



NEWS RELEASE

Antero Announces 60,000 Barrel per Day Advanced Wastewater Treatment Complex

8/19/2015

DENVER, Aug. 19, 2015 /PRNewswire/ -- Antero Resources Corporation (NYSE: AR) ("Antero" or the "Company") announced today that it has signed an agreement with Veolia Water Technologies Inc. and Veolia North America ("Veolia") to design and build a state-of-the-art advanced wastewater treatment complex in Doddridge County, West Virginia. This complex includes an initially designed 60,000 barrel per day facility that will allow Antero to treat and reuse flowback and produced water rather than permanently dispose of the water in injection wells. Antero will own the treatment assets including any ancillary facilities. The complex will be centrally located in Antero's footprint in the southwestern core of the Marcellus Shale play with the ability to serve the Company's development in both the Marcellus and Utica Shale plays.

Announcement Highlights:

- Veolia will design, build, operate and maintain a 60,000 barrel per day advanced wastewater treatment facility under a turnkey contract for Antero in Doddridge County, West Virginia
- Antero will own the \$275 million treatment complex, which is expected to take two years to build, and generate on a standalone basis \$55 million to \$65 million of EBITDA at full utilization three years following the in service date
- Complex will allow Antero to treat and reuse flowback and produced water rather than permanently dispose of the water in injection wells
- Treatment facility will save Antero approximately \$150,000 per well on future completion costs
- Combined with Antero's existing freshwater pipeline distribution system, the advanced wastewater treatment complex places Antero at the forefront of environmentally conscious water management in U.S. shale plays
- The complex will be an integral part of Antero's water business and is subject to Antero Midstream's option to purchase the business

Advanced Wastewater Treatment Complex

The Antero advanced wastewater treatment facility will incorporate Veolia's proprietary AnoxKaldnes™ MBBR biological treatment and its CoLD Process®, an advanced evaporation and crystallization technology, to treat a full range of water qualities including Antero's completion flowback and produced water. This same technology has been successfully utilized in dozens of facilities around the world. The 60,000 barrel per day facility will produce fresh water that meets stringent fresh water quality specifications, resulting in the treated water being delivered back into Antero's existing fresh water distribution system and reused for ongoing completions and development. In addition to reusable fresh water, the facility is expected to produce marketable byproducts with commercial value including salt and other brine products currently used by oil and gas operators for drilling and completion activities.

Veolia has agreed to build the complex under a turnkey contract and will operate it under a 10-year agreement. The contract contains performance guarantees including uptime availability, which considerably de-risks the project economics and reliability. The treatment facility is expected to be in service by the end of 2017, pending finalization of project logistics including regulatory permitting and construction.

Paul Rady, Chairman and CEO, commented, "Our concentrated acreage position in the core of the Marcellus and Utica Shale plays has enabled Antero to build the largest freshwater delivery pipeline system in the industry and we will now build the largest advanced wastewater treatment complex in Appalachia. These two solutions take the freshwater source to the well pad and then to full recycling. This significantly improves the safety and reduces the environmental impact of shale development by removing hundreds of thousands of water truckloads from the roads every year, and recycles and reuses the water rather than dispose of it. The solutions also provide Antero with a significant development cost advantage. The freshwater delivery and wastewater treatment projects are integral to the long-term sustainability of Antero's development of its two world class shale plays."

Additionally, West Virginia Governor Earl Ray Tomblin praised Antero's project, stating, "Antero's planned advanced wastewater treatment complex in Doddridge County is good for the environment and good for West Virginia's economy. This is a substantial capital investment that will create construction and long term operating jobs while also reducing the amount of fresh water that Antero withdraws from state waterways. I commend Antero for making a significant commitment to our state's economy and minimizing the impact of oil and gas operations on local communities."

Estimated Capital Expenditures for Advanced Wastewater Treatment Complex

Capital investment for the advanced wastewater treatment complex is estimated to be \$275 million, which includes site preparation and construction, byproducts processing equipment and five miles of water pipeline that will connect the Antero treatment facility to its existing fresh water distribution system.

Glen Warren, President and CFO, commented, "Based on Antero's current development plan and the resulting flowback and produced water, we expect the treatment facility to be approximately 50% utilized upon the in service date in 2017 and to ramp to full utilization within 36 months, excluding any potential third party volumes. Following the \$275 million buildout, and at full capacity assuming a \$4.00 intercompany fixed fee per barrel charge for water treatment, we expect the facility to generate \$55 to \$65 million in annual EBITDA on a standalone basis and excluding sales of potential commercial byproducts. Based on our current drilling plans, we expect the facility to generate attractive all-in cash on cash returns in-line with our midstream organic gathering and compression capital investments of 4-times to 7-times EBITDA. Finally, we believe that the facility will save Antero approximately \$150,000 per well on future completion costs when compared to historical costs for simple recycling and disposal of produced water."

Potential Water Business Drop Down to Antero Midstream

On July 9th, 2015, Antero Midstream Partners LP ("Antero Midstream") notified Antero of its intent to exercise its option to purchase Antero's water business and transaction negotiations between the parties are ongoing. If Antero Midstream purchases Antero's water business, it is expected to enter into a 20-year water services agreement covering all of Antero's areas of operations in West Virginia, Ohio, and Pennsylvania, as well as any future areas of operation. The existing water services agreement with Antero would be included in the expected drop down of the water business. The water business will include the advanced wastewater treatment complex.

About Veolia

Veolia group is the global leader in optimized resource management. With over 179,000 employees* worldwide, the group designs and provides water, waste and energy management solutions that contribute to the sustainable development of communities and industries. Through its three complementary business activities, Veolia helps to develop access to resources, preserve available resources, and to replenish them.

In 2014, the Veolia group supplied 96 million people with drinking water and 60 million people with wastewater services, produced 52 million megawatt hours of energy and converted 31 million metric tons of waste into new materials and energy. Veolia Environnement (listed on Paris Euronext: VIE) recorded consolidated revenue of €24.4 billion* in 2014. Veolia group's website is located at www.veolia.com.

Regarding today's announcement, Klaus Andersen, CEO of Veolia Water Technologies Inc., stated, "Veolia's mission is 'Resourcing the World -- developing, preserving and replenishing resources'. We are pleased to partner with Antero on the advanced wastewater treatment complex, which brings environmentally sound solutions for both water management and resource recovery. This project shows that environmental stewardship can result in economic advantages, while maintaining high standards for social responsibility using unique technologies and operational services that provide a reliable and sustainable solution for flowback and produced water treatment."

Additionally, Steve Hopper, Executive Vice President of Veolia North America and Chief Operating Officer of its Industrial Business, said, "The guaranteed performance that comes with Veolia's operations and maintenance agreement helps reduce risk for Antero by ensuring successful operation of the water treatment plant. The combination of separate design and build and operations and maintenance guarantees provides a new level of performance and risk management that enables Antero to focus on their core business with the assurance that their produced water management needs will be met or exceeded."

(*) 2014 pro forma figures, including Dalkia International (100%) and excluding Dalkia France.

Antero Resources is an independent natural gas and oil company engaged in the acquisition, development and production of unconventional liquids-rich natural gas properties, as well as water logistics 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, delays in permitting and constructing the advanced wastewater treatment facility, the ability of Veolia to perform under its contract with Antero 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, 2014.

Logo - <http://photos.prnewswire.com/prnh/20131101/LA09101LOGO>

To view the original version on PR Newswire, visit:<http://www.prnewswire.com/news-releases/antero-announces-60000-barrel-per-day-advanced-wastewater-treatment-complex-300130453.html>

SOURCE Antero Resources Corporation

Michael Kennedy - VP Finance, at (303) 357-6782 or mkennedy@anteroresources.com