### **UNITED STATES** SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Amendment No. 2

### **SCHEDULE 13E-3**

**RULE 13e-3 TRANSACTION STATEMENT** (Under Section 13(e) of the Securities Exchange Act of 1934)

### ANTERO MIDSTREAM PARTNERS LP

(Name of the Issuer)

Antero Midstream Partners GP LLC Antero Midstream GP LP AMGP GP LLC Antero IDR Holdings LLC Arkrose Midstream Preferred Co LLC Arkrose Midstream Newco Inc. Arkrose Midstream Merger Sub LLC Antero Resources Corporation Warburg Pincus Private Equity VIII, L.P.
Warburg Pincus Netherlands Private Equity VIII C.V. I WP-WPVIII Investors, L.P. Warburg Pincus Private Equity X O&G, L.P. Warburg Pincus X Partners, L.P. WP-WPVIII Investors GP L.P. Warburg Pincus X, L.P Warburg Pincus X GP L.P. WPP GP LLC Warburg Pincus Partners, L.P. Warburg Pincus Partners GP LLC Warburg Pincus & Co. Warburg Pincus LLC Charles R. Kaye Joseph P. Landy

Yorktown Energy Partners V, L.P. Yorktown Energy Partners VI, L.P. Yorktown Energy Partners VII, L.P. Yorktown Energy Partners VIII, L.P. **Paul Rady** 

Mockingbird Investments LLC Glen C. Warren, Jr. **Canton Investment Holdings LLC** 

(Name of Person(s) Filing Statement)

### **Common Units Representing Limited Partner Interests**

(Title of Class of Securities)

03673L 103

(CUSIP Number of Class of Securities)

Glen C. Warren, Jr. 1615 Wynkoop Street Denver, Colorado 80202 (303) 357-7310

(Name, Address and Telephone Number of Person Authorized to Receive Notices and Communications on Behalf of the Person(s) Filing Statement)

Copies to:

Douglas E. McWilliams Lande A. Spottswood Vinson & Elkins L.L.P. 1001 Fannin Street, Suite 2500 Houston, Texas 77002-6760 713-758-2222

This statement is filed in connection with (check the appropriate box):

- X The filing of solicitation materials or an information statement subject to Regulation 14A, Regulation 14C or Rule 13e-3(c) under the Securities Exchange Act of 1934.
- X The filing of a registration statement under the Securities Act of 1933.
- A tender offer. (c)
- None of the above.

Check the following box if the soliciting materials or information statement referred to in checking box (a) are preliminary copies:

Check the following box if the filing is a final amendment reporting the results of the transaction:

Calculation of Filing Fee

Transaction Valuation Amount of Filing Fee\* \$5,561,008,451.46 \$673,995

Calculated solely for the purpose of determining the filing fee. The Transaction Value was calculated as follows: the product of (a) \$29.73, the average of the high and low prices of the common units of Antero Midstream Partners LP ("AM") as reported on the New York Stock Exchange on November 1, 2018 and (b) 187,050,402, the estimated maximum number of

common units of AM that may be exchanged for the merger consideration in the merger of AM with a wholly owned subsidiary of Antero Midstream GP LP ("AMGP").

- In accordance with Rule 0-11(c)(1), the filing fee was calculated by multiplying 0.0001212 by the Transaction Valuation.
- Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing with which the offsetting fee was previously paid. Identify the previous X filing by registration statement number, or the Form or Schedule and date of its filing.

Amount Previously Paid: \$673,995 Form or Registration No.: Form S-4 (Registration No. 333-228156) Filing Party: Antero Midstream GP LP Date Filed: November 5, 2018

#### INTRODUCTION

This Amendment No. 2 (this "Amendment") to Rule 13e-3 Transaction Statement on Schedule 13E-3 (this "Schedule") is being filed by: (1) (a) Antero Midstream Partners LP ("AM"), the issuer of common units representing limited partner interests in AM that are the subject of the Rule 13e-3 transaction, (b) Antero Midstream Partners GP LLC, the general partner of AM ("AMP GP," and, together with AM, the "AM Parties"), (2) (a) Antero Midstream GP LP ("AMGP"), (b) AMGP GP LLC, the general partner of AMGP ("AMGP GP"), (c) Antero IDR Holdings LLC ("IDR Holdings"), (d) Arkrose Midstream Preferred Co LLC ("Preferred Co"), (e) Arkrose Midstream Newco Inc. ("NewCo"), (f) Arkrose Midstream Merger Sub LLC ("Merger Sub," and together with AMGP, AMGP GP, IDR Holdings, Preferred Co and NewCo, the "AMGP Parties"), (3) Antero Resources Corporation ("Antero Resources"), (4) (a) Warburg Pincus Private Equity VIII, L.P. ("WPPE"), (b) Warburg Pincus Netherlands Private Equity VIII C.V. I ("WPNPE"), (c) WP-WPVIII Investors, L.P. ("WPWP"), (d) Warburg Pincus Private Equity X O&G, L.P. ("WPPEX"), (e) Warburg Pincus X Partners, L.P. ("WPXP"), (f) WP-WPVIII Investors GP L.P. ("WPWP GP"), (g) Warburg Pincus X, L.P. ("WPX"), (h) Warburg Pincus X GP L.P. ("WPX GP"), (i) WPP GP LLC ("WPP GP"), (j) Warburg Pincus Partners, L.P. ("WPP LP"), (k) Warburg Pincus Partners GP LLC ("WPP GP LLC"), (l) Warburg Pincus & Co. ("WP"), (m) Warburg Pincus LLC ("WP LLC"), (n) Charles R. Kaye, and (o) Joseph P. Landy (together with WPPE, WPNPE, WPWP, WPPEX, WPXP, WPWP GP, WPX GP, WPP GP, WPP LP, WPP GP LLC, WP, WP LLC and Mr. Kaye, "Warburg"), (5) (a) Yorktown Energy Partners V, L.P. ("YEP V"), (b) Yorktown Energy Partners VI, L.P. ("YEP VI"), (c) Yorktown Energy Partners VII, L.P. ("YEP VII"), and (d) Yorktown Energy Partners VIII, L.P. ("YEP VII," and together with YEP V, YEP VI, YEP VII, and YEP VII, "Yorktown," and together with Warburg, the "Sponsor Holders"), (6) Paul Rady, Mockingbird Investments LLC ("Mockingbird"), Glen C. Warren, Jr. and Canton Investment Holdings LLC ("Canton," and together with Paul Rady, Mockingbird and Glen C. Warren, Jr., the "Management Holders"). This Schedule relates to the Simplification Agreement, dated as of October 9, 2018, by and among AMGP GP, AMGP, IDR Holdings, Preferred Co, NewCo, Merger Sub, AMP GP, and AM (the "Simplification Agreement").

AMGP has filed with Securities and Exchange Commission a registration statement on Form S-4 (the "Form S-4"), which contains a joint proxy statement and a prospectus (the "proxy statement/prospectus") and constitutes (i) a prospectus of AMGP under Section 5 of the Securities Act of 1933, as amended (the "Securities Act"), with respect to AMGP (or its successor entity) securities to be issued pursuant to the Simplification Agreement, (ii) a notice of meeting and a proxy statement of AMGP under Section 14(a) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), with respect to the special meeting of AMGP shareholders will be asked to consider and vote on, among other matters, a proposal to approve the Simplification Agreement and the transactions contemplated thereby and (iii) a notice of meeting and a proxy statement of AM under Section 14(a) of the Exchange Act with respect to the special meeting of AM unitholders, at which AM unitholders will be asked to consider and vote on a proposal to approve the Simplification Agreement and the transactions contemplated thereby. A copy of the Form S-4 is attached hereto as Exhibit (a)(3) and a copy of the Simplification Agreement is attached as Annex A to the proxy statement/prospectus. All references in this Schedule to Items numbered 1001 to 1016 are references to Items contained in Regulation M-A under the Exchange Act.

The cross-references below are being supplied pursuant to General Instruction G to Schedule 13E-3 and show the location in the proxy statement/prospectus of the information required to be included in response to the items of Schedule 13E-3. The information contained in the proxy statement/prospectus, including all annexes thereto and documents incorporated by reference therein, is hereby expressly incorporated herein by reference. As of the date hereof, the proxy statement/prospectus is in preliminary form and is subject to completion. Terms used but not defined in this Schedule shall have the meanings given to them in the proxy statement/prospectus.

The Rule 13e-3 Transaction Statement on Schedule 13E-3 (together with the exhibits and annexes thereto and as amended and supplemented from time to time, the "Schedule 13E-3"), was originally filed with the Securities and Exchange Commission (the "SEC") on November 5, 2018 by AMGP. Due to the large number of exhibits to be filed with the Schedule 13E-3, this Amendment is being filed to file electronically Exhibits (c)(41) through (c)(61) to Item 16 herein which were not filed with the original Schedule 13E-3. Unless set forth below, all previous Items of the Schedule 13E-3 are unchanged.

#### Item 16. Exhibits.

#### **Regulation M-A Item 1016**

Letter to Common Unitholders of Antero Midstream Partners LP, incorporated herein by reference to the proxy statement/prospectus (a)(1)included in the Registration Statement on Form S-4 filed by Antero Midstream GP LP with the Securities and Exchange Commission on November 5, 2018. (a)(2)Notice of Special Meeting of Common Unitholders of Antero Midstream Partners LP, incorporated herein by reference to the proxy statement/prospectus included in the Registration Statement on Form S-4 filed by Antero Midstream GP LP with the Securities and Exchange Commission on November 5, 2018. (a)(3)Joint Proxy Statement/Prospectus of Antero Midstream Partners LP and Antero Midstream GP LP, incorporated herein by reference to the Registration Statement on Form S-4 filed by Antero Midstream GP LP with the Securities and Exchange Commission on November 5, 2018 (b)(1)Amended and Restated Credit Agreement, dated as of October 26, 2017, among Antero Midstream Partners LP and certain of its subsidiaries, certain lenders party thereto, Wells Fargo Bank, National Association, as administrative agent, l/c issuer and swingline lender and the other parties thereto (incorporated by reference to Exhibit 10.1 to Quarterly Report on Form 10-O filed on November 1, 2017). (b)(2)First Amendment and Joinder Agreement, dated as of October 31, 2018, among Antero Midstream Partners LP and certain of its subsidiaries, certain lenders party thereto, Wells Fargo Bank, National Association, as administrative agent, l/c issuer and swingline lender and the other parties thereto (incorporated by reference to Exhibit 10.5 to the proxy statement/prospectus included in the Registration Statement on Form S-4 filed by Antero Midstream GP LP with the Securities and Exchange Commission on November 5, 2018). Fairness Opinion of the AM Conflicts Committee's Financial Advisor, dated October 8, 2018, incorporated herein by reference to the proxy (c)(1)statement/prospectus included in the Registration Statement on Form S-4 filed by Antero Midstream GP LP with the Securities and Exchange Commission on November 5, 2018. Fairness Opinion of the AMGP Conflicts Committee's Financial Advisor, dated October 9, 2018, incorporated herein by reference to the (c)(2)proxy statement/prospectus included in the Registration Statement on Form S-4 filed by Antero Midstream GP LP with the Securities and Exchange Commission on November 5, 2018. Fairness Opinion of the AR Special Committee's Financial Advisor, dated October 8, 2018, incorporated herein by reference to the proxy (c)(3)statement/prospectus included in the Registration Statement on Form S-4 filed by Antero Midstream GP LP with the Securities and Exchange Commission on November 5, 2018. Presentation prepared by Goldman Sachs & Co. LLC to the Conflicts Committee of the Board of Directors of AMGP GP LLC, dated (c)(4)\*March 1, 2018. (c)(5)\*Presentation prepared by Goldman Sachs & Co. LLC to the Conflicts Committee of the Board of Directors of AMGP GP LLC, dated March 22, 2018. Presentation prepared by Goldman Sachs & Co. LLC to the Conflicts Committee of the Board of Directors of AMGP GP LLC, dated (c)(6)\*April 3, 2018. Presentation prepared by Goldman Sachs & Co. LLC to the Board of Directors of AMGP GP LLC, dated April 7, 2018. (c)(7)\*Presentation prepared by Goldman Sachs & Co. LLC to the Conflicts Committee of the Board of Directors of AMGP GP LLC, dated (c)(8)\*April 10, 2018. Presentation prepared by Goldman Sachs & Co. LLC to the Conflicts Committee of the Board of Directors of AMGP GP LLC, dated (c)(9)\*April 10, 2018.

(c)(10)*	Presentation prepared by Goldman Sachs & Co. LLC to the Conflicts Committee of the Board of Directors of AMGP GP LLC, dated April 18, 2018.
(c)(11)*	Presentation prepared by Goldman Sachs & Co. LLC to the Conflicts Committee of the Board of Directors of AMGP GP LLC, dated April 20, 2018.
(c)(12)*	Presentation prepared by Goldman Sachs & Co. LLC to the Conflicts Committee of the Board of Directors of AMGP GP LLC, dated April 20, 2018.
(c)(13)*	Presentation prepared by Goldman Sachs & Co. LLC to the Conflicts Committee of the Board of Directors of AMGP GP LLC, dated April 23, 2018.
(c)(14)*	Presentation prepared by Goldman Sachs & Co. LLC to the Conflicts Committee of the Board of Directors of AMGP GP LLC, dated May 1, 2018.
(c)(15)*	Presentation prepared by Goldman Sachs & Co. LLC to the Conflicts Committee of the Board of Directors of AMGP GP LLC, dated May 3, 2018.
(c)(16)*	Presentation prepared by Goldman Sachs & Co. LLC to the Conflicts Committee of the Board of Directors of AMGP GP LLC, dated May 8, 2018.
(c)(17)*	Presentation prepared by Goldman Sachs & Co. LLC to the Conflicts Committee of the Board of Directors of AMGP GP LLC, dated May 9, 2018.
(c)(18)*	Presentation prepared by Goldman Sachs & Co. LLC to the Conflicts Committee of the Board of Directors of AMGP GP LLC, dated May 11, 2018.
(c)(19)*	Presentation prepared by Goldman Sachs & Co. LLC to the Conflicts Committee of the Board of Directors of AMGP GP LLC, dated May 18, 2018.
(c)(20)*	Presentation prepared by Goldman Sachs & Co. LLC to the Conflicts Committee of the Board of Directors of AMGP GP LLC, dated May 22, 2018.
(c)(21)*	Presentation prepared by Goldman Sachs & Co. LLC to the Conflicts Committee of the Board of Directors of AMGP GP LLC, dated June 1, 2018.
(c)(22)*	Presentation prepared by Goldman Sachs & Co. LLC to the Conflicts Committee of the Board of Directors of AMGP GP LLC, dated June 6, 2018.
(c)(23)*	Presentation prepared by Goldman Sachs & Co. LLC to the Conflicts Committee of the Board of Directors of AMGP GP LLC, dated June 6, 2018.
(c)(24)*	Presentation prepared by Goldman Sachs & Co. LLC to the Conflicts Committee of the Board of Directors of AMGP GP LLC, dated June 20, 2018.
(c)(25)*	Presentation prepared by Goldman Sachs & Co. LLC to the Conflicts Committee of the Board of Directors of AMGP GP LLC, dated June 29, 2018.
(c)(26)*	Presentation prepared by Goldman Sachs & Co. LLC to the Conflicts Committee of the Board of Directors of AMGP GP LLC, dated July 18, 2018.
(c)(27)*	Presentation prepared by Goldman Sachs & Co. LLC to the Conflicts Committee of the Board of Directors of AMGP GP LLC, dated August 3, 2018.
(c)(28)*	Presentation prepared by Goldman Sachs & Co. LLC to the Conflicts Committee of the Board of Directors of AMGP GP LLC, dated August 11, 2018.
(c)(29)*	Presentation prepared by Goldman Sachs & Co. LLC to the Conflicts Committee of the Board of Directors of AMGP GP LLC, dated August 20, 2018.
(c)(30)*	Presentation prepared by Goldman Sachs & Co. LLC to the Conflicts Committee of the Board of Directors of AMGP GP LLC, dated August 21, 2018.
(c)(31)*	Presentation prepared by Goldman Sachs & Co. LLC to the Conflicts Committee of the Board of Directors of AMGP GP LLC, dated August 23, 2018.
(c)(32)*	Presentation prepared by Goldman Sachs & Co. LLC to the Conflicts Committee of the Board of Directors of AMGP GP LLC, dated August 27, 2018.

(c)(33)*	Presentation prepared by Goldman Sachs & Co. LLC to the Conflicts Committee of the Board of Directors of AMGP GP LLC, dated August 30, 2018.
(c)(34)*	Presentation prepared by Goldman Sachs & Co. LLC to the Conflicts Committee of the Board of Directors of AMGP GP LLC, dated September 6, 2018.
(c)(35)*	Presentation prepared by Goldman Sachs & Co. LLC to the Conflicts Committee of the Board of Directors of AMGP GP LLC, dated September 13, 2018.
(c)(36)*	Presentation prepared by Goldman Sachs & Co. LLC to the Conflicts Committee of the Board of Directors of AMGP GP LLC, dated September 21, 2018.
(c)(37)*	Presentation prepared by Goldman Sachs & Co. LLC to the Conflicts Committee of the Board of Directors of AMGP GP LLC, dated September 24, 2018.
(c)(38)*	Presentation prepared by Goldman Sachs & Co. LLC to the Conflicts Committee of the Board of Directors of AMGP GP LLC, dated October 3, 2018.
(c)(39)*	Presentation prepared by Goldman Sachs & Co. LLC to the Conflicts Committee of the Board of Directors of AMGP GP LLC, dated October 6, 2018.
(c)(40)*	Presentation prepared by Goldman Sachs & Co. LLC to the Conflicts Committee of the Board of Directors of AMGP GP LLC, dated October 8, 2018.
(c)(41)**	Presentation prepared by Robert W. Baird & Co. Incorporated to the Special Committee of the Board of Directors of Antero Resources Corporation, dated March 22, 2018.
(c)(42)**	Presentation prepared by Robert W. Baird & Co. Incorporated to the Special Committee of the Board of Directors of Antero Resources Corporation, dated March 30, 2018.
(c)(43)**	Presentation prepared by Robert W. Baird & Co. Incorporated to the Special Committee of the Board of Directors of Antero Resources Corporation, dated April 10, 2018.
(c)(44)**	Presentation prepared by Robert W. Baird & Co. Incorporated to the Special Committee of the Board of Directors of Antero Resources Corporation, dated April 19, 2018.
(c)(45)**	Presentation prepared by Robert W. Baird & Co. Incorporated to the Special Committee of the Board of Directors of Antero Resources Corporation, dated June 12, 2018.
(c)(46)**	Presentation prepared by Robert W. Baird & Co. Incorporated to the Special Committee of the Board of Directors of Antero Resources Corporation, dated June 21, 2018.
(c)(47)**	Presentation prepared by Robert W. Baird & Co. Incorporated to the Special Committee of the Board of Directors of Antero Resources Corporation, dated July 3, 2018.
(c)(48)**	Presentation prepared by Robert W. Baird & Co. Incorporated to the Special Committee of the Board of Directors of Antero Resources Corporation, dated July 6, 2018.
(c)(49)**	Presentation prepared by Robert W. Baird & Co. Incorporated to the Special Committee of the Board of Directors of Antero Resources Corporation, dated July 8, 2018.
(c)(50)**	Presentation prepared by Robert W. Baird & Co. Incorporated to the Special Committee of the Board of Directors of Antero Resources Corporation, dated July 22, 2018.
(c)(51)**	Presentation prepared by Robert W. Baird & Co. Incorporated to the Special Committee of the Board of Directors of Antero Resources Corporation, dated August 1, 2018.
(c)(52)**	Presentation prepared by Robert W. Baird & Co. Incorporated to the Special Committee of the Board of Directors of Antero Resources Corporation, dated August 22, 2018.
(c)(53)**	Presentation prepared by Robert W. Baird & Co. Incorporated to the Special Committee of the Board of Directors of Antero Resources Corporation, dated August 28, 2018.
(c)(54)**	Presentation prepared by Robert W. Baird & Co. Incorporated to the Special Committee of the Board of Directors of Antero Resources Corporation, dated September 17, 2018.
(c)(55)**	Presentation prepared by Robert W. Baird & Co. Incorporated to the Special Committee of the Board of Directors of Antero Resources Corporation, dated September 23, 2018.

(c)(56)**	Presentation prepared by Robert W. Baird & Co. Incorporated to the Special Committee of the Board of Directors of Antero Resources Corporation, dated October 1, 2018.
(c)(57)**	Presentation prepared by Robert W. Baird & Co. Incorporated to the Special Committee of the Board of Directors of Antero Resources Corporation, dated October 5, 2018.
(c)(58)**	Presentation prepared by Robert W. Baird & Co. Incorporated to the Special Committee of the Board of Directors of Antero Resources Corporation, dated October 6, 2018.
(c)(59)**	Presentation prepared by Robert W. Baird & Co. Incorporated to the Special Committee of the Board of Directors of Antero Resources Corporation, dated October 7, 2018.
(c)(60)**	Supplemental Presentation prepared by Robert W. Baird & Co. Incorporated to the Special Committee of the Board of Directors of Antero Resources Corporation, dated October 7, 2018.
(c)(61)**	Presentation prepared by Robert W. Baird & Co. Incorporated to the Special Committee of the Board of Directors of Antero Resources Corporation, dated October 8, 2018.
(c)(62)***	Presentation prepared by Morgan Stanley & Co. LLC to the Board of Directors of Antero Midstream Partners GP LLC, dated March 20, 2018.
(c)(63)***	Presentation prepared by Morgan Stanley & Co. LLC to the Board of Directors of Antero Midstream Partners GP LLC, dated August 9, 2018.
(c)(64)***	Joint Presentation prepared by J.P. Morgan Securities LLC and Morgan Stanley & Co. LLC to the Board of Directors of Antero Resources Corporation, dated February 21, 2018.
(c)(65)***	Presentation prepared by J.P. Morgan Securities LLC to the Board of Directors of Antero Resources Corporation, dated March 22, 2018.
(c)(66)***	Presentation prepared by J.P. Morgan Securities LLC to the Board of Directors of Antero Resources Corporation, dated August 9, 2018.
(c)(67)***	Presentation prepared by Tudor Pickering Holt & Co. Advisors LLP to the Conflicts Committee of Antero Midstream Partners LP, dated June 17, 2018.
(c)(68)***	Presentation prepared by Tudor Pickering Holt & Co. Advisors LLP to the Conflicts Committee of Antero Midstream Partners LP, dated June 19, 2018.
(c)(69)***	Presentation prepared by Tudor Pickering Holt & Co. Advisors LLP to the Conflicts Committee of Antero Midstream Partners LP, dated June 20, 2018.
(c)(70)***	Presentation prepared by Tudor Pickering Holt & Co. Advisors LLP to the Conflicts Committee of Antero Midstream Partners LP, dated June 28, 2018.
(c)(71)***	Presentation prepared by Tudor Pickering Holt & Co. Advisors LLP to the Conflicts Committee of Antero Midstream Partners LP, dated June 30, 2018.
(c)(72)***	Presentation prepared by Tudor Pickering Holt & Co. Advisors LLP to the Conflicts Committee of Antero Midstream Partners LP, dated July 12, 2018.
(c)(73)***	Presentation prepared by Tudor Pickering Holt & Co. Advisors LLP to the Conflicts Committee of Antero Midstream Partners LP, dated July 14, 2018.
(c)(74)***	Presentation prepared by Tudor Pickering Holt & Co. Advisors LLP to the Conflicts Committee of Antero Midstream Partners LP, dated

August 14, 2018.

(c)(75)***	Presentation prepared by Tudor Pickering Holt & Co. Advisors LLP to the Conflicts Committee of Antero Midstream Partners LP, dated
(c)(76)***	August 14-15, 2018.  Presentation prepared by Tudor Pickering Holt & Co. Advisors LLP to the Conflicts Committee of Antero Midstream Partners LP, dated
(c)(77)***	August 26, 2018.  Presentation prepared by Tudor Pickering Holt & Co. Advisors LLP to the Conflicts Committee of Antero Midstream Partners LP, dated
	August 26, 2018.
(c)(78)***	Presentation prepared by Tudor Pickering Holt & Co. Advisors LLP to the Conflicts Committee of Antero Midstream Partners LP, dated August 31, 2018.
(c)(79)***	Presentation prepared by Tudor Pickering Holt & Co. Advisors LLP to the Conflicts Committee of Antero Midstream Partners LP, dated September 1, 2018.
(c)(80)***	Presentation prepared by Tudor Pickering Holt & Co. Advisors LLP to the Conflicts Committee of Antero Midstream Partners LP, dated September 2, 2018.
(c)(81)***	Presentation prepared by Tudor Pickering Holt & Co. Advisors LLP to the Conflicts Committee of Antero Midstream Partners LP, dated September 17, 2018.
(c)(82)***	Presentation prepared by Tudor Pickering Holt & Co. Advisors LLP to the Conflicts Committee of Antero Midstream Partners LP, dated September 20, 2018.
(c)(83)***	Presentation prepared by Tudor Pickering Holt & Co. Advisors LLP to the Conflicts Committee of Antero Midstream Partners LP, dated September 23, 2018.
(c)(84)***	Presentation prepared by Tudor Pickering Holt & Co. Advisors LLP to the Conflicts Committee of Antero Midstream Partners LP, dated September 28, 2018.
(c)(85)***	Presentation prepared by Tudor Pickering Holt & Co. Advisors LLP to the Conflicts Committee of Antero Midstream Partners LP, dated October 2, 2018.
(c)(86)***	Presentation prepared by Tudor Pickering Holt & Co. Advisors LLP to the Conflicts Committee of Antero Midstream Partners LP, dated October 6, 2018.
(c)(87)***	Presentation prepared by Tudor Pickering Holt & Co. Advisors LLP to the Conflicts Committee of Antero Midstream Partners LP, dated October 8, 2018.
(c)(88)***	Presentation prepared by Tudor Pickering Holt & Co. Advisors LLP to the Conflicts Committee of Antero Midstream Partners LP, dated October 8, 2018.
(c)(89)***	Discussion Materials of Citigroup Global Markets Inc. for the Sponsor Holders, dated September 10, 2018.
(c)(90)***	Discussion Materials of Citigroup Global Markets Inc. for the Sponsor Holders affiliated with Warburg Pincus LLC, dated September 12, 2018.
(c)(91)***	Discussion Materials of Citigroup Global Markets Inc. for the Sponsor Holders, dated September 13, 2018.
(d)(1)	Simplification Agreement, dated as of October 9, 2018, by and among AMGP GP LLC, Antero Midstream GP LP, Antero IDR Holdings LLC, Arkrose Midstream Preferred Co LLC, Arkrose Midstream NewCo Inc., Arkrose Midstream Merger Sub LLC, Antero Midstream Partners GP LLC and Antero Midstream Partners LP., incorporated herein by reference to the proxy statement/prospectus included in the Registration Statement on Form S-4 filed by Antero Midstream GP LP with the Securities and Exchange Commission on November 5, 2018
(f)(1)	Agreement of Limited Partnership, dated as of November 10, 2014, by and between Antero Resources Midstream Management LLC, as the General Partner, and Antero Resources Corporation, as the Organizational Limited Partner (incorporated by reference to Exhibit 3.1 to Current Report on Form 8-K filed on November 17, 2014).
(f)(2)***	Delaware Code Title 6 § 17-212.
(g)	None

<sup>\*</sup> Previously filed \*\* Filed herewith \*\*\* To be filed by amendment

### **SIGNATURES**

After due inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

Dated: November 5, 2018

### ANTERO MIDSTREAM PARTNERS LP

By: Antero Midstream Partners GP LLC, its general partner

By: /s/ Alvyn A. Schopp

Name: Alvyn A. Schopp

Title: Chief Administrative Officer, Regional Senior Vice President and

Treasurer

Dated: November 5, 2018

### ANTERO MIDSTREAM PARTNERS GP LLC

By: /s/ Alvyn A. Schopp

Name: Alvyn A. Schopp

Title: Chief Administrative Officer, Regional Senior Vice President and

Treasurer

Dated: November 5, 2018

### ANTERO MIDSTREAM GP LP

By: AMGP GP LLC, its general partner

By: /s/ Alvyn A. Schopp

Name: Alvyn A. Schopp

Title: Chief Administrative Officer, Regional Senior Vice President and

Treasurer

Dated: November 5, 2018

### **AMGP GP LLC**

By: /s/ Alvyn A. Schopp

Name: Alvyn A. Schopp

Title: Chief Administrative Officer, Regional Senior Vice President and

Treasurer

7

ANTERO IDR HOLDINGS LLC

By: Antero Midstream GP LP, its managing member

By: AMGP GP LLC, its general partner

By: /s/ Alvyn A. Schopp

Name: Alvyn A. Schopp

Title: Chief Administrative Officer, Regional Senior Vice President and

Treasurer

Dated: November 5, 2018

Dated: November 5, 2018

Dated: November 5, 2018

Dated: November 5, 2018

ARKROSE MIDSTREAM PREFERRED CO LLC

By: Antero Midstream GP LP,its sole member By: AMGP GP LLC, its general partner

By: /s/ Alvyn A. Schopp

Name: Alvyn A. Schopp

Title: Chief Administrative Officer, Regional Senior Vice President and

Treasurer

ARKROSE MIDSTREAM NEWCO INC.

By: /s/ Alvyn A. Schopp

Name: Alvyn A. Schopp

Title: Chief Administrative Officer, Regional Senior Vice President and

Treasurer

ARKROSE MIDSTREAM MERGER SUB LLC

By: Arkrose Midstream NewCo Inc., its sole member

By: /s/ Alvyn A. Schopp

Name: Alvyn A. Schopp

Title: Chief Administrative Officer, Regional Senior Vice President and

Treasurer

ANTERO RESOURCES CORPORATION

By: /s/ Alvyn A. Schopp

Name: Alvyn A. Schopp

Title: Chief Administrative Officer, Regional Senior Vice President and

Treasurer

8

Dated: November 5, 2018

Dated: November 5, 2018

Dated: November 5, 2018

### WARBURG PINCUS PRIVATE EQUITY VIII, L.P.

By: Warburg Pincus Partners, L.P., its general partner By: Warburg Pincus Partners GP LLC, its general partner Warburg Pincus & Co., its managing member By:

By: /s/ Robert B. Knauss

Name: Robert B. Knauss

Title: Partner

#### WARBURG PINCUS NETHERLANDS PRIVATE EOUITY VIII C.V. I

By: Warburg Pincus Partners, L.P., its general partner By: Warburg Pincus Partners GP LLC, its general partner Warburg Pincus & Co., its managing member By:

By: /s/ Robert B. Knauss Name: Robert B. Knauss

Title: Partner

### WP-WPVIII INVESTORS, L.P.

WP-WPVIII Investors GP L.P., its general partner By:

WPP GP LLC, its general partner By:

Warburg Pincus Partners, L.P., its managing member By: Warburg Pincus Partners GP LLC, its general partner By: By: Warburg Pincus & Co., its managing member

By: /s/ Robert B. Knauss

Name: Robert B. Knauss

Title: Partner

#### WARBURG PINCUS PRIVATE EQUITY X O&G, L.P.

By: Warburg Pincus X, L.P., its general partner By: Warburg Pincus X GP L.P., its general partner

WPP GP LLC, its general partner By:

Warburg Pincus Partners, L.P., its managing member By: Warburg Pincus Partners GP LLC, its general partner By: Warburg Pincus & Co., its managing member By:

/s/ Robert B. Knauss

Name: Robert B. Knauss

Title: Partner

9

By:

### WARBURG PINCUS X PARTNERS, L.P.

By: Warburg Pincus X, L.P., its general partner By: Warburg Pincus X GP L.P., its general partner

By: WPP GP LLC, its general partner

By: Warburg Pincus Partners, L.P., its managing member By: Warburg Pincus Partners GP LLC, its general partner By: Warburg Pincus & Co., its managing member

By: /s/ Robert B. Knauss

Name: Robert B. Knauss

Title: Partner

Dated: November 5, 2018

### WP-WPVIII INVESTORS, GP L.P.

By: WPP GP LLC, its general partner

By: Warburg Pincus Partners, L.P., its managing member By: Warburg Pincus Partners GP LLC, its general partner By: Warburg Pincus & Co., its managing member

By: /s/ Robert B. Knauss

Name: Robert B. Knauss

Title: Partner

Dated: November 5, 2018

### WARBURG PINCUS X, L.P.

By: Warburg Pincus X GP L.P., its general partner

By: WPP GP LLC, its general partner

By: Warburg Pincus Partners, L.P., its managing member By: Warburg Pincus Partners GP LLC, its general partner By: Warburg Pincus & Co., its managing member

By: /s/ Robert B. Knauss

Name: Robert B. Knauss

Title: Partner

10

Dated: November 5, 2018

### WARBURG PINCUS X GP L.P.

By: WPP GP LLC, its general partner

By: Warburg Pincus Partners, L.P., its managing member By: Warburg Pincus Partners GP LLC, its general partner By: Warburg Pincus & Co., its managing member

By: /s/ Robert B. Knauss

Name: Robert B. Knauss

Title: Partner

#### WPP GP LLC

By: Warburg Pincus Partners, L.P., its managing member By: Warburg Pincus Partners GP LLC, its general partner By: Warburg Pincus & Co., its managing member

By: /s/ Robert B. Knauss

Name: Robert B. Knauss

Title: Partner

### WARBURG PINCUS PARTNERS, L.P.

By: Warburg Pincus Partners GP LLC, its general partner By: Warburg Pincus & Co., its managing member

By: /s/ Robert B. Knauss

Name: Robert B. Knauss

Title: Partner

### WARBURG PINCUS PARTNERS GP LLC

By: Warburg Pincus & Co., its managing member

By: /s/ Robert B. Knauss
Name: Robert B. Knauss

Title: Partner

#### WARBURG PINCUS & CO.

By: /s/ Robert B. Knauss
Name: Robert B. Knauss

Name: Robert B. Knai

Title: Partner

### WARBURG PINCUS LLC

By: /s/ Robert B. Knauss
Name: Robert B. Knauss

Title: Managing Director

CHARLES R. KAYE

By: /s/ Charles R. Kaye

Name: Charles R. Kaye

By: Robert B. Knauss, Attorney-in-Fact\*

Dated: November 5, 2018

### JOSEPH P. LANDY

By: /s/ Joseph P. Landy

Name: Joseph P. Landy

By: Robert B. Knauss, Attorney-in-Fact\*

Dated: November 5, 2018

### YORKTOWN ENERGY PARTNERS V, L.P.

By: Yorktown V Company LLC, its General Partner

By: /s/ W. Howard Keenan, Jr.

Name: W. Howard Keenan, Jr.

Title: Member

<sup>\*</sup> The Power of Attorney given by each of Mr. Kaye and Mr. Landy was previously filed with the SEC on July 12, 2016 as an exhibit to a beneficial ownership report on Schedule 13D filed by Warburg Pincus LLC with respect to WEX Inc. and is hereby incorporated by reference.

YORKTOWN ENERGY PARTNERS VI, L.P.

By: Yorktown VI Company LP, its General Partner By: Yorktown VI Associates LLC, its General Partner

By: /s/ W. Howard Keenan, Jr.

Name: W. Howard Keenan, Jr.

Title: Member

Dated: November 5, 2018

YORKTOWN ENERGY PARTNERS VII, L.P.

By: Yorktown VII Company LP, its General Partner By: Yorktown VII Associates LLC, its General Partner

By: /s/ W. Howard Keenan, Jr.

Name: W. Howard Keenan, Jr.

Title: Member

Dated: November 5, 2018

YORKTOWN ENERGY PARTNERS VIII, L.P.

By: Yorktown VIII Company LP, its General Partner By: Yorktown VIII Associates LLC, its General Partner

By: /s/ W. Howard Keenan, Jr.

Name: W. Howard Keenan, Jr.

Title: Member

Dated: November 5, 2018

By: /s/ Paul M. Rady

Name: Paul M. Rady

Dated: November 5, 2018

MOCKINGBIRD INVESTMENTS LLC

By: /s/ Paul M. Rady

Name: Paul M. Rady

Title: Manager

12

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

Dated: November 5, 2018

### CANTON INVESTMENT HOLDINGS LLC

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

Name: Glen C. Warren, Jr.

Title: Manager

13

Exhibit (c)(41)







## **SUMMARY OBSERVATIONS**



### AR's position relative to key investment themes in the E&P sector have led to its underperformance

KEY E&P INVESTMENT THEMES	ANTERO POSITION		
<ul> <li>Persistent negative sentiment toward natural gas:</li> <li>Natural gas supply/demand fundamentals and associated strip prices remain weak</li> </ul>	<ul> <li>Antero is a single-basin, natural gas and NGLs focused-producer</li> <li>Natural gas weighted companies have underperformed the majority of the broader E&amp;P sector since 2014</li> </ul>		
<ul> <li>Investor emphasis on growth with capital discipline:</li> <li>Focus on spending within operating cash flow</li> </ul>	AR's Firm Transportation commitments are increasingly viewed as "liability" because they mandate substantial drilling activity and production growth		
<ul> <li>Reduction of debt and prudent leverage metrics</li> </ul>	<ul> <li>Cumulative cash flow outspend since 2014 of \$3.0 bn</li> <li>Leverage levels of nearly 4.0x leading into the broader downturn in the sector</li> </ul>		
<ul> <li>Efficiency and productivity gains:</li> <li>Focus on drilling efficiencies, longer laterals, higher margins</li> </ul>	✓ AR is a market leader in drilling efficiencies and maximizing the return profile of its development program  COMMENTARY		
ANTERO SPECIFIC THEMES			
<ul> <li>Perception of a conflict of interest between AR/AMGP/AM and management's respective ownership positions</li> </ul>	AMGP generated substantial cash flow and equity value as a result of AR's prolific drilling activity		
	➤ Midstream fees reduce AR's ROCE		
<ul> <li>Investor frustration with consolidated financial reporting</li> </ul>	Consolidated AR and AM financials make it difficult for investors to truly isolate AR's value		

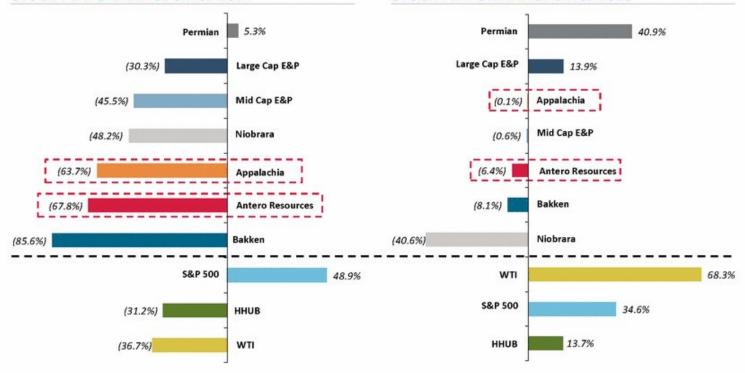




### Gas-weighted indexes have under performed the broader sector

### STOCK PERFORMANCE SINCE 2014

### STOCK PERFORMANCE SINCE 2016

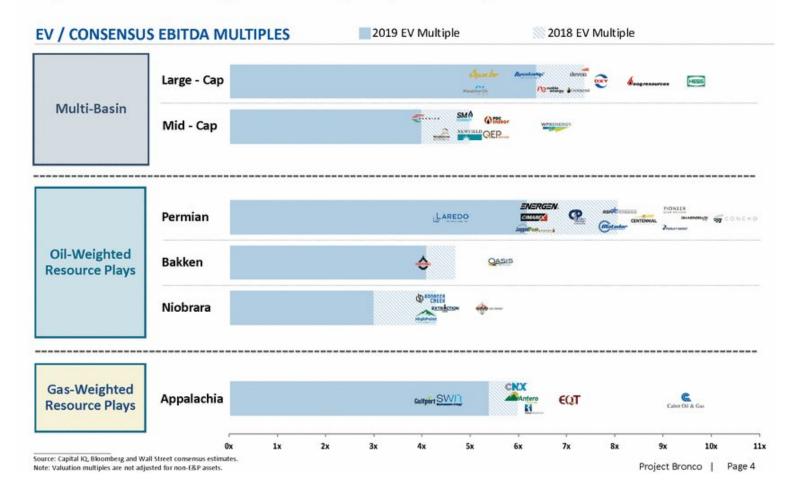


Source: S&P Capital IQ as of most recent filings. Market prices as of March 16, 2018. Large Cap index includes: APA, APC, CLR, DVN, EOS, HES, MRQ, NBL and OXY. Mid Cap index includes: CRZQ, NEX, PDCE, QLP, SM, WPX and WRD. Permian index includes: CDEV, CPE, CXQ, EGN, FANG, IAG, LPI, MTDR, PE, PXD, RSPP and XEC. Bakken index includes: OAS and WIL. Niobrara index includes: CAS and WIL. Niobrara index includes RCEI, HPR, SRCI and XOG. Gas-weighted index includes: AR, CNX, COG, EQT, GPOR, RRC and SWN.

## **CURRENT VALUATION MULTIPLES ACROSS THE E&P SECTOR**



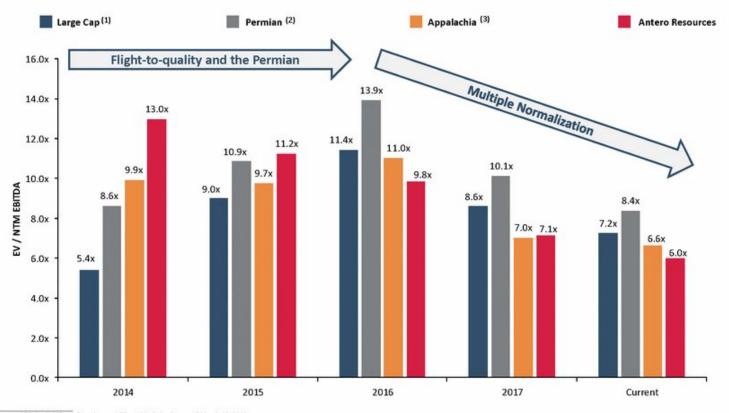
Snapshot 2018 and 2019 EV / EBITDA Trading multiples & rankings across the sector





## **VALUATION MULTIPLES ACROSS THE E&P LANDSCAPE**

### Selected median trading multiples over the cycle



Source: S&P Capital IQ as of most recent filings. Market prices as of March 16, 2018.

Note: multiples are unadjusted for non-E&P assets.
(1) Large Cap index includes: APA, APA, CUR, DVN, EOG, HES, MRO, NBL and OXY.
(2) Permin index includes: CDEV, CPC, CXO, EGN, FANG, IAG, LPL, MTDR, PE, PXD, RSPP and XEC.
(3) Gas-weighted index includes: AR, CNX, COG, EQT, GPOR, RRC and SWN.

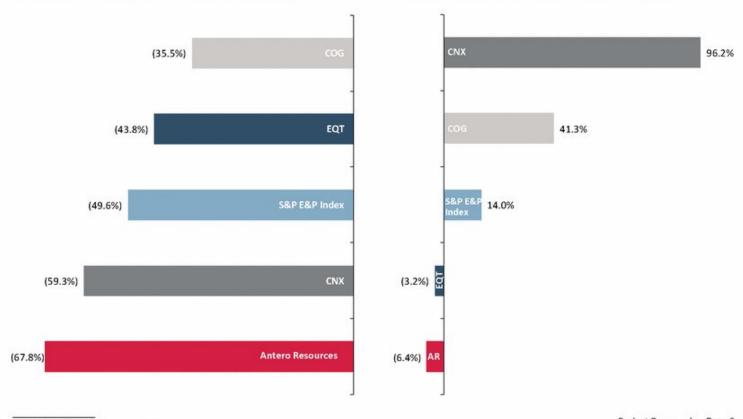
## AR VS. CLOSEST APPALACHIAN PEERS



### Share price performance of AR vs its closest peers

### **SHARE PRICE PERFORMANCE SINCE 2014**

### **SHARE PRICE PERFORMANCE SINCE 2016**

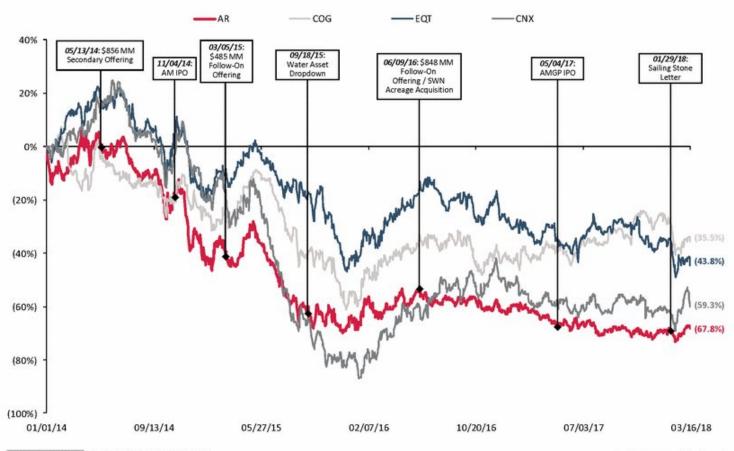


Source: S&P Capital IQ as of March 16, 2018. Project Bronco | Page 6

# AR VS. CLOSEST APPALACHIAN PEERS (CONT.)



### Share Price Performance of AR vs. its closest peers



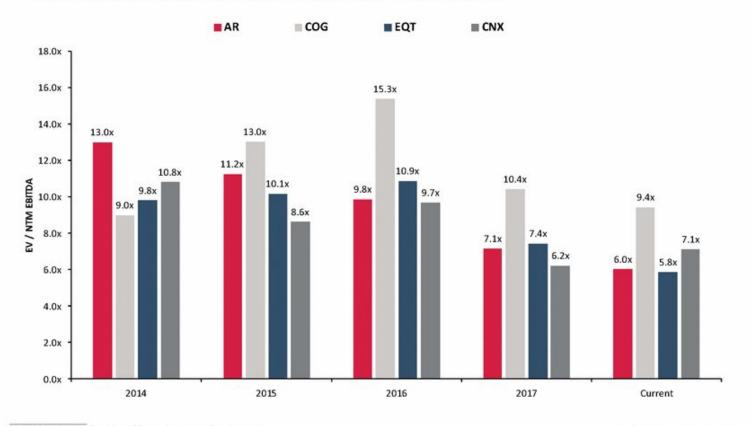
Source: S&P Capital IQ and Company website as of March 16, 2018.

## AR VS. CLOSEST APPALACHIAN PEERS (CONT.)



### Median Trading Multiples Over Time

AR has experienced significant multiple erosion relative to its peer group



Source: S&P Capital IQ as of most recent filings. Market prices as of March 16, 2018. Note: Valuation multiples are not adjusted for non-E&P assets.

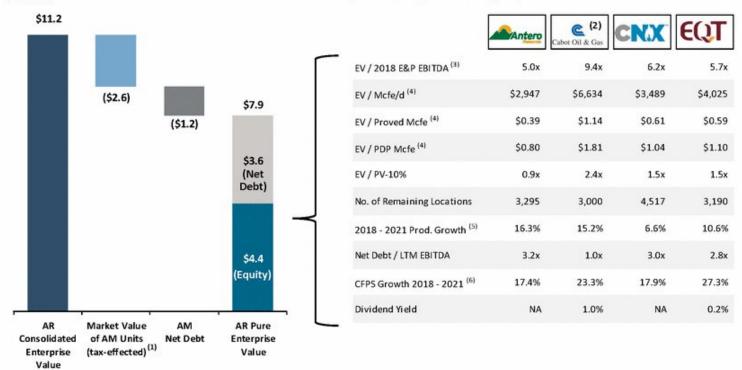
## AR'S ISOLATED E&P TRADING MULTIPLES VS. PEERS



### AR STAND-ALONE E&P ENTERPRISE VALUE

### **IMPLIED E&P TRADING STATISTICS**

(\$ in millions, except per share and acreage data)



(\$ in billions)

Based on consolidated projected results per Wall Street estimates.

Source: SEC filings and S&P Capital IQ as of March 16, 2018.

(1) Value of AM units, Tax effected at 20%.

(2) Pro forma COG's \$765 million sale of Eagle Ford assets announced in December 2017.

(3) Company guidance and Wall Street Research estimates.

Baird utilized the following conversion ratios for gas and NGLs, respectively: 17.5 to 1 and 2.0 to 1. Wall Street Research estimates.

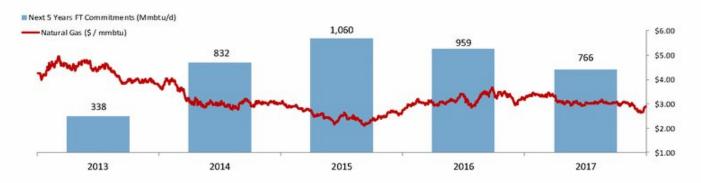


## AR KEY PERFORMANCE DRIVERS

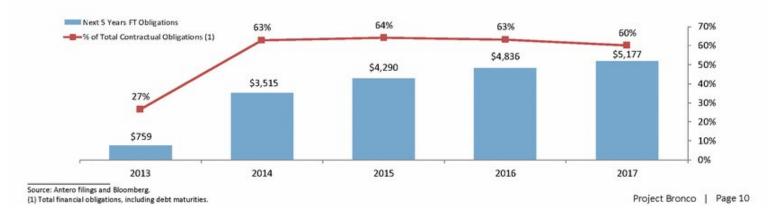


Significant firm transportation commitments have been a factor in AR's prolific drilling pace

### FIRM TRANSPORTATION - NEXT 5 YEARS AVERAGE DAILY VOLUME COMMITMENTS



### FIRM TRANSPORTATION - NEXT 5 YEARS CUMULATIVE \$ VALUE COMMITMENTS



## AR KEY PERFORMANCE DRIVERS (CONT.)



### Prolific drilling precipitated cash flow outspend and increased leverage

### AR E&P FREE CASH FLOW (1)

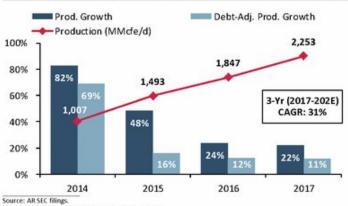
(\$ in millions (\$2.9 B) cumulative cash flow outspend since 2014 2014 2015 2016 2017 ~(\$300) ~(\$350) ~(\$750)

### AR E&P DEBT & LEVERAGE



### PRODUCTION & GROWTH

~(\$1,500)



Source: January 2018 Analyst Day presentation. Represents current E&P debt / run-rate E&P EBITDA.

### AR CONSOLIDATED DEBT & LEVERAGE



## AR KEY PERFORMANCE DRIVERS (CONT.)

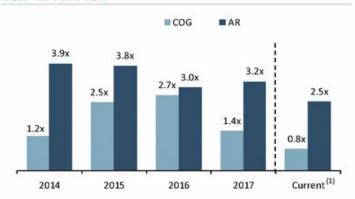


### What did COG (top Appalachia performer) do well that AR did not: AR vs COG along key metrics

### **E&P FREE CASH FLOW**



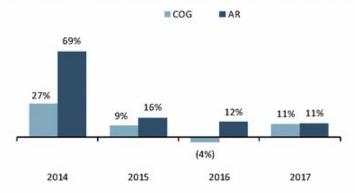
### **E&P LEVERAGE**



### PRODUCTION GROWTH







Source: AR and COG SEC filings.

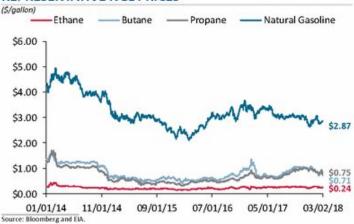
(1) Represents current E&P debt / run-rate E&P EBITDA. Pro forma COG's \$765 million sale of Eagle Ford assets announced in December 2017.

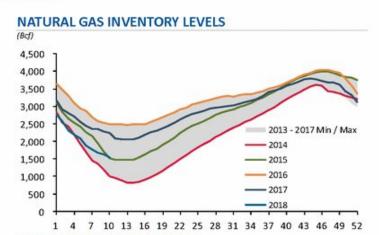
## AR KEY PERFORMANCE DRIVERS (CONT.)



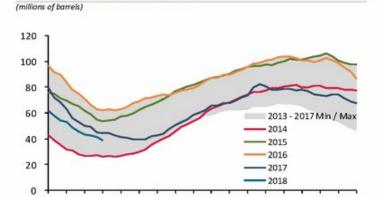
### Activity levels amidst a tepid commodity price environment







PROPANE INVENTORY LEVELS



7 10 13 16 19 22 25 28 31 34 37 40 43 46

## AR'S INCREASED TRANSPARENCY IN FINANCIAL REPORTING



Until recent changes, a lack of transparency around stand-alone E&P performance has caused confusion in understanding the AR story

### NEW DISCLOSURES AS OF Q3/Q4 2017

- Stand-alone E&P EBITDAX
- Stand-alone E&P adjusted net income
- Reconciliation of stand-alone E&P adjusted EBITDAX and EBITDAX margin
- Stand-alone E&P Adjusted Operating Cash Flow
- Stand-alone E&P net debt and liquidity

#### 2017 10-K

For the year ended December 31, 2017, we generated consolidated cash flow from operations of \$2.0 billion, consolidated net income of \$615 million, Adjusted EBITDAX of \$1.5 billion, and Stand-Alone E&P Adjusted EBITDAX of \$1.2 billion. This compares to consolidated cash flow from operations of \$1.2 billion, a consolidated net loss of \$849 million, Adjusted EBITDAX of \$1.5 billion, and Stand-Alone E&P Adjusted EBITDAX of \$1.4 billion for the year ended December 31, 2016.

#### vs. 2016 10-K

For the year ended December 31, 2016, we generated consolidated cash flow from operations of \$1.24 billion, a consolidated net loss of \$849 million, and Adjusted EBITDAX of \$1.54 billion. This compares to consolidated cash flow from operations of \$1.02 billion, consolidated net income of \$941 million, and Adjusted EBITDAX of \$1.22 billion for the year ended December 31, 2015.

### **EXAMPLE FROM YEAR-END 2017 EARNINGS RELEASE**

New disclosure	Years	lone E&P Ended iber 31,	Consolidated Years Ended December 31,		
	2016	2017	2016	2017	
Net income (loss) including noncontrolling interest	\$ (848,816)	\$ 615,070	\$ (749,448)	\$ 785,137	
Commodity derivative fair value (gains)	514,181	(636,889)	514,181	(636,889)	
Gains on settled derivative instruments	1,003,083	213,940	1,003,083	213,940	
Gain on sale of assets	(93,776)	-	(97,635)	-	
Interest expense	232,455	232,331	253,552	268,701	
Loss on early extinguishment of debt	16,956	1,205	16,956	1,500	
Income tax expense (benefit)	(496,376)	(295,051)	(496,376)	(295,051)	
Depreciation, depletion, amortization, and accretion	712,485	707,658	812,346	827,220	
Impairment of unproved properties	162,935	159,598	162,935	159,598	
Impairment of gathering systems and facilities	NA	N/A	_	23,431	
Exploration expense	6,862	8,538	6.862	8,538	
Gain on change in fair value of contingent acquisition consideration	(16,489)	(13,476)	N/A	N/A	
Equity-based compensation expense	76,372	76,162	102,421	103,445	
Equity in loss (earnings) of unconsolidated affiliate	N/A	N/A	(485)	(20,194	
Distributions from unconsolidated affiliate	N/A	N/A	7,702	20,195	
Distributions from Antero Midstream	107,364	131,598	N/A	NA	
Equity in net income of Antero Midstream	7,156	43,710	N/A	N/A	
State franchise taxes	50	_	50	-	
Total Adjusted EBITDAX	1,384,442	1,244,394	1,536,144	1,459,571	
Interest expense	(232,455)	(232,331)	(253,552)	(268,701)	
Exploration expense	(6,862)	(8,538)	(6.862)	(8.538)	
Changes in current assets and liabilities	(36,519)	87,466	(32,920)	76,035	
State franchise taxes	(50)	_	(50)	_	
Proceeds from derivative monetizations	_	749,906	_	749,906	
Other non-cash items	(3.318)	(4,575)	(1,504)	(1,982)	
Net cash provided by operating activities	\$ 1,105,238	1,836,322	\$ 1,241,256	\$ 2,006,291	

Source: AR SEC filings. Project Bronco | Page 14

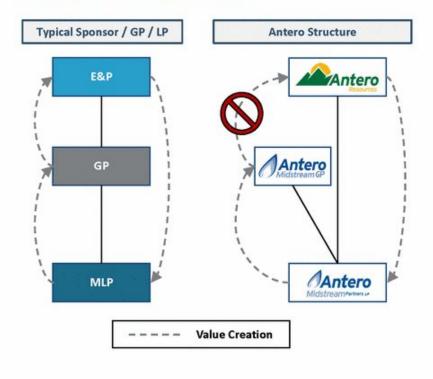


### **ANTERO FAMILY STRUCTURAL ISSUES**



#### Lack of continuity in the sponsor / GP / LP value creation cycle has magnified AR's issues

#### SPONSOR / GP / LP VALUE CHAIN



#### NOTABLE SPONSOR RELATIONSHIPS

		Ownership of IDRs		
Company	Partnership	Pre-GP IPO	Post-GP IPO	
Antero	Antero	0%	0%	
Anadario <sup>3</sup>	Western Gas	100%	82%	
EQT	EQT Midstream	100%	91%	
Ö	20 Tribity sport Parlmans	100%	NA	
CNX	CNX	100%	NA	
Dominion	Dominion Houses	100%	NA	
HESS	HESS Mesteram Partners	100% (1)	NA	
M)	MPL	100%	NA	
noble energy	Nnoble	100%	NA	
OASIS	CASIS	90%	NA	
66	Phillips 66	100%	NA	
<b>O</b>	Stell Mildeness Partners	100%	NA	
VALERO	VALIRO	100%	NA	

Source: SEC filings.

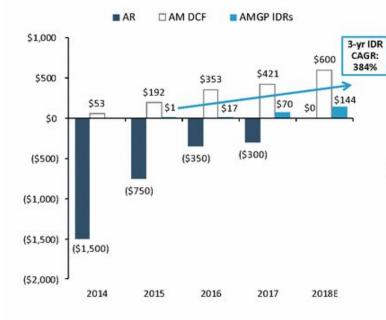
(1) Hess Corp. and Global Infrastructure partners are 50/50 joint venture owners in Hess Infrastructure Partners, which owns the IDRs of Hess Midstream Partners.

### **ANTERO FAMILY STRUCTURAL ISSUES (CONT.)**



#### FREE CASH FLOW BY ENTITY

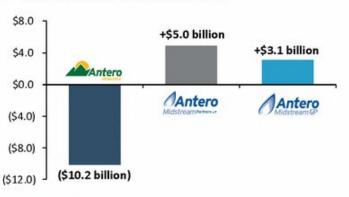
- AR's significant drilling capital through 2017 (and consequential cash flow outspend) ultimately drove substantial IDR cash flow at the GP
- IDR cash flow growth led to an \$875 MM IPO, at an implied \$4 billion valuation with proceeds exclusively going to the sponsor group



Source: AR and AM SEC Flings.
(1) All offering data excludes underwriters' overallotment option.
(2) Based on AM's Q2 2017£ distribution, annualized, calculated according to midpoint of management's public guidance as disclosed in AMGP's S-1.

#### VALUATION CREATION COMPARISON

Equity market value changes since 1/2014



#### AMGP IPO (1)

IPO Date	05/03/17
Total Equity Valuation @ IPO	\$4,375
IPO Proceeds	\$875
IPO Yield (2)	0.79%
IDR Cash Flow Multiple (2)	126.5x
Proceeds to AR	\$0
AR Retained Ownership	0%

### ANTERO FAMILY STRUCTURAL ISSUES (CONT.)



#### Individual management ownership stakes further complicated the situation

#### **AR TOP 10 HOLDERS**

15	In	mi	Was	nel
100	17.5	MM	mor	121

	Current	- 0		9/30/2017	
1	Warburg Pincus	\$951	1	Warburg Pincus	\$1,129
2	SailingStone	713	2	SailingStone	690
3	The Baupost Group, LLC	504	3	The Baupost Group, LLC	476
4	The Vanguard Group, Inc.	388	4	The Vanguard Group, Inc.	372
5	Rady, Paul M.	330	5	Rady, Paul M.	320
11	Warren Jr., Glen C.	203	10	Warren Jr., Glen C.	205

	6/30/2017	
1	Warburg Pincus	\$1,226
2	SailingStone	585
3	The Baupost Group, LLC	458
4	The Vanguard Group, Inc.	384
5	Rady, Paul M.	348
9	Warren Jr., Glen C.	222

	3/31/2017			12/3
ı	Warburg Pincus	\$1,294	1	Warburg Pine
2	SailingStone	580	2	SailingStone
1	The Vanguard Group, Inc.	380	3	The Vanguard
1	Yorktown Partners, LL.C.	360	4	Yorktown Par
,	Rady, Paul M.	355	5	Rady, Paul M.
,	Warren Jr., Glen C.	229	9	Warren Jr., G

	12/31/2016	
1	Warburg Pincus	\$1,341
2	SailingStone	588
3	The Vanguard Group, Inc.	376
4	Yorktown Partners, LLC.	374
5	Rady, Paul M.	368
a	Warren Ir Glen C	237

#### **AMGP TOP 10 HOLDERS**

	Current		
1	Warburg Pincus	\$926	
2	Rady, Paul M.	336	
3	Yorktown Partners, LLC.	261	
4	Warren Jr., Glen C.	185	
5	OppenheimerFunds, Inc.	123	

	9/30/2017	
ı	Warburg Pincus	\$1,128
2	Rady, Paul M.	441
3	Warren Jr., Glen C.	306
1	Yorktown Partners, LLC.	239
5	OppenheimerFunds, Inc.	124

	6/30/2017	
1	Warburg Pincus	\$1,211
2	Rady, Paul M.	474
3	Warren Jr., Glen C.	328
4	Yorktown Partners, LLC.	257
5	OppenheimerFunds, Inc.	132

3/31/2017		
1		
2		
3		
4		
5		

_	12/31/20	16
1		
2		
3		
4		
5		

#### **AM TOP 10 HOLDERS**

		Current	
1	\$2,619	AR Investments	1
2	275	Tortoise Capital	2
3	246	Goldman Sachs AM	3
4	193	ALPS Advisers, Inc.	4
43	4	Rady, Paul M.	49
50	3	Warren Jr., Glen C.	57
	1 2 3 4 43 50	275 2 246 3 193 4 4 43	AR Investments     \$2,619     1       Tortoise Capital     275     2       Goldman Sachs AM     246     3       ALPS Advisers, Inc.     193     4       Rady, Paul M.     4     43

9/30/2017	
AR Investment	\$3,117
Tortoise Capital	326
Goldman Sachs AM	270
ALPS Advisers, Inc.	199
Rady, Paul M.	6
Warren Jr., Glen C.	4

	6/30/2017			3/31/2017	
1	AR Investment	\$3,612	1	AR Investment	\$3,610
2	Goldman Sachs AM	296	2	Goldman Sachs AM	314
3	Tortoise Capital	295	3	Tortoise Capital	288
4	ALPS Advisers, Inc.	187	4	ALPS Advisers, Inc.	180
39	Rady, Paul M.	6	45	Rady, Paul M.	4
44	Warren Jr., Glen C.	4	56	Warren Jr., Glen C.	3

1	AR Investment	\$3,362
2	Goldman Sachs AM	300
3	Tortoise Capital	261
4	Neuberger Berman	160
46	Rady, Paul M.	3
53	Warren Jr., Glen C.	2

Source: S&P Capital IQ as of most recent filings at each specified date. Current market prices as of March 16, 2018.

Note: Value represented as common stock equivalent shares held multiplied by the stock price at the specified date. Excludes the value of stock options.

Represents a change of 4616,976 shares since December 31, 2016.

Represents a change of (55,356) shares since December 31, 2016.





#### Key Themes Underlying AR's Improvement Plan

#### **Prudent FCF Deployment**

Potential Actions	De-Lever	Return Capital	Alignment of Interests	Simplify Reporting / Highlight AR Value
Dividend Payment	*	✓	Neutral	Neutral
AR Share Buy-Back Program	*	✓	Neutral	Neutral
Acceleration of Water Payment	✓	✓	Neutral	Neutral
AR Sale of AM Units	✓	✓	×	✓
Convert AR's AM units into AMGP	×	Possible	✓	×
Forced Sales by Mgmt or Mgmt Changes	×	×	✓	×
AMGP – AM Merger	Possible	Possible	✓	✓
Midstream HoldCo Spin-Out	×	✓	×	✓
AR – AMGP Merger	Possible	×	✓	×





### **VALUATION SUMMARY BY BASIN**



	'17E - '18E	Total Ente	rprise Value /	Net Debt /		
	Prod.	2018E	2019E	2018E		
	Growth (1)	EBITDA (1)	EBITDA (1)	EBITDA (1)		
Multi-Basin:						
Large Cap	4%	7.4x	6.4x	1.5x		
Mid Cap	17%	5.0x	4.0x	1.5x		
Permian	34%	8.1x	6.2x	1.0x		
Bakken	17%	4.7x	4.1x	2.2x		
Niobrara	58%	4.3x	3.0x	1.0x		
Gas Weighted	9%	6.0x	5.4x	2.1x		
verall Median	17%	5.5x	4.8x	1.5x		
Antero	20%	6.1x	5.2x	2.4x		

Source: Company filings, S&P Capital IQ and Wall Street Research as of March 16, 2018.

Note: Market data, proved reserves and production data are adjusted pro forma for any capital markets and M&A transactions announced or completed since the most recent filings.

[1] Wall Street consensus estimates.

### **COMPARATIVE COMPANY ANALYSIS**



#### Select Gas Weighted Operators

(\$ in millions, except per share data)				Market D	ata			Operational Metrics (1)							
	Share	% of 52-	Equity		Total			Current	2018E	'17 - '18E	2018E	Pro	ved Reser	ves	2017E
	Price 03/16/18	Week High	Market Cap	Net Debt	Enterprise Value	2018E EBITDA (2)	2019E EBITDA (2)	Prod. (Mmcfe/d) (2)	Prod. (Mmcfe/d) (2)	Prod. Growth (2)	Prod. % Gas	Bcfe	% PDP		R/P Ratio (Years)
Gas Weighted-Focused	_														
Cabos Oil & Gas Corporation	\$24.99	85%	\$11,515	\$277	\$11,792	\$1,257	\$1,701	1,813	2,145	6%	89%	10,368	63%	90%	14.0
CNX	15.50	86%	3,468	1,738	5,206	886	997	1,378	1,517	28%	85%	7,836	59%	91%	18.1
EQT	50.45	74%	13,343	7,184	25,622	3,613	4,135	3,267	4,397	(12%)	69%	22,280	53%	89%	12.2
Gulfport	10.25	58%	1,877	1,939	3,816	901	932	1,401	1,423	17%	79%	5,824	36%	83%	13.1
R	15.11	50%	3,755	4,108	7,864	1,269	1,397	2,635	2,694	11%	56%	18,165	55%	57%	20.6
SWN	4.46	50%	2,618	3,475	6,093	1,360	1,406	2,815	2,795	6%	83%	17,021	50%	65%	17.6
	Median	74%	\$3,612	\$2,707	\$6,093	\$1,263	\$1,402	2,224	2,419	9%	81%	13,695	54%	86%	15.8
Antero	\$20.40	86%	\$6,457	\$4,772	\$11,956	\$1,959	\$2,319	2,696	3,119	20%	62%	20,417	49%	54%	21.5

Source: Company filings, S&P Capital IQ and Wall Street Research as of March 16, 2018.

Note: Market data, proved reserves and production data are adjusted pro forma for any capital markets and M&A transactions announced or completed since the most recent filings.

<sup>(1)</sup> Where applicable, Baird currently utilizes the following conversion ratios for gas and NGIs, respectively: 17.5 to 1 and 2.0 to 1.

(2) Wall Street consensus estimates.





#### Select Gas Weighted Operators

(\$ in millions, except per share data)			Mar	ket Data			Financial / Valuation Metrics (1)						
								Tota	al Enterprise Value	e /		S.	
	Share Price 03/16/18	Equity Market Cap	Net Debt	Total Enterprise Value	2018E EBITDA (2)	2019E EBITDA (2)	Proved Reserves (\$/Mcfe) (2)	Current Prod. (\$/Mcfe/d) (2)	2018E Prod. (\$/Mcfe/d) (2)	2018E EBITDA (2)	2019E EBITDA (2)	Net Debt / 2018E EBITDA (2)	
Gas Weighted-Focused	_												
Cubo: Oil & Gas Corporation	\$24.99	\$11,515	\$277	\$11,792	\$1,257	\$1,701	\$1.14	\$6,505	\$5,498	9.4x	6.9x	0.2x	
CNX	15.50	3,468	1,738	5,206	886	997	0.66	3,778	3,433	5.9x	5.2x	2.0x	
EQT	50.45	13,343	7,184	25,622	3,613	4,135	1.15	7,842	5,827	7.1x	6.2x	2.0x	
Gulfport	10.25	1,877	1,939	3,816	901	932	0.66	2,724	2,682	4.2x	4.1x	2.2x	
RH THE PERSON AND THE	15.11	3,755	4,108	7,864	1,269	1,397	0.43	2,985	2,919	6.2x	5.6x	3.2x	
swn	4.46	2,618	3,475	6,093	1,360	1,406	0.00	2,165	2,180	4.5x	4.3x	2.6x	
	Median	\$3,612	\$2,707	\$6,093	\$1,263	\$1,402	\$0.66	\$3,381	\$3,176	6.0x	5.4x	2.1x	
Antero	\$20.40	\$6,457	\$4,772	\$11,956	\$1,959	\$2,319	\$0.59	\$4,434	\$3,833	6.1x	5.2x	2.4x	

Source: Company filings, S&P Capital IQ and Wall Street Research as of March 16, 2018.

Note: Market data, proved reserves and production data are adjusted pro forma for any capital markets and M&A transactions announced or completed since the most recent filings.

(1) Where applicable, Baird currently utilizes the following conversion ratios for gas and NGLs, respectively: 17.5 to 1 and 2.0 to 1.
(2) Wall Street consensus estimates.



#### Multi-Basin Operators - Large Cap

(\$ in millions, except per share data)				Market D	ata			Operational Metrics (1)							
	Share	% of 52-	Equity		Total			Current	2018E	'17 - '18E	2018E	Pro	ved Reser	100	2017E
	Price 03/16/18	Week High	Market Cap	Net Debt	Enterprise Value	2018E EBITDA (2)	2019E EBITDA (2)	Prod. (Mmcfe/d) (2)	Prod. (Mmcfe/d) (2)	Prod. Growth (2)	Prod. % Gas	Bcfe	% PDP	% Gas	R/P Ratio (Years)
Multi-Basin - Large Cap															
Anadarko	\$58.53	91%	\$31,166	\$10,736	\$44,996	\$7,216	\$7,842	8,300	8,678	4.3%	16%	16,871	77%	19%	5.6
Spache	36.14	66%	13,786	6,816	21,977	4,180	4,142	5,575	5,799	2%	17%	14,321	88%	16%	6.9
<b>▲</b> Continental	53.07	90%	19,913	6,310	26,222	3,547	4,018	3,655	3,811	26%	20%	15,357	47%	27%	13.9
devon	31.96	71%	16,814	7,180	28,844	3,904	4,488	6,408	6,623	4%	19%	22,043	73%	27%	9.4
Seog resources	100.45	84%	58,124	5,553	63,677	7,146	8,365	8,482	9,155	18%	14%	31,646	51%	13%	11.2
HESS	48.98	88%	15,431	2,050	18,785	1,942	2,448	3,820	3,037	(20%)	14%	14,970	61%	13%	10.8
Marathon Oil	15.12	77%	12,848	4,481	17,329	3,363	3,644	5,052	4,948	12%	19%	15,500	54%	14%	9.6
noble energy	29.40	82%	14,315	4,982	19,980	2,947	3,397	4,092	3,874	(3%)	28%	16,770	47%	43%	11.5
<del>axy</del>	64.45	83%	49,314	8,156	57,470	7,436	8,060	8,528	9,002	9%	10%	34,237	74%	11%	11.3
	Median	83%	\$16,814	\$6,310	\$26,222	\$3,904	\$4,142	5,575	5,799	4%	17%	16,770	61%	16%	10.8

Source: Company filings, S&P Capital IQ and Wall Street Research as of March 16, 2018.

Note: Market data, proved reserves and production data are adjusted pro forma for any capital markets and M&A transactions announced or completed since the most recent filings.

(1) Where applicable, Baird currently utilizes the following conversion ratios for gas and NGLs, respectively: 17.5 to 1 and 2.0 to 1.
(2) Wall Street consensus estimates.



### Multi-Basin Operators - Large Cap

in millions, except per are data)			Mar	ket Data			Financial / Valuation Metrics (1)						
snore actor								Tota	al Enterprise Value	e /			
	Share Price 03/16/18	Equity Market Cap	Net Debt	Total Enterprise Value	2018E EBITDA (2)	2019E EBITDA (2)	Proved Reserves (\$/Mcfe) (2)	Current Prod. (\$/Mcfe/d) (2)	2018E Prod. (\$/Mcfe/d) (2)	2018E EBITDA (2)	2019Е ЕВПDA (2)	Net Debt / 2018E EBITDA (2)	
Multi-Basin - Large Cap	_												
Anadarko <sup>2</sup>	\$58.53	\$31,166	\$10,736	\$44,996	\$7,216	\$7,842	\$2.67	\$5,421	\$5,185	6.2x	5.7x	1.5x	
Apache	36.14	13,786	6,816	21,977	4,180	4,142	1.53	3,942	3,790	5.3x	5.3x	1.6x	
<b>▲</b> Continental	53.07	19,913	6,310	26,222	3,547	4,018	1.71	7,175	6,881	7.4x	6.5x	1.8x	
devon	31.96	16,814	7,180	28,844	3,904	4,488	1.31	4,502	4,355	7.4x	6.4x	1.8x	
6eog resources	100.45	58,124	5,553	63,677	7,146	8,365	2.01	7,507	6,955	8.9x	7.6x	0.8x	
HESS	48.98	15,431	2,050	18,785	1,942	2,448	1.25	4,918	6,186	9.7x	7.7x	1.1x	
Marathon Oil	15.12	12,848	4,481	17,329	3,363	3,644	1.12	3,431	3,503	5.2x	4.8x	1.3x	
noble energy	29.40	14,315	4,982	19,980	2,947	3,397	1.19	4,883	5,158	6.8x	5.9x	1.7x	
DRY	64.45	49,314	8,156	57,470	7,436	8,060	1.68	6,739	6,384	7.7x	7.1x	1.1x	
	Median (3)	\$16,814	\$6,310	\$26,222	\$3,904	\$4,142	\$1.53	\$4,918	\$5,185	7.4x	6.4x	1.5x	

Source: Company filings, S&P Capital IQ and Wall Street Research as of March 16, 2018.

Note: Market data, proved reserves and production data are adjusted pro forma for any capital markets and M&A transactions announced or completed since the most recent filings.

Where applicable, Baird currently utilizes the following conversion ratios for gas and NGLs, respectively: 17.5 to 1 and 2.0 to 1.
 Wall Street consensus estimates.



#### Multi-Basin Operators - Mid and Small Cap

(\$ in millions, except per share data)				Market D	ata			Operational Metrics (1)							
	Share	% of 52-	Equity		Total			Current	2018E	'17 - '18E	2018E	Pro	red Reserv	ves	2017E
	Price 03/16/18	Week High	Market Cap	Net Debt	Enterprise Value	2018E EBITDA (2)	2019E EBITDA (2)	Prod. (Mmcfe/d) (2)	Prod. (Mmcfe/d) (2)	Prod. Growth (2)	Prod. % Gas	Bcfe	% PDP	% Gas	R/P Ratio (Years)
Multi-Basin - Mid Cap	<del>-</del>														
CARRIZO	\$15.63	52%	\$1,273	\$1,235	\$2,722	\$660	\$821	862	853	16%	11%	3,560	41%	9%	13.3
NEWFIELD	24.27	65%	4,847	2,108	6,955	1,393	1,684	1,890	2,096	17%	20%	7,362	57%	23%	11.3
PDC	53.29	81%	3,515	1,093	4,609	856	1,156	1,085	1,280	30%	20%	4,740	32%	24%	13.2
QEP	9.24	68%	2,227	2,241	4,467	834	1,024	1,492	1,545	1%	30%	7,973	37%	22%	14.2
SMA	17.91	64%	2,000	2,095	4,095	845	1,197	1,219	1,394	13%	28%	4,820	43%	27%	10.7
Wideless	16.86	79%	1,708	581	2,734	607	762	615	691	71%	13%	6,136	24%	11%	41.7
WPXENERGY.	13.92	87%	5,543	1,666	7,441	1,106	1,479	1,694	1,720	23%	15%	5,853	50%	10%	11.5
	Median	68%	\$2,227	\$1,666	\$4,467	\$845	\$1,156	1,219	1,394	17%	20%	5,853	41%	22%	13.2

Source: Company filings, S&P Capital IQ and Wall Street Research as of March 16, 2018.

Note: Market data, proved reserves and production data are adjusted pro forma for any capital markets and M&A transactions announced or completed since the most recent filings.

Where applicable, Baird currently utilizes the following conversion ratios for gas and NGLs, respectively: 17.5 to 1 and 2.0 to 1.
 Wall Street consensus estimates.



#### Multi-Basin Operators - Mid and Small Cap

(\$ in millions, except per share data)			Mar	ket Data			Financial / Valuation Metrics (1)						
								Tot	al Enterprise Valu	e /			
	Share Price 03/16/18	Equity Market Cap	Net Debt	Total Enterprise Value	2018E EBITDA (2)	2019E EBITDA (2)	Proved Reserves (\$/Mcfe) (2)	Current Prod. (\$/Mcfe/d) (2)	2018E Prod. (\$/Mcfe/d) (2)	2018E EBITDA (2)	2019E EBITDA (2)	Net Debt / 2018E EBITDA (2)	
Multi-Basin - Mid Cap	_												
CARRIZO	\$15.63	\$1,273	\$1,235	\$2,722	\$660	\$821	\$0.76	\$3,158	\$3,193	4.1x	3.3x	1.9x	
NEWFIELD	24.27	4,847	2,108	6,955	1,393	1,684	0.94	3,680	3,319	5.0x	4.1x	1.5x	
PDC	53.29	3,515	1,093	4,609	856	1,156	0.97	4,247	3,600	5.4x	4.0x	1.3x	
QEP.	9.24	2,227	2,241	4,467	834	1,024	0.56	2,994	2,891	5.4x	4.4x	2.7x	
SMA	17.91	2,000	2,095	4,095	845	1,197	0.85	3,360	2,938	4.8x	3.4x	2.5x	
water	16.86	1,708	581	2,734	607	762	0.45	4,444	3,955	4.5x	3.6x	1.0x	
WPXENERGY.	13.92	5,543	1,666	7,441	1,106	1,479	1.27	4,393	4,327	6.7x	5.0x	1.5x	
	Median	\$2,227	\$1,666	\$4,467	\$845	\$1,156	\$0.85	\$3,680	\$3,319	5.0x	4.0x	1.5x	

Source: Company filings, S&P Capital IQ and Wall Street Research as of March 16, 2018.

Note: Market data, proved reserves and production data are adjusted pro forma for any capital markets and M&A transactions announced or completed since the most recent filings.

Where applicable, Baird currently utilizes the following conversion ratios for gas and NGLs, respectively: 17.5 to 1 and 2.0 to 1.
 Wall Street consensus estimates.



#### Select Permian-focused Operators

(\$ in millions, except per share data)				Market D	ata		Operational Metrics (1)								
	Share Price 03/16/18	% of 52- Week High	Equity Market Cap	Net Debt	Total Enterprise Value	2018E EBITDA (2)	2019E EBITDA (2)	Current Prod. (Mmcfe/d) (2)	2018E Prod. (Mmcfe/d) (2)	'17 - '18E Prod. Growth (2)	2018E Prod. % Gas	Prov Bcfe	ved Reserved	ves % Gas	2017E R/P Ratio (Years)
Permian-Focused	<u></u>														
CENTENNIAL	\$18.22	82%	\$5,029	\$219	\$5,418	\$633	\$901	598	802	93%	12%	2,365	41%	14%	15.6
(P)	11.76		2,375	592	2,967	414	563	400	471	40%	9%	2,053	49%	9%	16.7
CIMAREX	92.48	71%	8,826	1,086	9,913	1,575	1,845	2,052	2,274	18%	27%	5,356	83%	30%	7.6
CONCHO	148.49	91%	22,135	2,527	24,662	2,271	2,760	2,760	3,047	22%	17%	10,792	69%	19%	11.8
DIAMONDBACK	125.51	93%	12,321	1,365	14,013	1,463	1,907	1,383	1,690	44%	5%	4,844	61%	6%	11.3
ENERGEN.	57.32	95%	5,583	782	6,366	995	1,276	1,303	1,334	34%	9%	5,869	57%	10%	16.1
JaggedPeak	12.41	75%	2,642	31	2,674	427	600	337	519	93%	4%	587	39%	3%	6.0
LAREDO	8.53	56%	2,069	680	2,749	584	660	725	773	11%	14%	2,394	88%	17%	9.4
Matadar	28.87	85%	3,154	478	3,733	465	571	546	591	25%	22%	1,914	44%	21%	11.1
PARSLEY ENERGY	26.57	80%	8,417	1,571	11,156	1,206	1,688	1,130	1,461	53%	7%	5,612	49%	8%	16.1
PIONEER NATURAL RESOURCES	169.34	88%	28,839	1,836	30,680	3,288	3,979	4,068	4,334	21%	10%	12,044	92%	15%	9.2
RSP PERMIAN	39.05	90%	6,226	1,471	7,697	936	1,212	913	1,102	35%	5%	5,441	42%	5%	18.2
	Median	85%	\$5,905	\$934	\$7,031	\$966	\$1,244	1,021	1,218	34%	9%	5,100	53%	12%	11.6

Source: Company filings, S&P Capital IQ and Wall Street Research as of March 16, 2018.

Note: Market data, proved reserves and production data are adjusted pro forma for any capital markets and M&A transactions announced or completed since the most recent filings.

Where applicable, Baird currently utilizes the following conversion ratios for gas and NGLs, respectively: 17.5 to 1 and 2.0 to 1.
 Wall Street consensus estimates.

## COMPARATIVE COMPANY ANALYSIS (CONT.)



#### Select Permian-focused Operators

(\$ in millions, except per share data)			Mar	ket Data				)				
								Tot	al Enterprise Valu	e/		
	Share Price 03/16/18	Equity Market Cap	Net Debt	Total Enterprise Value	2018E EBITDA (2)	2019E EBITDA (2)	Proved Reserves (\$/Mcfe) (2)	Current Prod. (\$/Mcfe/d) (2)	2018E Prod. (\$/Mcfe/d) (2)	2018E EBITDA (2)	2019E EBITDA (2)	Net Debt / 2018E EBITDA (2)
Permian-Focused	_											
CENTENNIAL	\$18.22	\$5,029	\$219	\$5,418	\$633	\$901	\$2.29	\$9,053	\$6,753	8.6x	6.0x	0.3x
<b>P</b>	11.76	2,375	592	2,967	414	563	1.45	7,426	6,297	7.2x	5.3x	1.4x
CIMAREX	92.48	8,826	1,086	9,913	1,575	1,845	1.85	4,830	4,358	6.3x	5.4x	0.7x
CONCHO	148.49	22,135	2,527	24,662	2,271	2,760	2.29	8,937	8,094	10.9x	8.9x	1.1x
DIAMONDBACK	125.51	12,321	1,365	14,013	1,463	1,907	2.89	10,129	8,290	9.6x	7.3x	0.9x
ENERGEN.	57.32	5,583	782	6,366	995	1,276	1.08	4,884	4,772	6.4x	5.0x	0.8x
JaggedPeak	12.41	2,642	31	2,674	427	600	4.56	7,945	5,150	6.3x	4.5x	0.1x
LAREDO	8.53	2,069	680	2,749	584	660	1.15	3,789	3,555	4.7x	4.2x	1.2x
Matadar	28.87	3,154	478	3,733	465	571	1.95	6,837	6,317	8.0x	6.5x	1.0x
PARSLEY ENERGY	26.57	8,417	1,571	11,156	1,206	1,688	1.99	9,876	7,634	9.2x	6.6x	1.3x
PIONEER NATURAL RESOURCES	169.34	28,839	1,836	30,680	3,288	3,979	2.55	7,541	7,078	9.3x	7.7x	0.6x
RSP PERMIAN	39.05	6,226	1,471	7,697	936	1,212	1.41	8,430	6,987	8.2x	6.4x	1.6x
	Median	\$5,905	\$934	\$7,031	\$966	\$1,244	\$1.97	\$7,743	\$6,535	8.1x	6.2x	1.0x

Source: Company filings, S&P Capital IQ and Wall Street Research as of March 16, 2018.

Note: Market data, proved reserves and production data are adjusted pro forma for any capital markets and M&A transactions announced or completed since the most recent filings.

 Where applicable, Baird currently utilizes the following conversion ratios for gas and NGLs, respectively: 17.5 to 1 and 2.0 to 1.
 Wall Street consensus estimates. Project Bronco | Page 27

## COMPARATIVE COMPANY ANALYSIS (CONT.)



### Bakken and Niobrara-focused Operators

(\$ in millions, except per share data)				Market D	ata		Operational Metrics (1)								
	Share	% of 52-	Equity		Total			Current	2018E	'17 - '18E	2018E	Pro	ved Reser	ves	2017E
	Price 03/16/18	Week High	Market Cap	Net Debt	Enterprise Value	2018E EBITDA (2)	2019E EBITDA (2)	Prod. (Mmcfe/d) (2)	Prod. (Mmcfe/d) (2)	Prod. Growth (2)	Prod. % Gas	Bcfe	% PDP	% Gas	R/P Ratio (Years)
Bakken-Focused	_														
OASIS	\$8.25	54%	\$2,620	\$2,583	\$5,203	\$934	\$1,180	1,097	1,225	24%	9%	4,460	66%	12%	12.4
<b>-</b>	30.66	74%	2,788	1,946	4,734	1,206	1,250	1,845	1,838	10%	7%	7,970	54%	11%	13.0
	Median	79%	\$2,704	\$2,265	\$4,969	\$1,070	\$1,215	1,471	1,532	17%	8%	6,215	60%	11%	12.7

Niobrara-Focused															
HighPoint	\$4.82	72%	\$1,014	\$318	\$1,332	\$326	\$568	312	422	63%	9%	2,645	20%	13%	28.1
O BOURNZE	27.47	68%	562	(13)	549	130	192	192	235	17%	13%	1,284	51%	12%	17.5
EXTRACTION	12.80	67%	2,211	947	3,316	774	1,076	820	1,105	72%	14%	3,248	34%	19%	13.9
<del></del>	9.31	89%	2,251	489	2,740	504	642	709	612	53%	17%	2,334	38%	24%	15.9
	Median	70%	\$1,613	\$404	\$2,036	\$415	\$605	511	517	58%	13%	2,490	36%	16%	16.7

Source: Company filings, S&P Capital IQ and Wall Street Research as of March 16, 2018.

Note: Market data, proved reserves and production data are adjusted pro forma for any capital markets and M&A transactions announced or completed since the most recent filings.

Where applicable, Baird currently utilizes the following conversion ratios for gas and NGLs, respectively: 17.5 to 1 and 2.0 to 1.
 Wall Street consensus estimates.





#### Bakken and Niobrara-focused Operators

(\$ in millions, except per share data)			Mar	ket Data			Financial / Valuation Metrics (1)							
							100	Tota	al Enterprise Valu	e /				
	Share Price 03/16/18	Equity Market Cap	Net Debt	Total Enterprise Value	2018E EBITDA (2)	2019E EBITDA (2)	Proved Reserves (\$/Mcfe) (2)	Current Prod. (\$/Mcfe/d) (2)	2018E Prod. (\$/Mcfe/d) (2)	2018E EBITDA (2)	2019E EBITDA (2)	Net Debt / 2018E EBITDA (2)		
Bakken-Facused	_00													
OASIS	\$8.25	\$2,620	\$2,583	\$5,203	\$934	\$1,180	\$1.17	\$4,741	\$4,246	5.6x	4.4x	2.8x		
<b>4</b>	30.66	2,788	1,946	4,734	1,206	1,250	0.59	2,566	2,576	3.9x	3.8x	1.6x		
	Median	\$2,704	\$2,265	\$4,969	\$1,070	\$1,215	\$0.88	\$3,653	\$3,411	4.7×	4.1x	2.2x		

Niobrara-Focused												
HighPoint	\$4.82	\$1,014	\$318	\$1,332	\$326	\$568	\$0.50	\$4,266	\$3,160	4.1x	2.3x	1.0x
O BORRER	27.47	562	(13)	549	130	192	0.43	2,861	2,338	4.2x	2.9x	NM
EXTRACTION	12.80	2,211	947	3,316	774	1,076	1.02	4,044	3,002	4.3x	3.1x	1.2x
	9.31	2,251	489	2,740	504	642	1.17	3,864	4,475	5.4x	4.3×	1.0x
	Median	\$1,613	\$404	\$2,036	\$415	\$605	\$0.76	\$3,954	\$3,081	4.3x	3.0x	1.0×

Source: Company filings, S&P Capital IQ and Wall Street Research as of March 16, 2018.

Note: Market data, proved reserves and production data are adjusted pro forma for any capital markets and M&A transactions announced or completed since the most recent filings.

Where applicable, Baird currently utilizes the following conversion ratios for gas and NGLs, respectively: 17.5 to 1 and 2.0 to 1.
 Wall Street consensus estimates.



### **DIVIDENDS AND BUYBACKS**

# BAIRD

#### 2018 dividend and buyback announcements

Ticker	Release Date	Dividend Increase	Additional Repurchases	One Week Relative Performance vs. XOP
APC	6-Feb	400% increase to \$0.25/share per quarter	\$500 mm	5.3%
COP	1-Feb	7.5% increase to \$0.285/share per quarter	\$500 mm	2.4%
CVX	2-Feb	4.0% increase to \$1.12/share per quarter	-	4.5%
ECA	15-Feb	Unchanged	\$400 mm	(0.2%)
EOG	27-Feb	10% increase to \$0.185/share per quarter	=	(6.9%)
FANG	13-Feb	Initiated \$0.125/share per quarter	-	4.2%
LPI	14-Feb	(=	\$200 mm	5.7%
NBL	15-Feb	-	\$750 mm	0.2%
PXD	6-Feb	300% increase to \$0.16/share semiannual	\$100 mm	4.8%
SU	7-Feb	12.5% increase to C\$0.36/share per quarter	C\$2,000 mm	(0.4%)

Source: FactSet, company data and Wall Street Research.

Note: Relative performance vs. XOP is for the one-week period following the date of announcement.



### **WORKING GROUP LIST**



#### ANTERO RESOURCES SPECIAL COMMITTEE

Name		Contact Information
Robert Clark	(M)	303.717.0665
Chairman	(F)	866.418.1462
	(E)	rclark@anteroresources.com
Ben Hardesty	(0)	304.623.6383
	(M)	304.641.0212
	(H)	304.623.3581
	(E)	bhardesty@anteroresources.com
Joyce McConnell	(0)	304.293.5701
	(M)	304.282.1693
	(E)	jmcconnell@anteroresources.com

#### SIDLEY AUSTIN LLP

Name		Contact Information
J. Mark Metts	(0)	713.495.4501
Partner	(M)	713.822.6659
	(E)	mmetts@sidley.com
Asst: Becky Mansfield	(0)	713.495.7601
	(E)	rmansfield@sidley.com
Kayleigh McNelis	(0)	713.495.4672
Associate	(P)	512.917.2287
	(Q)	kmcnelis@sidley.com

## WORKING GROUP LIST (CON'T)



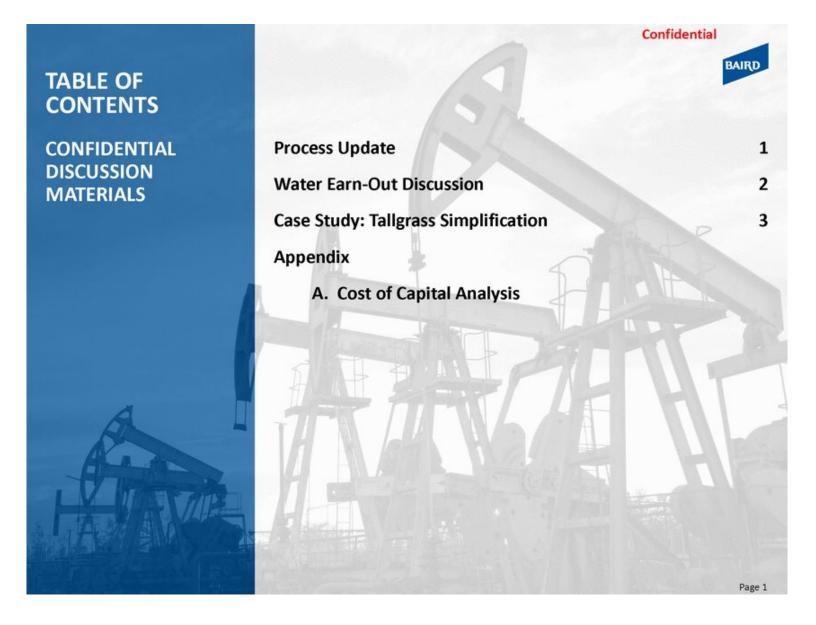
#### BAIRD

Name		Contact Inform	ation
Frank Murphy  Managing Director, Co-Head – Energy Investment Banking	(M) (F) (G) (E)	314.445.6532 314.302.7232 314.445.6535 fmurphy@rwbaird.com	
Asst: Michelle McCarty	(O) (E)	314.445.6534 mrmccarty@rwbaird.com	
Nick Alfermann Director, Energy Investment Banking	(O) (M) (F) (E)	314.445.6531 314.401.1532 314.445.6535 nalfermann@rwbaird.com	
Asst: Michelle McCarty	(O) (E)	314.445.6534 mrmccarty@rwbaird.com	
Jeff Wertenberger Associate	(O) (M) (F) (E)	314.445.6537 314.518.6602 314.445.6535 jwertenberger@rwbaird.com	
Dom Pica Analyst	(O) (M) (F) (E)	314.445.6539 314.540.1317 314.445.6535 dpica@rwbaird.com	
Blake Weir Analyst	(O) (P) (Q) (R)	314.445.6544 612.998.6733 314.445.6535 bweir@rwbaird.com	
			Project Bronco   Page 32



Exhibit (c)(42)







### **PROCESS UPDATE**



#### Process updates since March 22 kick-off meeting

- Accessed and reviewed the online data room established by Antero. Data room includes:
  - AR stand-alone forecast

- Intercompany agreements
- AM / AMGP stand-alone forecast
- Structural steps memo for AMGP acquisition of AM
- Summary of AMGP-AM merger model
- Initiated interaction with Antero on follow-up model questions and additional data and diligence requests
- Initiated analytical modeling and valuation analyses

## PROCESS UPDATE (CONT.)



### Draft timeline of priority milestones; workstreams to be added as necessary

	March			April				N	lay		June			
Key Milestone:	30	2	9	16	23	30	7	14	21	28	4	11	18	25
Formal Due Diligence Session		*												
Water Earn-Out Analysis	*													
Intrinsic Valuation Analysis (AR, AM, AMGP)				*										
AMGP – AM Transaction Alternatives Analyses						*								
<ul> <li>AMGP Acquisition of AM</li> </ul>						*								
<ul> <li>AMGP Acquisition of Ownership Interest in AM</li> </ul>						*								
AR Return of Capital Strategic Review								*						
<ul> <li>AR Share Buybacks</li> </ul>								*						
- AR Dividend Payment								*						
Other Analyses as Process Dictates														



### **SUMMARY TERMS OF WATER EARN-OUT AND MVCs**



AR is considering a proposal whereby AM would accelerate the earn-out payment associated with the 2015 water drop-down

- In September 2015, AR sold its integrated water business to AM for \$1.05 billion, plus an additional \$250 million subject to the following Earn-Out provisions:
  - Payment of \$125 million at year-end 2019 upon AM delivering 161 Mbbld of average volume from 2017 2019
  - Payment of \$125 million at year-end 2020 upon AM delivering 200 Mbbld of average volume from 2018 2020

			As of Sept	. <b>201</b> 5 <sup>(1)</sup>	Curre	nt
Earn-Out Period	Payment to AR (\$MM)	Earn-out Threshold (Mbbld)	Projected Avg. Volumes (Mbbld)	Earn-Out % of Proj. Volumes	Projected Avg. Volumes (Mbbld)	Earn-Out % of Proj. Volumes
36-month Period Ending 12/31/19	\$125	161	179	90%	178	90%
36-month Period Ending 12/31/20	\$125	200	222	90%	201	100%

In addition to the Earn-Out provisions, AR also agreed to the following minimum volume commitments ("MVCs"):

	MVC (Mbbld)	Actual Volumes (Mbbld)	Projected Volumes (Mbbld)	MVC % of Volumes	
2016	90	123		73%	
2017	100	153		65%	
2018	120		178	67%	
2019	120		204	59%	

Source: Management Base Case projections as of March 23.
(1) Represents Management Base Case projections as of August 2015 used in conjunction with Baird's engagement with AR Special Committee.

### **PROJECTED WATER DELIVERY VOLUMES**

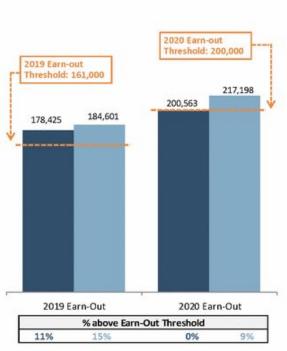


#### Utilizing Antero Midstream Base Case Forecast

#### FORECASTED WATER DELIVERY VOLUMES (Bbld)

#### FORECAST VERSUS EARN-OUT (Bbld)





Street ---- Earn-out Threshold

Source: Management Base Case projections as March 23, 2017; Wall Street estimates per March 22 J.P. Morgan presentation to AR Special Committee.

# KEY CONSIDERATIONS IN "PRICING" THE EARN-OUT ACCELERATION



#### AR Perspective

- Probability of achieving earn-out volume thresholds based on AR drilling plan
- Ability to control water volume usage to meet thresholds
- At what price is AR better off receiving (\$250 X) today or waiting to receive the full \$250 later, relative to the risk profile of the asset?
  - In addition to taking a discount, what other concessions could AR be asked to make?
- Can AR redeploy the capital at an attractive rate of return relative to the discount?

#### AM Perspective

- Probability of achieving earn-out volume thresholds based on AR drilling plan
- AR's ability to control water volume usage to meet thresholds
- At what price is AM better off paying (\$250 X) today or waiting to repay the full \$250 later, relative to the risk profile of this debt-like liability?
  - In addition to receiving a discount, what other concessions will AM request?
- What is AM's opportunity cost of capital, being mindful the high probability the full earn-out payment becomes due?

### **EARN-OUT DISCOUNT ANALYSIS**



- Based on its risk characteristics, the earn-out payment should be priced along the cost of capital continuum for AR and AM
  - From AR's perspective, a reasonable "Upper Bound" would be equivalent to its implied cost of equity, especially considering its most likely use of proceeds will be to support a potential share buy-back program
  - From AM's perspective, a reasonable "Lower Bound" would be equivalent to its overall weighted average cost of capital

#### COST OF CAPITAL ANALYSIS (1)

#### Cost of Debt Cost of Equity ---- WACC 12.0% 11.0% Upper Bound 10.0% 9.0% 9.0% 8.0% 8.0% Lower Bound 6.0% 4.0% 4.4% 2.0% 4.0% 0.0% Antero Antero

#### PV OF EARN-OUT PAYMENT (\$MM) (2)

Discount	Implied		
Rate	Payment		
12.0%	\$196		
11.0%	\$200		
10.5%	\$202		
10.0%	\$203		
9.5%	\$205		
9.0%	\$208		
8.5%	\$210		
8.0%	\$212		
7.5%	\$214		
7.0%	\$216		

Source: Management Base Case projections as March 23, 2017.
(1) Based on AR and AM cost of capital analyses (see Appendix for detail).
(2) Assumes a present value date of May 1, 2018.

Project Bronco |

### POTENTIAL ADDITIONAL AR CONCESSIONS



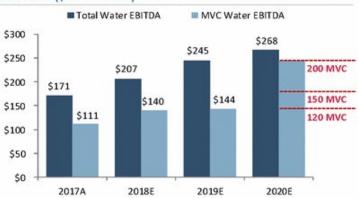


#### Extend MVC to 2020

#### **VOLUMES FORECAST (Mbbld)**



#### EBITDA (\$ in millions)



#### Reimburse AM for volume shortfalls below earn-out thresholds

Depending on the negotiated earn-out payment discount, AR would have to miss its forecast by nearly 50% to be at risk in this construct

Earn-Out
Part 1
(2019)

2017-2019
Mgmt. Forecast
178,425

Barrel "Miss" (000's)	10		30	40	50	60	70	80	90
% miss	6%	11%	17%	22%	28%	34%	39%	45%	50%
Implied Payment (\$MM)	\$14	\$28	\$42	\$56	\$70	\$84	\$98	\$112	\$126

Earn-Out
Part 2
(2020)

	2018-2020
_	Mgmt. Forecast
	200,563

Barrel Miss (000's)	10	20	30	40	50	60	70	80	90
% miss	5%	10%	15%	20%	25%	30%	35%	40%	45%
Implied Payment (\$MM)	\$14	\$28	\$42	\$57	\$71	\$85	\$99	\$113	\$127

Source: Management Base Case projections as March 23, 2017.



### CASE STUDY: TALLGRASS SIMPLIFICATION



#### TRANSACTION OVERVIEW

- Tallgrass Energy announced an agreement for Tallgrass Energy GP, LP ("TEGP") to acquire Tallgrass Energy Partners ("TEP")
  - TEP public unitholders (1) will receive 2.0 TEGP Class A shares for each outstanding TEP common unit
  - Represents a 10% premium to TEP based on each security's 30day VWAP prior to the Feb. 7 restructuring announcement
  - TEGP announced a 33% increase in the quarterly distribution
  - Proposed transaction will result in no distribution cut to TEP unitholders, and will be accretive to TEGP shareholders and TEP unitholders
  - Pro forma entity will be taxed as a C-Corp
  - Taxable transaction to TEP public unitholders, who will own 62% of the publicly-traded Class A shares of TGE

#### KEY TEGP & TEP STATISTICS (at Feb. 7)

TEP	
Current Yield	8.8%
'18 -'20 EBITDA CAGR	2.8%
'18 - '20 DPU CAGR	6.9%
2018E Distribution Coverage	1.2x
% of 2018E Cash Flow to IDRs	37%
Net Debt / LTM EBITDA	3.0x
TEGP	
TEGP Current Yield	6.3%
TEGP DPU '18 - '20 CAGR	8.2%

#### FEB. 7 RESTRUCTURING ANNOUNCEMENT

"Tallgrass is evaluating potential reorganization transactions that could, among other things, streamline and simplify TEP and TEGP's organizational structure, improve its equity cost of capital, improve its debt cost of capital and facilitate financing of its current and future growth opportunities."

#### TRANSACTION METRICS (prior to Feb. 7 announcement)

Consideration per TEP unit	
TEGP, last close (2/06/18)	\$23.40
Exchange ratio	2.0x
Total consideration	\$46.80

Premium to TEP:	Price	% Premium
Last close (2/06/18)	\$43.99	6.4%
10-day VWAP (2/6/18)	\$44.86	4.3%
30-day VWAP (2/6/18)	\$45.59	2.6%
Implied transaction value (3):		\$5,679

Source: Tallgrass acquisition press release and presentation dated March 26, 2018.

(1) Excludes "25.6 million units owned by Tallgrass Equity, LLC.
(2) Current TEGP shareholders will own \$8.1 MM shares ("21% interest). Current TEP unitholders will own "95.2 MM shares ("34% interest). Adjusted for 65% of LP units acquired, 1.13% GP interest, assumed net debt of \$2.1 billion and assumed noncontrolling interests of \$69 million.

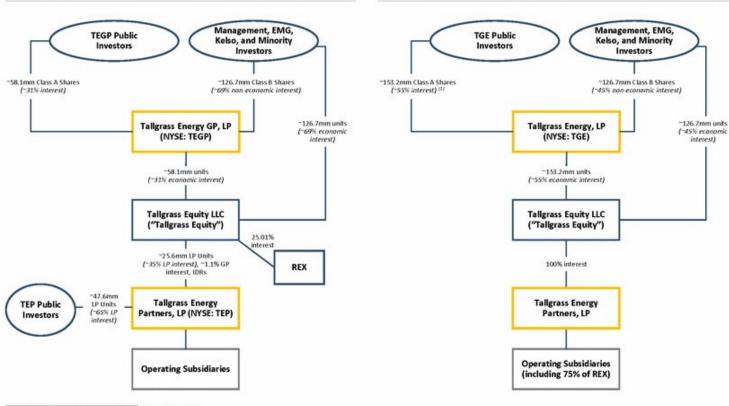
# CASE STUDY: TALLGRASS SIMPLIFICATION (CONT.)



#### Structural Overview

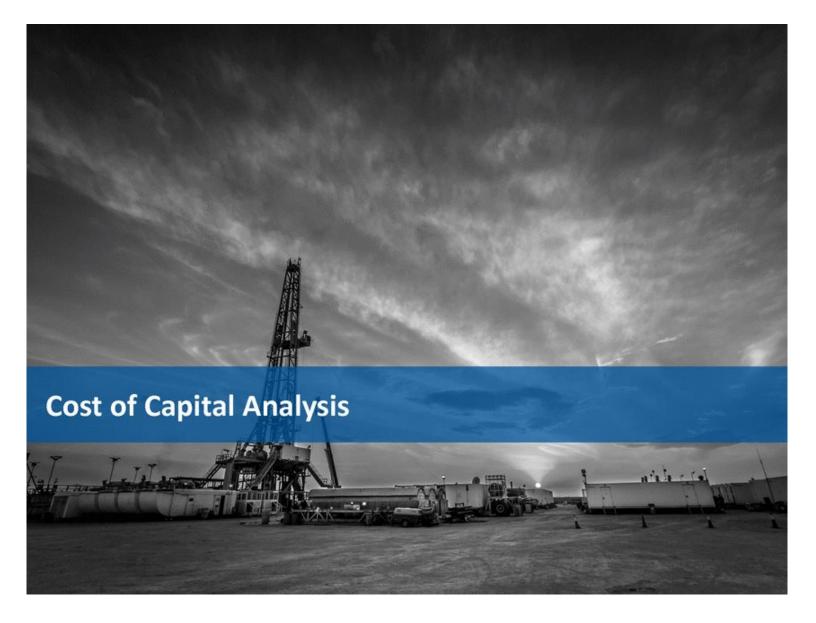
#### PRE-SIMPLIFICATION

### POST-SIMPLIFICATION



Source: Tallgrass acquisition press release dated March 26, 2018.
(1) Current TEGP shareholders will own 58.1 MM shares ("21% interest). Current TEP unitholders will own "95.2 MM shares ("34% interest).





# AR E&P STAND-ALONE: WEIGHTED AVERAGE COST OF CAPITAL ANALYSIS



(\$ in millions)

Cost of Equity

Cost of Equity <sup>(5)</sup>	10.9%
Size Premium <sup>(4)</sup>	1.0%
Market Premium <sup>(3)</sup>	6.9%
Levered Beta <sup>(2)</sup>	1.0
Risk-free Interest Rate (1)	2.9%

Debt Outstanding (7)

	Amount Outstanding	Interest Rate <sup>(6)</sup>
Revolving Credit Facility	\$185	2.8%
5.375% Senior Notes Due 2021	1,000	4.0%
5.125% Senior Notes Due 2022	1,100	4.4%
5.625% Senior Notes Due 2023	750	4.8%
5.000% Senior Notes Due 2025	600	4.8%
Cost of Debt	\$3,635	4.4%

#### Weighted Average Cost of Capital (8)

Weighted Average Cost of Capital	8.8%
Weighted Contribution from Debt	1.4%
Weighted Contribution from Market Equity	7.4%
AR Target Net Debt / Implied Firm Value (9)	32.0%
AR Market Equity / Implied Firm Value	68.0%

Capitalization	Cost of Equity									
% of Debt 10.0% 10.5%		10.9%	11.5%	12.0%						
35.0%	8.0%	8.3%	8.6%	9.0%	9.3%					
30.0%	8.3%	8.6%	9.0%	9.3%	9.7%					
25.0%	8.6%	8.9%	9.3%	9.7%	10.1%					

- Debt capitalization as a percent of implied firm value is sensitized between 25.0%-35.0% and cost of equity is sensitized 10.0%-12.0%
- Baird will sensitize using WACC ranges from 8.0% to 10.1%

Source: AR and AM filings and Bloomberg.

- ce: AR and AM filings and Bloomberg.

  Represents estimated 20-year treasury rate as of March 29, 2018.

  Two-year daily levered equity beta as of March 29, 2018.

  Large company stock total returns minus long-term government bond income returns as computed by Duff & Phelps LLC.

  Source: Duff & Phelps LL Gise premium.

  Cost of equity is calculated using CAPM (e.g. cost of equity = risk-free interest rate + levered equity beta \* market risk premium + size premium). Interest rate for publicly-traded senior notes represents the yield-to-worst as of March 29, 2018.

  Excludes current debt outstanding for Antero Midstream.

  Excludes value of Antero Midstream common units held by Antero Resources, tax effected at 20%.

- Net debt represents a target long-term 2.0x Net Debt / LTM EBITDA ratio.





(\$ in millions)

Cost of Equity

Cost of Equity (5)	9.0%
Size Premium (4)	1.0%
Market Premium (3)	6.9%
Levered Beta (2)	0.8
Risk-free Interest Rate (1)	2.9%



	Amount Outstanding	Interest Rate <sup>(6)</sup>
Revolving Credit Facility	\$555	2.8%
5.375% Senior Notes Due 2024	650	5.0%
Cost of Debt	\$1,205	4.0%

#### Weighted Average Cost of Capital

Weighted Average Cost of Capital	8.0%
Weighted Contribution from Debt	0.8%
Weighted Contribution from Market Equity	7.2%
AM Net Debt / Implied Firm Value	19.9%
AM Market Equity / Implied Firm Value	80.1%

Capitalization	Cost of Equity									
% of Debt 8.0%	8.5%	9.0%	9.5%	10.0%						
25.0%	7.0%	7.4%	7.8%	8.1%	8.5%					
20.0%	7.2%	7.6%	8.0%	8.4%	8.8%					
15.0%	7.4%	7.8%	8.3%	8.7%	9.1%					

- Debt capitalization as a percent of implied firm value is sensitized between 15.0%-25% and cost of equity is sensitized 8.0%-10.0%
- Baird will sensitize using WACC ranges from 7.0% to 9.1%

- Source: AM filings and Bloomberg.

  (1) Represents estimated 20-year treasury rate as of March 29, 2018.

  (2) Two-year daily levered equity beta as of March 29, 2018.

  (3) Large company stock total returns minus long-term government bond income returns as computed by Duff & Phelps LLC.

  (4) Source: Duff & Phelps LLC size permium.

  (5) Cost of equity is calculated using CAPM (e.g. cost of equity = risk-free interest rate + levered equity beta \* market risk premium.

  (6) Interest rate for publicly-traded senior notes represents the yield-to-worst as of March 29, 2018.

Exhibit (c)(43)







# **PROCESS UPDATE**



# Current working timeline of priority milestones; workstreams to be added as necessary

	March	April					May				June			
Key Milestone:	30	2	9	16	23	30	7	14	21	28	4	11	18	25
Formal Due Diligence Session		*												
Water Earn-Out Analysis	*													
Intrinsic Valuation Analysis (AR, AM, AMGP)				*										
AMGP – AM Transaction Alternatives Analyses						*								
<ul> <li>AMGP Acquisition of AM</li> </ul>						*								
AMGP Acquisition of Ownership Interest in AM						*								
AR Return of Capital Strategic Review								*						
<ul> <li>AR Share Buybacks</li> </ul>	1							*						
AR Dividend Payment								*						
Other Analyses as Process Dictates														



### **SUMMARY TERMS OF WATER EARN-OUT**



AR is considering a proposal whereby AM would accelerate the earn-out payment associated with the 2015 water drop-down

- In September 2015, AR sold its integrated water business to AM for \$1.05 billion, plus an additional \$250 million subject to the following Earn-Out provisions:
  - Payment of \$125 million at year-end 2019 upon AM delivering a total of 176,295,000 barrels of water from 2017-2019 (equating to an average of 161 Mbbld)
  - Payment of \$125 million at year-end 2020 upon AM delivering a total of 219,200,000 barrels of water from 2018-2020 (equating to an average of 200 Mbbld)

		Cumulative	AR Projections (Cumulative)		Daily	AR Projections (Daily)	
Earn-Out Period	Payment to AR (\$MM)	Earn-out Threshold (Mbbl)	Projected Volumes (Mbbl)	Earn-Out % of Proj. Volumes	Earn-out Threshold (Mbbld)	Projected Avg. Volumes (Mbbld)	Earn-Out % of Proj. Volumes
36-month Period Ending 12/31/19	\$125	176,295	197,539	112%	161	180	112%
36-month Period Ending 12/31/20	\$125	219,200	221,999	101%	200	203	101%

- Note, AR is agnostic to the source of the delivered water volumes from AM (freshwater, Veolia, etc.)
- There is no "banking" concept associated with the water earn-out volumes
- No explicit terms preventing AR from taking volumes for the purpose of reaching earn-out payments

# **HISTORICAL & PROJECTED WATER DELIVERY VOLUMES**



#### **2019 EARN-OUT TARGET**

	Total (Mbbl)	Daily (Mbbld)	% of Target
Target Volumes (2017-2019)	176,295	161	100%
Cumulative Volumes to Date (2017-1Q18)	75,761	167	43%
Remaining Volumes to Fill	100,534	157	57%
9 mos. ended 12/31/18 Forecast	47,225	172	27%
2019 Forecast	74,553	204	42%
Total Forecast	121,778	190	69%
Forecast + Cumulative to Date	197,539	180	112%

#### **FORECAST VS. EARN-OUT**



#### 2020 EARN-OUT TARGET

	Total (Mbbl)	Daily (Mbbld)	% of Target
Target Volumes (2018-2020)	219,200	200	100%
Cumulative Volumes to Date (1Q18)	19,869	221	9% .
Remaining Volumes to Fill	199,331	198	91%
9 mos. ended 12/31/18 Forecast	47,225	172	22%
2019 Forecast	74,553	204	34%
2020 Forecast	80,352	220	37%
Total Forecast	202,130	201	92%
Forecast + Cumulative to Date	221,999	203	101%



# EARN-OUT ACCELERATION PRICING RECOMMENDATION



#### Key factors impacting the pricing of the earn-out acceleration payment

- Earn-out acceleration pricing (and associated discount) should be based primarily on the probability of AR achieving the targeted delivery volumes. Key factors to consider:
  - AR drilling plan has been vetted by the AR Board and disclosed (in detail) publicly
  - AR is currently forecasting to surpass its earn-out threshold in both 2019 and 2020
  - AR controls its own destiny with regard to water usage and achieving the earn-out payments
- Given the high probability of having to make the earn-out payments in both 2019 and 2020, AM's theoretical risk tolerance associated with the earn-out capital should be low:
  - How much capital would AM require today to generate \$125 million in both 2019 and 2020, with very minimal risk?
  - Said another way, AM would expect to earn a low return profile were it willing to risk the capital associated with the earn-out payments
  - At a minimum, AM should be compelled to eliminate a financial obligation at an attractive discount relative to its
    overall weighted average cost of capital
- While use of proceeds is important to AR, it is our view that it should not be a "driver" of pricing the earn-out acceleration
  - AR should focus on the earn-out discount relative to the probability of achieving the earn-out volumes
  - Nonetheless, adding capital to the overall AR ecosystem today can help accelerate AR's free cash flow, debt reduction and return of capital initiatives

# EARN-OUT ACCELERATION PRICING RECOMMENDATION



- Analyzing the earn-out acceleration payment in the context of AM and AR's cost of capital continuum:
  - From AM's perspective, it should be compelled to accelerate the earn-out at or above its overall weighted average cost of capital, and perhaps even lower based on the risk profile of the earn-out
  - From AR's perspective, a discount beyond it's cost of equity is unattractive AR could raise capital more cost effectively

#### COST OF CAPITAL ANALYSIS (1)

#### ---- WACC Cost of Debt Cost of Equity 14% Higher Risk Implied 12% 11.0% 10% 9.0% 9.0% Reasonable Discount 8.0% **Boundaries** 8% 6% Lower Risk Implied 4% 4.4% 4.0% 2-yr Treasury: 2.3% 2% 0% Antero Antero

### PV OF EARN-OUT PAYMENT (\$MM) (2)

Discount Rate	Implied Payment
11.0%	\$200
10.0%	\$203
9.0%	\$208
8.0%	\$212
7.0%	\$216
6.0%	\$220
5.0%	\$225
4.0%	\$230

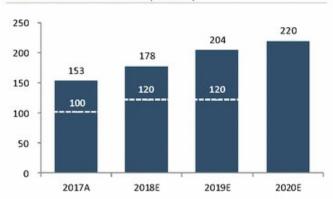
Source: Management Base Case projections as March 23, 2017.
(1) Based on AR and AM cost of capital analyses.
(2) Assumes a present value date of May 1, 2018.

# POTENTIAL ADDITIONAL AR CONCESSIONS

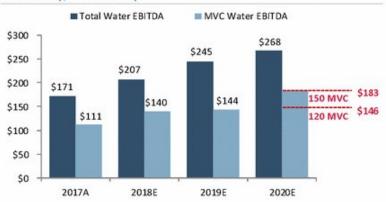


### AR may consider extending the MVC in connection with an earn-out acceleration

#### VOLUME FORECAST (Mbbld)



#### EBITDA (\$ in millions)



- As it relates to achievement of the MVCs, AR is agnostic to the source of the delivered water volumes from AM (freshwater, Veolia, etc.)
- There is a "banking" provision associated with the MVCs whereby excess volumes above defined thresholds can be credited toward MVC shortfalls in the subsequent year
  - To date, the MVCs have been and are projected to be well below AR's expected water usage, rendering the banking provisions relatively inconsequential

Source: Sept 2015 Water Services Agreement and Contribution Agreement in connection with the contribution of water assets from AR to AM. Base Case projections as of March 23.



### **SERIES B UNITS – SUMMARY OF KEY TERMS**



#### Overview

- On December 31, 2016, Antero Resources Midstream Management contributed all of the IDRs to Antero IDR Holdings, LLC ("IDR LLC") in exchange for 100% the Series A units
- Series B units are reserved for issuance to officers and employees of Antero Resources
- As of December 31, 2016, the Series B units were scheduled to vest ratably over a three-year period

#### **Profits** Interest

- Each Series B unit represents a profits interest and therefore has no capital account balance
- The Series B units entitle the holders to receive up to 6% of the amount of each quarterly distribution in excess of \$7.5 million in respect of the IDRs of Antero Midstream
- AM' quarterly IDR cash flow is distributed as follows:
  - 1) 100% to Series A, up to \$7.5 million
  - 2) [(IDR Cash Flow less \$7.5 million) x 6%] to Series A
  - 3) Remaining cash flow to Series A

#### Redemption Right / Optional Exchange

- Each Series B unit holder has the right to redeem all of a portion of its vested Series B units in exchange for newly-issued AMGP common shares with a value equal to:
  - Pro rata share of up to 6% of any increase in AMGP's equity value in excess of \$2.0 billion (equity value calculated using 20-day VWAP of AMGP shares)
  - In no event will the aggregate number of newly-issued AMGP common shares to Series B holders exceed 6% of total common shares outstanding
- Upon exchange, the redeeming member will surrender its Series B units to IDR LLC for cancellation
- Maximum dilution to AMGP shareholders: [(AMGP common shares outstanding x 20-day VWAP) less \$2.0 billion] x 6%

# **SERIES B UNITS – SUMMARY OF KEY TERMS**



#### Continued

#### Mandatory Exchange

- AMGP will have the right to cause each Series B unit to be exchanged for common shares in AMGP upon the earliest of:
  - December 31, 2026
  - Change of control transaction
  - Liquidation of IDR LLC

### Change of Control

- The Series B units will vest upon a change of control, defined as the occurrence of any of the following events
  - Any merger or other business combination involving IDR Holdings or the general partner of AMGP in
    which a majority of the outstanding Series A Units of IDR LLC or the general partner of AMGP's common
    units are exchanged for or converted into cash, securities of a corporation or other business organization
    or other property;
  - A sale or other disposition of all or a material portion of the assets or membership interests of IDR LLC;
  - A sale or other disposition of all or substantially all of the assets of the general partner of AMGP followed by a liquidation of the general partner or a distribution to the members of the general partner of all or substantially all of the net proceeds of such disposition; or
  - The sale of all of the outstanding common units of the general partner of AMGP in a single transaction or series of related transactions.

Note: An AMGP acquisition of AM does not trigger a change of control



### Status quo – assuming no transaction between AMGP and AM

### STATUS QUO PROFITS INTEREST

(\$ in millions, except per unit data)						
** Productive Control of the Control	Current Run-rate	2018E	2019E	2020E	2021E	2022E
	Run-rate	20100	20196	2020E	20216	20226
Forecasted AM Distribution / Unit	\$1.46	\$1.72	\$2.21	\$2.85	\$3.42	\$4.10
Total IDR Payments	\$94.8	\$142.8	\$235.5	\$355.3	\$462.0	\$589.2
Less: Priority Cash Flow to Series A (7.5%)	(30.0)	(30.0)	(30.0)	(30.0)	(30.0)	(30.0)
Remaining Cash Flow Available	\$64.8	\$112.8	\$205.5	\$325.3	\$432.0	\$559.2
% Attributable to Series A	94%	94%	94%	94%	94%	94%
% Attributable to Series B	6%	6%	6%	6%	6%	6%
Cash Flow to Series A (**pre G&A and taxes)	\$90.9	\$136.0	\$223.2	\$335.8	\$436.0	\$555.7
Cash Flow to Series B	3.9	6.8	12.3	19.5	25.9	33.6

#### CONVERSION MECHANISM AND IMPLIED VALUE

(\$ in millions, except per unit data)	Current Run-rate	2018E	2019E	2020E	2021E	2022E
Forecasted AMGP Distribution / Unit	\$0.30	\$0.54	\$0.89	\$1.34	\$1.74	\$2.22
Distribution Yield Assumption (1)	1.91%	2.25%	2.50%	2.75%	3.00%	3.25%
Implied AMGP Equity Value	\$2,919	\$4,444	\$6,608	\$9,064	\$10,805	\$12,722
Less: Benchmark	(2,000)	(2,000)	(2,000)	(2,000)	(2,000)	(2,000)
Series B Pool	\$919	\$2,444	\$4,608	\$7,064	\$8,805	\$10,722
Conversion Value of Series B Interest (6%)	\$55	\$147	\$276	\$424	\$528	\$643
PV-10 of 2022 Conversion Value + Annual Cash Flow	\$512					
PV-15	434					
PV-20	373					

Source: Management Base Case projections as of March 23 (1) Assumes a 25 bps yearly yield increase owing to gradually declining distribution growth.

# SERIES B UNIT MECHANICS UNDER CONTEMPLATED TRANSACTIONS

BAIRD

(\$ and units in millions, except per unit data)

#### AMGP Acquisition of AM

- Assumes 100% equity and an illustrative 15% acquisition premium
- AM unit price: \$24.71 / AMGP unit price: \$15.68
- Series B units converted at the market cap for pro forma AMGP
- AMGP shares issued to AM: 340.2

AMGP shares issued to AR: 179.2 AMGP shares issued to AM public: 161.1

#### Pre-Conversion of Series B

AMGP Pro Forma Units O/S	526.4
AMGP Share Price	\$15.68
AMGP Pro Forma Market Cap	\$8,253
Conversion of Series B	
AMGP Pro Forma Market Cap	\$8,253
Less: Benchmark	(2,000)
Series B Pool	\$6,253
Series B Equity Value (6.0%)	\$375
AMGP Shares Issued to Series B	23.9

#### Pro Forma Ownership

2	AR	AM	AMGP	PF AMGP
AR	-	53%	-	33%
Management / Sponsors	27%	47%	67%	27%
Public	73%	-	33%	40%
Total	100%	100%	100%	100%

#### **AM Acquisition of AMGP IDRs**

- AMGP eliminates AM's IDRs in exchange for AM units
- Assumes 100% equity and an illustrative 15% acquisition premium
- AM unit price: \$24.71 / AMGP unit price: \$15.68
- Series B units converted at the market cap of stand-alone AMGP
- AM shares issued to AMGP: 135.9

#### Pre-Conversion of Series B

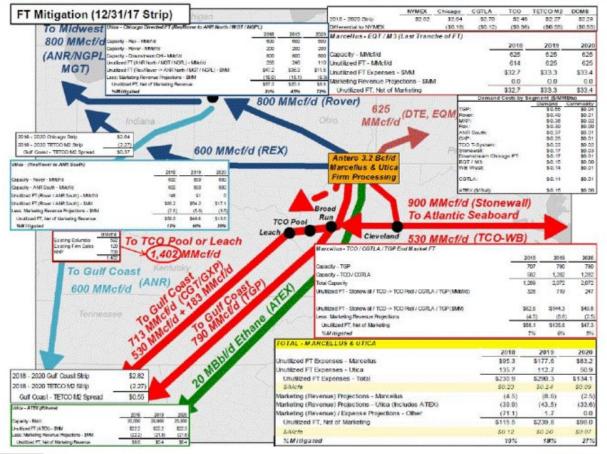
AMGP Shares O/S	186.2
AMGP Share Price	\$15.68
AMGP Market Cap	\$2,919
Conversion of Series B	
AMGP Market Cap	\$2,919
Less: Benchmark	(2,000)
Series B Pool	\$919
Series B Equity Value (6.0%)	\$55
AMGP Shares Issued to Series B	3.5

#### Pro Forma Ownershir





### AR - PROVIDED FIRM TRANSPORT OVERVIEW



Source: Antero Management Project Bronco | Page 12

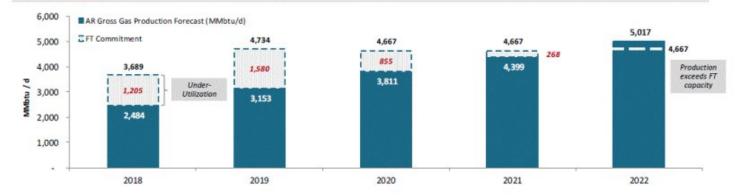
In September 2015, AR sold its integrated water business to AM for \$1.05 billion, plus an additional \$250 million

# SUMMARY FIRM TRANSPORT ("FT") COMMITMENTS



AR's firm transportation commitments relative to forecast gas production

### 2018 – 2022 FIRM TRANSPORT COMMITMENT VOLUMES(1)



#### ESTIMATED FT BY LINE (2) (MMBTU/D)

50		2018	2019	2020	2021	2022
P CEC	Rex	660	660	660		
5	Rover	880	880	880		
q	M3	688	688	688		
Marcenus	TGP	778	869	869		
ě	TCO / CGTLA	640	1,410	1,410		
1	Other	43	227	160		
	Total	3,689	4,734	4,667	4,667	4,667
	Total FT Cost (\$mm)	\$696	\$876	\$895	\$874	\$822
	\$ / mmbtu	\$0.52	\$0.51	\$0.53	\$0.51	\$0.48

#### FT UNUTILIZED COST (MMBTU/D)

	2018	2019	2020	2021	2022	
Total Capacity	3,689 2,484 67%	4,734	4,667	4,667	4,667	
Total Utilized Capacity % Utilized Unutilized Capacity		3,153	3,811	4,399	5,017	
		67%	82%	94%	108%	
	1,205	1,580	855	268	NA	
Unutilized Cost (\$mm)	\$231	\$290	\$134	NA	NA	
Less:Mitigation (\$mm)	(115)	(51)	(36)	NA	NA	
Net Unutilized Cost (\$mm)	\$116	\$240	\$98	NA	NA	
"Fully Burdened" (3)	\$0.64	\$0.72	\$0.62	NA	NA	

Source: Antero management.
(1) Gas only volumes. Excludes ME2 and ATEX firm commitments.

Estimated capacity on a btu equivalent basis, utilizing a 10% uplift. AR provided data is given on a btu basis. Equals (Total FT Cost minus Mitigation for Unutilized Capacity) divided by Total Utilized Capacity.

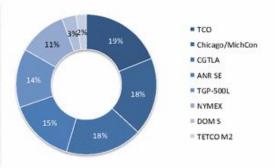
Project Bronco | Page 13

In September 2015, AR sold its integrated water business to AM for \$1.05 billion, plus an additional \$250 million



#### PROJECTED GAS SALES BY INDEX

Index:	2018	2019	2020	2021	2022	Avg	
TCO	14%	25%	19%	20%	17%	19%	
Chicago/MichCon	21%	18%	18%	17%	16%	18%	
CGTLA	17%	23%	19%	16%	14%	18%	
ANR SE	18%	16%	16%	14%	12%	15%	
TGP-500L	18%	2%	14%	18%	16%	14%	
NYMEX	10%	16%	14%	8%	7%	11%	
DOM S	3%	0%	1%	6%	7%	3%	
TETCO M2	1%	0%	0%	0%	11%	2%	
Total	100%	100%	100%	100%	100%	100%	



### STRIP PRICING BY INDEX (\$/MMBTU)

Index:	2018	2019	2020	2021	2022	Avg
TCO	\$2.56	\$2.43	\$2.40	\$2.43	\$2.47	\$2.46
Chicago/MichCon	\$2.66	\$2.57	\$2.58	\$2.63	\$2.68	\$2.63
CGTLA	\$2.69	\$2.69	\$2.70	\$2.74	\$2.89	\$2.74
ANR SE	\$2.71	\$2.72	\$2.75	\$2.80	\$2.83	\$2.76
TGP-500L	\$2.75	\$2.73	\$2.74	\$2.77	\$2.81	\$2.76
NYMEX	\$2.83	\$2.81	\$2.82	\$2.85	\$2.89	\$2.84
DOMS	\$2.32	\$2.30	\$2.26	\$2.27	\$2.31	\$2.29
TETCO M2	\$2.30	\$2.28	\$2.23	\$2.24	\$2.26	\$2.26
Weighted Average	\$2.68	\$2.63	\$2.65	\$2.65	\$2.66	\$2.65
BTU Uplift	\$0.23	\$0.22	\$0.25	\$0.27	\$0.26	\$0.25
Realized Price	\$2.91	\$2.85	\$2.90	\$2.92	\$2.92	\$2.90
Differential to Nymex	\$0.08	\$0.04	\$0.08	\$0.07	\$0.03	\$0.06

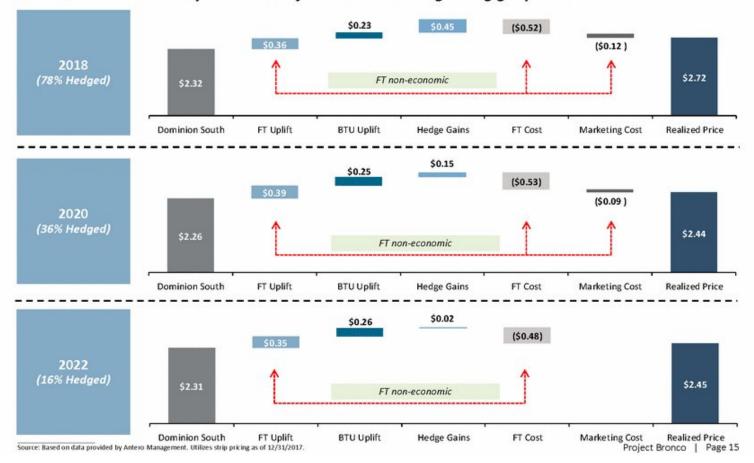
Index:	2018-22 Diff.	% Exposure		
тсо	(\$0.38)	19%		
Chicago/MichCon	(\$0.21)	18%		
CGTLA	(\$0.10)	18%		
ANR SE	(\$0.08)	15%		
TGP-500L	(\$0.08)	14%		
NYMEX	\$0.00	11%		
DOM S	(\$0.55)	3%		
TETCO M2	(\$0.58)	2%		

Source: Antero Management. Based on strip pricing as of 12/31/2017.

# **GAS HEDGES HAVE SUPPORTED FT**



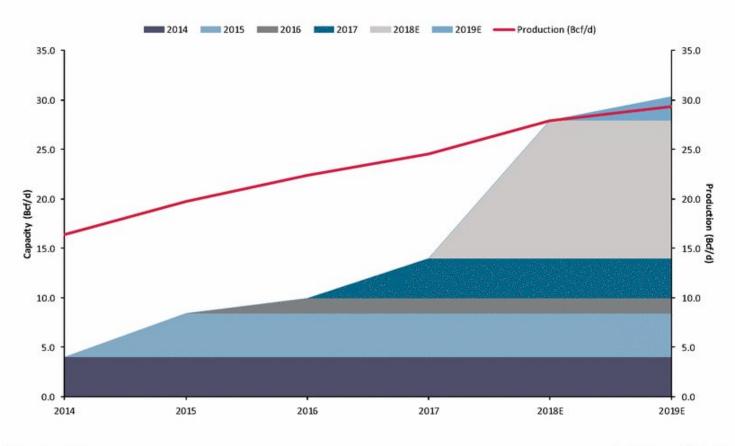
AR's gas firm transportation portfolio is not economic based on current strip pricing...though northeast markets would be severely imbalanced if AR were to sell its growing gas production in-basin



# MARCELLUS / UTICA TAKEAWAY CAPACITY



(Bcf/d)



Source: Company documents, Bentek, company documents, and Wall Street Research.

# MARCELLUS / UTICA TAKEAWAY CAPACITY DETAILS



# (Bcf/d)

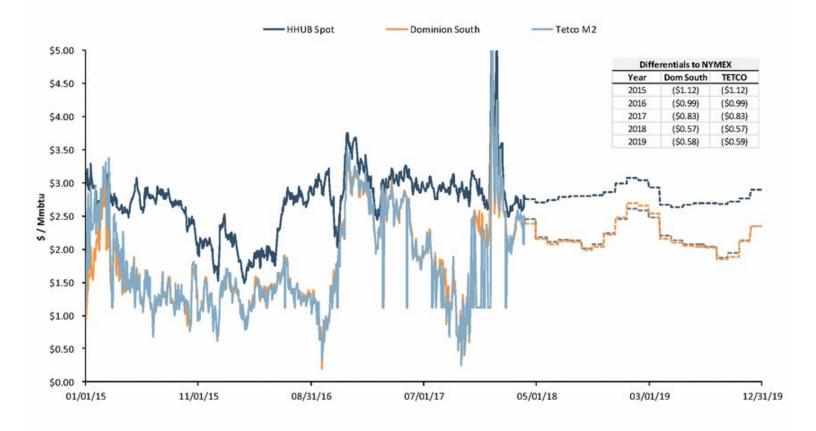
Name	Operator	Main Line	Project Type	Point(s) of Expansion	Destination	Start-up	2014	2015	2016	2017E	20186	2019€
Northeast PA Pipeline Expansion												
Rose Lake Expansion	Kinder Morgan	TGP 300 Line	New Pipeline	Bradford Co., PA	Northeast PA	Nov. 2014	230	230	230	230	230	230
Northeast Connector	Williams	Transco	Connector	York City, PA	Rocksway, NY	Nov. 2014	65	100	100	100	100	100
teldy Southeast	Williams	Transco	Loop	Northeast, FA	Mid-Atlantic Seaboard	4Q15		525	525	525	525	525
East Side Expansion	MSource	Columbia	Upgrades	Northeast PA & Northern Ni	Northeast Seaboard	Nov. 2015		312	312	312	312	312
Nagera Expansion	Kinder Morgan	TGP 200 Line	Loop	Chautaugua Co., N.Y	Nargara, NY	Nov. 2015		158	158	158	158	158
Northern Access 2015	NFG5	National Fuel	Compressor	Hinsdale, NY / Eden NY	Northeast Seaboard	Nov. 2015		140	140	140	140	140
Rock Springs	Williams	Transco	Lateral	Lancaster Co., PA	Ceol Co., MD	Aug. 2016			192	192	192	192
A/M Project	Spectra Energy	AGT	Loop	NY, CT, RI, MA	Boston, MA.	Nov. 2016			342	342	342	342
Atlantic Bridge	Spectra Energy	AGT	Upgrades	Northeast PA	Northeast Seaboard	Nov. 2017				350	350	350
New York Bay Expansion Project	Williams	Transco	Upgrades	Northeast PA	Northern Ni	Nov. 2017				115	115	115
Atlantic Sunnise	Williams	Transco	Upgrades	Northeast PA	Fairfax Co., VA	Mid-2018					1,700	1,700
PennEast Pipeline Project	UGICorp	PennEast	New Pipeline	Luzeme Co., PA	Trenton, NJ	2H 2018					1,100	1,100
Diamond East Project	Williams	Transco	Loop	Lycoming / Luzerne, PA	Mercer, Ni	Mid-2018					1,000	1,000
Northeast Supply Enhancement Project	Williams	Transco	Loop	York County, PA	Rocksway, NY	Dec. 2019						400
Northern Access 2016	NFG5	TGP 200 Line	New Pipeline	McKean Co., PA	Erie Co., NY	Nov. 2017						497
NE Takeaway from New Projects							295	1,465	1,999	2,464	6,264	7,161
YoY Expansion								1,170	534	465	3,800	897
Southwest PA/Utica Pipeline Expansion												
Southeast Main Line	TransCanada	ANR	Reversal	Lebanon, OH	Patterson, IA	Various Stages	1,250	2,000	2,000	2,000	2,000	2,000
REX East-to-West Reversal	Tall Grass Energy LP	Rockies Express	Reversal	Monroe Co., OH	Missouri	Various Stages	600	1,200	2,000	2,800	2,800	2,800
Utica Backhaul	Kinder Morgan	TGP 300 Line	Reversal	Southwest PA	Gulf Coast	Apr. 2014	500	500	500	500	500	500
TEAM 2014	Spectra Energy	Texas Eastern / AGT	Loop	OH, WV, & PA	Northern Ni	Nov. 2014	600	600	600	600	600	600
West Side Expansion	Nisource	Columbia	Upgrades	Waynesburg, WV & Smithfield, PA	Leach, KY & Rayne, LA	Nov. 2014	444	984	984	984	984	984
TEAM South	Spectra Energy	Texas Eastern	Upgrades	Uniontown, FA	Attela Co, NS	Nov. 2014	300	300	300	300	300	300
Uniontown to Gas City	Spectra Energy	Texas Eastern	Reversal	Uniontown, FA	Gas City, IN	Aug. 2015		425	425	425	425	425
Broad Run Flexibility	Kinder Morgan	TGP 100 Line	Upgrades	Broad Run, WV	Gulf Coast	Various Stages		590	590	590	790	790
Ohio Pipeline Energy Network (OPEN)	Spectra Energy	Texas Eastern	Reversal	Monroe Co., OH	Gulf Coast	Nov. 2015		550	550	550	550	550
ET Rover Project	ETP	Panhandle Eastern	New Pipeline	Defiance, Ohio	Samia, Canada / Gulf Coast	3017				1,900	3,250	3,250
Gulf Markets Expansion	Spectra Energy	Texas Eastern	Reversal	Southwest PA	Southwest PA	Nov. 2017				350	350	350
Access South Project	Spectra Energy	Texas Eastern	Upgrades	Uniontown, PA	Kosciusko, MS	Nov. 2017				320	320	320
Adair Southwest Project	Spectra Energy	Texas Eastern	Upprades	Southwest PA	Adair Co., KY	Nov. 2017				200	200	200
Leach Xpress	N/Source	Columbia	Upgrades	OH, WV, & PA	Leach, KY	1018					1,500	1,500
NEXUS Project	Spectra Energy	Vector	New Pipeline	Northeastern OH	Southeastern Mil	3018					1,750	1,750
Mountain Valley Project	EQT	Transco	New Pipeline	Wetzel Co., WV	Pittsylvania Co., WA	4018					2,000	2,000
Appalachia to Market Project	Spectra Energy	Texas Eastern	Upprades	Berne, OH	Lambertville, Ni	Nov. 2018					1,000	1,000
Gulf Xoress	Columbia	Columbia	Upgrades	Leadh, KY	Rayne, LA	Nov. 2018					870	870
Western Marcellus Project	Williams	Transco	New Pipeline	Clarington, OH	Station 165, Southern VA	Late-2018					1,500	1,500
Atlantic Coast Ripeline	Dominion	Atlantic Coast	New Pipeline	Harrison Co., DH	Greenswille Co., VA	Late-2019					-5-00	1,500
SW Takesway from New Projects		The second of	The Property of the Party of th	concentration being term	and a second state of the		3,694	7,149	7,949	11,519	21,689	23,189
YoY Expansion							7	3,455	800	3,570	10,170	1,500
								7.5	2000			2000
Total Takeaway from New Projects							3,909	8,614	9,948	13,983	27,953	30,350
Incremental YoY Change							3,909	4,625	1,334	4,035	13,970	2,397
Bentek Marcellus/Utics Production Fore	ecest						16,406	19,751	22,403	24,509	27,901	29,572
YoY Growth							4,500	3,344	2,653	2,106	3,392	1,471

Source: Company documents, Bentek, company documents, and Wall Street Research

# NORTHEAST NATURAL GAS PRICING



### Northeast differentials have contracted alongside pipeline capacity build-outs



Source: Bloomberg as of April 9, 2018. Project Bronco | Page 18



# **ANTERO FAMILY PRICE PERFORMANCE YTD**

(30%) J 01/01/18

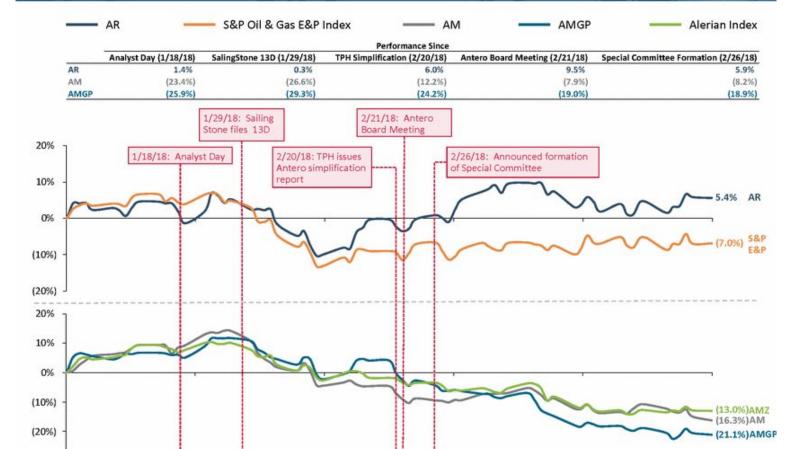
Source: S&P Capital IQ as of April 9, 2018.

01/20/18



04/09/18

Project Bronco | Page 19



02/28/18

03/20/18

02/09/18

# AM / AMGP HISTORICAL EXCHANGE RATIO



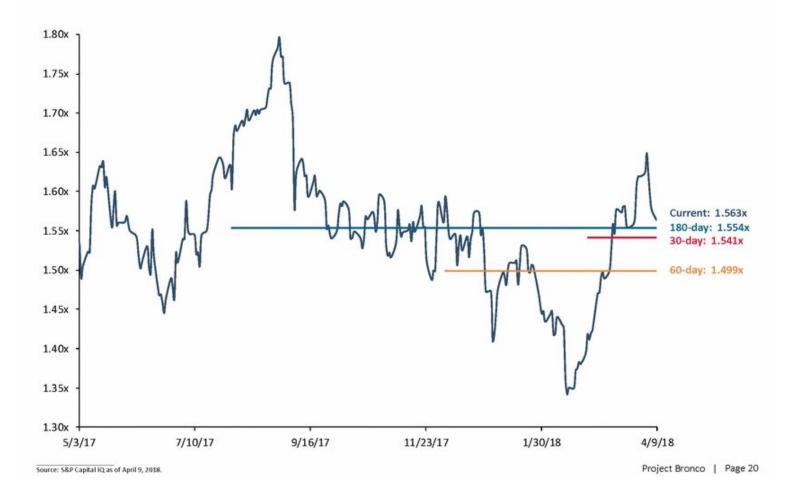


Exhibit (c)(44)







# **PROCESS UPDATE**



## Current working timeline of priority milestones; workstreams to be added as necessary

	March			April				M	lay			June		
Key Milestone:	30	2	9	16	23	30	7	14	21	28	4	11	18	25
Formal Due Diligence Session		*												
Water Earn-Out Analysis	*													
Market Update & Valuation Drivers				*										
AR Return of Capital Strategic Review														
- AR Share Buybacks														
- AR Dividend Payment														
Potential AMGP — AM Transaction Analyses (1)														
Other Analyses as Process Dictates				+										

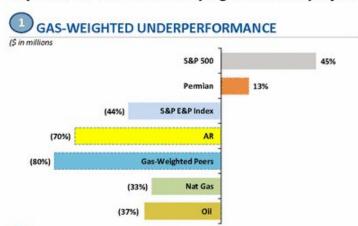
(1) Formal analyses to be conducted in conjunction with a proposed transaction.



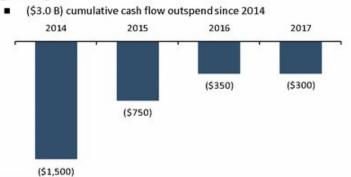
# BAIRD

### RECAP OF KEY DRIVERS OF AR SHARE PERFORMANCE

Key investor themes underlying AR's share performance over 2014 - 2017





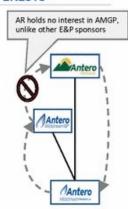






### PERCEIVED MISALIGNMENT OF INTERESTS





2017

2016

Current<sup>(2)</sup>

2015

2014

Project Bronco |

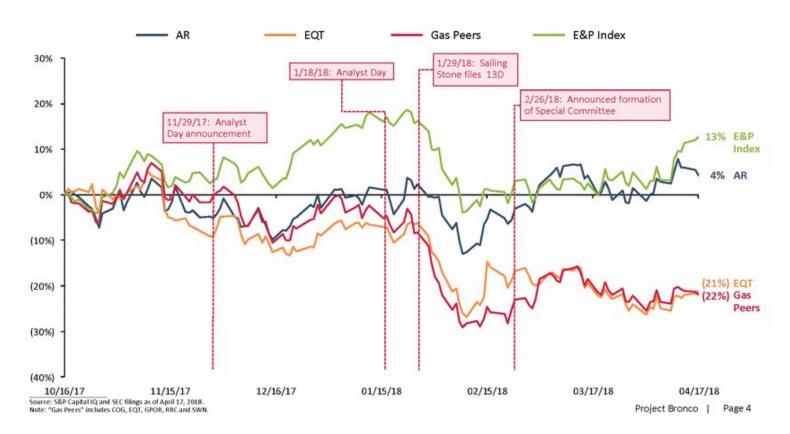
Free cash flow represents E&P operating cash flow, less E&P drilling and completion capital, less land maintenance capital. Represents current E&P debt / run-rate E&P EBITDA.

# ANTERO RESOURCES PRICE PERFORMANCE - LAST 6 MONTHS

Analys	t Day Anno	unced - Analy	yst Day
AR	EQT	Gas Peers	E&P Index
6.7%	2.3%	(3.7%)	13.5%

	Analyst Da	y - 13D Filing	
AR	EQT	Gas Peers	E&P Index
1.1%	1.0%	(4.0%)	(0.7%)

	13D Filing - Present					
AR	EQT	Gas Peers	E&P Index			
2.0%	(15.9%)	(14.8%)	(2.9%)			





### AR has identified a group of elite E&Ps and what it deems to be their key characteristics

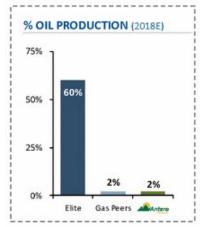
#### **BENCHMARK PERFORMANCE - LAST 2 YEARS** AR'S TARGETED "ELITE" E&P UNIVERSE AR 2018E E&P EV / EBITDAX: Elite Group 47% 4.8x Leverage < 3.0x S&P E&P Index Premium for: Enterprise Value >\$10B Scale AR (24%) Production Growth >15% **Gas-Weighted Peers** Leverage < 2.0x Low Leverage Gas 14% Free EOG FANG Median 2018E E&P Cash Flow CXO COG EV / EBITDAX: 9.5x 67% **FCF Generation** Oil PXD

Permian & Appalachia

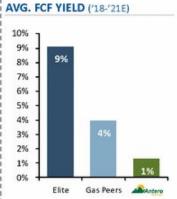
Note: E&P firm value adjusted to remove public ownership of MLP holdings at a 10% discount, where applicable. EBITDAX adjusted to remove contribution of midstream business.

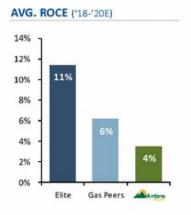


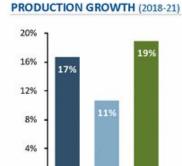
### AR vs. Gas-Weigted Peers vs. Elite E&Ps across selected operational metrics





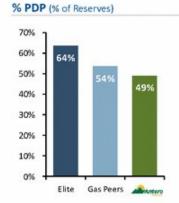


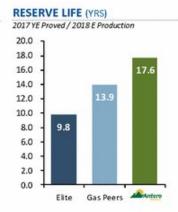


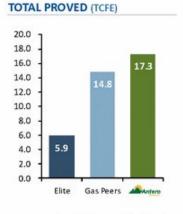


0%

Elite







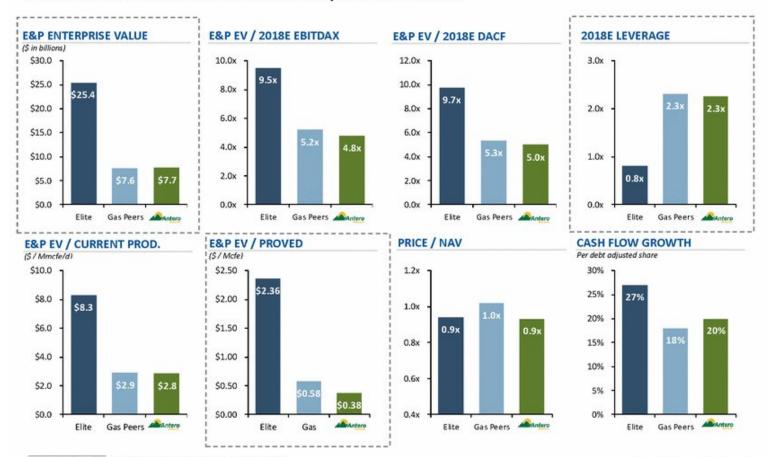
Source: Company filings, S&P Capital IQ and Wall Street research as of April 17, 2018.

Gas Peers Antero

Project Bronco | Page 6



#### AR vs. Peers vs. Elite E&Ps across selected operational metrics



Source: Company filings, S&P Capital IQ and Wall Street research as of April 17, 2018.

Note: E&P firm value adjusted to remove public ownership of MLP holdings at a 10% discount, where applicable. EBITDAX and DCF adjusted to remove contribution of midstream business.



### Additional relevant data

#### **GAS-WEIGHTED PEERS**

						Short Inter	est Ratios	2018 He	dged	%
		Credit	t Rating	Dividend	Buyback		Current vs.	Produc	tion	Insider
		S&P	Moody's	Yield	Program?	Current (1)	1-Year	Crude	Gas	Ownership
	Cabot Oil & Gan Corporation	NA	NA	1.0%	✓	2.4	(28%)	0%	0%	1.5%
	EQT	ввв	Baa3	0.2%		3.2	(35%)	0%	42%	0.6%
	Gulfport	BB-	B1	NA	✓	3.4	47%	NA	80%	8.5%
	MANGE RESOURCES	Ba 2	BB+	0.6%		8.3	81%	17%	57%	0.5%
	swn	BB-	Ba3	NA		3.2	20%	0%	89%	0.6%
ELITE E&	P's									
	Cabor Oil & Gas Corporation	NA	NA	1.0%	✓	2.4	(28%)	0%	0%	1.5%
	₩ concho	BBB-	Ba1	0.4%		1.8	(64%)	59%	33%	1.1%
	DIAMONDBACK	BB	Ba3	0.4%		2.9	(17%)	41%	26%	1.2%
	<b>S</b> eogresources	BBB+	Baa1	0.7%		2.3	(29%)	33%	1%	0.4%
	PIONEER NATURAL RESOURCES	ввв	Baa2	0.3%	✓	2.7	(12%)	84%	60%	0.9%
	Current									% 0.6% % 8.5% % 0.5% % 1.5% % 1.1% % 1.2% % 0.4% % 0.9%
	Antero	BB+	Ba2	0.0%		10.3	25%	0%	78%	23.7%

Source: Bloomberg and Wall Street research as of April 17, 2018.
(1) Days to cover.

### AR IDENTIFIED STEPS TO IMPROVE VALUATION



The market has been receptive to AR's operational and strategic initiatives to improve its share price (as evidenced by its recent outperformance); however, execution risk remains

#### AR'S IDENTIFIED STEPS TO JOIN THE ELITE E&P GROUP

- Capital Efficiency: \$2.9 billion of drilling capex reduction over next 5 years with production growth targets unchanged
  - Inventory of 3,300 laterals >10,000' drive efficiencies
  - 18% production CAGR 2018 2022
  - Grow into FT portfolio by 2020
  - Growing NGL exposure
- FCF Generation: \$1.6 Bn cumulative free cash flow growth through 2022
- Capital Discipline:
  - Reduce leverage to < 2x</li>
  - Debt-adjusted cash flow and production growth per share in the 22 – 23% range (AR management figure)
- Assess Value Acceleration Initiatives:
  - Return of Capital (repay debt, stock buy-back, dividends
  - Conflict of interest mitigation
  - Segment level reporting to provide clarity on E&P ops

#### MARKET PERCEPTION

-66

"We believe the focus should now **shift to execution** as the long term outlook has already baked in substantial future efficiency gains and activity high-grading which AR now has to deliver. – *Credit Suisse* 

66

"...five year plan that includes a double-digit production CAGR... should generate solid returns while throwing off \$1.6 billion in free cash flow at the strip ... a solid profile that with execution should drive multiple expansion over the coming years. — Wells Fargo

.66

"While increasing lateral length is a tangible efficiency, and concurrent operations should improve cycle times, it remains unclear how AR will be able to keep D&C spend flat through 2020 while increasing completed lateral feet by 12% in 2019 and 25% in 2020 compared to the 2018 program.— Jefferies

,66

"Operationally and financially, we would agree that AR is reaching the next stage of its life cycle, and at an opportune time....At the upstream level, the E&P entity is reaching a level of scale, leverage, and capital efficiency (forward FCF generation and growth) matched by few US independents" — Evercore ISI

66

"Given the recent push for capital discipline and improved corporate returns, we think the market will view Antero's newfound capital flexibility in the coming years favorably. – Raymond James

## AR FORECAST SUMMARY ACROSS KEY METRICS



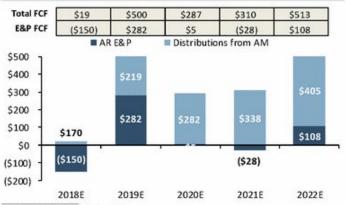
#### PRODUCTION GROWTH (Mmcfe/d)



#### E&P EBITDA and Margins (\$ in millions)



#### E&P FREE CASH FLOW (1) (\$ in millions)



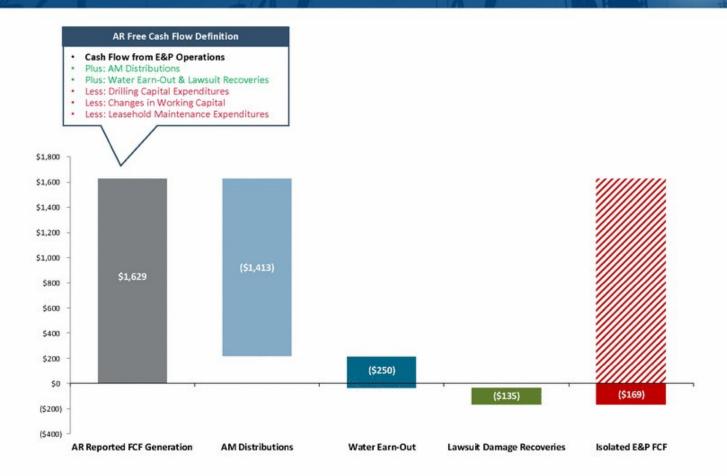
#### **DEBT & LEVERAGE**



Source: Antero Management projections.
(1) Free cash flow represents E&P operating cash flow, less E&P drilling and completion capital, less land maintenance capital.

## 2018 - 2022 AR FREE CASH FLOW BRIDGE





Source: Antero Management projections. Project Bronco | Page 11

### **RETURN OF CAPITAL INITIATIVES**



#### POTENTIAL SHARE REPURCHASE ECONOMICS



#### SELECTED STOCK BUY-BACK ANNOUNCEMENTS & MARKET REACTION

Announcement		Buyback	% of	Mar	ket Reaction	(1)	Benchr	nark Perform	ance	Relativ	e Performan	Ce (2)
Date	Company	Value (\$MM)	Shares O/S	1-day	5-days	30-days	1-day	5-days	30-days	1-day	5-days	30-days
03/08/18	Hess Corporation	\$1,000	6.8%	0.5%	4.5%		(0.4%)	0.4%		0.8%	4.1%	
03/07/18	Devon Energy	1,000	6.1%	4.7%	5.4%	16.6%	(0.4%)	0.4%	12.0%	5.0%	5.0%	4.6%
02/28/18	QEP Resources	1,250	60.2%	10.8%	4.5%	25.4%	(0.1%)	0.8%	9.3%	10.9%	3.8%	16.1%
02/23/18	Cabot Oil	720	6.5%	2.4%	4.4%	(3.0%)	2.9%	(2.2%)	0.3%	(0.4%)	6.6%	(3.2%
02/15/18	Noble Energy	750	5.8%	(0.3%)	11.1%	14.5%	(0.3%)	(1.6%)	0.9%	(0.0%)	12.7%	13.6%
02/15/18	Encana Corporation	400	3.7%	(1.2%)	(2.5%)	1.1%	(0.3%)	(1.6%)	0.9%	(0.9%)	(0.9%)	0.2%
02/14/18	Laredo Petroleum	200	10.4%	5.0%	6.7%	9.8%	(0.3%)	(1.6%)	0.9%	5.3%	8.3%	8.9%
02/06/18	Pioneer	100	0.3%	1.3%	(1.0%)	0.8%	(1.8%)	(5.2%)	(0.5%)	3.1%	4.2%	1.4%
01/29/18	Gulfport Energy Corporation	100	4.5%	(8.9%)	(24.3%)	(11.0%)	(2.6%)	(8.6%)	(12.0%)	(6.3%)	(15.8%)	1.1%
	Mean	\$613	11.6%	1.6%	1.0%	6.8%	(0.4%)	(2.2%)	1.5%	1.9%	3.1%	5.3%
	Median	\$720	6.1%	1.3%	4.5%	5.5%	(0.3%)	(1.6%)	0.9%	0.8%	4.2%	3.0%

Source: FactSet and S&P Capital IQ as of April 13, 2018.
(1) Market reaction defined as one day post-announcement.
(2) Relative performance based on S&P E&P 500 Index.





Firm	Pre-13D Filing	Post-13D Filing	% Change
Credit Suisse	\$23.00	\$24.00	4.3%
Capital One	31.00	29.00	(6.5%)
Wolfe Research	25.00	24.00	(4.0%)
Goldman Sachs	22.00	22.00	0.0%
BMO Capital	24.00	23.00	(4.2%)
Scotia Howard Weil	26.00	24.00	(7.7%)
Evercore	23.00	24.00	4.3%
Baird	28.00	28.00	0.0%
Tudor Pickering	30.00	25.00	(16.7%)
KLR Group	29.00	29.00	0.0%
Keybanc	29.00	29.00	0.0%
Cowen	22.00	22.00	0.0%
Jefferies	22.00	23.00	4.5%
Stephens Inc	32.00	26.00	(18.8%)
Guggenheim	27.00	27.00	0.0%
J.P. Morgan	25.00	24.00	(4.0%)
Raymond James	24.00	24.00	0.0%
Wells Fargo	20.00	20.00	0.0%
Susquehanna Financial	24.00	24.00	0.0%
MUFG Securities	29.00	28.00	(3.4%)
Suntrust Robinson	23.00	23.00	0.0%
Alembic Global	34.00	34.00	0.0%
Morgan Stanley	20.00	20.00	0.0%
High	\$34.00	\$24.00	4.5%
Median	25.00	24.00	0.0%
Low	20.00	20.00	(18.8%)
		Target Price Increases	3
		Target Price Decreases	8

Source: Bloomberg. Project Bronco | Page 13

Target Price Decreases Unchanged Targets

12

## **RETURN OF CAPITAL INITIATIVES (CONT.)**



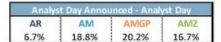
Debt reduction to achieve investment grade status is a worthy use of capital for AR: Investment grade E&P's increasingly outperform the broader group over time

#### INVESTMENT GRADE E&P PERFORMANCE VS. OVERALL INDEX



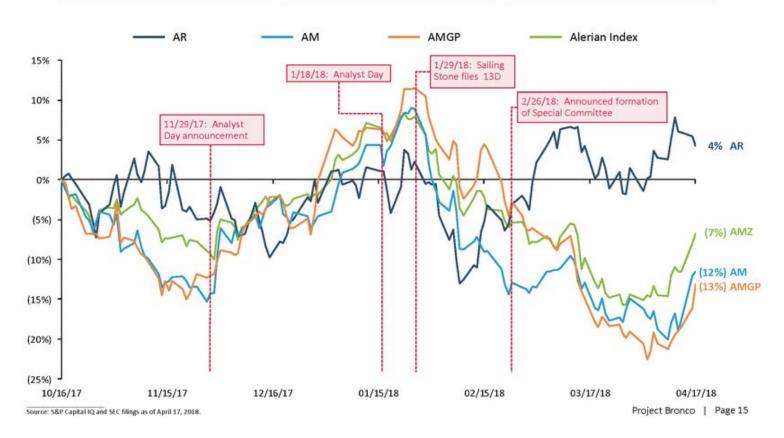


# **ANTERO FAMILY PRICE PERFORMANCE – LAST 6 MONTHS**



	Analyst Day	y - 13D Filing	
AR	AM	AMGP	AMZ
1.1%	7.0%	5.4%	1.9%

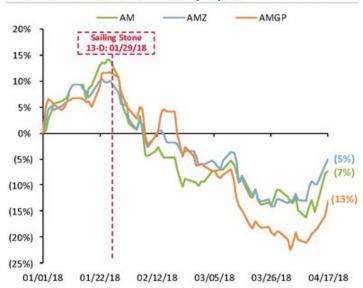
	13D Filing	- Present	
AR	AM	AMGP	AMZ
2.0%	(18.7%)	(22.1%)	(13.6%)



## **AM MARKET AND VALUATION DATA**



#### PRICE PERFORMANCE SINCE 01/01/18



#### **2018 KEY EVENTS**

	01/18/18	Antero hosts Analyst Day
	01/29/18	Sailing Stone Files 13-D
	02/13/18	Antero Family reports 4Q and full year 2017 results
Ī	02/26/18	Announced formation of Special Committees

Source: S&P Capital IQ, Bloomberg and Wall Street Research as of April 17, 2018.

(1) Defined as Distributable Cash Flow, per Wall Street consensus estimates, divided by Equity Market Cap.

(2) Wall Street consensus estimates.

(3) EBITOA less IDR distributions to sponsor.

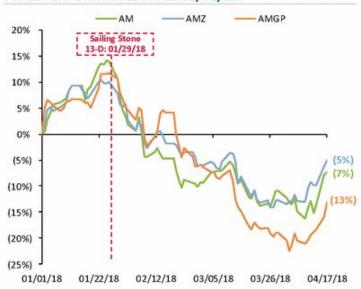
#### AM MARKET AND VALUATION METRICS

in millions, except per unit data)	44.000.000.000.000.000	
	Pre- Sailing Stone 13-D	Current
	01/26/18	04/17/18
Unit Price	\$33.13	\$26.92
Equity Market Cap.	\$6,193	\$5,032
Enterprise Value	\$7,381	\$6,220
Current Yield	4.4%	5.4%
2018E DCF Yield (1)	9.8%	11.6%
2019E DCF Yield (1)	11.8%	14.9%
EV / 2018E Adj. EBITDA	11.8x	10.0x
EV / 2019E Adj. EBITDA	8.8x	7.4x
Net Debt / 2018E EBITDA	1.65x	1.65x
2018E DCF / Current Dist. (2)	1.64x	1.58x
2018E Adj. EBITDA (2)(3)	\$624	\$624
2019E Adj. EBITDA <sup>(2)(3)</sup>	\$835	\$835
Distribution CAGR		
2017A - 2020E	27.5%	27.9%
2018E - 2021E	21.7%	21.8%

## **AMGP MARKET AND VALUATION DATA**



#### PRICE PERFORMANCE SINCE 01/01/18



#### **2018 KEY EVENTS**

01/18/18	Antero hosts Analyst Day
01/29/18	Sailing Stone Files 13-D
02/13/18	Antero Family reports 4Q and full year 2017 results
02/26/18	Announced formation of Special Committees

Source: S&P Capital IQ, Bloomberg and Wall Street Research as of April 17, 2018.

(1) Defined as Distributable Cash Flow, per Wall Street consensus estimates, divided by Equity Market Cap.

(2) Represents management forecasted cash distributions to AMGP equity holders.

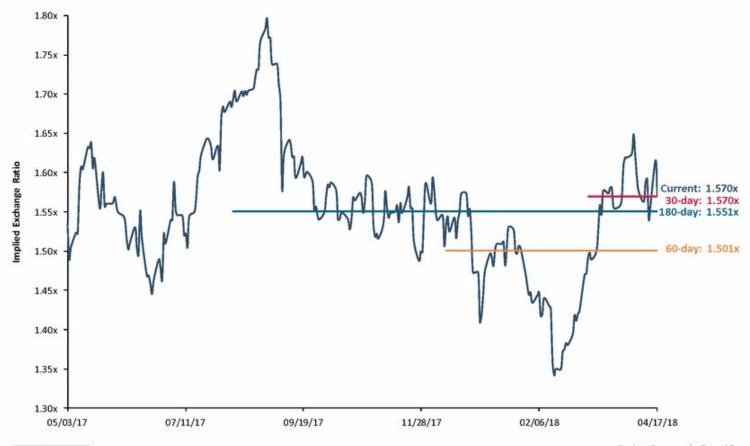
#### AMGP MARKET AND VALUATION METRICS

in millions, except per unit data)	2000 200 200 200 200 200 200 200 200 20	
	Pre- Sailing Stone 13-D	Current
	01/26/18	04/17/18
Unit Price	\$22.02	\$17.15
Equity Market Cap.	\$4,100	\$3,193
Enterprise Value	\$4,100	\$3,193
Current Yield	1.4%	1.7%
2018E DCF Yield <sup>(1)</sup>	2.4%	3.2%
2019E DCF Yield <sup>(1)</sup>	3.9%	5.3%
EV / 2018E Cash Flow	40.9x	31.9x
EV / 2019E Cash Flow	24.8x	19.3x
Net Debt / 2018E EBITDA	NM	NM
2018E DCF / Current Dist.	1.00x	1.00x
2018E Cash Flow <sup>(2)</sup>	\$100	\$100
2019E Cash Flow <sup>(2)</sup>	\$165	\$165
Distribution CAGR		
2018A - 2020E	57.8%	57.8%
2018E - 2021E	48.0%	48.0%

## **RELATIVE PRICE PERFORMANCE**



### Represents the historical implied exchange ratio of AM / AMGP



Source: S&P Capital IQ as of April 17, 2018. Project Bronco | Page 18

# **AM & AMGP RESEARCH COVERAGE REACTIONS**



### Downward bias in price targets





Firm	Pre-13D Filing	Post-13D Filing	% Change
Scotia Howard Weil	\$40.00	\$40.00	0.0%
Baird	43.00	49.00	14.0%
Seaport Global	38.00	25.00	(34.2%)
Capital One	38.00	36.00	(5.3%)
J.P. Morgan	39.00	34.00	(12.8%)
Goldman Sachs	35.00	31.00	(11.4%)
MUFG Securities	40.00	39.00	(2.5%)
Guggenheim Securities	40.00	34.00	(15.0%)
Morgan Stanley	36.00	34.00	(5.6%)
Stifel	37.00	37.00	0.0%
Wells Fargo	40.00	40.00	0.0%
Tudor Pickering	36.00	38.00	5.6%
Raymond James	36.00	36.00	0.0%
Ladenburg Thalmann	41.00	41.00	0.0%
Barclays	37.00	36.00	(2.7%)
High	\$43.00	\$36.00	14.0%
Median	\$38.00	\$36.00	(2.5%)
Low	\$35.00	\$25.00	(34.2%)

Target Price Increases	2
Target Price Decreases	8
Unchanged Targets	5

Pre-13D Filing	Post-13D Filing	% Change
\$24.00	\$24.00	0.0%
35.00	26.00	(25.7%)
26.00	16.00	(38.5%)
	not covered	
25.00	21.00	(16.0%)
27.00	20.00	(25.9%)
30.00	29.00	(3.3%)
	not covered	
27.00	24.00	(11.1%)
	not covered	
30.00	30.00	0.0%
NA	\$22.00	
27.00	27.00	0.0%
28.00	28.00	0.0%
23.00	23.00	0.0%
\$35.00	\$24.00	0.0%
\$27.00	\$24.00	(3.3%)
\$23.00	\$16.00	(38.5%)

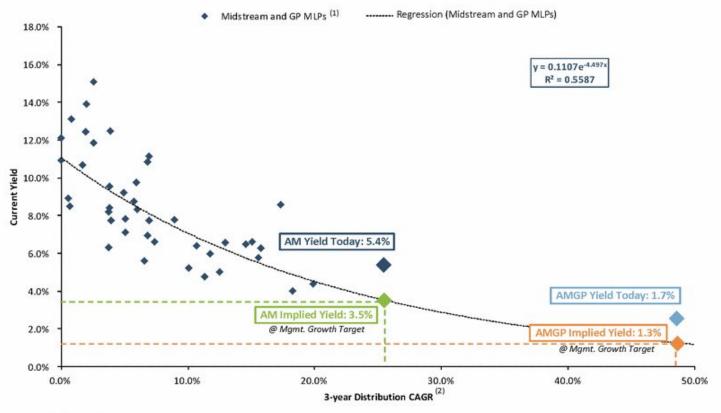
Target Price Increases	0
Target Price Increases Target Price Decreases Unchanged Targets	6
Unchanged Targets	5

Source: Bloomberg. Project Bronco | Page 19

# **AM / AMGP VALUATION DISLOCATION**



### Current yield vs. 3-year distribution CAGR



SEP, SHLX, SMLP, SRLP, TCP, TLP, TRGP, VLP, WES, WGP and WPZ.
Represents 2018E – 2021E distribution growth CAGR per Wall Street consensus estimates.

Source: S&P Capital IQ as of April 17, 2018.
(1) Includes: ANDX, BKEP, BPL, BPMP, CEQP, CNNX, DCP, DKL, DM, EEP, ENBL, ENLC, ENLK, EPD, EQGP, EQM, ETE, ETP, GEL, GLP, HEP, HESM, MMLP, MMP, MPLX, NBLX, OMP, PAA, PSXP, RMP,

## **AM FINANCIAL SUMMARY**

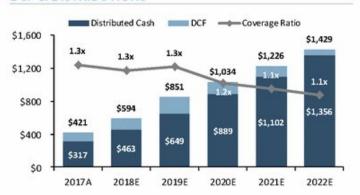
BAIRD

(\$ in millions, except per share and unit data)

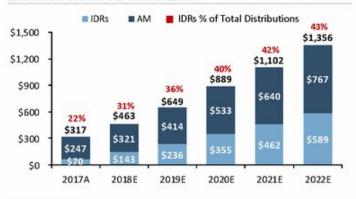
#### **EBITDA**



#### **DCF & DISTRIBUTIONS**



#### **DISTRIBUTIONS TO AM & IDRs**



#### **GROWTH CAPEX & LEVERAGE**



Source: Antero management. Project Bronco | Page 21

## AM SELECTED PUBLIC COMPARABLES ANALYSIS



### Selected High Growth Midstream MLPs

(\$ in millions, except per unit data)

	04/17/18	Implied	Implied				Distributio	n CAGR (4)	2018E Dist.	Enterpris	e Value /	LTM	Net Debt /
	Unit	Market	Firm	Current	DCF Y	ield (3)	2017A -	2018E -	Cash Flow (4) /	Adj. EBIT	DA (4)(5)	EBITDA	2018E
Partnership	Price	Cap (1)	Value (2)	Yield	2018E	2019E	2020E	2020E	Current Dist.	2018E	2019E	Margin	EBITDA (4)
BP Midstream Partners LP	\$18.25	\$1,912	\$1,894	5.9%	7.6%	9.5%	11.4%	15.6%	1.3x	13.0x	9.4x	73%	NM
CNX Midstream Partners LP	19.02	1,234	2,003	6.6%	10.0%	14.1%	15.0%	15.1%	1.4x	13.1x	9.3x	71%	2.6x
EQT Midstream Partners, LP	62.60	5,135	6,300	6.5%	13.9%	19.1%	16.3%	13.0%	1.4x	NM	NM	81%	1.4x
Hess Midstream Partners LP	19.93	1,110	1,062	6.5%	8.2%	9.6%	19.6%	14.6%	1.3x	11.2x	9.2x	71%	NM
Noble Midstream Partners LP	44.63	1,770	2,537	4.4%	11.2%	14.9%	19.9%	19.9%	2.5x	10.9x	7.8x	72%	1.6x
Oasis Midstream Partners LP	17.56	483	874	8.5%	11.3%	17.1%	17.5%	17.4%	1.3x	13.8x	9.4x	65%	1.2x
Phillips 66 Partners LP	52.02	6,453	9,959	5.2%	10.8%	12.8%	13.2%	10.1%	1.3x	11.2x	8.9x	55%	2.6x
Shell Midstream Partners, L.P.	22.28	5,088	5,844	6.0%	9.3%	14.2%	15.5%	11.8%	1.2x	12.4x	7.5x	52%	1.3x
Valero Energy Partners LP	40.80	2,884	4,117	5.0%	11.7%	14.3%	17.1%	12.5%	1.7x	11.3x	8.7x	73%	2.9x
	Low (6)	\$1,110	\$1,062	5.0%	8.2%	9.6%	13.2%	11.8%	1.3x	11.2x	7.8x	55%	1.3x
	Median	1,912	2,537	6.0%	10.8%	14.2%	16.3%	14.6%	1.3x	11.8x	9.1x	71%	1.6x
	High (6)	5,135	6,300	6.6%	11.7%	17.1%	19.6%	17.4%	1.7x	13.1x	9.4x	73%	2.6x
Antero Midstream Partners LP	\$26.92	\$5,032	\$6,229	5.4%	11.6%	14.9%	27.9%	21.8%	1.6x	10.0x	7.5x	68%	1.7x

Source: Company Filings and Wall Street Research as of April 17, 2018.

(1) Implied Market Value of Equity equals common, subordinated and implied (or fixed) GP units, multiplied by the market price of common units.

(2) Implied Firm Value excludes the value of the general partner's IDRs.

(3) Defined as Distributable Cash Flow, per Wall Street consensus estimates, divided by Implied Market Cap.

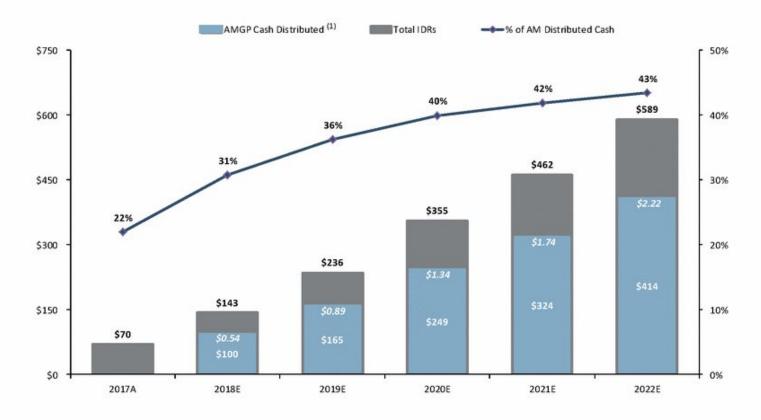
(4) Wall Street consensus estimates.

(5) EBITDA less IDR distributions to spomsor.

(6) Excludes lowest and highest metrics to remove the impact of potential outlier effects from the analysis.

# AMGP FINANCIAL SUMMARY





Source: Antero management.
(1) Distributions after Series B profits interest, G&A expense and income tax expense.

### **AMGP'S CLOSEST GP COMPARABLES**



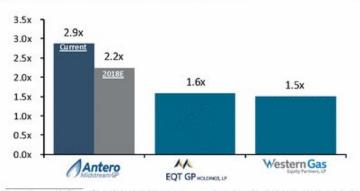
### AMGP's growth profile is unique among even its closest peers

#### **IDR-ONLY CAGR** ■ LQA - '20<sup>(1)</sup> '18 - '21 55% 60% 48% 50% 40% 30% 23% 21% 20% 9% 9% 10% 11 Antero Western Gas EQT GP HOLDINGS OF



EQT GP HOLDINGS, UP

#### DISTRIBUTION GROWTH LEVERAGE (2)







Source: Partnership filings, S&P Capital and Wall Street consensus estimated as of April 17, 2018. AMGP statistics based on and Antero management Base Case projections.
(1) (QA presents 4Q 2017£, annualized.
(2) Measures the implied percent growth in GP cash flow relative to a 10% increase in the distribution per LP unit based on the current distribution of the MLP.

## **CURRENT PUBLIC GENERAL PARTNER LANDSCAPE**



(\$ in millions, except per share and unit data)

		Equity	Implied	Cu	rrent		Current	Yield			GP / IDR Value (3) / LQA IDR			- 2021E ibution
	04/17/18	Market	Firm	Annual	ized Distr.			Differential	DCF Y	'ield (2)	Cash Flow	Top IDR	Growth	CAGR (5)
Company / Partnership	Price	Value	Value	GP (1)	LP (1)	GP (1)	LP (1)	(Bps)	2018E	2019E	from GP (4)	Tier	GP	LP
EQT GP Holdings LP	\$24.60	\$6,548	\$6,547	\$0.98	\$4.10	4.0%	6.5%	(258)	4.8%	6.7%	29.9x	48.0%	18.3%	13.0%
Western Gas Equity Partners LP	34.40	7,531	7,559	2.20	3.68	6.4%	7.8%	(141)	6.8%	7.6%	17.1x	48.0%	10.7%	5.1%
	Median	\$7,039	\$7,053	\$1.59	\$3.89	5.2%	7.2%	(199)	5.8%	7.1%	23.5x	48.0%	14.5%	9.0%
Energy Transfer Equity LP	\$15.70	\$16,943	\$23,666	\$1.22	\$2.26	7.8%	12.4%	(467)	9.3%	10.3%	18.7x	48.0%	8.9%	1.9%
EnLink Midstream LLC	15.00	2,713	2,787	1.04	1.56	6.9%	10.7%	(377)	8.6%	9.1%	24.4x	48.0%	6.9%	1.7%
	Median	\$9,828	\$13,226	\$1.13	\$1.91	7.3%	11.6%	(422)	9.0%	9.7%	21.6x	48.0%	7.9%	1.8%
Antero Midstream GP LP	\$17.15	\$3,193	\$3,187	\$0.30	\$1.46	1.7%	5.4%	(367)	3.2%	5.3%	56.4x	50.0%	44.0%	21.8%

Source: S&P Capital IQ and Wall Street Research as of April 17, 2018.

(1) Values in the GP columns represent those for the public general partners. Values in the MLP column represent those for the public "operating" MLP, unless otherwise noted.

(2) Defined as distributable cash flow, per Wall Street consensus estimates, divided by Equity Market Value.

(3) Value of GP Ownership = Implied Firm Value - Market Value of LP units held by GP.

(4) Excludes distributions from limited partner units. Distributions represent last declared distribution, annualized.

(5) Wall Street consensus estimates.



# AR FORECAST DETAIL

BAIRD

(\$ in millions, except per share data)

	2017A	Q1 18E	Q2 18E	Q3 18E	Q4 18E	2018E	2019E	2020E	2021E	2022E	2018 - 202 CAGR
Net Risked Production (MMcfe/d)	2,253	2,330	2,597	2,868	3,002	2,702	3,330	3,945	4,545	5,194	18%
Year-over-Year Growth (%)	22%					20%	23%	18%	15%	14%	
% Hedged	95%	91%	81%	74%	71%	78%	70%	36%	16%	16%	l .
% Liquids	28%	27%	29%	30%	29%	29%	28%	28%	29%	30%	l
Realized All-In Price w/ hedges (\$/Mcfe)	\$3.60	\$4.17	\$3.77	\$4.01	\$4.12	\$4.02	\$4.05	\$3.70	\$3.56	\$3.55	l
Total Revenues	\$2,962	\$875	\$890	\$1,059	\$1,137	\$3,962	\$4,918	\$5,336	\$5,901	\$6,728	l
E&P EBITDAX	\$1,115	\$479	\$307	\$382	\$436	\$1,604	\$1,868	\$1,832	\$1,967	\$2,323	10%
AM Distributions to AR	135	39	41	44	46	170	219	282	338	405	02500000
EBITDAX Including AM Distributions to AR	\$1,250	\$518	\$348	\$426	\$483	\$1,774	\$2,086	\$2,114	\$2,305	\$2,728	11%
Pre-tax Income	\$264	\$292	\$105	\$159	\$204	\$761	\$893	\$731	\$738	\$1,007	l
Income Taxes	(49)	(63)	(16)	(29)	(39)	(148)	(169)	(112)	(100)	(150)	l .
Net Income	\$215	\$229	\$89	\$130	\$165	\$613	\$724	\$618	\$638	\$857	
DD&A	705	173	189	212	223	797	980	1,171	1,364	1,566	
Non-Cash Taxes	49	63	16	29	39	148	169	112	100	150	
Discretionary Cash Flow	\$969	\$465	\$294	\$371	\$427	\$1,557	\$1,872	\$1,901	\$2,102	\$2,574	13%
Common Shares Outstanding	315.5	315.5	315.5	315.5	315.5	315.5	315.5	315.5	315.5	315.5	
Discretionary Cash Flow per Share	\$3.07	\$1.47	\$0.93	\$1.18	\$1.35	\$4.94	\$5.93	\$6.03	\$6.66	\$8.16	l
Discretionary Cash Flow	\$969	\$465	\$294	\$371	\$427	\$1,557	\$1,872	\$1,901	\$2,102	\$2,574	l
Change in Net Working Capital	78	52	(31)	26	(13)	34	16	1	(30)	4	l .
Drilling Capex	(1,452)	(375)	(407)	(372)	(357)	(1,511)	(1,589)	(1,699)	(1,747)	(2,007)	
Land Maintenance Capex	0	(7)	(7)	(7)	(7)	(27)	(43)	(41)	(46)	(54)	
Stand-alone E&P Free Cash Flows	(\$405)	\$135	(\$151)	\$19	\$50	\$53	\$256	\$163	\$279	\$517	77%
Leasehold Acquisitions / Extensions	(402)	(31)	(31)	(31)	(31)	(122)	(52)	(40)	(57)	(51)	2,000
Cover Damages / Water Drop-down Proceeds	0	0	0	0	0	0	260	125	0	0	
Other	1,061	(1) 0	0	0	0	0	0	0	0	0	
Net Free Cash Flow	\$254	\$105	(\$181)	(\$12)	\$20	(\$69)	\$464	\$248	\$222	\$466	
Net Debt / EBITDAX	2.9x	2.5x	2.4x	2.2x	2.1x	2.1x	1.5x	1.4x	1.2x	0.8x	

Source: Antero management.
(1) Includes \$750 million in hedge monetization and \$311 million in proceeds from an AM secondary equity offering in 3Q 2017.

# AM / AMGP FORECAST DETAIL

BAIRD

(\$ in millions, except per share and unit data)

Antero Midstream	2017A	Q1 18E	Q2 18E	Q3 18E	Q4 18E	2018E	2019E	2020E	2021E	2022E	2018-2022 CAGR
EBITDA	\$529	\$157	\$181	\$192	\$199	\$730	\$989	\$1,222	\$1,413	\$1,642	22%
AM Distributable Cash Flow	\$421	\$130	\$145	\$154	\$165	\$594	\$851	\$1,034	\$1,226	\$1,429	25%
DCF Coverage Ratio	1.3x	1.3x	1.3x	1.3x	1.3x	1.3x	1.3x	1.2x	1.1x	1.1x	1000000
Distribution per Common Unit	\$1.325	\$0.390	\$0.415	\$0.440	\$0.470	\$1.715	\$2.210	\$2.850	\$3.420	\$4.100	24%
Year-over-Year Growth (%)	29%	30%	30%	29%	29%	29%	29%	29%	20%	20%	
Unit Summary		i			i						1
Common Units Owned by Public	88.1	88.1	88.1	88.1	88.1	88.1	88.3	88.3	88.3	88.3	1
Common Units Owned by AR	98.9	98.9	98.9	98.9	98.9	98.9	98.9	98.9	98.9	98.9	
Distributions Summary											1
LP Distributions to Public	\$109	\$34	\$37	\$39	\$41!	\$151	\$195	\$252	\$302	\$362	1
LP Distributions to AR	138	39	41	44	46	170	219	282	338	405	1
IDRs	70	28	33	38	43 İ	143	236	355	462	589	1
Total AM Distributions	\$317	\$101	\$111	\$120	\$131	\$463	\$649	\$889	\$1,102	\$1,356	31%
GP % of Total Distributions	22%	28%	30%	31%	33% i	31%	36%	40%	42%	43%	50000000
Growth Capital Expenditures	\$746	\$109	\$154	\$156	\$159	\$579	\$776	\$656	\$386	\$294	
Net Debt / EBITDA	2.3x	2.3x	2.3x	2.3x	2.3x	2.3x	2.2x	2.2x	2.1x	2.0x	
Antero Midstream GP		į			į						
Distributions from AM IDRs		\$28	\$33	\$38	\$43	\$143	\$236	\$355	\$462	\$589	1
Series B Profits Interest		(1)	(2)	(2)	(2)	(7)	(12)	(19)	(26)	(33)	1
G&A Expense		! (1)	(1)	(1)	(1)	(2)	(2)	(2)	(2)	(2)	1
Taxes		(7)	(8)	(9)	(10)	(34)	(56)	(85)	(110)	(140)	1
AMGP Distributable Cash Flow		\$20	\$23	\$27	\$30	\$100	\$165	\$249	\$324	\$414	1
DCF Coverage Ratio		1.0x	1.0x	1.0x	1.0x	1.0x	1.0x	1.0x	1.0x	1.0x	
Distribution per Common Share		\$0.107	\$0.125	\$0.142	\$0.164	\$0.538	\$0.888	\$1.340	\$1.742	\$2.223	43%
Year-over-Year Growth (%)		i			i		65%	51%	30%	28%	
Common Shares Outstanding		186.2	186.2	186.2	186.2	186.2	186.2	186.2	186.2	186.2	
Total AMGP Distributions		\$20	\$23	\$27	\$30	\$100	\$165	\$249	\$324	\$414	43%
						*************	***************************************		************		

Source: Antero management. Project Bronco | Page 27



### Financial and operational metrics

(\$ in millions, unless otherwise noted)

#### **GAS-WEIGHTED PEERS**

					Market :	and Financ	ial Data					1		DUINE	Op	eration	al Metri	cs	A THE	- Minh	
	Equity Market		Implied E&P	FR	Р ЕВПТОАХ (	11)		&P DACE (1		NAV (1) /	E&P Debt / 2018E	Pro	aduction ()	Mmcfe/d)	(1)	2018E Prod.	Pro	red Reser	ves %	2018E R/P Ratio	Cash Margins
	Cap.	Value	Value	2018E	2019E	2020E	2018E	2019E	2020E	Share	EBITDAX	Current	2018E	2019E	2020E	% Gas	Tcfe	PDP	Gas		(S/Mcfe)
Cuber Oil & Gas Corporation (2)	\$10,985	\$11,268	\$11,268	\$1,256	\$1,718	\$2,041	\$1,236	\$1,645	\$1,857	\$23	0.2×	1,808	2,115	2,792	3,261	99%	9.7	64%	96%	12.6	\$1.42
EQT (3)	13,060	25,387	12,987	2,502	2,625	2,886	2,431	2,238	2,460	51	2.3x	3,143	4,225	4,863	5,573	93%	21.4	53%	92%	13.9	1.17
Gulfport	1,710	3,684	3,684	904	917	960	917	930	969	9	2.2x	1,263	1,287	1,404	1,573	89%	5.4	35%	89%	11.5	1.28
RI	3,519	7,628	7,628	1,274	1,404	1,681	1,258	1,383	1,711	18	3.2×	2,170	2,229	2,471	2,784	67%	15.3	55%	67%	18.8	1.52
SWN (4)	2,624	6,141	5,165	1,151	1,244	1,333	1,144	1,026	1,198	4	3.1×	2,617	2,565	2,730	2,867	86%	14.8	54%	75%	15.8	0.80

#### **ELITE E&P's**

	Equity	Total	Implied E&P								E&P Debt /					2018E	Prov	red Reser	ves	2018E	Cash
	Market	Enterprise	Enterprise	E8.	P EBITDAX (	1)		&P DACF (1	)	NAV (1) /	2018E	Pro	duction (I	Mmcfe/d)	(1)	Prod.	- 22 50	%	%	R/P Ratio	Margins
	Cap.	Value	Value	2018E	2019E	2020E	2018E	2019E	2020E	Share	EBITDAX	Current	2018E	2019€	2020€	% Gas	Tcfe	PDP	Gas	(Years)	(\$/Mcfe
Cabos OC & Our Corporation (2)	\$10,985	\$11,268	\$11,268	\$1,256	\$1,718	\$2,041	\$1,236	\$1,645	\$1,857	\$23	0.2×	1,808	2,115	2,792	3,261	99%	9.7	64%	96%	12.6	\$1,42
CONCHO	22,877	25,435	25,435	2,265	2,960	3,571	2,241	2,928	3,557	165	1.1x	1,267	1,390	1,800	2,075	38%	5.0	70%	41%	9.9	3.95
DIAMONDBACK (5)	12,006	13,711	11,411	1,479	1,914	2,495	1,461	1,836	2,396	146	0.9x	557	682	894	1,116	12%	2.0	62%	14%	8.1	5.24
<b>∳</b> eog resources	64,315	70,263	70,263	7,395	8,576	10,372	7,224	8,022	9,892	107	0.8x	3,972	4,252	5,021	5,853	29%	15.2	54%	28%	9.8	3.64
PIONEER	32,899	POWER TO SE	34,656	3,374	3,992	4,805	3,353	3,896	4,719	205	0.5x	1,823	1,933	2,182	2,516	20%	5.9	92%	30%	8.4	3.87
Pre-SailingStone 13D																					
Antero (6)	56,313	\$11,574	\$6,820	\$1,604	\$1,868	\$1,832	\$1,543	\$1,806	\$1,770	\$22	2.2x	2,317	2,737	3,283	3,892	72%	16.5	49%	59%	16.5	\$1.24
Current																					
Antero (6)	56,454	\$11,992	\$7,673	\$1,604	\$1,868	51,832	\$1,543	\$1,806	\$1,770	522	2.3x	2,347	2,682	3,275	3,881	71%	17.3	49%	64%	17.6	\$1.24

Source: Company filings, S&P Capital RQ and Wall Street research as of April 17, 2018.

(1) Wall Street consensus estimates.
(2) Pro format the 5765 million sale of Eagle Ford assets as announced in December 2017.
(3) E&P statistics adjusted to remove contribution of EQGP, EQM and RMP. EQT E&P firm value adjusted to remove public ownership of EQGP, EQM and RMP at a 10% discount to equity value.
(4) E&P statistics adjusted to remove contribution of Fayetteville midstream assets. SWM E&P firm value adjusted to remove value of midstream assets based on 7.0x EV / 2019E EBITDA and a 10% discount to equity value.
(5) E&P statistics adjusted to remove contribution of YMOM. SWM E&P firm value adjusted to remove public ownership of YMOM at a 10% discount to equity value.
(6) E&P EBITDAX and DACF based on management's base case projections. AR E&P firm value adjusted to remove public ownership of AM at a 10% discount to equity value.

Project Bronco

# AR BENCHMARKING (CONT.)



#### Valuation metrics

(\$ in millions, unless otherwise noted)

#### **GAS-WEIGHTED PEERS**

		Mark	et Data						Valuat	ion Metri	cs (1)					Growth I	Metrics (2)
	Equity Market	Total Enterprise	Implied E&P Enterprise	E&P Debt / 2018E	EV /	E&P EBITDA	X (3)	EV	E&P DACF	(3)	Price /	EV / Prod (\$/Mi		EV / Res			-Adj. Share 2 CAGR
	Cap.	Value	Value	EBITDAX	2018E	2019E	2020E	2018E	2019E	2020E	NAV (2)	Current	2018E	Proved	PD	DACF	Production
Calve Oll & Gas Corporation (4)	\$10,985	\$11,268	\$11,268	0.2x	9.0x	6.6x	5.5x	9.1x	6.9x	6.1x	1.0x	\$6,216	\$5,261	\$1.09	\$1.73	27%	25%
EQT (5)	13,060	25,387	12,987	2.3x	5.2x	4.9x	4.5x	5.3x	5.8x	5.3x	1.0x	3,975	2,958	0.58	1.09	27%	24%
Gulfport	1,710	3,684	3,684	2.2x	4.1x	4.0x	3.8×	4.0x	4.0x	3.8x	1.0x	2,630	2,588	0.63	1.74	0%	100%
RI	3,519	7,628	7,628	3.2x	6.0x	5.4x	4.5×	6.1x	5.5x	4.5x	0.8x	2,895	2,835	0.42	0.76	18%	10%
SWN (6)	2,624	6,141	5,165	3.1x	4.5x	4.2x	3.9x	4.5x	5.0x	4.3x	1.1x	1,835	1,842	0.30	0.61	5%	3%
			Low	2.2x	4.5x	4.2x	3.9x	4.5x	5.0x	4.3x	1.0x	\$2,630	\$2,588	\$0.42	\$0.76	5%	10%
			Median	2.3x	5.2x	4.9x	4.5x	5.3x	5.5x	4.5x	1.0x	2,895	2,835	0.58	1.09	18%	24%
			High	3.1x	6.0x	5.4x	4.5x	6.1x	5.8x	5.3x	1.0x	3,975	2,958	0.63	1.73	27%	25%
ELITE E&P's																	
	Equity Market	Total Enterprise	Implied E&P Enterprise	E&P Debt / 2018E	EV /	E&P EBITDA	X (3)	EV	/ E&P DACF	(3)	Price /	EV / Prod (\$/Me		EV / Re: (\$/M			-Adj. Share 2 CAGR
	Cap.	Value	Value	EBITDAX	2018E	2019€	2020E	2018E	2019E	2020E	NAV (2)	Current	2018E	Proved	PD	DACF	Production
Circo Off & Gas Corporation (4)	\$10,985	\$11,268	\$11,268	0.2x	9.0x	6.6x	5.5×	9.1x	6.9x	6.1x	1.0x	\$6,216	\$5,261	\$1.09	\$1.73	27%	25%
CONCHO	22,877	25,435	25,435	1.1x	11.2x	8.6x	7.1x	11.3x	8.7x	7.2×	0.9x	9,217	8,343	2.36	3.44	28%	24%
DIAMONOBACK (7)	12,006	13,711	11,411	0.9x	7.7x	6.0x	4.6x	7.8x	6.2x	4.8x	0.8x	8,249	6,719	2.36	3.84	34%	31%
&eog resources	64,315	70,263	70,263	0.8x	9.5x	8.2x	6.8x	9.7x	8.8x	7.1x	1.0x	8,284	7,708	2.22	4.38	24%	17%
PIONEER NATURAL RESOURCES	32,899	34,656	34,656	0.5x	10.3x	8.7x	7.2x	10.3x	8.9x	7.3x	0.9×	8,559	7,997	2.88	3.14	25%	17%
			Low	0.5x	9.0x	6.6x	5.5x	9.1x	6.9x	6.1x	0.9x	\$8,249	\$6,719	\$2.22	\$3.14	25%	
			Median	0.8x	9.5x	8.2x	6.8x	9.7x	8.7x	7.1x	0.9x	8,284	7,708	2.36	3.44	27%	
Pre-SailingStone 13D			High	0.9x	10.3x	8.6x	7.1x	10.3x	8.8x	7.2x	1.0x	8,559	7,997	2.36	3.84	28%	25%
Antero (8)	\$6,313	\$11,574	\$6,820	2.2x	4.3x	3.7x	3.7x	4.4x	3.8x	3.9x	0.9x	\$2,539	\$2,154	\$0.34	\$0.70	20%	26%
Current																	
Antero (8)																	26%

See following page for footnotes. Project Bronco | Page 29



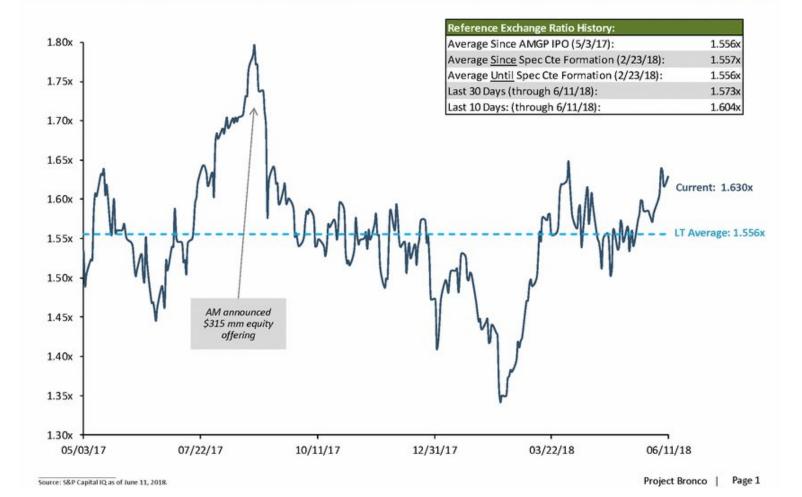
#### **Footnotes**

Source: Company filings, S&P Capital IQ and Wall Street research as of April 17, 2018.

- (1) Where applicable, Baird utilizes the following conversion ratios for oil and NGLs, respectively: 17.5 to 1.0 and 8.75 to 1.0.
- (2) Wall Street research.
- (3) Wall Street consensus estimates.
- (4) Pro forma the \$765 million sale of Eagle Ford assets as announced in December 2017.
- (5) E&P statistics adjusted to remove contribution of EQGP, EQM and RMP. EQT E&P firm value adjusted to remove public ownership of EQGP, EQM and RMP at a 10% discount to equity value.
- (6) E&P statistics adjusted to remove contribution of Fayetteville midstream assets. SWN E&P firm value adjusted to remove value of midstream assets based on 7.0x EV / 2019E EBITDA and a 10% discount to equity value.
- (7) E&P statistics adjusted to remove contribution of VNOM. SWN E&P firm value adjusted to remove public ownership of VNOM at a 10% discount to equity value.
- (8) E&P EBITDAX and DACF based on management's base case projections. AR E&P firm value adjusted to remove public ownership of AM at a 10% discount to equity value.

# **AM / AMGP HISTORICAL EXCHANGE RATIO**





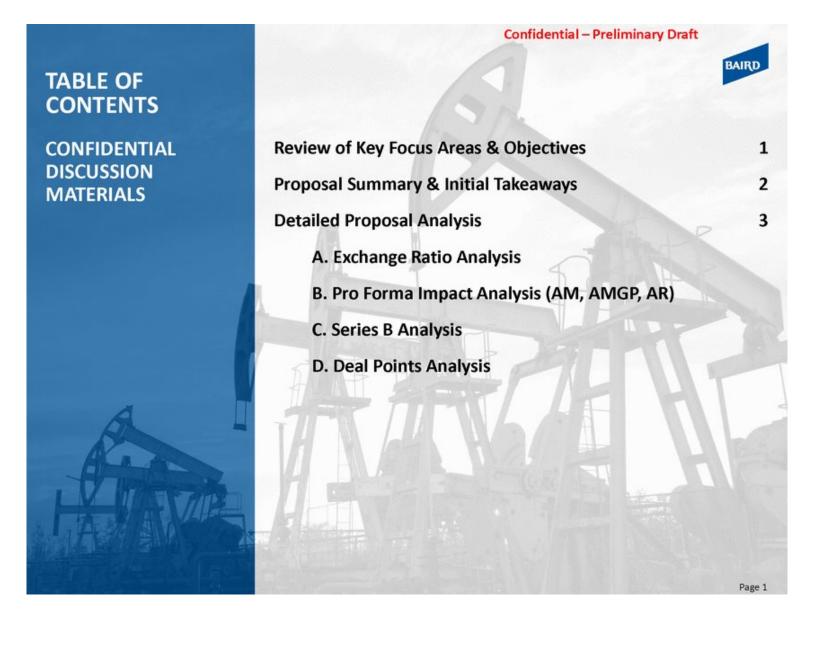
# QUICK IMPLIED PREMIUMS ANALYSIS



Timeframe:	AM	Current AMGP (6/11/18)	Exchange Ratio	Implied Premium / (Discount) @1.6x Ratio
Current Trading Price (as of 6/11/18)	\$31.06	\$19.06	1.630x	(1.82%)
30-Day VWAP (as of 6/11/18)	\$29.13	\$19.06	1.528x	4.69%
30-Day VWAP (as of 2/23/18) Formation of Special Committee	\$29.48	\$19.06	1.547x	3.45%
2/23/18 Closing Price	\$26.49	\$19.06	1.390x	15.12%
30-Day VWAP (as of 1/29/18) Sailng Stone 13-D Filing	\$30.21	\$19.06	1.585x	0.94%

Source: Bloomberg. Project Bronco | Page 2









### **REVIEW OF KEY FOCUS AREAS & OBJECTIVES**

As the Special Committee begins its assessment of the AMGP – AM acquisition proposal, it is essential to keep in context how AM / AMGP impact AR

#### HOW DO AM / AMGP IMPACT AR? - KEY FOCUS AREAS WHEN ASSESSING THE PROPOSAL

Focus Area:		Proposal Impact
1 Cash Flow from Distributions	<ul> <li>Distributions from AM are an important component of AR's free cash flow</li> </ul>	Minimally dilutive to AR cash flow in 2019 - 2020  Minimally accretive to AR cash flow over 2021 - 2022
2 Value of AM Units Held	<ul> <li>The market value of AR's midstream holdings are imbedded into the overall value of AR's stock</li> </ul>	<ul> <li>New AMGP will have improved characteristics vs. AM stand- alone, which could improve valuation &amp; trading levels</li> </ul>
3 Alignment of Interests	<ul> <li>AR owns 53% of AM, but 0% of AMGP currently, creating a perceived mis-alignment of interests</li> </ul>	<ul> <li>Reduces conflict of interest within the Antero family, a core objective</li> </ul>



### **REVIEW OF KEY FOCUS AREAS & OBJECTIVES (CONT.)**

The AMGP – AM acquisition is additive to AR's broader strategic objectives, though we would emphasize this transaction should not be viewed as a "silver bullet" to meaningfully enhance AR's stock price in the short-term

#### HOW DOES THE PROPOSAL IMPACT AR'S BROADER STRATEGIC OBJECTIVES?

AR Key Strategic Objectives:		Proposal Impact
1 Free cash flow generation	<ul> <li>Core component of AR's strategic plan, driven primarily by efficiency gains in its E&amp;P operations</li> <li>Prudent usage of free cash flow to (i) accelerate deleveraging; (ii) implement share buybacks; or (iii) initiate a dividend</li> </ul>	Minimally <u>accretive</u> to AR cash flow over 2019 – 2022  Proposal contemplates no cash as part of the transaction
2 Eliminate conflicts of interest	<ul> <li>Remove the perception of misaligned interests stemming from unequal ownership in AR/AM/AMGP</li> </ul>	<ul> <li>Proposal more effectively aligns the AR/Midstream ownership structure and eliminates incentives held outside of AR</li> </ul>
3 Simplify the structure	<ul> <li>Reduce the complexity of the Antero story resulting from three publicly traded entities</li> </ul>	<ul> <li>Creation of a single midstream C-Corp substantially reduces complexity</li> </ul>



### **AMGP – AM ACQUISITION PROPOSAL SUMMARY**

#### Proposal provided to the AR Special Committee on June 8, 2018

#### Overview

AMGP acquires all of the outstanding common units of AM in an all equity exchange

#### **Exchange Ratio**

■ Each outstanding AM common unit to be exchanged for 1.600 AMGP shares

#### Tax Considerations

- Taxable transaction for holders of AM common units
- "Step-up" in tax basis to AMGP

#### Ancillary Transactions

- i. AMGP will be reorganized as a Delaware corporation with typical C-corp corporate governance
  - Each share representing a limited partner interest in AMGP will be converted to one share of common stock of the resulting corporation
- ii. IDRs in AM held by Antero IDR Holdings, LLC, a partially-owned subsidiary of AMGP ("IDR Holdings"), will be cancelled
- iii. All of the Series B Units of IDR Holdings will be exchanged in a taxable transaction for an aggregate of 18.5 million AMGP shares (outlined on the following page)



### **SERIES B EXCHANGE PROPOSAL SUMMARY**

#### Series B Exchange Proposal Summary

Existing Security	■ Series B Units, as defined in the LLC Agreement of IDR Holdings
Current Issued	■ 98,600 Series B Units
Exchange Consideration	■ Fixed at 18.5 million AMGP common shares in a taxable transaction
Effective Date	■ Date of the closing of a merger of AMGP and AM
Distribution Rights	■ Same as other holders of AMGP common shares
Arrearages	<ul> <li>Immediate payment in cash upon vesting to holders of the Series B Units of the unvested reallocated distribution amount (note, needs further clarification)</li> </ul>
Voting Rights	■ Same as other holders of AMGP common shares
Vesting &	■ Fully vested with customary registration rights
Transferability	<ul> <li>No transfer restrictions (excluding standard trading restrictions for insiders)</li> </ul>
Subordination	■ None
Conditions	<ul> <li>Exchange of Series B Units into AMGP common shares conditioned on closing of a merger of AMGP and AM</li> <li>All Series B Units exchanged</li> </ul>
	Project Bronco   Page 5

### BAIRD

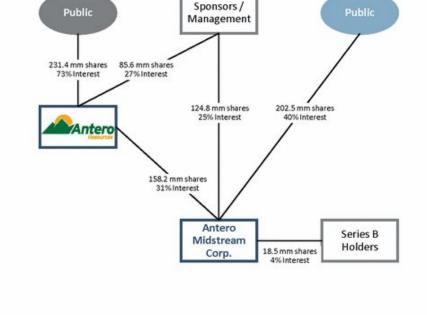
### **PROPOSAL MECHANICS**

(\$ in millions, unless otherwise noted)

Purchase Price					
AM Equity Take-Out					
AM Units Outstanding	187.0				
Proposed Exchange Ratio	1.600x				
AMGP Shares Issued	299.3				
Current AMGP Price @ 2/23/18 (1)	\$18.95				
AM Common Equity Purchase Price	\$5,671				

AM Valuation				
Equity Value	\$5,671			
Debt	1,310			
Cash	(9)			
Enterprise Value	\$6,972			
2018E Adj. EBITDA (2)	591			
Implied EV / 2018E Adj. EBITDA	11.8x			

Transaction Mechanics					
AM Equity Value	\$5,671				
% Debt Funded	0.0%				
Assumed Net Debt	1,301				
New Debt Issuance (cash)	0				
AMGP Shares Issued to AM	299.3				
AMGP Shares Issued to AM Public (47%)	141.1				
AMGP Shares Issued to AR (53%)	158.2				



Pro Forma Org. Structure

Source: AR, AM and AMGP SEC filings, June 8th Proposal and Antero management.
(1) Represents last close prior to special committee formation.
(2) EBITDA less projected IDR distributions.

# CURRENT AND PRO FORMA OWNERSHIP RESULTING FROM PROPOSAL TERMS



(\$ in millions, unless otherwise noted)	Cur	rent	Pro Forma	
	Antero Midstream Partners LP	Antero Midstream GP	Antero Midstream "New AMGP"	Corporation
Public – AM	88.2 million units 47% interest \$2,674	- ! !	141.1 million shares 28% interest \$2,589	
Public – AMGP	_	61.4 million shares 33% interest \$1,127	61.4 million shares 12% interest \$1,127	
AR	98.9 million units 53% interest \$2,999	- - 1	158.2 million shares 31% interest \$2,903	
Sponsors / Management	-	124.8 million shares 1 67% interest 5 \$2,290	124.8 million shares 25% interest \$2,290	Ownership in AR 85.6 million 27% Interest \$1,669
Series B Holders senior members of Antero Midstream management	-	98,600 Series B Units	18.5 million shares 4% interest \$338	;
Source: AR, AM and AMGP SEC filings, June	8th Proposal and Antero management.		Project	: Bronco   Page 7



### **KEY PROPOSAL FOCUS AREAS**

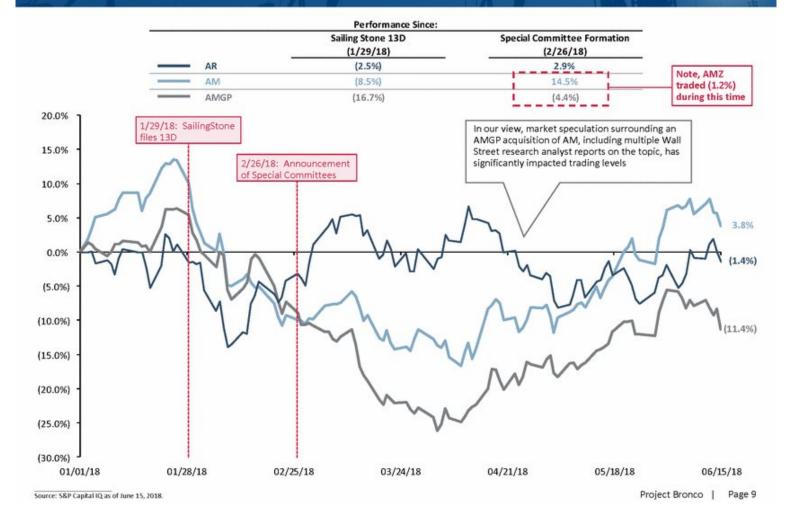
Based on our initial assessment, Baird views the AMGP – AM acquisition as a modest net positive to AR, however, the Committee should consider pursuing certain enhancements to the initial terms of the proposal

Focus Area	Reactionary / Headline Risk	Considerations
1 Exchange Ratio	1.600x proposed exchange Ratio implies:	<ul> <li>Investors are likely anticipating a modest premium, based on historical MLP buy-in precedents</li> <li>Need to establish the "clean" unaffected date for the transaction – likely 2/23/18 (date prior to Spec. Cmte. announcement)</li> </ul>
2 Near-Term Dilution	<ul> <li>AM unitholders (and AR shareholders, by extension) likely to be disappointed with a distribution cut</li> <li>Free cash flow generation is integral to the AR investment story</li> </ul>	<ul> <li>Target keeping pro forma distributions to AM unitholders neutral (i.e. no cut) through different variables (distr. coverage ratio, exchange ratio, etc).</li> </ul>
3 Series B Value	<ul> <li>Investors may be surprised by the implied value of the Series B Units</li> <li>Negative perception of management's incentives in this transaction</li> </ul>	<ul> <li>Series B needs to be removed to eliminate any remaining conflict of interest overhang</li> <li>Series B could realize substantial value if left in place</li> </ul>
4 No Cash Component	Including a cash component or option in the deal may be a positive surprise to AR investors, particularly if cash proceeds are earmarked for share buybacks at AR	<ul> <li>Aggregate cash proceeds in excess of \$500 mm (inclusive of water earn-out acceleration payments) will likely be required to "move the needle"</li> <li>May reduce potential "overhang" on new AMGP shares post-deal</li> </ul>



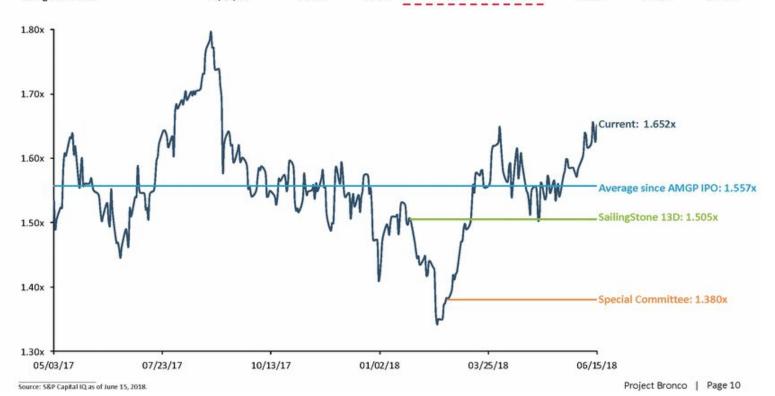


### **ANTERO FAMILY RELATIVE TRADING**



# AM / AMGP HISTORICAL EXCHANGE RATIO

Unaffected Exchange Ratio		ige Ratio	!		/ (Discount) .600x	•	ed Exhange Ratio		
	Date	1-Day	10-Day VWAP	!-	1-Day	10-Day VWAP	5%	10%	15%
Current	06/15/18	1.652x	1.633x	1	(3.2%)	(2.0%)	1.715x	1.796x	1.878x
Special Committee Announcement	02/23/18	1.380x	1.379x	1	15.9%	16.1%	1.448x	1.517x	1.585x
Sailing Stone 13D	01/26/18	1.505x	1.513x	ī	6.3%	5.7%	1.589x	1.665x	1.740x





### **RELATIVE CONTRIBUTION ANALYSIS APPROACH**

#### Relative contribution based on proportionate cash flows

#### IMPLIED AM / AMGP EXCHANGE RATIO

			Distributions		00/5		Implied by	
(\$ in million, except per share data)	2019E	2020E	2021E	2022E	Terminal Value	PV 10%	Relative Contribution vs.	Proposal
Distributions to AM Common Units  Terminal Yield (1)	\$414	\$533	\$640	\$767	\$10,230 7.5%	\$8,898	55.6%	59.4%
Distributions to AMGP Common Shares Terminal Yield (1)	165	249	324	414	8,275 5.0%	6,578	41.1%	36.9%
Distributions to Series B Units Terminal Yield <sup>(2)</sup>	12	19	26	33	662 5.0%	524	3.3%	3.7%
Total	\$591	\$802	\$990	\$1,214	\$19,167	\$16,000	100.0%	100.0%
Implied AM / AMGP Exchange Ratio (3)	2.491x	2.129x	1.964x	1.846x	1.231x	1.347x	1.347x	1.600x
Pro Forma Share Ownership (mm shares)							Implied by Relative Contribution	Proposal
AM Unitholder							251.9	299.3
AMGP Shareholders							186.2	186.2
Series B Units							14.8	18.5

#### Key Observations

- In the near term, AM contributes proportionately more to total distributions than AMGP, implying exchange ratios above 2.00x
- However, as AMGP grows into its IDR tiers, the implied exchange ratio steadily declines and ultimately falls below the proposed ratio of 1.600x in the terminal year

Source: management projections.

See Supplemental Valuation materials for terminal yield assumptions.
 Assumed to be equal to AMGP common shares terminal yield.

AMGP includes only Series A cash flow.



## RELATIVE CONTRIBUTION ANALYSIS APPROACH (CONT.)

#### Relative contribution based on historical market valuations

- Baird utilized the long term average exchange ratios of AM / AMGP under two scenarios:
  - AM / AMGP (inclusive of only Series A)
  - AM / AMGP (assuming full redemption of Series B)
- Under each scenario, the resulting market value contribution of each entity was compared against the pro forma ownership implicit in the June 8th Proposal



#### IMPLIED MARKET VALUE CONTRIBUTION vs. PROPOSED OWNERSHIP

		LT Avg.	Pro F	orma		
Entity	Shares O/S	Exchange Ratio	AMGP Shares	Market Value (1)	Relative Contribution vs.	Proposal Ownership
		E	xclusive of	Series B		
AM	187	1.56.	291	\$5,342	61.0%	59.4%
Series A AMGP	186	1.56x	186	3,417	39.0%	36.9%
Series B AMGP	-		-		0.0%	3.7%
		Total	477	\$8,759	100.0%	100.0%
		- In	nclusive of	Series B		
AM	187	1	284	\$5,207	57.8%	59.4%
Series A AMGP	186	1.52x	186	3,417	37.9%	36.9%
Series B AMGP			21	392	4.3%	3.7%
		Total	491	\$9,016	100.0%	100.0%
		10101	772	45,010		

	Ownership % Implied by Relative Contribution Analysis	Ownership % Implied by Proposal	
AM	57.8%	59.4%	
Series A AMGP	37.9%	36.9%	
Series B AMGP	4.3%	3.7%	

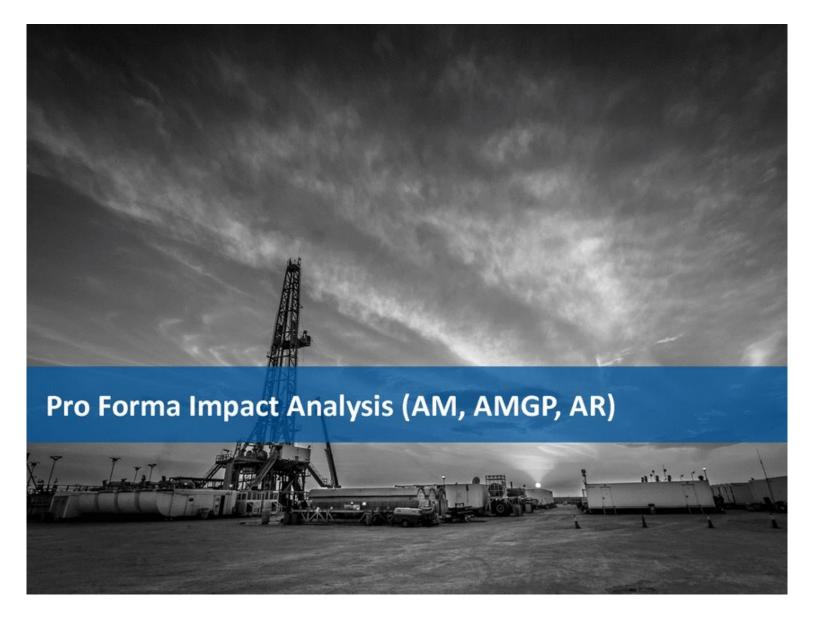
<sup>(1)</sup> Utilizes AMGP share price of \$18.35 as of June 15, 2018.



### PRECEDENT MLP BUY-IN PREMIUMS OVER THE LAST 5 YEARS

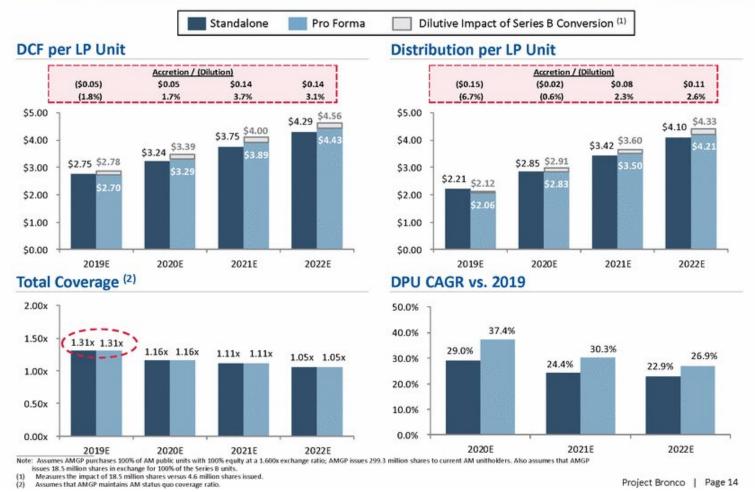
Announced				Pren	nium / (Discount)	1)
Date	Acquiror	Target	Buyer	1-Day	10-Day	30-Day
05/16/18	Enbridge Inc.	Enbridge Energy Partners, L.P.	GP	0.0%	9.6%	0.9%
05/16/18	Enbridge Inc.	Spectra Energy Partners, LP	GP	0.0%	5.7%	(0.9%)
02/07/18	NuStar Energy Partners LP	NuStar GP Holdings, LLC	MLP	1.7%	(7.3%)	9.8%
05/16/18	Cheniere Energy, Inc.	Cheniere Energy Partners LP Holdings, LLC	GP	(0.0%)	(1.8%)	0.5%
05/16/18	Williams, Inc.	Williams Partners L.P.	GP	6.4%	12.6%	19.5%
03/26/18	Tallgrass Energy GP	Tallgrass Energy Partners, L.P.	GP	8.1%	10.0%	3.4%
01/02/18	Archrock, Inc.	Archrock Partners, L.P.	GP	23.4%	22.3%	25.6%
05/18/17	Energy Transfer Partners, LP	PennTex Midstream Partners, LP	MLP	20.1%	22.5%	16.3%
04/03/17	World Point Terminals Inc.	World Point Terminals, LP	GP	5.8%	6.5%	(1.1%)
03/02/17	VTTI B.V.	VTTI Energy Partners LP	GP	5.7%	4.3%	15.0%
02/01/17	ONEOK Inc.	ONEOK Partners LP	GP	25.8%	21.8%	19.2%
01/27/17	Enbridge Inc.	Midcoast Energy Partners LP	GP	(8.6%)	5.3%	10.3%
11/21/16	Sunoco Logistics Partners LP	Energy Transfer Partners LP	MLP	(0.2%)	17.4%	6.8%
09/26/16	Columbia Pipeline Group, Inc.	Columbia Pipeline Partners LP	GP	11.8%	20.2%	26.3%
05/31/16	SemGroup Corporation	Rose Rock Midstream LP	GP	0.0%	16.9%	60.0%
11/03/15	Targa Resources Corp.	Targa Resources Partners LP	GP	18.4%	11.0%	8.6%
05/06/15	Crestwood Equity Partners LP	Crestwood Midstream Partners LP	MLP	17.2%	20.1%	27.6%
01/26/15	Energy Transfer Partners LP	Regency Energy Partners LP	MLP	13.2%	23.2%	15.8%
10/01/14	Enterprise Products Partners LP	Oiltanking Partners LP	MLP	5.6%	1.9%	5.1%
08/10/14	Kinder Morgan Inc.	El Paso Pipeline Partners	GP	15.4%	8.9%	7.3%
08/10/14	Kinder Morgan Inc.	Kinder Morgan Energy Partners LP	GP	12.0%	6.9%	10.7%
06/15/14	Access Midstream Partners LP	Williams Partners LP	MLP	6.5%	5.4%	8.1%
08/27/13	Plains All American Pipeline LP	PAA Natural Gas Storage LP	MLP	6.6%	10.0%	(0.3%)
		Median		6.5%	10.0%	9.8%
		Average		8.5%	11.0%	12.8%

Source: Company and partnership filings, Bloomberg and S&P Capital IQ.
(1) Represents premium / (discount) at announcement. 1-day, 10-day and 30-day prices based on business days from last "unaffected" date, excluding holidays.

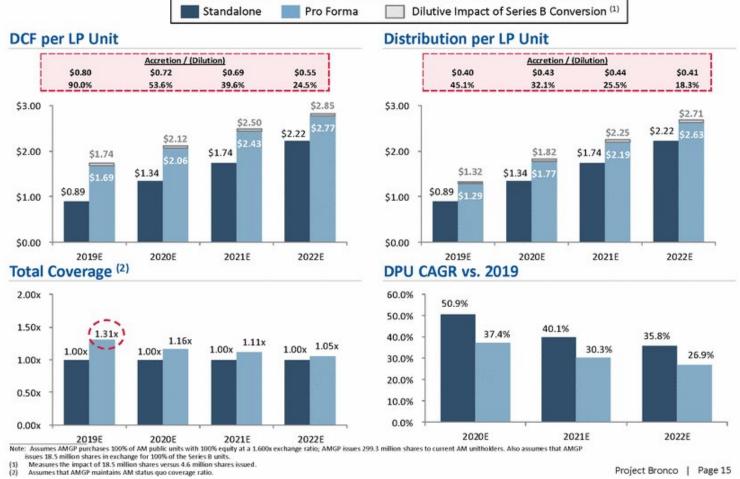


### BAIRD

### PRO FORMA IMPACT TO AM UNITHOLDERS



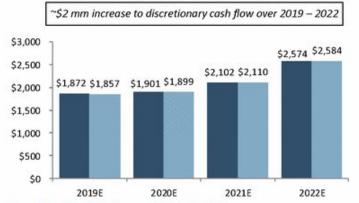
### PRO FORMA IMPACT TO AMGP SHAREHOLDERS



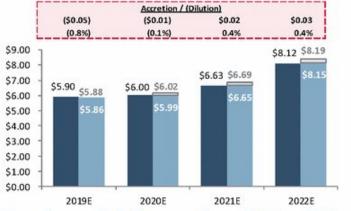
### PRO FORMA IMPACT TO AR



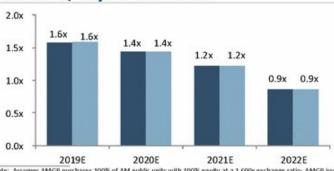
#### Discretionary Cash Flow (2) (\$ in millions)



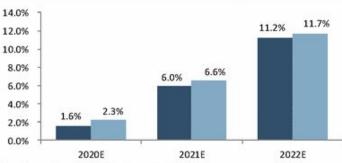
#### Discretionary Cash Flow per Share



#### Total Debt / Adjusted EBITDAX



#### Discretionary Cash Flow per Share CAGR vs 2019



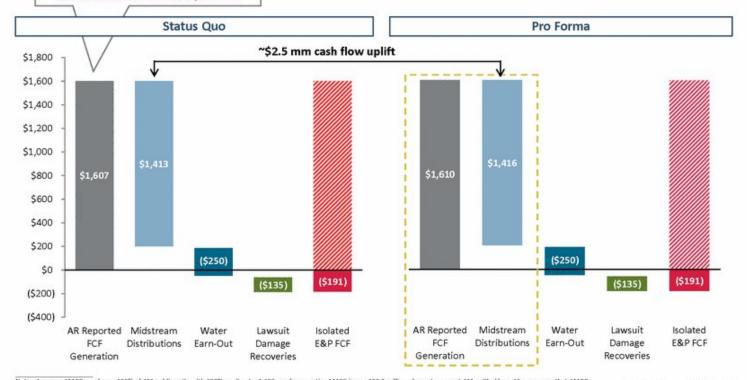
Note: Assumes AMGP purchases 100% of AM public units with 100% equity at a 1.600x exchange ratio; AMGP issues 299.3 million shares to current AM unitholders. Also assumes that AMGP issues 18.5 million shares in exchange for 100% of the Series B units.

(1) Measures the impact of 18.5 million shares versus 4.6 million shares issued.
(2) Discretionary Cash Flow = net income + DD&A + non-cash taxes.

### 2018 - 2022 AR FREE CASH FLOW BRIDGE

#### AR Free Cash Flow Definition

- Cash Flow from E&P Operations
- Plus: AM Distributions
- Plus: Water Earn-Out & Lawsuit Recoveries
- · Less: Drilling Capital Expenditures
- · Less: Changes in Working Capital
- Less: Leasehold Maintenance Expenditures



Note: Assumes AMGP purchases 100% of AM public units with 100% equity at a 1.600x exchange ratio; AMGP issues 299.3 million shares to current AM unitholders. Also assumes that AMGP issues 18.5 million shares in exchange for 100% of the Series B units.



### POTENTIAL FOR AMGP VALUE UPLIFT

Though the measurable cash flow impact to AR resulting from the acquisition is relatively immaterial, the pro forma "new AMGP" has characteristics that are important to midstream investors and that may enhance the value of AR's midstream holdings (and improve its trade-ability)

Focus Area	AM Stand-Alone	"New AMGP"	Market Views
Size / Liquidity (as measured by mkt cap)	\$5.7 billion	\$9.2 billion <sup>(1)</sup>	<ul> <li>Larger, more liquid MLPs have outperformed the broader MLP index since 2017</li> </ul>
Distribution Growth Rate (2019 – 2021E Dist CAGR)	24%	30%	Elimination of the IDR burden enhances growth and likely results in yield compression     Best in class growth rate
Financial Health	Leverage: 2.3x     Distribution Coverage: 1.3x	Leverage: 2.3x     Dividend Coverage: 1.3x	Conservative metrics that compare favorably across midstream MLPs and C-Corps
Structure	MLP	C-Corp	<ul> <li>C-Corp structure expands investor universe</li> <li>Midstream C-Corps are trading at a premium to their MLP Peers</li> <li>Investors have a strong preference for typical c-corp governance structure vs. their rights as a limited partner</li> </ul>

(1) Based on current AMGP share price. Project Bronco | Page 18



### AMGP PRO FORMA VALUATION CONSIDERATIONS

#### Selected Midstream Valuations

in mil	millions) Market Stats Valuation Stats Financia		nancial	Health Growth Metrics													
				Firm Valu	ie / Adj E	BITDA (1)	Price	/ DCF to I	LPs (2)		Yield		Dist Co	verage	Net Debt /	2018E - 2020E 0	rowth CAG
		Mkt Cap	Firm Value	2018E	2019E	2020E	2018E	2019E	2020E	Current	2018E	2019E	2018E	2019E	2018E EBITDA	EBITDA	DPU
C-Corps	OKE	\$27,863	\$36,037	15.5x	14.3x	12.5x	16.3x	15.2x	13.1x	4.7%	4.8%	5.3%	1.3x	1.2x	3.4x	12%	10%
3	TRGP	10,240	15,752	12.1x	10.2x	8.5x	11.8x	9.9x	8.1x	7.8%	7.8%	7.9%	1.1x	1.3x	3.8x	19%	2%
	Median	\$19,052	\$25,895	13.8x	12.3x	10.5x	14.0x	12.6x	10.6x	6.3%	6.3%	6.6%	1.2x	1.3x	3.6x	16%	6%
SILS	CNXM	\$1,295	\$1,950	13.1x	9.3x	8.1x	12.7x	9.8x	8.3x	6.5%	6.8%	7.9%	1.3x	1.5x	2.5x	32%	15%
	EQM	6,825	9,770	15.1x	9.7x	8.8x	13.0x	9.7x	9.0x	7.7%	8.1%	9.4%	0.9x	1.1x	3.1x	30%	16%
E&P G&P	HESM	1,111	1,073	11.6x	9.7x	7.6x	12.5x	11.0x	9.3x	6.7%	7.1%	8.1%	1.2x	1.1x	NM	27%	15%
F&P	NBLX	1,978	2,933	13.0x	10.3x	8.3x	14.3x	12.4x	10.3x	4.1%	4.4%	5.3%	2.1x	1.9x	1.8x	31%	20%
	OMP	478	911	14.2x	9.1x	7.1x	8.9x	6.6x	6.1x	9.0%	9.7%	11.7%	1.2x	1.5x	1.8x	47%	22%
	WES	7,615	12,117	13.6x	11.3x	9.9x	11.8x	10.3x	9.2x	7.6%	7.8%	8.3%	1.1x	1.2x	3.0x	15%	6%
	Median	\$1,636	52,441	13.3x	9.7x	8.2x	12.6x	10.1x	9.1x	7.1%	7.4%	8.2%	1.2x	1.3x	2.5x	30%	15%
	AMGP PF	<sup>3)</sup> \$9,248	\$10,917	NA.	11.0x	8.9x	NA	10.9x	8.9x	NA	NA	7.0%	NA	1.3x	2.3x <sup>[4</sup>	20% <sup>(5)</sup>	30% <sup>(5)</sup>
	AM SQ	\$5,671	\$6,963	12.1x	10.0x	8.4x	15.3x	12.2x	9.9x	5.1%	5.6%	7.2%	1.2x	1.2x	1.8x	28%	28%

Source: S&P Capital IQ, SEC Filings and Antero management. Market data is as of June 15, 2018.

[1] EBITDA less projected GP/IDR distributions.

[2] Distributable cash flow attributable to LP unitholders / shareholders at a full payout.

[3] Assumes AMGP purchases 100% of AM public units with 100% equity at a 1.600x exchange ratio; AMGP issues 299.3 million shares to current AM unitholders. Also assumes that AMGP issues 18.5 million units in exchange for 100% of the Series B units.

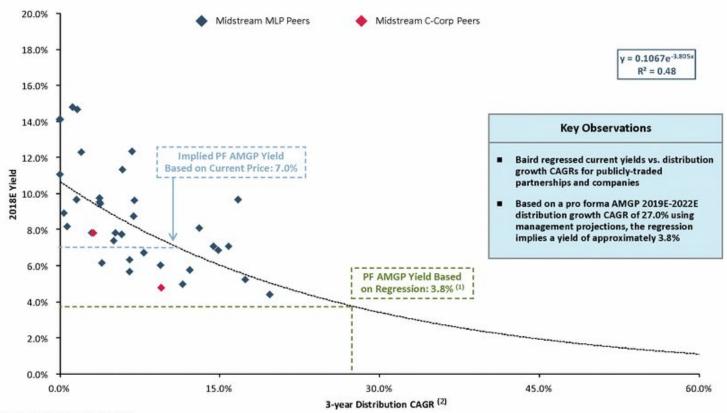
[4] Represents pro forma net debt / forward EBITDA as of 1/1/19.

[5] Represents 2019E-2021E growth as transaction is expected to close in 4Q 2018.



### AMGP PRO FORMA VALUATION CONSIDERATIONS (CONT.)

#### 2018E yield vs 3-year distribution CAGR



Source: S&P Capital IQ as of June 15, 2018.

Source: See Lapinal IQ as of June 15, 2018.

Note: Includes: ANDX, BKEP, BPL, BPMP, CEQP, CNXM, DCP, DKL, DM, EEP, ENBL, ENLK, EPD, EQM, ETP, GEL, GLP, HEP, HESM, MMLP, MMP, MPLX, NBLX, OKE, OMP, PAA, PBFX, PSXP, RMP, SEP, SHLX, SMLP, SRLP, TCP, TLP, TRGP, VLP, WES and WPZ.

(1) Based on pro-forma AMGP 2019E-2022E distribution growth CAGR.

(2) Represents 2018E-2021E distribution growth CAGR per Wall Street consensus estimates.



### BAIRD

### **SERIES B UNITS – SUMMARY OF KEY TERMS**

#### Profits Interest

- Series B Units entitle the holders to receive up to 5.92% of the amount of each <u>quarterly</u> distribution in excess of \$7.5 million in respect of the IDRs of Antero Midstream
- AM's quarterly IDR cash flow is distributed as follows:
  - 1) 100% to Series A, up to \$7.5 million
  - 2) [(IDR Cash Flow less \$7.5 million) x 5.92%] to Series B
  - 3) Remaining cash flow to Series A

#### Holders

- Series B units are reserved for issuance to officers and employees of Antero Resources
  - Currently held mostly by senior management (Paul, Glen, etc.; exact amounts not yet disclosed)
- As of December 31, 2016, the Series B units were scheduled to vest ratably over a three-year period

Redemption Right / Optional Exchange

- Each Series B unit holder has the right to redeem all or a portion of its vested Series B units in exchange for newly-issued
   AMGP common shares with a value equal to:
  - Pro rata share of up to 5.92% of any increase in AMGP's equity value in excess of \$2.0 billion (equity value calculated using 20-day VWAP of AMGP shares)

### Mandatory Exchange

- AMGP will have the right to cause each Series B unit to be exchanged for common shares in AMGP upon the earliest of:
  - December 31, 2026
  - Change of control transaction
  - Liquidation of IDR LLC

#### Change of Control

- The Series B units will vest upon a change of control, occurring at AMGP or IDR Holdings (the entity holding the IDRs)
- Upon a change of control, the Series B units are exchanged for AMGP shares as follows;
  - Pro rata share of up to 5.92% of any increase in AMGP's equity value in excess of \$2.0 billion (equity value calculated using 20-day VWAP of AMGP shares)
- Note: An AMGP acquisition of AM is not contemplated in the change of control language

### SERIES B UNIT CASH FLOW COMPARISON

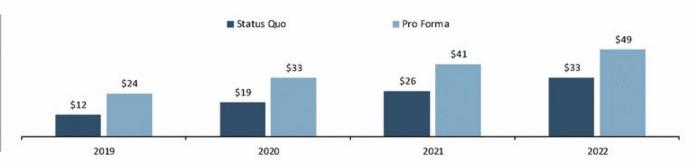
(\$ in millions, except per unit data)

Status Quo

	Current Run-rate	2019E	2020E	2021E	2022E
Total IDR Payments	\$113.8	\$235.5	\$355.3	\$462.0	\$589.2
Less: Priority Cash Flow to Series A (\$7.5 mm /q)	(30.0)	(30.0)	(30.0)	(30.0)	(30.0)
Remaining Cash Flow Available	\$83.8	\$205.5	\$325.3	\$432.0	\$559.2
% Attributable to Series A	94%	94%	94%	94%	94%
% Attributable to Series B	5.92%	5.92%	5.92%	5.92%	5.92%
Cash Flow to Series A (**pre G&A and taxes)	\$108.8	\$223.4	\$336.0	\$436.4	\$556.1
Cash Flow to Series B	\$5.0	\$12.2	\$19.3	\$25.6	\$33.1

	2019E	2020E	2021E	2022E
AMGP Shares Issued to Series B	18.5	18.5	18.5	18.5
Pro Forma AMGP Dividend	\$1.29	\$1.77	\$2.19	\$2.63
Cash Flow to Series B	\$23.8	\$32.8	\$40.5	\$48.7
Implied "Cash Flow Neutral" Shares	9.5	10.9	11.7	12.6





Source: Antero management projections.

### **SERIES B UNIT VALUATION COMPARISON**

(\$ in millions, except per unit data)

Status Quo

	Current Run-rate	2019E	2020E	2021E	2022E
Forecasted AMGP Distribution / Unit	\$0.43	\$0.89	\$1.34	\$1.74	\$2.22
Distribution Yield Assumption (1)	2.35%	2.50%	2.75%	3.00%	3.25%
Implied AMGP Equity Value	\$3,417	\$6,612	\$9,070	\$10,812	\$12,731
Less: Benchmark	(2,000)	(2,000)	(2,000)	(2,000)	(2,000)
Series B Pool	\$1,417	\$4,612	\$7,070	\$8,812	\$10,731
Conversion Value of Series B Interest (5.92%)	\$84	\$273	\$419	\$522	\$635

PV-10 of 2022 Conversion Value	\$412
PV-15	337
PV-20	277

		2022 Yield		
3%	4%	5%	6%	7%
\$370	\$262	\$197	\$154	\$123

Pro Forma

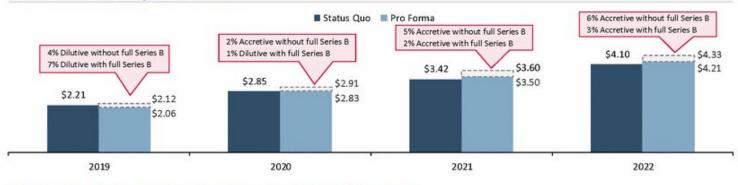
#### **Current Proposal Value** 3/22 JPM / Mgmt Presentation **AM Acquires AMGP Mechanics** PF AMGP Shares (2) Current AMGP Market Cap AMGP Shares Issued 18.5 504.0 \$3,417 **Current AMGP Price** \$18.35 Current AMGP Price \$18.35 Less: Series B Peg (\$2,000) AMGP PF Market Cap \$9,248 Series B Pool \$1,417 Less: Series B Peg (\$2,000) Series B Pool \$7,248 Implied Value \$339 x Series B Equity Value (5.92%) \$429 x Series B Equity Value (5.92%) \$84 Proposed Shares Issued 18.5 Implied Shares Issued 23.4 Implied Shares Issued 4.6

Source: Antero management projections.
(1) Assumes a 25 bps yearly yield increase owing to gradually declining distribution growth.
(2) Assumes an exchange ratio of 1.600x and the issuance of 18.5 million AMGP units to Series B unitholders.

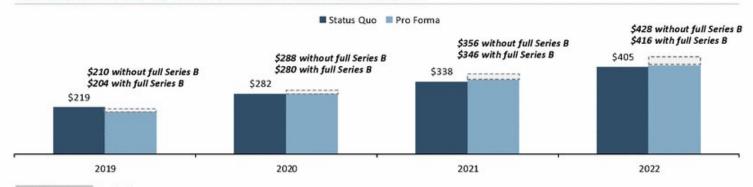
### SERIES B UNIT CONVERSION IMPACTS TO AR CASH FLOW

(\$ in millions, except per unit data)

#### PF DISTRIBUTIONS / UNIT TO AM



#### TOTAL CASH FLOW TO AR FROM MIDSTREAM OWNERSHIP



Source: Antero management projections.

Note: Impact of Series B dilution measures the impact of 18.5 million shares versus 4.6 million shares issued.





### **KEY LEVERS IMPACTING DEAL VALUE – RECAP**

- Exchange ratio
- Cash consideration
- AMGP pro forma distribution coverage ratio
- Series B exchange

### **DEAL POINTS ANALYSIS**

### 2019 Cash Flow Neutrality Sensitivity Analysis:

#### **AR Discretionary CFPS**

#### Distribution per LP Unit to AM



	_	Exchange Ratio									
		1.60x	1.65x	1.70x	1.75x	1.80x	1.85x				
	18.5	(0.8%)	(0.7%)	(0.5%)	(0.4%)	(0.3%)	(0.2%)				
B Units	15.5	(0.8%)	(0.6%)	(0.5%)	(0.3%)	(0.2%)	(0.1%)				
BU	12.5	(0.7%)	(0.5%)	(0.4%)	(0.3%)	(0.2%)_	(0.0%)				
Series	9.5	(0.6%)	(0.5%)	(0.3%)	(0.2%)	(0.1%)	0.0%				
Ser	6.5	(0.5%)	(0.4%)	(0.3%)	(0.1%)	(0.0%)	0.1%				
	4.6	(0.5%)	(0.4%)	(0.2%)	(0.1%)	0.0%	0.1%				

	100	Exchange Ratio								
		1.60x	1.65x	1.70x	1.75x	1.80x	1.85x			
B Units	18.5	(6.7%)	(5.6%)	(4.5%)	(3.4%)	(2.3%)	(1.3%)			
	15.5	(6.2%)	(5.0%)	(3.9%)	(2.8%)	(1.8%)	(0.8%)			
	12.5	(5.6%)	(4.5%)	(3.4%)	(2.3%)	(1.2%)	(0.2%)			
Series	9.5	(5.0%)	(3.9%)	(2.8%)	(1.7%)	(0.7%)	0.3%			
Ser	6.5	(4.5%)	(3.3%)	(2.2%)	(1.1%)	(0.1%)	0.9%			
	4.6	(4.1%)	(2.9%)	(1.8%)	(0.8%)	0.2%	1.2%			



	- 2			Exchange	e Katio		
		1.60x	1.65x	1.70x	1.75x	1.80x	1.85x
	18.5	0.2%	0.4%	0.5%	0.7%	0.8%	0.9%
B Units	15.5	0.3%	0.4%	0.6%	0.7%	0.9%	1.0%
	12.5	0.4%	0.5%	0.7%	0.8%	0.9%	1.1%
Series	9.5	0.4%	0.6%	0.7%	0.9%	1.0%	1.1%
Ser	6.5	0.5%	0.7%	0.8%	0.9%	1.1%	1.2%
	4.6	0.6%	0.7%	0.9%	1.0%	1.1%	1.3%

	100	Exchange Ratio										
		1.60x	1.65x	1.70x	1.75x	1.80x	1.85x					
	18.5	1.7%	3.0%	4.2%	5.4%	6.5%	7.6%					
Units	15.5	2.3%	3.6%	4.8%	6.0%	7.1%	8.2%					
B	12.5	2.9%	4.2%	5.4%	6.6%	7.7%	8.8%					
Series	9.5	3.5%	4.8%	6.0%	7.2%	8.3%	9.4%					
Ser	6.5	4.2%	5.4%	6.6%	7.8%	8.9%	10.0%					
	4.6	4.6%	5.8%	7.0%	8.2%	9.3%	10.4%					



### **DEAL POINTS ANALYSIS (CONT.)**

### Impact of cash consideration

 Adding a cash component to the transaction structure may be beneficial to AR, if proceeds are part of a broader share repurchase plan

#### AR Discretionary Cash Flow per Share

#### Assumes that cash received is used to repurchase AR shares at the current market value

Also assumes a maximum buyback of \$300 million per year

		Total <u>Cash</u>	Net to AR	2019E	2020E	2021E	2022E
	0%	\$0	\$0	(0.8%)	(0.1%)	0.4%	0.4%
% Cash	4%	\$225	\$119	0.8%	1.4%	1.8%	2.0%
	8%	\$450	\$238	2.5%	2.9%	3.3%	3.5%
	12%	\$675	\$357	3.3%	4.5%	4.9%	5.2%
	16%	\$900	\$476	3.0%	6.2%	6.5%	6.8%

#### Pro Forma AMGP Leverage

 Assumes that cash consideration is funded on the current AM revolving credit facility on 1/1/19

		Total <u>Cash</u>	Net to	2019E	2020E	2021E	2022E
% Cash	0%	\$0	\$0	2.3x	2.3x	2.1x	2.0x
	4%	\$225	\$119	2.5x	2.4x	2.3x	2.1x
	8%	\$450	\$238	2.7x	2.6x	2.5x	2.3x
	12%	\$675	\$357	3.0x	2.8x	2.6x	2.4x
	16%	\$900	\$476	3.2x	3.0x	2.8x	2.5x





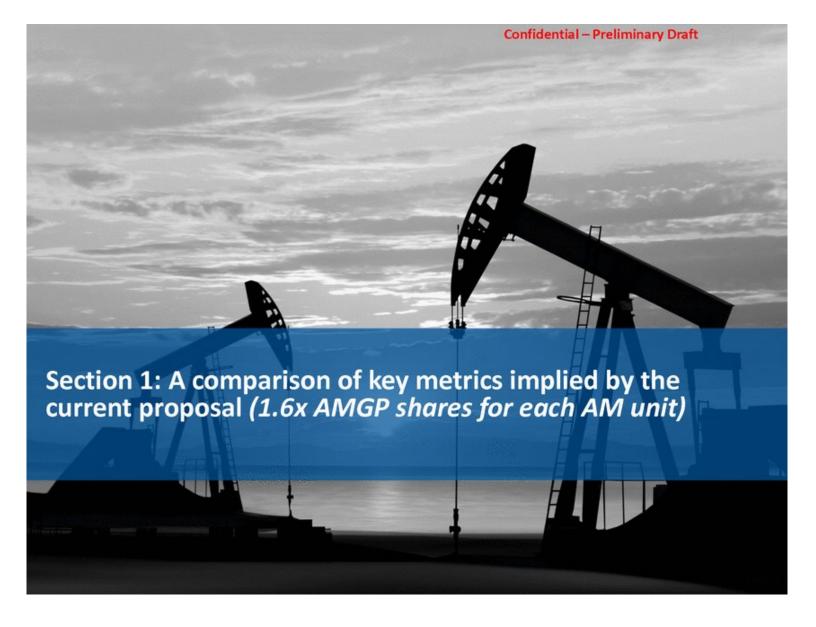
### SUMMARY OF INFORMATION PRESENTED HEREIN

The materials presented herein assess the impacts of adjusting certain key transaction levers; in particular, Baird addresses the following topics:

A comparison of key metrics implied by the current proposal (1) (1.6x AMGP Section 1 shares for each AM unit) What are the impacts of modifying the exchange ratio to a higher level? Section 2 What are the impacts of adding a cash component to the transaction? Section 3 Approaches to the Series B valuation Section 4 Summary of levers discussed and illustrative counter proposal Section 5



Baird and Sidley are awaiting additional information related to proposed tax structure of the transaction. It is our intent to provide the special committee with an analysis of the proposed tax structure and its impacts to AR relative to other potential structures in a future meeting.





# **IMPLIED PREMIUM AT 1.6x EXCHANGE RATIO**

		Proposed		Implied				
Current		Exchange		Takeout		Current		Implied
AMGP Price	_	Ratio		Price		AM Price	2	Premium
\$18.61	Х	1.6x	=	\$29.78	÷	\$29.73	=	0.2%

Note: Represents closing prices as of June 28, 2018.

### BAIRD

### **CASH FLOW ACCRETION / DILUTION RECAP**

(\$ in millions, unless otherwise noted)



#### **AM Unitholders**



#### Total Cash Flow from Midstream Ownership



#### **AMGP Shareholders**



#### Series B Holders



Source: Antero management projections

Note: Assumes AMGP purchases 100% of AM public units with 100% equity at a 1.600x exchange ratio; AMGP issues 299.3 million shares to current AM unitholders. Also assumes that AMGP issues 18.5 million shares in exchange for 100% of the Series 8 units.

Project Bronco |

Page 3



### **DISTRIBUTION GROWTH & COVERAGE RECAP**

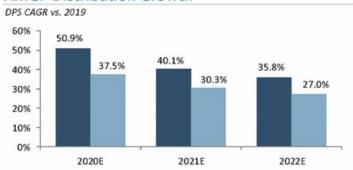
Status Quo Pro Forma for Proposal

AM receives the benefit of enhanced growth; AMGP's growth rate declines

#### **AM Distribution Growth**

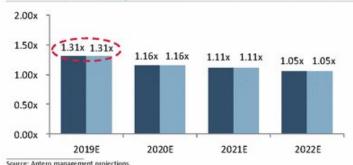
#### DPU CAGR vs. 2019 50% 37.5% 40% 30.3% 29.0% 27.0% 30% 24.4% 22.9% 20% 10% 0% 2020E 2021E 2022E

#### **AMGP Distribution Growth**

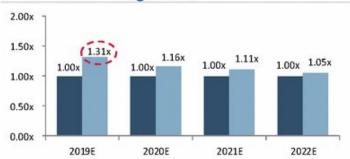


Coverage ratios have an impact on the amount of cash distributed to equity holders

#### **AM Total Coverage Ratio**



#### **AMGP Total Coverage Ratio**

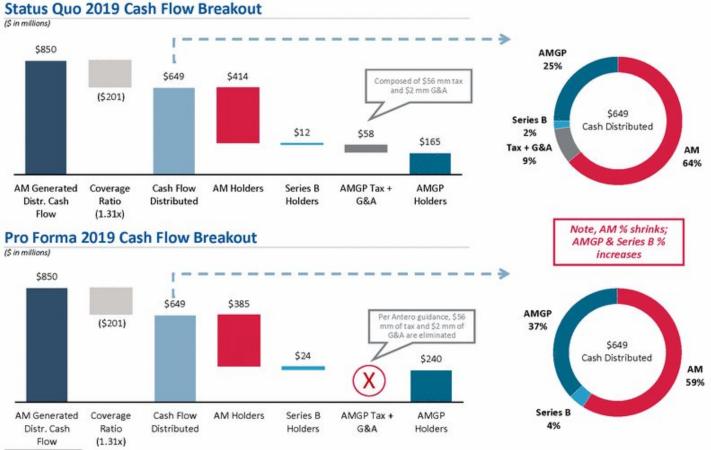


Source: Antero management projections.

Note: Assumes AMGP purchases 100% of AM public units with 100% equity at a 1.600x exchange ratio; AMGP issues 299.3 million shares to current AM unitholders. Also assumes that AMGP issues 18.5 million shares in exchange for 100% of the Series 8 units.

### BAIRD

### **CASH FLOW BREAKOUT IN 2019**

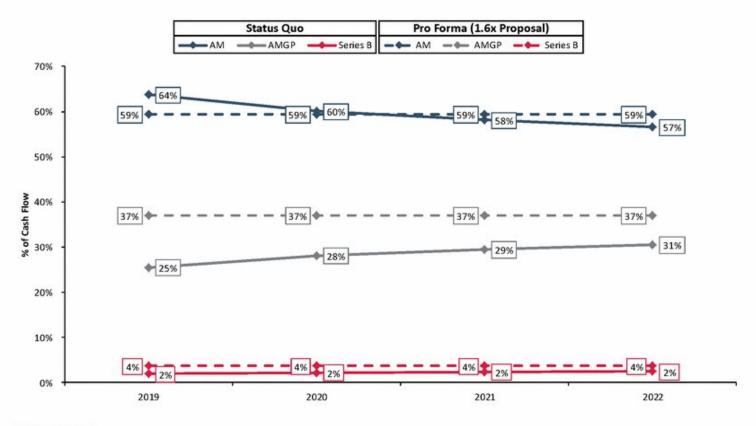


Source: Antero management projections.

Note: Assumes AMGP purchases 100% of AM public units with 100% equity at a 1.600x exchange ratio; AMGP issues 299.3 million shares to current AM unitholders. Also assumes that AMGP issues 18.5 million shares in exchange for 100% of the Series B units.

### **CASH FLOW BREAKOUT OVER TIME**

### Percentage of total pro forma cash flow received over time



Source: Antero management projections.

Note: Assumes AMGP purchases 100% of AM public units with 100% equity at a 1.600x exchange ratio; AMGP issues 299.3 million shares to current AM unitholders. Also assumes that AMGP issues 18.5 million shares in exchange for 100% of the Series B units.



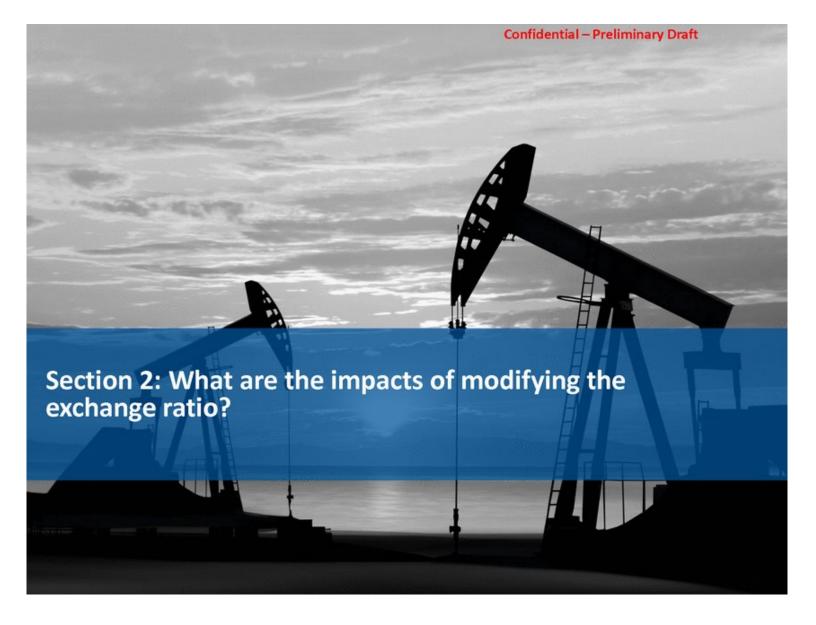
### **RELATIVE TRADING ANALYSIS**

- Comparative trading metrics highlight the current valuation disparity between AMGP and AM (AMGP trades at a substantial premium)
- On a pro forma basis, the valuation metrics of the new AMGP, "AMC", would suggest it's likely that the security holds its value and potentially trades higher, which would allow the owners (including AR) to realize additional value following the transaction

		Current	2019E	2019-22 Est. Distribution	Equity V Cash Flo	Net Debt /	
	Price	Yield	Yield	Growth CAGR	2018E	2019E	2019E EBITDA
Antero Midstream (AM)	\$29.73	5.2%	7.4%	22.9%	14.4x	10.8x	1.3x
Antero Midstream GP (AMGP)	\$18.61	2.3%	4.8%	35.8%	23.6x	14.6x	NM
AMC Pro Forma							
@ 1.6x Exchange Ratio	\$18.61	NA	6.9%	27.0%	NA	11.0x	1.3x

Source: Antero management projections.

<sup>(1)</sup> Cash flow represents distributable cash flow attributable to LP unitholders / shareholders at full payout. Cash flow to AMGP is net of Series B profit interest and taxes. Project Bronco | Page 7





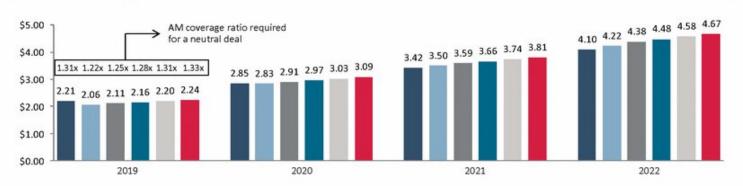
# IMPLIED PREMIUM / DISCOUNT AT VARIOUS EXCHANGE RATIOS

								( )
				Implied AM				
Current	Exchange			Takeout		Current		Implied
AMGP Price		Ratio		Price		AM Price	_	Premium
\$18.61	Х	1.6x	=	\$29.78	÷	\$29.73	=	0.2%
18.61		1.7x		31.64		29.73		6.4%
18.61	1.8x			33.50		29.73		12.7%
18.61		1.9x		35.36		29.73		18.9%
18.61 2.0x		37.22 29.7			29.73		25.2%	

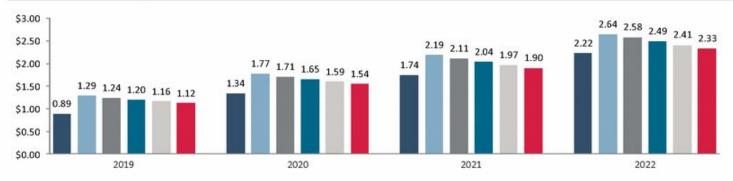
### **ACCRETION / DILUTION AT VARIOUS EXCHANGE RATIOS**



#### AM Distribution per LP Unit



### **AMGP Distribution per Common Share**



Source: Antero management projections. Note: Assumes AMGP purchases 100% of AM public units with 100% equity. Also assumes that AMGP issues 18.5 million shares in exchange for 100% of the Series B units.

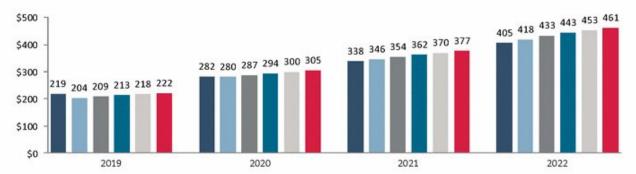


### **IMPACT TO AR AT VARIOUS EXCHANGE RATIOS**



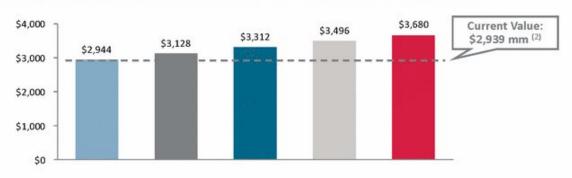
### Total Cash Flow to AR from Midstream Ownership

(\$ in millions)



	Total
	Cash Flow
SA	\$1,244
1.6x	1,248
1.7x	1,284
1.8x	1,313
1.9x	1,340
2.0x	1,365

### Value of AR's Midstream Holdings (Post-transaction, assuming no change in "AMC" share price) (1)



Source: Antero management projections.

Note: Assumes AMGP purchases 100% of AM public units with 100% equity. Also assumes that AMGP issues 18.5 million shares in exchange for 100% of the Series B units.

(1) Assumes AMGP's Closing share price of \$18.61 as of June 28, 2018, multiplied by the number of shares received in the transaction.

(2) Current holdings x current AM unit price as of June 28, 2018.



# CASH FLOW BREAKOUT AT VARIOUS EXCHANGE RATIOS

(\$ in millions)

@ 2019
2013
2019

	Status	tus Exchange Ratios							
	Quo	1.6x	1.7x	1.8x	1.9x	2.0x			
AM Holders	\$414	\$385	\$395	\$404	\$412	\$420			
AMGP Holders	165	240	231	223	216	209			
Series B	12	24	23	22	21	21			
AMGP Taxes + G&A	58		-			-			

@ 2022
2022

	Status	Status Exchange Ratios						
	Quo	1.6x	1.7x	1.8x	1.9x	2.0x		
AM Holders	\$767	\$790	\$820	\$839	\$856	\$873		
AMGP Holders	414	492	480	464	449	434		
Series B	33	49	48	46	45	43		
AMGP Taxes + G&A	142	2	-	-		-		

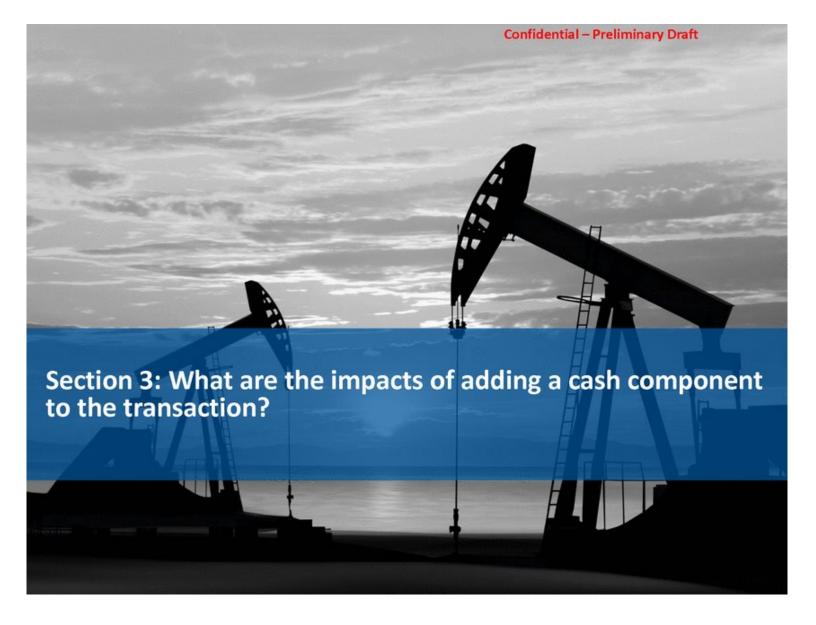
Source: Antero management projections.

Note: Assumes AMGP purchases 100% of AM public units with 100% equity. Also assumes that AMGP issues 18.5 million shares in exchange for 100% of the Series B units.

### **RELATIVE TRADING ANALYSIS**

		Current 2019E		2019-22 Est. Distribution	Equity V Cash Flo	Net Debt /	
	Price	Yield	Yield	Growth CAGR	2018E	2019E	2019E EBITDA
Antero Midstream (AM)	\$29.73	5.2%	7.4%	22.9%	14.4x	10.8x	1.3x
Antero Midstream GP (AMGP)	\$18.61	2.3%	4.8%	35.8%	23.6x	14.6x	NM
AMC Pro Forma							
@ 1.6x Exchange Ratio	\$18.61	NA	6.9%	27.0%	NA	11.0x	1.3x
@ 1.7x Exchange Ratio	\$18.61	NA	6.7%	27.6%	NA	11.4x	1.3x
@ 1.8x Exchange Ratio	\$18.61	NA	6.4%	27.6%	NA	11.8x	1.3x
@ 1.9x Exchange Ratio	\$18.61	NA	6.2%	27.6%	NA	12.3x	1.3x
@ 2.0x Exchange Ratio	\$18.61	NA	6.0%	27.7%	NA	12.7x	1.3x
	pro form	xchange ratios lo na distribution, bu trajectory is relati	it forward				

Source: Antero management projections.
(1) Cash flow represents distributable cash flow attributable to LP unitholders / shareholders at full payout. Cash flow to AMGP is net of Series B profit interest and taxes. Project Bronco | Page 12





### TRANSACTION MECHANICS INCLUDING A CASH COMPONENT

(\$ in millions, unless otherwise noted)

Current AMGP Price	9 2	AMGP / AM Share Exchange Ratio		Takeout Price	-	AM Units O/S (mm)		(1	Equity Value before cash)		Plus: Cash <sup>(1)</sup>	_	Total Equity Value	Implied All-in Exchange Ratio (incl. cash) (2)
\$18.61	x	1.6x	=	\$29.78	х	187	=		\$5,569	+	\$750	=	\$6,319	1.8x
 18.61		1.7x		31.64		187			5,917		750		6,667	1.915x
18.61		1.8x		33.50		187			6,265		750		7,015	2.0x
18.61		1.9x		35.36		187			6,613		750		7,363	2.1x
18.61		2.0x		37.22		187			6,961		750		7,711	2.2x

Benefits: May be a source of capital to initiate a buyback program at AR

Considerations: AR would lose out on potential longer- term upside of holding new AMGP shares

Implied All-in Exchange Ratio (2)									
Equity Exchange		mponent	nent						
Ratio	\$0	\$250	\$500	\$750					
1.60x	1.60x	1.67x	1.74x	1.82x					
1.70x	1.70x	1.77x	1.84x	1.92x					
1.80x	1.80x	1.87x	1.94x	2.02x					
1.90x	1.90x	1.97x	2.04x	2.12x					
2.00x	2.00x	2.07x	2.14x	2.22x					

Results in pro forma leverage at AMGP of 3.0x NTM EBITDA.

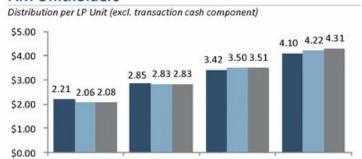
Equals the total implied exchange ratio if the transaction were done with 100% equity, including the \$750 million cash component.

### CASH FLOW ACCRETION / DILUTION WITH A CASH COMPONENT

2022E



#### **AM Unitholders**



2021E

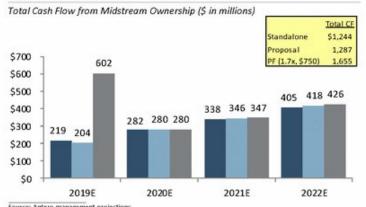
2020E

#### **AMGP Shareholders**



#### **AR Shareholders**

2019E



#### **AMGP Distribution Growth**



Project Bronco | Page 14

Source: Antero management projections.

Note: Assumes that AMGP issues 18.5 million shares in exchange for 100% of the Series B units.





### SERIES B VALUE IMPLIED BY PROPOSAL

Per AMGP proposal dated June 8, 2018

Shares Issued to Series B Holders	x	Current AMGP Share Price (1)	] = [	Implied Value		
18.5 million		\$18.61		\$344 million		

(1) As of June 28, 2018. Project Bronco | Page 15



### **SERIES B UNIT VALUATION SPECTRUM**

(\$ in millions, except per share data)

Current Proposal Conversion				
AMGP Shares Issued	18.5			
Current AMGP Price (1)	\$18.61			
Implied Value	\$344			
Proposed Shares Issued	18.5			

#### **AM Acquires AMGP Conversion Mechanics** vs.

Current AMGP Market Cap (1)	\$3,465
Less: Series B Benchmark	(\$2,000)
Series B Pool	\$1,465
x Series B Equity Value (5.92%)	\$87
Implied Shares Issued (2)	4.7

Potential Status Quo Series B Valuation in 2022E

Assesses the potential value of the Series B if held until 2022 under a Status Quo Scenario

<b>Estimated Terminal Yield</b>						
3.0%	4.0%	5.0%				
\$414	\$414	\$414				
\$13,792	\$10,344	\$8,275				
(\$2,000)	(\$2,000)	(\$2,000)				
\$11,792	\$8,344	\$6,275				
\$698	\$494	\$371				
\$372	\$263	\$198				
	\$414 \$13,792 (\$2,000) \$11,792 \$698	3.0% 4.0% \$414 \$414 \$13,792 \$10,344 (\$2,000) (\$2,000) \$11,792 \$8,344 \$698 \$494				

Source: Antero management projections.
(1) As of June 28, 2018.
(2) Equals Series B Equity Value divided by Current AMGP Price.
(3) Equals AMGP 2022E Distributions divided by Estimated Terminal Yield.

# SERIES B VALUATION – STATUS QUO

### How Series B Holders may be viewing the value of the Series B

	Value less B stions  Value  Interest Series B Profits Interest Series B Interest (5.92%)	2020E	2021E	2022E	Terminal Value	
	Distributions		1.00		2	
	Coverage Ratio at AM	1.31x	1.16x	1.11x	1.05x	
D	Total Distributions from AM IDRs	\$236	\$355	\$462	\$589	
Present Value	Less: Priority Series A Cash Flow (\$7.5 mm/q)	(30)	(30)	(30)	(30)	
of Series B	Remaining Cash Flow Available	\$206	\$325	\$432	\$559	
Distributions	Series B Profits Interest	5.92%	5.92%	5.92%	5.92%	
	Series B Profits Interest	\$12	\$19	\$26	\$33	
	A PV-15%					\$61
	2022E AMGP Distributions					\$414 49
Present Value	Implied AMGP Equity Value					\$10,344
of Conversion	Less: Benchmark					(2,000
MALE AND THE STATE OF THE STATE	Series B Pool					\$8,344
						\$494
	B PV-15%					\$263
	Total PV-15% (A + B)					\$324

	Present Value Sensitivity								
			Discount Rate						
		10%	15%	20%					
무	2%	\$789	\$651	\$541					
.≝	3%	\$523	\$433	\$362					
Te L	4%	\$390	\$324	\$272					
Terminal Yield	5%	\$311	\$259	\$218					
Te	6%	\$258	\$215	\$182					

Source: Antero management projections. Project Bronco | Page 17



# SERIES B VALUATION – STATUS QUO (CONT.)

### Series B would have less value if AM were to cover its distributions at no less than 1.2x in future years

	(\$ in millions)	2019E	2020E	2021E	2022E	Terminal Value
	<u>Distributions</u>					
	Coverage Ratio at AM	1.31x	1.20x	1.20x	1.20x	
D	Total Distributions from AM IDRs	\$236	\$341	\$423	\$509	
Present Value	Less: Priority Series A Cash Flow (\$7.5 mm/q)	(30)	(30)	(30)	(30)	
of Series B	Remaining Cash Flow Available	\$206	\$311	\$393	\$479	
Distributions	Series B Profits Interest	5.92%	5.92%	5.92%	5.92%	
	Series B Profits Interest	\$12	\$18	\$23	\$28	
	A PV-15%					\$56
	Terminal Value 2022E AMGP Distributions ÷ Assumed Terminal Yield					\$357 49
Present Value	Implied AMGP Equity Value					\$8,929
of Conversion	Less: Benchmark					(2,000)
*145500FDFLS 4D64-6C04C36C0F	Series B Pool					\$6,929
	Terminal Value of Series B Interest (5.92%)					\$410
	B PV-15%					\$219
	Total PV-15% (A + B)					\$275

	Present Value Sensitivity								
			Discount Rate						
		10%	15%	20%					
프	2%	\$674	\$557	\$463					
ĕ	3%	\$445	\$369	\$308					
Terminal Yield	4%	\$330	\$275	\$231					
E	5%	\$261	\$218	\$184					
Te.	6%	\$215	\$181	\$153					

Source: Antero management projections. Project Bronco | Page 18



Sensitivities

# SERIES B EXCHANGE VALUATION – PRO FORMA

									Sensit	ivities	
Current	(\$ in millions, except per share data)	2019E	2020E	2021E	2022E	Terminal Value @ 4% Yield	PV-15%	Discount		erminal Yi	
Proposal	AMGP Shares Issued to Series B	18.5	18.5	18.5	18.5			Rate	4.0%	5.0%	6.0%
18.5mm	Pro Forma AMGP Dividend per share	\$1.29	\$1.77	\$2.19	\$2.64			10.0%	\$907	\$748	\$642
Share	Cash Flow to Series B	\$24	\$33	\$40	\$49			15.0%	\$751	\$620	\$534
Exchange	Terminal Value	***	***		***	\$1,221	\$751	20.0%	\$627	\$519	\$448
	Terminal Value					\$1,221	3/51				
110000	AMGP Shares Issued to Series B	15.0	15.0	15.0	15.0			Discount	Т	erminal Yi	eld
15.0mm	Pro Forma AMGP Dividend per share	\$1.30	\$1.78	\$2.20	\$2.66			Rate	4.0%	5.0%	6.0%
Share	Cash Flow to Series B	\$19	\$27	\$33	\$40			10.0%	\$741	\$611	\$524
xchange		213	321	333	540			15.0%	\$613	\$507	\$436
mantan, sa	Terminal Value					\$997	\$613	20.0%	\$512	\$424	\$365
CC 2000								Discount	-	!IV	-14
2.5mm	AMGP Shares Issued to Series B	12.5	12.5	12.5	12.5			Discount Rate	4.0%	erminal Yi 5.0%	6.0%
	Pro Forma AMGP Dividend per share	\$1.30	\$1.79	\$2.21	\$2.67			10.0%	\$620	\$512	\$439
Share	Cash Flow to Series B	\$16	\$22	\$28	\$33			15.0%	\$513	\$424	\$365
kchange	Terminal Value					\$835	\$513	20.0%	\$429	\$355	\$306
	11(0)(1)	40.0	100	10.0	10.0			Discount	Т	erminal Yi	eld
0.0mm	AMGP Shares Issued to Series B	10.0	10.0	10.0	10.0			Rate	4.0%	5.0%	6.0%
Share	Pro Forma AMGP Dividend per share	\$1.31	\$1.80	\$2.22	\$2.69			10.0%	\$499	\$411	\$353
kchange	Cash Flow to Series B	\$13	\$18	\$22	\$27			15.0%	\$413	\$341	\$293
Keriarige	Terminal Value					\$671	\$413	20.0%	\$345	\$285	\$246
								[8]			. 10
7.5mm	AMGP Shares Issued to Series B	7.5	7.5	7.5	7.5			Discount	4.0%	erminal Yi 5.0%	6.0%
- 0.5	Pro Forma AMGP Dividend per share	\$1.32	\$1.81	\$2.24	\$2.70			Rate 10.0%	\$376	\$310	\$266
Share	Cash Flow to Series B	\$10	\$14	\$17	\$20				The state of the s		
xchange	Terminal Value					\$506	\$311	15.0%	\$311	\$257	\$221
	remindi value					\$300	7311	20.0%	\$260	\$215	\$186



### SERIES B UNIT CASH FLOW COMPARISON

#### SERIES B CASH FLOW COMPARISON

(\$ in millions)



### "CASH FLOW NEUTRAL" SHARES CALCULATION

(\$ and shares in millions)

	2019E	2020E	2021E	2022E
Status Quo Cash Flow to Series B	\$12	\$19	\$26	\$33
Pro Forma AMGP Dividend	\$1.29	\$1.77	\$2.19	\$2.64
Implied "Cash Flow Neutral" Shares	9.4	10.9	11.7	12.5

Source: Antero management projections. Project Bronco | Page 20



# **SUMMARY OF LEVERS DISCUSSED**

	Benefits	Considerations
Increasing Exchange Ratio	<ul> <li>Increased cash flow to AR</li> <li>Results in a premium on the sale of AM</li> <li>More equitable sharing of transaction economics</li> </ul>	Cash flow impact to AR, even at a high exchange ratio, is relatively minimal  Adding more shares potentially reduces the equity value of the new AMGP, "AMC"
Adding a Cash Component	<ul> <li>Likely viewed favorably by AR investors</li> <li>Helps AR in return of capital initiatives (i.e., share buybacks)</li> <li>Increases new AMGP, "AMC" accretion per share, and potential share price</li> </ul>	Less upside from holding shares in the new AMGP, "AMC"  Potentially greater AM per unit dilution  Increases leverage at the new AMGP, "AMC"
Reducing Series B Exchange	<ul> <li>Increases accretion potential with less cash going to Series B</li> <li>Better aligns cash flow profiles (status quo vs pro forma cash flow to Series B holders)</li> </ul>	Relatively minimal impact to overall deal economics

### **ILLUSTRATIVE COUNTER CONSTRUCT**

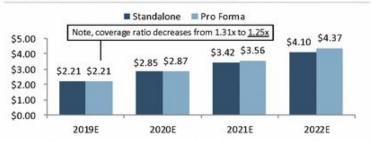
- Increase AMGP for AM exchange ratio from 1.6x to 1.7x
- Add a cash component of \$750 mm, or approximately \$4.00 per AM unit
- Reduce Series B exchange from 18.5 mm shares to 10 mm shares
- Mandate <u>no distribution cut</u> to AM unitholders (achieved in 2019 via a modest adjustment to the distribution coverage ratio)

#### Implied Premium to AM Price

AMGP Unit Price	\$18.61
x Share Exchange Ratio	1.700x
= Takeout Price (pre-cash)	\$31.64
+ Cash Component / Unit	4.00
= Total Takeout Price	\$35.64
Current AM Price	29.73
Implied Premium	19.9%

Source: Antero management projections. Note: Represents closing prices as of June 28, 2018.

#### Distribution Forecast to AM Unitholders



#### **Distribution Forecast to AMGP Unitholders**



#### Total Cash to AR from Midstream Holdings



### **RELATIVE TRADING ANALYSIS**

	Price	Current	2019E	2019-22 Est. Distribution	Equity V		Net Debt /
	Price	Yield	Yield	Growth CAGR	2018E	2019E	2019E EBITDA
Antero Midstream Partners LP (AM)	\$29.73	5.2%	7.4%	22.9%	14.4x	10.8x	1.3x
Antero Midstream GP LP (AMGP)	18.61	2.3%	4.8%	35.8%	23.6x	14.6x	NM
AMC Pro Forma							
@ Current Proposal	\$18.61	NA	6.9%	27.0%	NA	11.0x	1.3x
@ Illustrative Counter (2)	18.61	NA	7.0%	25.5%	NA	11.4x	1.3x

		Current Proposal	Illustrative Counter
	Status Quo (3)	@ 1.6x Exchange Ratio	Pro Forma +  Cash Rovd. <sup>(4)</sup>
Value of AR's Midstream Holdings	\$2,939	\$2,944	\$3,524

Source: Antero management projections.
(1) Cash flow represents distributable cash flow attributable to LP unitholders / shareholders at full payout. Cash flow to AMGP is net of Series B profit interest and taxes.
(2) Represents 1.7x equity exchange ratio, \$750 mm in cash, 10 mm shares issued to Series B holders and no distribution cut to AM unitholders in 2019.
(3) Current holdings \* AM unit price.
(4) Pro forma ownership, assuming no change to AMGP pro forma share price plus cash received in transaction (\$750 mm \* 53%)





- Recap of July 3 Meeting
- Tax Update
- Follow-up Requests from July 3 Meeting



# PRO FORMA VALUE TO AR vs. STATUS QUO

#### PV-10 of Increase in Value to Antero Resources (2019-2022)

Increase in Value to AR vs. Status Quo =

Increase in Cash Received

Increase in Market Value of Midstream Holdings (1)

18.5 mm
<b>Shares Issued</b>
to Series B

			Equity Exchange Ratio					
		1.60x	1.65x	1.70x	1.75x			
ed/	\$0	\$4	\$111	\$217	\$321			
eceiv	\$250	127	232	336	440			
Cash Received	\$500	247	351	456	559			
Cas	\$750	366	471	575	678			

14.5 mm
Shares Issued
to Series B

			Equity Exchange Ratio				
		1.60x	1.65x	1.70x	1.75x		
ved	\$0	\$12	\$119	\$225	\$329		
Receiv	\$250	135	240	344	448		
	\$500	255	359	463	567		
Cash	\$750	374	478	582	686		

10.5 mm
Shares Issued
to Series B

			Equity Excl	nange Ratio	
		1.60x	1.65x	1.70x	1.75x
9	\$0	\$20	\$127	\$233	\$337
Keceived	\$250	144	248	352	456
	\$500	263	368	472	575
Cash	\$750	382	486	590	694

Source: Antero management projections.
(1) Status quo market value assumes current AM holdings \* current AM price. Pro forma market value assumes pro form a holdings \* current AMGP share price.



# HISTORICAL HOLDINGS OF SELECTED MANAGEMENT

(\$ and shares in millions)

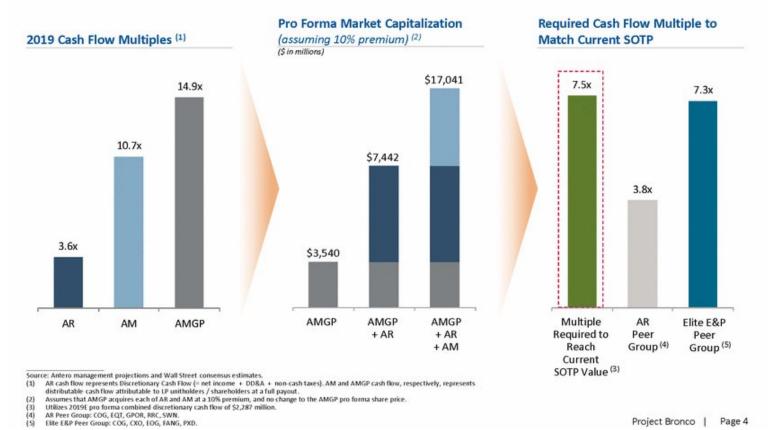
		@ AMGP IPO 05/03/17	12/31/17	03/31/18	Current 07/03/18
	Market Cap	\$4,375	\$3,672	\$2,977	\$3,540
	Less: Peg	(2,000)	(2,000)	(2,000)	(2,000)
Series B	Series B Pool	\$2,375	\$1,672	\$977	\$1,540
	Conversion Value (5.92%)	\$141	\$99	\$58	\$91
	Net to Paul / Glen (81.1%)	\$114	\$80	\$47	\$74
AMGP	Shares Held Share Price	35.9 \$23.50	37.3 \$19.72	37.3 \$15.99	37.3 \$19.01
	Market Value to Paul / Glen	\$844	\$736	\$597	\$710
AR	Shares Held Share Price	26.4 \$21.14	26.1 \$19.00	26.1 \$19.85	26.1 \$21.34
	Market Value to Paul / Glen	\$558	\$497	\$519	\$558

Source: Capital IQ and SEC filings. Note: Shares held exclude options and non-vested shares.

### Combining AR, AM & AMGP would likely create a sum-of-the-parts discount

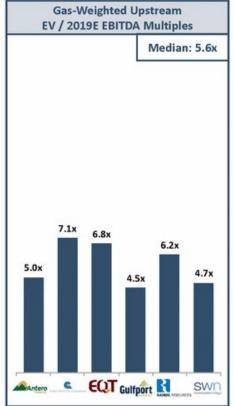


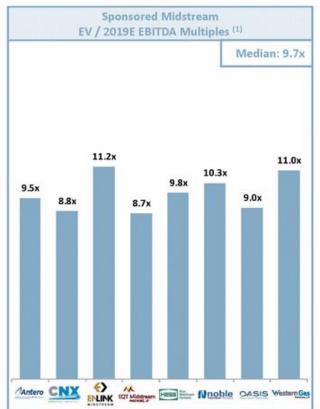
The pro forma integrated E&P company would need to trade at a cash flow multiple beyond its E&P peer group and "elite E&P" peer group in order to maintain the current sum-of-the-parts ("SOTP") valuation

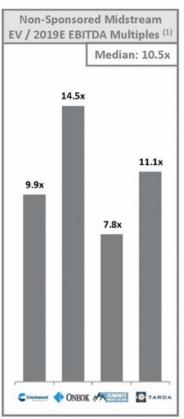


# A strong valuation arbitrage between E&P and midstream still exists, despite the recent pressure against the MLP model









Source: Wall Street consensus estimates.
(1) Excludes IDR distributions to sponsor.



# Highly Unlikely that AMGP would have the desire to acquire AR

### AMGP public shareholders own ~25% of AR shares outstanding

	300000000000000000000000000000000000000	120000000000000000000000000000000000000	Valu	e of Holding	s (\$mm)	Ownership at Each Antero Family					
Investor	Total Antero Family Market Cap	% of Total Market Cap Owned	AR	AMGP	AM	Shares-AR	AR % Ownership	Shares- AMGP	AMGP % Ownership	Shares- AM	AM% Ownership
1 SailingStone Capital Partners	\$744	4.7%	\$744	\$0	\$0	34,867,589	11.0%		0.0%		0.0%
2 The Baupost Group	567	3.6%	567	0	0	26,587,791	8.4%		0.0%		0.0%
3 Tortoise Capital Advisors	448	2.8%	9	106	333	426,849	0.1%	5,568,945	3.0%	11,306,444	6.0%
4 Goldman Sachs Asset Management	444	2.8%	29	105	310	1,354,827	0.4%	5,528,048	3.0%	10,512,159	5.6%
5 The Vanguard Group	438	2.8%	433	5	0	20,310,821	6.4%	249,399	0.1%		0.0%
6 FPR Partners	360	2.3%	245	115	0	11,482,583	3.6%	6,050,092	3.2%		0.0%
7 BlackRock	287	1.8%	265	5	17	12,422,965	3.9%	276,718	0.1%	574,012	0.3%
8 Sound Shore Management	248	1.6%	248	0	0	11,620,868	3.7%		0.0%		0.0%
9 Neuberger Berman	245	1.6%	27	33	185	1,287,715	0.4%	1,724,404	0.9%	6,281,423	3.4%
10 Brave Warrior Advisors	235	1.5%	235	0	0	10,988,904	3.5%		0.0%		0.0%
11 Temasek Holdings	208	1.3%	208	0	0	9,755,618	3.1%		0.0%		0.0%
12 Alps Advisors	204	1.3%	0	1	203	8,110	0.0%	66,650	0.0%	6,887,061	3.7%
13 Oppenheimer Asset Management	193	1.2%	10	133	49	484,263	0.2%	6,999,102	3.8%	1,668,425	0.9%
14 Harvest Fund Advisors	183	1.2%	0	36	146	22,841	0.0%	1,912,955	1.0%	4,962,047	2.7%
15 Tinicum Capital Partners	161	1.0%	0	42	119		0.0%	2,227,200	1.2%	4,027,276	2.2%
16 Canton Investment Holdings	156	1.0%	82	74	0	3,847,251	1.2%	3,891,100	2.1%		0.0%
17 Chickasaw Capital Management	143	0.9%	0	0	143		0.0%		0.0%	4,869,017	2.6%
18 Thompson, Siegel & Walmsley	142	0.9%	142	0	0	6,677,371	2.1%		0.0%		0.0%
19 State Street Global Advisors	141	0.9%	140	1	0	6,567,941	2.1%	69,011	0.0%		0.0%
20 Atlantic Trust Advisors	134	0.8%	0	80	54		0.0%	4,225,250	2.3%	1,836,196	1.0%
21 Salient Capital Advisor	132	0.8%	0	2	130		0.0%	96,634	0.1%	4,417,234	2.4%
22 Wellington Management Company	125	0.8%	123	1	0	5,779,274	1.8%	63,898	0.0%		0.0%
23 Dimensional Fund Advisors	117	0.7%	117	0	0	5,499,386	1.7%	3,252	0.0%		0.0%
24 Key Group Holdings	116	0.7%	116	0	0	5,445,777	1.7%		0.0%		0.0%
25 Yale University	96	0.6%	96	0	0	4,516,262	1.4%		0.0%		0.0%
26 Millenium Management	82	0.5%	82	0	0	3,830,049	1.2%		0.0%		0.0%
27 Eagle Global Advisors	80	0.5%	0	43	37		0.0%	2,281,161	1.2%	1,257,849	0.7%
28 UBS Asset Management	72	0.5%	15	0	57	706,989	0.2%		0.0%	1,948,482	1.0%
29 Cohen & Steers Capital Management	65	0.4%	0	65	0		0.0%	3,436,318	1.8%		0.0%
30 Stanford Management Company	62	0.4%	48	14	0	2,246,194	0.7%	730,804	0.4%		0.0%

Source: Capital IQ and SEC filings as of July 3, 2018. Project Bronco | Page 6

Exhibit (c)(49)





### PRO FORMA VALUE TO AR vs. STATUS QUO

#### Assumes 18.5 mm shares issued to Series B holders

#### (\$ in millions)

PV-10 of Increase in Value to Antero Resources (2019-2022)							PF "AMC" Leverage (4)		
Cash Received	Net to	Implied \$ /		Equity Exc	hange Ratio		Excludes.	Includes \$220 mm	
by AM	AR (2)	AM Unit (3)	1.60x	1.65x	1.70x	1.75x	Earn-out	Earn-out	
\$0	\$0	\$0.00	\$4	\$111	\$217	\$321	1.7x	1.9x	
\$250	\$132	\$1.34	127	232	336	440	1.9x	2.2x	
\$500	\$264	\$2.67	247	351	456	559	2.2x	2.4x	
\$750	\$396	\$4.01	366	471	575	678	2.4x	2.7x	

Increase in Value to AR vs. Status Quo =

Increase in Cash Received + Increase in Market Value of Midstream Holdings (1)

Source: Antero management projections.

(1) Status quo market value assumes current AM holdings \* current AM price. Pro forma market value assumes pro form a holdings \* current AMGP share price.

(2) AR currently owned 53% of outstanding units of AM.

(3) AM has 187 million units outstanding.

(4) Represents estimated net debt / NTM EBITDA at 1/1/19.





## **SUMMARY TERMS OF WATER EARN-OUT AND MVCs**

- In September 2015, AR sold its integrated water business to AM for \$1.05 billion, plus an additional \$250 million subject to the following Earn-Out provisions:
  - Payment of \$125 million at year-end 2019 upon AM delivering a total of 176,295,000 barrels of water from 2017-2019 (equating to an average of 161 Mbbld)
  - Payment of \$125 million at year-end 2020 upon AM delivering a total of 219,200,000 barrels of water from 2018-2020 (equating to an average of 200 Mbbld)

		Cumulative	AR Projection	ns (Cumulative)	Daily	AR Project	ions (Daily)
Earn-Out Period	Payment to AR (\$MM)	Earn-out Projected Threshold Volumes (Mbbl) (Mbbl)		Proj. Volumes % of Earn-out Req. Volumes	Earn-out Threshold (Mbbld)	Projected Avg. Volumes (Mbbld)	Proj. Volumes % of Earn-out Req. Volumes
36-month Period Ending 12/31/19	\$125	176,295	197,539	112%	161	180	112%
36-month Period Ending 12/31/20	\$125	219,200	221,999	101%	200	203	101%

In addition to the Earn-Out provisions, AR also agreed to the following minimum volume commitments ("MVCs"):

	MVC (Mbbld)	Actual Volumes (Mbbld)	Projected Volumes (Mbbld)	MVC % of Volumes
2016	90	123		73%
2017	100	153		65%
2018	120		184	65%
2019	120		204	59%



217,198

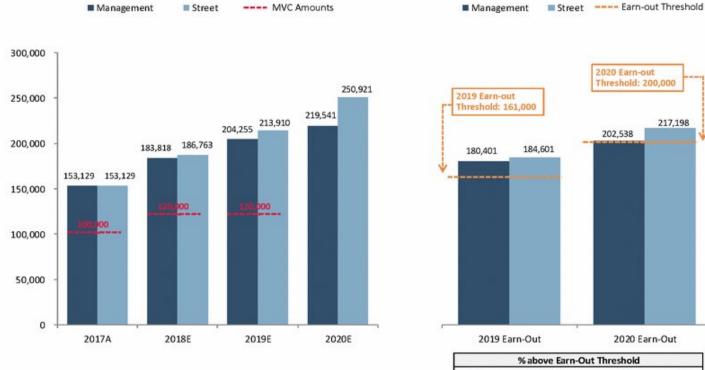
202,538

## PROJECTED WATER DELIVERY VOLUMES

#### **Utilizing Antero management projections**

#### FORECASTED WATER DELIVERY VOLUMES (Bbld)

#### FORECAST VERSUS EARN-OUT (Bbld)



2020 Earn-Out % above Earn-Out Threshold 12%

Source: Antero management projections; Wall Street estimates per March 22 J.P. Morgan presentation to AR Special Committee.



## **EARN-OUT DISCOUNT ANALYSIS**

On April 19, the AR Special Committee submitted a proposal to AM for early monetization of water earn-out payments at \$220 million

#### PV OF EARN-OUT PAYMENT (\$MM) (1)

Discount Rate	Implied Payment	
11.0%	\$203	
10.0%	\$207	
9.0%	\$211	
8.0%	\$214	AR Proposal (April 19):
7.0%	\$218	\$220 million
6.0%	\$223	
5.0%	\$227	
4.0%	\$231	

Source: Antero management projections.
(1) Assumes a present value date of July 1, 2018.





## SUMMARY OF AR/AM COUNTERS & AMGP RESPONSES

	Counterproposa	als Sent July 14	AMGP Committee's Response
[	AR Special Committee	AM Conflicts Committee	Received July 20
	1.75x exchange ratio + \$4.00 / unit	$\checkmark$	1.65x exchange ratio + no cash
	Series B Units subject to status quo vesting requirements	✓	X
)	Vesting of final one-third of AMGP shares issued to Series B holders subject to positive E&P free cash flow in 2019	×	X
)	Make-whole distributions to AM unitholders for first four quarters following transaction	✓	X
)	AR registration rights on "New AMGP" shares comparable to status quo registration rights on AR-owned AM units	×	✓
)	×	Required vote by majority of minority AM unitholders	✓
)	Early monetization of earn-out payments for \$225 million	×	X
			Project Bronco   Pa



## **IMPLIED PREMIUM AT 1.65x EXCHANGE RATIO**

#### Based on Current AM Unit Price (as of July 20)

		Proposed		Implied					
Current		Exchange		Takeout		Current		Implied	
AMGP Price	-8 8	Ratio		Price	_	AM Price	_	Premium	
\$19.24	Χ	1.65x	=	\$31.75	÷	\$31.64	=	0.3%	

#### Based on AM "Clean" Unit Price (as of Feb. 23)

		Proposed		Implied				
Current		Exchange		Takeout		Current		Implied
AMGP Price	-0. 0.	Ratio		Price	_	AM Price	_	Premium
\$19.19	Χ	1.65x	=	\$31.66	÷	\$26.49	=	19.5%

## PRO FORMA IMPACT AT 1.65x EXCHANGE RATIO

(\$ in millions, unless otherwise noted)



#### DCF per AM LP Unit



#### **Total Cash to AR Shareholders**

Total Cash Flow from Midstream Ownership



#### Distribution per AM LP Unit (at status quo coverage)



#### AR's Implied Value of Midstream Holdings

Assuming no change in unit/share price



Source: Antero management projections

Note: Assumes AMGP purchases 100% of AM public units (188.1 million on a fully diluted basis) with 100% equity at a 1.650x exchange ratio; AMGP issues 310.5 million shares to current AM unitholders. Also assumes that AMGP issues 18.5 million shares in exchange for 100% of the Series 8 units.

Project Bronco |

Page 3

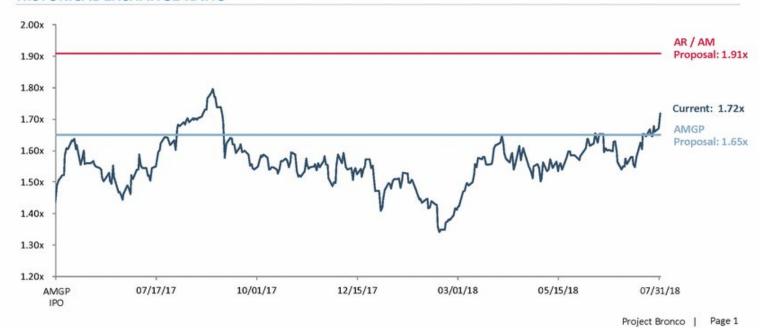
Exhibit (c)(51)



#### Historical exchange ratio analysis

	Current AMGP Price			Equity Exchange		Equity Component		Cash per AM Unit			Current AMGP Price		All-in Exchange
AMGP Proposal	\$19.22	x	1.65x	=	\$31.71	+	-	=	\$31.71	÷	\$19.22	=	1.65x
AR / AM Proposal	\$19.22	x	1.71x	=	\$32.87	+	\$3.84	=	\$36.71	÷	\$19.22	=	1.91x

#### HISTORICAL EXCHANGE RATIO





#### Relative cash flow contribution analysis

#### FORECAST CASH FLOW CONTRIBUTION (1)

			ı	lear-Term				Long-Term	
_		2018	2019	2020	2021	2022	Terminal Yield (2)	Terminal Value	PV-15%
Cash Flow	AM	\$385	\$514	\$606	\$702	\$803	~ 8.0%	\$10,036	\$7,051
	AMGP Implied AM/AMGP	153	250	318	390	465	~ 7.0%	6,471	4,274
	Exchange Rate	2.51x	2.06x	1.90x	1.80x	1.73x	1	1.55x	1.65×
٦	AM	\$321	\$414	\$533	\$640	\$767	~8.0%	\$9,590	\$6,580
	AM AMGP	\$321 105	\$414 174	\$533 264	\$640 344	\$767 439	~8.0%	\$9,590 6,266	
				•		• • • • • • • • • • • • • • • • • • • •	~8.0%		\$6,580 3,986

Amor protein constructions calculated as total low cash row a management distribution coverage, Note that such analyses assume the Series B units on an as-converted basis. Relative terminal yields required to match the 1.65x exchange ratio in the AMGP proposal.



Relative cash flow contribution analysis (continued)

#### IMPLIED EXCHANGE RATIO AT PV-15% (1)

Distr. Cash Flow

AMGP Terminal	AM Terminal Yield										
Yield	8.0%	7.5%	7.0%	6.5%	6.0%						
8.0%	1.79x	1.87x	1.97x	2.08x	2.21x						
7.5%	1.70x	1.78x	1.87x	1.98x	2.10x						
7.0%	1.62x	1.69x	1.78x	1.88x	2.00x						
6.5%	1.53x	1.60x	1.68x	1.78x	1.89x						
6.0%	1.44x	1.50x	1.58x	1.67x	1.77x						

Distributions

AMGP Terminal	AM Terminal Yield										
Yield	8.0%	7.5%	7.0%	6.5%	6.0%						
8.0%	1.83x	1.92x	2.02x	2.14x	2.27x						
7.5%	1.74x	1.83x	1.92x	2.03x	2.16x						
7.0%	1.65x	1.73x	1.82x	1.93x	2.05x						
6.5%	1.56x	1.63x	1.72x	1.82x	1.93x						
6.0%	1.46x	1.53x	1.61x	1.70x	1.81x						

Source: Antero management projections.
(1) Based on analysis presented on previous page.



#### Hypothetical analysis assuming AMGP's maximum all-in exchange ratio is 1.7x

	Current AMGP Price		All-in Exchange		Total Takeout Price		Cash per AM Unit		Equity Exchange	_ : :	Current AMGP Price		Implied Equity Exchange
	\$19.22	х	1.70x	=	\$32.67	-	\$3.84	=	\$28.83	÷	\$19.22	=	1.50x
4	\$19.22	х	1.70x	=	\$32.67	-	\$3.00	=	\$29.67	÷	\$19.22	=	1.54x
	\$19.22	x	1.70x	=	\$32.67	-	\$2.50	=	\$30.17	÷	\$19.22	=	1.57x

#### AM Distributions / LP Unit

#### **Required Coverage Ratio** Adjustment to Hold AM Flat

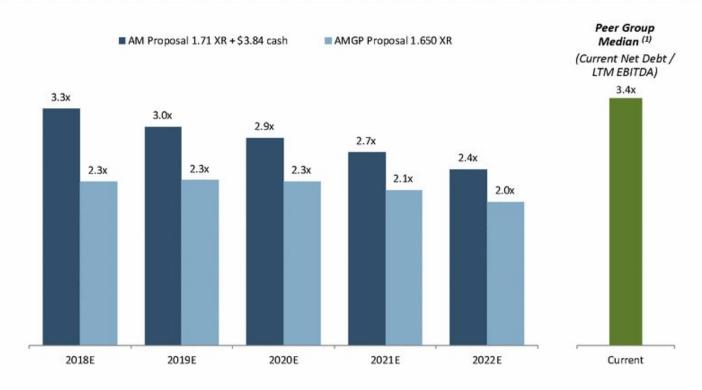
## Total Cash to AR (2019-22) (1)



Source: Antero management projections.
(1) Total cash from midstream investments, including any upfront cash from a potential transaction.

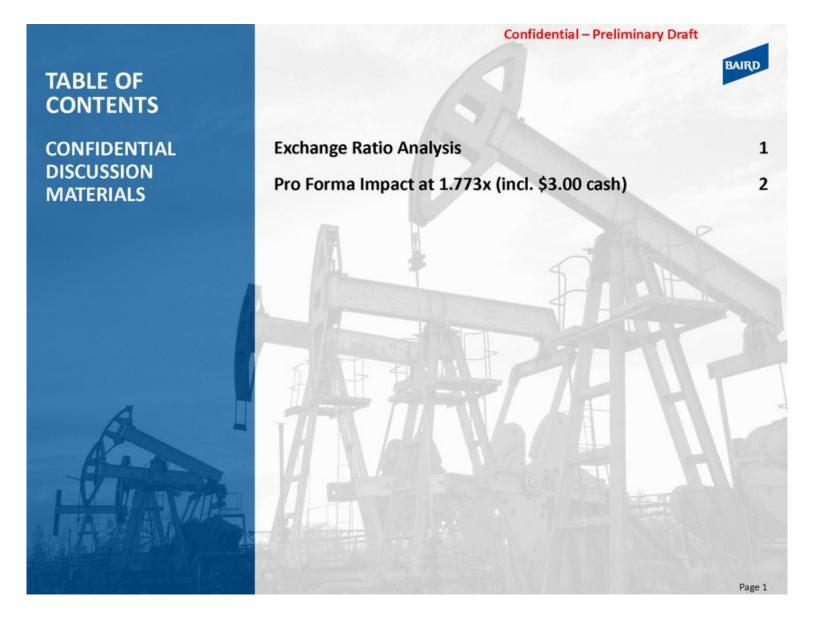
## **PRO FORMA LEVERAGE ANALYSIS**

#### **NET DEBT / LTM EBITDA AT YEAR-END**



Source: Antero management projections.
(1) Includes: CNXM, EQM, HESM, NBLX, OKE, OMP, TRGP and WES.







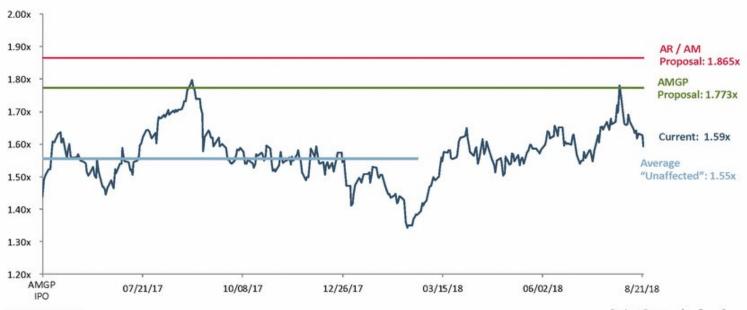


## **HISTORICAL EXCHANGE RATIO**

#### Historical exchange ratio analysis

	Current AMGP Price		Equity Exchange		Equity Component		Cash per AM Unit		Total Takeout Price		Current AMGP Price		All-in Exchange
AMGP Proposal	\$19.36	x	1.62x	=	\$31.32	+	3.00	=	\$34.32	÷	\$19.36	=	1.773x
AR / AM Proposal	\$19.36	×	1.71x	=	\$33.11	+	\$3.00	=	\$36.11	÷	\$19.36	=	1.865x

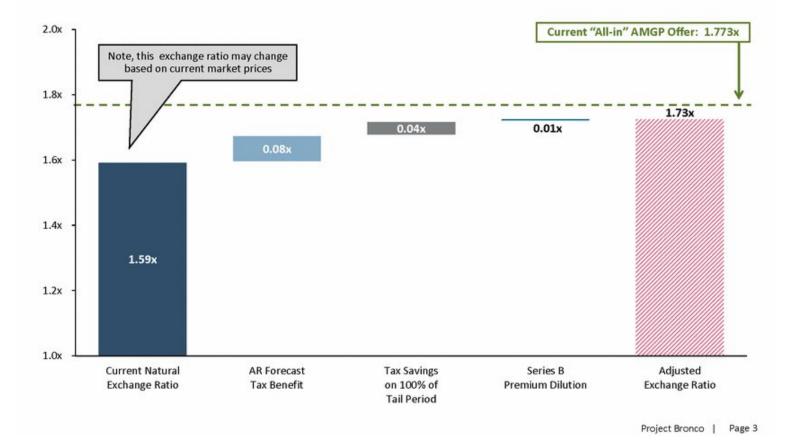
#### HISTORICAL EXCHANGE RATIO



Note: Avg. "Unaffected" represents the average exchange rate from AMGP IPO to 2/23/18, last close to announcement of the special committees.

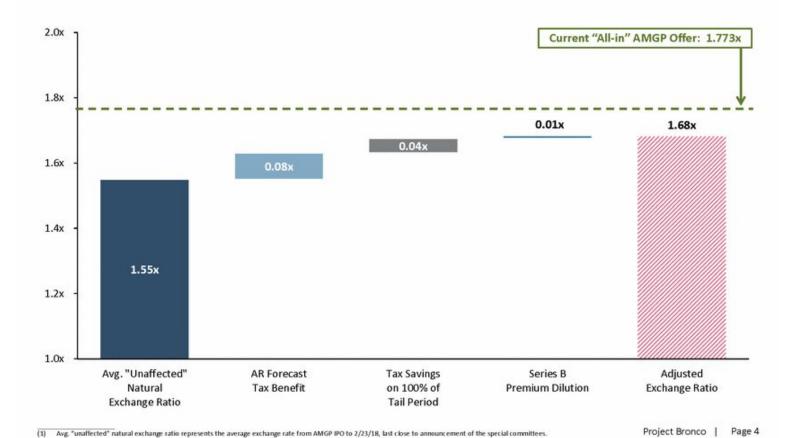
BAIRD

## **EXCHANGE RATIO BRIDGE**



## **EXCHANGE RATIO BRIDGE**

#### Based on the average "unaffected" natural exchange ratio (1)





## **FULLY-DILUTED EXCHANGE RATIO ANALYSIS**

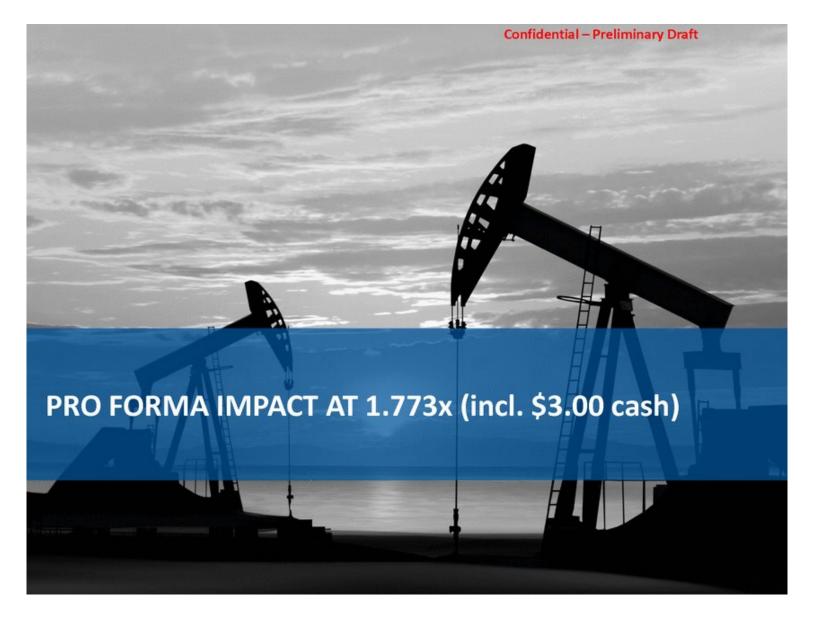
#### Exchange Ratio derived from current trading levels and full Series B dilution

- Assuming an efficient market is anticipating an AMGP acquisition of AM, AMGP's share price should already reflect some amount of dilution from the Series B issuance
  - Baird has reviewed Wall Street research, which anticipates ~4.1 million AMGP shares issued to Series B holders in an AMGP acquisition of AM <sup>(1)</sup>
- Based on this market view and the proposed issuance of 18.5 million AMGP shares to Series B holders, 14.4 million AMGP shares are not priced into the current exchange ratio
- Including the dilutive impact of an additional 14.4 million new AMGP units implies an exchange ratio of 1.72x

\$3,605
186.2
_
\$19.36
\$30.86
1.59x

Fully-Diluted Exchange Ratio	
(\$ in millions, except per share / unit data)	
a) AMGP Market Cap	\$3,605
b) AMGP Shares O/S	186.2
c) Unanticipated AMGP Shares	14.4
Fully-Diluted AMGP Price / Share [a / (b+c)]	\$17.97
AM Price / Unit	\$30.86
Implied Exchange Ratio	1.72x

Note: Current market data as of August 21, 2018. (1) Wells Fargo Equity Research.

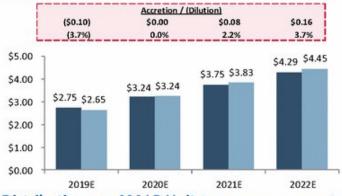


## PRO FORMA IMPACT AT 1.773x (incl. \$3.00 cash)

(\$ in millions, unless otherwise noted)



#### DCF per AM LP Unit



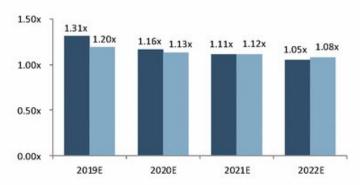
#### Distribution per AM LP Unit (at status quo coverage)



#### DCF per AMGP Share



#### Required Coverage Ratio to Hold AM Flat



Source: Antero management projections. As of August 21, 2018.

Note: Assumes AMGP purchases 100% of AM public units (188.2 million on a fully diluted basis); AMGP issues 304.5 million shares to current AM unitholders. Also assumes that AMGP issues 18.5 million shares in exchange for 100% of the Series B units.



## PRO FORMA IMPACT AT 1.773x (incl. \$3.00 cash)

(\$ in millions, unless otherwise noted)

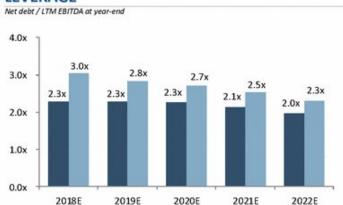


#### Total Cash to AR Shareholders (at status quo coverage)

Total cash flow from midstream ownership



#### LEVERAGE



Source: Antero management projections. As of August 21, 2018.

Note: Assumes AMGP purchases 100% of AM public units (188.2 million on a fully diluted basis); AMGP issues 304.5 million shares to current AM unitholders. Also assumes that AMGP issues 18.5 million shares in exchange for 100% of the Series B units.





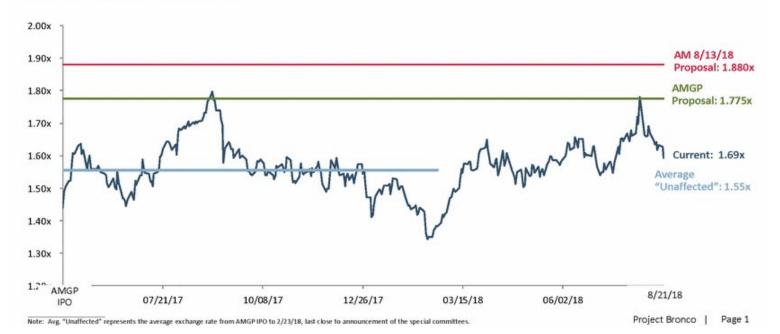
## **EXCHANGE RATIO ANALYSIS**

#### Based on August 28, 2018 closing prices

#### AMGP COUNTER (excluding the 41.5 cent special dividend to non-AR unitholders of AM)

Current AMGP Price	All-in Exchange	]	Fotal Takeout Price		Cash per AM Unit		Equity Exchange	_	Current AMGP Price	2 8	Implied Equity Exchange
\$17.67 x	1.775x	=	\$31.36	-	\$3.00	=	\$28.36	÷	\$17.67	=	1.605x

#### HISTORICAL EXCHANGE RATIO



## **VALUE COMPARISON: DIVIDEND WAIVER versus 500,000 SERIES B SHARE REDUCTION**



#### Based on AMGP's August 27 counter

#### **DIVIDEND WAIVER**

#### **500,000 SERIES B SHARE REDUCTION**

Forgone Dividends for 2019	\$7.7 mm
x 2019 Pro Forma "AMC" Dividend	\$1.25
1/3 Tranche	6,166,667
Total Series B Shares	18,500,000

	AMGP Sh	are Prices
	08/28/18 Closing	10-day VWAP ended 08/28/18
500,000 shares @	\$17.67	\$18.71
Market Value	\$8.8 mm	\$9.4 mm



#### Confidential - Preliminary Braft

# SUMMARY OF CITI CONSTRUCT FOR BRIDGING THE AM COMMITTEE "GAP"



- AMGP has offered an exchange ratio of 1.775x, including \$3.00 in cash
  - AR has signaled that this is acceptable
- AM Committee is holding out for an all-in 1.850x exchange ratio
- AMGP offered AM unaffiliated public unitholders \$0.415/unit special dividend in cash which helps to bridge the bid/ask gap, however AM has held firm at a 1.850x exchange ratio
- Warburg has hired Citigroup to see if they can develop a solution to break the AM/AMGP impasse
- Citi called Baird to suggest that the "value gap" between AR and AM LPs is 4.5 million shares based on the difference between a 1.775x exchange rate plus the \$0.415/unit special distribution and the 1.850x exchange rate which AM LP Committee wants (we will discuss the correct gap in the following pages)
- Citi is proposing that all four parties to the negotiations split the 4.5 million share gap as set forth below:
  - AR: the number of shares at the 1.775x exchange ratio would be reduced by 1.125 million (<1%). Those shares would be given to AM's unaffiliated public unitholders. AR would also get a \$0.415/unit special dividend (\$41.5 million) which would more than offset the current value of the 1.125 million units we are being asked to contribute to AM's public unitholders</li>
  - AMGP would issue an additional 1.125 million shares to the AM public unitholders.
    - Note; this is a cost shared by all of the pro-forma shareholders, not just the existing AMGP holders. An
      alternative discussed with Citi is to have the existing AMGP holders bear the full cost associated with the
      1.125 million shares (we would adjust ratios to achieve this)
  - Series B would give up 1.125 million shares and get 17.375 million shares instead of 18.5 million
  - AM public unitholders would get \$0.415 per unit in cash (via the special dividend) and an additional 3.375 million units above a 1.775x exchange ratio (which would leave them 1.125 million shares under the 1.850x exchange ratio demand)

# SUMMARY OF CITI CONSTRUCT FOR BRIDGING THE AM COMMITTEE "GAP"



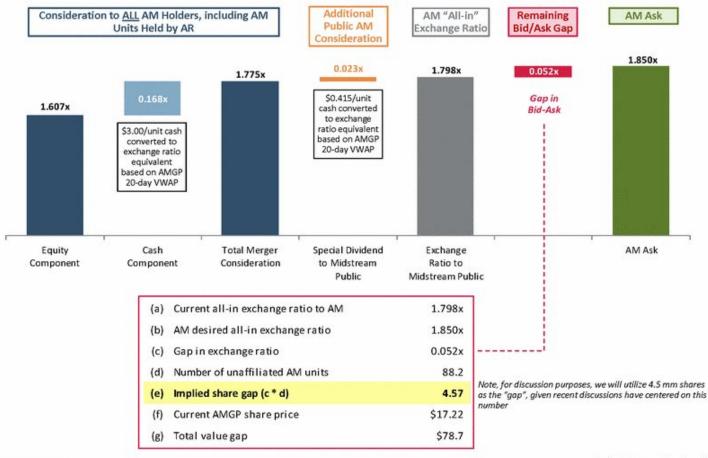
#### ...continued

•	Citi is discussing this Construct with TPH and Goldman, and assuming agreement is reached among the Committees, Peter
	Kagan will present the solution to Paul and Glen and press them to contribute their share to the solution.

Baird will review the economics associated with the Citi construct on the following pages

## **CURRENT AM / AMGP BID-ASK GAP**

(\$ and shares in millions)



Source: Bloomberg market data as of September 14, 2018.



## PROPOSED "SPLIT THE DIFFERENCE" CONSTRUCT

(\$ and shares in millions)

#### SHARE IMPACT VS. CURRENT PROPOSAL

Total Impact	\$22.1		(\$19.4)
Special Dividend Inclusion (\$0.415)	\$41.5		
Share Value Impact	(\$19.4)		(\$19.4)
Current AMGP Share Price	\$17.22	\$17.22	\$17.22
Total Share Impact	(1.125)	-	(1.125)
Shares "Given Up"	(1.125)	(1.125)	(1.125)
Shares "Added"		1.125	-
	AR	AMGP	Series B

	AM
	3.375
	1.0
	3.375
	\$17.22
	\$58.1
pre	viously
in	cluded
	\$58.1
	\$77.5

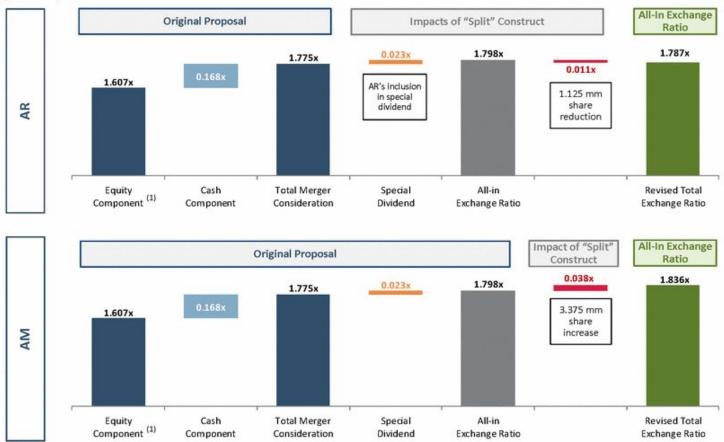
vs. "4.5 mm share Value Gap"

(\$19.4) Implied AM "Give Up"

## BAIRD

## **REVISED COMPONENTS OF TOTAL CONSIDERATION**





Source: Bloomberg market data as of September 14, 2018.
(1) Based on 20-day AMGP VWAP ended September 14, 2018.

## **PRO FORMA IMPACT**

BAIRD

(\$ in millions, unless otherwise noted)



#### Dividend per AR-Owned AM Unit



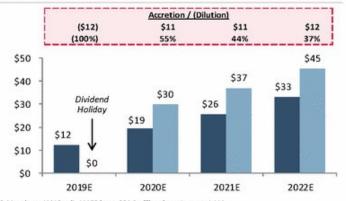
#### Dividend per AMGP Share



#### Dividend per Public AM Unit



#### Cash Flow to Series B



Assumes AMGP purchases 100% of AM public units (188.1 million on a fully diluted basis) with a combination of equity and \$3.41 cash per AM LP unit; AMGP issues 304.6 million shares to current AM unitholders (see page 5). Also assumes that AMGP issues 17.375 million shares in exchange for 100% of the Series B units. Further, the 2019 pro forma dividend such that dividends to AR-owned AM units are held flat; and Series B unitholders forgo dividends in 2019.

## BAIRD

## SUMMARY RESPONSE TERMS TO CITI PROPOSAL

- Conditions for AR Committee Support of the CITI Economics Plan:
  - 1) 4.5 million share gap is subject to AR getting \$0.415/unit special cash dividend
  - 2) Economic ratios adjusted to have existing AMGP holders forego the economics on 1.125 million shares
  - 3) Series B agrees to reduce shares by 1.125 million
  - 4) AR pro forma distributions held flat for first four quarters
  - 5) Is AR willing to take more than \$3.00 per unit in cash if AM public LPs elect to take all equity in the exchange?



## **DETAILED COMPARISON OF CONSIDERATION ISSUED**

(\$ and shares in millions)

#### Equity Component

Equity Consideration	AR	AM	Series B	Total Shares	Existing AMGP Shares	Total "AMC" Shares
Pre-"Split" Construct Equity Exchange Ratio (1)  AM Units Receiving Merger Consideration	1.607x 99.943 <sup>(2)</sup>	1.607x 88.164		188.1		
New AMGP Shares Issued	160.645	141.711	18.500	320.856	186.200	507.056
Impact of "Split the Difference" Construct	(1.125)	3.375	(1.125)	1.125	200	1.125
Total Shares Issued	159.520	145.086	17.375	321.981	186.200	508.181
Revised Faulty Eychange Ratio	1 596v	1 646v	1	h		·

### Cash Components

Merger Cash Consideration	AR	AM	Series B	Total Cash
Cash / AM Unit	3.000	3.000	-	
AM Units Receiving Merger Consideration	99.943 (2)	88.164		
Merger Consideration Cash	\$299.8	\$264.5	\$0.0	\$564.3
Cash Consideration Equivalent Exchange Ratio	0.168x	0.168x		
Special Cash Dividend	AR	AM	Series B	
Special Dividend / AM Unit	\$0.415	\$0.415		
Units Receiving Special Dividend	99.943 (2)	88.164		
Total Special Dividend	\$41.5	\$36.6	\$0.0	\$78.1
Special Dividend Equivalent Exchange Ratio	0.023x	0.023x		<u>.</u>
Total Cash Consideration	\$341.3	\$301.1		\$642.4

**Total Exchange** Ratio

	A	
	AR	AM
ALL - IN EXCHANGE RATIO	1.787x	1.836x

Source: Bloomberg market data as of September 14, 2018.
(1) Based on 20-day AMGP VWAP ended September 14, 2018.
(2) Includes approximately 1.1 mm AM units issued via the LTIP program at AM; assumed to carry same treatment as AR-held units. To be confirmed.





# **SUMMARY OF REVISED PROPOSAL**

### Reflects AMGP letter received Sept. 22 and most up-to-date units counts provided by Antero management

(\$ and shares in millions)

2
Equity
Component

	AR	AM	Series B	Total Shares	Existing AMGP Shares	Total "AMC" Shares
Equity Exchange Ratio per AM Common Unit	1.6023x	1.6350x	-			
AM Units Receiving Consideration (1)	98.870	89.231	-			
New AMGP Shares Issued	158.420	145.893	17.354	321.667	186.209	507.876

# Cash Components

(assuming 20-day VWAP)

Merger Cash Consideration	AR	AM	Series B	Total Cash
Cash per AM Unit	\$3.000	\$3.000	-	
AM Units Receiving Merger Consideration	98.870	89.231		
Total Merger Cash Consideration	\$296.6	\$267.7	-	\$564.3
Cash Consideration Equivalent Exchange Ratio	0.174x	0.174x		
Special Cash Dividend				
Special Dividend per AM Unit		\$0.415	-	
AM Units Receiving Special Consideration (1)	98.870	89.231		
Total Special Dividend Consideration		\$37.0	-	\$37.0
Cash Consideration Equivalent Exchange Ratio	0.000x	0.024x		

Total Exchange Ratio

"ALL-IN EXCHANGE RATIO"	AR	AM
at 20-day VWAP	1.776x	1.833x
at Last Close	1.775x	1.832x

Stock Price	es as of 9/21/18	3
	Last Close	20-day VWAP
AMGP	\$17.35	\$17.27
AM	30.05	29.93

Source: Bloomberg market data as of September 21, 2018.
(1) Includes 1.1 million LTIP units.

# **HISTORICAL EXCHANGE RATIO ANALYSIS**

## Based on September 21, 2018 closing prices



Note: Avg. "Unaffected" represents the average exchange rate from AMGP IPO to 2/23/18, last close to announcement of the special committees.

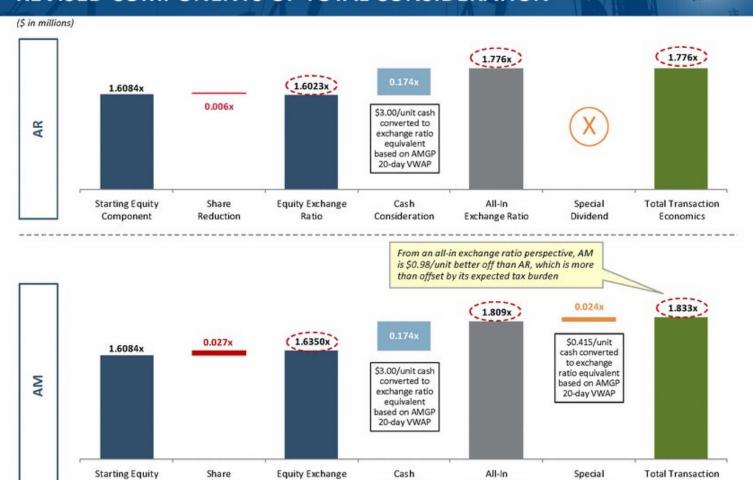


# **SUMMARY CHANGES IN CONSIDERATION**

Reflects AMGP letters received Sept. 12 and 22 and most up-to-date units counts provided by Antero management

Per AMGP September 12 Letter	AR	AM	Series B	Total Shares	Existing AMGP Shares	Total "AMC" Shares
Equity Exchange Ratio per AM Common Unit	1.6084x	1.6084x				
AM Units Receiving Consideration	98.870	89.231				
New AMGP Shares Issued	159.023	143.519	18.500	321.042	186.209	507.252
Per AMGP September 22 Letter	AR	AM	Series B	Total Shares	Existing AMGP Shares	Total "AMC" Shares
Equity Exchange Ratio per AM Common Unit	1.6023x	1.6350x	-			
AM Units Receiving Consideration	98.870	89.231	7			
New AMGP Shares Issued	158.420	145.893	17.354	321.667	186.209	507.876
Total Share Impact	(0.603)	2.374	(1.146)			
Current AMGP Share Price (9/21/18)	\$17.35	\$17.35	\$17.35			
Share Value Impact vs. Prior AMGP Proposal	(\$10.5)	\$41.2	(\$19.9)			
Less: Elimination of Series B Dividend Holiday			\$7.9 -	<u>×1/3</u>	3 unvested	ssued to Series B
Total Value Impact vs. Prior AMGP Proposal	(\$10.5)	\$41.2	(\$11.9)		5.785 x \$1.37 "AMC \$7.948	" PF 2019 Dividend

# REVISED COMPONENTS OF TOTAL CONSIDERATION



Consideration

Exchange Ratio

Ratio

Increase

Source: Bloomberg market data as of September 21, 2018.

Component

Project profico | Page 4

**Economics** 

Dividend

# **PRO FORMA IMPACT**

BAIRD

(\$ in millions, unless otherwise noted)



### Dividend per AR-Owned AM Unit



### Dividend per AMGP Share



### Dividend per Public AM Unit



### Cash Flow to Series B



Source: Antero management projections.

Assumes AMGP purchases 100% of AM public units (188.1 million on a fully diluted basis) with a combination of equity and cash; AMGP issues 304.3 million shares to current AM unitholders. Also assumes that AMGP issues 17.354 million shares in exchange for 100% of the Series B units. Further, the 2019 pro forma dividend is adjusted such that dividends to AR-owned AM units are held flat.

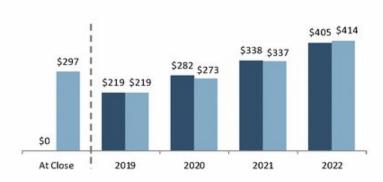
# **ECONOMIC IMPACT TO AR**



(\$ in millions, unless otherwise noted)

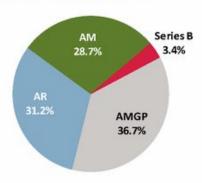


## **Total Cash to AR from Midstream Holdings**





## Pro Forma Ownership of "AMC"



## Market Value of Midstream Holdings

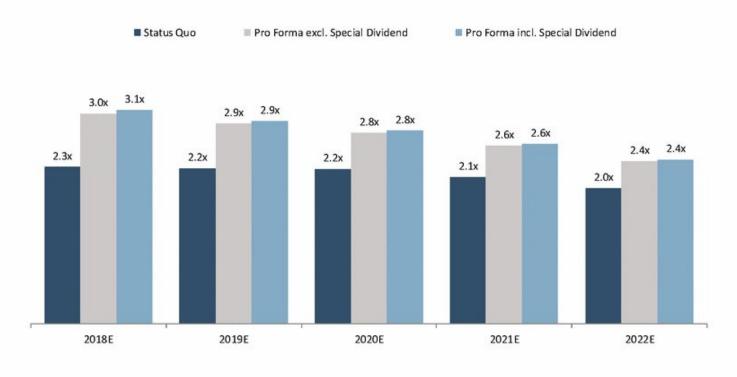
Assuming Current AMGP Stock Price



Source: Antero management projections.
Assumes AMGP purchases 100% of AM public units (188.1 million on a fully diluted basis) with a combination of equity and cash; AMGP issues 304.3 million shares to current AM unitholders. Also assumes that AMGP issues 17.354 million shares in exchange for 100% of the Series B units. Further, the 2019 pro forma dividend is adjusted such that dividends to AR-owned AM units are held flat.

# PRO FORMA AMC LEVERAGE ANALYSIS

## **NET DEBT / LTM EBITDA AT YEAR-END**



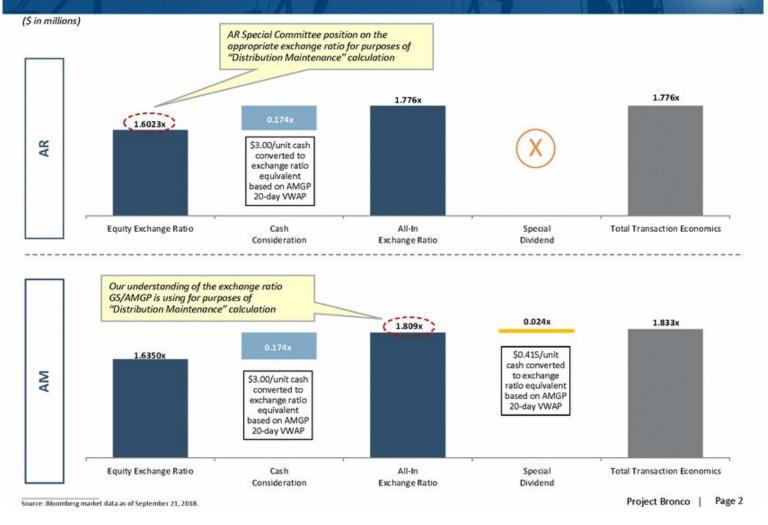
Source: Antero management projections. Project Bronco | Page 7



## Confidential - Preliminary Graft

# COMPONENTS OF TOTAL CONSIDERATION UNDER LATEST AMGP PROPOSAL





# **DISTRIBUTION MAINTENANCE ANALYSIS**

## 2019 Implied Dividends per Share Under Discussed Scenarios

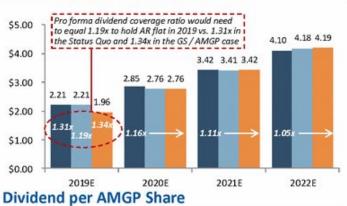
	AR Special Cte Position	GS / AMGP Construct
Status Quo AM Distribution / Unit	\$2.21	\$2.21
Exchange Ratio Target Used for Distribution Maintenance Calc.	1.6023x	1.8087x
Implied 2019 AMGP Dividend Per Share	\$1.379	\$1.222
Public AM Unitholder 2019 Dividend Analysis (1)	ć1 270	\$1.222
Dividend per Share	\$1.379	
Equity Exchange Ratio	1.6350x \$2.255	1.6350x
Total PF Dividend (per current AM unit held)  PF Accretion / (Dilution) to 2019 Status Quo Distribution / Unit (vs. \$2.21)		\$1.998 (9.6%)
AR 2019 Dividend Analysis (1)		
Dividend per Share	\$1.379	\$1.222
Equity Exchange Ratio	1.6023x	1.6023x
Total PF Dividend (per current AM unit held)	\$2.210	\$1.958
PF Accretion / (Dilution) to 2019 Status Quo Distribution / Unit (vs. \$2.21)	( 0.0%)	(11.4%)

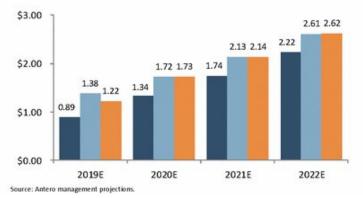
# **PRO FORMA IMPACT**

(\$ in millions, unless otherwise noted)

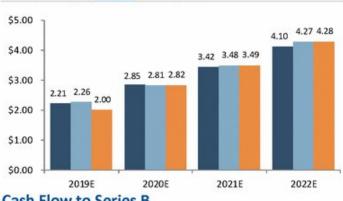


## Dividend per AR-Owned AM Unit





Dividend per Public AM Unit



Cash Flow to Series B



# **ECONOMIC IMPACT TO AR**

(\$ in millions, unless otherwise noted)

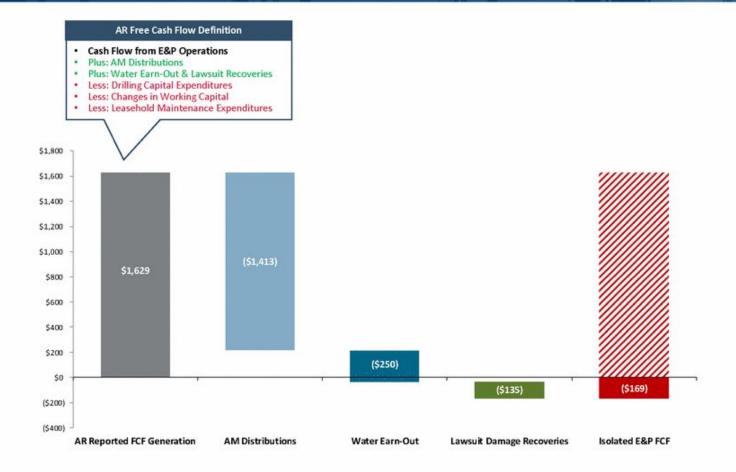
## **Total Cash to AR from Midstream Holdings**





Source: Antero management projections. Project Bronco | Page 5

# 2018 - 2022 AR FREE CASH FLOW BRIDGE



Source: Antero Management projections. Project Bronco | Page 6



# **CASH ELECTION ANALYSIS**

(\$ in millions)

Public AM Cash Election / Unit	Additional Cash to AR	AR Implied Equity Exchange (1)	2019 Total Dividends	2019 Dividend Dilution vs. Status Quo	Total Cash to AR (At Merger + 2019-22 Dividends)	Cash Increase / (Decrease) vs Base Deal	Total Cash to AR + Retained Value of Midstream Holdings	Total Value Increase / (Decrease) vs Base Deal
\$3.00	\$0	1.6023x	\$219	0.0%	\$1,539	0.0%	\$4,287	0.0%
\$2.50	45	1.5762x	215	(1.6%)	1,563	1.6%	4,267	(0.5%)
\$2.00	89	1.5501x	211	(3.3%)	1,588	3.2%	4,247	(1.0%)
\$1.50	134	1.5239x	208	(4.9%)	1,612	4.8%	4,226	(1.4%)
\$1.00	178	1.4978x	204	(6.5%)	1,636	6.3%	4,206	(1.9%)
\$0.50	223	1.4717x	201	(8.2%)	1,661	7.9%	4,185	(2.4%)
\$0.00	268	1.4456x	197	(9.8%)	1,685	9.5%	4,165	(2.9%)

Source: Bloomberg market data as of September 21, 2018.
(1) Assumes 1.776x "all-in" equity exchange ratio and 20-day VWAP for purposes of calculating implied equity exchange.

(\$ in millions, unless otherwise noted)



## Dividend and Dividend Coverage per AR-Owned AM Unit



## Cash Dividends to AR Analysis (excluding \$3.00/unit at closing)

	То	tal Cash Div	idends to A	Total	1 1000000000000000000000000000000000000	PV-10	
	2019	2020	2021	2022	Cash '19-'22	PV-10	vs. AM Status Quo
AM Status Quo (1)	\$219	\$282	\$338	\$405	\$1,244	\$1,009	-
"Keep Whole" Case (2)	\$219	\$270	\$335	\$411	\$1,236	\$1,002	(\$8)
Management Distr. Case (3)	\$191	\$247	\$296	\$355	\$1,090	\$884	(125)
Revised "Keep Whole" (4)	\$219	\$262	\$315	\$378	\$1,173	\$954	(55)

Source: Antero management projections.
(1) As set forth in the AM stand-alone projections.
(2) Equivalent initial AM distribution (\$1.38) based on 1.6023 exchange ratio; then AM stand-alone projection coverage.
(3) Equivalent initial AM distribution (\$1.21) based on 1.83 all-in exchange ratio; then 29% growth in 2020 and 20% annual growth thereafter.
(4) Initial \$1.38 distribution for 2019, then 20% annual growth.



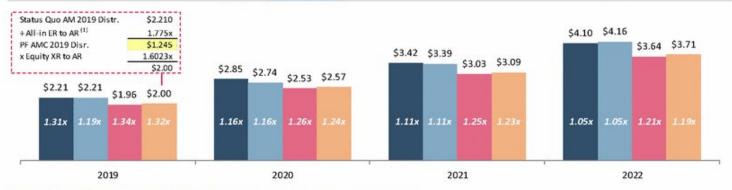
## **REVISED DISTRIBUTION POLICY:** PRO FORMA IMPACT

BAIRD

(\$ in millions, unless otherwise noted)



### Dividend and Dividend Coverage per AR-Owned AM Unit



## Cash Dividends to AR Analysis (excluding \$3.00/unit at closing)

				Total		PV-10		
	2019	2020	2021	2022	Cash '19-'22	PV-10	vs. AM Status Quo	
AM Status Quo (2)	\$219	\$282	\$338	\$405	\$1,244	\$1,009		
"Keep Whole" Case (3)	\$219	\$270	\$335	\$411	\$1,236	\$1,002	(\$8)	_
Management Distr. Case (4)	\$194	\$250	\$300	\$360	\$1,103	\$895	(114)	+ \$16
Potential AR/AM Counter (5)	\$197	\$254	\$305	\$366	\$1,124	\$912	(98)	

Source: Antero management projections.

Based on 10-day VWAP ended October 5, 2018.

As set forth in the AM stand-alone projections.

Equivalent initial AM distribution (\$1.38) based on 1.6023x exchange ratio; then AM stand-alone projection coverage.

Equivalent initial AM distribution (\$1.22) based on 1.807x all-in exchange ratio; then 29% growth in 2020 and 20% annual growth thereafter.

Equivalent initial AM distribution (\$1.25) based on 1.775x all-in exchange ratio; then 29% growth in 2020 and 20% annual growth thereafter.

# **SERIES B VALUATION COMPARISON**

### CASH FLOW COMPARISON

(\$ in millions)



### SERIES B VALUATION COMPARISON

(\$ in millions)

AN	M Manage	ment Cas	se	
	2019	2020	2021	2022
Cash Flow to Series B	\$12	\$19	\$26	\$33
Assumed Terminal Yield	(1)			6.5%
Implied Terminal Value				\$509

AM N	Modified (	coverage	Case	
	2019	2020	2021	2022
Cash Flow to Series B	\$12	\$17	\$22	\$29
Assumed Terminal Yield	1)			6.5%
Implied Terminal Value				\$439
			PV-15.8% (2)	\$291

**Proposed Series B Value:** 17.354 shares x \$17.51 (AMGP Price) = \$304

Source: Antero management.
(1) Based on analysis of 2018E yield for AMGP's public comparables (ETE, ENLC, EQGP and WGP).
(2) Represents present value of 2019-2022 cash flows and 2022 implied market value discounted to October 5, 2018 at 15.8%, AMGP's estimated cost of equity.

PV-15.8% (2)

\$336



# **SERIES B VALUATION ANALYSIS (CONT.)**

## Implied Series B Value based on PF AMGP Corp Market Capitalization

Pro Forma AMGP Market Cap (before Series B Conversion (1)	\$8,589.0
Series B Peg Value	(2,000.0)
Series B Available Value	\$6,589.0
x 5.92% Series B Interest	\$390.1
Implied AMGP Corp Shares to Series B	22.277
Shares Proposed to be offered to Series B	17.354

<sup>(1)</sup> Based on current draft simplification transaction terms as of October 6, 2018 and an assumed AMGP share price of \$17.51 (last close price as of 10/5/2018). Assumes no change to AMGP share price.



Page 2



## PROCESS OVERVIEW

- The Special Committee (the "Committee") of the Board of Directors of Antero Resources Corporation, a Delaware corporation ("AR" or the "Company") and owner of a 52.9% limited partner interest in Antero Midstream Partners LP, a Delaware limited partnership ("AM"), has been asked to consider the proposal by Antero Midstream GP LP, a Delaware limited partnership ("AMGP") and indirect owner of the general partner of AM, for AM to enter into a Simplification Agreement (the "Agreement") by and among AMGP, Arkrose Midstream Merger Sub LLC, a Delaware limited liability company and indirect subsidiary of AMGP ("Merger Sub"), AM, and the other parties thereto. Pursuant to the Agreement, among other things: (1) AMGP will convert from a Delaware limited partnership to a Delaware corporation to be renamed "Antero Midstream Corporation" upon such conversion (following such conversion, "AMGP Corp"); and (2) Merger Sub will merge with and into AM with AM continuing as the surviving limited partnership and an indirect subsidiary of AMGP Corp (such merger is referred to herein as the "Transaction").
- Pursuant to the Agreement and as a result of the Transaction, each common unit of AM ("AM Common Units") issued and outstanding and held by the Company immediately prior to the Effective Time (as defined in the Agreement) shall be converted into the right to receive 1.6023 shares of common stock, par value \$0.01 per share, of AMGP Corp ("AMGP Common Stock") and \$3.00 in cash, subject to AR's right to elect under certain circumstances to take additional cash (in lieu of a corresponding number of shares of AMGP Common Stock, on the terms set forth in the Agreement) (the foregoing consideration to be received by AR is referred to herein as the "Consideration").
- In connection with its consideration of the Transaction, the Committee has requested that Robert W. Baird & Co. Incorporated ("Baird" or "we") provide our opinion as to the fairness from a financial point of view, to the unaffiliated shareholders of the Company, of the Consideration to be received by the Company in the Transaction.
- The Committee has not asked us to express, and we are not expressing, any opinion with respect to any of the other financial or non-financial terms, conditions, determinations or actions with respect to the Transaction, including the fairness of the consideration to be received by any unitholder of AM other than the Company

# **PROCESS OVERVIEW (CONT.)**

### ... Continued

- Further, the Committee has not asked us to express, and we are not expressing, any opinion as to the individual shares of AMGP Common Stock and/or cash components, or the relative proportional amounts thereof, of the Consideration.
- In conducting our financial analyses and in arriving at our opinion herein, we have reviewed such information and have taken into account such financial and economic factors, investment banking procedures and considerations as we have deemed relevant under the circumstances.
- In that connection, and subject to the various assumptions, qualifications and limitations set forth herein, we have, among other things:
  - Participated in meetings with management of AR, AM and AMGP (collectively, "management") and the Committee and its legal counsel, during which the background on the Transaction was discussed;
  - Reviewed certain internal information, primarily financial in nature, including financial forecasts concerning
    the business and operations of AM, AMGP and AMGP Corp. and the contemplated strategic, operating and
    cost benefits associated with the Transaction furnished to us, and certified, by management for purposes of
    our analysis (collectively, the "Forecasts");
  - Participated in subsequent calls and meetings with management regarding the Forecasts and their underlying assumptions and for review and updates regarding AR, AM, AMGP and AMGP Corp. and certain of their respective assets;
  - Reviewed certain publicly available information including, but not limited to, AR's, AM's and AMGP's recent
    filings with the Securities and Exchange Commission and equity analyst research reports covering AR, AM and
    AMGP prepared by various investment banking and research firms;

# **PROCESS OVERVIEW (CONT.)**

### ... Continued

- In conjunction with the Committee and its legal counsel, reviewed the initial proposal letter and associated supporting materials provided by the Conflicts Committee of AMGP dated June 8, 2018, as well as subsequent counterproposal letters from the Conflicts Committee of AMGP and the Conflicts Committee of AM, in each case, as provided to us
- In conjunction with the Committee and its legal counsel, reviewed the principal financial terms of the Agreement (draft dated October 5, 2018);
- Reviewed the proposed financial terms of the Transaction and the reported financial terms of certain other transactions we deemed relevant:
- Reviewed the historical market prices, trading activity and market trading multiples of AM Common Units and AMGP common shares, as well as those of certain other publicly-traded partnerships and companies we deemed relevant;
- Considered the present values of the forecasted cash flows attributable to AM, AMGP and AMGP Corp as contained in the Forecasts;
- Considered the present values of the forecasted stand-alone distributions to the holders of the AM Common Units and AMGP common shares as contained in the Forecasts;
- Considered the impact to AR of the completion of the Transaction, as reflected in the Forecasts;
- Reviewed certain potential pro forma financial effects of the Transaction based on information furnished to us, and prepared, by management for purposes of our analysis; and
- Considered various other information, financial studies, analyses and investigations and financial, economic and market criteria we deemed relevant for the preparation of our opinion.

# KEY ASSUMPTIONS UNDERLYING BAIRD'S ANALYSIS

- We have held discussions with members of management concerning their views on general market trends, historical and current financial condition and operating results, as well as the future prospects of AR, AM, AMGP and AMGP Corp and the anticipated benefits of the proposed Transaction. We were not engaged or requested to provide, and have not provided, any advice concerning the advisability of entering into the Transaction, and we were not involved in assisting AMGP in obtaining any financing for the Transaction.
- In arriving at our opinion, we have assumed and relied upon, without independent verification, the accuracy and completeness of all of the financial and other information that was publicly available or provided to us by or on behalf of AR, AM and/or AMGP, including the Forecasts.
- We have not independently verified any information supplied to us by or on behalf of AR, AM and/or AMGP.
- We have not been engaged to independently verify, have not assumed any responsibility to verify, assume no liability for, and express no opinion on, any such information, and we have assumed and relied upon, without independent verification, that none of AR, AM nor AMGP is aware of any information that might be material to our opinion that has not been provided to us.
- We have assumed and relied upon, without any independent verification, that:
  - None of AR, AM and AMGP is aware of any information prepared for it or its advisors that might be material to our opinion that has not been provided to us;
  - Any adverse tax consequences with respect to AR's receipt of the Consideration are offset by existing net operating losses of AR;
  - All assets and liabilities (contingent or otherwise, known or unknown) of AR, AM and AMGP are set forth in the
    respective publicly-filed financial statements, and there is no information or facts that would make any of the
    information reviewed by us incomplete or misleading;

## KEY ASSUMPTIONS UNDERLYING BAIRD'S ANALYSIS



### ...Continued

- The financial statements of AM and AMGP provided to us present fairly the results of operations, cash flows and financial condition of AM and AMGP, respectively, for the periods, and as of the dates, indicated and were prepared in conformity with U.S. generally accepted accounting principles, consistently applied;
- The Forecasts were reasonably prepared on bases reflecting the best available estimates and good faith judgments of management as to the future performance of AM, AMGP and AMGP Corp, and we have relied, without independent verification, upon such Forecasts in the preparation of our opinion, although we express no opinion with respect to the Forecasts or any judgments, estimates, assumptions or basis on which they were based, and we have assumed, without independent verification, that the Forecasts, including the financial results and the strategic, operating and cost benefits currently contemplated by management will be realized in the amounts and on the time schedule contemplated in the forecasts;
- The Transaction will be consummated in accordance with the terms and conditions of the Agreement, which is
  consistent in all material respects with the draft dated October 5, 2018 (the most recent draft we have been
  provided), without any amendment thereto and without waiver by any party of any of the conditions to their
  respective obligations thereunder;
- The representations and warranties contained in the Agreement are true and correct subject to the
  qualifications stated therein and that each party will perform all of the covenants and agreements required to
  be performed by it under the Agreement;
- The Transaction will not materially impact the tax characteristics of AMGP or AMGP Corp; and
- All corporate, partnership, governmental, regulatory, third party or other consents and approvals (contractual
  or otherwise) required to consummate the Transaction have been, or will be, obtained without the need for any
  changes to the Consideration or other financial terms of the Transaction or that would otherwise materially
  affect AR, AM, AMGP, AMGP Corp, the Transaction or our analysis.

## KEY ASSUMPTIONS UNDERLYING BAIRD'S ANALYSIS



### ... Continued

- We do not provide regulatory, accounting, insurance, tax or legal advice and therefore have not expressed an opinion on such matters as they relate to the Transaction.
- In conducting our review, we have not undertaken or obtained an independent evaluation or appraisal of any of the assets or liabilities (contingent or otherwise, known or unknown) or solvency of AM or AMGP nor have we made a physical inspection of all of the properties or facilities of AM or AMGP.
- We express no opinion with respect to the terms, or impact on AMGP or AMGP Corp, their financial condition, results of operation or cash flows, or on the price or trading range of AMGP common shares or shares of AMGP Common Stock, of any financing obtained, or to be obtained, by AMGP or AMGP Corp in connection with or following the Transaction.
- In each case, we have made the assumptions and taken the actions and inactions described herein with the knowledge and consent of the Committee. Our opinion necessarily is based upon the economic, monetary, market, and other conditions as they exist and can be evaluated on the date hereof and upon certain assumptions we have made with respect thereto, and our opinion does not predict or take into account any changes which may occur, or information which may become available, after the date hereof. We are under no obligation to update, revise, reaffirm or otherwise comment on or consider events occurring after the date hereof.
- Furthermore, we express no opinion as to the price or trading range at which any of AR's, AM's, AMGP's or AMGP Corp's securities (including AM Common Units, AMGP common shares or shares of AMGP Common Stock) will trade following the date hereof or as to the effect of the Transaction on such price or trading range, or any earnings or ownership dilutive impact that may result from future issuances of securities by AR, AM, AMGP or AMGP Corp. Such price and trading range may be affected by a number of factors, including but not limited to:

## KEY ASSUMPTIONS UNDERLYING BAIRD'S ANALYSIS

### ... Continued

- Dispositions of shares of AR common stock, AM Common Units, AMGP common shares or shares of AMGP
   Common Stock within a short period of time after, or other market effects resulting from, the announcement and/or effective date of the Transaction;
- Changes in prevailing interest rates and other factors which generally influence the price of securities;
- Adverse changes in current capital markets;
- The occurrence of adverse changes in the financial condition, business, assets, results of operations or prospects of AR, AM, AMGP or AMGP Corp or in its related industry;
- Other transactions or strategic initiatives that AR, AM, AMGP or AMGP Corp may enter into prior to, concurrent with, or subsequent to, the Transaction;
- Changes in commodity prices;
- Any necessary actions by, or restrictions of, federal, state or other governmental agencies or regulatory authorities; and
- Timely completion of the Transaction on terms and conditions that are acceptable to all parties at interest.
- Our opinion has been prepared at the request of, and solely for the benefit and use of, the Committee in its consideration of the Transaction, and may not be relied upon, used for any other purpose or disclosed to any other party without our prior written consent, except as permitted under the terms of our engagement letter, dated March 15, 2018.

## KEY ASSUMPTIONS UNDERLYING BAIRD'S ANALYSIS

#### ...Continued

- In that regard, if any description of or reference to us or our opinion in any proxy statement, information statement or any other public filing or any other public filing or other materials mailed, our opinion shall be reproduced in any such statement or filing in full and any description of or reference to us or any summary of our opinion included in any such statement or filing shall be in form and substance acceptable to us and our legal counsel in our or their respective reasonable judgments.
- Our opinion does not address the relative merits or risk of:
  - The Transaction, the Agreement or any other agreements or other matters provided for, or contemplated by, the Transaction, the Agreement, or any tax strategy implemented or contemplated pursuant to the Transaction;
  - Any other transactions that may be or might have been available as an alternative to the Transaction; or
  - The Transaction compared to any other potential alternative transactions or business strategies considered by AR, AM, AMGP, the Committee or the Board and, accordingly, we have relied upon our discussions with the management with respect to the availability and consequences of any alternatives to the Transaction.
- Our opinion does not constitute a recommendation to the Committee, the Board or any other person or entity as to how any such person or entity should act with respect to the Transaction.
- We, based on our experience and professional judgment, made qualitative conclusions as to the relevance and significance of each analysis and factor considered by us. Therefore, our analysis must be considered as a whole. Considering any portion of the various analyses and factors reviewed, without bearing in mind all analyses, could create a misleading or incomplete view of the process underlying our opinion.



## PROPOSED TRANSACTION SUMMARY

(\$ in millions, except per unit values)



- AMGP is proposing to acquire AM in a simplification transaction
- According to the terms of the Simplification Agreement dated October 5, 2018:
  - Each AM Common Unit held by AR shall be converted into the right to receive (i) 1.6023 shares of AMGP Common Stock, plus (ii) \$3.00 in cash
  - Each AM Common Unit held outside of AR shall be converted into the right to receive (i) 1.635 shares of AMGP Common Stock, plus (ii) \$3.00 in cash, plus (iii) a \$0.415 special dividend
- Baird has been requested to provide an opinion as to the fairness, from a financial point of view, to the unaffiliated stockholders of AR of the consideration to be received by AR in the Transaction

### Sources & Uses (1)

Uses	
AR take-out value	\$3,071
All-in AM Public Holders take-out value	2,859
Series B take-out value	304
Transaction fees	24
New senior notes fees and expenses	8
Repay revolving credit facility	17
Total Uses	\$6,282

Sources	
AMGP Common Stock	\$5,632
New AM High Yield Issuance	650
Total Sources	\$6,282

_					
(1)	Equity values based	on AMGP closin	g share price	as of October 5.	2018.

### **Transaction Metrics**

Consideration to AR				
AMGP Share Price	\$17.51			
Equity Exchange Ratio	1.6023x			
Implied AM Unit Price	\$28.06			
Cash Consideration per Common Unit	\$3.00			
Acquisition Unit Price	\$31.06			
AR-Owned AM Common Units (mm)	98.9			
Total AR Take-Out Value	\$3,071			

Total Consideration	
Total AMGP Common Stock consideration (2)	\$5,328
Total cash consideration (3)	564
Net debt assumed	1,400
Total Enterprise Value	\$7.293

Implied Multiples (4)

EV / 2018E Adj. EBITDA

EV / 2019E Adj. EBITDA

Project Bronco | Page 13

12.5x

9.7x

Excludes special dividend and estimated transaction fees.
 Adj. EBITDA represents projected EBITDA less projected IDR distributions to sponsor.

## PROPOSED TRANSACTION DETAILS



### Merger Consideration

- AMGP acquires all of the outstanding common units of AM in exchange for equity and cash
  - Each AM Common Unit held by AR will be exchanged for (i) 1.6023 shares of AMGP stock and (ii) \$3.00 in cash, implying an all-in exchange ratio of 1.775x (1)
  - Each AM Common Unit held outside of AR ("Public AM Holders") will be exchanged for (i) 1.6350 shares of AMGP stock and (ii) \$3.00 in cash, implying an all-in exchange ratio of 1.807x (1) plus a \$0.415 per unit special dividend
  - Public AM Holders can elect to receive additional equity in lieu of cash; AR has agreed to accept additional cash and ratably reduce its equity consideration

### Tax Implications

- The transaction will be fully taxable to holders of AM; and the pro forma AMGP will benefit from a step-up in basis
  - AR is fully shielded from the tax impact of the transaction via its ~\$3 billion NOL offset
  - Public AM Holders (who do not have the benefit of the NOL) will receive a one-time \$0.415 special dividend paid by AMGP Corp

### Ancillary Deal Points

- AMGP will be reorganized as a Delaware corporation ("AMGP Corp") with typical C-corp corporate governance
  - Each share representing a limited partner interest in AMGP will be converted to one share of common stock of the resulting AMGP Corp
- IDRs in AM held by Antero IDR Holdings, LLC, a partially-owned subsidiary of AMGP ("IDR Holdings"), will be cancelled
- All of the Series B Units of IDR Holdings will be exchanged in a taxable transaction for an aggregate of 17.354 million AMGP Corp shares

(1) Based on 10-day VWAP as of October 5, 2018.



# PROPOSED TRANSACTION MECHANICS

(\$ in millions, unless otherwise noted)

Take-Out Economics	1
AR Take-Out	
AMGP Share Price	\$17.51
Equity Exchange Ratio	1.6023x
Implied AM Unit Price	\$28.06
Cash Consideration per Common Unit	\$3.00
Acquisition Unit Price	\$31.06
AR-Owned AM Common Units (mm)	98.9
Total AR Take-Out Value	\$3,071
AM Public Take-Out	
AMGP Share Price	\$17.51
Equity Exchange Ratio	1.6350x
Implied AM Common Unit Price	\$28.63
Cash Consideration per Common Unit	\$3.00
Acquisition Unit Price	\$31.63
Fully Diluted AM Public Units (mm)	89.2
Total AM Public Take-Out Value	\$2,822
Special Dividend per Common Unit	\$0.415
Total All-In Value	\$2,859
Series B Take-Out	
AMGP Share Price	\$17.51
New AMGP Corp Shares Issued to Series B (mm)	17.4
Total Series B Take-Out Value	\$304
Overall Transaction Mechanics	
AM Equity Value	\$5,893
% Debt Funded	9.6%
Assumed Net Debt	\$1,400
New Debt Issuance (cash) (1)	\$564
New AMGP Shares Issued	321.7
Issued to AR (49%)	158.4
Issued to AM Public (45%)	145.9
Issued to Series B (5%)	17.4
Source: AR, AM and AMGP SEC filings. Reflects market data as of October 5, 2018.	

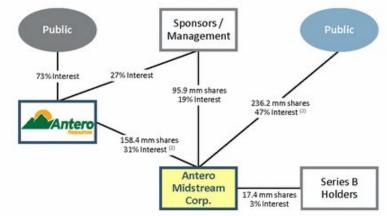
urce	: AR, AM	and AMGP SEC	fillings.	Reflects	s market	data as of October 5, 2018.	
1	Excludes	special dividen	d and es	timated	transact	tion fees	

Assumes all AM Public Holders take \$3.00 / unit in cash.

Pro Forma Market Cap & Enterprise Value					
	AM	AMGP	AMGP Corp		
Market Cap	\$5,562	\$3,261	\$8,893		
Enterprise Value (3)	\$6,963	\$3,255	\$10,938		

### Pro Forma Structure & Ownership (2)

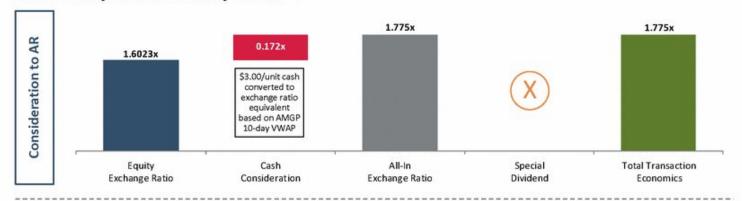
	Current I	Pro Forma		
	AM	AMGP	AMGP Corp	
AM - Public Holders	47%		29%	
AMGP - Public Holders	-	49%	18%	
AR	53%	2	31%	
Sponsors / Management	0%	51%	19%	
Series B Holders	120	23	3%	

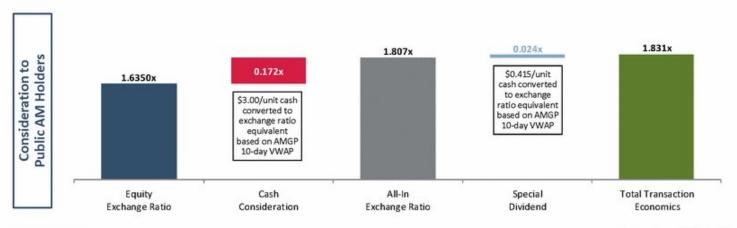


(3) Includes debt outstanding per most recently disclosed June 30, 2018 10-Q. Pro forma debt adjusted for cash consideration to be paid.

# **COMPONENTS OF TOTAL CONSIDERATION**

## Based on draft deal terms as of October 5





Source: Bloomberg market data as of October 5, 2018.

Total



# **TOTAL CONSIDERATION DETAIL**

(\$ and shares in millions)

Equity	
Component	

Equity Exchange	AR	AM	Series B	Total Shares	Existing AMGP Shares	Total "AMC" Shares
Equity Exchange Ratio per AM Common Unit	1.6023x	1.6350x	-			
AM Units Receiving Consideration (1)	98.870	89.228	-			
New AMGP Shares Issued	158.420	145.887	17.354	321.661	186.209	507.871

### Cash Component

Merger Cash Consideration	AR	MA	Series B	Cash
Cash per AM Unit	\$3.000	\$3.000	2	
AM Units Receiving Merger Consideration	98.870	89.228	2	
Total Merger Cash Consideration	\$296.6	\$267.7		\$564.3
Cash Consideration Equivalent Exchange Ratio	0.172x	0.172x		
Total Exchange Ratio	1.775x	1.807x		
Special Cash Dividend				
Special Dividend per AM Unit		\$0.415		
AM Units Receiving Special Consideration (1)	98.870	89.228	12	
Total Special Dividend Consideration	-	\$37.0	-	\$37.0
Cash Consideration Equivalent Exchange Ratio	0.000x	0.024x		

## Special Dividend

Total Transaction **Economics** 

"ALL-IN" Transaction Economics	AR	AM
at 10-day VWAP	1.775x	1.831x
at Last Close	1.774x	1.830x

Stock Prices as of 10/5/18				
	Last Close	10-day VWAP		
AMGP	\$17.51	\$17.40		
AM	29.74	29.14		

### BAIRD

### POTENTIAL BENEFITS TO AR OF THE PROPOSED TRANSACTION

- ✓ Addresses AR shareholder concerns regarding mis-alignment of incentives associated with the IDRs and Series B units held
  by AMGP and creates C-Corp structure with traditional governance
- ✓ Simplifies the overall Antero structure into two distinct publicly traded C-Corps
- ✓ AR receives an up-front premium for its units of AM <sup>(1)</sup> and greater overall cash flow from 2019 2022 (when considering the cash component of the merger consideration) vs. the status quo
- ✓ AR goes from having limited voting rights at the status quo AM to being the largest AMGP stockholder with proportionate voting rights
- ✓ Cash component of the transaction may facilitate potential return of capital initiatives at AR
- ✓ Pro forma AMGP Corp has favorable growth, balance sheet and dividend coverage characteristics relative to its peers
- AMGP Corp's pro forma market capitalization and C-Corp structure result in a larger float and the potential for enhanced trading liquidity, which may improve AR's ability to monetize its retained ownership of AMGP Corp (relative to its ability to monetize its ownership of AM in the status quo)

Based on closing prices for AM and AMGP as of 10/5/2018.



### **SUMMARY VALUATION APPROACH**

### AM Stand-Alone Valuation

- Baird performed an intrinsic valuation analysis to derive a range of implied values per AM Common Unit utilizing the following core valuation methodologies:
  - Discounted Cash Flow Analysis
  - Discounted Distribution Analysis
  - Public Trading Comparables Analysis
  - Precedent Transactions Analysis

Core Valuation Approach AMGP Stand-Alone Valuation

- Baird performed an intrinsic valuation analysis to derive a range of implied values per AMGP common share utilizing the following core valuation methodologies:
  - Discounted Cash Flow Analysis
  - Discounted Distribution Analysis
  - Public Trading Comparables Analysis
  - Precedent Transactions Analysis

3

2

Merger Consideration Analysis

- Baird compared the resulting per unit or share (as applicable) valuation ranges across each of the core methodologies, as well
  as in totality across all methodologies, to determine a range of implied exchange ratios that would result by dividing the
  implied value of an AM Common Unit into the implied value of an AMGP common share
- Baird then compared the resulting implied exchange ratios determined by the core valuation methodologies to the proposed aggregate exchange ratio implied by the merger consideration (including both the equity and cash consideration components)
- Additionally, Baird compared the value per AM Common Unit to the aggregate value of the merger consideration implied by Baird's intrinsic valuation analysis

4

Supplemental Valuation Analyses

- To supplement its core valuation approach, Baird performed the following analyses:
  - Analysis of Wall Street price targets for AM and AMGP (prior to the filing of the Sailing Stone 13-D)
  - Historical exchange ratio analysis implied by the relative trading levels of AM and AMGP
  - Illustrative Merger Consequences Analysis

### FINANCIAL FORECASTS UNDERLYING VALUATION ANALYSIS

 Baird utilizes the following financial forecast cases for purposes of its valuation analysis of AM and AMGP on a stand-alone basis:

"AM Management Case"

 2018 – 2022 financial projections for AM, as provided by Antero management (no modifications)

"AMGP Management Case"

 2018 – 2022 financial projections for AMGP, as provided by Antero management (no modifications)

"AM Modified Coverage Case"

 2018 – 2022 financial projections for AM, as provided by Antero management, but assuming a modified distribution coverage ratio at AM

"AMGP Modified Coverage Case"

 2018 – 2022 financial projections for AMGP, as provided by Antero management, but assuming a modified distribution coverage ratio at AM

Distribution Coverage Ratio Forecasts Reflected in Management vs. Modified Coverage Cases for 2019 - 2022					
Forecast Case	4Q 2018	2019	2020	2021	2022
AM Forecast Distribution Coverage in "Management Cases"	1.22x	1.30x	1.16x	1.11x	1.05x
AM Forecast Distribution Coverage in "Modified Coverage Cases"	1.22x	1.32x	1.24x	1.23x	1.19x

Where applicable, in its analysis of the pro forma AMGP, Baird utilizes the financial projections provided by Antero management:

"AMGP Corp Case"

 2018 – 2022 financial projections for AMGP Corp, as provided by Antero management, and assuming a modified distribution coverage ratio at AM





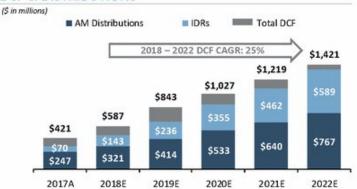
### 1 AM MANAGEMENT CASE: FINANCIAL SUMMARY

### AM forecast across key financial metrics

#### **EBITDA & MARGINS**



#### **DCF & DISTRIBUTIONS**



#### **DISTRIBUTIONS / UNIT & DISTRIBUTION COVERAGE**



#### **GROWTH CAPEX & LEVERAGE**





# 1 AM MANAGEMENT CASE: DETAILED FORECAST

(\$ in millions, except per unit figures)	2017A	2018E	2019E	2020E	2021E	2022E	2018-2022 CAGR	NTM 9/30/2019
Volume, Revenue & EBITDA:								0-0000-0000
Gas Gathering (MMcfd)	3,431	4,221	5,483	6,683	7,780	9,080	21%	5,187
Compression (MMcfd)	1,193	1,740	2,461	3,023	3,488	4,088	24%	2,306
Water Delivery (Bbld)	153,129	190,620	204,255	219,541	242,079	259,902	8%	188,762
Produced Water (Bbld)	33,589	40,465	52,310	72,714	94,130	106,565	27%	49,471
Total Revenue	\$773	\$969	\$1,182	\$1,459	\$1,723	\$1,982	20%	\$1,105
EBITDA	529	729	989	1,222	1,413	1,642	23%	915
% Margin	68%	75%	84%	84%	82%	83%		83%
Distributable Cash Flow:		i						
EBITDA	\$529	\$729	\$989	\$1,222	\$1,413	\$1,642		\$915
Less: Maintenance Capital	(55)	(68)	(39)	(63)	(44)	(58)	1 1	(43)
Less: Tax Withholding	(6)	(6) !	(6)	(6)	(6)	(6)	1 1	(6)
Less: Interest Expense	(46)	(67)	(100)	(126)	(145)	(157)	***************	(96)
Total Distributable Cash Flow	\$421	\$587	\$843	\$1,027	\$1,219	\$1,421	25%	\$770
DCF Coverage Ratio	1.33x	1.27x	1.30x	1.16x	1.11x	1.05x		1.40x
Total Distributed Cash	\$317	\$464	\$649	\$889	\$1,102	\$1,356		\$550
Distributions Summary:		1						
LP Distributions	\$247	\$321 !	\$414	\$533	\$640	\$767	24%	\$388
IDRs	70	143	236	355	462	589	43%	210
Total AM Distributions	\$317	\$464	\$649	\$889	\$1,102	\$1,356		\$599
IDRs % of Total Distributions	22%	31%	36%	40%	42%	43%		35%
Distribution per Common Unit	\$1.325	\$1.715	\$2.210	\$2.850	\$3.420	\$4.100	24%	\$2.075
Year-over-Year Growth (%)	29%	29%	29%	29%	20%	20%		
Capex & Leverage:		1						
Total Growth Capex	\$746	\$538	\$776	\$656	\$386	\$294		\$612
Total Year End Net Debt	1,195	1,652	2,234	2,752	3,021	3,251	1 1	1,854
Debt / LTM EBITDA	2.3x	2.3x	2.3x	2.3x	2.1x	2.0x		2.1x



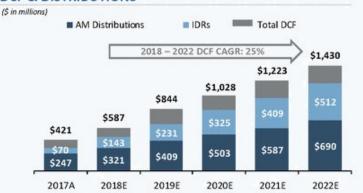
# 1 AM MODIFIED COVERAGE CASE: FINANCIAL SUMMARY



### AM forecast across key financial metrics



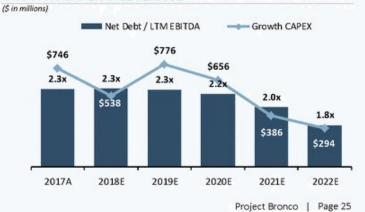
#### **DCF & DISTRIBUTIONS**



#### DISTRIBUTIONS / UNIT & DISTRIBUTION COVERAGE



#### **GROWTH CAPEX & LEVERAGE**





# 1 AM MODIFIED COVERAGE CASE: DETAILED FORECAST

(\$ in millions, except per unit figures)	2017A	2018E	2019E	2020E	2021E	2022E	2018-2022 CAGR	NTM 9/30/2019
Volume, Revenue & EBITDA:								3,30,2015
Gas Gathering (MMcfd)	3,431	4,221	5,483	6,683	7,780	9,080	21%	5,187
Compression (MMcfd)	1,193	1,740	2,461	3,023	3,488	4,088	24%	2,306
Water Delivery (Bbld)	153,129	190,620	204,255	219,541	242,079	259,902	8%	188,762
Produced Water (Bbld)	33,589	40,465	52,310	72,714	94,130	106,565	27%	49,471
Total Revenue	\$773	\$969	\$1,182	\$1,459	\$1,723	\$1,982	20%	\$1,105
EBITDA	529	729	989	1,222	1,413	1,642	23%	915
% Margin	68%	75%	84%	84%	82%	83%		83%
Distributable Cash Flow:		- 1						
EBITDA	\$529	\$729	\$989	\$1,222	\$1,413	\$1,642		\$915
Less: Maintenance Capital	(55)	(68)	(39)	(63)	(44)	(58)	1 1	(43
Less: Tax Withholding	(6)	(6) !	(6)	(6)	(6)	(6)	1 1	(6
Less: Interest Expense	(46)	(67)	(100)	(126)	(141)	(148)		(96
Total Distributable Cash Flow	\$421	\$587	\$844	\$1,028	\$1,223	\$1,430	25%	\$770
DCF Coverage Ratio	1.33x	1.27x	1.32x	1.24x	1.23x	1.19x		1.39x
Total Distributed Cash	\$317	\$464	\$640	\$829	\$997	\$1,201		\$555
Distributions Summary:		!					4 100	
LP Distributions	\$247	\$321	\$409	\$503	\$587	\$690	21%	\$386
IDRs	70	143	231	325	409	512	38%	208
Total AM Distributions	\$317	\$464	\$640	\$829	\$997	\$1,201		\$594
IDRs % of Total Distributions	22%	31%	36%	39%	41%	43%		35%
Distribution per Common Unit	\$1.325	\$1.715	\$2.187	\$2.690	\$3.139	\$3.685	21%	\$2.063
Year-over-Year Growth (%)	29%	29%	28%	23%	17%	17%		
Capex & Leverage:								
Total Growth Capex	\$746	\$538	\$776	\$656	\$386	\$294		\$612
Total Year End Net Debt	1,195	1,652	2,225	2,683	2,843	2,908		1,859
Debt / LTM EBITDA	2.3x	2.3x	2.3x	2.2x	2.0x	1.8x		2.1x



### AM CORE VALUATION APPROACH DETAIL



 Baird's analytical framework derives the value of AM Common Units across four core methodologies, utilizing both the AM Management Case and the AM Modified Coverage Case

Discounted Cash Flow Analysis

- Implied equity value per AM Common Unit based on the present value of future unlevered free cash flows attributable to AM common unitholders
- Discount rate range derived from a weighted-average cost of capital analysis for AM, utilizing the Capital Asset Pricing Model ("CAPM")
- Terminal value based on a terminal multiple calculation, derived from an observation and analysis of relevant precedent transactions within the midstream MLP sector

Discounted Distribution Analysis

- Implied equity value per AM Common Unit based on the present value of future forecast cash distributions attributable to AM common unitholders
- Discount rate range derived from a cost of equity analysis for AM, utilizing CAPM
- Terminal value based on a terminal yield calculation, derived from an observation and analysis of AM's current publicly traded midstream MLP peer group

Selected Public Comparables Analysis

- Implied equity value per AM Common Unit based on comparisons with publicly traded midstream MLPs
- Valuation benchmarks include:
  - Per unit price implied by multiples of Total Enterprise Value to 2019E and 2020E Adj. EBITDA (EBITDA excluding IDR payments)
  - Per unit price implied by multiples of Price to 2019E and 2020E DCF Attributable to LP Unitholders (measured by running total DCF through the AM IDR waterfall)
- Per unit price implied by 2019E and 2020E Distribution Yields

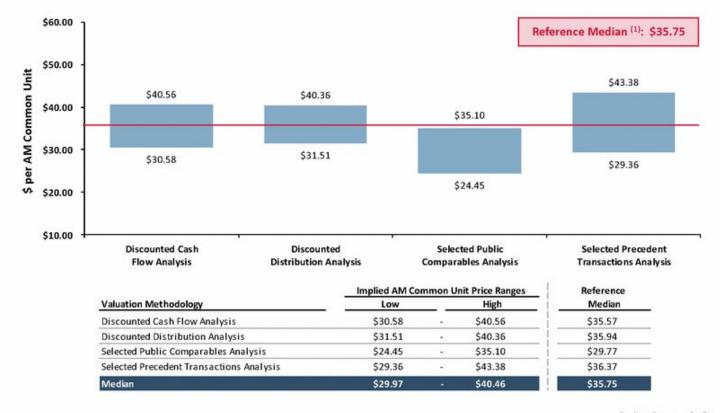
Selected Precedent Transactions Analysis

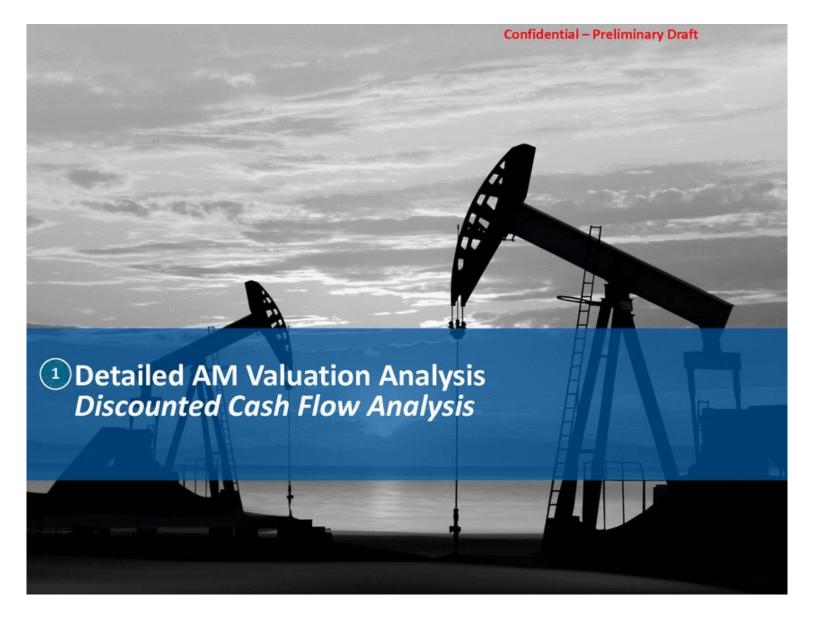
- Implied equity value per AM Common Unit based on comparisons with similar precedent transactions in the midstream energy sector
- Valuation benchmarks include:
  - Per unit price implied by multiples of Total Transaction Value to NTM EBITDA



### 1 AM SUMMARY VALUATION ANALYSIS

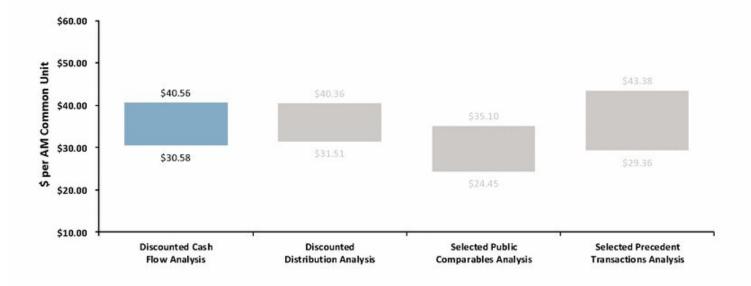
### Implied valuation ranges per AM Common Unit across core methodologies





# 1 AM VALUATION SUMMARY

### Implied valuation ranges per AM Common Unit based on Discounted Cash Flow Analysis



Discounted Cash Flow Analysis Methodology

- Implied equity value per AM Common Unit based on the present value of future unlevered free cash flows attributable to AM common unitholders
- Discount rate range derived from a weighted-average cost of capital analysis for AM, utilizing the Capital Asset Pricing Model ("CAPM")
- Terminal value based on a terminal multiple calculation, derived from an observation and analysis of precedent transactions



### AM WEIGHTED AVERAGE COST OF CAPITAL ANALYSIS

(\$ in millions)

#### **Cost of Capital Components**

Risk-free Interest Rate (1) 3.3% Levered Beta (2) 1.43 Cost of Market Premium (5) 6.9% Equity Size Premium (4) 0.9% Cost of Equity (5)

	]	Amount Outstanding (6)	Interest Rate <sup>(7)</sup>
Cost of Debt	Revolving Credit Facility	\$770	3.3%
Debt	5.375% Senior Notes Due 2024	650	5.2%
	Cost of Debt	\$1,420	4.2%

AM Market Value of Equity	\$5,562
AM Net Debt Outstanding	1,400
Total AM Firm Value	\$6,963
AM Equity Market Value / Firm Value	79.9%
x Cost of Equity	14.1%
Cost of Equity Contribution	11.2%
AM Net Debt / Firm Value	20.1%
x Cost of Debt	4.2%
Cost of Debt Contribution	0.8%
Total Implied WACC	12.1%

As a result of its weighted average cost of capital analysis, Baird utilized a range of 11.0% - 13.0% for purposes of its discounted cash flow analysis herein

Source: AM filings and Bioomberg.

(1) Represents estimated 20-year treasury rate as of October 5, 2018.

(2) Represents two-year levered equity beta as of February 23, 2018, the date prior to the announcement of the Special Committee Formation.

(3) Large company stock total returns minus long-term government bond income returns as computed by Duff & Phelps LLC.

(4) Source: Duff & Phelps LLC size premium based on AM's equity market value as of October 5, 2018.

(5) Cost of equity is calculated using CAPM (e.g. cost of equity = risk-free interest rate + levered equity beta \* market risk premium + size premium).

(6) Represents current debt outstanding, per most recently disclosed June 30, 2018 10-Q.

(7) Interest rate for publicly traded senior notes represents the yield-to-worst as of October 5, 2018. Interest rate for revolver represents effective rate per 6/30/18 10-Q.

(524)

(44)

(386)

2.74

2022E

\$1,642

\$1,017

(625)

(58)

(294)(6)

\$659

3.74



Terminal

Value

\$12,309

## AM DISCOUNTED CASH FLOW ANALYSIS

(\$ in millions, except per unit data)

· minority, except per unit dutay	Three Months Ending,	- 10	For the Year Ending	December 21
	12/31/18E	2019E	2020E	2021E
EBITDA	\$199	\$989	\$1,222	\$1,413
Less: IDR Payments (1)	(60)	(336)	(428)	(524)
Adjusted EBITDA to Common Unitholders	\$139	\$652	\$795	\$890
Less: Maintenance Capital	(14)	(39)	(63)	(44)
Less: Growth Capital	(159)	(776)	(656)	(386)
Less: Tax Witholding	(2)	(6)	(6)	(6)
AM Unlevered Free Cash Flow	(\$36)	(\$169)	\$69	\$453
Present Value Calculation				
Midpoint Cost of Capital (2)	12.1%			
Midpoint Terminal Multiple (3)	12.1x			
Terminal Value (4)				
Periods to Discount	0.12	0.74	1.74	2.74
Present Value of Cash Flows	\$629			
Present Value of Terminal Value	7,591			
Implied Enterprise Value	\$8,220			
Less: Net Debt (5)	(1,522)			
Implied Equity Value	\$6,698			
Common Units Outstanding (5)	188.1			
Implied AM Common Unit Price	\$35.61			

AM Modified Coverage Case					
Discount		Terminal Multiple	2		
Rate	11.0x	12.1x	13.0x		
13.0%	\$30.58	\$34.13	\$37.03		
12.1%	\$31.94	\$35.61	\$38.61		
11.0%	\$33.61	\$37.43	\$40.56		

AM Management Case				
Discount		Terminal Multiple	2	
Rate	11.0x	12.1x	13.0x	
13.0%	\$30.58	\$34.13	\$37.03	
12.1%	\$31.94	\$35.61	\$38.61	
11.0%	\$33.61	\$37.43	\$40.56	

Source: Antero management. Assumes present value date as of October 5, 2018.

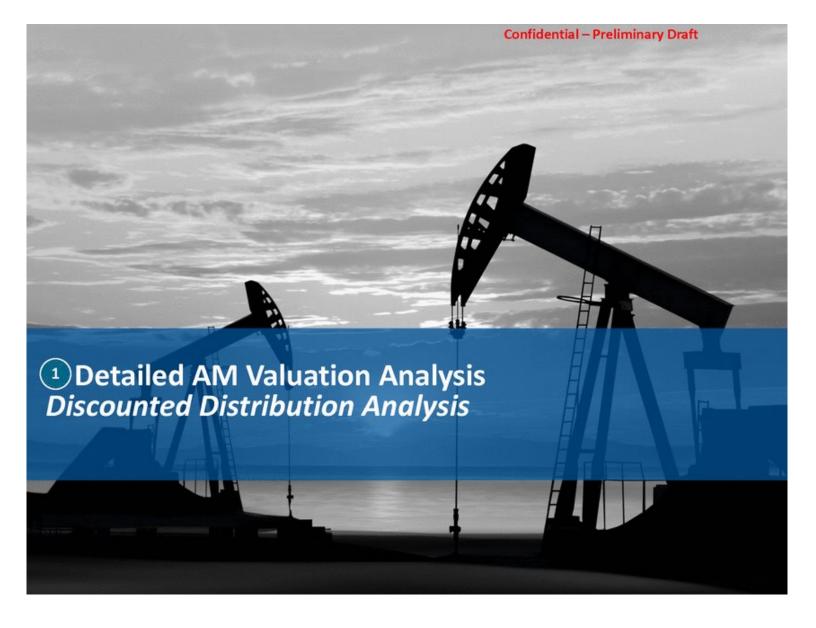
(1) Represents IDR payments implied by a full payout scenario.

(2) Represents midpoint of Baind's selected AM WACC sensitivity range (see page 31).

(3) Represents midpoint of comparable transaction multiples (see page 43).

(4) Based on 2022£ adjusted £BITDA of \$1,017 million.

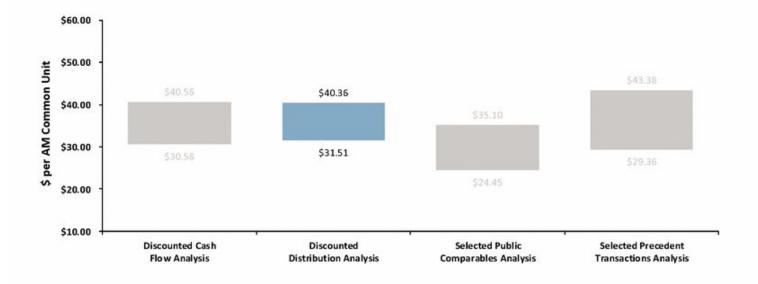
(5) Represents estimated net debt and fully diluted common units outstanding as of September 30, 2018.



# BAIRD

### 1 AM VALUATION SUMMARY

### Implied valuation ranges per AM Common Unit based on Discounted Distribution Analysis



Discounted Distribution Analysis Methodology

- Implied equity value per AM Common Unit based on the present value of future forecast cash distributions attributable to AM common unitholders
- Discount rate range derived from a cost of equity analysis for AM, utilizing CAPM
- Terminal value based on a terminal yield calculation, derived from an observation and analysis of AM's current publicly traded midstream MLP peer group

# 1 AM COST OF EQUITY ANALYSIS

	CAPM	
	Risk-free Interest Rate (1)	3.3%
Cost of	Levered Beta (2)	1.43
Equity	Market Premium (3)	6.9%
	Size Premium (4)	0.9%
	Cost of Equity (5)	14.1%

As a result of its cost of equity analysis, Baird utilized a range of 13.0% - 15.0% for purposes of its discounted distribution analysis herein

Source: AM filings and Bloomberg.

(1) Represents estimated 20-year treasury rate as of October 5, 2018.

(2) Represents two-year levered equity beta as of February 23, 2018, the date prior to the announcement of the Special Committee Formation.

(3) Large company stock total returns minus long-term government bond income returns as computed by Duff & Phelps LLC.

(4) Source: Duff & Phelps LLC size premium based on AM's equity market value as of October 5, 2018.

(5) Cost of equity is calculated using CAPM (e.g. cost of equity = risk-free interest rate + levered equity beta \* market risk premium).



# AM DISCOUNTED DISTRIBUTION ANALYSIS

(\$ in millions, except per unit data)

Three	Month

	Ending,		Distribution E	stimates		Terminal
	12/31/18E	2019E	2020E	2021E	2022E	Value
Distribution Per AM Common Unit	\$0.470	\$2.210	\$2.850	\$3.420	\$4.100	
Present Value Calculation						
Cost of Equity (1) 14.1%						
Terminal Yield (2) 8.3%						
Terminal Value (3)						\$49
Periods to Discount	0.12	0.74	1.74	2.74	3.74	4.24
Present Value of Distributions	\$9.63					
Present Value of Terminal Value	28.12					
Implied AM Common Unit Price	\$37.74					

AM Modified Coverage Case					
Cost of Terminal Yield					
Equity	9.0%	8.3%	8.0%		
15.0%	\$31.51	\$33.29	\$34.34		
14.1%	\$32.46	\$34.30	\$35.39		
13.0%	\$33.61	\$35.52	\$36.66		

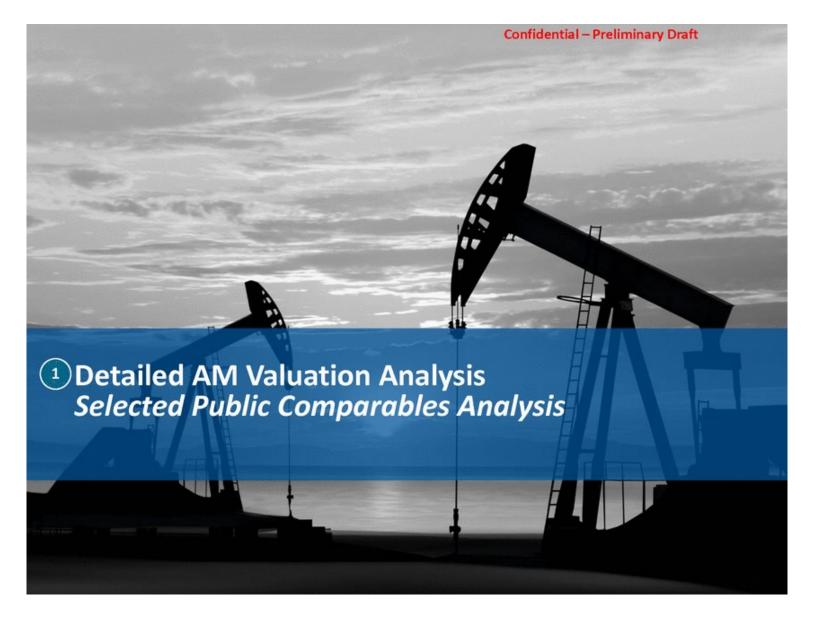
AM Management Case							
Cost of		Terminal Yield					
Equity	9.0%	8.3%	8.0%				
15.0%	\$34.65	\$36.62	\$37.80				
14.1%	\$35.70	\$37.74	\$38.96				
13.0%	\$36.97	\$39.10	\$40.36				

Source: Antero management, Assumes present value date as of October 5, 2018.

(1) Represents midpoint of Baird's selected AM cost of equity sensitivity range (see page 35).

(2) Represents 2018E median yield of public comparables (see page 39).

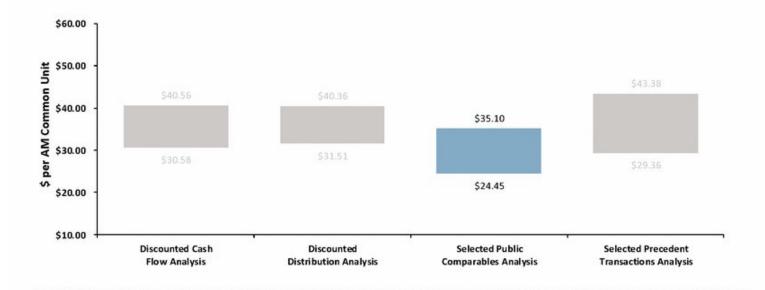
(3) Based on 2022E distribution of \$4.100.





### 1 AM VALUATION SUMMARY

### Implied valuation ranges per AM Common Unit based on Selected Public Comparables Analysis



Selected Public Comparables Analysis Methodology

- Implied equity value per AM Common Unit based on comparisons with publicly traded midstream MLPs
- Valuation benchmarks include:
  - Per unit price implied by multiples of Total Enterprise Value to 2019E and 2020E Adj. EBITDA (EBITDA excluding IDR payments)
  - Per unit price implied by multiples of Price to 2019E and 2020E DCF Attributable to LP unitholders (measured by running total DCF through the AM IDR waterfall)
  - Per unit price implied by 2019E and 2020E Distribution Yields

# 1 AM SELECTED PUBLIC COMPARABLES

(\$ in millions, except per unit data)

		M	larket Stat	s			Valua	tion Sta	tistics			(	Frowth and	Financial	Health	
		10/05/18 Unit	Implied Firm	Current		Yield		CAFD	ce / er LP (2)	Enterpris Adj. EBIT	DA (3)(4)	Distribution CAGR (3)	% of Total 2019E Dist.	Dist. Cas Total Distri	butions (3)	Net Debt , 2018E
	Partnership	Price	Value (1)	Yield	2018E	2019E	2020E	2019E	2020E	2019E	2020E	2018E - 2021E	to IDRs (5)	2019E	2020E	EBITDA (3)
	CNX Midstream Partners LP	\$19.92	\$1,766	6.7%	6.8%	7.9%	9.0%	9.7x	8.1x	8.2x	6.9x	15.1%	18.2%	1.50x	1.53x	2.5x
th.	Hess Midstream Partners LP	22.88	1,218	6.0%	6.2%	7.1%	8.1%	12.8x	11.4x	11.0x	8.6x	14.3%	3.2%	1.13x	1.14x	NM
Growth	Noble Midstream Partners LP	40.36	2,769	5.3%	5.4%	6.5%	7.8%	10.1x	8.5x	10.2×	7.8x	20.0%	16.5%	1.89x	1.76x	2.3x
	Oasis Midstream Partners LP	22.62	1,129	7.3%	7.4%	8.9%	11.0%	8.2x	7.8x	10.0x	8.0x	18.6%	3,6%	1.63x	1.30x	2.4x
High	Low Median		\$1,129 1,492	5.3% 6.4%	5.4% 6.5%	6.5% 7.5%	7.8% 8.6%	8.2x 9.9x	7.8x 8.3x	8.2x 10.1x	6.9x 7.9x	14.3% 16.9%	3.2% 10.0%	1.13x 1.57x	1.14x 1.41x	2.3x 2.4x
	High		2,769	7.3%	7.4%	8.9%	11.0%	12.8x	11.4x	11.0x	8.6x	20.0%	18.2%	1.89x	1.76x	2.5x
yı	EnLink Midstream Partners, LP	\$18.68	\$12,422	8.4%	8.4%	8.4%	8.5%	10.7x	10.1x	12.0x	11.2x	0.7%	9.8%	1.21x	1.29x	3.8x
MLPs	EQT Midstream Partners, LP	52.67	9,476	8.3%	8.3%	9.5%	10.8%	9.5x	8.2x	9.3x	7.7x	10.6%	36.1%	1.13x	1.16x	3.0x
	Western Gas Partners, LP	45.80	12,065	8.3%	8.3%	8.9%	9.3%	10.4x	10.1x	11.1x	9.8x	5.3%	35.2%	1.10x	1.08x	3.4x
Mature	Low Median High		\$9,476 12,065 12,422	8.3% 8.3% 8.4%	8.3% 8.3% 8.4%	8.4% 8.9% 9.5%	8.5% 9.3% 10.8%	9.5x 10.4x 10.7x	8.2x 10.1x 10.1x	9.3x 11.1x 12.0x	7.7x 9.8x 11.2x	0.7% 5.3% 10.6%	9.8% 35.2% 36.1%	1.10x 1.13x 1.21x	1.08x 1.16x 1.29x	3.0x 3.4x 3.8x
	Antero Midstream Partners LP (6)	\$29.74	\$6,963	5.6%	5.7%	7.5%	9.4%	12.0x	10.3x	9.9x	8.4x	23.1%	36.5%	1.14x	1.04x	2.0x
	Antero Midstream Partners LP (7)	\$29.74	\$6,963	5.6%	5.8%	7.4%	9.6%	10.8x	9.2x	9.2x	8.0x	25.9%	36.3%	1.31x	1.16x	2.3x

Source: Antero management, Company Filings and Wall Street Research as of October 5, 2018.

Note: Market data are pro forma for any capital markets and M&A transactions announced or completed since the most recent filings.

(1) Implied Firm Value excludes the value of the general partners's IDRs.

(2) Defined as Price per LP unit divided by cash available for distribution to the LP unit holders under a full payout scenario.



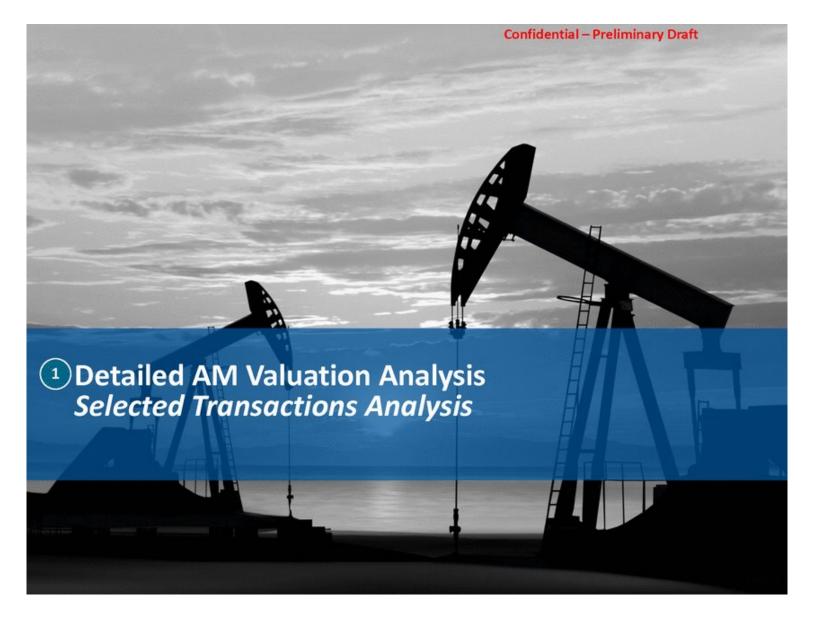
# AM SELECTED PUBLIC COMPARABLES ANALYSIS

(\$ in millions, except per unit data)

Baird applied the range of valuation multiples derived from the high growth MLPs in its Selected Public Comparables Analysis in recognition of AM's current growth rate

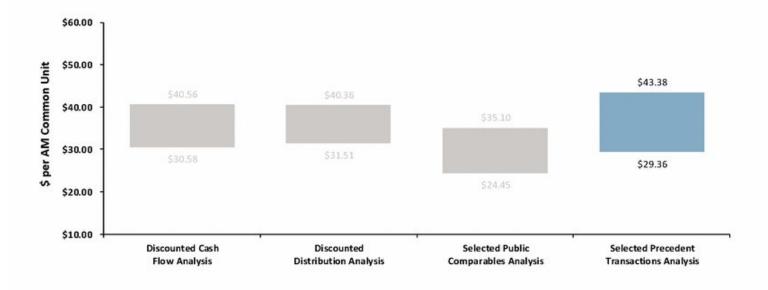
		AM	Selected	d Metrics	Implied AM Valuation Rang			
	Metric	Metric (1)	Low		High	Low		High
	2019E Yield	\$2.21	8.9%		6.5%	\$24.71		\$34.12
Yield	2020E Yield	\$2.85	11.0%		7.8%	\$25.98		\$36.43
	,		Implied AM Price	Per Com	mon Unit (3)	\$25.35		\$35.28
	Price / 2019E CAFD	\$2.75	8.2x		12.8x	\$22.52		\$35.24
Price / CAFD (4)	Price / 2020E CAFD	\$3.24	7.8x	-	11.4x	\$25.24		\$36.93
			Implied AM Price	\$23.88		\$36.09		
	EV / 2019E Adj. EBITDA	\$753	8.2x		11.0x	\$6,189		\$8,321
	EV / 2020E Adj. EBITDA	\$867	6.9x	-	8.6x	\$6,011	12	\$7,488
EV/			Implied AM Firm	Value (3)		\$6,100	87	\$7,904
EBITDA			Less: Net Debt (5)	(\$1,522)		(\$1,522)		
201222			Implied AM Equit		\$4,578		\$6,382	
			AM Total Commo	n Units O	utstanding <sup>(5)</sup>	188.1		188.1
			Implied AM Price	Per Com	mon Unit	\$24.34	-	\$33.93
		Overall Implied AM	Common Unit Price	- AM Man	agement Case (6)	\$24.52	9 <u>4</u>	\$35.10
		Overall Implied AM	Common Unit Price	- AM Mod	dified Coverage Case (6)	\$24.45	107	\$34.97

Source: Antero management.
(1) IDR cash flow excluded from AM metric.
(2) Based or range of high growth midstream MLP peers (see previous page).
(3) Median of 2019E and 2020E values.
(4) Defined as Price per LP unit divided by cash available for distribution to the LP unit holders under a full payout scenario.
(5) Represents estimated net debt and fully diduted common units outstanding as of September 30, 2018.
(6) Applies equal weighting to each respective summary range.



### 1 AM VALUATION SUMMARY

### Implied valuation ranges per AM Common Unit based on Selected Precedent Transactions Analysis



Selected Precedent Transactions Analysis Methodology

- Implied equity value per AM Common Unit based on comparisons with similar precedent corporate transactions in the midstream energy sector
- Valuation benchmarks include:
  - Per unit price implied by multiples of Total Transaction Value to NTM EBITDA



### **SELECTED PRECEDENT TRANSACTIONS**

### Selected corporate midstream transactions with values of greater than \$1.0 billion for which data were publicly available

Announced Date	Buyer(s)	Seller(s)	Transaction Value (\$MM)	Trans. Value / Fwd. EBITDA	Transaction Summary
05/17/18	Williams Companies, Inc.	Williams Partners LP	\$10,470	12.2x	Williams acquired Williams Partners LP in a stock-for-unit exchange
04/26/18	EQT Midstream Partners, LP	Rice Midstream LP	2,439	9.3x	EQM merged with RMP in a unit-for-unit exchange
02/01/17	ONEOK Inc.	ONEOK Partners LP	13,988	12.1x	ONEOK, Inc. merged with its underlying MLP in an all-stock transaction, eliminating the IDRs
11/21/16	Sunoco Logistics Partners LP	Energy Transfer Partners, LP.	52,364	10.6x	Sunoco merged with Energy Transfer, under common GP ownership, in an all- stock transaction
09/26/16	Columbia Pipeline Group, Inc.	Columbia Pipeline Partners	9,684	12.0x	Columbia Pipeline Group, Inc. acquired all of the outstanding common units of Columbia Pipeline Parnters, not already beneficially owned
11/03/15	Targa Resources Corp.	Targa Resources Partners LP	11,198	12.0x	Targa Resources merged with its underlying MLP in an all-stock transaction, eliminating the IDRs
07/13/15	MPLX LP	MarkWest Energy Partners, LP.	21,588	14.9x	MPLX acquired MarkWest for stock and cash consideration
05/06/15	Crestwood Equity Partners LP	Crestwood Midstream Partners LP	4,895	12.6x	Crestwood Equity merged with its underlying MLP in an all-stock transaction, eliminating the IDRs
01/26/15	Energy Transfer Partners, L.P.	Regency Energy Partners LP	17,595	13.7x	Energy Transfer merged with Regency, under common GP ownership, for stock and cash consideration
01/21/15	Kinder Morgan Inc.	Hiland Partners LP	3,000	10.0x	Kinder Morgan acquired Hiland Partners in an all cash transaction
04/28/14	Access Midstream Partners LP	Williams Partners LP	36,793	13.5x	Access Midstream merged with Williams Partners, under common GP ownership, for stock and cash consideration
			Low <sup>(1)</sup> Median High <sup>(1)</sup>	10.0x 12.1x 13.7x	

Source: Company and partnership filings, investor presentations, press releases and transcripts, S&P Capital IQ and Wall Street research.

(1) Excludes lowest and highest metrics to remove the impact of potential outlier effects from the analysis.



# AM PRECEDENT TRANSACTIONS ANALYSIS

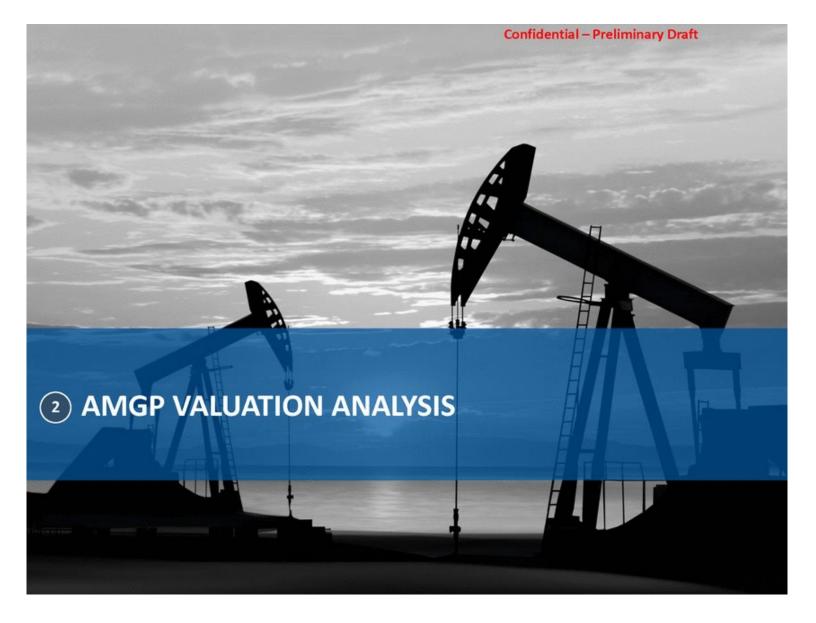
(\$ in millions, except per unit data)

Baird selected a group of corporate midstream transactions (for which data were publicly available) that we deemed relevant valuation benchmarks

	AM NTM	Selected	Selected Preced. Trans. Multiples (2)				tion Range
Metric	Adj. EBITDA (1)	Low		High	Low		High
Transaction Value / Forward EBITDA	\$705	10.0x		13.7x	\$7,045		\$9,652
		Less: Net Debt (	3)		(1,522)		(1,522)
		Implied AM Equit	y Value		\$5,523	-	\$8,130
		AM Total Comm	on Units C	Outstanding <sup>(3)</sup>	188.1		188.1
	Implied AM Common	Unit Price - AM Mana	gement Ca	se	\$29.36		\$43.22
	Implied AM Common	Unit Price - AM Modif	ied Covera	ge Case	\$29.48	-	\$43.38

Source: Antero management, partnership filings and S&P Capital IQ. (1) IDR cash flow excluded from AM metric.

 <sup>(2)</sup> Based on range of precedent transactions (see previous page). Excludes lowest and highest metrics to remove the impact of potential outlier effects from the analysis.
 (3) Represents estimated net debt and fully diluted common units outstanding as of September 30, 2018.

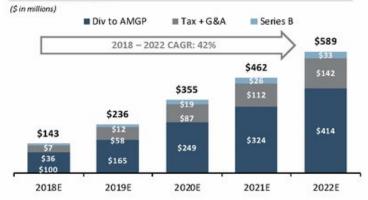


## 2 AMGP MANAGEMENT CASE: FINANCIAL SUMMARY

### AMGP's cash flows are derived from the IDRs associated with AM

(\$ in millions, except per share figures)	2017A	2018E	2019E	2020E	2021E	2022E	2018-2022 CAGR	NTM 9/30/2019
Distributions from AM IDRs	\$70	\$143	\$236	\$355	\$462	\$589		\$210
Less: Series B Profits Interest	(2)	(7)	(12)	(19)	(26)	(33)	1 1	(11)
Less: G&A Expense	(6)	(2)	(2)	(2)	(2)	(2)	1 1	(2)
Less: Corporate Taxes	(26)	(34)	(56)	(85)	(110)	(140)		50
Total AMGP Cash Flow	\$35	\$100	\$165	\$249	\$324	\$414	42%	\$248
Total Common Shares Outstanding	186.2	186.2	186.2	186.2	186.2	186.2		186.2
Distribution per Common Share	\$0.161	\$0.539	\$0.888	\$1.340	\$1.742	\$2.222	42%	\$0.792
Year-over-Year Growth (%)	NM .	NM	65%	51%	30%	28%		

### **AMGP Cash Flow**



#### **AMGP Dividend Forecast**



Project Bronco | Page 46 Source: Antero management.



## 2 AMGP MODIFIED COVERAGE CASE: FINANCIAL SUMMARY

### AMGP's cash flows are derived from the IDRs associated with AM

(\$ in millions, except per share figures)	2017A	2018E	2019E	2020E	2021E	2022E	2018-2022 CAGR	NTM 9/30/2019
Distributions from AM IDRs	\$70	\$143	\$231	\$325	\$409	\$512		\$208
Less: Series B Profits Interest	(2)	(7)	(12)	(17)	(22)	(29)	1 1	(11)
Less: G&A Expense	(6)	(2)	(2)	(2)	(2)	(2)	1 1	(2)
Less: Corporate Taxes	(26)	(34)	(55)	(77)	(97)	(122)		50
Total AMGP Cash Flow	\$35	\$100	\$162	\$228	\$287	\$359	38%	\$245
Total Common Shares Outstanding	186.2	186.2	186.2	186.2	186.2	186.2		186.2
Distribution per Common Share	\$0.161	\$0.539	\$0.871	\$1.227	\$1.544	\$1.929	38%	\$0.784
Year-over-Year Growth (%)	NM	NM	62%	41%	26%	25%		29

#### **AMGP Cash Flow** (\$ in millions) Div to AMGP ■ Tax + G&A Series B 2018 - 2022 CAGR: 38% \$512 \$409 \$325 \$231 \$79 \$143 \$359 \$57 \$287 \$228 \$36 \$162

2020E

2018E

2019E

2021E



2020E

2021E

2022E

2019E

LQA

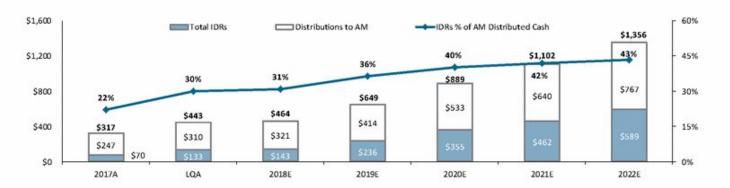
Source: Antero management. Project Bronco | Page 47

2022E

2018E

# AM / AMGP CASH FLOW RELATIONSHIP – USING MANAGEMENT CASES

#### IDRs AS A % OF TOTAL AM DISTRIBUTED CASH FLOW



#### **AM Distribution / Unit**



#### AMGP Dividend / Unit

(\$ / share)





### **AMGP CORE VALUATION APPROACH**



 Baird's analytical framework derives the value of AMGP common shares across four core methodologies, utilizing both the AMGP Management Case and the AMGP Modified Coverage Case

Discounted Cash Flow Analysis

- Implied equity value per AMGP common share based on the present value of future unlevered free cash flows attributable to AMGP common shareholders
- Discount rate range derived from a weighted average cost of capital analysis for AMGP, utilizing CAPM
- Terminal value based on a terminal multiple calculation, derived from an observation and analysis of precedent transactions

Discounted Distribution Analysis

- Implied equity value per AMGP common share based on the present value of future forecast cash distributions attributable to AMGP common shareholders
- Discount rate range derived from a cost of equity analysis for AMGP, utilizing CAPM
- Terminal value based on a terminal yield calculation, derived from an observation and analysis of AMGP's current publicly traded peer group

Selected Public Comparables Analysis

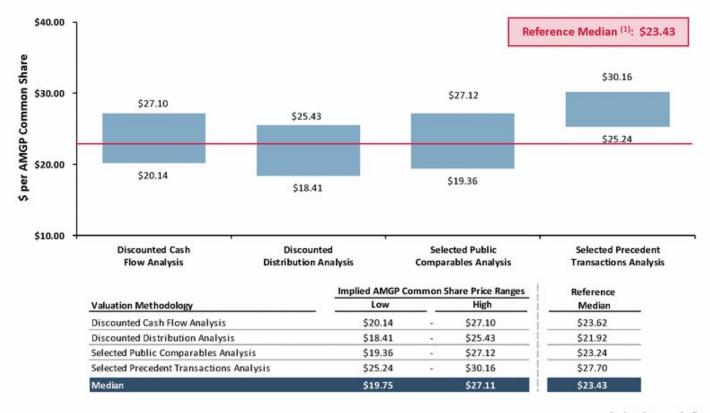
- Implied equity value per AMGP common share based on comparisons with similar publicly traded MLP general partners
- Valuation benchmarks include:
  - Per share price implied by multiples of Total Enterprise Value to 2019E EBITDA
  - Per share price implied by multiples of Price to CAFD Attributable to AMGP common shareholders
  - Per share price implied by 2019E Distribution Yields
- As a result of the substantial disparity in AMGP's near term growth relative to its closest peer group, Baird utilized AMGP's 2022 forecasted metrics for purposes of its Selected Public Comparables analysis. Baird discounted the resulting implied valuations to present utilizing its derived midpoint cost of equity for AMGP.

Selected Precedent Transactions Analysis

- Implied equity value per AMGP common chare based on comparisons with similar precedent transactions involving MLP general partners
- Valuation benchmarks include:
  - Per share price implied by multiples of Total Transaction Value to Total NTM IDR cash flow, normalized for a 1.1x coverage ratio at the underlying MLP
  - Baird focused on acquisitions of high-growth IDR streams for purposes of this analysis, as a way to best reflect the current growth profile of AMGP

### 2 AMGP SUMMARY VALUATION ANALYSIS

### Implied valuation ranges per AMGP common share across core methodologies

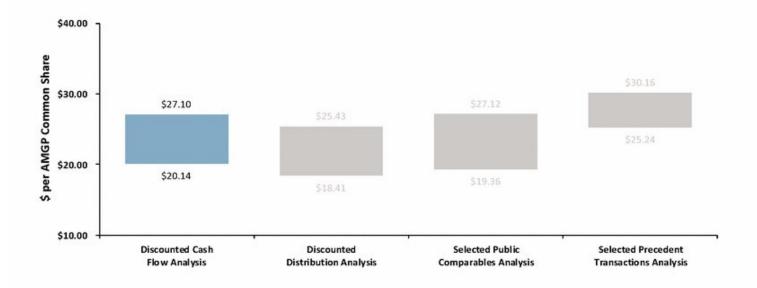


<sup>(1)</sup> Reference Median provided for informational purposes.



### 2 AMGP SUMMARY VALUATION ANALYSIS

### Implied valuation ranges per AMGP common chare based on Discounted Cash Flow Analysis



Discounted Cash Flow Analysis Methodology

- Implied equity value per AMGP common share based on the present value of future unlevered free cash flows attributable to AMGP common shareholders
- Discount rate range derived from a weighted average cost of capital analysis for AMGP, utilizing CAPM
- Terminal value based on a terminal multiple calculation, derived from an observation and analysis of precedent transactions



# 2 AMGP WEIGHTED AVERAGE COST OF CAPITAL ANALYSIS

#### **Cost of Capital Components**

Till I	Risk-free Interest Rate (1)	3.3%
	Levered Beta (2)	1.61
Cost of	Market Premium (6)	6.9%
Equity	Size Premium (4)	1.4%
	Cost of Equity (5)	15.8%

AMGP Market Value of Equity	\$3,261
AMGP Net Debt Outstanding	NA
Total AMGP Firm Value	\$3,261
AMGP Equity Market Value / Firm Value	100.0%
x Cost of Equity	15.8%
Cost of Equity Contribution	15.8%
AMGP Net Debt / Firm Value	0.0%
x Cost of Debt	0.0%
Cost of Debt Contribution	0.0%
Total Implied WACC	15.8%

Cost of Debt

AMGP has no outstanding debt

Based on AMGP's capital structure, which includes no debt, its weighted average cost of capital is equal to its cost of equity of 15.8%

As a result of its weighted average cost of capital analysis, Baird utilized a range of 14.5% - 16.5% for purposes of its discounted cash flow analysis herein

Source: AMGP filings and Bloomberg.

Represents estimated 20-year treasury rate as of October 5, 2018.

Represents two-year levered equity beta as of February 23, 2018, the date prior to the announcement of the Special Committee Formation.

Large company stock total returns minus long-term government bond income returns as computed by Duff & Phelps LLC.

Source: Duff & Phelps LLC size premium based on AMGP's equity market value as of October 5, 2018.

Cost of equity is calculated using CAPM (e.g. cost of equity = risk-free interest rate + levered equity beta \* market risk premium).

Terminal Value

> \$7,087 4.24

# AMGP DISCOUNTED CASH FLOW ANALYSIS

(\$ in millions, except per share data)

	Three Months				
	Ending,	Fe	or the Year Ending	December 31,	
	12/31/18E	2019E	2020E	2021E	2022E
Distribution from IDRs	\$43	\$236	\$355	\$462	\$589
Less: Series B Profit Interest	(2)	(12)	(19)	(26)	(33)
Less: G&A Expense	(1)	(2)	(2)	(2)	(2)
Less: Federal and State Taxes	(10)	(56)	(85)	(110)	(140)
AMGP Unlevered Free Cash Flow	\$30	\$165	\$249	\$324	\$414
Present Value Calculation					
Midpoint Cost of Capital (1)	15.8%				
Midpoint Terminal Multiple (2)	17.1x				
Terminal Value (3)					
Periods to Discount	0.12	0.74	1.74	2.74	3.74
Present Value of Cash Flows	\$828				
Present Value of Terminal Value	3,805				
Implied Enterprise Value	\$4,633				
Less: Net Debt (4)					
Implied Equity Value	\$4,633				
Common Shares Outstanding (4)	186.2				
Implied AMGP Common Share Price	\$24.88				

	AMGP Mod	dified Coverage Case								
Discount	Terminal Multiple									
Rate	16.0x	17.1x	18.0x							
16.50%	\$20.14	\$21.28	\$22.16							
15.80%	\$20.61	\$21.78	\$22.69							
14.50%	\$21.53	\$22.76	\$23.71							

	AMGP N	Management Case	11/2///198
Discount		Terminal Multiple	!
Rate	16.0x	17.1x	18.0x
16.50%	\$22.99	\$24.30	\$25.32
15.80%	\$23.54	\$24.88	\$25.92
14.50%	\$24.59	\$26.00	\$27.10

Source: Antero management. Assumes present value date as of October 5, 2018.

(1) Represents midpoint of Baird's selected AMGP WACC sensitivity range (see page 53).

(2) Represents median of comparable transactions (see page 66).

(3) Based on 2022E undevered free cash flow of 541d million.

(4) Represents estimated net debt and common shares outstanding as of September 30, 2018.



### 2 AMGP SUMMARY VALUATION ANALYSIS

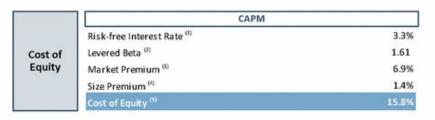
### Implied valuation ranges per AMGP common share based on Discounted Distribution Analysis



Discounted Distribution Analysis Methodology

- Implied equity value per AMGP common share based on the present value of future forecast cash distributions attributable to AMGP common shareholders
- Discount rate range derived from a cost of equity analysis for AMGP, utilizing CAPM
- Terminal value based on a terminal yield calculation, derived from an observation and analysis of AMGP's current publicly traded peer group

# 2 AMGP COST OF EQUITY ANALYSIS



As a result of its cost of equity analysis, Baird utilizes a range of 14.5% - 16.5% for purposes of its dividend discount analysis herein

Source: AMGP filings and Bloomberg.

Represents estimated 20-year treasury rate as of October 5, 2018.

Represents estimated 20-year treasury rate as of October 5, 2018, the date prior to the announcement of the Special Committee Formation.

Represents two-year levered equity beta as of February 23, 2018, the date prior to the announcement of the Special Committee Formation.

Source: Outf & Phelps LLC size premium based on AMGPs equity market value as of October 5, 2018.

Source: Duff & Phelps LLC size premium based on AMGPs equity market value as of October 5, 2018.

Source: Outf & Special Committee Formation.



# AMGP DISCOUNTED DISTRIBUTION ANALYSIS

(\$ in millions, except per share data)

	Three Months Ending,		Distribution E	stimates	Г	Terminal
	12/31/18E	2019E	2020E	2021E	2022E	Value
Distribution Per AMGP Common Share	\$0.164	\$0.888	\$1.340	\$1.742	\$2.222	
Present Value Calculation						
Cost of Equity (1) 15.8%						
Terminal Yield (2) 6.5%						
Terminal Value (3)						\$34
Periods to Discount	0.12	0.74	1.74	2.74	3.74	4.24
Discounted Distributions	\$4.45					
Discounted Terminal Value	18.36					
Implied AMGP Common Share Price	\$22.80					

	AMGP Mod	dified Coverage Case									
Cost of	Terminal Yield										
Equity	7.0%	6.5%	6.0%								
16.50%	\$18.41	\$19.52	\$20.82								
15.80%	\$18.84	\$19.98	\$21.30								
14.50%	\$19.67	\$20.86	\$22.26								

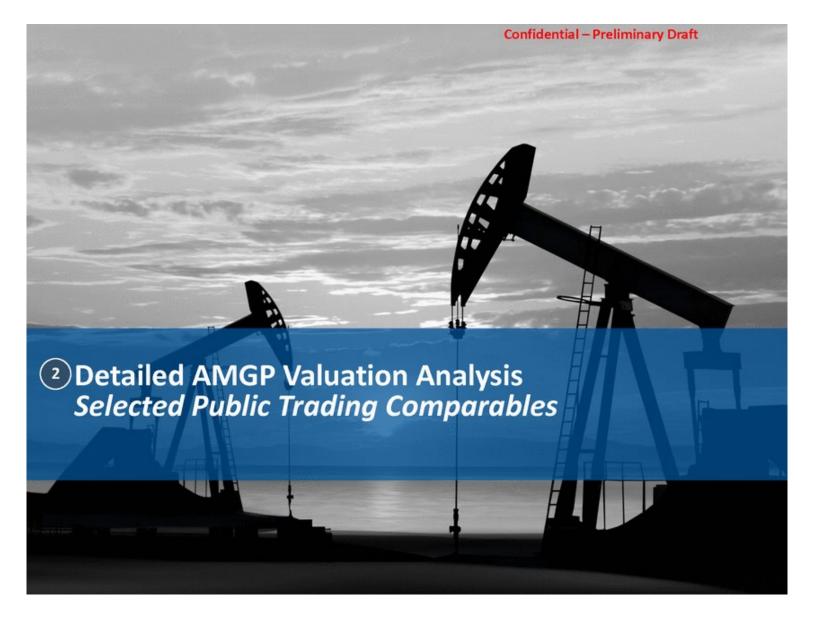
	AMGP N	Management Case	
Cost of		Terminal Yield	
Equity	7.0%	6.5%	6.0%
16.50%	\$21.00	\$22.28	\$23.77
15.80%	\$21.49	\$22.80	\$24.33
14.50%	\$22.45	\$23.82	\$25.43

Source: Antero management. Assumes present value date as of October 5, 2018.

(1) Discount rate based on estimated cost of equity for AMGP (see previous page).

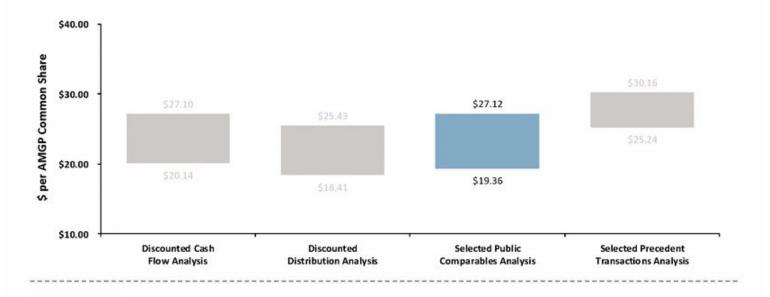
(2) Based on analysis of public comparables (see page 62).

(3) Based on 2022E distribution of \$2.222.



### 2 AMGP SUMMARY VALUATION ANALYSIS

### Implied valuation ranges per AMGP common share based on Selected Public Comparables Analysis



Selected Public Comparables Analysis Methodology

- Implied equity value per AMGP common share based on comparisons with publicly traded MLP general partners
- Valuation benchmarks include:
  - Per share price implied by multiples of Total Enterprise Value to 2019E EBITDA
  - Per share price implied by multiples of Price to CAFD Attributable to AMGP common shareholders
  - Per share price implied by 2019E Distribution Yields
- As a result of the substantial disparity in AMGP's near term growth relative to its closest peer group, Baird utilized AMGP's 2022
  forecasted metrics for purposes of its Selected Public Comparables analysis. Baird discounted the resulting implied valuations to
  present utilizing its derived midpoint cost of equity for AMGP.

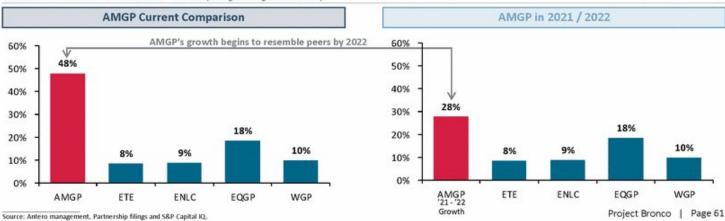


# 2 AMGP'S UNIQUE GROWTH PROFILE RELATIVE TO PEERS

AMGP's current valuation metrics are vastly different than its closest peers due to its significant growth expectations



#### Distribution Growth 2018 - 2021 (Using Management Cases)





# 2 AMGP SELECTED PUBLIC COMPARABLES ANALYSIS

(\$ in millions, except per unit values)

			- 1	Vlarket	Stats						Valua	ition Stats	8		Gro	wth
		Equity	Implied	1000	irrent	_	Current				Firm V	7777	72272		Distri	- 2021E bution
Partnership	10/05/18 Price	Market Value	Firm Value	GP (1)	LP (1)	GP (1)	LP (1)	Differential (Bps)	2018E	d (2) 2019E	2018E	A (2) 2019E	2018E	2019E	Growth GP (1)	LP (1)
Energy Transfer Equity, LP. (3)	\$17.50	\$20,269	\$26,740	\$1.22	\$2.26	7.0%	10.1%	(314)	7.0%	7.3%	13.6×	13.3x	12.6x	12.4x	7.9%	3.0%
EnLink Midstream, LLC	17.16	3,108	3,192	1.07	1.56	6.2%	8.4%	(213)	6.3%	6.7%	13.7x	13.0x	13.3x	12.6x	8.6%	0.7%
EQT GP Holdings LP	21.28	6,436	6,436	1.22	4.36	5.8%	8.3%	(253)	5.7%	7.3%	17.7x	13.4x	17.7x	13.4x	18.3%	10.6%
Western Gas Equity Partners LP	32.46	7,107	7,133	2.33	3.80	7.2%	8.3%	(112)	7.2%	8.1%	13.9x	12.6x	13.8x	12.6x	9.8%	5.3%
	Low	\$3,108	\$3,192	\$1.07	\$1.56	5.8%	8.3%	(314)	5.7%	6.7%	13.6x	12.6x	12.6x	12.4x	7.9%	0.7%
	Median	6,772	6,784	1.22	3.03	6.6%	8.3%	(233)	6.6%	7.3%	13.8x	13.2x	13.6x	12.6x	9.2%	4.1%
	High	20,269	26,740	2.33	4.36	7.2%	10.1%	(112)	7.2%	8.1%	17.7x	13.4x	17.7x	13.4x	18.3%	10.6%
Antero Midstream GP LP (4)	\$17.51	\$3,261	\$3,255	\$0.50	\$1.66	2.9%	5.6%	(273)	3.0%	5.0%	24.5x	14.9x	32.7x	19.9x	44.5%	23.1%
Antero Midstream GP LP (5)	\$17.51	\$3,261	\$3,255	\$0.50	\$1.66	2.9%	5.6%	(273)	3.1%	5.1%	24.3x	14.7x	32.5x	19.7x	47.8%	25.9%

Source: Antero management, Company and Partnership filings, S&P Capital RQ and Wall Street Research as of October 5, 2018.

Note: Market data are pro forma for any capital markets and M&A transactions announced or completed since the most recent filings.

(1) Values in the GP columns represent those for the public general partners. Values in the MLP column represent those for the public "o perating" MLP.

No pro forma adjustments for the announced ETE / ETP merger.

Implied Firm Value based on June 30, 2018 10-Q. Cash flow and distribution metrics based on Wall Street consensus estimates.

Implied Firm Value based on June 30, 2018 10-Q. Cash flow and distribution metrics based on Antero management forecast,



# AMGP PUBLIC COMPARABLES ANALYSIS

(\$ in millions, except per share data)

		AMGP	Midpoint	Selecti	ed Metrics	Range <sup>(5)</sup>	Implied A Valuation Range	100000	Implied A Valuation Range (	
-	Metric	Metric (1)	Metric (2)	Low		High	Low	High	Low	High
W. I.I	AMGP 2022 Mgmt Case	\$2.22	6.2%	7.2%		5.2%	\$31.04	\$43.06	\$20.01	\$27.77
Yield				Implied AMGP Price	e Per Shan	e <sup>(5)</sup>	\$31.04	\$43.06	\$20.01	\$27.77
Price /	AMGP 2022 Mgmt Case	\$2.22	16.3x	15.3x		17.3x	\$33.91	\$38.35	\$21.86	\$24.73
CAFD				Implied AMGP Price	e Per Shan	e <sup>(5)</sup>	\$33.91	\$38.35	\$21.86	\$24.73
	AMGP 2022 Mgmt Case	\$554	14.0x	13.0x		15.0x	\$7,226	\$8,334	\$4,659	\$5,373
2000				Less: Net Debt <sup>(6)</sup>						
EV/				Implied AMGP Equi	ity Value (	5)	\$7,226	\$8,334	\$4,659	\$5,373
EBITDA				AMGP Common Sh	ares Out	standing <sup>(6)</sup>	186.2	186.2	186.2	186.2
				Implied AMGP Price	e per Shan	e	\$38.81	\$44.76	\$25.02	\$28.86
		Overall Impl	ied AMGP Co	ommon Share Price - /	AMGP Mai	nagement Case (7)	\$34.58	\$42.06	\$22.30	\$27.12
		Overall Impl	ied AMGP Co	ommon Share Price - /	AMGP Mod	dified Coverage Case (	7) \$30.02	\$36.51	\$19.36	\$23.54

Source: Antero management.

AMGP metrics represent year ended December 31, 2022. AMGP EBITDA represents AMGP cash flow less distributions to Series B holders and G&A expenses.

Represents midpoint of AMGP valuation statistics utilizing Wall Street consensus estimates and the median metric of comparable publicly traded general partners (see page 62).

Midpoint metric sensitized by +7-1.00 bps or 4-1.00x.

Discounted to October 5, 2018 using AMGP's cost of equity.

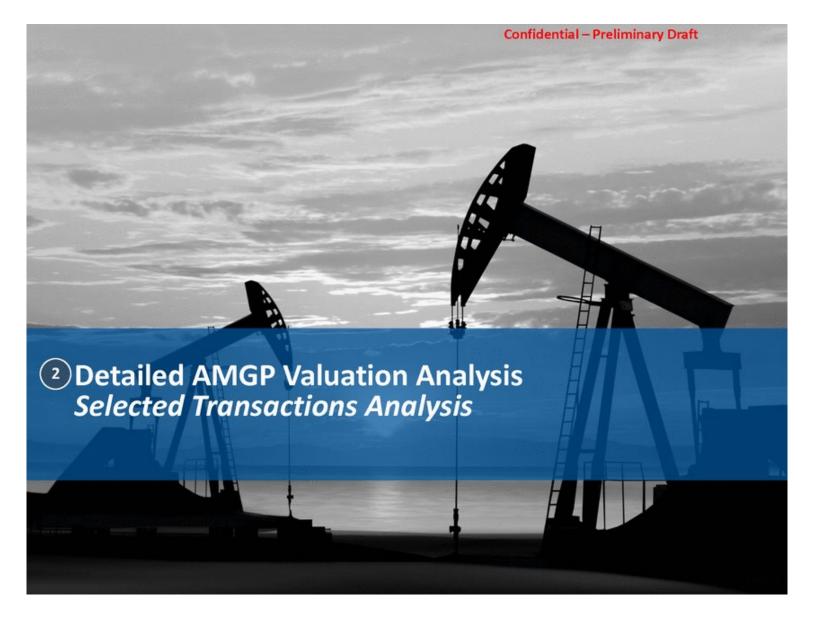
Median of Management Case and 1.2x Coverage Floor Case.

Represents estimated and defended on the following and the median metric of comparable publicly traded general partners (see page 62).

Median of Management Case and 1.2x Coverage Floor Case.

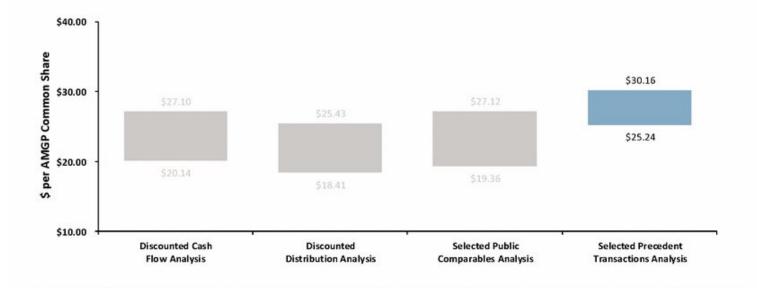
Represents estimated and common shares outstanding as of September 30, 2018.

Applies equal weighting to each respective summary range.



### 2 AMGP SUMMARY VALUATION ANALYSIS

### Implied valuation ranges per AMGP common share based on Selected Precedent Transactions Analysis



Selected Precedent Transactions Analysis Methodology

- Implied equity value per AMGP common share based on comparisons with similar precedent transactions involving MLP general partners
- Valuation benchmarks include:
  - Per share price implied by multiples of Total Transaction Value to Total NTM IDR cash flow, normalized for a 1.1x coverage ratio at the underlying MLP
  - Baird focused on acquisitions of high-growth IDR streams for purposes of this analysis, as a way to best reflect the growth profile of AMGP



# 2 SELECTED PRECEDENT GP / IDR TRANSACTIONS

(\$ in millions)			IDR		GP On	ly Value (1) / G	iP Cash Flow (2)	MLP	Pata	GP/IDR 3-Year
Announced Date	Acquiror	Target	Tier at Acquisition	GP Only Value <sup>(1)</sup>	LQA Unadjusted	NTM Unadjusted	NTM Normalized @ 1.1x Coverage <sup>(3)</sup>	3-Year Est. Distr. CAGR (4)	LQA DCF Coverage	Est. Distr. CAGR <sup>(4)</sup>
01/22/18	Spectra Energy Partners LP	SEP GP	50.0%	7,347	18.8x	17.1x	17.1x	5.2%	1.2x	11%
12/15/17	MPLX LP	MPLX GP	50.0%	10,434	28.3x	24.0x	14.8x	7.8%	1.3x	18%
10/19/17	Holly Energy Partners, LP	HEP GP LLC	50.0%	1,250	16.7x	15.3x	15.9x	4.7%	1.0x	10%
08/14/17	Andeavor Logistics	Andeavor GP	50.0%	3,768	17.2x	15.2x	15.7x	6.5%	1.2x	12%
01/09/17	Williams Companies, Inc.	Williams Companies	50.0%	11,173	11.9x	11.9x	14.4x	0.0%	1.1x	0%
07/11/16	Plains All American Pipeline, L.P.	Plains AAP, L.P.	50.0%	7,300	11.4×	11.4×	17.1x	0.0%	0.7x	0%
12/28/10	Genesis Energy, LP.	Genesis Energy, LLC	51.0%	690	44.0x	37.1x	33.5x	11.0%	1.5x	39%
09/21/10	Penn Virginia Resource Partners, LP	Penn Virginia GP Holdings, L.P.	50.0%	466	17.7x	15.5x	19.0x	2.1%	1.0x	7%
09/07/10	Enterprise Products Partners, L.P.	Enterprise GP Holdings LP.	25.0%	7,199	27.6x	26.5x	24.9x	6.5%	1.2x	25%
08/09/10	Inergy, LP.	Inergy Holdings, L.P.	48.7%	1,922	26.5x	22.6x	25.5x	NA	0.9x	25%
06/11/10	Buckeye Partners LP	Buckeye GP Holdings, LP	45.0%	1,156	22.8x	22.1×	14.9x	3.9%	1.1x	6%
			Overall Medi	an	18.8x	17.1×	17.1x			
			>25% Growth	Range			24.9x - 33.5x			

Source: SEC filings, Bloomberg and Wall Street research.

Note: Analysis reflects selected GP acquisitions announced and closed since 2010.

(1) Excludes the value of limited partner units.

(2) Based on estimated NTM MLP distribution at the time of announcement per Wall Street consensus estimates. Excludes distributions from limited partner units.

(3) Represents GP/IDR cash flow as adjusted by Baird to reflect 1.1x distributable cash flow coverage at the MLP.

(4) 3-year CAGR based on LQA - CY+3.



# AMGP PRECEDENT TRANSACTIONS ANALYSIS

(\$ in millions, except per unit data)

- Given AMGP's 2018-2022 IDR CAGR of 42%, combined with AM's 2018-2022 distribution growth CAGR of 24%, Baird focused on higher growth comparable transactions in deriving its range of multiples
- Baird applied a range of normalized cash flow multiples (adjusting for a 1.1x coverage ratio) to derive a comparable transaction-based valuation for AMGP

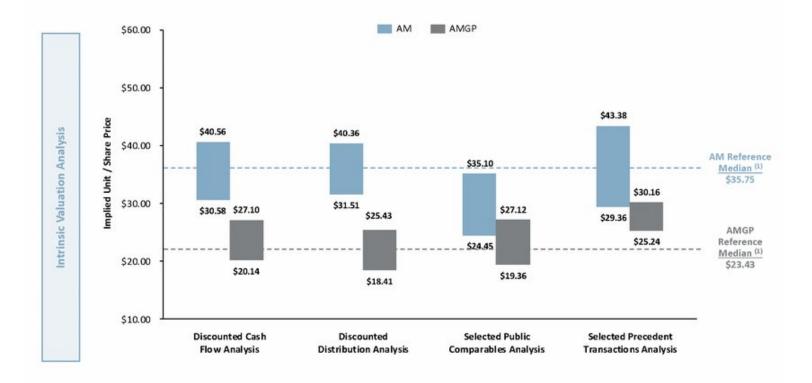
	AMGP NTM Est.  Post-Tax  IDR Cash Flow	NTM	f GP Ownership / GP Cash Flow .1x Coverage (2)	Implied AMGP Valuation Range		
P-Only Value / NTM Est. Normalized GP/IDR ash Flow @ 1.1x Coverage	@ 1.1x Coverage (1)	Low	High	Low	High	
	\$195	25.0x	30.0x	\$4,870	\$5,845	
			Less: Net Debt (3)	21	(2	
	Implied AMGP Equity Value			\$4,870	\$5,845	
	Less: Series B Conversion	Value <sup>(4)</sup>	(170)	(228)		
	Implied AMGP Equity Value	to Common Shar	reholders	\$4,701	\$5,617	
	AMGP Common Shares Ou	itstanding <sup>(3)</sup>	186.2	186.2		
	Implied AMGP Common Sha	are Price	\$25.24	\$30.16		

Source: Antero management.
(1) Represents NTM estimated post-tax IDR cash flow, adjusted for 1.1x coverage ratio at AM.
(2) Based on GP cash flow multiples adjusted for 1.1x coverage in precedent transactions (see previous page).
(3) Represents estimated net debt and common shares outstanding as of September 30, 2018.
(4) Represents 5.92% of equity value in excess of \$2.0 billion.



### **VALUATION ANALYSIS RECAP**

### Valuation ranges for AM Common Units and AMGP common shares across valuation methodologies



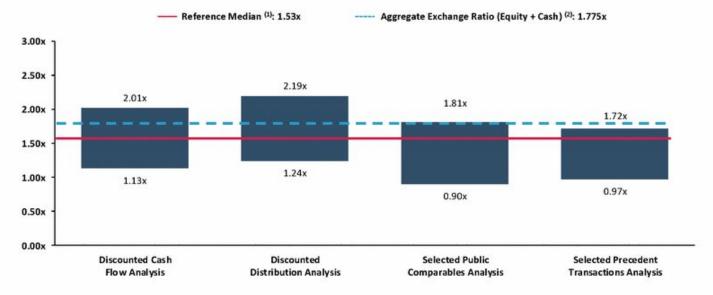
(1) Reference Median provided for informational purposes.



### **MERGER CONSIDERATION ANALYSIS**

### Exchange Ratio Analysis (AM Value + AMGP Value)

- The exchange ratio ranges depicted below are derived as follows for each methodology:
  - The Low value in the range uses the lowest implied value for an AM Common Unit divided by the highest implied value for an AMGP common share
  - The High value in the range uses the highest implied value for an AM Common Unit divided by the lowest implied value for an AMGP common share



Represents the Reference Median of AM divided by the Reference Median of AMGP (see previous page).
Assumes a 1.6023x base exchange ratio and \$3.00 per unit in cash. Based on a 10-day VWAP as of October 5, 2018, the cash value in exchange ratio terms is 1.775x.



# MERGER CONSIDERATION ANALYSIS (CONT.)

### Detailed exchange ratio analysis across methodologies

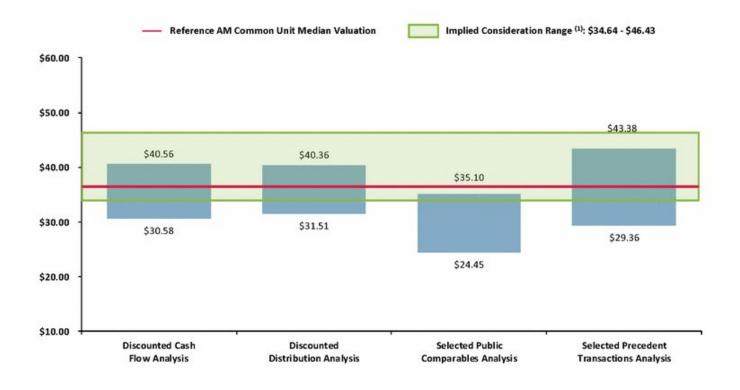
	Implied Ex	cha	ange Ratio		AR Holders All-In
<u> </u>	Low		High	Midpoint	Exchange Ratio (1)
Discounted Cash Flow Analysis	1.13x	-	2.01x	1.571x	1.775x
Distribution Discount Analysis	1.24x	=	2.19x	1.716x	1.775x
Public Comparables Analysis					
Distribution Yield Analysis	0.91x	-	1.76x	1.338x	1.775x
Price to CAFD / Unit Analysis	0.97x	-	1.65x	1.308x	1.775x
Firm Value to EBITDA Analysis	0.84x	-	1.36x	1.100x	1.775x
Transactions Analysis	0.97x		1.72x	1.346x	1.775x

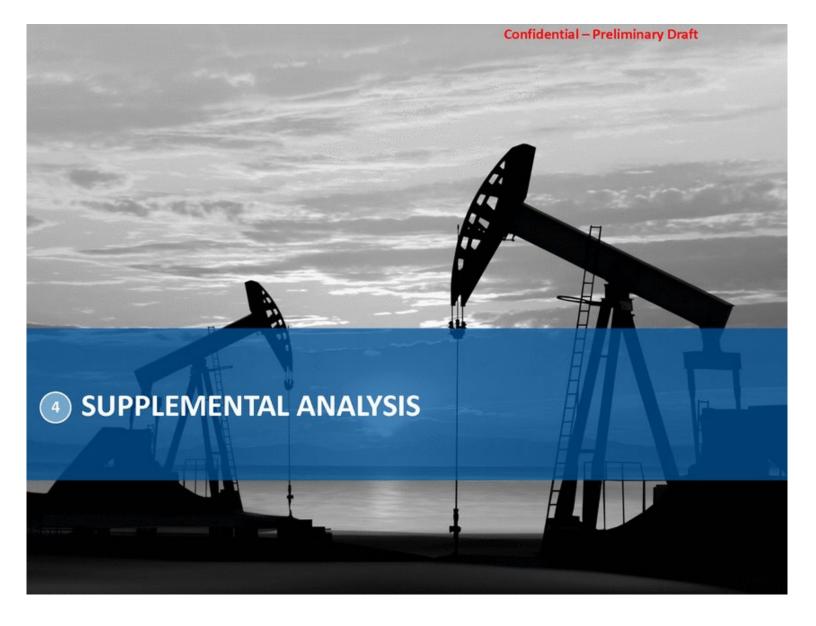
<sup>(1)</sup> Assumes a 1.602 lx base exchange ratio and \$3.00 per unit in cash. Based on a 10-day VWAP as of October 5, 2018, the cash value in exchange ratio terms is 1.775x.

# (3)

# **MERGER CONSIDERATION ANALYSIS (CONT.)**

Implied value of merger consideration relative to implied value of an AM Common Unit

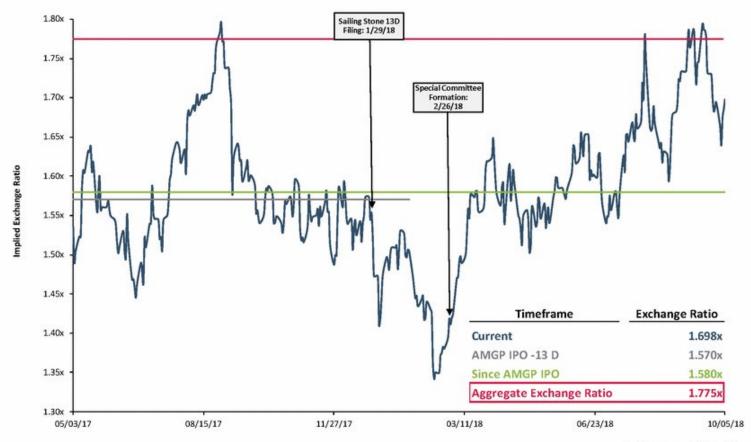




# 4

# IMPLIED AM / AMGP EXCHANGE RATIO SINCE AMGP IPO

### Represents the historical implied exchange ratio of AM / AMGP



Source: S&P Capital IQ as of October 5, 2018. Project Bronco | Page 74

# RELATIVE CONTRIBUTION ANALYSIS USING ANTERO MANAGEMENT FORECASTS



### Relative contribution based on proportionate distributions received

### **IMPLIED AM / AMGP EXCHANGE RATIO**

	Distribution Forecasts						Present Value			% Ownership Implied			Proposal at	
Ownership Entity	2019E	2020E	2021E	2022E	Terminal Value <sup>(1)</sup>	PV-10%	PV-15%	PV-20%	PV-10%	PV-15%	PV-20%	vs.	Equity Exchange	All-In
AR-Held AM Common Units	\$219	\$282	\$338	\$405	\$4,857	\$4,230	\$3,575	\$3,049	31.2%	31.2%	31.3%		31.2%	32.5%
AM Public Holders	195	252	302	362	4,336	3,776	3,192	2,722	27.8%	27.9%	28.0%		28.7%	29.9%
AMGP Common Shares	165	249	324	414	6,366	5,155	4,332	3,672	38.0%	37.9%	37.7%		36.7%	34.5%
Series B Units	12	19	26	33	509	411	345	292	3.0%	3.0%	3.0%		3.4%	3.2%
Total	\$591	\$802	\$990	\$1,214	\$16,069	\$13,572	\$11,443	\$9,735	100.0%	100.0%	100.0%		100.0%	100.0%
Implied Exchange Ratio (2) - AR	2.490x	2.128x	1.963x	1,845x	1.437x	1.545x	1.555x	1.564x	1.545x	1.555x	1.564x		1.602x	1.775x

Source: Management projections.
(1) Utilizes terminal yield values defined in prior sections of this presentation. Series B terminal value equal to the AMGP terminal value.
(2) AMGP includes only Series A cash flow.

All-in implied exchange ratio, including cash. Based on 10-day VWAP as of October 5, 2018.



### Relative contribution based on proportionate distributions received

### IMPLIED AM / AMGP EXCHANGE RATIO

		Distr	ibution Fo	recasts		P	resent Valu	ie	% Ov	nership Imp	lied		Propos	salat
Ownership Entity	2019E	2020E	2021E	2022E	Terminal Value (1)	PV-10%	PV-15%		PV-10%	PV-15%	PV-20%	vs.	Equity Exchange	All-In
AR-Held AM Common Units	\$216	\$266	\$310	\$364	\$4,366	\$3,836	\$3,246	\$2,771	31.6%	31.7%	31.8%		31.2%	32.5%
AM Public Holders	193	237	277	325	3,897	3,424	2,897	2,474	28.2%	28.3%	28.4%		28.7%	29.9%
AMGP Common Shares	162	228	287	359	5,526	4,507	3,791	3,216	37.2%	37.0%	36.9%		36.7%	34.5%
Series B Units	12	17	22	29	439	356	299	254	2.9%	2.9%	2.9%		3.4%	3.2%
Total	\$583	\$749	\$897	\$1,077	\$14,227	\$12,124	\$10,233	\$8,715	100.0%	100.0%	100.0%		100.0%	100.0%
Implied Exchange Ratio <sup>(7)</sup> - AR	2.510x	2.193x	2.034x	1.910x	1.488x	1.603×	1.613x	1.623x	1.603x	1.613x	1.623x		1.602x	1.775x

Source: Management projections.

(1) Utilizes terminal yield values defined in prior sections of this presentation. Series B terminal value equal to the AMGP terminal value.

(2) AMGP includes only Series A cash flow.

(3) All-in implied exchange ratio, including cash, Based on 10-day VWAP as of October 5, 2018.



# SELECT EQUITY RESEARCH ANALYST PRICE TARGETS – PRIOR TO SS 13D FILING & SPECIAL COMMITTEE FORMATION BAIRD



Firm	Date	Antero Midstream Partners us 12-Month Price Target	Antero Midstream GP  12-Month Price Target	Implied Exchange Ratio
Raymond James	01/22/18	\$36.00	\$27.00	1.33x
Scotia Howard Weil	01/22/18	40.00	24.00	1.67x
Baird	01/19/18	43.00	35.00	1.23x
Ladenburg Thalmann	01/19/18	41.00	28.00	1.46x
Seaport Global	01/19/18	38.00	26.00	1.46x
Wells Fargo	01/19/18	40.00	30.00	1.33x
Barclays	01/18/18	37.00	23.00	1.61x
Morgan Stanley	01/18/18	36.00	27.00	1.33x
MUFG Securities	01/18/18	40.00	30.00	1.33x
J.P. Morgan	11/21/17	39.00	25.00	1.56x
Goldman Sachs	11/03/17	35.00	27.00	1.30x
	Low	\$35.00	\$23.00	1.23x
	Median	39.00	27.00	1.44x
	High	43.00	35.00	1.67x

Project Bronco | Page 77 Source: Wall Street research.

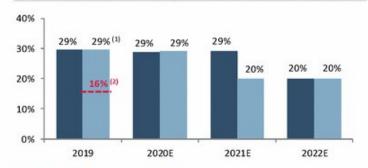
### SELECTED MERGER CONSEQUENCES SUMMARY



Key metrics of AMGP Corp vs. status quo AM (using AM Management Case)



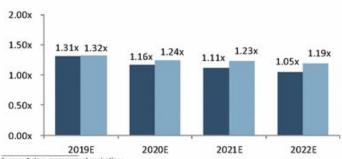
#### **AM Distribution Growth**



### DCF per AM LP Unit Growth

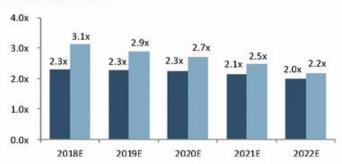


### **AM Total Coverage Ratio**



#### **AM Leverage**





Source: Antero management projections.
Assumes AMGP purchases 100% of AM public units (188.1 million on a fully diluted basis) with a combination of equity and cash; AMGP issues 304.3 million shares to current AM unitholders. Also assumes that AMGP issues 17.354 million shares in exchange for 100% of the Series B units.

(1) Growth rate assuming an all-in exchange ratio of 1.8074x.

(2) Distribution growth assuming only the base equity exchange ratio of 1.6023x available to AR holders.



### SELECTED MERGER CONSEQUENCES SUMMARY (CONT.)

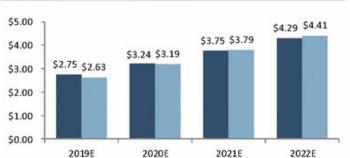
### Impact to AR across key metrics



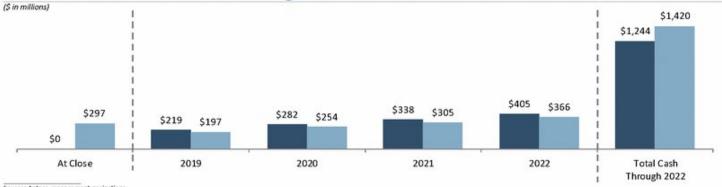
#### Dividend per AR-Owned AM Unit



### DCF per AR-Owned AM Unit



#### **Total Cash to AR from Midstream Holdings**



Source: Antero management projections.

Assumes AMGP purchases 100% of AM public units (188.1 million on a fully diluted basis) with a combination of equity and cash; AMGP issues 304.3 million shares to current AM unitholders. Also assumes that AMGP issues 17.354 million shares in exchange for 100% of the Series B units.



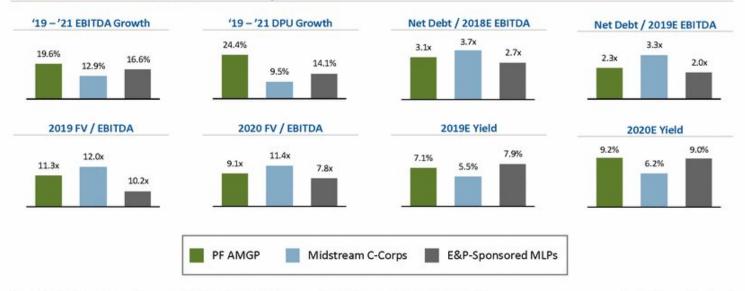


# BAIRD

### PRO FORMA AMGP CORP. VS PEERS

- Pro Forma AMGP has positive characteristics that may result in improved valuation levels, primarily:
  - A traditional C-Corp structure with traditional governance favored by investors
  - DCF, EBITDA and cash distribution growth superior to its potential new corporate peers
  - Conservative balance sheet with distribution coverage and leverage superior to its potential new corporate peers
  - A larger float, liquidity and access to institutional capital

### Pro Forma AMGP vs. Peers Across Key Metrics



Source: S&P Capital IQ. Midstream C-Corp peers include OKE, TRGP, WMB. E&P-Sponsored MLPs include: CNXM, EQM, HESM, NBLX, WES.



### PRO FORMA AMGP CORP VS. PEERS

#### Selected Midstream Valuations

		Marke	t Stats			Valuation	Stats			Financi	al Health	Growth	Metrics
		Market	Firm	Firm Va	*****	Prio	ce / er LPs <sup>(2)</sup>	Yie	eld	2019E Dist.	Net Debt /	2019E Growth	1971.037.056
		Сар	Value	2019E	2020E	2019E	2020E	2019E	2020E	Coverage	2018E EBITDA	EBITDA	DPU
a	OKE	\$28,216	\$36,748	14.4x	12.5x	15.1x	12.9x	5.2%	5.8%	1.3x	3.5x	13%	10%
C-Corp	TRGP	12,874	18,386	11.7x	9.7x	13.1x	10.8x	6.2%	6.4%	1.3x	3.7x	16%	5%
ပ	WMB	33,432	59,953	12.0x	11.4x	10.3x	9.9x	5.5%	6.2%	1.7x	4.4x	6%	12%
	Median	\$28,216	\$36,748	12.0x	11.4x	13.1x	10.8x	5.5%	6.2%	1.3x	3.7x	13%	10%
State 1	CNXM	\$1,294	\$1,766	8.2x	6.9x	9.7x	8.1x	7.9%	9.0%	1.5x	2.5x	20%	15%
Q.	EQM	6,446	9,476	9.3x	7.7x	9.5x	8.2x	9.5%	10.8%	1.1x	3.0x	12%	9%
E&P G&P	HESM	1,274	1,218	11.0x	8.6x	12.8x	11.4x	7.1%	8.1%	1.1x	NM	33%	14%
E	NBLX	1,601	2,769	10.2x	7.8x	10.1x	8.5x	6.5%	7.8%	1.9x	2.3x	17%	20%
	WES	7,098	12,065	11.1x	9.8x	10.4x	10.1x	8.9%	9.3%	1.1x	3.4x	10%	5%
	Median	\$1,601	\$2,769	10.2x	7.8x	10.1x	8.5x	7.9%	9.0%	1.1x	2.7x	17%	14%
	AMGP PF (3)	\$8,893	\$11,171	11.3x	9.1x	10.8x	8.8x	7.1%	9.2%	1.2x	3.1x <sup>(4)</sup>	20%	24%
	AM SQ	\$5,562	\$6,963	9.9x	8.5x	12.0x	10.3x	7.5%	5.7%	1.2x	2.0x	21%	19%

Source: S&P Capital IQ, SEC Filings and Antero management. Market data is as of October 5, 2018.

(1) EBITDA less projected GP/IDR distributions.

(2) Defined as Price per LP unit divided by cash available for distribution to the LP unit holders under a full payout scenario.

(3) Assumes AMGP purchases 100% of AM public units (188.1 million on a fully diluted basis) with a combination of equity and cash; AMGP issues 304.3 million shares to current AM unitholders. Also assumes that AMGP issues 17:354 million shares in exchange for 100% of the Series B units.

(4) Represents pro forma net debt / LTM EBITDA as of 1/1/19.



# **ILLUSTRATIVE HAS / GETS ANALYSIS**

### Price / DCF per Unit

Static
Multiple
Case
Cusc

	2019E	2020E	2021E	2022E
Status Quo AM DCF / LP Unit (AM Management Case)	\$2.75	\$3.24	\$3.75	\$4.29
Estimated Price / DCF per LP (1)	12.0x	12.0x	12.0x	12.0x
Implied Status Quo AM Common Unit Price	\$32.99	\$38.86	\$45.03	\$51.52
Pro Forma AMGP Corp DCF / Share	\$1.64	\$1.99	\$2.37	\$2.75
Estimated Price / DCF per LP (1)	12.0x	12.0x	12.0x	12.0x
Implied Pro Forma AMGP Common Share Price	\$19.70	\$23.91	\$28.40	\$33.06
Proposed Equity Exchange Ratio	1.6023x	1.6023x	1.6023x	1.6023x
Implied PF AMGP Corp Common Share Price per AM Common Unit	\$31.56	\$38.31	\$45.50	\$52.98
Add: Cash Consideration per AR-Owned AM Unit	\$3.00	\$3.00	\$3.00	\$3.00
All-in Value per AR-Owned AM Unit	\$34.56	\$41.31	\$48.50	\$55.98
% Value Uplift	5%	6%	8%	9%

Trading Multiple Expansion Cases

Midpoint of Current AM & C-Corp Comps (2) C-Corp Peer Median (3)

Price /	Value Uplift						
DCF per LP	2019E	2020E	2021E	2022E			
12.6x	9%	11%	12%	13%			
13.1x	14%	15%	17%	18%			

Source: Antero management projections and S&P Capital KQ. As of October 5, 2018.

(1) AM status quo 2019E Price / DCF to LPs per Wall Street consensus estimates.

(3) Midpoint of (1) AM status quo 2019F Price / DCF to LPs and (2) median 2019€ Price / DCF to LPs for midstream C-corp peers (OKE, TRGP, WMB); per Wall Street consensus estimates.

(3) Median 2019E Price / DCF to LPs for midstream C-corp peers (OKE, TRGP, WMB); per Wall Street consensus estimates.



# **ILLUSTRATIVE HAS / GETS ANALYSIS (CONT.)**

### EV / EBITDA

### Static Multiple Case

	2019E	2020E	2021E	2022E
Status Quo AM Adj. EBITDA (1) (AM Management Case)	\$753	\$867	\$952	\$1,053
Estimated EV / Adj. EBITDA (2)	9.9x	9.9x	9.9x	9.9x
Implied Status Quo AM Common Unit Price (3)	\$30.81	\$33.70	\$35.38	\$39.28
Pro Forma AMGP Corp EBITDA	\$989	\$1,222	\$1,413	\$1,642
Estimated EV / EBITDA (2)	9.9x	9.9x	9.9x	9.9x
Implied Pro Forma AMGP Corp Common Share Price (3)	\$14.69	\$18.12	\$20.97	\$25.15
Proposed Equity Exchange Ratio	1.6023x	1.6023x	1.6023x	1.6023x
Implied PF AMGP Corp Common Share Price per AM Common Unit	\$23.54	\$29.04	\$33.61	\$40.30
Add: Cash Consideration per AR-Owned AM Unit	\$3.00	\$3.00	\$3.00	\$3.00
All-in Value per AR-Owned AM Unit	\$26.54	\$32.04	\$36.61	\$43.30
% Value Uplift / (Decline)	(14%)	(5%)	3%	10%

Trading Multiple Expansion Cases

Midpoint of Current AM & C-Corp Comps (4) C-Corp Peer Median (5)

Price /		Value Uplift						
DCF per LP	2019E	2020E	2021E	2022E				
10.9x	(3%)	7%	17%	24%				
12.0x	8%	19%	30%	38%				

Source: Antero management projections and S&P Capital IQ, As of October 5, 2018.

(1) EBITDA less projected GP/IDR distributions.

(2) AM status quo 2019E EV/Adj. EBITDA per Wall Street consensus estimates.

(3) Adjusts for projected net debt as of January 1 of each calendar year.

(4) Midpoint of (1) AM status quo 2019E EV/Adj. EBITDA and (2) median 2019E EV/EBITDA for midstream C-corp peers (OKE, TRGP, WMB); per Wall Street consensus estimates.

(5) Median 2019E EV/EBITDA for midstream C-corp peers (OKE, TRGP, WMB); per Wall Street consensus estimates.



# **ILLUSTRATIVE HAS / GETS ANALYSIS (CONT.)**

#### Dividend Yield

### Static Multiple Case

	2019E	2020E	2021E	2022E
Status Quo AM Distribution / LP Unit (AM Management Case)	\$2.21	\$2.85	\$3.42	\$4.10
Estimated Distribution Yield (1)	7.5%	7.5%	7.5%	7.5%
Implied Status Quo AM Common Unit Price	\$29.43	\$37.95	\$45.54	\$54.59
Pro Forma AMGP Corp DCF / Share	\$1.25	\$1.61	\$1.93	\$2.31
Estimated Dividend Yield (1)	7.5%	7.5%	7.5%	7.5%
Implied Pro Forma AMGP Corp Common Share Price	\$16.58	\$21.39	\$25.67	\$30.80
Proposed Equity Exchange Ratio	1.6023x	1.6023x	1.6023x	1.6023x
Implied PF AMGP Corp Common Share Price per AM Common Unit	\$26.57	\$34.27	\$41.13	\$49.36
Add: Cash Consideration per AR-Owned AM Unit	\$3.00	\$3.00	\$3.00	\$3.00
All-in Value per AR-Owned AM Unit	\$29.57	\$37.27	\$44.13	\$52.36
% Value Uplift / (Decline)	0%	(2%)	(3%)	(4%)

Trading Multiple Expansion Cases

Midpoint of Current AM & C-Corp Comps (2) C-Corp Peer Median (3)

Price /	Value Uplift						
DCF per LP	2019E	2020E	2021E	2022E			
6.5%	14%	12%	11%	10%			
5.5%	33%	31%	30%	29%			

Source: Antero management projections and S&P Capital IQ. As of October 5, 2018.

AM status quo 2019¢ distribution yield per Wall Street consensus estimates.

Mispoint of (1) AM status quo 2019¢ distribution yield and (2) median 2019¢ dividend yield for midstream C-corp peers {OKE, TRGP, WMB}; per Wall Street consensus estimates.

Median 2019¢ dividend yield for midstream C-corp peers {OKE, TRGP, WMB}; per Wall Street consensus estimates.



### **ILLUSTRATIVE IMPLIED VALUE CREATION ANALYSIS (CONT.)**

### Sum of the parts discounted cash flow analysis

**AM Standalone DCF Analysis** 

\$5,753 - \$7,629

**AMGP Standalone DCF Analysis** 

\$3,751 - \$5,045

Tax & G&A Savings (1)(2)

\$420

**Total Implied** Equity Value (3)

\$11,509

Value Creation Summary				
Total implied equity value (3)	\$11,509			
Pro forma shares outstanding (4)	507.9			
Implied value / common share	\$22.66			
Current AMGP price	\$17.51			
% Increase	29.4%			
Implied pro forms price / common share	\$22.66			
	622.66			
Implied pro forma price / common share x AR Equity exchange ratio	\$22.66 1.6023x			
Implied pro forma price / common share x AR Equity exchange ratio Pro forma equity value / AM common unit				
x AR Equity exchange ratio	1.6023x			
x AR Equity exchange ratio Pro forma equity value / AM common unit	1.6023x \$36.31			
x AR Equity exchange ratio  Pro forma equity value / AM common unit + \$3.00 cash per unit	1.6023x \$36.31 \$3.00			

Note: Reflects closing prices as of October 5, 2018. Excludes \$0.41 / common unit special dividend to AM unaffiliated common unitholders.

13 Tax savings are calculated per the Forecast for 2019 – 2022. Baird conservatively assumes a 25% annual decline in tax benefit thereafter, ending in 2026. Assumes present value date of 1/1/19, mid-period convention and pro forma AMGP WACC.

23 Reflects a unique = midpoint of AM Standalone DCF Analysis + midpoint of AMGP Standalone DCF Analysis + Tax & G&A Savings.

44 Reflects a 1.618x equity exchange rate; AMGP issues 304.3 million shares to current AM unitholders. Also reflects 17.354 million AMGP shares issued to Series B holders.

### PRO FORMA AMGP WEIGHTED AVERAGE COST OF CAPITAL ANALYSIS



(\$ in millions)

#### **Cost of Capital Components**

	Risk-free Interest Rate (1)	3.3%
Levered Beta (2)	Levered Beta (2)	1.43
Cost of Equity	Market Premium (3)	6.9%
-quity	Size Premium (4)	0.9%
	Cost of Equity (5)	14.0%

]	Amount Outstanding (6)	Interest Rate (7)
Revolving Credit Facility (8)	\$1,396	3.3%
5.375% Senior Notes Due 2024	650	5.2%
Cost of Debt	\$2,046 3.9%	
Tax Rate (9)		25.3%
After Tax Cost of Debt		2.9%

PF AMGP Market Value of Equity	\$8,893
PF AMGP Net Debt Outstanding	2,046
Total PF AMGP Firm Value	\$10,938
PF AMGP Equity Market Value / Firm Value	81.3%
x Cost of Equity	14.0%
Cost of Equity Contribution	11.4%
PF AMGP Net Debt / Firm Value	18.7%
x Cost of Debt	2.9%
Cost of Debt Contribution	0.5%

As a result of its weighted average cost of capital analysis, Baird utilized 12.0% for purposes of discounting tax and G&A savings

Source: AM & AMGP filings and Bloomberg.

Cost of Debt

ce: AM & AMGP filings and Bloomberg.

Represents estimated 20-year treasury rate as of October 5, 2018.

Represents estimated 20-year treasury rate as of October 5, 2018.

Represents midpoint of AM & AMGP two-year levered equity betas as of February 23, 2018, the date prior to the announcement of the Special Committee Formation.

Large company stock total returns minus long-term government bond income returns as computed by Duff & Phelps LLC.

Source: Duff & Phelps LLC size premium based on pro forma AMGP's equity market value as of October 5, 2018.

Cost of equity is calculated using CAPM (e.g. cost of equity = risk-free interest rate \* levered equity beta \* market risk premium \* size premium).

Reflects debt outstanding as of June 30, 2018, the most recent public disclosure; unless otherwise noted.

Interest rate for publicly-traded senior notes represents the yield-to-worst as of October 5, 2018.

Includes \$626 million in cash issued to AM unitholders: \$3.00 / unit to all AM common unitholders plus a \$0.41 / unit special dividend to unaffiliated AM common unitholders, and estimated transaction fees.

Estimated pro forma AMGP corporate tax rate. Project Bronco | Page 7







## **PROCESS OVERVIEW**



- The Special Committee (the "Committee") of the Board of Directors of Antero Resources Corporation, a Delaware corporation ("AR" or the "Company") and owner of a 52.9% limited partner interest in Antero Midstream Partners LP, a Delaware limited partnership ("AM"), has been asked to consider the proposal by Antero Midstream GP LP, a Delaware limited partnership ("AMGP") and indirect owner of the general partner of AM, for AM to enter into a Simplification Agreement (the "Agreement") by and among AMGP, Arkrose Midstream Merger Sub LLC, a Delaware limited liability company and indirect subsidiary of AMGP ("Merger Sub"), AM, and the other parties thereto. Pursuant to the Agreement, among other things: (1) AMGP will convert from a Delaware limited partnership to a Delaware corporation to be renamed "Antero Midstream Corporation" upon such conversion (following such conversion, "AMGP Corp"); and (2) Merger Sub will merge with and into AM with AM continuing as the surviving limited partnership and an indirect subsidiary of AMGP Corp (such merger is referred to herein as the "Transaction").
- Pursuant to the Agreement and as a result of the Transaction, each common unit of AM ("AM Common Units") issued and outstanding and held by the Company immediately prior to the Effective Time (as defined in the Agreement) shall be converted into the right to receive 1.6023 shares of common stock, par value \$0.01 per share, of AMGP Corp ("AMGP Common Stock") and \$3.00 in cash, subject to AR's right to elect under certain circumstances to take additional cash (in lieu of a corresponding number of shares of AMGP Common Stock, on the terms set forth in the Agreement) (the foregoing consideration to be received by AR is referred to herein as the "Consideration").
- In connection with its consideration of the Transaction, the Committee has requested that Robert W. Baird & Co. Incorporated ("Baird" or "we") provide our opinion as to the fairness from a financial point of view, to the Company and the unaffiliated stockholders of the Company, of the Consideration to be received by the Company in the Transaction.
- The Committee has not asked us to express, and we are not expressing, any opinion with respect to any of the other financial or non-financial terms, conditions, determinations or actions with respect to the Transaction, including the fairness of the consideration to be received by any unitholder of AM other than the Company

# PROCESS OVERVIEW (CONT.)



#### ... Continued

- Further, the Committee has not asked us to express, and we are not expressing, any opinion as to the individual shares of AMGP Common Stock and/or cash components, or the relative proportional amounts thereof, of the Consideration.
- In conducting our financial analyses and in arriving at our opinion herein, we have reviewed such information and have taken into account such financial and economic factors, investment banking procedures and considerations as we have deemed relevant under the circumstances.
- In that connection, and subject to the various assumptions, qualifications and limitations set forth herein, we have, among other things:
  - Participated in meetings with management of AR, AM and AMGP (collectively, "management") and the Committee and its legal counsel, during which the background on the Transaction was discussed;
  - Reviewed certain internal information, primarily financial in nature, including financial forecasts concerning
    the business and operations of AM, AMGP and AMGP Corp. and the contemplated strategic, operating and
    cost benefits associated with the Transaction furnished to us, and certified, by management for purposes of
    our analysis (collectively, the "Forecasts");
  - Participated in subsequent calls and meetings with management regarding the Forecasts and their underlying assumptions and for review and updates regarding AR, AM, AMGP and AMGP Corp. and certain of their respective assets;
  - Reviewed certain publicly available information including, but not limited to, AR's, AM's and AMGP's recent
    filings with the Securities and Exchange Commission and equity analyst research reports covering AR, AM and
    AMGP prepared by various investment banking and research firms;

# **PROCESS OVERVIEW (CONT.)**



#### ... Continued

- In conjunction with the Committee and its legal counsel, reviewed the initial proposal letter and associated supporting materials provided by the Conflicts Committee of AMGP dated June 8, 2018, as well as subsequent counterproposal letters from the Conflicts Committee of AMGP and the Conflicts Committee of AM, in each case, as provided to us;
- In conjunction with the Committee and its legal counsel, reviewed the principal financial terms of the Agreement (draft dated October 7, 2018);
- Reviewed the proposed financial terms of the Transaction and the reported financial terms of certain other transactions we deemed relevant:
- Reviewed the historical market prices, trading activity and market trading multiples of AM Common Units and AMGP common shares, as well as those of certain other publicly-traded partnerships and companies we deemed relevant;
- Considered the present values of the forecasted cash flows attributable to AM, AMGP and AMGP Corp as contained in the Forecasts;
- Considered the present values of the forecasted stand-alone distributions to the holders of the AM Common Units and AMGP common shares as contained in the Forecasts;
- Considered the impact to AR of the completion of the Transaction, as reflected in the Forecasts;
- Reviewed certain potential pro forma financial effects of the Transaction based on information furnished to us, and prepared, by management for purposes of our analysis; and
- Considered various other information, financial studies, analyses and investigations and financial, economic and market criteria we deemed relevant for the preparation of our opinion.



- We have held discussions with members of management concerning their views on general market trends, historical and current financial condition and operating results, as well as the future prospects of AR, AM, AMGP and AMGP Corp and the anticipated benefits of the proposed Transaction. We were not engaged or requested to provide, and have not provided, any advice concerning the advisability of entering into the Transaction, and we were not involved in assisting AMGP in obtaining any financing for the Transaction.
- In arriving at our opinion, we have assumed and relied upon, without independent verification, the accuracy and completeness of all of the financial and other information that was publicly available or provided to us by or on behalf of AR, AM and/or AMGP, including the Forecasts.
- We have not independently verified any information supplied to us by or on behalf of AR, AM and/or AMGP.
- We have not been engaged to independently verify, have not assumed any responsibility to verify, assume no liability for, and express no opinion on, any such information.
- We have assumed and relied upon, without any independent verification, that:
  - None of AR, AM and AMGP is aware of any information prepared for it or its advisors that might be material to our opinion that has not been provided to us;
  - Any adverse tax consequences with respect to AR's receipt of the Consideration are offset by existing net operating losses of AR;
  - All assets and liabilities (contingent or otherwise, known or unknown) of AR, AM and AMGP are set forth in the
    respective publicly-filed financial statements, and there is no information or facts that would make any of the
    information reviewed by us incomplete or misleading;



#### ...Continued

- The financial statements of AM and AMGP provided to us present fairly the results of operations, cash flows and financial condition of AM and AMGP, respectively, for the periods, and as of the dates, indicated and were prepared in conformity with U.S. generally accepted accounting principles, consistently applied;
- The Forecasts were reasonably prepared on bases reflecting the best available estimates and good faith judgments of management as to the future performance of AM, AMGP and AMGP Corp, and we have relied, without independent verification, upon such Forecasts in the preparation of our opinion, although we express no opinion with respect to the Forecasts or any judgments, estimates, assumptions or basis on which they were based, and we have assumed, without independent verification, that the Forecasts, including the financial results and the strategic, operating and cost benefits currently contemplated by management will be realized in the amounts and on the time schedule contemplated in the forecasts;
- The Transaction will be consummated in accordance with the terms and conditions of the Agreement, which is
  consistent in all material respects with the draft dated October 7, 2018 (the most recent draft we have been
  provided), without any amendment thereto and without waiver by any party of any of the conditions to their
  respective obligations thereunder;
- The representations and warranties contained in the Agreement are true and correct subject to the
  qualifications stated therein and that each party will perform all of the covenants and agreements required to
  be performed by it under the Agreement;
- The Transaction will not materially impact the tax characteristics of AMGP or AMGP Corp; and
- All corporate, partnership, governmental, regulatory, third party or other consents and approvals (contractual
  or otherwise) required to consummate the Transaction have been, or will be, obtained without the need for any
  changes to the Consideration or other financial terms of the Transaction or that would otherwise materially
  affect AR, AM, AMGP, AMGP Corp, the Transaction or our analysis.



#### ...Continued

- We do not provide regulatory, accounting, insurance, tax or legal advice and therefore have not expressed an opinion on such matters as they relate to the Transaction.
- In conducting our review, we have not undertaken or obtained an independent evaluation or appraisal of any of the assets or liabilities (contingent or otherwise, known or unknown) or solvency of AM or AMGP nor have we made a physical inspection of all of the properties or facilities of AM or AMGP.
- We express no opinion with respect to the terms, or impact on AMGP or AMGP Corp, their financial condition, results of operation or cash flows, or on the price or trading range of AMGP common shares or shares of AMGP Common Stock, of any financing obtained, or to be obtained, by AMGP or AMGP Corp in connection with or following the Transaction.
- In each case, we have made the assumptions and taken the actions or inactions described herein with the knowledge and consent of the Committee. Our opinion necessarily is based upon economic, monetary, market, and other conditions as they exist and can be evaluated on the date hereof and upon certain assumptions we have made with respect thereto, and our opinion does not predict or take into account any changes which may occur, or information which may become available, after the date hereof. We are under no obligation to update, revise, reaffirm or otherwise comment on or consider events occurring after the date hereof.
- Furthermore, we express no opinion as to the price or trading range at which any of AR's, AM's, AMGP's or AMGP Corp's securities (including AM Common Units, AMGP common shares or shares of AMGP Common Stock) will trade following the date of our opinion or as to the effect of the Transaction on such price or trading range, or any earnings or ownership dilutive impact that may result from future issuances of securities by AR, AM, AMGP or AMGP Corp. Such price and trading range may be affected by a number of factors, including but not limited to:



#### ... Continued

- Dispositions of shares of AR common stock, AM Common Units, AMGP common shares or shares of AMGP
   Common Stock within a short period of time after, or other market effects resulting from, the announcement and/or effective date of the Transaction;
- Changes in prevailing interest rates and other factors which generally influence the price of securities;
- Adverse changes in current capital markets;
- The occurrence of adverse changes in the financial condition, business, assets, results of operations or prospects of AR, AM, AMGP or AMGP Corp or in its related industry;
- Other transactions or strategic initiatives that AR, AM, AMGP or AMGP Corp may enter into prior to, concurrent with, or subsequent to, the Transaction;
- Changes in commodity prices;
- Any necessary actions by, or restrictions of, federal, state or other governmental agencies or regulatory authorities; and
- Timely completion of the Transaction on terms and conditions that are acceptable to all parties at interest.
- Our opinion has been prepared at the request of, and solely for the benefit and use of, the Committee in its consideration of the Transaction, and may not be relied upon, used for any other purpose or disclosed to any other party without our prior written consent, except as permitted under the terms of our engagement letter, dated March 15, 2018.



#### ... Continued

- In that regard, if any description of or reference to us or our opinion is included in any proxy statement, information statement or any other public filing or any other public filing or other materials mailed, or our opinion is reproduced in any such proxy statement, then any description of or reference to us or any summary of our opinion included in any such statement, filing or mailing shall be in form and substance acceptable to us and our legal counsel in our or their respective reasonable judgments.
- Our opinion does not address the relative merits or risks of:
  - The Transaction, the Agreement or any other agreements or other matters provided for, or contemplated by, the Transaction, the Agreement, or any tax strategy implemented or contemplated pursuant to the Transaction;
  - Any other transactions that may be or might have been available as an alternative to the Transaction; or
  - The Transaction compared to any other potential alternative transactions or business strategies considered by AR, AM, AMGP, the Committee or the Board and, accordingly, we have relied upon our discussions with the management with respect to the availability and consequences of any alternatives to the Transaction.
- Our opinion does not constitute a recommendation to the Committee, the Board or any other person or entity as to how any such person or entity should act with respect to the Transaction.
- We, based on our experience and professional judgment, made qualitative conclusions as to the relevance and significance of each analysis and factor considered by us. Therefore, our analysis must be considered as a whole. Considering any portion of the various analyses and factors reviewed, without bearing in mind all analyses, could create a misleading or incomplete view of the process underlying our opinion.



## PROPOSED TRANSACTION DETAILS



Merger Consideration

- AMGP acquires all of the outstanding common units of AM in exchange for equity and cash
  - Each AM Common Unit held by AR will be exchanged for (i) 1.6023 shares of AMGP stock and (ii) \$3.00 in cash, implying an all-in exchange ratio of 1.776x (1)
  - Each AM Common Unit held outside of AR ("Public AM Holders") will be exchanged for (i) 1.6350 shares of AMGP stock and (ii) \$3.415 in cash, implying an all-in exchange ratio of 1.833x (1)
  - Public AM Holders can elect to receive additional equity in lieu of cash; AR has the right to accept additional cash and ratably reduce its equity consideration (2)

Tax Implications

- The transaction will be fully taxable to holders of AM; and the pro forma AMGP will benefit from a step-up in basis
  - AR is fully shielded from the tax impact of the transaction via its ~\$3 billion NOL offset
  - Public AM Holders (who do not have the benefit of the NOL) will receive an additional \$0.415 per
     AM Common Unit in recognition of an anticipated cash tax liability

Ancillary Deal Points

- AMGP will be reorganized as a Delaware corporation with typical C-corp corporate governance
  - Each share representing a limited partner interest in AMGP will be converted to one share of common stock of the resulting AMGP Corp
- IDRs in AM held by Antero IDR Holdings, LLC, a partially-owned subsidiary of AMGP ("IDR Holdings"), will be cancelled
- All of the Series B Units of IDR Holdings will be exchanged in a taxable transaction for an aggregate of 17.354 million AMGP Corp shares

Based on 20-day VWAP as of October 5, 2018.

Subject to the cash and equity election provisions, pursuant to the Agreement.

# PROPOSED TRANSACTION MECHANICS

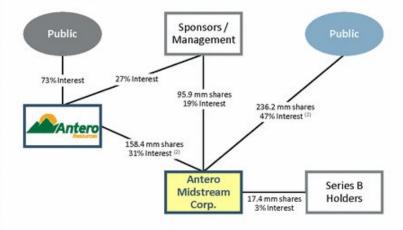
BAIRD

(\$ in millions, unless otherwise noted)

Take-Out Economics	
AR Take-Out	
AMGP Share Price	\$17.51
Equity Exchange Ratio	1.6023
Implied AM Unit Price	\$28.06
Cash Consideration per AR-Owned AM Common Unit	\$3.00
Acquisition Unit Price	\$31.06
AR-Owned AM Common Units (mm)	98.9
Total AR Take-Out Value	\$3,071
AM Public Take-Out	
AMGP Share Price	\$17.51
Equity Exchange Ratio	1.6350
Implied AM Common Unit Price	\$28.63
Cash Consideration per AM Common Unit	\$3.415
Acquisition Unit Price	\$32.04
Fully Diluted AM Public Units (mm)	89.2
Total AM Public Take-Out Value	\$2,859
Series B Take-Out	
AMGP Share Price	\$17.51
New AMGP Corp Shares Issued to Series B (mm)	17.4
Total Series B Take-Out Value	\$304
Overall Transaction Mechan	ics
Total Equity Take-Out	\$6,234
Cash Component of Total Equity Take-Out (1)	\$601
Net Debt Assumed	\$1,400
New AMGP Shares Issued	321.7
Issued to AR (49%)	158.4
Issued to AM Public (45%)	145.9
Issued to Series B (5%)	17.4

#### Pro Forma Structure & Ownership (2)

	Current I	Pro Forma	
	AM	AMGP	AMGP Corp
AM - Public Holders	47%		29%
AMGP - Public Holders		49%	18%
AR	53%	-	31%
Sponsors / Management	0%	51%	19%
Series B Holders		23	3%

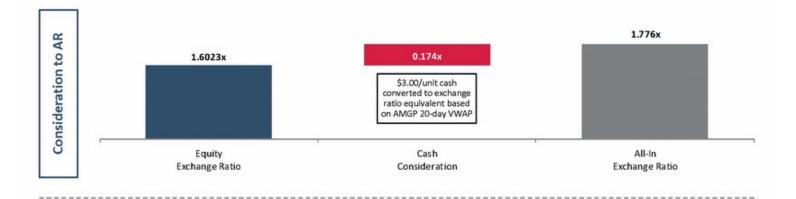


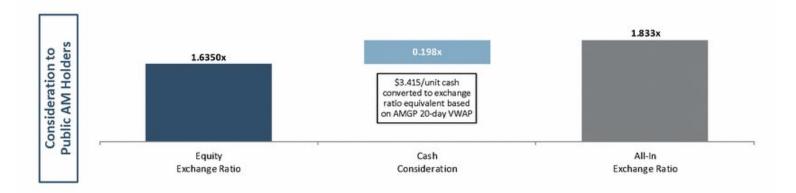
Source: AR, AM and AMGP SEC flings. Reflects market data as of October 5, 2018.

(1) Excludes estimated transaction fees.
(2) Analysis and figures presented assume AM Public Holders elect \$3.415 in cash per AM Common Unit.

# **COMPONENTS OF MERGER CONSIDERATION**







Source: Bloomberg market data as of October 5, 2018. Note: Analysis and figures presented assume AM Public Holders elect \$3.415 in cash per AM Common Unit.

# TOTAL MERGER CONSIDERATION DETAIL



(\$ and shares in millions)

Equity
Component

Equity Exchange	AR	AM	Series B	Shares	AMGP Shares	"AMC" Shares
Equity Exchange Ratio per AM Common Unit	1.6023x	1.6350x				
AM Units Receiving Consideration (1)	98.870	89.228	-			
New AMGP Shares Issued	158.420	145.887	17.354	321.661	186.209	507.871

#### Cash Component

AR	AM	Series B	Total Cash
\$3.000	\$3.415		
98.870	89.228		
\$296.6	\$304.7		\$601.3
0.174x	0.198x		
1.776x	1.833x		
	\$3.000 98.870 <b>\$296.6</b> 0.174x	\$3.000 \$3.415 98.870 89.228 \$296.6 \$304.7 0.174x 0.198x	\$3.000 \$3.415 - 98.870 89.228 - \$296.6 \$304.7 - 0.174x 0.198x

Exchange Ratio

"ALL-IN" Exchange Ratio	AR	AM
at 20-day VWAP	1.776x	1.833x
at Last Close	1.774x	1.830x

Stock Prices as of 10/5/18					
		20-day VWAP			
AMGP	\$17.51	\$17.28			
AM	29.74	29.61			

Source: Bloomberg market data as of October 5, 2018.

Note: Analysis and figures presented assume AM Public Holders elect \$3.415 in cash per AM Common Unit.

(1) Includes 1.1 million 1.17 mins.

(2) Based on the AMGP 20-day VWAP as of October 5, 2018.

# POTENTIAL BENEFITS TO AR OF THE PROPOSED TRANSACTION



- ✓ Addresses AR shareholder concerns regarding mis-alignment of incentives associated with the IDRs and Series B units held
  by AMGP and creates C-Corp structure with traditional governance
- ✓ Simplifies the overall Antero structure into two distinct publicly traded C-Corps
- ✓ AR receives an up-front premium for its units of AM <sup>(1)</sup> and greater overall cash flow from 2019 2022 (when considering the cash component of the merger consideration) vs. the status quo
- ✓ AR goes from having limited voting rights at the status quo AM to being the largest AMGP stockholder with proportionate voting rights
- ✓ Cash component of the transaction may facilitate potential return of capital initiatives at AR
- ✓ Pro forma AMGP Corp has favorable growth, balance sheet and dividend coverage characteristics relative to its peers
- AMGP Corp's pro forma market capitalization and C-Corp structure result in a larger float and the potential for enhanced trading liquidity, which may improve AR's ability to monetize its retained ownership of AMGP Corp (relative to its ability to monetize its ownership of AM in the status quo)

Based on closing prices for AM and AMGP as of 10/5/2018.



## **SUMMARY VALUATION APPROACH**



AM Stand-Alone Valuation

- Baird performed an intrinsic valuation analysis to derive a range of implied values per AM Common Unit utilizing the following core valuation methodologies:
  - Discounted Cash Flow Analysis
  - Discounted Distribution Analysis
  - Public Trading Comparables Analysis
  - Precedent Transactions Analysis

Core Valuation Approach AMGP Stand-Alone Valuation

- Baird performed an intrinsic valuation analysis to derive a range of implied values per AMGP common share utilizing the following core valuation methodologies:
  - Discounted Cash Flow Analysis
  - Discounted Distribution Analysis
  - Public Trading Comparables Analysis
  - Precedent Transactions Analysis

3

2

Merger Consideration Analysis

- Baird compared the resulting per unit or share (as applicable) valuation ranges across each of the core methodologies, as well
  as in totality across all methodologies, to determine a range of implied exchange ratios that would result by dividing the
  implied value of an AM Common Unit into the implied value of an AMGP common share
- Baird then compared the resulting implied exchange ratios determined by the core valuation methodologies to the proposed aggregate exchange ratio implied by the merger consideration (including both the equity and cash consideration components)
- Additionally, Baird compared the value per AM Common Unit to the aggregate value of the merger consideration implied by Baird's intrinsic valuation analysis

4

Supplemental Valuation Analyses

- To supplement its core valuation approach, Baird performed the following analyses:
  - Historical exchange ratio analysis implied by the relative trading levels of AM and AMGP
  - Implied exchange ratios based on the relative distributions payable to each party over various periods
  - Analysis of Wall Street price targets for AM and AMGP (prior to the filing of the Sailing Stone 13-D)
  - Illustrative Merger Consequences Analysis

#### ALL VALUE OF THE PARTY OF THE P



# FINANCIAL FORECASTS UNDERLYING VALUATION ANALYSIS

 Baird utilizes the following financial forecast cases for purposes of its valuation analysis of AM and AMGP on a stand-alone basis:

"AM Management Case"

 2018 – 2022 financial projections for AM, as provided by Antero management (no modifications)

"AMGP Management Case"

 2018 – 2022 financial projections for AMGP, as provided by Antero management (no modifications)

"AM Modified Coverage Case"

 2018 – 2022 financial projections for AM, as provided by Antero management, but assuming a modified distribution coverage ratio at AM

"AMGP Modified Coverage Case"

 2018 – 2022 financial projections for AMGP, as provided by Antero management, but assuming a modified distribution coverage ratio at AM

Distribution Coverage Ratio Forecasts Reflected in Management vs. Modified Coverage Cases						
Forecast Case	4Q 2018	2019	2020	2021	2022	
AM Forecast Distribution Coverage in "Management Cases"	1.22x	1.30x	1.16x	1.11x	1.05x	
AM Forecast Distribution Coverage in "Modified Coverage Cases"	1.22x	1.32x	1.24x	1.23x	1.19x	

Where applicable, in its analysis of AMGP Corp, Baird utilizes the financial projections provided by Antero management:

"AMGP Corp Case"

 2018 – 2022 financial projections for AMGP Corp, as provided by Antero management

Source: Antero management. Project Bronco | Page 20



# 1 AM MANAGEMENT CASE: FINANCIAL SUMMARY

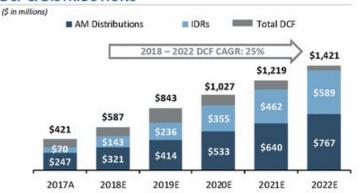


### AM forecast across key financial metrics

#### **EBITDA & MARGINS**



#### **DCF & DISTRIBUTIONS**



#### **DISTRIBUTIONS / UNIT & DISTRIBUTION COVERAGE**



#### **GROWTH CAPEX & LEVERAGE**



Project Bronco | Page 22 Source: Antero management.





(\$ in millions, except per unit figures)	2017A	2018E	2019E	2020E	2021E	2022E	2018-2022 CAGR	NTM 9/30/2019
Volume, Revenue & EBITDA:								
Gas Gathering (MMcfd)	3,431	4,221	5,483	6,683	7,780	9,080	21%	5,187
Compression (MMcfd)	1,193	1,740	2,461	3,023	3,488	4,088	24%	2,306
Water Delivery (Bbld)	153,129	190,620	204,255	219,541	242,079	259,902	8%	188,762
Produced Water (Bbld)	33,589	40,465	52,310	72,714	94,130	106,565	27%	49,471
Total Revenue	\$773	\$969	\$1,182	\$1,459	\$1,723	\$1,982	20%	\$1,105
EBITDA	529	729	989	1,222	1,413	1,642	23%	915
% Margin	68%	75%	84%	84%	82%	83%		83%
Distributable Cash Flow:		i						
EBITDA	\$529	\$729	\$989	\$1,222	\$1,413	\$1,642		\$915
Less: Maintenance Capital	(55)	(68)	(39)	(63)	(44)	(58)	1 1	(43)
Less: Tax Withholding	(6)	(6)	(6)	(6)	(6)	(6)	1 1	(6)
Less: Interest Expense	(46)	(67)	(100)	(126)	(145)	(157)		(96)
Total Distributable Cash Flow	\$421	\$587	\$843	\$1,027	\$1,219	\$1,421	25%	\$770
DCF Coverage Ratio	1.33x	1.27x	1.30x	1.16x	1.11x	1.05x		1.40x
Total Distributed Cash	\$317	\$464	\$649	\$889	\$1,102	\$1,356		\$550
Distributions Summary:		1						
LP Distributions	\$247	\$321 !	\$414	\$533	\$640	\$767	24%	\$388
IDRs	70	143	236	355	462	589	43%	210
Total AM Distributions	\$317	\$464	\$649	\$889	\$1,102	\$1,356		\$599
IDRs % of Total Distributions	22%	31%	36%	40%	42%	43%		35%
Distribution per Common Unit	\$1.325	\$1.715	\$2.210	\$2.850	\$3.420	\$4.100	24%	\$2.075
Year-over-Year Growth (%)	29%	29%	29%	29%	20%	20%		
Capex & Leverage:		:						
Total Growth Capex	\$746	\$538	\$776	\$656	\$386	\$294		\$612
Total Year End Net Debt	1,195	1,652	2,234	2,752	3,021	3,251		1,854
Debt / LTM EBITDA	2.3x	2.3x	2.3x	2.3x	2.1x	2.0x		2.1×

Source: Antero management. Project Bronco | Page 23

# 1 AM MODIFIED COVERAGE CASE: FINANCIAL SUMMARY

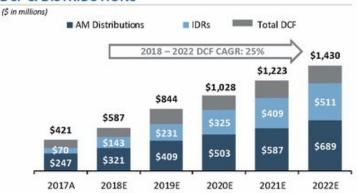


### AM forecast across key financial metrics

#### **EBITDA & MARGINS**



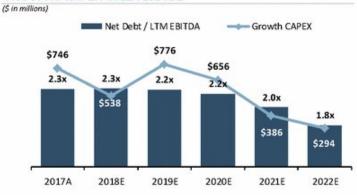
#### **DCF & DISTRIBUTIONS**



#### DISTRIBUTIONS / UNIT & DISTRIBUTION COVERAGE



#### **GROWTH CAPEX & LEVERAGE**



Source: Antero management.



# 1 AM MODIFIED COVERAGE CASE: DETAILED FORECAST

(\$ in millions, except per unit figures)	2017A	2018E	2019E	2020E	2021E	2022E	2018-2022 CAGR	NTM 9/30/2019
Volume, Revenue & EBITDA:								5,50,2025
Gas Gathering (MMcfd)	3,431	4,221	5,483	6,683	7,780	9,080	21%	5,187
Compression (MMcfd)	1,193	1,740	2,461	3,023	3,488	4,088	24%	2,306
Water Delivery (Bbld)	153,129	190,620	204,255	219,541	242,079	259,902	8%	188,762
Produced Water (Bbld)	33,589	40,465	52,310	72,714	94,130	106,565	27%	49,471
Total Revenue	\$773	\$969	\$1,182	\$1,459	\$1,723	\$1,982	20%	\$1,105
EBITDA	529	729	989	1,222	1,413	1,642	23%	915
% Margin	68%	75%	84%	84%	82%	83%		83%
Distributable Cash Flow:								
EBITDA	\$529	\$729	\$989	\$1,222	\$1,413	\$1,642		\$915
Less: Maintenance Capital	(55)	(68)	(39)	(63)	(44)	(58)	1 1	(43)
Less: Tax Withholding	(6)	(6)	(6)	(6)	(6)	(6)	1 1	(6)
Less: Interest Expense	(46)	(67)	(100)	(126)	(141)	(148)		(96)
Total Distributable Cash Flow	\$421	\$587	\$844	\$1,028	\$1,223	\$1,430	25%	\$770
DCF Coverage Ratio	1.33x	1.27x	1.32x	1.24x	1.23x	1.19x		1.39x
Total Distributed Cash	\$317	\$464	\$640	\$828	\$996	\$1,200	22	\$555
Distributions Summary:		1						
LP Distributions	\$247	\$321	\$409	\$503	\$587	\$689	21%	\$386
IDRs	70	143	231	325	409	511	38%	208
Total AM Distributions	\$317	\$464	\$640	\$828	\$996	\$1,200		\$594
IDRs % of Total Distributions	22%	31%	36%	39%	41%	43%		35%
Distribution per Common Unit	\$1.325	\$1.715	\$2.185	\$2.688	\$3.136	\$3.681	21%	\$2.062
Year-over-Year Growth (%)	29%	29%	27%	23%	17%	17%		
Capex & Leverage:		i						
Total Growth Capex	\$746	\$538	\$776	\$656	\$386	\$294		\$612
Total Year End Net Debt	1,195	1,652	2,224	2,681	2,840	2,904	1 1	1,859
Debt / LTM EBITDA	2.3x	2.3x	2.2x	2.2x	2.0x	1.8x		2.1x

Source: Antero management. Project Bronco | Page 25



# AM CORE VALUATION APPROACH DETAIL



 Baird's analytical framework derives the value of AM Common Units across four core methodologies, utilizing both the AM Management Case and the AM Modified Coverage Case

Discounted Cash Flow Analysis

- Implied equity value per AM Common Unit based on the present value of future unlevered free cash flows attributable to AM common unitholders
- Discount rate range derived from a weighted-average cost of capital analysis for AM, utilizing the Capital Asset Pricing Model ("CAPM")
- Terminal value based on a terminal multiple calculation, derived from an observation and analysis of relevant precedent transactions within the midstream MLP sector

Discounted Distribution Analysis

- Implied equity value per AM Common Unit based on the present value of future forecast cash distributions attributable to AM common unitholders
- Discount rate range derived from a cost of equity analysis for AM, utilizing CAPM
- Terminal value based on a terminal yield calculation, derived from an observation and analysis of AM's current publicly traded midstream MLP peer group

Selected Public Comparables Analysis

- Implied equity value per AM Common Unit based on comparisons with publicly traded midstream MLPs
- Valuation benchmarks include:
  - Per unit price implied by multiples of Total Enterprise Value to 2019E and 2020E Adj. EBITDA (EBITDA excluding IDR payments)
  - Per unit price implied by multiples of Price to 2019E and 2020E DCF Attributable to LP Unitholders (measured by running total DCF through the AM IDR waterfall)
- Per unit price implied by 2019E and 2020E Distribution Yields

Selected Precedent Transactions Analysis

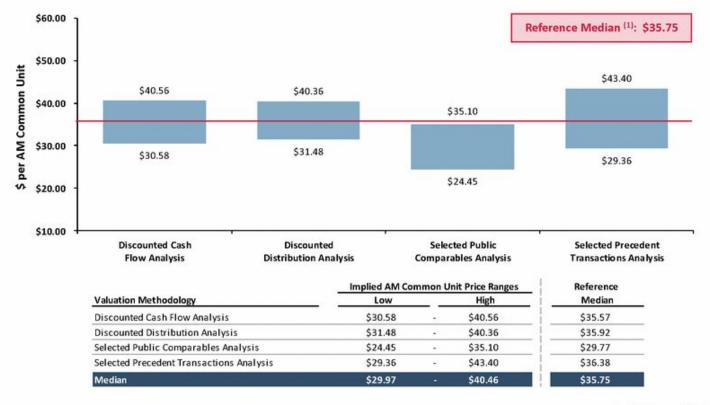
- Implied equity value per AM Common Unit based on comparisons with similar precedent transactions in the midstream energy sector
- Valuation benchmarks include:
  - Per unit price implied by multiples of Total Transaction Value to NTM EBITDA

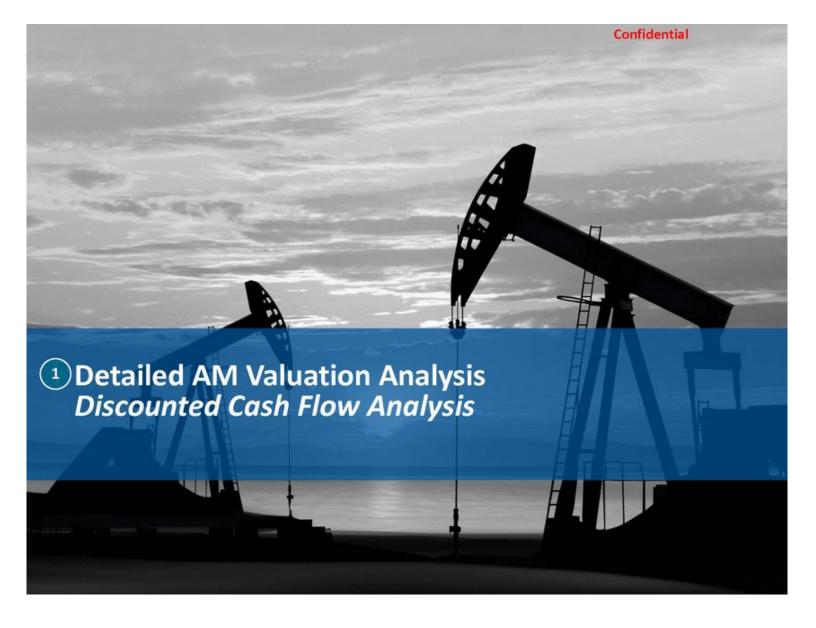


# 1 AM SUMMARY VALUATION ANALYSIS



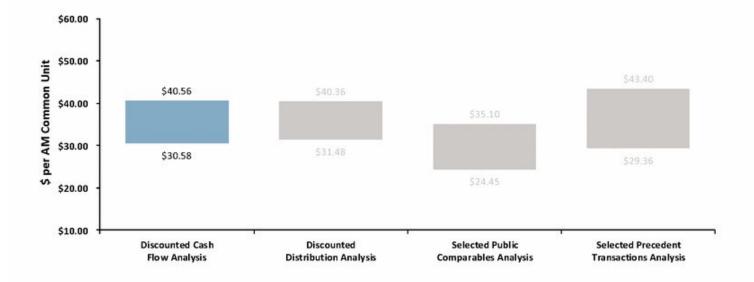
### Implied valuation ranges per AM Common Unit across core methodologies





# BAIRD

### Implied valuation ranges per AM Common Unit based on Discounted Cash Flow Analysis



Discounted Cash Flow Analysis Methodology

- Implied equity value per AM Common Unit based on the present value of future unlevered free cash flows attributable to AM common unitholders
- Discount rate range derived from a weighted-average cost of capital analysis for AM, utilizing CAPM
- Terminal value based on a terminal multiple calculation, derived from an observation and analysis of precedent transactions



# AM WEIGHTED AVERAGE COST OF CAPITAL ANALYSIS

(\$ in millions)

#### **Cost of Capital Components**

	Risk-free Interest Rate (1)	3.3%
	Levered Beta (2)	1.43
Cost of	Market Premium (3)	6.9%
Equity	Size Premium (4)	0.9%
	Cost of Equity (5)	14.1%

	]	Amount Outstanding (6)	Interest Rate <sup>(2)</sup>
Cost of Debt	Revolving Credit Facility	\$770	3.3%
Debt	5.375% Senior Notes Due 2024	650	5.2%
	Cost of Debt	\$1,420	4.2%

AM Market Value of Equity	\$5,562
AM Net Debt Outstanding	1,400
Total AM Firm Value	\$6,963
AM Equity Market Value / Firm Value	79.9%
x Cost of Equity	14.1%
Cost of Equity Contribution	11.2%
AM Net Debt / Firm Value	20.1%
x Cost of Debt	4.2%
Cost of Debt Contribution	0.8%

As a result of its weighted average cost of capital analysis, Baird utilized a range of 11.0% - 13.0% for purposes of its discounted cash flow analysis herein

Source: AM filings and Bioomberg.

Represents estimated 20-year treasury rate as of October 5, 2018.

Represents estimated 20-year treasury rate as of October 5, 2018.

Represents two-year levered equity beta as of February 23, 2018, the date prior to the announcement of the Special Committee formation.

Large company stock total returns minus long-term government bond income returns as computed by Duff & Phelps LLC.

Source: Duff & Phelps LLC size premium based on AM's equity market value as of October 5, 2018.

Cost of equity is calculated using CAPM (e.g. cost of equity = risk-free interest rate + levered equity beta \* market risk premium + size premium).

Represents current debt outstanding, per most recently disclosed June 30, 2018 10-Q.

Interest rate for publicly traded senior notes represents the yield-to-worst as of October 5, 2018. Interest rate for revolver represents effective rate per 6/30/18 10-Q.

Terminal

Value

\$12,309

# AM DISCOUNTED CASH FLOW ANALYSIS

(\$ in millions, except per unit data)

minority, except per unit detay,	Three Months Ending, 12/31/18E
EBITDA	\$199
Less: IDR Payments (1)	(60)
Adjusted EBITDA to Common Unitholders	\$139
Less: Maintenance Capital	(14)
Less: Growth Capital	(159)
Less: Tax Witholding	(2)
AM Unlevered Free Cash Flow	(\$36)
Present Value Calculation	
Midpoint Cost of Capital (2)	12.1%
Midpoint Terminal Multiple (3)	12.1x
Terminal Value (4)	
Periods to Discount	0.12
Present Value of Cash Flows	\$629
Present Value of Terminal Value	7,591
Implied Enterprise Value	\$8,220
Less: Net Debt (5)	(1,522)
Implied Equity Value	\$6,698
Common Units Outstanding (5)	188.1
Implied AM Common Unit Price	\$35.61

VIII.	AM Modi	fied Coverage Case		
Discount		Terminal Multiple		
Rate	11.0x	12.1x	13.0x	
13.0%	\$30.58	\$34.13	\$37.03	
12.1%	\$31.94	\$35.61	\$38.61	
11.0%	\$33.61	\$37.43	\$40.56	

AM Management Case			
Discount		Terminal Multiple	2
Rate	11.0x	12.1x	13.0x
13.0%	\$30.58	\$34.13	\$37.03
12.1%	\$31.94	\$35.61	\$38.61
11.0%	\$33.61	\$37.43	\$40.56

For the Year Ending December 31,

2021E

\$1,413

(524)

\$890

(44)

(386)

\$453

2.74

(6)

2022E

\$1,642

\$1,017

(625)

(58)

(294)

\$659

3.74

(6)

2020E

\$1,222

(428)

\$795

(63)

(656)

\$69

1.74

(6)

2019E

\$989

(336)

\$652

(39)

(776)

(\$169)

(6)

0.74

Source: Antero management. Assumes present value date as of October 5, 2018.

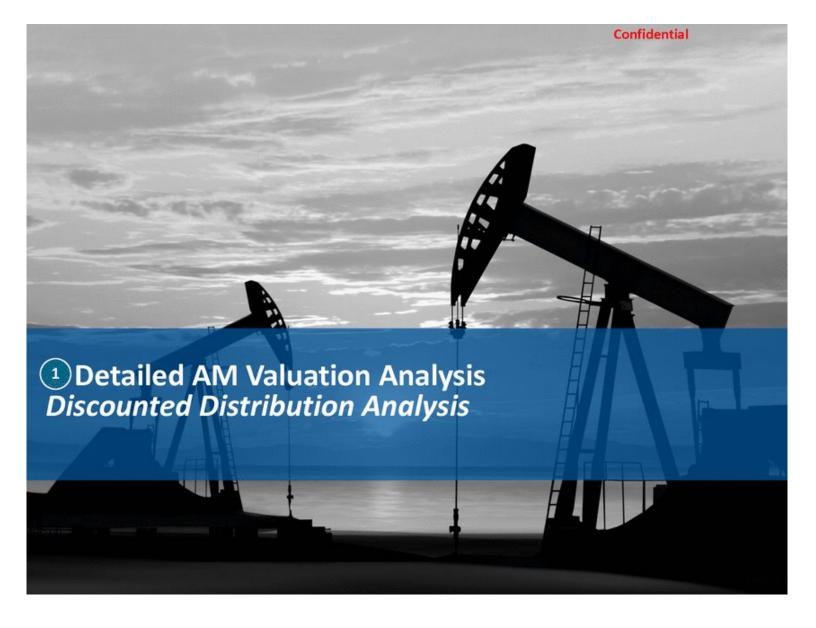
(1) Represents IDR payments implied by a full payout scenario.

(2) Represents midpoint of Baird's selected AM WACC sensitivity range (see page 30).

(3) Represents midpoint of comparable transaction multiples (see page 42).

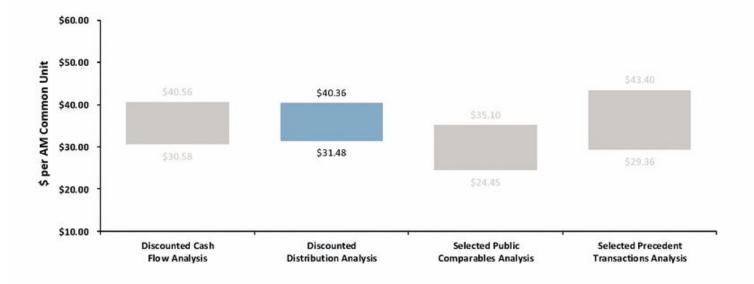
(4) Based on 2022£ adjusted £BITDA of \$1,017 million.

(5) Represents estimated net debt and fully diluted common units outstanding as of September 30, 2018.





### Implied valuation ranges per AM Common Unit based on Discounted Distribution Analysis



Discounted Distribution Analysis Methodology

- Implied equity value per AM Common Unit based on the present value of future forecast cash distributions attributable to AM common unitholders
- Discount rate range derived from a cost of equity analysis for AM, utilizing CAPM
- Terminal value based on a terminal yield calculation, derived from an observation and analysis of AM's current publicly traded midstream MLP peer group



	CAPM	
	Risk-free Interest Rate (1)	3.3%
Cost of	Levered Beta (2)	1.43
Equity	Market Premium (3)	6.9%
	Size Premium (4)	0.9%
	Cost of Faulty (5)	14.1%

As a result of its cost of equity analysis, Baird utilized a range of 13.0% - 15.0% for purposes of its discounted distribution analysis herein

Source: AM filings and Bioomberg.

(1) Represents estimated 20-year treasury rate as of October 5, 2018.

(2) Represents two-year levered equity beta as of February 23, 2018, the date prior to the announcement of the Special Committee formation.

(3) Large company stock total returns minus long-term government bond income returns as computed by Duff & Phelps LLC.

(4) Source: Duff & Phelps LLC size premium based on AM's equity market value as of October 5, 2018.

(5) Cost of equity is calculated using CAPM (e.g. cost of equity = risk-free interest rate + levered equity beta \* market risk premium).

# AM DISCOUNTED DISTRIBUTION ANALYSIS



(\$ in millions, except per unit data)

	Three Months Ending,		Distribution E	stimates	Ī	Terminal
	12/31/18E	2019E	2020E	2021E	2022E	Value
Distribution Per AM Common Unit	\$0.470	\$2.210	\$2.850	\$3.420	\$4.100	
Present Value Calculation						
Cost of Equity (1) 14.1%					1	
Terminal Yield (2) 8.3%						
Terminal Value (3)						\$49
Periods to Discount	0.12	0.74	1.74	2.74	3.74	4.24
Present Value of Distributions	\$9.63					
Present Value of Terminal Value	28.12					
Implied AM Common Unit Price	\$37.74					

AM Modified Coverage Case			
Cost of	7	Terminal Yield	
Equity	9.0%	8.3%	8.0%
15.0%	\$31.48	\$33.26	\$34.31
14.1%	\$32.43	\$34.27	\$35.36
13.0%	\$33.58	\$35.49	\$36.62

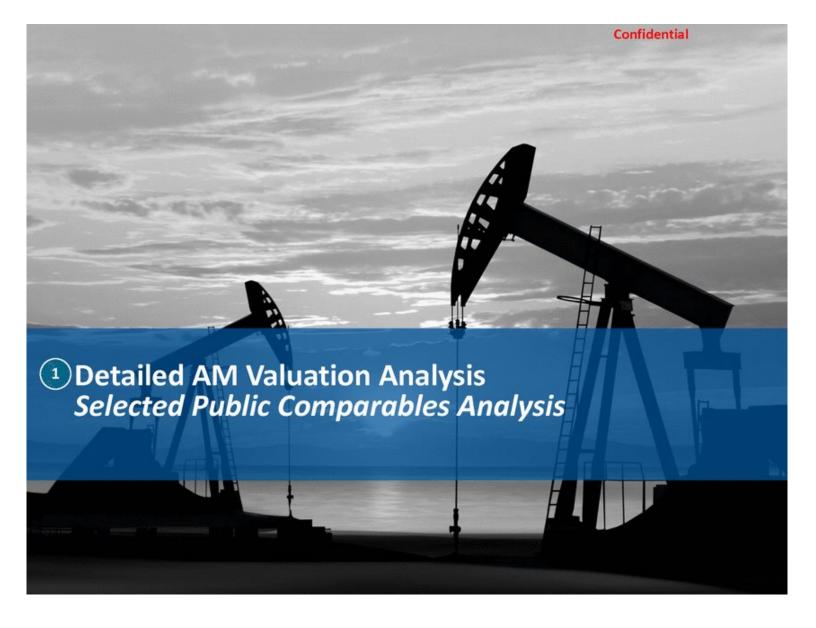
AM Management Case			
Cost of Terminal Yield			
Equity	9.0%	8.3%	8.0%
15.0%	\$34.65	\$36.62	\$37.80
14.1%	\$35.70	\$37.74	\$38.96
13.0%	\$36.97	\$39.10	\$40.36

Source: Antero management. Assumes present value date as of October 5, 2018.

(1) Represents midpoint of Baird's selected AM cost of equity sensitivity range (see page 34).

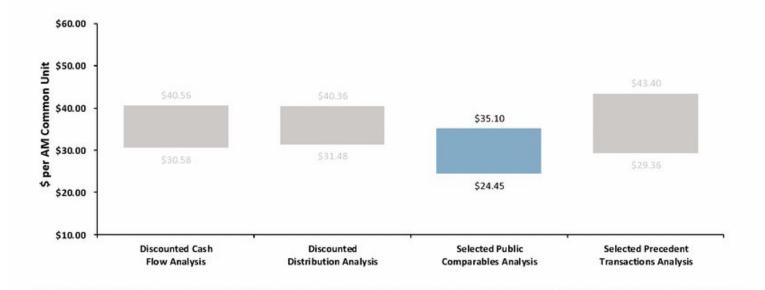
(2) Represents 2018E median yield of public comparables (see page 38).

(3) Based on 2021E distribution of \$4.100.



# BAIRD

### Implied valuation ranges per AM Common Unit based on Selected Public Comparables Analysis



Selected Public Comparables Analysis Methodology

- Implied equity value per AM Common Unit based on comparisons with publicly traded midstream MLPs
- Valuation benchmarks include:
  - Per unit price implied by multiples of Total Enterprise Value to 2019E and 2020E Adj. EBITDA (EBITDA excluding IDR payments)
  - Per unit price implied by multiples of Price to 2019E and 2020E DCF Attributable to LP unitholders (measured by running total DCF through the AM IDR waterfall)
  - Per unit price implied by 2019E and 2020E Distribution Yields

## 1 AM SELECTED PUBLIC COMPARABLES



(\$ in millions, except per unit data)

		N	larket Stat	s			Valua	tion Sta	tistics			(	Growth and	Financial	Health	
		10/05/18 Unit	Implied Firm	Current		Yield		CAFD	ce / er LP (2)		DA (3)(4)	Distribution CAGR (3)	% of Total 2019E Dist.	Total Distri	h Flow / butions (3)	Net Debt , 2018E
	Partnership	Price	Value (1)	Yield	2018E	2019E	2020E	2019E	2020E	2019E	2020E	2018E - 2021E	to IDRs (5)	2019E	2020E	EBITDA (3
	CNX Midstream Partners LP	\$19.92	\$1,766	6.7%	6.8%	7.9%	9.0%	9.7x	8.1x	8.2x	6.9x	15.1%	18.2%	1.50x	1.53x	2.5x
tt.	Hess Midstream Partners LP	22.88	1,218	6.0%	6.2%	7.1%	8.1%	12.8x	11.4x	11.0x	8.6x	14.3%	3.2%	1.13x	1.14x	NM
Growth	Noble Midstream Partners LP	40.36	2,769	5.3%	5.4%	6.5%	7.8%	10.1x	8.5x	10.2x	7.8x	20.0%	16.5%	1,89x	1.76x	2.3x
h G	Oasis Midstream Partners LP	22.62	1,129	7.3%	7.4%	8.9%	11.0%	8.2x	7.8x	10.0x	8.0x	18.6%	3.6%	1.63x	1.30x	2.4x
High	Low Median High		\$1,129 1,492 2,769	5.3% 6.4% 7.3%	5.4% 6.5% 7.4%	6.5% 7.5% 8.9%	7.8% 8.6% 11.0%	8.2x 9.9x 12.8x	7.8x 8.3x 11.4x	8.2x 10.1x 11.0x	6.9x 7.9x 8.6x	14.3% 16.9% 20.0%	3.2% 10.0% 18.2%	1.13x 1.57x 1.89x	1.14x 1.41x 1.76x	2.3x 2.4x 2.5x
S	EnLink Midstream Partners, LP	\$18.68	\$12,422	8.4%	8.4%	8.4%	8.5%	10.7x	10.1x	12.0x	11.2x	0.7%	9.8%	1.21x	1.29x	3.8
MLPs	EQT Midstream Partners, LP	52.67	9,476	8.3%	8.3%	9.5%	10.8%	9.5x	8.2x	9.3x	7.7x	10.6%	36.1%	1.13x	1.16x	3.0x
	Western Gas Partners, LP	45.80	12,065	8.3%	8.3%	8.9%	9.3%	10.4x	10.1x	11.1×	9.8x	5.3%	35.2%	1.10x	1.08x	3.4x
Mature	Low Median High		\$9,476 12,065 12,422	8.3% 8.3% 8.4%	8.3% 8.3% 8.4%	8.4% 8.9% 9.5%	8.5% 9.3% 10.8%	9.5x 10.4x 10.7x	8.2x 10.1x 10.1x	9.3x 11.1x 12.0x	7.7x 9.8x 11.2x	0.7% 5.3% 10.6%	9.8% 35.2% 36.1%	1.10x 1.13x 1.21x	1.08x 1.16x 1.29x	3.0x 3.4x 3.8x
	Antero Midstream Partners LP (6)	\$29.74	\$6,963	5.6%	5.7%	7.5%	9.4%	12.0x	10.3x	9.9x	8.4x	23.1%	36.5%	1.14x	1.04x	2.0x
	Antero Midstream Partners LP (7)	\$29.74	\$6,963	5.6%	5.8%	7.4%	9.6%	10.8x	9.2x	9.2x	8.0x	25.9%	36.3%	1.31x	1.16x	2.3x

Source: Antero management, Company Filings and Wall Street Research as of October 5, 2018.

Note: Market data are pro forma for any capital markets and M&A transactions announced or completed since the most recent filings.

(1) Implied Firm Value excludes the value of the general partner's IDRs.

(2) Defined as Price per LP unit divided by cash available for distribution to the LP unit holders under a full payout scenario.

### AM SELECTED PUBLIC COMPARABLES ANALYSIS

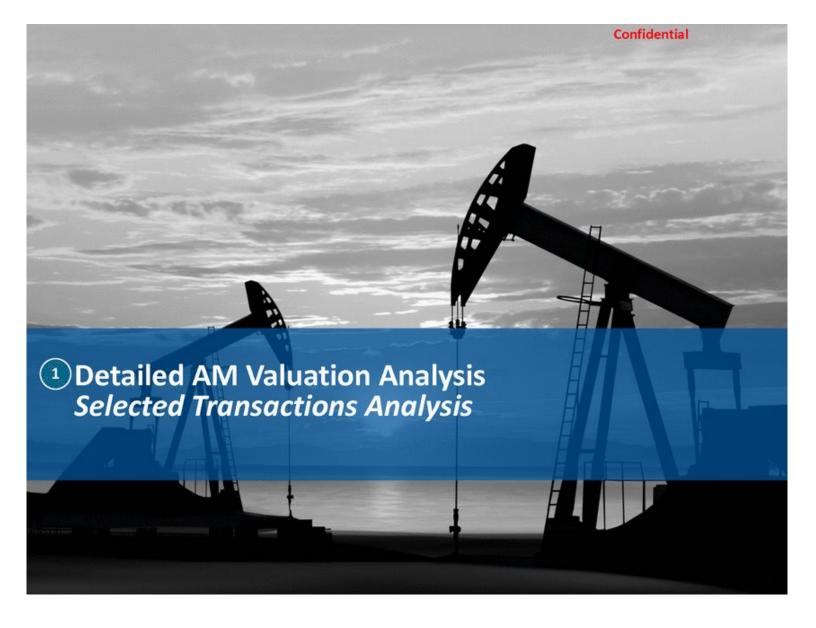


(\$ in millions, except per unit data)

Baird applied the range of valuation multiples derived from the high growth MLPs in its Selected Public Comparables Analysis in recognition of AM's current growth rate

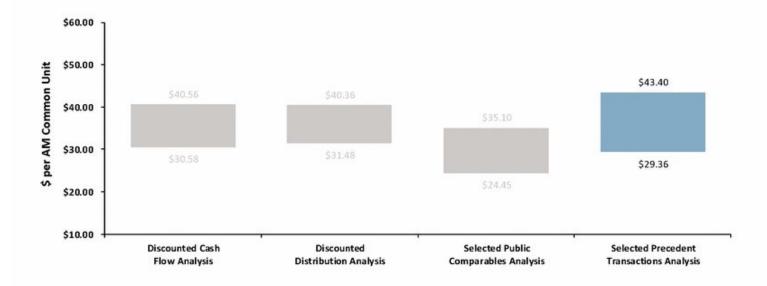
		AM	Selecte	d Metrics	Range (2)	Implied A	M Valua	tion Range
	Metric	Metric (1)	Low		High	Low		High
	2019E Yield	\$2.21	8.9%	-	6.5%	\$24.71		\$34.12
Yield	2020E Yield	\$2.85	11.0%		7.8%	\$25.98		\$36.43
	19		Implied AM Price	Per Com	mon Unit (3)	\$25.35		\$35.28
	Price / 2019E CAFD	\$2.75	8.2x		12.8x	\$22.52		\$35.24
Price / CAFD (4)	Price / 2020E CAFD	\$3.24	7.8x	-	11.4x	\$25.24		\$36.93
CAFD			Implied AM Price	Per Com	mon Unit <sup>(3)</sup>	\$23.88		\$36.09
	EV / 2019E Adj. EBITDA	\$753	8.2x		11.0x	\$6,189	-	\$8,321
	EV / 2020E Adj. EBITDA	\$867	6.9x	-	8.6x	\$6,011	12	\$7,488
EV/			Implied AM Firm	Value (3)		\$6,100	let 1	\$7,904
EBITDA			Less: Net Debt (5)			(\$1,522)		(\$1,522)
			Implied AM Equit	ty Value		\$4,578		\$6,382
			AM Total Commo	n Units O	utstanding <sup>(5)</sup>	188.1		188.1
			Implied AM Price	Per Com	mon Unit	\$24.34	-	\$33.93
		Overall Implied AM	Common Unit Price	- AM Mar	agement Case (6)	\$24.52	84	\$35.10
		Overall Implied AM	Common Unit Price	- AM Mod	dified Coverage Case (6)	\$24.45	1.7	\$34.97

Source: Antero management.
(1) IDR cash flow excluded from AM metric.
(2) Based on range of high growth midstream MLP peers (see previous page).
(3) Median of 2019E and 2020E values.
(4) Defined as Price per LP unit divided by cash available for distribution to the LP unit holders under a full payout scenario.
(5) Represents estimated net debt and fully diduted common units outstanding as of September 30, 2018.
(6) Applies equal weighting to each respective summary range.



# BAIRD

### Implied valuation ranges per AM Common Unit based on Selected Precedent Transactions Analysis



Selected Precedent Transactions Analysis Methodology

- Implied equity value per AM Common Unit based on comparisons with similar precedent corporate transactions in the midstream energy sector
- Valuation benchmarks include:
  - Per unit price implied by multiples of Total Transaction Value to NTM EBITDA



### SELECTED PRECEDENT TRANSACTIONS



### Selected corporate midstream transactions with values of greater than \$1.0 billion for which data were publicly available

Announced Date	Buyer(s)	Seller(s)	Transaction Value (\$MM)	Trans. Value / Fwd. EBITDA	Transaction Summary
05/17/18	Williams Companies, Inc.	Williams Partners LP	\$10,470	12.2x	Williams acquired Williams Partners LP in a stock-for-unit exchange
04/26/18	EQT Midstream Partners, LP	Rice Midstream LP	2,439	9.3x	EQM merged with RMP in a unit-for-unit exchange
02/01/17	ONEOK Inc.	ONEOK Partners LP	13,988	12.1x	ONEOK, Inc. merged with its underlying MLP in an all-stock transaction, eliminating the IDRs
11/21/16	Sunoco Logistics Partners LP	Energy Transfer Partners, LP.	52,364	10.6x	Sunoco merged with Energy Transfer, under common GP ownership, in an all- stock transaction
09/26/16	Columbia Pipeline Group, Inc.	Columbia Pipeline Partners	9,684	12.0x	Columbia Pipeline Group, Inc. acquired all of the outstanding common units of Columbia Pipeline Parnters, not already beneficially owned
11/03/15	Targa Resources Corp.	Targa Resources Partners LP	11,198	12.0x	Targa Resources merged with its underlying MLP in an all-stock transaction, eliminating the IDRs
07/13/15	MPLX LP	MarkWest Energy Partners, LP.	21,588	14.9x	MPLX acquired MarkWest for stock and cash consideration
05/06/15	Crestwood Equity Partners LP	Crestwood Midstream Partners LP	4,895	12.6x	Crestwood Equity merged with its underlying MLP in an all-stock transaction, eliminating the IDRs
01/26/15	Energy Transfer Partners, L.P.	Regency Energy Partners LP	17,595	13.7x	Energy Transfer merged with Regency, under common GP ownership, for stock and cash consideration
01/21/15	Kinder Morgan Inc.	Hiland Partners LP	3,000	10.0x	Kinder Morgan acquired Hiland Partners in an all cash transaction
04/28/14	Access Midstream Partners LP	Williams Partners LP	36,793	13.5x	Access Midstream merged with Williams Partners, under common GP ownership, for stock and cash consideration
			Low <sup>(1)</sup> Median High <sup>(1)</sup>	10.0x 12.1x 13.7x	

Source: Company and partnership filings, investor presentations, press releases and transcripts, S&P Capital IQ and Wall Street research.

(1) Excludes lowest and highest metrics to remove the impact of potential outlier effects from the analysis.



## AM PRECEDENT TRANSACTIONS ANALYSIS



(\$ in millions, except per unit data)

Baird selected a group of corporate midstream transactions (for which data were publicly available) that we deemed relevant

	AM NTM	Selected	ns. Multiples (2)	Implied A	M Valuat	tion Range	
Metric	Adj. EBITDA (1)	Low		High	Low		High
Transaction Value / Forward EBITDA	\$705	10.0x	-	13.7x	\$7,045	-	\$9,652
		Less: Net Debt <sup>(3</sup>	)		(1,522)		(1,522)
		Implied AM Equit	y Value		\$5,523	-	\$8,130
		AM Total Commo	on Units (	Outstanding <sup>(3)</sup>	188.1		188.1
	Implied AM Common	Unit Price - AM Mana	gement Ca	se	\$29.36		\$43.22
	Implied AM Common	Unit Price - AM Modif	ed Covera	ge Case	\$29.50		\$43.40

Source: Antero management, partnership filings and S&P Capital IQ. (1) IDR cash flow excluded from AM metric.

 <sup>(2)</sup> Based on range of precedent transactions (see previous page). Excludes lowest and highest metrics to remove the impact of potential outlier effects from the analysis.
 (3) Represents estimated net debt and fully diluted common units outstanding as of September 30, 2018.



### 2 AMGP MANAGEMENT CASE: FINANCIAL SUMMARY

### AMGP's cash flows are derived from the IDRs associated with AM

(\$ in millions, except per share figures)	2017A	2018E	2019E	2020E	2021E	2022E	2018-2022 CAGR	NTM 9/30/2019
Distributions from AM IDRs	\$70	\$143	\$236	\$355	\$462	\$589		\$210
Less: Series B Profits Interest	(2)	(7)	(12)	(19)	(26)	(33)	1 1	(11)
Less: G&A Expense	(6)	(2)	(2)	(2)	(2)	(2)	1 1	(2)
Less: Corporate Taxes	(26)	(34)	(56)	(85)	(110)	(140)		50
Total AMGP Cash Flow	\$35	\$100	\$165	\$249	\$324	\$414	42%	\$248
Total Common Shares Outstanding	186.2	186.2	186.2	186.2	186.2	186.2		186.2
Distribution per Common Share	\$0.161	\$0.539	\$0.888	\$1.340	\$1.742	\$2.222	42%	\$0.792
Year-over-Year Growth (%)	NM .	NM	65%	51%	30%	28% .		

#### \$589 \$2018 - 2022 CAGR: 42% \$355 \$142 \$143 \$12 \$58 \$143

\$249

2020E

2021E

\$165

2019E

**AMGP Cash Flow** 

2018E





Source: Antero management. Project Bronco | Page 45

2022E

**AMGP Cash Flow** 

Source: Antero management.

### 2 AMGP MODIFIED COVERAGE CASE: FINANCIAL SUMMARY

### AMGP's cash flows are derived from the IDRs associated with AM

(\$ in millions, except per share figures)	2017A	2018E	2019E	2020E	2021E	2022E	2018-2022 CAGR	NTM 9/30/2019
Distributions from AM IDRs	\$70	\$143	\$231	\$325	\$409	\$511	1 1	\$208
Less: Series B Profits Interest	(2)	(7)	(12)	(17)	(22)	(28)	1 1	(11)
Less: G&A Expense	(6)	(2)	(2)	(2)	(2)	(2)	1 1	(2)
Less: Corporate Taxes	(26)	(34)	(55)	(77)	(97)	(122)		49
Total AMGP Cash Flow	\$35	\$100	\$162	\$228	\$287	\$359	37%	\$245
Total Common Shares Outstanding	186.2	186.2	186.2	186.2	186.2	186.2		186.2
Distribution per Common Share	\$0.161	\$0.539	\$0.870	\$1.225	\$1.542	\$1.926	37%	\$0.783
Year-over-Year Growth (%)	NM	NM	61%	41%	26%	25%		20

#### (\$ in millions) Div to AMGP ■ Tax + G&A Series B 2018 - 2022 CAGR: 37% \$409 \$325

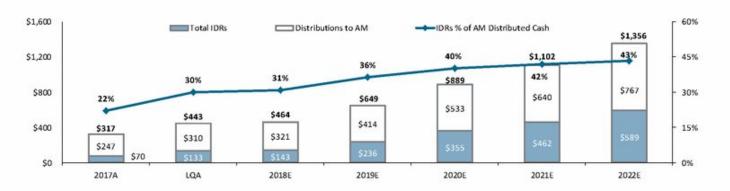


#### **AMGP Dividend Forecast**



# AM / AMGP CASH FLOW RELATIONSHIP – USING MANAGEMENT CASES

#### IDRs AS A % OF TOTAL AM DISTRIBUTED CASH FLOW



#### **AM Distribution / Unit**



#### AMGP Dividend / Unit





Source: Antero management. Project Bronco | Page 47

### (2)

### **AMGP CORE VALUATION APPROACH**



Baird's analytical framework derives the value of AMGP common shares across four core methodologies, utilizing both the AMGP Management Case and the AMGP Modified Coverage Case

Discounted Cash Flow Analysis

- Implied equity value per AMGP common share based on the present value of future unlevered free cash flows attributable to AMGP common shareholders
- Discount rate range derived from a weighted average cost of capital analysis for AMGP, utilizing CAPM
- Terminal value based on a terminal multiple calculation, derived from an observation and analysis of precedent transactions

Discounted Distribution Analysis

- Implied equity value per AMGP common share based on the present value of future forecast cash distributions attributable to AMGP common shareholders
- Discount rate range derived from a cost of equity analysis for AMGP, utilizing CAPM
- Terminal value based on a terminal yield calculation, derived from an observation and analysis of AMGP's current publicly traded peer group

Selected Public Comparables Analysis

- Implied equity value per AMGP common share based on comparisons with similar publicly traded MLP general partners
- Valuation benchmarks include:
- Per share price implied by multiples of Total Enterprise Value to 2019E EBITDA
- Per share price implied by multiples of Price to CAFD Attributable to AMGP common shareholders
- Per share price implied by 2019E Distribution Yields
- As a result of the substantial disparity in AMGP's near term growth relative to its closest peer group, Baird utilized AMGP's 2022 forecasted metrics for purposes of its Selected Public Comparables analysis. Baird discounted the resulting implied valuations to present utilizing its derived midpoint cost of equity for AMGP.

Selected Precedent Transactions Analysis

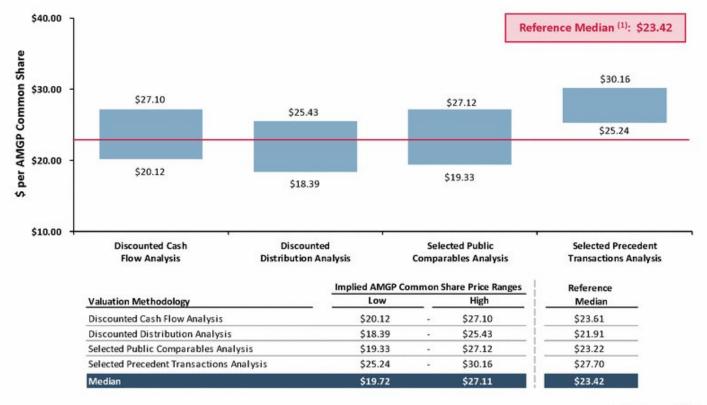
- Implied equity value per AMGP common chare based on comparisons with similar precedent transactions involving MLP general partners
- Valuation benchmarks include:
- Per share price implied by multiples of Total Transaction Value to Total NTM IDR cash flow, normalized for a 1.1x coverage ratio at the underlying MLP
- Baird focused on acquisitions of high-growth IDR streams for purposes of this analysis, as a way to best reflect the current growth profile of AMGP



### 2 AMGP SUMMARY VALUATION ANALYSIS



#### Implied valuation ranges per AMGP common share across core methodologies



(1) Reference Median provided for informational purposes.

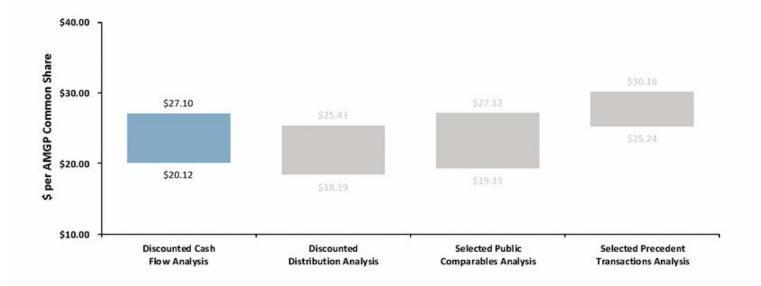




### 2 AMGP SUMMARY VALUATION ANALYSIS



#### Implied valuation ranges per AMGP common chare based on Discounted Cash Flow Analysis



Discounted Cash Flow Analysis Methodology

- Implied equity value per AMGP common share based on the present value of future unlevered free cash flows attributable to AMGP common shareholders
- Discount rate range derived from a weighted average cost of capital analysis for AMGP, utilizing CAPM
- Terminal value based on a terminal multiple calculation, derived from an observation and analysis of precedent transactions

### 2 AMGP WEIGHTED AVERAGE COST OF CAPITAL ANALYSIS

#### **Cost of Capital Components**

	Risk-free Interest Rate (1) Levered Beta (2)	3.3% 1.61
Cost of	Market Premium (3)	6.9%
Equity	Size Premium (4)	1.4%
	Cost of Equity (5)	15.8%

Implied Weighted Average Cost of Cap	ital ("WACC")
AMGP Market Value of Equity	\$3,261
AMGP Net Debt Outstanding	NA
Total AMGP Firm Value	\$3,261
AMGP Equity Market Value / Firm Value	100.0%
x Cost of Equity	15.8%
Cost of Equity Contribution	15.8%
AMGP Net Debt / Firm Value	0.0%
x Cost of Debt	0.0%
Cost of Debt Contribution	0.0%
Total Implied WACC	15.8%

Cost of Debt

AMGP has no outstanding debt

Based on AMGP's capital structure, which includes no debt, its weighted average cost of capital is equal to its cost of equity of 15.8%

As a result of its weighted average cost of capital analysis, Baird utilized a range of 14.5% - 16.5% for purposes of its discounted cash flow analysis herein

Source: AMGP filings and Bloomberg.

Represents estimated 20-year treasury rate as of October 5, 2018.

Represents estimated 20-year treasury rate as of October 5, 2018, the date prior to the announcement of the Special Committee formation.

Large company stock total returns minus long-term government bond income returns as computed by Duff & Phelps LLC.

Source: Duff & Phelps LLC size premium based on AMGP's equity market value as of October 5, 2018.

Cost of equity is calculated using CAPM (e.g. cost of equity = risk-free interest rate + levered equity beta \* market risk premium).

### AMGP DISCOUNTED CASH FLOW ANALYSIS



Terminal Value

> \$7,087 4.24

\$589 (33)(2) (140)\$414

(\$ in millions, except per share data)

Three Months				
Ending,	Fo	or the Year Ending	December 31,	
12/31/18E	2019E	2020E	2021E	2022
\$43	\$236	\$355	\$462	
(2)	(12)	(19)	(26)	
(1)	(2)	(2)	(2)	
(10)	(56)	(85)	(110)	
\$30	\$165	\$249	\$324	
15.8%				
17.1x				
0.12	0.74	1.74	2.74	
\$828				
3,805				
\$4,633				
\$4,633				
186.2				
\$24.88				
	\$43 (2) (1) (10) \$30 15.8% 17.1x 0.12 \$828 3,805 \$4,633 - \$4,633 186.2	Ending, For 12/31/18E 2019E    \$43 \$236   (2) (12) (1) (2) (10) (56)   \$30 \$165     15.8%   17.1x    0.12  0.74   \$828   3,805   \$4,633   - \$4,633   186.2	Ending, 2019E 2020E  \$43 \$236 \$355 (2) (12) (19) (1) (2) (2) (10) (56) (85) \$30 \$165 \$249   15.8%  17.1x  0.12 0.74 1.74 \$828 3,805 \$4,633 - \$4,633 186.2	For the Year Ending December 31,   12/31/18E   2019E   2020E   2021E

AMGP Mod	dified Coverage Case	
	Terminal Multiple	2
16.0x	17.1x	18.0x
\$20.12	\$21.25	\$22.13
\$20.59	\$21.75	\$22.66
\$21.51	\$22.73	\$23.68
	16.0x \$20.12 \$20.59	16.0x 17.1x \$20.12 \$21.25 \$20.59 \$21.75

AMGP Management Case						
Discount		Terminal Multiple	!			
Rate	16.0x	17.1x	18.0x			
16.50%	\$22.99	\$24.30	\$25.32			
15.80%	\$23.54	\$24.88	\$25.92			
14.50%	\$24.59	\$26.00	\$27.10			

Source: Antero management. Assumes present value date as of October 5, 2018.

(1) Represents midpoint of Baird's selected AMGP WACC sensitivity range (see page 52).

(2) Represents median of comparable transactions (see page 65).

(3) Based on 2022E unbevered free cash flow of 541d million.

(4) Represents estimated net debt and common shares outstanding as of September 30, 2018.



### 2 AMGP SUMMARY VALUATION ANALYSIS



#### Implied valuation ranges per AMGP common share based on Discounted Distribution Analysis



Discounted Distribution Analysis Methodology

- Implied equity value per AMGP common share based on the present value of future forecast cash distributions attributable to AMGP
- Discount rate range derived from a cost of equity analysis for AMGP, utilizing CAPM
- Terminal value based on a terminal yield calculation, derived from an observation and analysis of AMGP's current publicly traded peer group

## 2 AMGP COST OF EQUITY ANALYSIS



### Cost of Equity

CAPM	
Risk-free Interest Rate (1)	3.3%
Levered Beta (2)	1.61
Market Premium (8)	6.9%
Size Premium (4)	1.4%
Cost of Equity (5)	15.8%

As a result of its cost of equity analysis, Baird utilizes a range of 14.5% - 16.5% for purposes of its dividend discount analysis herein

Source: AMGP filings and Bloomberg.

Represents estimated 20-year treasury rate as of October 5, 2018.

Represents two-year levered equity beta as of February 23, 2018, the date prior to the announcement of the Special Committee formation.

Large company stock total returns minus long-term government bond income returns as computed by Duff & Phelps LLC.

Source: Duff & Phelps LLC size premium based on AMGPs equity market value as of October 5, 2018.

Cost of equity is calculated using CAPM (e.g. cost of equity = risk-free interest rate + levered equity beta \* market risk premium).

## AMGP DISCOUNTED DISTRIBUTION ANALYSIS



(\$ in millions, except per share data)

	Three Months Ending,		Distribution I	Estimates	Г	Terminal
	12/31/18E	2019E	2020E	2021E	2022E	Value
Distribution Per AMGP Common Share	\$0.164	\$0.888	\$1.340	\$1.742	\$2.222	
Present Value Calculation						
Cost of Equity (1) 15.8%						
Terminal Yield (2) 6.5%						
Terminal Value (3)						\$34
Periods to Discount	0.12	0.74	1.74	2.74	3.74	4.24
Discounted Distributions	\$4.45					
Discounted Terminal Value	18.36					
Implied AMGP Common Share Price	\$22.80					

	AMGP Mod	dified Coverage Case	
Cost of		Terminal Yield	
Equity	7.0%	6.5%	6.0%
16.50%	\$18.39	\$19.50	\$20.79
15.80%	\$18.81	\$19.95	\$21.28
14.50%	\$19.65	\$20.84	\$22.23

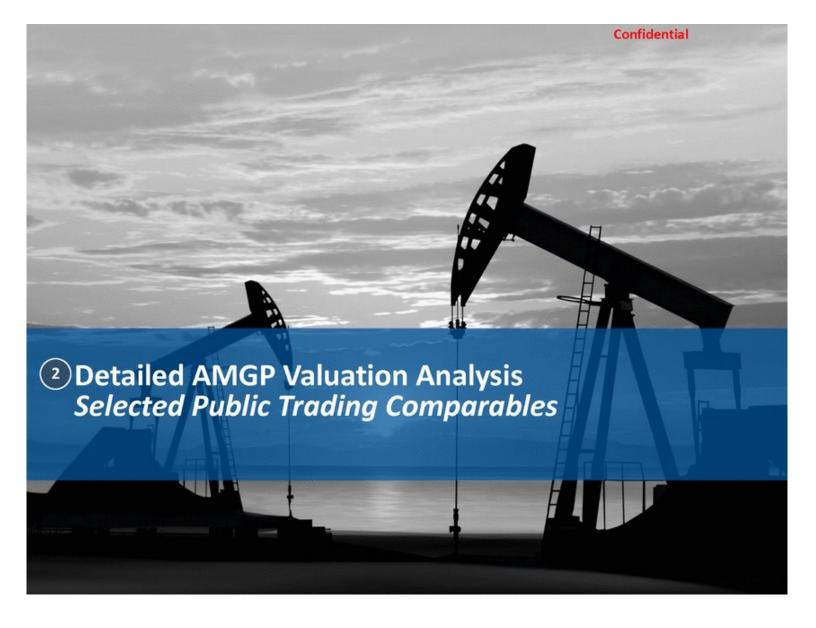
	AMGP N	Management Case	
Cost of		Terminal Yield	
Equity	7.0%	6.5%	6.0%
16.50%	\$21.00	\$22.28	\$23.77
15.80%	\$21.49	\$22.80	\$24.33
14.50%	\$22.45	\$23.82	\$25.43

Source: Antero management. Assumes present value date as of October 5, 2018.

(1) Discount rate based on estimated cost of equity for AMGP (see previous page).

(2) Based on analysis of public comparables (see page 61).

(3) Based on 2022£ distribution of \$2.222.

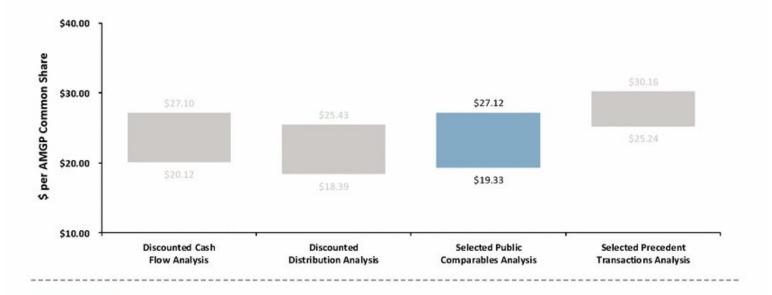




### 2 AMGP SUMMARY VALUATION ANALYSIS



#### Implied valuation ranges per AMGP common share based on Selected Public Comparables Analysis



Selected Public Comparables Analysis Methodology

- Implied equity value per AMGP common share based on comparisons with publicly traded MLP general partners
- Valuation benchmarks include:
  - Per share price implied by multiples of Total Enterprise Value to 2019E EBITDA
  - Per share price implied by multiples of Price to CAFD Attributable to AMGP common shareholders
  - Per share price implied by 2019E Distribution Yields
- As a result of the substantial disparity in AMGP's near term growth relative to its closest peer group, Baird utilized AMGP's 2022 forecasted metrics for purposes of its Selected Public Comparables analysis. Baird discounted the resulting implied valuations to present utilizing its derived midpoint cost of equity for AMGP.

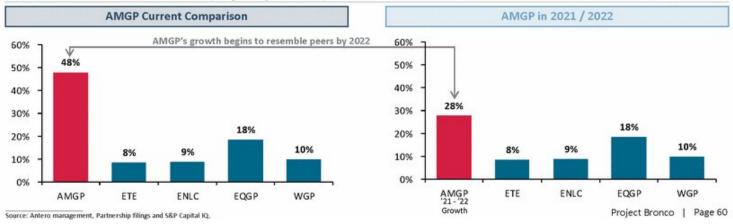
### 2 AMGP'S UNIQUE GROWTH PROFILE RELATIVE TO PEERS

BAIRD

AMGP's current valuation metrics are vastly different than its closest peers due to its significant growth expectations



#### Distribution Growth 2018 - 2021 (Using Management Cases)



## 2 AMGP SELECTED PUBLIC COMPARABLES ANALYSIS

(\$ in millions, except per unit values)

			1	Market	Stats						Valua	tion Stats	X .		Gro	wth
	10/05/18	Equity Market	Implied Firm	(2.17)	rrent ized Distr.		Current	Yield Differential	Viel	d (2)	Firm V EBITD		Price /	CAFD (2)	2018E - 2021E Distribution Growth CAGR (2)	
Partnership	Price	Value	Value	GP (1)	LP (1)	GP (1)	LP (1)	(Bps)	2018E	2019E	2018E	2019E	2018E	2019E		LP (1)
Energy Transfer Equity, L.P. (3)	\$17.50	\$20,269	\$26,740	\$1.22	\$2.26	7.0%	10.1%	(314)	7.0%	7.3%	13.6x	13.3x	12.6x	12.4x	7.9%	3.0%
EnLink Midstream, LLC	17.16	3,108	3,192	1.07	1.56	6.2%	8.4%	(213)	6.3%	6.7%	13.7x	13.0x	13.3x	12.6x	8.6%	0.7%
EQT GP Holdings LP	21.28	6,436	6,436	1.22	4.36	5.8%	8.3%	(253)	5.7%	7.3%	17.7x	13.4x	17.7x	13.4x	18.3%	10.6%
Western Gas Equity Partners LP	32.46	7,107	7,133	2.33	3.80	7.2%	8.3%	(112)	7.2%	8.1%	13.9x	12.6x	13.8x	12.6x	9.8%	5.3%
	Low	\$3,108	\$3,192	\$1.07	\$1.56	5.8%	8.3%	(314)	5.7%	6.7%	13.6x	12.6x	12.6x	12.4x	7.9%	0.7%
	Median	6,772	6,784	1.22	3.03	6.6%	8.3%	(233)	6.6%	7.3%	13.8x	13.2x	13.6x	12.6x	9.2%	4.1%
	High	20,269	26,740	2.33	4.36	7.2%	10.1%	(112)	7.2%	8.1%	17.7x	13.4x	17.7x	13.4x	18.3%	10.6%
Antero Midstream GP LP (4)	\$17.51	\$3,261	\$3,255	\$0.50	\$1.66	2.9%	5.6%	(273)	3.0%	5.0%	24.5x	14.9x	32.7x	19.9x	44.5%	23.1%
Antero Midstream GP LP (5)	\$17.51	\$3,261	\$3,255	\$0.50	\$1.66	2.9%	5.6%	(273)	3.1%	5.1%	24.3x	14.7x	32.5x	19.7x	47.8%	25.9%

Source: Antero management, Company and Partnership filings, S&P Capital RQ and Wall Street Research as of October 5, 2018.

Note: Market data are pro forma for any capital markets and M&A transactions announced or completed since the most recent filings.

(1) Values in the GP columns represent those for the public general partners. Values in the MLP column represent those for the public "o perating" MLP.

Implied Firm Value based on June 30, 2018 10-Q. Cash flow and distribution metrics based on Wall Street consensus estimates. Implied Firm Value based on June 30, 2018 10-Q. Cash flow and distribution metrics based on Antero management forecast,

## AMGP PUBLIC COMPARABLES ANALYSIS



(\$ in millions, except per share data)

		AMGP	Midpoint	Selecte	d Metrics	Range <sup>(3)</sup>	Implied A Valuation Range		Implied A Valuation Range (	
	Metric	Metric (1)	Metric (2)	Low		High	Low	High	Low	High
	AMGP 2022 Mgmt Case	\$2.22	6.2%	7.2%		5.2%	\$31.04	\$43.06	\$20.01	\$27.77
Yield				Implied AMGP Price	Per Share	e <sup>(5)</sup>	\$31.04	\$43.06	\$20.01	\$27.77
Price /	AMGP 2022 Mgmt Case	\$2.22	16.3x	15.3x		17.3x	\$33.91	\$38.35	\$21.86	\$24.73
CAFD				Implied AMGP Price	Per Share	e <sup>(5)</sup>	\$33.91	\$38.35	\$21.86	\$24.73
	AMGP 2022 Mgmt Case	\$554	14.0x	13.0x		15.0x	\$7,226	\$8,334	\$4,659	\$5,373
1000				Less: Net Debt <sup>(6)</sup>			*			
EV/				Implied AMGP Equi	ty Value (5	10	\$7,226	\$8,334	\$4,659	\$5,373
EBITDA				AMGP Common Sh	ares Out	standing <sup>(6)</sup>	186.2	186.2	186.2	186.2
				Implied AMGP Price	per Share	•	\$38.81	\$44.76	\$25.02	\$28.86
		Overall Impl	ied AMGP Co	ommon Share Price - A	MGP Man	nagement Case (7)	\$34.58	\$42.06	\$22.30	\$27.12
		Overall Impl	ied AMGP Co	ommon Share Price - A	MGP Mod	lified Coverage Case (7	) \$29.98	\$36.46	\$19.33	\$23.51

Source: Antero management.

AMGP metrics represent year ended December 31, 2022. AMGP EBITDA represents AMGP cash flow less distributions to Series B holders and G&A expenses.

Represents midpoint of AMGP valuation statistics utilizing Wall Street consensus estimates and the median metric of comparable publicly traded general partners (see page 61).

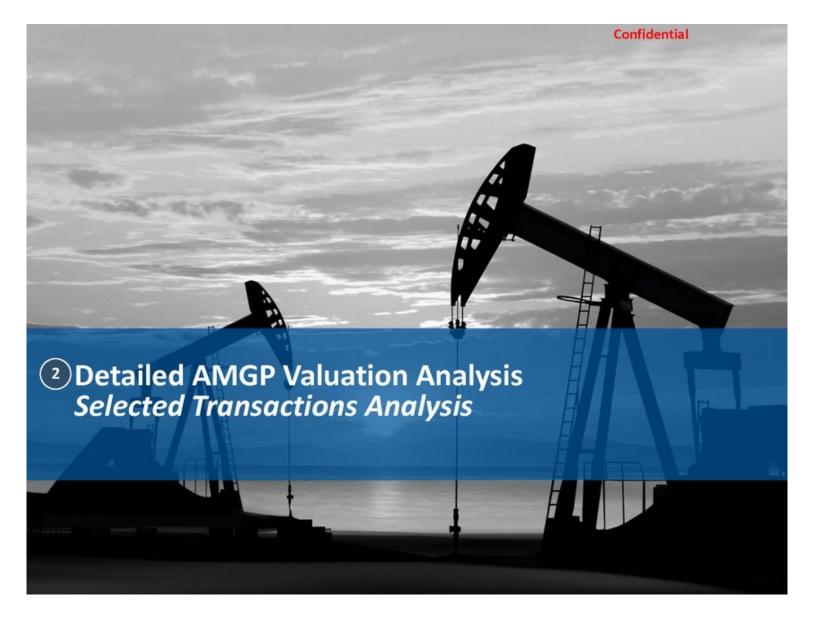
Midpoint metric sensitized by +7-1.00 bps or 4-1.00.

Discounted to October 5, 2018 using AMGP's cost of equity.

Median of Management Case and 1.2x Coverage Floor Case.

Median of Management case and 1.2x Coverage Floor Case.

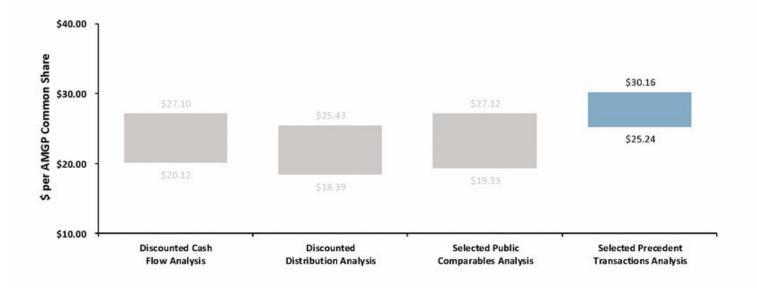
Represents sestimated and defended on the following forms of the following following forms of the following following following forms of the following foll



### 2 AMGP SUMMARY VALUATION ANALYSIS



#### Implied valuation ranges per AMGP common share based on Selected Precedent Transactions Analysis



Selected Precedent **Transactions** Analysis Methodology

- Implied equity value per AMGP common share based on comparisons with similar precedent transactions involving MLP general partners
- Valuation benchmarks include:
  - Per share price implied by multiples of Total Transaction Value to Total NTM IDR cash flow, normalized for a 1.1x coverage ratio at the underlying MLP
  - Baird focused on acquisitions of high-growth IDR streams for purposes of this analysis, as a way to best reflect the growth profile



## 2 SELECTED PRECEDENT GP / IDR TRANSACTIONS

(\$ in millions)			IDR		GP On	ly Value <sup>(1)</sup> / G	P Cash Flow (2)	MLP I	Data	GP/IDR 3-Year
Announced Date	Acquiror	Target	Tier at Acquisition	GP Only Value (1)	LQA Unadjusted	NTM Unadjusted	NTM Normalized @ 1.1x Coverage (3)	3-Year Est. Distr. CAGR (4)	LQA DCF Coverage	Est. Distr. CAGR <sup>(4)</sup>
01/22/18	Spectra Energy Partners LP	SEP GP	50.0%	7,347	18.8x	17.1x	17.1x	5.2%	1.2x	11%
12/15/17	MPLX LP	MPLX GP	50.0%	10,434	28.3x	24.0x	14.8x	7.8%	1.3x	18%
10/19/17	Holly Energy Partners, LP	HEP GP LLC	50.0%	1,250	16.7x	15.3x	15.9x	4.7%	1.0x	10%
08/14/17	Andeavor Logistics	Andeavor GP	50.0%	3,768	17.2x	15.2×	15.7x	6.5%	1.2x	12%
01/09/17	Williams Companies, Inc.	Williams Companies	50.0%	11,173	11.9x	11.9x	14.4x	0.0%	1.1x	0%
07/11/16	Plains All American Pipeline, L.P.	Plains AAP, L.P.	50.0%	7,300	11.4×	11.4×	17.1×	0.0%	0.7x	
12/28/10	Genesis Energy, LP.	Genesis Energy, LLC	51.0%	690	44.0x	37.1x	33.5x	11.0%	1.5x	39%
09/21/10	Penn Virginia Resource Partners, LF	Penn Virginia GP Holdings, LP.	50.0%	466	17.7x	15.5×	19.0×	2.1%	1.0x	7%
09/07/10	Enterprise Products Partners, L.P.	Enterprise GP Holdings LP.	25.0%	7,199	27.6x	26.5x	24.9x	6.5%	1.2x	25%
08/09/10	Inergy, LP.	Inergy Holdings, L.P.	48.7%	1,922	26.5x	22.6x	25.5x	NA	0.9x	25%
06/11/10	Buckeye Partners LP	Buckeye GP Holdings, LP	45.0%	1,156	22.8x	22.1x	14.9x	3.9%	1.1x	6%
			Overall Medi	an	18.8x	17.1x	17.1x			
			>25% Growth	Range			24.9x - 33.5x			

Source: SEC filings, Bloomberg and Wall Street research.

Note: Analysis reflects selected GP acquisitions announced and closed since 2010.

(1) Excludes the value of limited partner units.

(2) Based on estimated NTM MLP distribution at the time of announcement per Wall Street consensus estimates. Excludes distributions from limited partner units.

(3) Represents GP/IDR cash flow as adjusted by Baird to reflect 1.1x distributable cash flow coverage at the MLP.

(4) 3-year CAGR based on LQA - CY+3.

### AMGP PRECEDENT TRANSACTIONS ANALYSIS



(\$ in millions, except per unit data)

- Given AMGP's 2018-2022 IDR CAGR of 42%, combined with AM's 2018-2022 distribution growth CAGR of 24%, Baird focused on higher growth comparable transactions in deriving its range of multiples
- Baird applied a range of normalized cash flow multiples (adjusting for a 1.1x coverage ratio) to derive a comparable transaction-based valuation for AMGP

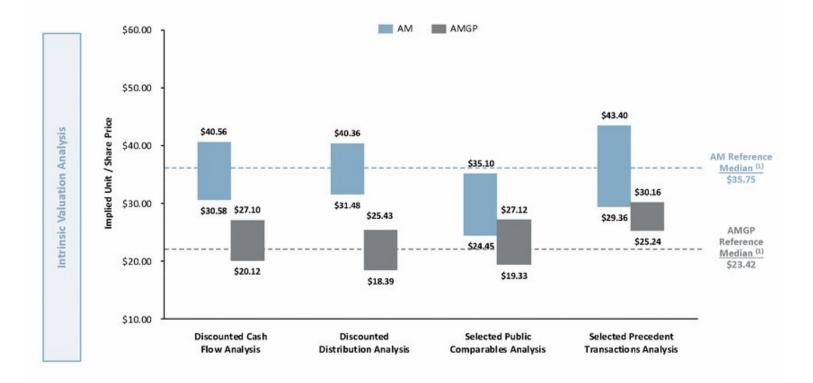
	AMGP NTM Est.  Post-Tax  IDR Cash Flow	NTM	f GP Ownership / GP Cash Flow .1x Coverage <sup>(2)</sup>	Implied AN Valuation R	
Metric	@ 1.1x Coverage (1)	Low	High	Low	High
GP-Only Value / NTM Est. Normalized GP/IDR Cash Flow @ 1.1x Coverage	\$195	25.0x	30.0x	\$4,870	\$5,845
			Less: Net Debt (3)	2	12
	Implied AMGP Equity Value	,		\$4,870	\$5,845
	Less: Series B Conversion	Value <sup>(4)</sup>		(170)	(228)
	Implied AMGP Equity Value	to Common Sha	reholders	\$4,701	\$5,617
	AMGP Common Shares Ou	utstanding <sup>(3)</sup>		186.2	186.2
	Implied AMGP Common Sha	are Price		\$25.24	\$30.16

Source: Antero management.
(1) Represents NTM estimated post-tax IDR cash flow, adjusted for 1.1x coverage ratio at AM.
(2) Based on GP cash flow multiples adjusted for 1.1x coverage in precedent transactions (see previous page).
(3) Represents estimated net debt and common shares outstanding as of September 30, 2018.
(4) Represents 5.92% of equity value in excess of \$2.0 billion.





### Valuation ranges for AM Common Units and AMGP common shares across valuation methodologies



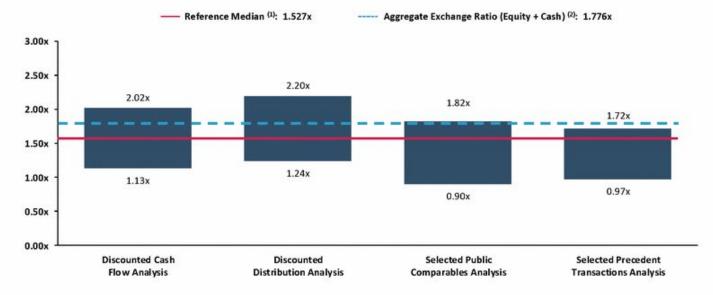
(1) Reference Median provided for informational purposes.

### **MERGER CONSIDERATION ANALYSIS**



#### Exchange Ratio Analysis (AM Value + AMGP Value)

- The exchange ratio ranges depicted below are derived as follows for each methodology:
  - The low value in the range uses the lowest implied value for an AM Common Unit divided by the highest implied value for an AMGP common share
  - The high value in the range uses the highest implied value for an AM Common Unit divided by the lowest implied value for an AMGP common share



Represents the Reference Median of AM divided by the Reference Median of AMGP (see previous page).
Assumes a 1.6023x base exchange ratio and \$3.00 per unit in cash. Based on a 20-day VWAP as of October 5, 2018, the cash value in exchange ratio terms is 1.776x.



### MERGER CONSIDERATION ANALYSIS (CONT.)



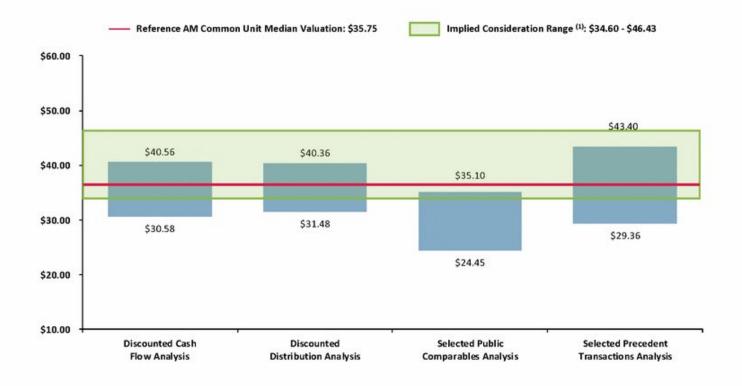
### Detailed exchange ratio analysis across methodologies

	Implied Exc	cha	nge Ratio		AK Holders All-In
	Low	_	High	Midpoint	Exchange Ratio (1)
Discounted Cash Flow Analysis	1.13x	-	2.02x	1.573x	1.776x
Distribution Discount Analysis	1.24x	-	2.20x	1.717x	1.776x
Public Comparables Analysis					
Distribution Yield Analysis	0.88x	-	2.03x	1.457x	1.776x
Price to CAFD / Unit Analysis	0.97x	-	1.90x	1.435x	1.776x
Firm Value to EBITDA Analysis	0.84x	-	1.60x	1.223x	1.776x
Transactions Analysis	0.97x	-	1.72x	1.346x	1.776x

### **MERGER CONSIDERATION ANALYSIS (CONT.)**



Implied value of merger consideration relative to implied value of an AM Common Unit



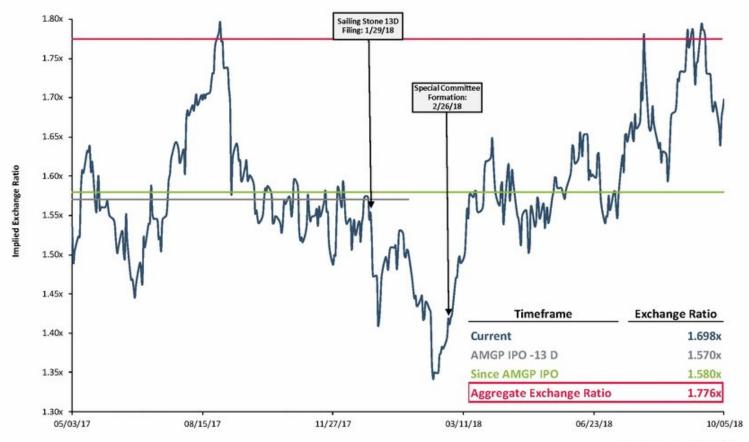
<sup>(1)</sup> Represents proposed equity exchange ratio of 1.6023x applied to the range of values derived for an AMGP Common Share (using overall median of the low observations - \$19.72, and overall median of the high observations - \$27.11, as depicted on page 49), plus \$3.00 in cash consideration.



### IMPLIED AM / AMGP EXCHANGE RATIO SINCE AMGP IPO



### Represents the historical implied exchange ratio of AM / AMGP



Source: S&P Capital IQ as of October 5, 2018. Project Bronco | Page 73



#### Relative contribution based on forecasted distributions received in the status quo scenario

#### IMPLIED AM / AMGP EXCHANGE RATIO

	Distribution Forecasts						Present Value			vnership Imp	lied		Propo	salat
Ownership Entity	2019E	2020E	2021E	2022E	Terminal Value (1)	PV-10%	PV-15%	PV-20%	PV-10%	PV-15%	PV-20%	vs.	Equity Exchange	All-In (3)
AR-Held AM Common Units	\$219	\$282	\$338	\$405	\$4,857	\$4,230	\$3,575	\$3,049	31.2%	31.2%	31.3%		31.2%	32.4%
AM Public Holders	195	252	302	362	4,336	3,776	3,192	2,722	27.8%	27.9%	28.0%		28.7%	30.1%
AMGP Common Shares	165	249	324	414	6,366	5,155	4,332	3,672	38.0%	37.9%	37.7%		36.7%	34.3%
Series B Units	12	19	26	33	509	411	345	292	3.0%	3.0%	3.0%		3.4%	3.2%
<b>Total</b>	\$591	\$802	\$990	\$1,214	\$16,069	\$13,572	\$11,443	\$9,735	100.0%	100.0%	100.0%		100.0%	100.0%
mplied Exchange Ratio <sup>(2)</sup> - AR	2.490x	2.128×	1.963x	1.845x	1.437x	1.545x	1.555x	1.564x	1.545x	1.555x	1.564x		1.602x	1.776x

Source: Management projections.
(1) Utilizes terminal yield values defined in prior sections of this presentation. Series B terminal value equal to the AMGP terminal value.
(2) AMGP includes only Series A cash flow.

Represents implied ownership percentages if all merger consideration were in the form of equity in AMGP Corp (i.e. accounts for cash consideration being issued to AR-held AM Common Units and AM Public Holders.

All-in implied exchange ratio, including cash. Based on 20-day VWAP as of October 5, 2018.



#### Relative contribution based on forecasted distributions received in the status quo scenario

#### IMPLIED AM / AMGP EXCHANGE RATIO

	Distribution Forecasts						Present Value			% Ownership Implied				salat
Ownership Entity	2019E	2020E	2021E	2022E	Terminal Value <sup>(1)</sup>	PV-10%	PV-15%		PV-10%	PV-15%	PV-20%	vs.	Equity Exchange	All-In (3)
AR-Held AM Common Units	\$216	\$266	\$310	\$364	\$4,362	\$3,832	\$3,243	\$2,769	31.6%	31.7%	31.8%		31.2%	32.4%
AM Public Holders	193	237	277	325	3,893	3,421	2,895	2,471	28.2%	28.3%	28.4%		28.7%	30.1%
AMGP Common Shares	162	228	287	359	5,519	4,501	3,786	3,212	37.2%	37.0%	36.9%		36.7%	34.3%
Series B Units	12	17	22	28	438	356	299	253	2.9%	2.9%	2.9%		3.4%	3.2%
Total	\$583	\$749	\$896	\$1,076	\$14,212	\$12,110	\$10,222	\$8,705	100.0%	100.0%	100.0%		100.0%	100.0%
Implied Exchange Ratio (2) - AR	2.512x	2.194x	2.034x	1.911x	1.488x	1.603x	1.613x	1.623x	1.603x	1.613x	1.623x		1.602x	1.776x

Source: Management projections.
(1) Utilizes terminal yield values defined in prior sections of this presentation. Series B terminal value equal to the AMGP terminal value.
(2) AMGP includes only Series A cash flow.

Represents implied ownership percentages if all merger consideration were in the form of equity in AMGP Corp (i.e. accounts for cash consideration being issued to AR-held AM Common Units and AM Public Holders.

All-in implied exchange ratio, including cash. Based on 20-day VWAP as of October 5, 2018.



# SELECT EQUITY RESEARCH ANALYST PRICE TARGETS – PRIOR TO SS 13D FILING & SPECIAL COMMITTEE FORMATION BAIRD



Firm	Date	Antero MidstreamPartners us 12-Month Price Target	Antero Midstream GP  12-Month Price Target	Implied Exchange Ratio
Raymond James	01/22/18	\$36.00	\$27.00	1.33x
Scotia Howard Weil	01/22/18	40.00	24.00	1.67x
Baird	01/19/18	43.00	35.00	1.23x
Ladenburg Thalmann	01/19/18	41.00	28.00	1.46x
Seaport Global	01/19/18	38.00	26.00	1.46x
Wells Fargo	01/19/18	40.00	30.00	1.33x
Barclays	01/18/18	37.00	23.00	1.61x
Morgan Stanley	01/18/18	36.00	27.00	1.33x
MUFG Securities	01/18/18	40.00	30.00	1.33x
J.P. Morgan	11/21/17	39.00	25.00	1.56x
Goldman Sachs	11/03/17	35.00	27.00	1.30x
	Low	\$35.00	\$23.00	1.23x
	Median	39.00	27.00	1.44x
	High	43.00	35.00	1.67x

Project Bronco | Page 76 Source: Wall Street research.

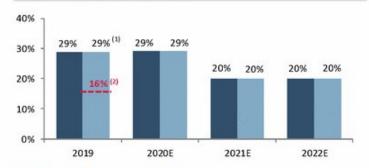
### **SELECTED MERGER CONSEQUENCES SUMMARY**



#### Key metrics of AMGP Corp vs. status quo AM (using AM Management Case)



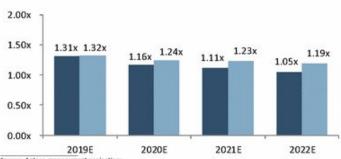
#### **AM Distribution Growth**



#### DCF per AM LP Unit Growth

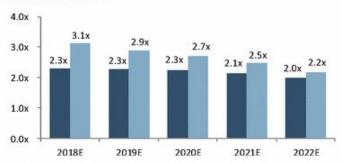


#### **AM Total Coverage Ratio**



#### **AM Leverage**





Source: Antero management projections.
Assumes AMGP purchases 100% of AM public units (188.1 million on a fully diluted basis) with a combination of equity and cash; AMGP issues 304.3 million shares to current AM unitholders. Also assumes that AMGP issues 17.354 million shares in exchange for 100% of the Series B units.

(1) Growth rate assuming an all-in exchange ratio of 1.776x.

(2) Distribution growth assuming only the base equity exchange ratio of 1.6023x to AR holders.

### SELECTED MERGER CONSEQUENCES SUMMARY (CONT.)



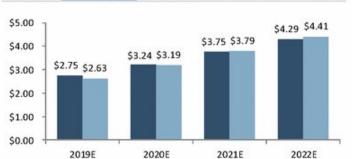
#### Impact to AR across key metrics



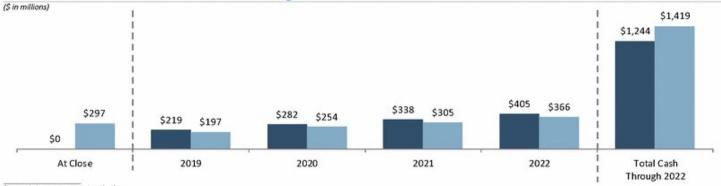
#### Dividend per AR-Owned AM Unit



#### DCF per AR-Owned AM Unit



#### **Total Cash to AR from Midstream Holdings**



Source: Antero management projections.

Assumes AMGP purchases 100% of AM public units (188.1 million on a fully diluted basis) with a combination of equity and cash; AMGP issues 304.3 million shares to current AM unitholders. Also assumes that AMGP issues 17.354 million shares in exchange for 100% of the Series B units.

