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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

**FORM 8-K**

**CURRENT REPORT**

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

Date of Report (Date of earliest event reported): **October 9, 2018**

**ANTERO MIDSTREAM GP LP**

(Exact name of registrant as specified in its charter)

**Delaware**  
(State or other jurisdiction  
of incorporation)

**001-38075**  
(Commission File Number)

**61-1748605**  
(IRS Employer  
Identification No.)

**1615 Wynkoop Street**  
**Denver, Colorado 80202**  
(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code: **(303) 357-7310**

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

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

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

Emerging growth company

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

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**Item 7.01 Regulation FD**

On October 9, 2018, Antero Midstream GP LP (“AMGP”) and Antero Midstream Partners LP (“Antero Midstream”) issued a press release announcing that they have entered into a definitive simplification agreement for AMGP to acquire all outstanding common unit representing limited partner interests in Antero Midstream (the “AM Common Units”), both those held by the public and those held by Antero Resources Corporation (“Antero Resources”). The combined entity will be renamed Antero Midstream Corporation (“New AM”). Under the terms of the agreement, the public unitholders of Antero Midstream will be entitled to receive a combination of \$3.415 in cash and 1.635 shares of New AM stock per AM Common Unit. Antero Resources will be entitled to receive a combination of \$3.00 in cash and 1.6023 shares of New AM stock for each AM Common Unit. All public unitholders of Antero Midstream will be entitled to elect to receive their merger consideration in all cash, all stock, or a combination of cash and stock, and Antero Resources will have the ability to elect to take a larger portion of its merger consideration in cash if the public unitholders of Antero Midstream disproportionately elect to receive stock consideration, subject in each case to pro ration to ensure that the aggregate amount of cash consideration paid to all AM unitholders equals approximately \$598 million. The full text of the press release is included as Exhibit 99.1 to this Current Report on Form 8-K and is incorporated into this Item 7.01 by reference.

AMGP has posted to its corporate website an investor presentation related to the transactions contemplated by the simplification agreement, which is included as Exhibit 99.2 to this Current Report on Form 8-K and is incorporated into this Item 7.01 by reference.

The information in this Item 7.01 (including the exhibits) shall not be deemed to be “filed” for purposes of Section 18 of the

Exchange Act, or otherwise subject to the liabilities of that section, and is not incorporated by reference into any filing under the Securities Act or the Exchange Act.

#### **Item 8.01 Other Events.**

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

#### **NO OFFER OR SOLICITATION**

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

#### **IMPORTANT ADDITIONAL INFORMATION**

In connection with the Transaction, AMGP will file with the U.S. Securities and Exchange Commission (“SEC”) a registration statement on Form S-4, that will include a joint proxy statement of Antero Midstream and AMGP and a prospectus of AMGP. The Transaction will be submitted to Antero Midstream’s unitholders and AMGP’s shareholders for their consideration. Antero Midstream and AMGP may also file other documents with the SEC regarding the Transaction. The definitive joint proxy statement/prospectus will be sent to the shareholders of AMGP and unitholders of Antero Midstream. This document is not a substitute for the registration statement and joint proxy statement/prospectus that will be filed with the SEC or any other documents that AMGP or Antero Midstream may file with the SEC or send to shareholders of AMGP or unitholders of Antero Midstream in connection with the Transaction. **INVESTORS AND SECURITY HOLDERS OF ANTERO MIDSTREAM AND AMGP ARE URGED TO READ THE REGISTRATION STATEMENT AND THE JOINT PROXY STATEMENT/PROSPECTUS REGARDING THE TRANSACTION WHEN IT BECOMES AVAILABLE AND ALL OTHER RELEVANT DOCUMENTS THAT ARE FILED OR WILL BE FILED WITH THE SEC, AS WELL AS ANY AMENDMENTS OR SUPPLEMENTS TO THESE DOCUMENTS, CAREFULLY AND IN THEIR ENTIRETY BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION ABOUT THE TRANSACTION AND RELATED MATTERS.**

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

#### **PARTICIPANTS IN THE SOLICITATION**

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

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

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

#### **FORWARD LOOKING STATEMENTS**

This Current Report includes “forward-looking statements” within the meaning of federal securities laws. Such forward-looking statements are subject to a number of risks and uncertainties, many of which are beyond Antero Midstream’s and AMGP’s control. All statements, other than historical facts included in this Current Report, are forward-looking statements. All forward-looking statements speak only as of the date of this Current Report and are based upon a number of assumptions. Without limiting the generality of the foregoing, forward-looking statements contained in this Current Report specifically include the expected consideration to be received in

connection with the closing of the Transaction, the timing of consummation of the Transaction, if at all, the extent of the accretion, if any, to AMGP shareholders and Antero Midstream's unitholders, pro forma Antero Midstream dividend and DCF coverage targets, estimated pro forma Antero Midstream dividend CAGR and leverage metrics, the effect that the elimination of the IDRs and Series B Units will have on Antero Midstream's cost of capital, Antero Midstream Corporation ("New AM")'s growth opportunities following the consummation of the Transaction, including with respect to its organic project backlog, the pro forma dividend and DCF coverage ratio targets for New AM, that New AM does not expect to pay material cash taxes through at least 2024, and whether the structure resulting from the merger will be more appealing to a wider set of investors. Although Antero Midstream and AMGP each believe that the plans, intentions and expectations reflected in or suggested by the forward-looking statements are reasonable, there is no assurance that the assumptions underlying these forward-looking statements will be accurate or the plans, intentions or expectations expressed herein will be achieved. For example, future acquisitions, dispositions or other strategic transactions may materially impact the forecasted or targeted results described in this Current Report. Therefore, actual outcomes and results could materially differ from what is expressed, implied or forecast in such statements. Nothing in this Current Report is intended to constitute guidance with respect to Antero Resources.

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Antero Midstream and AMGP caution you that these forward-looking statements are subject to all of the risks and uncertainties, most of which are difficult to predict and many of which are beyond the Antero Midstream's and AMGP's control, incident to the gathering and processing and fresh water and waste water treatment businesses. These risks include, but are not limited to, Antero Resources' expected future growth, Antero Resources' ability to meet its drilling and development plan, commodity price volatility, ability to execute Antero Midstream's business strategy, competition and government regulations, actions taken by third-party producers, operators, processors and transporters, inflation, environmental risks, drilling and completion and other operating risks, regulatory changes, the uncertainty inherent in projecting future rates of production, cash flow and access to capital, the timing of development expenditures, and the other risks described under "Risk Factors" in Antero Midstream's Annual Report on Form 10-K for the year ended December 31, 2017.

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**Item 9.01. Financial Statements and Exhibits**

(d) Exhibits.

<b>EXHIBIT</b>	<b>DESCRIPTION</b>
99.1	<a href="#">Antero Midstream GP LP and Antero Midstream Partners LP press release dated October 9, 2018.</a>
99.2	<a href="#">Investor Presentation dated October 9, 2018.</a>

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**SIGNATURES**

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

**ANTERO MIDSTREAM GP LP**

By: AMGP GP LLC,  
its general partner

By: /s/ Glen C. Warren, Jr.  
Glen C. Warren, Jr.  
President and Secretary

Dated: October 9, 2018

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### AMGP to Acquire Antero Midstream Partners in a Simplification Transaction

**Denver, Colorado, October 9, 2018**— **Antero Midstream GP LP (NYSE: AMGP)** (“AMGP”) and **Antero Midstream Partners LP (NYSE: AM)** (“Antero Midstream Partners” or “AM”) today announced that they have entered into a definitive agreement for AMGP to acquire all outstanding AM common units, both those held by the public and those held by Antero Resources (NYSE: AR) (“Antero Resources”), in a stock and cash transaction. In connection with the transaction, AMGP will convert into a corporation and the combined entity will be renamed Antero Midstream Corporation (“New AM”). Under the terms of the agreement, Antero Midstream Partners public unitholders will be entitled to receive a combination of \$3.415 in cash and 1.635 shares of New AM stock per AM unit owned, resulting in aggregate consideration valued at \$31.41 per AM unit, based on the October 8, 2018 closing price. Antero Resources will be entitled to receive a combination of \$3.00 in cash and 1.6023 shares of New AM stock for each AM unit owned, resulting in aggregate consideration valued at \$30.43 per AM unit, based on the October 8, 2018 closing price. AM public unitholders will be entitled to elect to receive their merger consideration in all cash, all stock, or a combination of cash and stock, and AR will have the ability to elect to take a larger portion of its merger consideration in cash if the AM public unitholders elect to receive more stock than the mixed election consideration, in each case subject to pro ration to ensure that the aggregate amount of cash consideration paid to all AM unitholders equals approximately \$598 million. The transaction has been negotiated and recommended by the Conflicts Committees of AMGP and Antero Midstream Partners and the Special Committee of Antero Resources and approved by all three Boards of Directors.

#### Transaction Highlights:

- **AM public unitholders will receive all-in consideration valued at \$31.41 per AM common unit(1) owned, consisting of 1.635 AMGP shares and \$3.415 in cash per unit assuming an election to take both cash and stock (1.832 AMGP shares assuming 100% equity election)**
- **Provides a 7% premium to the current AM common unit trading price(1) and an 19% premium to the AM common unit price prior to the announcement of the formation of the Special Committee and Conflicts Committees on February 26, 2018 (2)**
- **AR will receive all-in consideration valued at \$30.43 per AM common unit(1) owned, consisting of 1.6023 AMGP shares and \$3.00 in cash per unit assuming an election to take both cash and stock (1.776 AMGP shares per unit assuming 100% equity election)**
- **Results in the elimination of currently outstanding incentive distribution rights (“IDRs”) and the Series B profits interest (“Series B units”), further aligning the economic interests across the Antero family of companies**
- **Simplifies structure for the midstream business into a single publicly-traded corporation, combining the public float and increasing trading liquidity**
- **Converts AMGP from a limited partnership to a corporation with a majority of independent directors at closing**
- **Transaction estimated to reduce AMGP’s tax payments from 2019 through 2022 by approximately \$375 million, with New AM not expected to pay material federal and state income taxes through at least 2024**
- **PV-10 tax savings resulting from transaction of approximately \$800 million**
- **Double digit accretion for both AMGP and AM on a distributable cash flow per share and per unit basis respectively, on average, over the existing long term target period of 2019 through 2022**
- **Pro forma dividend targets represent a 3% increase for AM public unitholders on existing per unit distribution targets and growth rates through 2022 (assuming AM unitholders elect to receive all equity consideration)**

(1) Based on October 8, 2018 AMGP closing price.

(2) AM price per unit prior to the Special Committee announcement was \$26.49 as of February 23, 2018.

Commenting on the simplification transaction, Paul Rady, Chairman and CEO said, “The transaction is a win-win-win for the Antero family and simplifies the midstream structure in an immediately accretive transaction. The traditional C-corp structure for both governance and tax purposes should further enhance New AM’s appeal to institutional investors and for inclusion in major indices, and provides valuable shareholder rights to the public. Importantly, the long-term vision and integrated strategy for the Antero family remains unchanged and we continue to be excited about executing on the five year development and infrastructure plans communicated at our analyst day in January.”

Glen Warren, President and CFO of Antero Resources and President of New AM added, “Today’s announcement also enhances Antero Resources’ ability to execute on its liquids focused integrated development program. The combination of cash consideration received in

the simplification transaction and free cash flow generation is expected to fully fund Antero Resources' initial \$600 million share repurchase program that was announced today. As a result, Antero Resources plans to opportunistically repurchase shares while not exceeding Stand-Alone Net Debt to Stand-Alone Adjusted EBITDAX of 2.25x by year-end 2018 and 2.0x by year-end 2019."

### **Midstream Simplification Transaction Details**

Under the terms of the simplification agreement, AMGP will acquire 100% of Antero Midstream Partners' 188.1 million fully diluted common units outstanding, including 98.9 million common units owned by Antero Resources. AM public unitholders will be entitled to receive a combination of \$3.415 in cash and 1.635 shares of New AM stock per AM unit owned, resulting in aggregate consideration valued at \$31.41 per AM unit, based on the October 8, 2018 closing price. The all-in consideration for AM public unitholders represents a premium of 7% based on the closing price as of October 8, 2018 and a premium of 19% based on closing prices as of February 23, 2018 prior to the announcement of the Special Committee formation. Antero Resources will be entitled to receive a combination of \$3.00 in cash and 1.6023 shares of New AM stock for each AM unit owned, resulting in aggregate consideration valued at \$30.43 per AM unit, based on the October 8, 2018 closing price. AM public unitholders will be entitled to elect to receive their merger consideration in all cash, all stock or a combination of cash and stock. AR will have the ability to elect to take a larger portion of its merger consideration in cash if the AM public unitholders elect to receive more stock consideration than outlined in the mixed election, subject to pro ration, to ensure that the aggregate amount of cash consideration paid to all AM unitholders equals approximately \$598 million. Following the AM public unitholders' election of their consideration, Antero Resources' can elect additional cash consideration, if available, in lieu of stock consideration. Following the simplification, New AM will eliminate all IDRs in AM and the Series B units, which represent 10-year profits interests in Antero IDR Holdings ("IDR LLC"), the entity that holds all of the outstanding IDRs in AM.

In connection with the transaction, Series B unitholders agreed to terminate and exchange their Series B units for an aggregate of 17.35 million shares in New AM upon the closing of the simplification transaction. The 17.35 million New AM shares represent approximately 4.4% of the pro forma market capitalization of New AM in excess of \$2.0 billion based on closing prices as of October 8, 2018. If the Series B units and the IDRs were not eliminated as part of the transaction, the Series B units would be entitled to receive up to 6% of the IDR cash flow stream above \$7.5 million per quarter from Antero Midstream Partners and would be exchangeable, at the option of the holders, into up to 6% of the pro forma market capitalization of New AM in excess of \$2.0 billion through the maturity date of December 31, 2026. The New AM shares issued in exchange for outstanding Series B units will be subject to the same vesting conditions to which the Series B units are currently subject, with one-third currently vested, another one-third vesting at December 31, 2018 and the final one-third vesting on December 31, 2019. Accordingly, a portion of the shares in New AM to be issued to the Series B unitholders will continue to be subject to vesting and forfeiture through December 31, 2019, and will not be entitled to receive any dividends from New AM prior to their vesting on December 31, 2019. The exchange of the Series B units in connection with the simplification transaction further aligns management, employees, financial sponsors and pro forma shareholders and lowers the cost of capital for future investment decisions. Following the simplification transaction and exchange of the Series B units, New AM will have approximately 508 million fully diluted shares outstanding.

The transaction will be fully taxable to both Antero Resources and Antero Midstream Partners' public unitholders, which will result in a tax basis step up with respect to the assets of Antero Midstream Partners for the pro forma entity. As a result, New AM does not expect to pay material cash taxes through at least 2024. The PV-10 of tax savings to New AM as a result of this transaction is approximately \$800 million. Antero Resources expects to utilize a portion of its \$3.0 billion of net operating loss carryforwards to substantially shield its gain from the transaction. Antero Midstream Partners' public unitholders should consult with their tax advisor regarding the tax impact from the transaction, but will have the ability to elect to receive all cash in the transaction, subject to pro ration, and regardless of proration will have the ability to receive at least \$3.415 per unit in cash. The higher exchange ratio and cash consideration received by the AM public unitholders was designed to help offset potential tax impacts of the transaction.

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The AMGP Conflicts Committee, consisting of directors not associated with management or the original financial sponsor groups, evaluated the transaction on behalf of the public shareholders and the AMGP board of directors. The AMGP Conflicts Committee recommended approval of the simplification transaction to the Board of Directors of AMGP. The Antero Midstream Partners Conflicts Committee, consisting of directors not associated with management or the original financial sponsor groups, evaluated the transaction on behalf of the AM board of directors and public unitholders and also recommended approval of the simplification transaction to the AM board of directors. The Antero Resources Special Committee, consisting of directors not associated with management or the financial sponsor groups that originally funded Antero Resources, evaluated the transaction on behalf of the public shareholders and the board of directors of Antero Resources, which currently owns approximately 53% of the Antero Midstream Partners units outstanding. The Antero Resources Special Committee recommended approval of the simplification transaction to the AR board of directors. The transaction was approved by the board of directors of each of AMGP, Antero Midstream Partners and Antero Resources.

The transaction is subject to the approval of holders of a majority of the shares held by AMGP's public shareholders excluding the original private equity sponsors, Series B holders, and affiliates of AMGP's general partner. The transaction is also subject to the approval of holders of a majority of the units held by AM unitholders, excluding Antero Resources, the original private equity sponsors, the Series B holders and affiliates of AM's general partner. The closing of the transaction is expected in the first quarter of 2019, subject to obtaining these approvals and customary regulatory approvals.

### **Financing & Balance Sheet**

The cash consideration will be funded at closing by utilizing borrowings under an amended AM credit facility. AM is in the process of exercising the accordion feature on its credit facility, which would increase capacity from \$1.5 billion to \$2.0 billion. New AM expects to maintain a strong balance sheet flexing to just over 3.0x net debt to adjusted EBITDA post-closing at the end of the first quarter of 2019 and de-levering into the mid two-times range by 2020. Consistent with AM's previous outlook, New AM does not anticipate a need to

access the public equity markets to fund its previously disclosed \$2.7 billion in organic growth opportunities from 2018 through 2022.

Michael Kennedy, CFO of Antero Midstream Partners and AMGP commented, “The simplification transaction further reinforces Antero Midstream’s position as a premier organic growth Appalachian midstream platform. From a position of strength, the transaction is expected to allow us to deliver DCF per unit accretion to both AM unitholders and AMGP shareholders, in addition to an up-front premium to AM unitholders. This accretion, along with the numerous structural and governance merits, delivers significant value to our unitholders and shareholders.”

Mr. Kennedy further added, “The elimination of the IDRs is expected to reduce Antero Midstream’s cost of capital which will broaden New AM’s growth opportunities beyond the previously disclosed \$2.7 billion organic opportunity set with attractive project and corporate level returns. The simplification also creates a unique C-corp security with top-tier dividend growth, low leverage and attractive return on invested capital.”

### Pro Forma Dividend and Coverage Policy

Assuming the simplification transaction closes in the first quarter of 2019 and subject to board approvals, New AM currently intends to target a dividend of \$1.24 per share in 2019 representing the midpoint of our targeted dividend per share range for 2019. New AM intends to target dividend growth of 29% in 2020 and dividend growth of 20% in each of 2021 and 2022. Over the 2019 through 2022 period New AM intends to target an average DCF coverage ratio of 1.2-1.3x. Our targeted dividend growth rates are unchanged from Antero Midstream Partners’ previously announced distribution growth targets through 2022. The majority of these pro forma dividends are expected to be treated as non-taxable return of capital with the remaining distributions being taxable dividend income under current U.S. federal tax regulations.

The following table illustrates the pro forma dividend for New AM:

Long-term Targets	2019		2020		2021		2022					
	Low	High	Low	High	Low	High	Low	High				
Dividend Per Share	\$1.23	—	\$1.25	\$1.57	—	\$1.63	\$1.89	—	\$1.95	\$2.27	—	\$2.34
Year-over-Year Growth	128%	—	131%	28%	—	30%	20%	—	20%	—	—	—

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*Note: 2019 year-over-year dividend growth represents growth vs. AMGP’s 2018 midpoint distribution of \$0.54/share*

The following table illustrates the increase in targeted distributions per share for AMGP shareholders through 2022 comparing the pro forma dividend targets to the previously disclosed status quo distribution targets:

Per Share	2019		2020		2021		2022					
	Low	High	Low	High	Low	High	Low	High				
Status Quo Distribution	\$0.84	—	\$0.91	\$1.28	—	\$1.40	\$1.65	—	\$1.83	\$2.10	—	\$2.36
Pro Forma Dividend	\$1.23	—	\$1.25	\$1.57	—	\$1.63	\$1.89	—	\$1.95	\$2.27	—	\$2.34
<b>Accretion - \$/Share</b>	<b>\$0.39</b>	—	<b>\$0.34</b>	<b>\$0.29</b>	—	<b>\$0.23</b>	<b>\$0.24</b>	—	<b>\$0.12</b>	<b>\$0.17</b>	—	<b>\$(0.02)</b>
<i>Accretion - %</i>	<i>46%</i>	—	<i>37%</i>	<i>23%</i>	—	<i>16%</i>	<i>15%</i>	—	<i>7%</i>	<i>8%</i>	—	<i>(1%)</i>

The following table illustrates the increase in targeted distributions per unit for Antero Midstream Partners public unitholders through 2022 comparing the pro forma dividend targets to the previously disclosed status quo distribution targets on a pre-tax basis. The table below is based on a 100% equity consideration of 1.832 AMGP shares for each public AM unit. Public unitholders received a higher exchange ratio to help offset transaction taxes.

Per Share	2019		2020		2021		2022					
	Low	High	Low	High	Low	High	Low	High				
Status Quo Distribution	\$2.19	—	\$2.22	\$2.80	—	\$2.89	\$3.36	—	\$3.47	\$4.03	—	\$4.16
Pro Forma Dividend	\$1.23	—	\$1.25	\$1.57	—	\$1.63	\$1.89	—	\$1.95	\$2.27	—	\$2.34
x 1.832 Shares Received	1.832	—	1.832	1.832	—	1.832	1.832	—	1.832	1.832	—	1.832
Total Dividends	\$2.25	—	\$2.29	\$2.88	—	\$2.99	\$3.46	—	\$3.57	\$4.16	—	\$4.29
<b>Midpoint Variance -</b>	<b>\$0.06</b>	—	<b>\$0.06</b>	<b>\$0.08</b>	—	<b>\$0.08</b>	<b>\$0.10</b>	—	<b>\$0.10</b>	<b>\$0.12</b>	—	<b>\$0.12</b>

The following table illustrates the increase in targeted distributions per unit for Antero Midstream Partners units held by AR through 2022 comparing the pro forma dividend targets to the previously disclosed status quo distribution targets on a pre-tax basis. The table below is based on a 100% equity consideration of 1.776 AMGP shares for each AR-held AM unit:

Per Share	2019		2020		2021		2022					
	Low	High	Low	High	Low	High	Low	High				
Status Quo Distribution	\$2.19	—	\$2.22	\$2.80	—	\$2.89	\$3.36	—	\$3.47	\$4.03	—	\$4.16
Pro Forma Dividend	\$1.23	—	\$1.25	\$1.57	—	\$1.63	\$1.89	—	\$1.95	\$2.27	—	\$2.34
x 1.776 Shares Received	1.776	—	1.776	1.776	—	1.776	1.776	—	1.776	1.776	—	1.776
Total Dividends	\$2.18	—	\$2.22	\$2.79	—	\$2.89	\$3.36	—	\$3.46	\$4.03	—	\$4.16
<b>Midpoint Variance -</b>	<b>\$0.00</b>	—	<b>\$0.00</b>	<b>\$0.00</b>	—	<b>\$0.00</b>	<b>\$0.00</b>	—	<b>\$0.00</b>	<b>\$0.00</b>	—	<b>\$0.00</b>

### Conference Call

A joint conference call for Antero Midstream and AMGP is scheduled on Tuesday, October 9, 2018 at 10 am ET to discuss the transaction. To participate in the call, dial in at 1-888-347-8204 (U.S.), 1-855-669-9657 (Canada), or 1-412-902-4229 (International) and reference “Antero Midstream”. A telephone replay of the call will be available until Tuesday, October 16, 2018 at 10am ET at 1-844-512-2921 (U.S.) or 1-412-317-6671 (International) using the passcode 10125139.

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## **Presentation**

To access the live webcast and view the related transaction call presentation, visit Antero Midstream’s website at [www.anteromidstream.com](http://www.anteromidstream.com) or AMGP’s website at [www.anteromidstreamgp.com](http://www.anteromidstreamgp.com). The webcast will be archived for replay on Antero Midstream’s website and AMGP’s website until Tuesday, October 16, 2018 at 10:00 am MT. Information on Antero Midstream’s website and AMGP’s website does not constitute a portion of this press release.

## **Financial and Legal Advisors**

Vinson & Elkins acted as legal advisor to AMGP, Antero Midstream Partners and Antero Resources. Goldman Sachs & Co. LLC and Hunton Andrews Kurth and Richards, Layton & Finger acted as financial and legal advisors, respectively, to the Conflicts Committee of AMGP. Morgan Stanley & Co. LLC acted as the financial advisor to Antero Midstream Partners. Tudor, Pickering, Holt & Co. and Gibson, Dunn & Crutcher LLP acted as financial and legal advisors, respectively to the Conflicts Committee of Antero Midstream Partners. Baird and Sidley Austin LLP acted as financial and legal advisors, respectively, to the Special Committee of AR. J.P. Morgan Securities LLC acted as financial advisor to Antero Resources.

*Antero Midstream Partners is a limited partnership that owns, operates and develops midstream gathering, compression, processing and fractionation assets as well as integrated water assets that primarily service Antero Resources Corporation’s properties located in West Virginia and Ohio. Holders of Antero Midstream Partners common units will receive a Schedule K-1 with respect to distributions received on the common units.*

*AMGP is a Delaware limited partnership that has elected to be classified as an entity taxable as a corporation for U.S. federal income tax purposes. Holders of AMGP common shares will receive a Form 1099 with respect to distributions received on the common shares. AMGP owns the general partner of Antero Midstream Partners and indirectly owns the incentive distribution rights in Antero Midstream Partners.*

*This release includes “forward-looking statements” within the meaning of federal securities laws. Such forward-looking statements are subject to a number of risks and uncertainties, many of which are beyond AM and AMGP’s control. All statements, other than historical facts included in this release, are forward-looking statements. All forward-looking statements speak only as of the date of this release and are based upon a number of assumptions. Without limiting the generality of the foregoing, forward-looking statements contained in this press release specifically include the expected consideration to be received in connection with the closing of the transaction, the timing of consummation of the transaction, if at all, statements regarding the transaction, the extent of the accretion, if any, to AMGP shareholders and AM unitholders, the effect that the elimination of the IDRs and Series B Units will have on Antero Midstream’s cost of capital, New AM’s growth opportunities and increased trading liquidity following the consummation of the transaction, anticipated cost savings, the pro forma dividend and DCF coverage ratio targets for New AM, that the transaction will reduce AMGP’s tax payments from 2019 through 2022 and that New AM does not expect to pay material cash taxes through at least 2024, the PV-10 tax savings expected to be realized as a result of the transaction, opportunities and anticipated future performance, and whether the structure resulting from the merger will be more appealing to a wider set of investors. Although AM and AMGP each believe that the plans, intentions and expectations reflected in or suggested by the forward-looking statements are reasonable, there is no assurance that the assumptions underlying these forward-looking statements will be accurate or the plans, intentions or expectations expressed herein will be achieved. For example, future acquisitions, dispositions or other strategic transactions may materially impact the forecasted or targeted results described in this release. Therefore, actual outcomes and results could materially differ from what is expressed, implied or forecast in such statements. Nothing in this release is intended to constitute guidance with respect to Antero Resources.*

*Antero Midstream Partners and AMGP caution you that these forward-looking statements are subject to all of the risks and uncertainties, most of which are difficult to predict and many of which are beyond the AM’s and AMGP’s control, incident to the gathering and processing and fresh water and waste water treatment businesses. These risks include, but are not limited to, the expected timing and likelihood of completion of the transaction, including the ability to obtain requisite regulatory, unitholder and shareholder approval and the satisfaction of the other conditions to the consummation of the proposed transaction, risks that the proposed transaction may not be consummated or the benefits contemplated therefrom may not be realized, the cost savings, tax benefits and any other synergies from the transaction may not be fully realized or may take longer to realize than expected, Antero Resources’ expected future growth, Antero Resources’ ability to meet its drilling and development plan, commodity price volatility, ability to execute AM’s business strategy, competition and government regulations, actions taken by third-party producers, operators, processors and transporters, inflation, environmental risks, drilling and completion and other operating risks, regulatory changes, the uncertainty inherent in projecting future rates of production, cash flow and access to capital, the timing of development expenditures, and the other risks described under “Risk Factors” in Antero Midstream’s Annual Report on Form 10-K for the year ended December 31, 2017.*

## **No Offer or Solicitation**

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

## **Additional Information And Where To Find It**

*In connection with the transaction, AMGP will file with the U.S. Securities and Exchange Commission (“SEC”) a registration statement on Form S-4, that will include a joint proxy statement of AM and AMGP and a prospectus of AMGP. The transaction will be submitted to AM’s unitholders and AMGP’s shareholders for their consideration. AM and AMGP may also file other documents with the SEC regarding the transaction. The definitive joint proxy statement/prospectus will be sent to the shareholders of AMGP and unitholders of AM. This document is not a substitute for the registration statement and joint proxy statement/prospectus that will be filed with the SEC or any other documents that AMGP or AM may file with the SEC or send to shareholders of AMGP or unitholders of AM in connection with the Transaction. **INVESTORS AND SECURITY HOLDERS OF AM AND AMGP ARE URGED TO READ THE REGISTRATION STATEMENT AND THE JOINT PROXY STATEMENT/PROSPECTUS REGARDING THE TRANSACTION WHEN IT BECOMES AVAILABLE AND ALL OTHER RELEVANT DOCUMENTS THAT ARE FILED OR WILL BE FILED WITH THE SEC, AS WELL AS ANY AMENDMENTS OR SUPPLEMENTS TO THESE***

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**DOCUMENTS, CAREFULLY AND IN THEIR ENTIRETY BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION ABOUT THE TRANSACTION AND RELATED MATTERS.**

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

#### **Participants In The Solicitation**

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

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

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

*For more information, contact Michael Kennedy — CFO of Antero Midstream Partners and AMGP at (303) 357-6782 or [mkenedy@anteroresources.com](mailto:mkenedy@anteroresources.com).*

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# Antero Midstream Simplification Transaction

OCTOBER 9, 2018



## NO OFFER OR SOLICITATION

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

## IMPORTANT ADDITIONAL INFORMATION

In connection with the Transaction, AMGP will file with the U.S. Securities and Exchange Commission ("SEC") a registration statement on Form S-4, that will include a joint proxy statement of AM and AMGP and a prospectus of AMGP. The Transaction will be submitted to AM's unitholders and AMGP's shareholders for their consideration. AM and AMGP may also file other documents with the SEC regarding the Transaction. The definitive joint proxy statement/prospectus will be sent to the shareholders of AMGP and unitholders of AM. This document is not a substitute for the registration statement and joint proxy statement/prospectus that will be filed with the SEC or any other documents that AMGP or AM may file with the SEC or send to shareholders of AMGP or unitholders of AM in connection with the Transaction. INVESTORS AND SECURITY HOLDERS OF AM AND AMGP ARE URGED TO READ THE REGISTRATION STATEMENT AND THE JOINT PROXY STATEMENT/PROSPECTUS REGARDING THE TRANSACTION WHEN IT BECOMES AVAILABLE AND ALL OTHER RELEVANT DOCUMENTS THAT ARE FILED OR WILL BE FILED WITH THE SEC, AS WELL AS ANY AMENDMENTS OR SUPPLEMENTS TO THESE DOCUMENTS, CAREFULLY AND IN THEIR ENTIRETY BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION ABOUT THE TRANSACTION AND RELATED MATTERS.

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## PARTICIPANTS IN THE SOLICITATION

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

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

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## FORWARD LOOKING STATEMENTS

This presentation includes "forward-looking statements" within the meaning of federal securities laws. Such forward-looking statements are subject to a number of risks and uncertainties, many of which are beyond AM's and AMGP's control. All statements, other than historical facts included in this presentation, are forward-looking statements. All forward-looking statements speak only as of the date of this presentation and are based upon a number of assumptions. Without limiting the generality of the foregoing, forward-looking statements contained in this presentation specifically include the expected consideration to be received in connection with the closing of the Transaction, the timing of consummation of the Transaction, if at all, the extent of the accretion, if any, to AMGP shareholders and AM unitholders, pro forma AM dividend and DCF coverage targets, estimated pro forma AM dividend CAGR and leverage metrics, the effect that the elimination of the IDRs and Series B Units will have on AM's cost of capital, New AM's growth opportunities following the consummation of the Transaction, including with respect to its organic project backlog, the pro forma dividend and DCF coverage ratio targets for Antero Midstream Corporation ("New AM"), that New AM does not expect to pay material cash taxes through at least 2024, and whether the structure resulting from the merger will be more appealing to a wider set of investors. Although AM and AMGP each believe that the plans, intentions and expectations reflected in or suggested by the forward-looking statements are reasonable, there is no assurance that the assumptions underlying these forward-looking statements will be accurate or the plans, intentions or expectations expressed herein will be achieved. For example, future acquisitions, dispositions or other strategic transactions may materially impact the forecasted or targeted results described in this presentation. Therefore, actual outcomes and results could materially differ from what is expressed, implied or forecast in such statements. Nothing in this presentation is intended to constitute guidance with respect to AR.

AM and AMGP caution you that these forward-looking statements are subject to all of the risks and uncertainties, most of which are difficult to predict and many of which are beyond the AM's and AMGP's control, incident to the gathering and processing and fresh water and waste water treatment businesses. These risks include, but are not limited to, AR's expected future growth, AR's ability to meet its drilling and development plan, commodity price volatility, ability to execute AM's business strategy, competition and government regulations, actions taken by third-party producers, operators, processors and transporters, inflation, environmental risks, drilling and completion and other operating risks, regulatory changes, the uncertainty inherent in projecting future rates of production, cash flow and access to capital, the timing of development expenditures, and the other risks described under "Risk Factors" in AM's Annual Report on Form 10-K for the year ended December 31, 2017.



**While evaluating potential alternatives to increase shareholder value, there were a number of key objectives:**

- 1 Achieve a “win-win-win” Transaction Across the Antero Family**
  - Improve the financial profile and deliver value to all three Antero equities including AR, AM and AMGP
  - Maintain target distributions to AM unitholders with strong coverage
- 2 Further Align the Interest of All Antero Equity Holders and Management**
  - Remove the perceived alignment of interest questions related to management/ PE sponsor ownership of GP/IDRs relative to AR shareholders
- 3 Simplify the Structure and Unlock Shareholder Value**
  - Simplify the structure for current and future investors
  - Eliminate the eventual IDR drag on AM cash flow growth and cost of capital
- 4 Maintain Antero’s Integrated Strategy & Long-Term Outlook**
  - Maintain senior management’s long-term vision to build the most integrated NGL and natural gas business in the U.S.
- 5 Return of Capital to AR Shareholders**
  - Enable AR to capitalize on opportunity to repurchase shares at a discount to both intrinsic value and relative value of comparable elite operators



## Completed the Special Committee process

### 1 AMGP to acquire AM in a midstream simplification transaction

- AM public unitholders receive all-in consideration valued at \$31.41/unit
- Eliminates IDRs, lowering AM cost of capital
- Tax basis step-up eliminates ~\$375 MM of expected AMGP taxes through 2022
- Resulting entity is a C-corp for tax AND governance purposes
- Larger public float and expected to benefit from broader institutional ownership and enhanced trading liquidity
- Double digit average annual accretion to both AM unitholders and AMGP shareholders in the previously communicated forecast period of 2019 through 2022 on a distributable cash flow basis
- Creates "best in class" large cap midstream entity with the highest expected distribution growth ("New AM")

### 2 Reaffirmed long-term distribution growth targets

- AM public unitholders more than "made-whole" on previously communicated distribution targets with higher DCF coverage in the 1.2x - 1.3x range through 2022
- \$2.7 billion organic project backlog from 2018 through 2022 without the need for equity financing



## Simplification “checks all the boxes” for midstream investors

Attribute	Antero Midstream Corporation	
✓	1099 Tax Form	C-corp for tax and governance purposes with 1099 tax form
✓	No IDRs	One publicly traded midstream security with no IDRs
✓	Self-funding Model	No expected equity needs to fund \$2.7 billion organic project backlog
✓	Reasonable Leverage	Leverage near 3.0x expected to decline into the low 2-times
✓	Visible Growth	Organically driven distribution CAGR of 27% from 2018 - 2021
✓	Capital Efficiency	Just-in-time non-speculative capital investment with 15 to 20% ROIC
✓	Strong DCF Coverage	1.2x – 1.3x DCF coverage with long-term visibility
✓	Sufficient Liquidity	~\$4.0 billion public float, or 44% of the shares outstanding
✓	Elected Board	C-corp board governed with a majority of independent directors
✓	Tax Shield	Substantially shielded from anticipated taxes through at least 2024

# Simplification Transaction Overview



## Antero Midstream GP LP (“AMGP”) to acquire Antero Midstream Partners LP (“AM”) creating a premier Appalachian infrastructure organic growth corporation

### “Antero Midstream Corporation” (NYSE: AM) or “New AM”

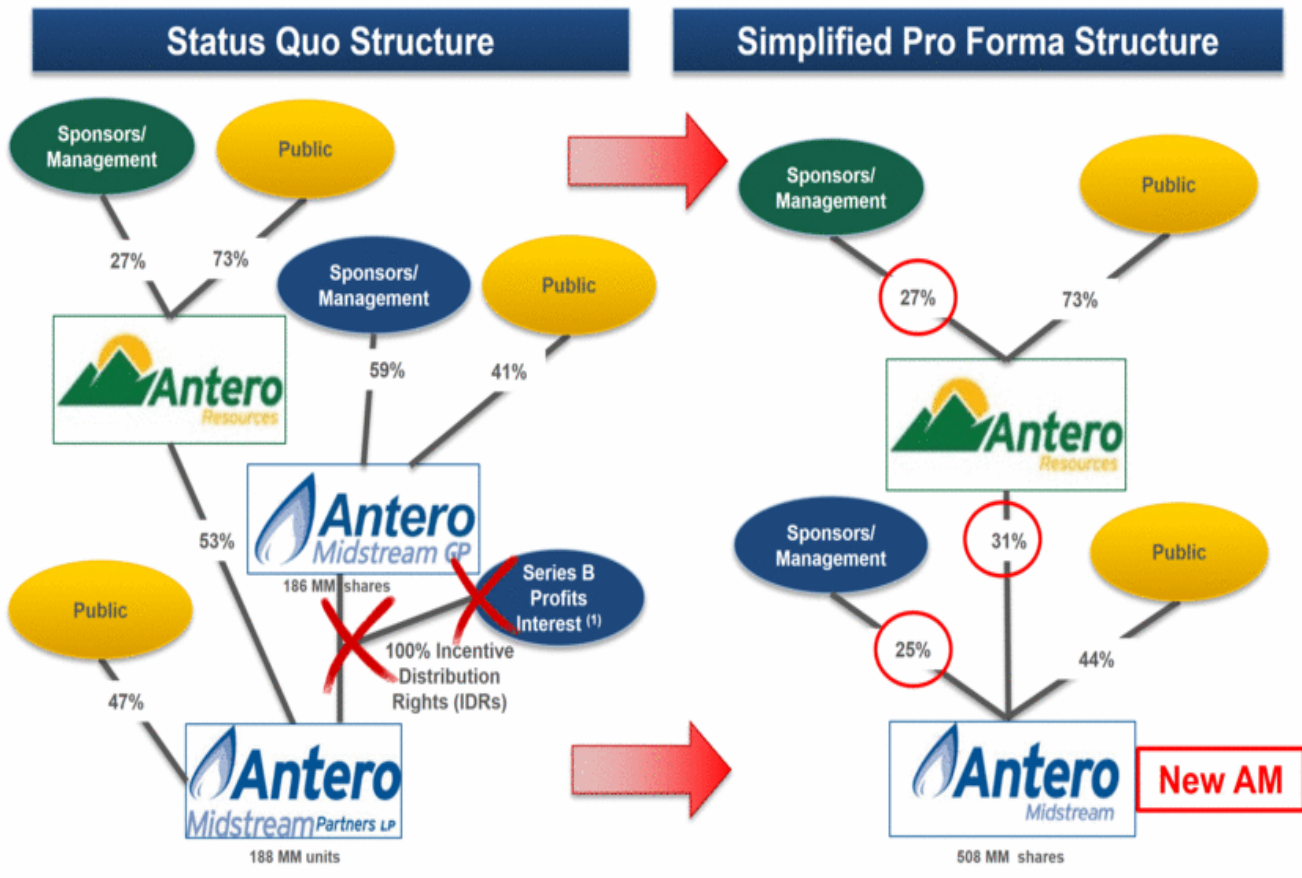
Key Deal Terms	<ul style="list-style-type: none"> <li>• AMGP to acquire 100% of outstanding common units of AM, including common units owned by AR</li> <li>• Elimination of incentive distribution rights (“IDRs”) and Series B profits interest</li> <li>• All-in consideration to AM public unitholders valued at \$31.41/unit consisting of 1.635 AMGP shares and \$3.415/unit in cash based on 10/8/18 AMGP share price (1.832x equivalent exchange ratio)<sup>(1)</sup></li> <li>• All-in consideration to AR owned AM units valued at \$30.43/unit consisting of 1.6023 AMGP shares and \$3.00/unit in cash (1.776x equivalent exchange ratio assuming all equity consideration)<sup>(2)</sup></li> <li>• Total aggregate cash consideration of \$598 MM</li> <li>• AM public unitholder consideration represents a 7% premium to the October 8, 2018 close and 19% premium to the unaffected AM unit price prior to the formation of the Special Committees on 2/23/2018</li> </ul>
Structure	<ul style="list-style-type: none"> <li>• Pro forma entity will convert to a C-corp for tax and governance purposes and will be renamed Antero Midstream Corporation (“New AM”)</li> <li>• New AM will trade on the NYSE and will retain the “AM” ticker symbol</li> <li>• Streamlined governance and Board of Directors composition with majority of independent directors</li> </ul>
Taxes	<ul style="list-style-type: none"> <li>• Taxable to all AM common unitholders and New AM receives the benefit of a tax basis “step-up”</li> <li>• Not expected to pay any material federal or state income taxes through at least 2024</li> <li>• PV-10 savings of approximately \$800 million to New AM from tax basis step-up</li> </ul>
Dividends & DCF Coverage	<ul style="list-style-type: none"> <li>• New AM dividend targets increase AM unitholders distribution targets through the previously communicated period from 2019 through 2022<sup>(2)</sup> while maintaining DCF coverage of 1.2x – 1.3x<sup>(3)</sup></li> </ul>
Financing	<ul style="list-style-type: none"> <li>• Transaction to be financed through borrowings on New AM’s revolving credit facility</li> <li>• AM expects to exercise its accordion feature, increasing borrowing capacity to \$2.0 Billion</li> <li>• Maintains trajectory towards investment grade credit profile</li> </ul>
Voting & Close	<ul style="list-style-type: none"> <li>• Subject to majority of minority vote at AMGP and AM and expected to close in the first quarter of 2019</li> </ul>

(1) Represents exchange ratio assuming 100% equity election (based on 1.635 equity exchange, plus \$3.415 cash converted at 20-day AMGP VWAP).

(2) Assuming AM unitholders elect 100% equity consideration (based on 1.6023 equity exchange, plus \$3.00 cash converted at 20-day AMGP VWAP) . 3) Dividends are subject to Board approval.

# Antero Family Simplified Pro Forma Structure

Midstream simplification transaction results in one publicly traded midstream infrastructure corporation with no IDRs and AR as its largest shareholder

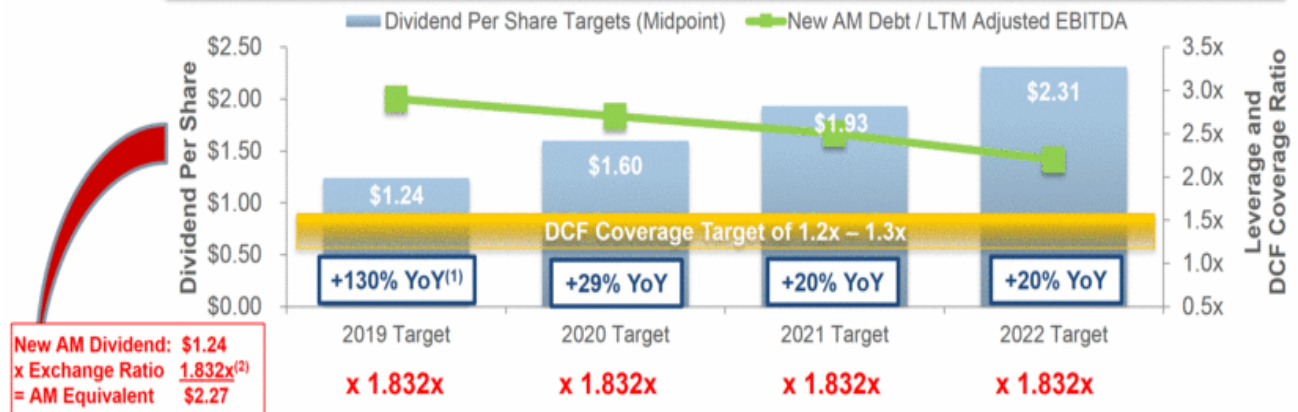


<sup>1)</sup> Series B profits interest held by Antero management.

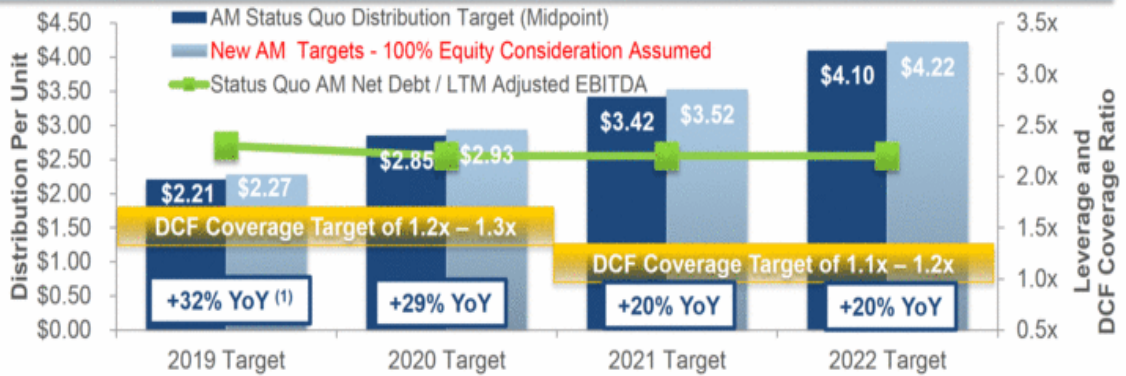
# New AM – Increased Cash Dividend Targets

New AM will increase its initial 2019 dividend and target the same year-over-year growth rates as legacy AM distributions with stronger DCF coverage (as a result of tax savings through 2022 and beyond)

## New AM Long-term Dividend, Leverage, and DCF Coverage Targets



## Status Quo AM Targets – AM Public Unitholder Perspective



Note: Note: For additional information regarding Non-GAAP Financial Measures and Definitions please see appendix.

(1) 2019 distribution growth target relative to midpoint of 2018 guidance of \$0.54/share and \$1.72/unit for AMGP and AM, respectively.

(2) Represents all-in consideration assuming 100% equity to AM public unitholders (1,635 AMGP shares plus (\$3,415 / AMGP 20-day VWAP)).



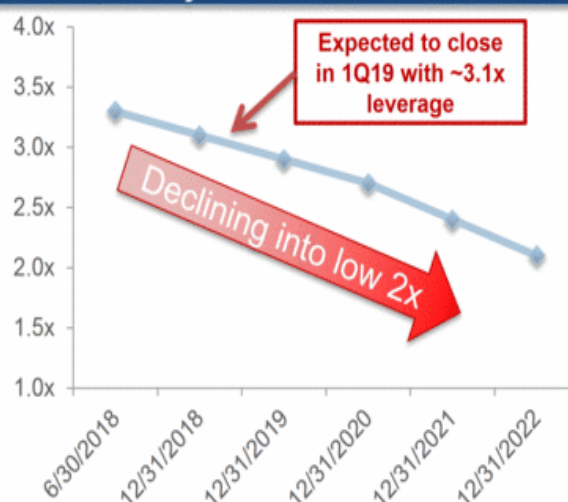


## Transaction Sources and Uses

Sources	\$MM	Uses	\$MM
AMGP Common Equity Issuance <sup>(1)</sup>	\$5,510	Acquisition of AM (Equity)	\$5,510
Revolving Credit Facility	619	Acquisition of AM (Cash)	598
		Estimated Transaction Fees	21
<b>Total</b>	<b>\$6,129</b>	<b>Total</b>	<b>\$6,129</b>

## Pro Forma Capitalization & LTM Debt / Adjusted EBITDA

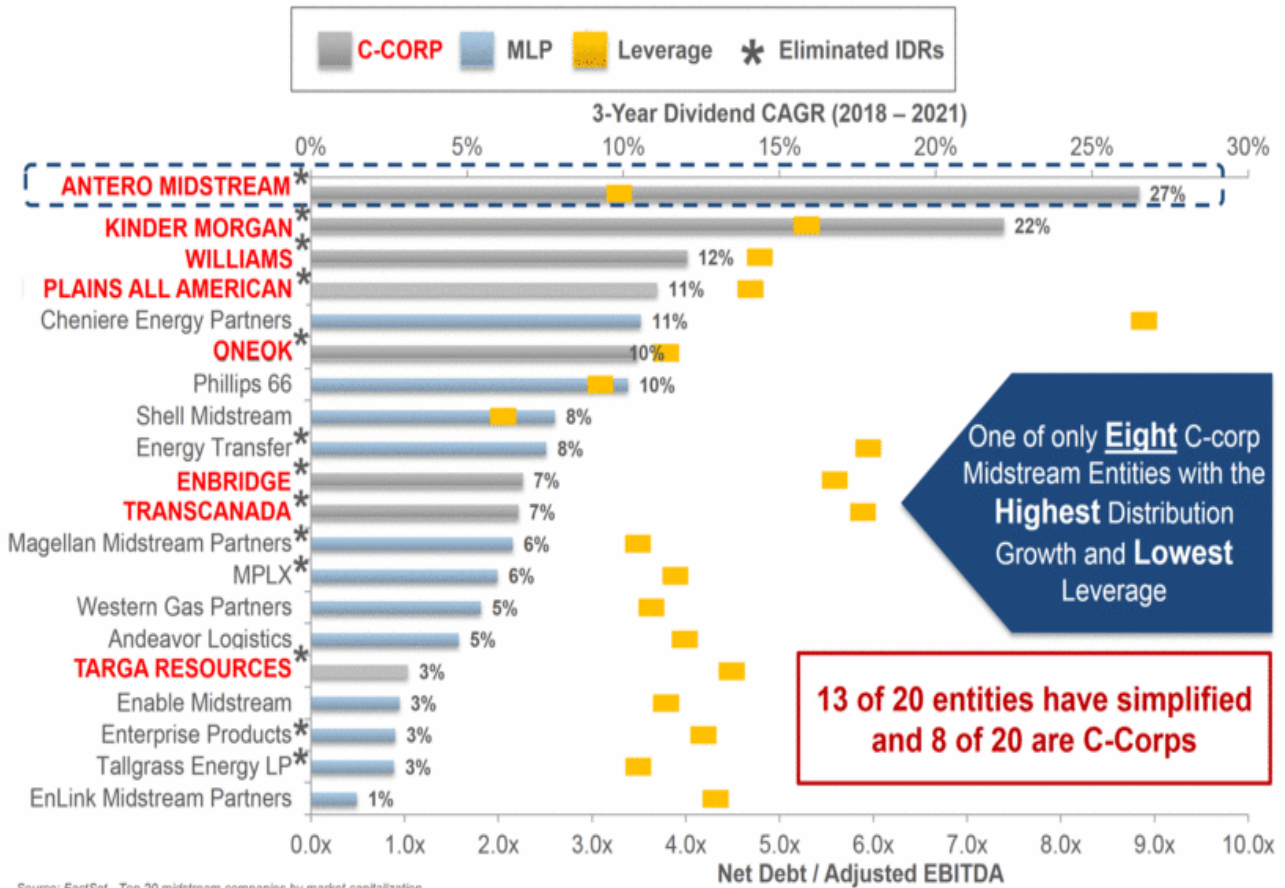
	Projected 6/30/2018	Transaction / Financing Adjustments	Pro Forma 6/30/2018
Cash	\$20		\$20
<b>Debt</b>			
5.375% Senior Notes	\$650	\$0	\$650
Revolver Borrowings	770	619	1,389
Total Net Debt	\$1,400		\$2,019
LTM Adjusted EBITDA	\$607		\$607
<b>Net Debt / Adjusted EBITDA</b>	<b>2.3x</b>		<b>3.3x</b>
Credit Facility Capacity	\$1,500	\$500	\$2,000
Liquidity	\$730	(119)	\$611



Note: For additional information regarding Non-GAAP Financial Measures and Definitions please see appendix.  
 1) Based on issuance of 322 million shares in transaction and AMGP price of \$17.12/share.

# Highest Dividend Growth Among Top 20 Midstream

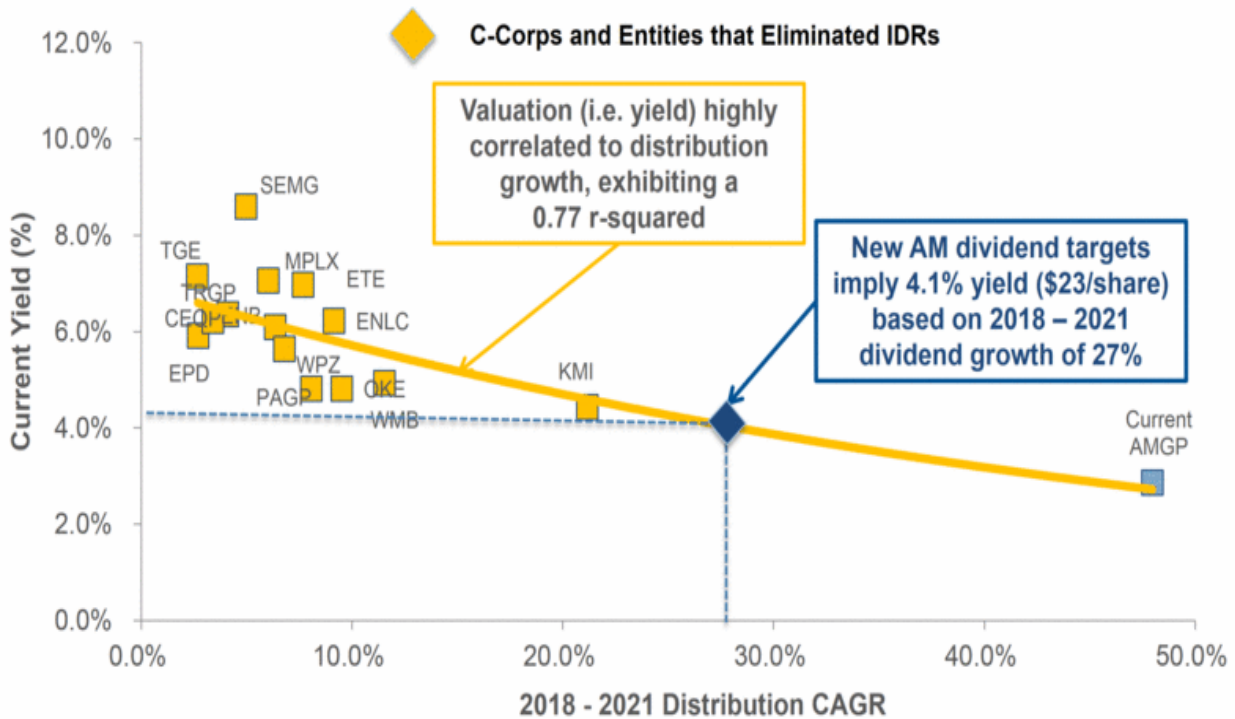
New AM will be a unique midstream vehicle with scale, low leverage and high distribution growth all in a C-corp structure



Source: FactSet. Top 20 midstream companies by market capitalization. Pro forma for announced combination or simplification transactions including Cheniere, Enbridge, Energy Transfer and AMGP/AM.

Antero Midstream Corporation's dividend growth profile supports a premium valuation based on comparable C-corps and entities that eliminated IDRs

Yield vs. Dividend/Distribution Growth (2018 – 2021)



Source: FactSet. Prices as of 10/08/2018.



1

## **Simplifies midstream structure and aligns all Antero equity holders**

- C-Corp structure without IDRs is the increasingly preferred structure by investors
- Broadens potential investor base and creates opportunity for inclusion in major equity indices

2

## **Tax efficient and eliminates ~\$375 MM of expected taxes through 2022**

- Taxable to AM unitholders; however, pro forma entity benefits from tax shield provided by basis step-up resulting in increased pro forma dividends and accretion

3

## **Mutually beneficial and immediately accretive to both AMGP and AM DCF/Unit**

- AM public unitholders receive up front premium and increased distributions on same growth profile
- Highest distribution growth among infrastructure C-Corps with DCF coverage of 1.2x – 1.3x

4

## **Improves cost of capital to pursue additional growth opportunities**

- Elimination of IDRs lowers cost of capital and structure enhances trajectory towards investment grade ratings

5

## **Enhances governance and shareholder rights**

- Elected Board with C-corp governance and majority of independent directors

6

## **Cash consideration and free cash flow expected to fully fund AR's announced buy-back & deleveraging program**

- AR monetization of New AM shares not necessary to achieve AR buy-back and 5-year targets
- AR will own ~31% of New AM with C-corp governance



# Appendix

# Long-term Outlook – Status Quo vs. Pro Forma



Entity	Targets / Policies	Status Quo	Pro Forma	Change
AM	Distribution Growth Targets	29% Through 2020 20% in 2021 & 2022	29% Through 2020 20% in 2021 & 2022	No Change
	DCF Coverage Ratio	1.2x–1.3x through 2020 and 1.1x-1.2x from 2021 - 2022	1.2x – 1.3x through 2022	+0.00x - +0.10x
	Leverage Policy	Low 2x range with ability temporarily flex to 3x	Initial flex to ~3x then low 2x by 2022	No Change
	5-Year Organic Project Backlog (2018-2022)	\$2.7 Billion	\$2.7 Billion	No Change
AMGP	Distribution Growth Targets	64% in 2019 53% in 2020 29% in 2021 27% in 2022	Immediate accretion 130% in 2019 29% in 2020 20% in 2021 & 2022	N/A
	DCF Coverage Ratio	1.0x	1.2x – 1.3x through 2022	+0.2x + 0.3x
	Leverage Policy	Unlevered	Initial flex to ~3x then low 2x by 2022	+ 2x – 3x
	5-Year Organic Project Backlog (2018-2022)	No capital investment	\$2.7 Billion	\$2.7 billion



## **Prior to Simplification:**

- **The Series B profits interests were created in December 2016 through an agreement between Antero's co-founders and private equity sponsors, who jointly owned 100% of IDR LLC prior to the AMGP IPO**
  - Series B units are entitled to receive up to 6% of the IDR distributions from AM in excess of \$7.5 million on a quarterly basis
  - After vesting Series B holders have the option to exchange into AMGP common shares at any time up until December 31, 2026 based on 6% of AMGP's equity market capitalization at the time of the exchange less \$2 billion (mandatory exchange on 12/31/26)
  - AMGP does not have the right to force exchange until 12/31/26
  - Units vest ratably over a three year period beginning on December 31, 2016

## **After Simplification:**

- **In order to facilitate the simplification transaction Series B Holders have agreed to an early termination of the Series B profits interest at closing**
  - Under existing terms of Series B units, would be exchangeable at holder's option following closing and until 12/31/26 up to 6.0% of the pro forma market cap of New AM in excess of \$2.0 billion
  - Instead, agreed to exchange into a fixed 17.354 MM shares of New AM at closing of simplification, which represents approximately 4.4% of the pro forma market cap of New AM in excess of \$2.0 billion
  - Gave up 8 years of option value on future AM and AMGP equity issuances and market capitalization increases
  - Vesting Schedule remains in place and Series B unitholders will not receive New AM dividends on the unvested shares in 2019



## Non-GAAP Financial Measures and Definitions

Antero Midstream views Adjusted EBITDA as an important indicator of the Partnership's performance. Antero Midstream defines Adjusted EBITDA as Net Income before interest expense, depreciation expense, impairment expense, accretion of contingent acquisition consideration, equity-based compensation expense, excluding equity in earnings of unconsolidated affiliates and including cash distributions from unconsolidated affiliates.

Antero Midstream uses Adjusted EBITDA to assess:

- the financial performance of the Partnership's assets, without regard to financing methods in the case of Adjusted EBITDA, capital structure or historical cost basis;
- its operating performance and return on capital as compared to other publicly traded partnerships in the midstream energy sector, without regard to financing or capital structure; and
- the viability of acquisitions and other capital expenditure projects.

The Partnership defines Distributable Cash Flow as Adjusted EBITDA less interest paid, income tax withholding payments and cash reserved for payments of income tax withholding upon vesting of equity-based compensation awards, cash reserved for bond interest and ongoing maintenance capital expenditures paid. Antero Midstream uses Distributable Cash Flow as a performance metric to compare the cash generating performance of the Partnership from period to period and to compare the cash generating performance for specific periods to the cash distributions (if any) that are expected to be paid to unitholders. Distributable Cash Flow does not reflect changes in working capital balances.

The Partnership defines Return on Invested Capital as net income plus interest expense divided by average total liabilities and partners' capital, excluding current liabilities. Management believes that Return on Invested Capital is a useful indicator of the Partnership's return on its infrastructure investments.

The Partnership defines consolidated net debt as consolidated total debt less cash and cash equivalents. Antero Midstream views consolidated net debt as an important indicator in evaluating the Partnership's financial leverage.

The Partnership defines leverage as net debt divided by Adjusted EBITDA.





## Adjusted EBITDA and DCF Reconciliation (\$ in thousands)

	Three months ended	
	June 30,	
	2017	2018
<b>Net income</b>	<b>\$ 87,175</b>	<b>\$ 109,466</b>
Interest expense	9,015	14,628
Impairment of property and equipment expense	—	4,614
Depreciation expense	30,512	36,433
Accretion of contingent acquisition consideration	3,590	3,947
Accretion of asset retirement obligations	—	34
Equity-based compensation	6,951	5,867
Equity in earnings of unconsolidated affiliates	(3,623)	(9,264)
Distributions from unconsolidated affiliates	5,820	10,810
Gain on sale of assets- Antero Resources	—	(583)
<b>Adjusted EBITDA</b>	<b>139,440</b>	<b>175,952</b>
Interest paid	(2,308)	372
Decrease in cash reserved for bond interest <sup>(1)</sup>	(8,734)	(8,734)
Income tax withholding upon vesting of Antero Midstream Partners LP equity-based compensation awards <sup>(2)</sup>	(2,431)	(1,500)
Maintenance capital expenditures <sup>(3)</sup>	(16,422)	(16,000)
<b>Distributable Cash Flow</b>	<b>\$ 109,545</b>	<b>\$ 150,090</b>
<b>Distributions Declared to Antero Midstream Holders</b>		
Limited Partners	59,695	72,943
Incentive distribution rights	15,328	28,461
<b>Total Aggregate Distributions</b>	<b>\$ 75,023</b>	<b>\$ 101,404</b>
<b>DCF coverage ratio</b>	<b>1.5x</b>	<b>1.3x</b>

1) Cash reserved for bond interest expense on Antero Midstream's 5.375% senior notes outstanding during the period that is paid on a semi-annual basis on March 15<sup>th</sup> and September 15<sup>th</sup> of each year.

2) Estimate of current period portion of expected cash payment for income tax withholding attributable to vesting of Midstream LTIP equity-based compensation awards to be paid in the fourth quarter.

3) Maintenance capital expenditures represent the portion of our estimated capital expenditures associated with (i) the connection of new wells to our gathering and processing systems that we believe will be necessary to offset the natural production declines Antero Resources will experience on all of its wells over time, and (ii) water delivery to new wells necessary to maintain the average throughput volume on our systems.



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

	<u>June 30, 2018</u>	
Bank credit facility	\$	770,000
5.375% AM senior notes due 2024		650,000
<b>Consolidated total debt</b>	<b>\$</b>	<b>1,420,000</b>
Cash and cash equivalents		(19,525)
<b>Consolidated net debt</b>	<b>\$</b>	<b>1,400,475</b>

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

	<u>Twelve Months Ended</u> <u>June 30, 2018</u>	
Net income	\$	362,620
Interest expense		45,631
Impairment of property and equipment expense		28,045
Depreciation expense		130,379
Accretion of contingent acquisition consideration		14,180
Accretion of asset retirement obligations		68
Equity-based compensation		26,124
Equity in earnings of unconsolidated affiliate		(31,467)
Distributions from unconsolidated affiliates		32,270
Gain on sale of asset – Antero Resources		(583)
<b>Adjusted EBITDA</b>	<b>\$</b>	<b>607,267</b>