to Nymex ⁽¹⁾⁽²⁾	+\$0.15	+\$0.15 - +\$0.20
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~100% of Antero Gas Is Expected to be Sold in Favorably Priced Markets Beginning December 2018

Note: Local index represents a blend of Dominion South and TETCO M2 pricing. Midwest index represents a blend of Chicago and MichCon pricing. Gulf Coast index represents a blend of Gulf and Nymex-based pricing.

1) 2018 represents YTD actuals through November and projected volumes for December. 2018 pricing assumes a blend of actuals through November and first of month December pricing.

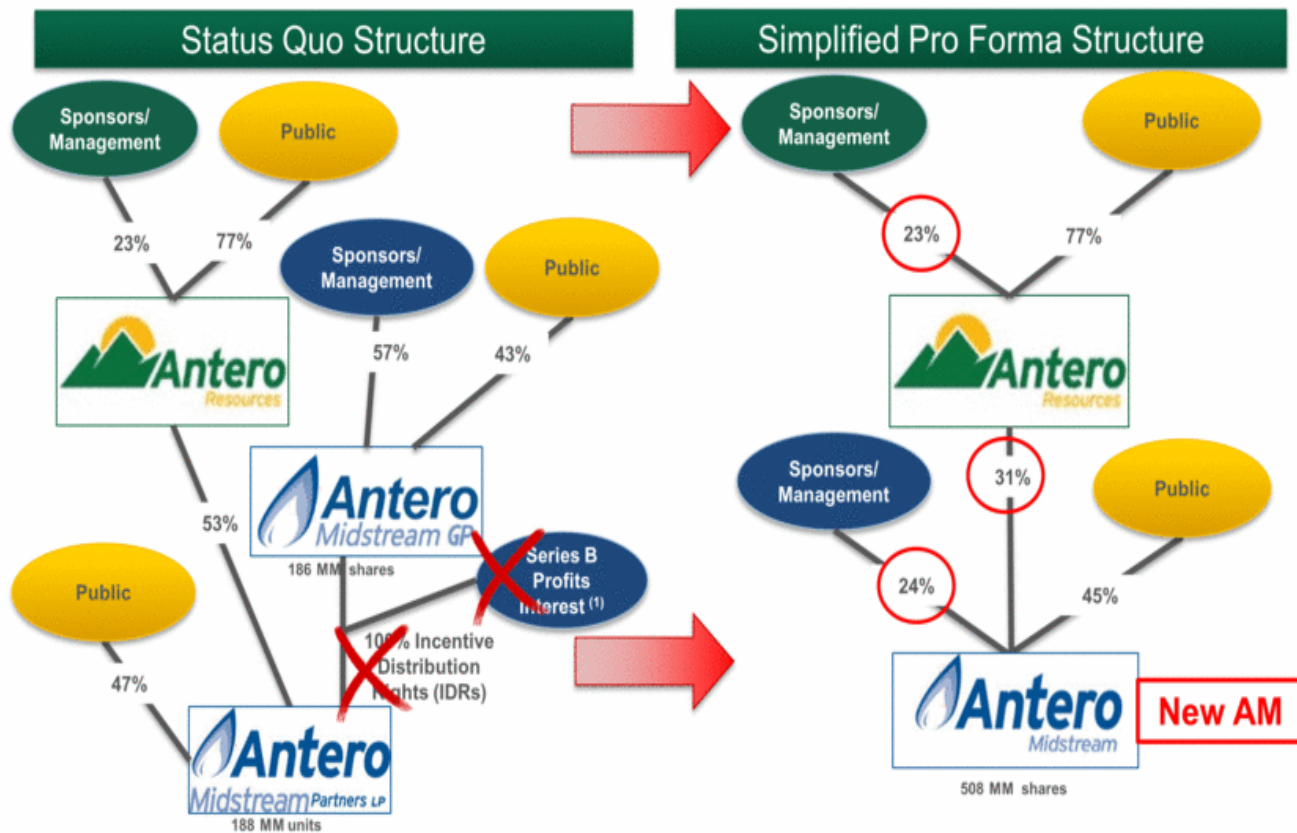
2) 2018E implied premium to Nymex assumes a ~\$0.29/Mcf Btu upgrade. 2019E premium to Nymex assumes a \$0.30/Mcf Btu upgrade.

Midstream Simplification expected to close in 1Q19

- ✓ Provides AR with at least \$300 million of cash proceeds
- ✓ Further Aligns the Interest of All Antero Equity Holders and Management
- ✓ Simplifies the Organizational Structure and Unlocks Shareholder Value
- ✓ Achieves a “Win-Win-Win” Transaction Across the Antero Family
- ✓ Maintains Antero’s Integrated Strategy & Long-Term Outlook

Midstream simplification transaction results in one publicly traded midstream entity and better aligns the interests of PE sponsors and management with AR shareholders

- Eliminates IDRs and the Series B profits interests related to the IDRs
- AR shareholders and PE sponsors / management will all own the same type of interest in the midstream entity (common stock)



1) Series B profits interest held by Antero management.

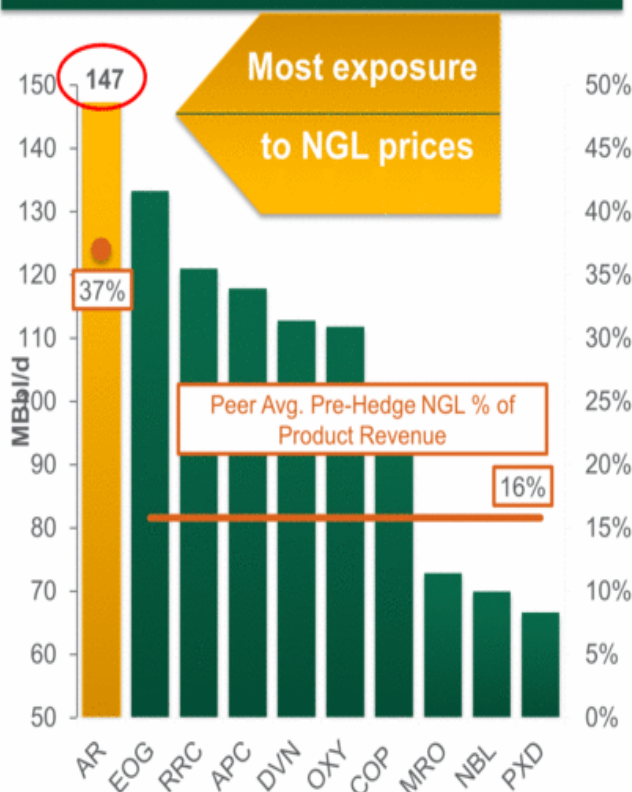


Leading NGL Position & Integrated Strategy Drive Peer-Leading Margins

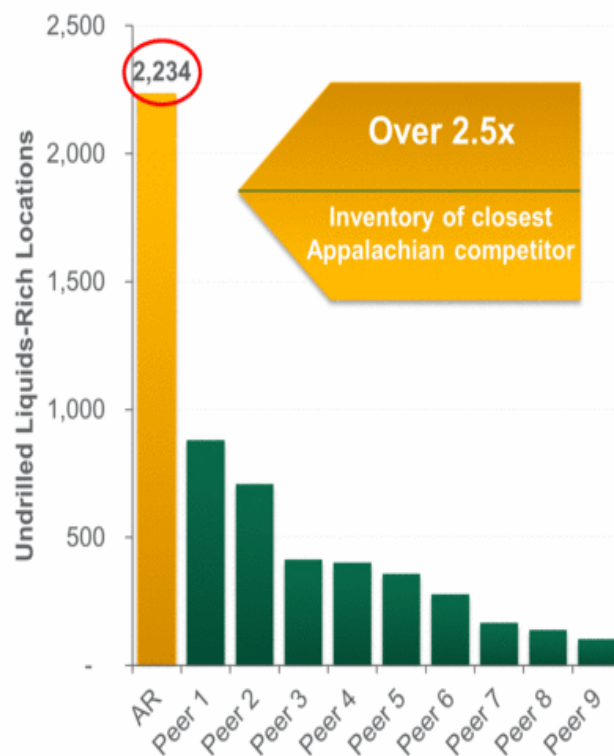


Antero is the largest NGL producer in the U.S. and controls 40% of the core undrilled liquids-rich locations in Appalachia

Top U.S. C2+ NGL Producers - 2019E⁽²⁾



Undrilled Core Liquids-rich Inventory⁽¹⁾



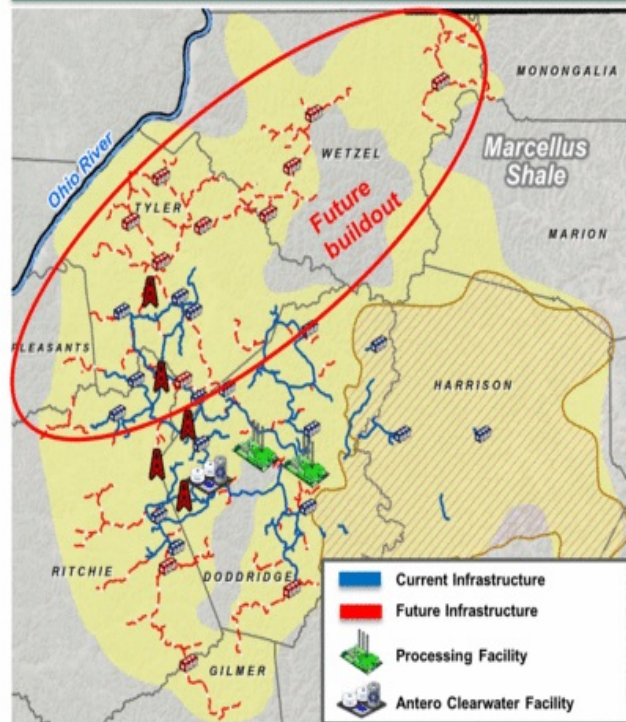
(1) Based on Antero analysis of undeveloped acreage in the core of the Marcellus and Utica plays. Peers include Ascent, CHK, CNX, CVX, EQT, GPOR, HG, RRC and SWIN.
 (2) Consensus as of 1/2/2019. Percentage of pre-hedge commodity revenues based on 3Q 2018 actuals.

Owning and controlling the infrastructure is critical to sustainable development; Antero Midstream provides a customized midstream solution

Midstream Ownership Benefits

- ✓ Takeaway assurance and reliable project execution
- ✓ Never missed a completion date with fresh water delivery system
- ✓ Just-in-time capital investment
- ✓ Unparalleled downstream visibility
- ✓ Attractive return on investment (4.2x ROI for AR)

AM Midstream Buildout



Antero Midstream At A Glance – Status Quo

AM Highlights

Market Cap.....	\$4.6B
Enterprise Value.....	\$6.1B
LTM Adjusted EBITDA ⁽¹⁾	\$665 MM
% Gathering/Compression...	65%
% Water.....	35%
Net Debt/LTM Adj. EBITDA....	2.3x
Corporate Debt Rating.....	Ba2 / BB+ /BBB-

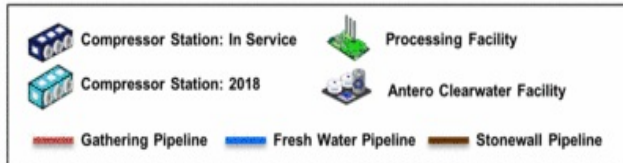
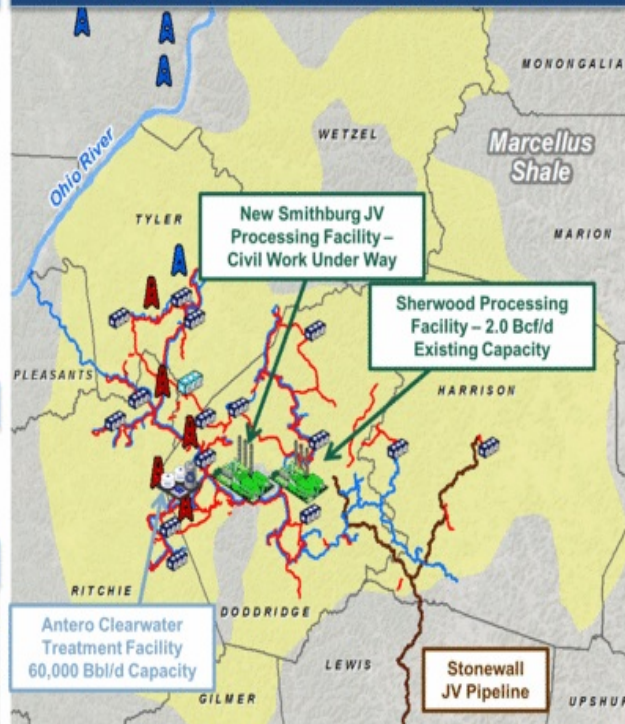
AMGP Highlights

Market Cap.....	\$2.4B
Net Debt/LTM Adj. EBITDA....	—

Antero Midstream Utica Assets



Antero Midstream Marcellus Assets

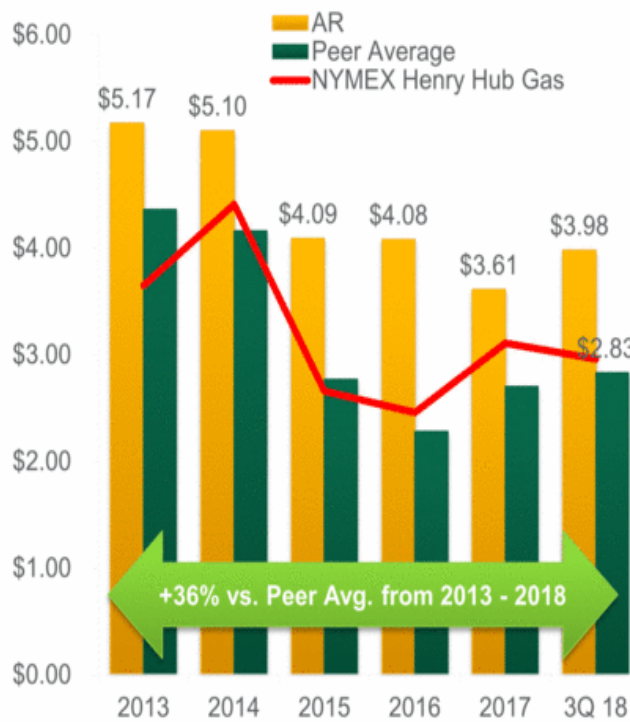


Note: Equity market data as of 1/7/2019. Balance sheet data as of 9/30/2018.

1. LTM Adjusted EBITDA as of 9/30/18. Adjusted EBITDA is a non-GAAP measure. For additional information regarding this measure, please see "Antero Midstream Non-GAAP Measures" in the Appendix.

Antero's integrated strategy has resulted in peer-leading realized prices and margins for 6 straight years and consistent results through price cycles

All-in Pricing Realizations (\$/Mcf)

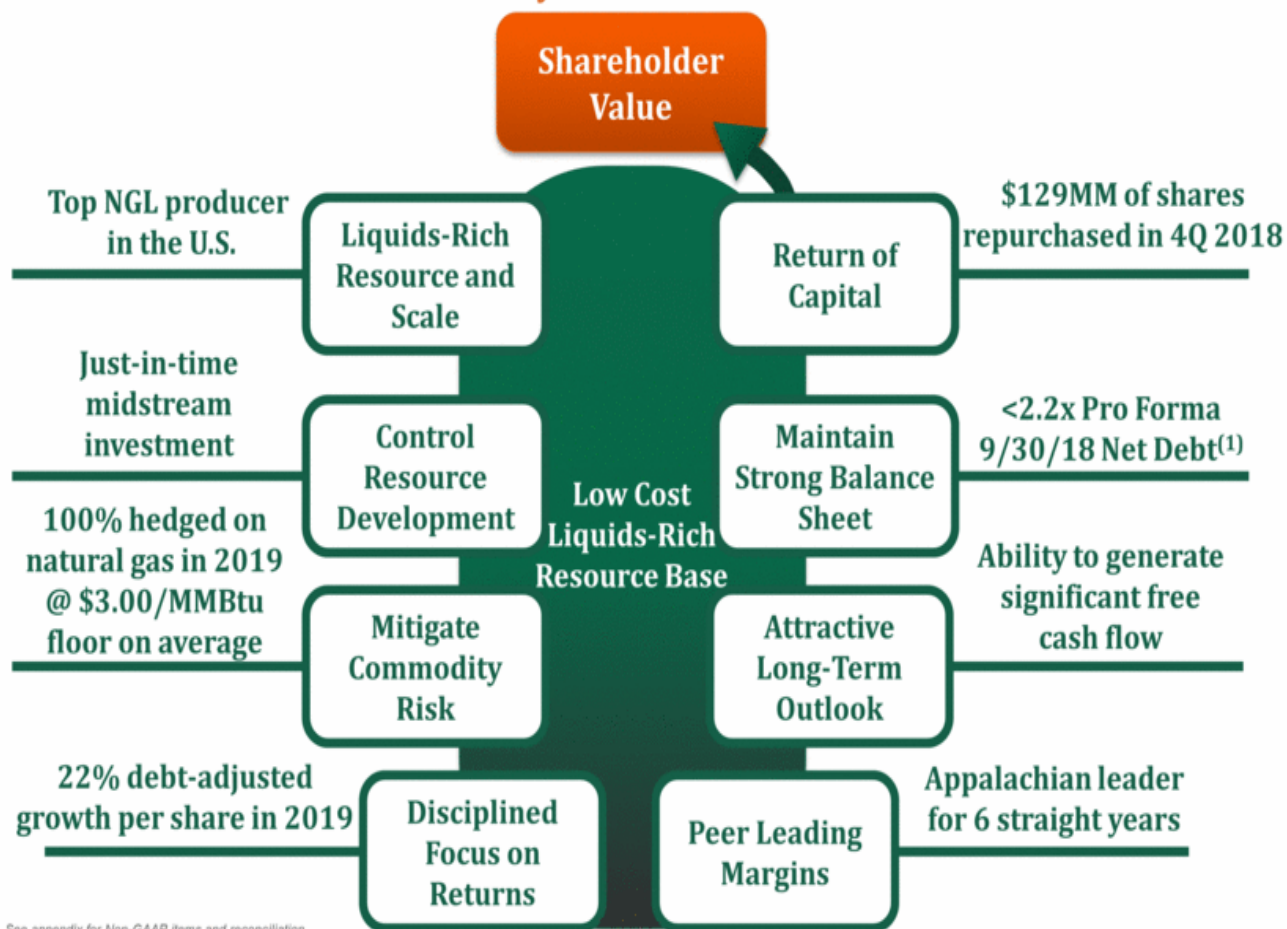


Standalone E&P Adj. EBITDAX Margins (\$/Mcf)



Source: SEC filings and press releases. Peers include: CNX, COG, EQT, RRC & SWN.

Diversified Commodity Mix Enhances Shareholder Value



See appendix for Non-GAAP items and reconciliation.

1) 9/30/18 net debt pro forma for \$357 million hedge monetization.



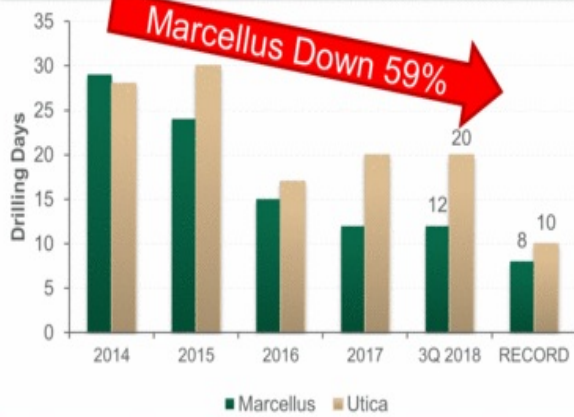
Appendix



Drilling and Completion Efficiencies



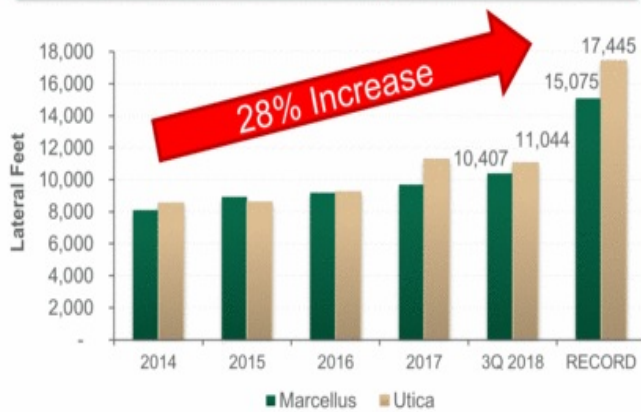
Drilling Days



Completion Stages per Day



Average Lateral Length per Well



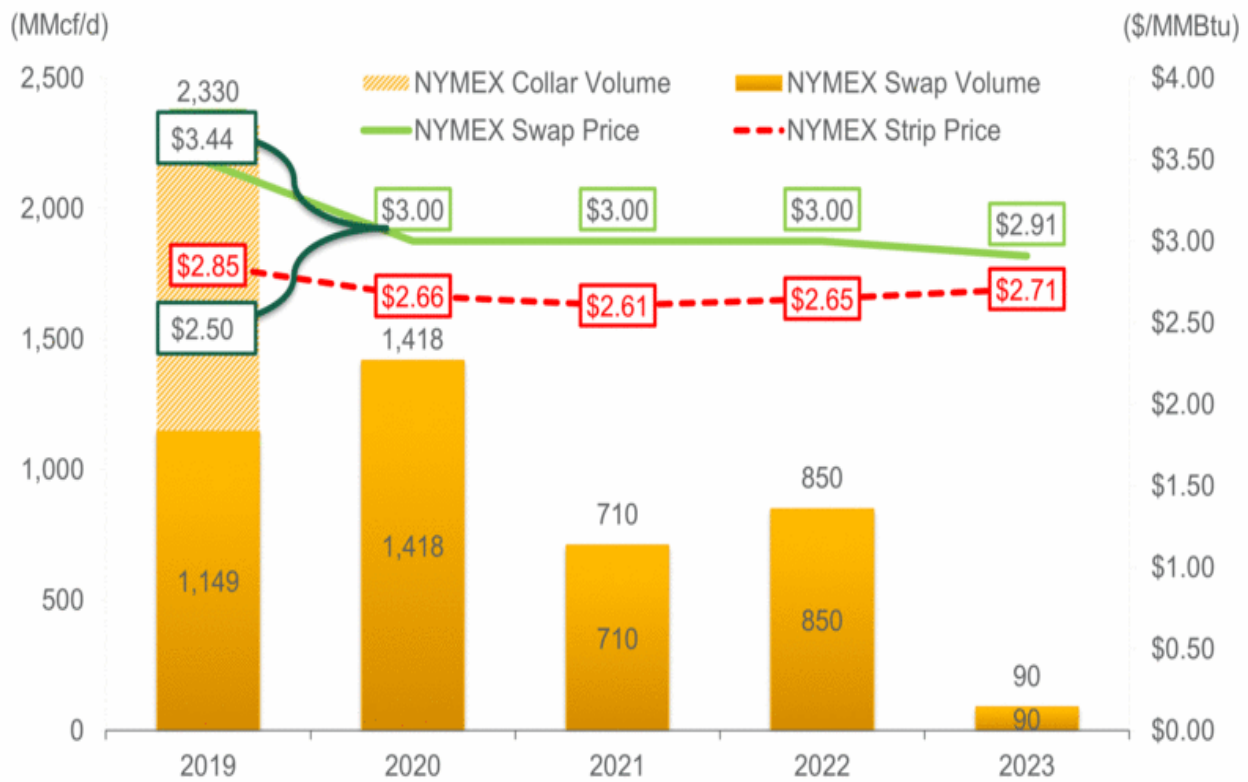
Average Lateral Feet per Day



Note: Utica 3Q 2018 results reflect YTD results, as Antero is not operating any rigs in the Utica during 2H18.
 Note: Percentage increase and decrease arrows represent change in Marcellus data from 2014 to 3Q 2018.

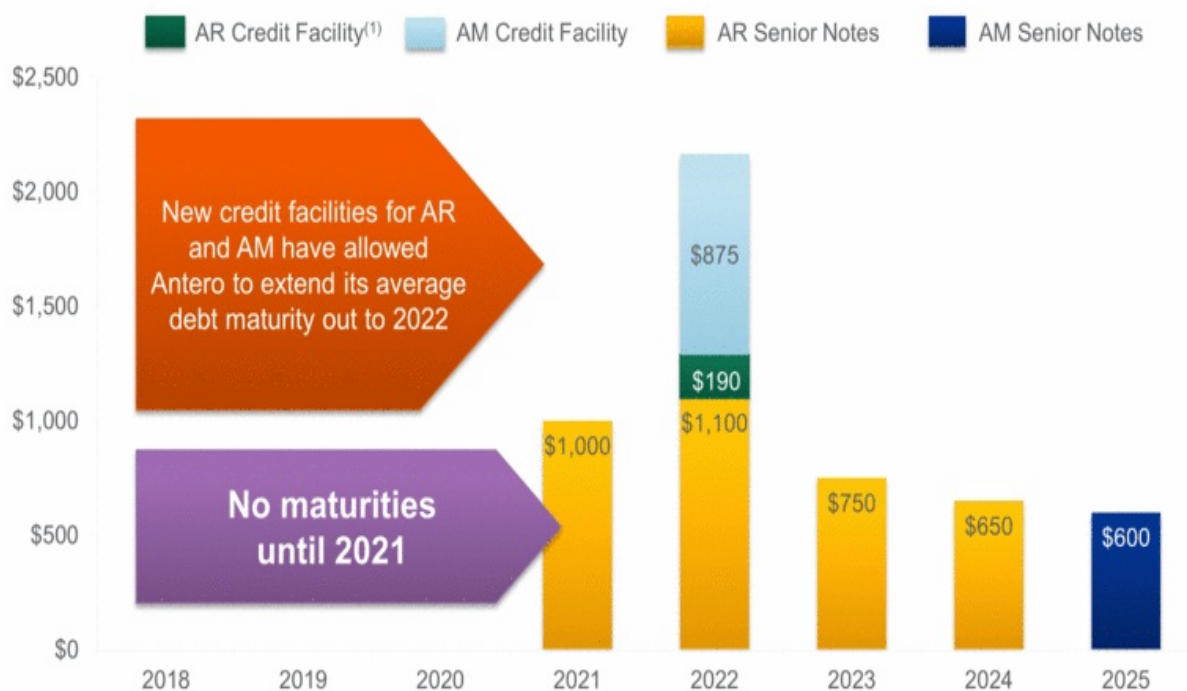
Total proceeds from hedge restructuring of \$357 MM in proceeds

Antero Hedge Profile



1) Based on 12/31/2018 strip pricing.

9/30/2018 Debt Maturity Profile



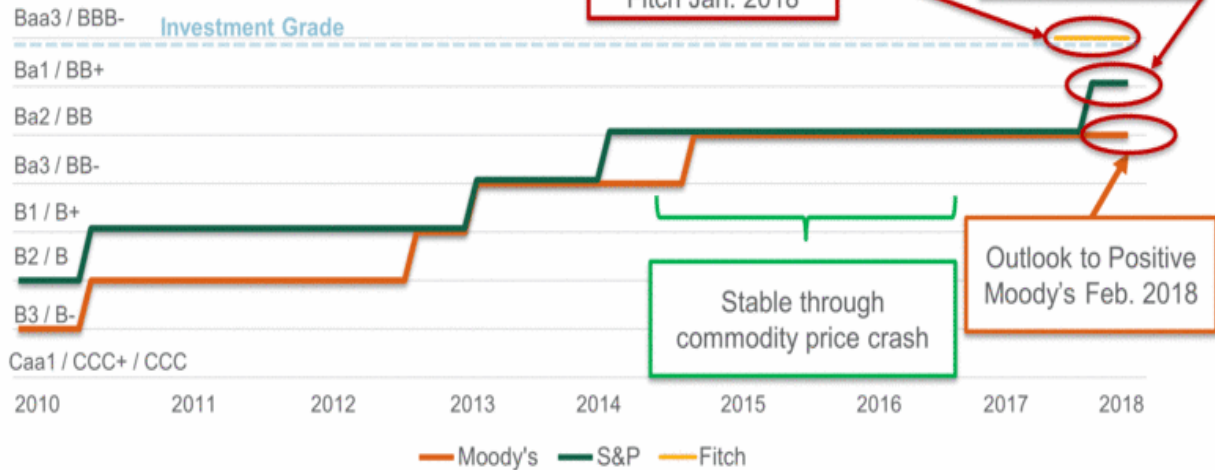
¹⁾ AR debt pro forma for \$357 million hedge monetization announced 12/18/18.

Corporate Credit Ratings History

Stable Credit Ratings with Consistent Upgrades from the Beginning of the Decade Through the Downturn

Investment Grade Rating from Fitch (BBB-) & Recent Upgrade from S&P (BB+)

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



Credit Markets Have a Strong Appreciation for Antero Momentum

Consolidated Adjusted EBITDAX: Represents net income or loss from continuing operations, including noncontrolling interests, before interest expense, interest income, derivative fair value gains or losses (excluding net cash receipts or payments on derivative instruments included in derivative fair value gains or losses), taxes, impairment, depletion, depreciation, amortization, and accretion, exploration expense, franchise taxes, equity-based compensation, gain or loss on early extinguishment of debt, and gain or loss on sale of assets. Consolidated Adjusted EBITDAX also includes distributions from unconsolidated affiliates and excludes equity in earnings or losses of unconsolidated affiliates. See "Antero Non-GAAP Measures" for additional detail.

Consolidated Adjusted Operating Cash Flow: Represents net cash provided by operating activities before changes in current assets and liabilities. See "Antero Non-GAAP Measures" for additional detail.

Consolidated Drilling & Completion Capital: Represents drilling and completion capital as reported in AR's consolidated cash flow statements (i.e., fees paid to AM for water handling and treatment are eliminated upon consolidation and only operating costs associated with water handling and treatment are capitalized).

F&D Cost: Represents current D&C cost per 1,000' lateral divided by net EUR per 1,000' lateral assuming 85% NRI in Marcellus and 81% NRI in Utica. There is no directly comparable financial measure presented in accordance with GAAP for F&D Cost and therefore, a reconciliation to GAAP is not practicable.

Free Cash Flow: Represents Stand-alone Adjusted operating cash flow, less Stand-alone E&P Drilling and Completion capital, less Land Maintenance capital. See "Antero Non-GAAP Measures" for additional detail.

Land Maintenance Capital: Represents leasehold capital expenditures required to achieve targeted working interest percentage of 95% for 5-year development plan (i.e. historical average working interest), plus renewals associated with 5-year development plan.

Stand-alone Adjusted EBITDAX: Represents income or loss from continuing operations as reported in the Parent column of AR's guarantor footnote to its financial statements before interest expense, interest income, derivative fair value gains or losses from exploration and production and marketing (excluding net cash receipts or payments on derivative instruments included in derivative fair value gains or losses), impairment, depletion, depreciation, amortization, and accretion, exploration expense, franchise taxes, equity-based compensation, gain or loss on early extinguishment of debt, gain or loss on sale of assets, and gain or loss on changes in the fair value of contingent acquisition consideration. Stand-alone E&P Adjusted EBITDAX also includes distributions received from limited partner interests in Antero Midstream common units. See "Antero Non-GAAP Measures" for additional detail.

Stand-alone Adjusted Operating Cash Flow: Represents net cash provided by operating activities as reported in the Parent column of AR's guarantor footnote to its financial statements before changes in current assets and liabilities, plus the AM cash distributions payable to AR, plus the earn out payments expected from Antero Midstream associated with the water drop down transaction that occurred in 2015. See "Antero Non-GAAP Measures" on slide 35 for additional detail.

Stand-alone Drilling & Completion Capital: Represents drilling and completion capital as reported in the Parent column of AR's guarantor footnote to its financial statements and includes 100% of fees paid to AM for water handling and treatment and excludes operating costs associated with AM's Water Handling and Treatment segment).

Stand-alone Adjusted Operating Cash Flow and Free Cash Flow

Free Cash Flow as presented in this release and defined by the Company represents Stand-alone Adjusted Operating Cash Flow, less Stand-alone Drilling and Completion capital, less Land Maintenance Capital. Stand-alone Adjusted Operating Cash Flow represents net cash provided by operating activities that will be reported in the Parent column of Antero's guarantor footnote to its financial statements before changes in working capital items. Stand-alone Adjusted Operating Cash Flow 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. Stand-alone Adjusted Operating Cash Flow 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.

Management believes that Stand-alone Adjusted Operating Cash Flow and Free Cash Flow are useful indicators of the company's ability to internally fund its activities and to service or incur additional debt on a Stand-alone basis. Management believes that changes in current assets and liabilities, which are excluded from the calculation of these measures, relate to the timing of cash receipts and disbursements and therefore may not relate to the period in which the operating activities occurred and generally do not have a material impact on the ability of the company to fund its operations.

There are significant limitations to using Stand-alone Adjusted Operating Cash Flow and Free Cash Flow as measures of performance, including the inability to analyze the effect of certain recurring and non-recurring items that materially affect the company's net income on a Stand-alone basis, the lack of comparability of results of operations of different companies and the different methods of calculating Stand-alone Adjusted Operating Cash Flow and Free Cash Flow reported by different companies. Stand-alone Adjusted Operating Cash Flow and Free Cash Flow do not represent funds available for discretionary use because those funds may be required for debt service, land acquisitions and lease renewals, other capital expenditures, working capital, income taxes, exploration expenses, and other commitments and obligations.

Stand-alone Adjusted Operating Cash Flow and Free Cash Flow are not measures of financial performance under GAAP and should not be considered in isolation or as a substitute for cash flows from operating, investing, or financing activities, as an indicator of cash flows, or as a measure of liquidity.

Total Debt, Net Debt and Stand-alone Net Debt

Net Debt is calculated as total debt less cash and cash equivalents. Management uses Consolidated Net Debt and Stand-alone Net Debt to evaluate its financial position, including its ability to service its debt obligations.

Adjusted EBITDAX and Stand-alone Adjusted EBITDAX

Adjusted EBITDAX as defined by the Company represents net income or loss, including noncontrolling interests, before interest expense, interest income, derivative fair value gains or losses, but including net cash receipts or payments on derivative instruments included in derivative fair value gains or losses, taxes, impairments, depletion, depreciation, amortization, and accretion, exploration expense, equity-based compensation, gain or loss on early extinguishment of debt, and gain or loss on sale of assets. Adjusted EBITDAX also includes distributions from unconsolidated affiliates and excludes equity in earnings or losses of unconsolidated affiliates.

Stand-alone Adjusted EBITDAX as defined by the Company represents income or loss as reported in the Parent column of Antero's guarantor footnote to its financial statements before interest expense, interest income, gains or losses from commodity derivatives and marketing derivatives, but including net cash receipts or payments on derivative instruments included in derivative gains or losses, income taxes, impairments, depletion, depreciation, amortization, and accretion, exploration expense, equity-based compensation, gain or loss on early extinguishment of debt, gain or loss on sale of assets, equity in earnings or loss of Antero Midstream and gain or loss on changes in the fair value of contingent acquisition consideration. Stand-alone Adjusted EBITDAX also includes distributions received from limited partner interests in Antero Midstream common units.

The GAAP financial measure nearest to Adjusted EBITDAX is net income or loss including noncontrolling interest that will be reported in Antero's condensed consolidated financial statements. The GAAP financial measure nearest to Stand-alone Adjusted EBITDAX is Stand-alone net income or loss that will be reported in the Parent column of Antero's guarantor footnote to its financial statements. While there are limitations associated with the use of Adjusted EBITDAX and Stand-alone Adjusted EBITDAX described below, management believes that these measures are useful to an investor in evaluating the company's financial performance because these measures:

- are widely used by investors in the oil and gas 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 Antero's operations (both on a consolidated and Stand-alone basis) from period to period by removing the effect of its capital structure from its operating structure; and
- is used by management for various purposes, including as a measure of Antero's operating performance (both on a consolidated and Stand-alone basis), in presentations to the company's board of directors, and as a basis for strategic planning and forecasting. Adjusted EBITDAX is also used by the board of directors as a performance measure in determining executive compensation. Adjusted EBITDAX, as defined by our credit facility, is used by our lenders pursuant to covenants under our revolving credit facility and the indentures governing the company's senior notes.

There are significant limitations to using Adjusted EBITDAX and Stand-alone Adjusted EBITDAX as measures of performance, including the inability to analyze the effect of certain recurring and non-recurring items that materially affect the company's net income on a consolidated and Stand-alone basis, the lack of comparability of results of operations of different companies and the different methods of calculating Adjusted EBITDAX reported by different companies. In addition, Adjusted EBITDAX and Stand-alone Adjusted EBITDAX provide no information regarding a company's capital structure, borrowings, interest costs, capital expenditures, and working capital movement or tax position.

Antero has not included reconciliations of Stand-alone Adjusted Operating Cash Flow and Free Cash Flow to their nearest GAAP financial measures because it cannot do so without unreasonable effort and any attempt to do so would be inherently imprecise.

Stand-alone LTM Adjusted EBITDAX Reconciliation

(in thousands)	Stand-alone Twelve months ended September 30,	
	2018	
Net income attributable to Antero Resources Corporation	\$	210,898
Commodity derivative fair value gains		(334,617)
Gains on settled commodity derivatives		344,917
Marketing derivative fair value gains		(72,687)
Gains on settled marketing derivatives		78,098
Interest expense		219,206
Loss on early extinguishment of debt		1,205
Income tax benefit		(397,638)
Depletion, depreciation, amortization, and accretion		787,598
Impairment of unproved properties		482,568
Impairment of gathering systems and facilities		4,470
Exploration expense		7,050
Gain on change in fair value of contingent acquisition consideration		(15,645)
Equity-based compensation expense		57,496
Equity in (earnings) loss of Antero Midstream		92,545
Distributions from Antero Midstream		149,292
Adjusted EBITDAX	\$	1,614,756

Stand-alone Adjusted EBITDAX per Mcfe Reconciliation (Annual)

	2013	2014	2015	2016	2017	1Q2018	2Q2018	3Q2018
<i>(\$/Mcfe)</i>								
Natural Gas, Oil, Ethane and NGL sales	\$ 4.31	\$ 4.74	\$ 2.53	\$ 2.60	\$ 3.35	\$ 3.56	\$ 3.35	\$ 3.70
Realized commodity derivative gains (losses)	\$ 0.86	\$ 0.37	\$ 1.57	\$ 1.48	\$ 0.26	\$ 0.47	\$ 0.42	\$ 0.28
Distributions from Antero Midstream	\$ -	\$ -	\$ 0.16	\$ 0.17	\$ 0.16	\$ 0.17	\$ 0.17	\$ 0.16
All-In E&P Revenue	\$ 5.17	\$ 5.10	\$ 4.27	\$ 4.25	\$ 3.77	\$ 4.21	\$ 3.94	\$ 4.15
Gathering, compression, processing, and transportation	\$ 1.25	\$ 1.46	\$ 1.56	\$ 1.70	\$ 1.75	\$ 1.80	\$ 1.79	\$ 1.77
Production and ad valorem taxes	0.24	0.23	0.14	0.10	0.11	0.12	0.11	0.12
Lease operating expenses	0.05	0.08	0.07	0.07	0.11	0.15	0.14	0.14
Net Marketing Expense / (Gain)	-	0.14	0.23	0.16	0.13	(0.27)	0.30	0.31
General and administrative (before equity-based compensation)	0.26	0.23	0.20	0.16	0.15	0.15	0.15	0.14
Total E&P Cash Costs	\$ 1.81	\$ 2.14	\$ 2.20	\$ 2.19	\$ 2.26	\$ 1.93	\$ 2.48	\$ 2.48
E&P EBITDAX Margin (All-In)	\$ 3.36	\$ 2.96	\$ 2.07	\$ 2.06	\$ 1.61	\$ 2.28	\$ 1.46	\$ 1.68
Production Volumes (Bcfe)	191	368	545	676	822	214	229	250
<i>\$ Millions</i>								
Natural Gas, Oil, Ethane and NGL sales	\$ 821	\$ 1,741	\$ 1,379	\$ 1,757	\$ 2,751	\$ 762	\$ 768	\$ 925
Realized commodity derivative gains (losses)	164	136	857	1,003	214	101	96	71
Distributions from Antero Midstream	-	-	89	112	132	36	39	41
All-In E&P Revenue	\$ 985	\$ 1,877	\$ 2,324	\$ 2,872	\$ 3,097	\$ 900	\$ 903	\$ 1,037
Gathering, compression, processing, and transportation	239	537	853	1,146	1,441	384	410	443
Production and ad valorem taxes	46	86	77	69	91	25	25	29
Lease operating expenses	9	28	36	51	94	31	32	35
Net Marketing Expense / (Gain)	-	50	123	106	108	(59)	69	78
General and administrative (before equity-based compensation)	50	86	108	110	119	31	33	34
Total E&P Cash Costs	\$ 345	\$ 786	\$ 1,196	\$ 1,483	\$ 1,853	\$ 413	\$ 569	\$ 619



The following table reconciles consolidated total debt to consolidated net debt ("Net Debt") as used in this presentation (in thousands):

		September 30, 2018
Bank credit facility	\$	875,000
5.375% AM senior notes due 2024		650,000
Net unamortized debt issuance costs		(8,146)
Consolidated total debt	\$	1,516,854
Cash and cash equivalents		—
Consolidated net debt	\$	1,516,854

The following table reconciles net income to Adjusted EBITDA for the twelve months ended September 30, 2018 as used in this presentation (in thousands):

		Twelve Months Ended September 30, 2018
Net income	\$	401,491
Interest expense		53,307
Impairment of property and equipment expense		29,202
Depreciation expense		138,279
Accretion of contingent acquisition consideration		15,644
Accretion of asset retirement obligations		101
Equity-based compensation		23,453
Equity in earnings of unconsolidated affiliate		(35,139)
Distributions from unconsolidated affiliates		39,735
Gain on sale of asset – Antero Resources		(583)
Adjusted EBITDA	\$	665,490