



**RANGE RESOURCES®**

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TO: Analysts and Investors  
FROM: Range Investor Relations Team  
DATE: April 25, 2018  
RE: First Quarter Earnings Highlights

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Range released first quarter 2018 earnings this afternoon.

### **Highlights**

- Non-GAAP cash flow was a record \$323 million, or \$1.31 per share, compared to \$258 million, or \$1.05 per share in first quarter 2017
- Non-GAAP net income of \$113 million (\$0.46 per diluted share), compared to \$61 million in the prior-year quarter, an increase of 85%
- Natural gas, NGLs and oil price realizations, including hedging, averaged \$3.58 per mcfe, a 12% increase from the same quarter in the prior year
- Production averaged a record 2.188 Bcfe per day, an increase of 13% compared to first quarter 2017
- Drilled the two longest laterals to date by Range at 18,129 feet and 17,875 feet

### **Operations**

- Range's net production for first quarter 2018 averaged 2.188 Bcfe per day, consisting of 1.5 Bcf per day of natural gas, 103,000 barrels per day NGLs and 11,816 barrels per day of condensate and oil, ranking Range as one of the top 10 natural gas producers in the U.S. and a top three NGL producer amongst E&P companies, providing leverage to improving oil and NGL pricing fundamentals
- Appalachia division production for first quarter 2018 averaged approximately 1,809 net Mmcfe per day, a 20% increase over the prior year
- Appalachia division drilled 21% longer laterals in first quarter 2018 compared to fourth quarter 2017

### **Accounting Change for Transportation, Gathering and Compression Expense**

- New revenue recognition accounting standard adopted in first quarter 2018
- Beginning in first quarter 2018, Range is recording revenue for certain gas processing contracts as a gross price received with transportation, marketing and processing costs reported separately as an expense. In prior quarters, these processing costs were netted out of NGL revenue and price.
- The change will result in higher NGL revenue and pricing with a corresponding increase to transportation, gathering, processing and compression expense.
- See page 8 of the 10-Q for additional detail, reflecting a \$0.19 per mcfe increase in revenue, and a corresponding \$0.19 per mcfe increase in expense as a result of the change in first quarter 2018, or reference slide 17 in the updated company presentation for a reconciliation.
- This is solely an accounting change and will have no effect on earnings or cash flow.
- Pricing and expense guidance has been updated accordingly

## **Company Presentation and Website information –**

An updated Company presentation has been added to the website at [www.rangeresources.com](http://www.rangeresources.com). The presentation reflects revised information for the quarter.

On Range's website, you will also find links to the earnings press release, updated guidance, hedging details, 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.

## **Conference Call and Webcast Information –**

A conference call to review the financial results is scheduled on Thursday, April 26 at 9:00 a.m. ET. To participate in the call, please dial 866-900-7525 and provide conference code 6068166 about 10 minutes prior to the scheduled start time.

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 26.

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

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