



**RANGE RESOURCES®**

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TO: Analysts and Investors

FROM: Rodney L. Waller and the IR Team

DATE: April 28, 2015

RE: First Quarter Highlights and Pricing Information

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Range released First Quarter earnings this afternoon. As shown in the highlights below, Range reported some outstanding well results, while posting record production and continuing to drive down unit costs.

**First Quarter Highlights –**

- Production volumes reached a record high, averaging 1,328 Mmcfe per day, a 26% increase over the prior-year quarter
- Unit costs declined \$0.53 per mcfe, or 15% compared to the prior-year
- Washington County Marcellus well brought on line in late April with a 24-hour production rate of 43.4 Mmcfe per day. This is a new record and the highest rate ever for any Marcellus well.
- Record Utica well has cumulative production to date of 1.2 Bcf under constrained conditions
- New well in dry gas area of Washington County, PA brought on line in first quarter at a 24-hour production rate of 31.3 Mmcfe per day.
- An additional long-term LNG agreement signed, bringing total LNG sales agreements to 200,000 Mmbtu per day

An updated investor presentation has been added to our website titled “Company Presentation – April 28, 2015”. There have not been major changes since our year-end earnings release, but we have updated several slides with the latest financial data. We have also added a slide that highlights the possibility of an associated natural gas supply pullback given the pullback in oil producer activity levels and the typical steep declines seen in oil plays. Worth noting is that 40% of NGL supply comes from associated gas, providing the possibility for a more balanced market for NGLs as well. A summary is provided below of the changes since the year-end earnings call in late February.

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

**Slide #   Description**

16	Updated breakeven study
37	Updated Marcellus NGL realizations
43	New slide - regional natural gas basis
50-52	Updated balance sheet and debt slides
53-54	Updated hedging slides

## Natural Gas Price Realizations –

During the first quarter Range realized a corporate differential of \$0.24 below NYMEX, compared to \$0.57 below NYMEX in the fourth quarter. Some of the seasonal Appalachian price strength was offset by a \$0.10 basis hedging loss in the first 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 April 23, 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 (April 23, 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. The corporate differential is expected to be stronger in the winter as the Company has access to premium northeast markets.

	<b>Actual 1Q 2015</b>	<b>Calculated Estimates 2Q 2015</b>
	<hr/>	<hr/>
Differential to NYMEX by Division		
Marcellus		
Southwest PA	\$0.28	\$(0.55)
Northeast PA	(1.12)	(1.22)
Total Marcellus	\$(0.20)	\$(0.73)
Nora	0.51	0.21
Midcontinent <sup>(1)</sup>	(0.65)	(0.86)
NYMEX – Henry Hub	\$2.98	\$2.56
Differential to NYMEX	(0.14)	(0.65)
Basis hedging impact <sup>(2)</sup>	(0.10)	0.01
Differential including basis hedging	(0.24)	(0.64)
Average price before NYMEX hedges	2.74	1.92
NYMEX hedges <sup>(2)</sup>	0.80	1.06
Average price after NYMEX hedges	\$3.54	\$2.98

<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.

<sup>(2)</sup> Mark to market as of 04/23/2015; based on expected production.

## **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 NGL differential improved in 2014 as we significantly increased our ethane production. Prior to 2014, 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. First quarter 2015 realizations were \$6.83 below a Mont Belvieu weighted average, compared to \$6.42 below Mont Belvieu in the fourth quarter of 2014. Range's best NGL pricing is typically found in the winter months as Appalachian propane prices are higher during the winter heating season.

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 mcfe 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, April 29 at 9:00 a.m. ET. To participate in the call, please dial 877-407-0778 and ask for the Range Resources first quarter 2015 financial results conference call. A replay of the call will be available through May 29. To access the phone replay dial 877-660-6853. The conference ID is 13605782.

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 May 29.

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

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