

Methane Emissions 2016 – Antero Resources

WHEREAS: We believe that reporting on environmental risk management makes a company more responsive to shareholders who seek information on how the company is navigating growing regulation, evolving legislation, and increasing public expectations around how corporate behavior impacts the environment.

Companies in the oil and gas industry face risk due to intended and unintended emissions of methane gas from their operations. According to the Environmental Protection Agency (EPA), the oil and gas sector is the largest source of methane emissions from industry in the United States.

Methane is emitted by all aspects of the natural gas industry, including drilling, production, processing, storage, transmission, and distribution. Reducing emissions results in many environmental, economic and operational benefits.

Methane gas emissions are a significant contributor to climate change. Methane is a climate pollutant 84 times more powerful than carbon dioxide over a 20 year period. Reduced oil and gas industry methane emissions could contribute up to 15 percent of reductions needed by 2020 to keep the world on a 2 degree pathway.

In August 2015, EPA proposed the first-ever direct regulation of methane pollution for new and modified sources in the oil and gas industry.

Increased disclosure surrounding methane emissions management could improve public trust in oil, gas and pipeline companies. In a December 2013 research report, Research + Data Insights noted that if oil and gas companies provided disclosure on emission reduction efforts, they could see a dramatic increase in public trust.

Methane emissions also represent loss of a saleable product that can be recovered at a relatively low cost using existing technologies. A 2015 analysis by the Rhodium Group found that in 2012, about 3.6 trillion cubic feet of unburned natural gas, worth about \$30 billion, was emitted globally from the oil and gas industry as a result of leaks and intentional releases. A 2014 report by ICF International found that a 40 percent reduction in U.S. methane emissions by 2018 would cost roughly one penny per thousand cubic feet of gas produced on average in the United States, and that approximately half these costs would be offset by sale of recovered natural gas.

Antero has not provided adequate disclosure, in public filings, on its website, or through a report, of the Company's strategies to mitigate risk from its methane gas emissions. For example, unlike some of its peers, the company does not discuss leak detection and repair programs for methane reduction nor methane releases as a percentage of total production.

RESOLVED: Shareholders request that the Board of Directors issue a report describing how the company is monitoring and managing the level of methane emissions from its operations. The requested report should include a company-wide review of the policies, practices, and metrics related to Antero's methane emissions risk management strategy. The report should be prepared at reasonable cost, omitting proprietary information, and made available to shareholders by December 31, 2016.