

RANGE RESOURCES CORPORATION
CALCULATION OF CASH FLOW EXCLUDING CERTAIN ITEMS
A NON-GAAP MEASURE

TABLE 1

(Dollar amounts in thousands, except per share)

| | Quarter Ended September 30, | | | | | Nine Months Ended September 30, | | | | |
|--|-----------------------------|-----------|-------------|-----------|-----|---------------------------------|-----------|-------------|-----------|------|
| | 2013 | | 2012 | | | 2013 | | 2012 | | |
| | Amount | Per Share | Amount | Per Share | | Amount | Per Share | Amount | Per Share | |
| Net income (loss) as reported | \$ 19,178 | \$ 0.34 | \$ (53,836) | \$ (0.16) | | \$ 87,551 | \$ (0.26) | \$ (39,960) | \$ (0.16) | |
| Less certain items not included by analysts - | | | | | | | | | | |
| (Gains) losses on sales of assets | (6,008) | (0.04) | (949) | (0.01) | | (89,129) | (0.55) | 12,704 | 0.08 | |
| Change in fair value of derivatives that did not qualify or were not designated for hedge accounting (gains) losses ¹ | 34,219 | 0.21 | 53,646 | 0.33 | | (28,350) | (0.18) | (30,075) | (0.19) | |
| Hedge ineffectiveness (gains) losses ¹ | (815) | (0.01) | 4,707 | 0.03 | | 2,485 | 0.02 | 5,061 | 0.03 | |
| Abandonment and impairment of unproved properties | 11,692 | 0.07 | 40,118 | 0.25 | | 46,066 | 0.29 | 104,048 | 0.65 | |
| Loss on early extinguishment of debt | - | - | - | - | | 12,280 | 0.08 | - | - | |
| Impairment of proved property and other assets | 7,012 | 0.04 | 1,281 | 0.01 | | 7,753 | 0.05 | 1,281 | 0.01 | |
| Loss on gas blending - brokered natural gas and marketing | 3,720 | 0.02 | - | - | | 3,799 | 0.02 | - | - | |
| Pennsylvania impact fee - prior years | - | - | - | - | | - | - | 24,707 | 0.15 | |
| Lawsuit settlements | 324 | 0.00 | 1,107 | 0.01 | | 91,589 | 0.57 | 2,523 | 0.02 | |
| Non-cash stock compensation (income) ² | (2,225) | (0.01) | 20,052 | 0.13 | | 33,257 | 0.21 | 21,555 | 0.13 | |
| Other stock-based compensation adjustments ⁵ | 13,244 | 0.08 | 12,233 | 0.08 | | 40,979 | 0.25 | 36,763 | 0.23 | |
| Deferred tax (benefit) on special items | (23,378) | (0.14) | (46,361) | (0.29) | | (43,362) | (0.27) | (64,109) | (0.40) | |
| Total certain items | 37,785 | 0.23 | 85,834 | 0.54 | | 77,367 | 0.48 | 114,458 | 0.71 | |
| Net income (loss) excluding certain items, non-GAAP measure | \$ 56,963 | \$ 0.35 | \$ 31,998 | \$ 0.20 | 78% | \$ 164,918 | \$ 1.02 | \$ 74,498 | \$ 0.47 | 121% |
| Add back: | | | | | | | | | | |
| DD&A | 130,343 | | 123,059 | | | 365,439 | | 332,012 | | |
| Equity method investments | (268) | | 1,013 | | | (541) | | 195 | | |
| Deferred income taxes (benefit), excluding special items | 35,244 | | 17,287 | | | 105,542 | | 46,199 | | |
| Exploration expense | 19,513 | | 13,626 | | | 47,331 | | 48,737 | | |
| Allowance for bad debts | - | | - | | | 250 | | - | | |
| Amortization of debt issuance costs and discount ³ | 2,297 | | 2,168 | | | 6,827 | | 6,227 | | |
| Discretionary cash flow from continuing operations, a non-GAAP measure | \$ 244,092 | | \$ 189,151 | | 29% | \$ 689,766 | | \$ 507,868 | | 36% |
| Dilutive average shares outstanding, a non-GAAP measure ⁴ | 161,374 | | 160,222 | | 1% | 161,321 | | 160,130 | | 1% |
| Cash flow per share from operations, a non-GAAP measure comparable to analysts | \$ 1.51 | | \$ 1.18 | | 28% | \$ 4.28 | | \$ 3.17 | | 35% |

¹ Included in Derivative fair value income (loss) on Range's statement of operations.

² Mark-to-market of the Company's common stock and marketable securities held in the deferred comp plan.

³ Included in Interest expense on Range's statement of operations.

⁴ Dilutive shares outstanding excludes the reduction for treasury shares contained in deferred comp plan and includes dilutive effect of stock options.

⁵ Included in direct operating, brokered natural gas and marketing, exploration and general and administrative expenses on Range's statement of operations.

RANGE RESOURCES CORPORATION
CALCULATION OF EBITDAX EXCLUDING CERTAIN ITEMS
A NON-GAAP MEASURE

TABLE 2

(Dollar amounts in thousands, except per share)

| | Quarter Ended September 30, | | | Nine Months Ended September 30, | | |
|---|-----------------------------|------------|-----|---------------------------------|------------|-----|
| | 2013 | 2012 | | 2013 | 2012 | |
| Total revenues, as reported | \$ 442,038 | \$ 299,780 | 47% | \$ 1,434,633 | \$ 999,666 | 44% |
| Less certain items not included by analysts - | | | | | | |
| (Gains) losses on sales of assets | (6,008) | (949) | | (89,129) | 12,704 | |
| Equity method investment | (268) | 1,012 | | (541) | 195 | |
| Gas blending included in brokered natural gas, marketing and other revenue | (36,278) | - | | (40,216) | - | |
| Change in fair value of derivatives that did not qualify or were not designated for hedge accounting (gains) losses | 34,219 | 53,646 | | (28,350) | (30,075) | |
| Hedge ineffectiveness (gain) loss | (815) | 4,707 | | 2,485 | 5,061 | |
| Total revenues excluding certain items | \$ 432,888 | \$ 358,196 | 21% | \$ 1,278,882 | \$ 987,551 | 30% |
| Less expenses: | | | | | | |
| Direct operating | 30,907 | 29,628 | | 93,731 | 85,691 | |
| Less direct operating stock-based compensation | (699) | (598) | | (2,056) | (1,647) | |
| Transportation, gathering compression | 60,958 | 51,600 | | 189,422 | 137,164 | |
| Production and ad valorem taxes excluding retroactive adjustment for impact fee | 11,454 | 8,819 | | 33,950 | 32,532 | |
| Brokered natural gas and marketing | 51,117 | 4,887 | | 90,094 | 15,440 | |
| Less brokered natural gas and marketing stock-based compensation | (531) | (452) | | (1,310) | (1,313) | |
| Less gas blending included in brokered natural gas and marketing | (39,998) | - | | (44,015) | - | |
| General and administrative as reported | 44,919 | 44,497 | | 230,964 | 127,231 | |
| Less G&A stock-based compensation | (11,031) | (10,057) | | (34,600) | (30,755) | |
| Less lawsuit settlements | (324) | (1,107) | | (91,589) | (2,523) | |
| | 146,772 | 127,217 | 15% | 464,591 | 361,820 | 28% |
| EBITDAX excluding certain items, a non-GAAP measure | \$ 286,116 | \$ 230,979 | 24% | \$ 814,291 | \$ 625,731 | 30% |
| EBITDAX per share excluding certain items, a non-GAAP measure | \$ 1.77 | \$ 1.44 | 23% | \$ 5.05 | \$ 3.91 | 29% |
| EBITDAX / Interest coverage ratio (times coverage), a non-GAAP measure | 6.5 | 5.2 | 23% | 6.2 | 5.0 | 23% |

RANGE RESOURCES CORPORATION
CALCULATION OF CASH MARGINS, A NON-GAAP MEASURE

TABLE 3

(Dollar amounts in thousands, except per mcf)

| | Quarter Ended September 30, | | | | | Nine Months Ended September 30, | | | | |
|--|-----------------------------|----------------|-------------------|----------------|-----|---------------------------------|----------------|-------------------|----------------|-----|
| | 2013 | | 2012 | | | 2013 | | 2012 | | |
| | Amount | Per Mcfe | Amount | Per Mcfe | | Amount | Per Mcfe | Amount | Per Mcfe | |
| Revenues | | | | | | | | | | |
| Natural Gas, NGL and Oil Sales | \$ 431,214 | \$ 4.88 | \$ 337,040 | \$ 4.64 | | \$ 1,267,131 | \$ 5.07 | \$ 953,006 | \$ 4.82 | |
| Realized gain (loss) on derivative cash settlements | (6,951) | (0.08) | 17,625 | 0.24 | | (28,335) | (0.11) | 21,994 | 0.11 | |
| Brokered natural gas and marketing ¹ | 9,213 | 0.10 | 3,449 | 0.05 | | 40,737 | 0.16 | 12,130 | 0.06 | |
| Cash revenues applicable to production | 433,476 | 4.91 | 358,114 | 4.93 | 0% | 1,279,533 | 5.12 | 987,130 | 4.99 | 3% |
| Expenses | | | | | | | | | | |
| Direct operating | 30,907 | 0.35 | 29,628 | 0.41 | | 93,731 | 0.37 | 85,691 | 0.43 | |
| Less direct operating stock-based compensation | (699) | (0.01) | (598) | (0.01) | | (2,056) | (0.01) | (1,647) | (0.01) | |
| Transportation, gathering and compression | 60,958 | 0.69 | 51,600 | 0.71 | | 189,422 | 0.76 | 137,164 | 0.69 | |
| Production and ad valorem excluding retroactive adjustment for impact fee ² | 11,454 | 0.13 | 8,819 | 0.12 | | 33,950 | 0.14 | 32,532 | 0.16 | |
| Brokered natural gas and marketing | 51,117 | 0.58 | 4,887 | 0.07 | | 90,094 | 0.36 | 15,440 | 0.08 | |
| Less brokered natural gas and marketing stock-based compensation | (531) | (0.01) | (452) | (0.01) | | (1,310) | (0.01) | (1,313) | (0.01) | |
| Less brokered natural gas and marketing - gas blending | (39,998) | (0.45) | - | - | | (44,015) | (0.18) | - | - | |
| General and administrative as reported | 44,919 | 0.51 | 44,497 | 0.61 | | 230,964 | 0.92 | 127,231 | 0.64 | |
| Less G&A stock-based compensation | (11,031) | (0.12) | (10,057) | (0.14) | | (34,600) | (0.14) | (30,755) | (0.16) | |
| Less lawsuit settlements | (324) | (0.00) | (1,107) | (0.02) | | (91,589) | (0.37) | (2,523) | (0.01) | |
| Interest expense as reported | 44,321 | 0.50 | 43,997 | 0.61 | | 131,602 | 0.53 | 124,090 | 0.63 | |
| Cash expenses | 191,093 | 2.16 | 171,214 | 2.36 | -8% | 596,193 | 2.39 | 485,910 | 2.46 | -3% |
| Cash margins, a non-GAAP measure | <u>\$ 242,383</u> | <u>\$ 2.74</u> | <u>\$ 186,900</u> | <u>\$ 2.57</u> | 7% | <u>\$ 683,340</u> | <u>\$ 2.73</u> | <u>\$ 501,220</u> | <u>\$ 2.53</u> | 8% |
| Mmcf produced during period | 88,307 | | 72,687 | | 21% | 249,950 | | 197,788 | | 26% |

¹ Includes revenue from brokered gas and gas marketing but excludes sales related to gas blending.

² Includes production taxes which are payable on the market value of commodities, not hedged amounts.

RANGE RESOURCES CORPORATION
PER MCFE TRENDS CALCULATED ON GAAP REPORTED NET INCOME

TABLE 4

(Dollar amounts in thousands, except per mcf)

| | 4th Qtr 2012 | | Year 2012 | | 1st Qtr 2013 | | 2nd Qtr 2013 | | 3rd Qtr 2013 | |
|--|--------------|-----------|--------------|-----------|--------------|-----------|--------------|-----------|--------------|-----------|
| | Amount | /mcf | Amount | /mcf | Amount | /mcf | Amount | /mcf | Amount | /mcf |
| Revenues and other income: | | | | | | | | | | |
| Natural Gas, NGL and Oil sales | \$ 398,688 | \$ 5.13 | \$ 1,351,694 | \$ 4.91 | \$ 398,239 | \$ 5.05 | \$ 437,678 | \$ 5.29 | \$ 431,214 | \$ 4.88 |
| Realized gain (loss) on derivative cash settlements | 16,706 | \$ 0.22 | 38,700 | \$ 0.14 | 382 | \$ - | (21,766) | \$ (0.26) | (6,951) | \$ (0.08) |
| Brokered natural gas and marketing | 2,948 | \$ 0.04 | 15,078 | \$ 0.05 | 21,058 | \$ 0.27 | 10,466 | \$ 0.13 | 9,213 | \$ 0.10 |
| Brokered natural gas and marketing - gas blending | - | \$ - | - | \$ - | - | \$ - | 3,938 | \$ 0.05 | 36,278 | \$ 0.41 |
| Change in fair value of derivatives that did not qualify or were not designated for hedge accounting gain (loss) | (24,117) | \$ (0.31) | 5,958 | \$ 0.02 | (96,802) | \$ (1.23) | 159,371 | \$ 1.92 | (34,219) | \$ (0.39) |
| Equity method investment | (177) | \$ - | (372) | \$ - | (80) | \$ - | 353 | \$ - | 268 | \$ - |
| Hedge ineffectiveness (loss) gain | 1,840 | \$ 0.02 | (3,221) | \$ (0.01) | (3,455) | \$ (0.04) | 155 | \$ - | 815 | \$ 0.01 |
| Gain (loss) on sale of assets | 61,836 | \$ 0.80 | 49,132 | \$ 0.18 | (166) | \$ - | 83,287 | \$ 1.01 | 6,008 | \$ 0.07 |
| Other | 314 | \$ - | 735 | \$ - | 63 | \$ - | (126) | \$ - | (588) | \$ (0.01) |
| Total revenues and other income | 458,038 | \$ 5.90 | 1,457,704 | \$ 5.29 | 319,239 | \$ 4.05 | 673,356 | \$ 8.13 | 442,038 | \$ 5.01 |
| Costs and expenses: | | | | | | | | | | |
| Direct operating | 28,204 | \$ 0.36 | 108,718 | \$ 0.39 | 28,134 | \$ 0.36 | 29,822 | \$ 0.36 | 28,220 | \$ 0.32 |
| Direct operating workovers | 1,242 | \$ 0.02 | 4,772 | \$ 0.02 | 1,393 | \$ 0.02 | 2,118 | \$ 0.03 | 1,988 | \$ 0.02 |
| Direct operating stock-based compensation | 768 | \$ 0.01 | 2,415 | \$ 0.01 | 661 | \$ 0.01 | 696 | \$ 0.01 | 699 | \$ 0.01 |
| Transportation, gathering and compression | 55,281 | \$ 0.71 | 192,445 | \$ 0.70 | 62,416 | \$ 0.79 | 66,048 | \$ 0.80 | 60,958 | \$ 0.69 |
| Production and ad valorem taxes | 9,380 | \$ 0.12 | 41,912 | \$ 0.15 | 11,383 | \$ 0.14 | 11,113 | \$ 0.13 | 11,454 | \$ 0.13 |
| Prior year Pennsylvania impact fee | 501 | \$ 0.01 | 25,208 | \$ 0.09 | - | \$ - | - | \$ - | - | \$ - |
| Brokered natural gas and marketing | 4,542 | \$ 0.06 | 18,669 | \$ 0.07 | 22,066 | \$ 0.28 | 12,115 | \$ 0.15 | 10,588 | \$ 0.12 |
| Brokered natural gas and marketing stock based-compensation | 452 | \$ 0.01 | 1,765 | \$ 0.01 | 249 | \$ - | 530 | \$ 0.01 | 531 | \$ 0.01 |
| Brokered natural gas and marketing - gas blending | - | \$ - | - | \$ - | - | \$ - | 4,017 | \$ 0.05 | 39,998 | \$ 0.45 |
| Exploration | 17,021 | \$ 0.22 | 65,758 | \$ 0.24 | 15,710 | \$ 0.20 | 12,108 | \$ 0.15 | 19,513 | \$ 0.22 |
| Exploration stock-based compensation | 1,001 | \$ 0.01 | 4,049 | \$ 0.01 | 1,070 | \$ 0.01 | 960 | \$ 0.01 | 983 | \$ 0.01 |
| Abandonment and impairment of unproved properties | 21,230 | \$ 0.27 | 125,278 | \$ 0.45 | 15,218 | \$ 0.19 | 19,156 | \$ 0.23 | 11,692 | \$ 0.13 |
| General and administrative | 31,402 | \$ 0.40 | 125,355 | \$ 0.46 | 35,354 | \$ 0.45 | 35,607 | \$ 0.43 | 33,564 | \$ 0.38 |
| General and administrative stock-based compensation | 13,786 | \$ 0.18 | 44,541 | \$ 0.16 | 10,306 | \$ 0.13 | 13,263 | \$ 0.16 | 11,031 | \$ 0.12 |
| General and administrative - legal settlements | 644 | \$ 0.01 | 3,167 | \$ 0.01 | 38,398 | \$ 0.49 | 52,867 | \$ 0.64 | 324 | \$ - |
| General and administrative - bad debt expense | 750 | \$ 0.01 | 750 | \$ - | - | \$ - | 250 | \$ - | - | \$ - |
| Non-cash stock compensation | (14,352) | \$ (0.18) | 7,203 | \$ 0.03 | 42,360 | \$ 0.54 | (6,878) | \$ (0.08) | (2,225) | \$ (0.03) |
| Interest | 44,708 | \$ 0.58 | 168,798 | \$ 0.61 | 42,210 | \$ 0.54 | 45,071 | \$ 0.54 | 44,321 | \$ 0.50 |
| Loss on early extinguishment of debt | 11,063 | \$ 0.14 | 11,063 | \$ 0.04 | - | \$ - | 12,280 | \$ - | - | \$ - |
| Depletion, depreciation and amortization | 113,216 | \$ 1.46 | 445,228 | \$ 1.62 | 115,101 | \$ 1.46 | 119,995 | \$ 1.45 | 130,343 | \$ 1.48 |
| Impairment of proved properties and other assets | 34,273 | \$ 0.44 | 35,554 | \$ 0.13 | - | \$ - | 741 | \$ 0.01 | 7,012 | \$ 0.08 |
| Total costs and expenses | 375,112 | \$ 4.83 | 1,432,648 | \$ 5.20 | 442,029 | \$ 5.61 | 431,879 | \$ 5.22 | 410,994 | \$ 4.65 |
| Income (loss) from operations before income taxes | 82,926 | \$ 1.07 | 25,056 | \$ 0.09 | (122,790) | \$ (1.56) | 241,477 | \$ 2.92 | 31,044 | \$ 0.35 |
| Income tax expense (benefit) | | | | | | | | | | |
| Current | (1,778) | \$ (0.02) | (1,778) | \$ (0.01) | 25 | \$ - | (25) | \$ - | - | \$ - |
| Deferred | 31,742 | \$ 0.41 | 13,832 | \$ 0.05 | (47,205) | \$ (0.60) | 97,519 | \$ 1.18 | 11,866 | \$ 0.13 |
| | 29,964 | \$ 0.39 | 12,054 | \$ 0.04 | (47,180) | \$ (0.60) | 97,494 | \$ 1.18 | 11,866 | \$ 0.13 |
| Net income (loss) | 52,962 | \$ 0.68 | 13,002 | \$ 0.05 | (75,610) | \$ (0.96) | 143,983 | \$ 1.74 | 19,178 | \$ 0.22 |
| Production during the period (Mmcf) | 77,677 | | 275,465 | | 78,836 | | 82,806 | | 88,307 | |
| Net income (loss) per common share | | | | | | | | | | |
| Basic | \$ 0.33 | | \$ 0.08 | | \$ (0.47) | | \$ 0.88 | | \$ 0.12 | |
| Diluted | \$ 0.32 | | \$ 0.08 | | \$ (0.47) | | \$ 0.88 | | \$ 0.12 | |
| Weighted average common shares outstanding | | | | | | | | | | |
| Basic | 159,832 | | 159,431 | | 160,125 | | 160,565 | | 160,500 | |
| Diluted | 160,559 | | 160,307 | | 160,125 | | 161,414 | | 161,374 | |

RANGE RESOURCES CORPORATION
PER MCFE TRENDS CALCULATED EXCLUDING CERTAIN ITEMS, A NON-GAAP MEASURE
RECONCILIATION BETWEEN GAAP AND NON-GAAP PROVIDED IN EACH EARNINGS RELEASE AND ON TABLE 1 FOR CURRENT PERIOD
(Table 4 presented on GAAP basis and Table 5 presented on Non-GAAP basis, as typically presented by analysts)
(Dollar amounts in thousands, except per mcf)

TABLE 5

| | 4th Qtr 2012 | | Total Year 2012 | | 1st Qtr 2013 | | 2nd Qtr 2013 | | 3rd Qtr 2013 | |
|--|----------------|----------------|------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| | Amount | /mcf | Amount | /mcf | Amount | /mcf | Amount | /mcf | Amount | /mcf |
| Revenues | | | | | | | | | | |
| Natural Gas, NGL and Oil sales | \$ 398,688 | \$ 5.13 | \$ 1,351,694 | \$ 4.91 | \$ 398,239 | \$ 5.05 | \$ 437,678 | \$ 5.29 | \$ 431,214 | \$ 4.88 |
| Realized gain (loss) on derivative cash settlements | 16,706 | \$ 0.22 | 38,700 | \$ 0.14 | 382 | \$ - | (21,766) | \$ (0.26) | (6,951) | \$ (0.08) |
| Brokered natural gas and marketing | 2,948 | \$ 0.04 | 15,078 | \$ 0.05 | 21,058 | \$ 0.27 | 10,466 | \$ 0.13 | 9,213 | \$ 0.10 |
| Brokered natural gas and marketing - gas blending | - | \$ - | - | \$ - | - | \$ - | - | \$ - | - | \$ - |
| Change in fair value of derivatives that did not qualify or were not designated for hedge accounting gain (loss) | - | \$ - | - | \$ - | - | \$ - | - | \$ - | - | \$ - |
| Equity method investment | (177) | \$ - | (372) | \$ - | (80) | \$ - | 353 | \$ - | 268 | \$ - |
| Hedge ineffectiveness (loss) gain | - | \$ - | - | \$ - | - | \$ - | - | \$ - | - | \$ - |
| Gain (loss) on sale of assets | - | \$ - | - | \$ - | - | \$ - | - | \$ - | - | \$ - |
| Other | 314 | \$ - | 735 | \$ - | 63 | \$ - | (126) | \$ - | (588) | \$ (0.01) |
| | <u>418,479</u> | <u>\$ 5.39</u> | <u>1,405,835</u> | <u>\$ 5.10</u> | <u>419,662</u> | <u>\$ 5.32</u> | <u>426,605</u> | <u>\$ 5.15</u> | <u>433,156</u> | <u>\$ 4.91</u> |
| Expenses | | | | | | | | | | |
| Direct operating | 28,204 | \$ 0.36 | 108,718 | \$ 0.39 | 28,134 | \$ 0.36 | 29,822 | \$ 0.36 | 28,220 | \$ 0.32 |
| Direct operating workovers | 1,242 | \$ 0.02 | 4,772 | \$ 0.02 | 1,393 | \$ 0.02 | 2,118 | \$ 0.03 | 1,988 | \$ 0.02 |
| Direct operating stock-based compensation | - | \$ - | - | \$ - | - | \$ - | - | \$ - | - | \$ - |
| Transportation, gathering and compression | 55,281 | \$ 0.71 | 192,445 | \$ 0.70 | 62,416 | \$ 0.79 | 66,048 | \$ 0.80 | 60,958 | \$ 0.69 |
| Production and ad valorem taxes | 9,380 | \$ 0.12 | 41,912 | \$ 0.15 | 11,383 | \$ 0.14 | 11,113 | \$ 0.13 | 11,454 | \$ 0.13 |
| Prior year Pennsylvania impact fee | - | \$ - | - | \$ - | - | \$ - | - | \$ - | - | \$ - |
| Brokered natural gas and marketing | 4,542 | \$ 0.06 | 18,669 | \$ 0.07 | 22,066 | \$ 0.28 | 12,115 | \$ 0.15 | 10,588 | \$ 0.12 |
| Brokered natural gas and marketing stock based compensation | - | \$ - | - | \$ - | - | \$ - | - | \$ - | - | \$ - |
| Brokered natural gas and marketing - gas blending | - | \$ - | - | \$ - | - | \$ - | - | \$ - | - | \$ - |
| Exploration | 17,021 | \$ 0.22 | 65,758 | \$ 0.24 | 15,710 | \$ 0.20 | 12,108 | \$ 0.15 | 19,513 | \$ 0.22 |
| Exploration stock-based compensation | - | \$ - | - | \$ - | - | \$ - | - | \$ - | - | \$ - |
| Abandonment and impairment of unproved properties | - | \$ - | - | \$ - | - | \$ - | - | \$ - | - | \$ - |
| General and administrative | 31,402 | \$ 0.40 | 125,355 | \$ 0.46 | 35,354 | \$ 0.45 | 35,607 | \$ 0.43 | 33,564 | \$ 0.38 |
| General and administrative stock-based compensation | - | \$ - | - | \$ - | - | \$ - | - | \$ - | - | \$ - |
| General and administrative - legal settlements | - | \$ - | - | \$ - | - | \$ - | - | \$ - | - | \$ - |
| General and administrative - bad debt expense | 750 | \$ 0.01 | 750 | \$ - | - | \$ - | 250 | \$ - | - | \$ - |
| Interest | 44,708 | \$ 0.58 | 168,798 | \$ 0.61 | 42,210 | \$ 0.54 | 45,071 | \$ 0.54 | 44,321 | \$ 0.50 |
| Loss on early extinguishment of debt | - | \$ - | - | \$ - | - | \$ - | - | \$ - | - | \$ - |
| Depletion, depreciation and amortization | 113,216 | \$ 1.46 | 445,228 | \$ 1.62 | 115,101 | \$ 1.46 | 119,995 | \$ 1.45 | 130,343 | \$ 1.48 |
| Impairment of proved properties and other assets | - | \$ - | - | \$ - | - | \$ - | - | \$ - | - | \$ - |
| | <u>305,746</u> | <u>\$ 3.94</u> | <u>1,172,405</u> | <u>\$ 4.26</u> | <u>333,767</u> | <u>\$ 4.23</u> | <u>334,247</u> | <u>\$ 4.04</u> | <u>340,949</u> | <u>\$ 3.86</u> |
| Income from operations before income taxes | 112,733 | \$ 1.45 | 233,430 | \$ 0.85 | 85,895 | \$ 1.09 | 92,358 | \$ 1.12 | 92,207 | \$ 1.04 |
| Income tax expense (benefit) | | | | | | | | | | |
| Current | (1,778) | \$ (0.02) | (1,778) | \$ (0.01) | 25 | \$ - | (25) | \$ - | - | \$ - |
| Deferred | 41,152 | \$ 0.53 | 87,351 | \$ 0.32 | 32,993 | \$ 0.42 | 37,305 | \$ 0.45 | 35,244 | \$ 0.40 |
| | <u>39,374</u> | <u>\$ 0.51</u> | <u>85,573</u> | <u>\$ 0.31</u> | <u>33,018</u> | <u>\$ 0.42</u> | <u>37,280</u> | <u>\$ 0.45</u> | <u>35,244</u> | <u>\$ 0.40</u> |
| Net income | <u>73,359</u> | <u>\$ 0.94</u> | <u>147,857</u> | <u>\$ 0.54</u> | <u>52,877</u> | <u>\$ 0.67</u> | <u>55,078</u> | <u>\$ 0.67</u> | <u>56,963</u> | <u>\$ 0.65</u> |
| Production during the period (Mmcf) | 77,677 | | 275,465 | | 78,836 | | 82,806 | | 88,307 | |
| Net income per common share: | | | | | | | | | | |
| Basic | \$ 0.46 | | \$ 0.93 | | \$ 0.33 | | \$ 0.34 | | \$ 0.35 | |
| Diluted | \$ 0.46 | | \$ 0.92 | | \$ 0.33 | | \$ 0.34 | | \$ 0.35 | |
| Weighted average common shares outstanding | | | | | | | | | | |
| Basic | 159,832 | | 159,431 | | 160,125 | | 160,565 | | 160,500 | |
| Diluted | 160,559 | | 160,307 | | 160,996 | | 161,414 | | 161,374 | |

RECONCILIATION OF REVENUES PRESENTED WITH AND WITHOUT TRANSPORTATION, GATHERING AND COMPRESSION FEES

Table 6

| | 2011 | | 2012 | | | | | 2013 | | | | QE4 - MTM ⁽⁶⁾ Hedge Values as of 9/30/2013 | |
|-------------------------------------|----------------|----------------|---------------|---------------|---------------|----------------|---------------|---------------|----------------|----------------|----------------|---|--|
| | YE | | QE1 | QE2 | QE3 | QE4 | YE | QE1 | QE2 | QE3 | YTD | | |
| Revenues | | | | | | | | | | | | | |
| Oil, Gas & NGLs Gross Revenues | | | | | | | | | | | | | |
| Oil | \$ 169,721,099 | \$ 55,422,341 | \$ 52,075,273 | \$ 59,221,456 | \$ 71,244,849 | \$ 237,963,919 | \$ 77,079,795 | \$ 72,503,744 | \$ 93,472,698 | \$ 243,056,237 | | | |
| Gas | 651,532,749 | 128,068,034 | 111,413,121 | 159,525,012 | 213,347,790 | 612,353,957 | 217,087,904 | 268,069,234 | 233,019,767 | 718,176,905 | | | |
| NGLs | 278,995,719 | 76,497,771 | 56,280,037 | 56,826,436 | 75,467,959 | 265,072,203 | 67,570,388 | 66,587,443 | 77,316,928 | 211,474,759 | | | |
| Total | 1,100,249,567 | 259,988,146 | 219,768,431 | 275,572,904 | 360,060,598 | 1,115,390,079 | 361,738,087 | 407,160,421 | 403,809,393 | 1,172,707,901 | | | |
| Cash Settled Hedges: | | | | | | | | | | | | | |
| Oil | \$ (9,573,543) | \$ (4,622,313) | \$ 452,750 | \$ 1,272,045 | \$ 3,428,469 | \$ 530,951 | \$ 920,772 | \$ 1,057,617 | \$ (6,470,202) | \$ (4,491,813) | \$ (3,419,266) | | |
| Gas | 154,306,367 | 58,814,594 | 80,173,196 | 63,137,847 | 40,610,540 | 242,736,177 | 36,856,825 | 4,650,865 | 30,831,222 | 72,338,912 | 31,708,596 | | |
| NGLs | 9,611,512 | (4,391,909) | 10,152,225 | 14,681,744 | (11,295,141) | 31,737,201 | (894,893) | 3,042,624 | (3,907,136) | (1,759,405) | \$ (4,227,002) | | |
| Total | 154,344,336 | 49,809,572 | 90,778,171 | 79,091,636 | 35,334,150 | 275,004,329 | 36,882,704 | 8,751,106 | 20,453,884 | 66,087,694 | 24,063,238 | | |
| Gross Revenue with Hedges | | | | | | | | | | | | | |
| Oil | \$ 160,147,556 | \$ 50,800,028 | \$ 52,528,023 | \$ 60,493,501 | \$ 74,673,318 | \$ 238,494,870 | \$ 78,000,567 | \$ 73,561,361 | \$ 87,002,496 | \$ 238,564,424 | | | |
| Gas | 805,839,116 | 186,882,628 | 191,586,317 | 222,662,859 | 253,958,330 | 855,090,134 | 253,944,729 | 272,720,099 | 263,850,989 | 790,515,817 | | | |
| NGLs | 288,607,231 | 72,105,862 | 66,432,262 | 71,508,180 | 86,763,100 | 296,809,404 | 66,675,495 | 69,630,067 | 73,409,792 | 209,715,354 | | | |
| Total | 1,254,593,903 | 309,788,518 | 310,546,602 | 354,664,540 | 415,394,748 | 1,390,394,408 | 398,620,791 | 415,911,527 | 424,263,277 | 1,238,795,595 | | | |
| Transport, gathering & compression | | | | | | | | | | | | | |
| Oil | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | | |
| Gas | 119,545,899 | 38,596,297 | 42,167,939 | 48,736,729 | 52,112,437 | 181,523,402 | 59,241,137 | 62,753,458 | 57,576,459 | 179,571,054 | | | |
| NGLs | 6,465,774 | 2,313,962 | 2,576,189 | 2,863,266 | 3,168,351 | 10,921,868 | 3,175,113 | 2,293,733 | 3,382,168 | 9,851,014 | | | |
| Total | 126,011,673 | 40,830,259 | 44,744,128 | 51,600,095 | 55,280,788 | 192,445,270 | 62,416,250 | 66,047,191 | 60,958,627 | 189,422,068 | | | |
| Net Revenues with Hedges and Fees | | | | | | | | | | | | | |
| Oil | \$ 160,147,556 | \$ 50,800,028 | \$ 52,528,023 | \$ 60,493,501 | \$ 74,673,318 | \$ 238,494,870 | \$ 78,000,567 | \$ 73,561,361 | \$ 87,002,496 | \$ 238,564,424 | | | |
| Gas | 686,293,217 | 148,376,331 | 149,418,378 | 173,926,130 | 201,845,893 | 673,566,732 | 194,703,592 | 209,966,641 | 206,274,530 | 610,944,763 | | | |
| NGLs | 282,141,457 | 69,791,900 | 63,856,073 | 68,644,814 | 83,594,749 | 285,887,536 | 63,500,382 | 66,336,334 | 70,027,624 | 199,864,340 | | | |
| Total | 1,128,582,230 | 268,968,259 | 265,802,474 | 303,064,445 | 360,113,960 | 1,197,949,138 | 336,204,541 | 349,864,336 | 363,304,650 | 1,049,373,527 | | | |
| Volumes | | | | | | | | | | | | | |
| Oil (Bbls) | 1,967,881 | 608,077 | 623,026 | 712,858 | 907,351 | 2,851,312 | 912,662 | 864,517 | 1,018,013 | 2,795,192 | | | |
| Gas (Mcf) | 157,001,395 | 46,633,207 | 52,293,227 | 57,347,638 | 60,280,617 | 216,554,689 | 62,023,956 | 64,926,278 | 68,024,813 | 194,975,047 | | | |
| NGLs (Bbls) | 5,572,829 | 1,560,826 | 1,570,593 | 1,843,693 | 1,992,028 | 6,067,114 | 1,889,424 | 2,115,489 | 2,362,340 | 6,367,253 | | | |
| Mcf's | 202,245,656 | 59,646,625 | 65,454,941 | 72,886,788 | 77,676,891 | 275,465,245 | 87,836,472 | 82,806,314 | 88,306,931 | 249,949,717 | | | |
| Mcf's per day | 554,098 | 655,457 | 719,285 | 790,074 | 844,314 | 752,637 | 875,961 | 909,959 | 959,858 | 915,567 | | | |
| Per Unit Prices | | | | | | | | | | | | | |
| Oil (per bbl): | | | | | | | | | | | | | |
| NYMEX - WTI | \$ 95.24 | \$ 103.13 | \$ 92.27 | \$ 92.58 | \$ 88.17 | \$ 93.36 | \$ 94.25 | \$ 94.20 | \$ 105.87 | \$ 98.47 | | | |
| Differential | (8.99) | (11.99) | (8.69) | (9.50) | (9.65) | (9.90) | (9.79) | (10.33) | (14.05) | (11.51) | | | |
| Gross Revenue | \$ 86.25 | \$ 91.14 | \$ 83.58 | \$ 83.08 | \$ 78.52 | \$ 83.46 | \$ 84.46 | \$ 83.87 | \$ 91.82 | \$ 86.96 | | | |
| Hedging | (4.86) | (7.60) | 0.73 | 1.78 | 3.78 | 0.19 | 1.01 | 1.22 | (6.36) | (1.61) | | | |
| Revenue with hedging | \$ 81.38 | \$ 83.54 | \$ 84.31 | \$ 84.86 | \$ 82.30 | \$ 83.64 | \$ 85.46 | \$ 85.09 | \$ 85.46 | \$ 85.35 | | | |
| Fees Deducted | - | - | - | - | - | - | - | - | - | - | | | |
| Net Revenue | \$ 81.38 | \$ 83.54 | \$ 84.31 | \$ 84.86 | \$ 82.30 | \$ 83.64 | \$ 85.46 | \$ 85.09 | \$ 85.46 | \$ 85.35 | | | |
| % of WTI - Gross | 90.6% | 88.4% | 90.6% | 89.7% | 89.1% | 89.4% | 89.6% | 89.0% | 86.7% | 88.3% | | | |
| Gas (per mcf): | | | | | | | | | | | | | |
| NYMEX - HH | \$ 4.04 | \$ 2.77 | \$ 2.26 | \$ 2.81 | \$ 3.36 | \$ 2.82 | \$ 3.35 | \$ 4.09 | \$ 3.60 | \$ 3.68 | | | |
| Differential | 0.11 | (0.02) | (0.13) | (0.03) | 0.18 | 0.01 | 0.15 | 0.04 | (0.17) | 0.00 | | | |
| Gross Revenue | \$ 4.15 | \$ 2.75 | \$ 2.13 | \$ 2.78 | \$ 3.54 | \$ 2.83 | \$ 3.50 | \$ 4.13 | \$ 3.43 | \$ 3.68 | | | |
| Hedging | 0.98 | 1.26 | 1.53 | 1.10 | 0.67 | 1.12 | 0.59 | 0.07 | 0.45 | 0.37 | | | |
| Revenue with hedging | \$ 5.13 | \$ 4.01 | \$ 3.66 | \$ 3.88 | \$ 4.21 | \$ 3.95 | \$ 4.09 | \$ 4.20 | \$ 3.88 | \$ 4.05 | | | |
| Fees Deducted | (0.76) | (0.83) | (0.81) | (0.85) | (0.86) | (0.84) | (0.96) | (0.97) | (0.85) | (0.92) | | | |
| Net Revenue | \$ 4.37 | \$ 3.18 | \$ 2.86 | \$ 3.03 | \$ 3.35 | \$ 3.11 | \$ 3.14 | \$ 3.23 | \$ 3.03 | \$ 3.13 | | | |
| NGLs (per bbl): | | | | | | | | | | | | | |
| Gross Revenue | \$ 50.06 | \$ 49.01 | \$ 35.83 | \$ 30.82 | \$ 37.88 | \$ 38.05 | \$ 35.76 | \$ 31.48 | \$ 32.73 | \$ 33.21 | | | |
| Hedging | 1.72 | (2.81) | 6.47 | 7.96 | 5.67 | 4.56 | (0.47) | 1.41 | (1.65) | (0.28) | | | |
| Revenues with hedging | \$ 51.79 | \$ 46.20 | \$ 42.30 | \$ 38.79 | \$ 43.56 | \$ 42.60 | \$ 35.29 | \$ 32.91 | \$ 31.08 | \$ 32.94 | | | |
| Fees Deducted | (1.16) | (1.48) | (1.64) | (1.55) | (1.59) | (1.57) | (1.68) | (1.56) | (1.43) | (1.55) | | | |
| Net Revenue | \$ 50.63 | \$ 44.71 | \$ 40.66 | \$ 37.23 | \$ 41.96 | \$ 41.03 | \$ 33.61 | \$ 31.36 | \$ 29.64 | \$ 31.39 | | | |
| % of WTI - Gross | 52.6% | 47.5% | 38.8% | 33.3% | 43.0% | 40.8% | 37.9% | 33.4% | 30.9% | 33.7% | | | |
| Per Mcfe Prices | | | | | | | | | | | | | |
| Price/mcfe with 3rd party transport | \$ 5.58 | \$ 4.51 | \$ 4.06 | \$ 4.17 | \$ 4.64 | \$ 4.35 | \$ 4.26 | \$ 4.23 | \$ 4.11 | \$ 4.20 | | | |
| Price/mcfe w/o 3rd party transport | \$ 6.20 | \$ 5.19 | \$ 4.74 | \$ 4.88 | \$ 5.35 | \$ 5.05 | \$ 5.06 | \$ 5.02 | \$ 4.80 | \$ 4.96 | | | |

⁽⁶⁾ The amounts shown represent the mark-to-market value as of September 30, 2013. Actual settlement amounts will differ as commodity prices change. This information is being provided to give analysts and investors a reasonableness check for the following quarter's hedging calculations. Additional detail on the Company's hedge position is available on our website under Investor Relations - Hedging Summaries