



**RANGE RESOURCES®**

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TO: Analysts and Investors

FROM: Rodney L. Waller and the IR Team

DATE: February 24, 2014

RE: Fourth Quarter and Year-end 2014 Highlights and Pricing Information

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Range released Fourth Quarter and Year-end 2014 earnings this afternoon. As shown in the highlights below, Range achieved outstanding results in 2014, with impressive increases in proved reserve additions, combined with capital and operating costs that continue to be driven lower.

**2014 Highlights –**

- Record annual average daily production of 1,162 Mmcfe per day, an increase of 24% over 2013
- Record adjusted annual cash flow of \$1 billion, an increase of 10% over 2013
- Unit costs reduced by \$0.35 per mcfe or 10% versus 2013
- Total proved reserves increased by 26% to 10.3 Tcfe
- Reserve replacement of 581% at \$0.64 per mcfe all-in finding and development cost
- Unrisked resource potential increased to 66 to 87 Tcfe
- Reported net income for 2014 was \$634 million versus \$116 million in 2013

A new investor presentation has been added to our website titled “Company Presentation – February 24, 2014”. We have updated several slides with the latest data and included several new slides that emphasize topics that we believe will be especially important to investors in 2015: various measures of capital efficiency improvement, debt metrics that demonstrate the company’s financial strength, and updated well economics for our focus areas that reflect current returns at lower commodity prices and lower costs.

## Range Resources Corporation- Summary of New Slides and Updated Slides

### Slide #   Description

4	Updated debt-adjusted production and reserves/share
5	Updated stacked-pay acreage (excludes NW PA)
6	Updated unit costs, adding 2015 forecast guidance
8-9	Various capital efficiency metrics for SW and NE PA
11-12	Credit metrics
15-16	Breakeven costs
17	Summary of forecasted 2015 well economics by area
22-33	Updated well economics and type curves
34	New slide- 500 ft. spacing pilot- 5 years of production data
35	New slide- Targeting and down spacing test
43	Updated NGL uplift slide
45	Updated Nora 2014 completion results
49	Updated Resource Potential
53-54	Updated hedging status

For the well economics slides found on pages 22-33, you will find three slides for each area in the Marcellus.

- The initial slide summarizes the EUR, well costs and economics based on \$3.00 flat gas, \$4.00 flat gas and strip prices as of 12/31/14 with a summary of the estimated cumulative production recoveries for the 2015 wells expected to be Turned-In-Line (TIL).
- The second slide illustrates the type curve for the 2014 and 2015 drilling programs, which has been normalized for lateral lengths. On that slide we have also plotted the actual production for wells turned to sales in 2014. You will notice that actual production is below the unrestricted type curve due to typical infrastructure design limitations. You will also notice the forecasted 2015 production curve is based on the normalized actual production from 2014. This type curve should provide investors a better tool for forecasting our production as wells are turned to sales during the year. On this same slide, you will find a box at the top, which summarizes the comparative data between the **2014 drilled** wells and the **2015 TIL** wells.
- On the third slide, for each area, you will see the progression in well design and EUR for **2013 through 2015 TIL** wells. The difference between 2014 EUR data is that the second slide shows the EUR for wells drilled in 2014, while the third slide reflects the wells that were TIL. Going forward we will be providing forecasts for the TIL wells as we believe that is more helpful to analysts and investors in forecasting production.

## Natural Gas Price Realizations –

During the fourth quarter Range realized a corporate differential of \$0.57 below NYMEX, compared to \$0.49 below NYMEX in the third quarter. We offset some of the Appalachian price weakness by hedging basis, resulting in a \$0.17 gain in the fourth quarter.

Based upon the contracts that Range has in place for the periods disclosed and the future basis differential indications from quotations on ICE (the “Intercontinental Exchange”) as of February 20, 2015, the calculated differential in each division would be the amounts shown in the table below. The table represents the Company’s calculated differentials at a point in time (February 20, 2015), not an expected future realized price since prices change daily. For comparative purposes, a table of historical basis settlements and actual differentials by division for 2014 is included in Table 9 of the Supplemental Tables on the Company’s website.

	<b>Actual 4Q 2014</b>	<b>Calculated Estimates by Division 1Q 2015</b>
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Differential to NYMEX by Division		
Marcellus		
Southwest PA	\$(0.57)	\$0.14
Northeast PA	(1.43)	(1.27)
Total Marcellus	\$(0.88)	\$(0.34)
Nora	0.23	0.33
Midcontinent <sup>(1)</sup>	(0.86)	(0.86)
NYMEX – Henry Hub	\$4.01	\$3.00
Differential to NYMEX	(0.74)	(0.28)
Basis hedging impact	0.17	(0.11)
Differential including basis hedging	(0.57)	(0.39)
Average price before NYMEX hedges	\$3.44	\$2.61

<sup>(1)</sup> Midcontinent processing, gathering and transportation costs are netted against the realized price received from a third party which increases the differential by approximately \$0.60.

## **NGL Price Realizations –**

In addition to natural gas pricing detail, we have included additional detail on NGL realizations in Table 8 of our Supplemental Tables. You will notice that our realizations (as a % of Mont Belvieu weighted average) have improved in 2014 as we have significantly increased our ethane production. In prior periods, when Range was leaving ethane in the gas stream, the entire processing and fractionation cost was being carried by the rest of the NGL production. As Range has begun extracting ethane, our utilization of the plant is more efficient and the incremental cost to produce ethane is minimal. Fourth quarter realizations were 75% of a Mont Belvieu weighted average. In a normal winter, one would expect that NGL realizations (as a % of Mont Belvieu weighted average) to be higher in the fourth quarter and first quarter compared to the third and fourth quarter as propane prices are usually stronger in the winter months.

On Range's website you will find links to the earnings press release, updated guidance, as well as supplemental information that will assist you in reconciling GAAP to non-GAAP results, EBITDAX, cash margins, trends per mcf and pricing tables for gas, NGLs, and crude oil that reflect prices including and excluding transportation, gathering and transmission fees.

## **Conference Call Information –**

A conference call to review the financial results is scheduled on Wednesday, February 25 at 9:00 a.m. ET. To participate in the call, please dial 877-407-0778 and ask for the Range Resources 2014 financial results conference call. A replay of the call will be available through March 25. To access the phone replay dial 877-660-6853. The conference ID is 13599281.

A simultaneous webcast of the call may be accessed at [www.rangeresources.com](http://www.rangeresources.com). The webcast will be archived for replay on the Company's website until March 25.

**If you have questions concerning any of the information, the IR staff is staying late to take your calls.**

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