



# Investor Presentation

December 2013

## FORWARD-LOOKING STATEMENTS & NON-GAAP FINANCIAL MEASURES

This presentation includes forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Forward-looking statements can be identified by words such as “anticipates”, “believes”, “forecasts”, “plans”, “estimates”, “expects”, “should”, “will”, or other similar expressions. Such statements are based on management’s current expectations, estimates and projections, which are subject to a wide range of uncertainties and business risks. These forward-looking statements include statements regarding: the planned separation of QEP Field Services and our ownership interest in QEPM; forecasted production and capital expenditures and related assumptions; allocation of 2013 capital expenditures; well costs and average estimated ultimate recoveries; estimated reserves; locations for wells; and focus of future investments.

Actual results may differ materially from those included in the forward-looking statements due to a number of factors, including, but not limited to: the availability and cost of capital; changes in local, regional, national and global demand for natural gas, oil and NGL; natural gas, NGL and oil prices; effect of existing and future laws and government regulations, including potential legislative or regulatory changes regarding the use of hydraulic fracture stimulation; elimination of federal income tax deductions for oil and gas exploration and development; drilling results; shortages of oilfield equipment, services and personnel; operating risks such as unexpected drilling conditions; weather conditions; changes in maintenance and construction costs and possible inflationary pressures; permitting delays; estimates of contingency losses and outcome of pending litigation and other legal proceedings; actions taken by third-party operators, processors and transporters; demand for oil and natural gas storage and transportation services; competition from the same and alternative sources of energy; natural disasters; large customer defaults; the impact of capital market and business conditions on the nature and timing of a separation of QEP Field Services; the impact on QEP of such separation, including the time and resources devoted to its execution and the consequences of separation of the midstream assets from QEP; and the other risks discussed in the Company’s periodic filings with the Securities and Exchange Commission, including the Risk Factors section of QEP’s Annual Report on Form 10-K for the year ended December 31, 2012 (the “2012 Form 10-K”). QEP undertakes no obligation to publicly correct or update the forward-looking statements in this news release, in other documents, or on its website to reflect future events or circumstances. All such statements are expressly qualified by this cautionary statement.

The Securities and Exchange Commission (SEC) requires oil and gas companies, in their filings with the SEC, to disclose proved reserves that a company has demonstrated by actual production or through reliable technology to be economically and legally producible at specific prices and existing economic and operating conditions. The SEC permits optional disclosure of probable and possible reserves calculated in accordance with SEC guidelines; however, QEP has made no such disclosures in its filings with the SEC. QEP also uses the term “EUR” or “estimated ultimate recovery,” and SEC guidelines strictly prohibit QEP from including such estimates in its SEC filings. EUR, as well as estimates of probable reserves, are by their nature more speculative than estimates of proved reserves and, accordingly, are subject to substantially more risks of actually being realized. Actual quantities that may be ultimately recovered from QEP’s interests may differ substantially from the estimates contained in this presentation. Investors are urged to consider carefully the disclosures and risk factors in the 2012 Form 10-K and other reports on file with the SEC.

QEP refers to Adjusted EBITDA, Enterprise Value (EV), EV/EBITDA multiple, Net Debt, PV-10, NYMEX Price 10% Before Tax Rate of Return, Before Tax Rate of Return, and Finding Costs, each of which is a non-GAAP financial measure that management believes is a good tool to assess QEP’s operating results. For definitions of these terms and reconciliations of the most directly comparable GAAP measures see the recent earnings press releases and SEC filings at the Company’s website at [www.qepres.com](http://www.qepres.com) under “Investor Relations.”

# QEP AT A GLANCE

- Diversified upstream portfolio
  - Proved reserves of 3.9 Tcfe at YE 2012 in multiple US basins
  - Product diversity – In the 3<sup>rd</sup> quarter, crude oil represented ~51% of QEP Energy field-level revenues and ~20% of production volumes
- Focused investment in high-return areas
  - Williston Basin crude oil play
  - Pinedale liquids-rich gas play
  - Uinta Basin (Lower Mesaverde) liquids-rich gas play
  - Upstream development creates midstream investment opportunities
- Complementary midstream business and MLP
  - Maximizes margins on and timeliness of QEP production
  - General Partner and majority owner of QEP Midstream Partners, LP (NYSE:QEPM)

# 2013 HIGHLIGHTS

- Focused upstream portfolio
  - High-graded asset portfolio with ~\$200 million in asset sales
  - Future investment focused in core areas
- Launched IPO of QEP Midstream Partners, LP (“MLP IPO”)
  - Contributed a subset of gathering assets in Colorado, North Dakota, Utah and Wyoming to QEPM and sold a minority interest to public via IPO
  - Substantial gathering and processing assets retained by QEP
- Reduced leverage
  - Reduced Net Debt/EBITDA to ~1.75x<sup>1</sup> with proceeds from asset sales and MLP IPO
  - Future EBITDA growth should lead to further deleveraging
- On Dec 2<sup>nd</sup>, QEP announced its intentions to separate QEP Field Services and ownership interest in QEPM (GP and LP) from QEP

1. Long term debt less cash and cash equivalents as of 9/30/2013 divided by forecast 2013 EBITDA of \$1,575 million (midpoint of guidance as of 11/05/2013)

# QEPM IPO OVERVIEW

Transaction Overview	
Units outstanding (MM)	54.5
Units sold to public (MM) (includes greenshoe)	23.0
Unit price at IPO (Pre-IPO range \$19-\$21)	\$21
First day of trading	August 9 <sup>th</sup>
Net cash proceeds to QEPM (\$MM)	\$451
Adjusted EBITDA <sup>1</sup> contributed (trailing twelve months - 3/31/13, \$MM)	\$82.2
Contributed gathering assets located in Colorado, North Dakota, Utah and Wyoming	

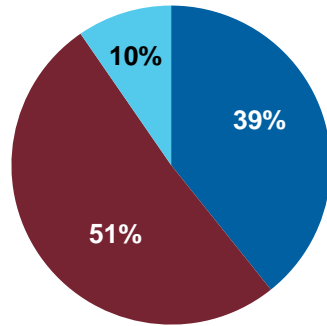
Ownership Overview	
QEP General Partner (includes all incentive distribution rights) 2% \$0.25 - \$0.2875; 15% \$0.2875 - \$0.3125; 25% \$0.3125 - \$0.375; 50% above \$0.375	2.0%
QEP subordinated units	49.0%
QEP common units	6.8%
Public common units	42.2%

1. See QEPM SEC filings for a definition of Adjusted EBITDA and a reconciliation of the most directly comparable GAAP measures.



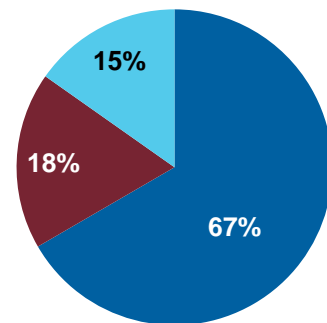
# QEP ENERGY ASSET OVERVIEW

QEP Energy 3Q 2013  
Production Revenues

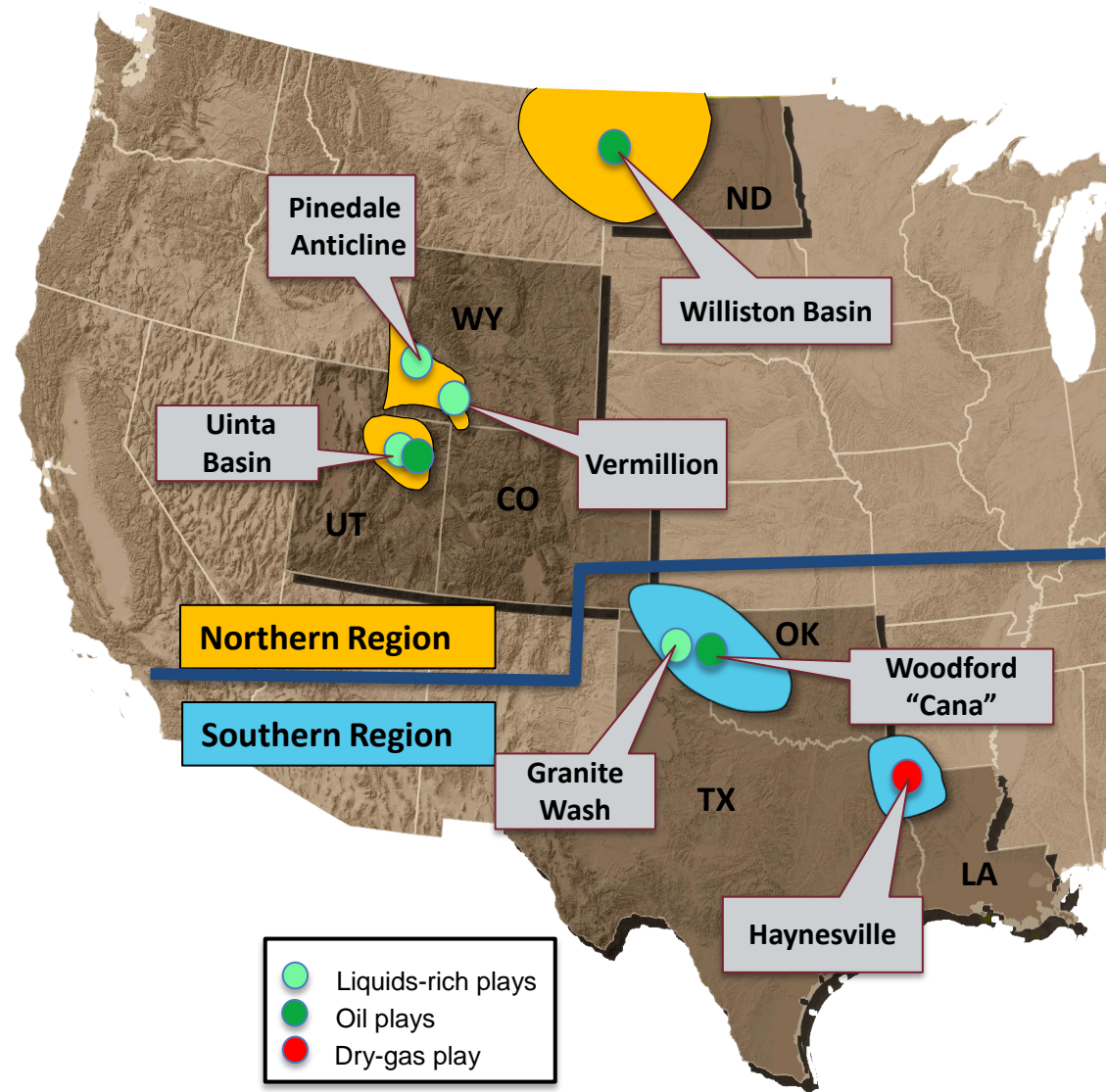


■ Natural Gas ■ Oil ■ NGL

QEP Resources  
2012YE Proved Reserves

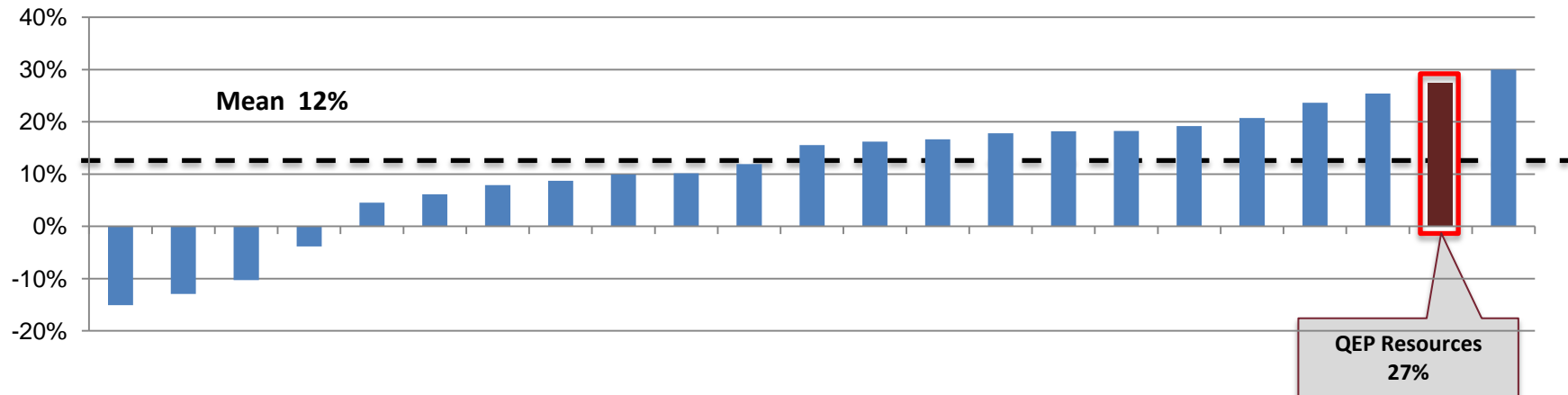


■ Natural Gas ■ Oil ■ NGL

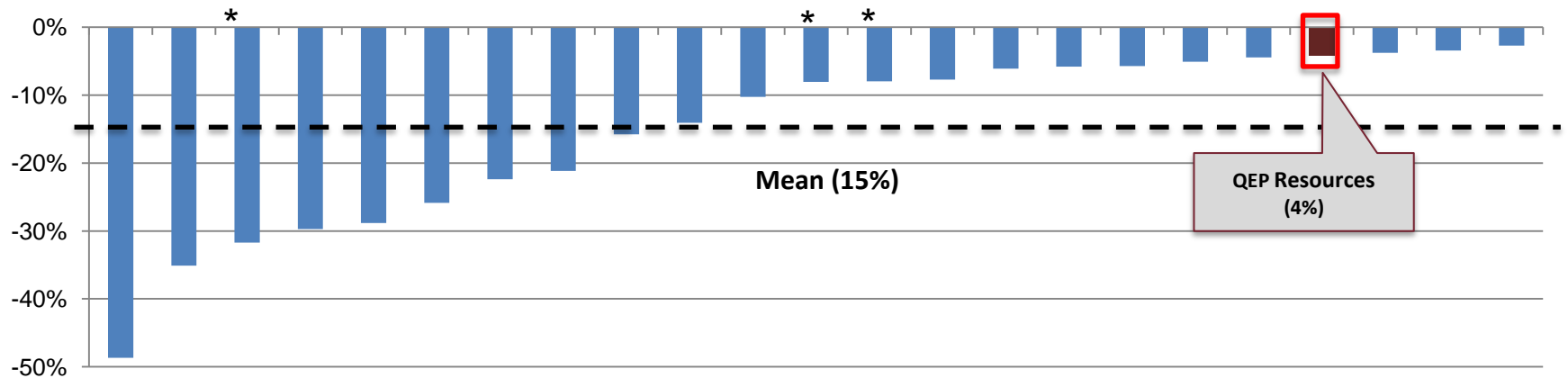


# STRONG RESERVE GROWTH ON HIGH QUALITY ASSETS

## Reserve growth on a 20:1 gas to oil ratio (2008 – '12 CAGR)



## 2012 price-related revisions as a percentage of 2011 proved reserves



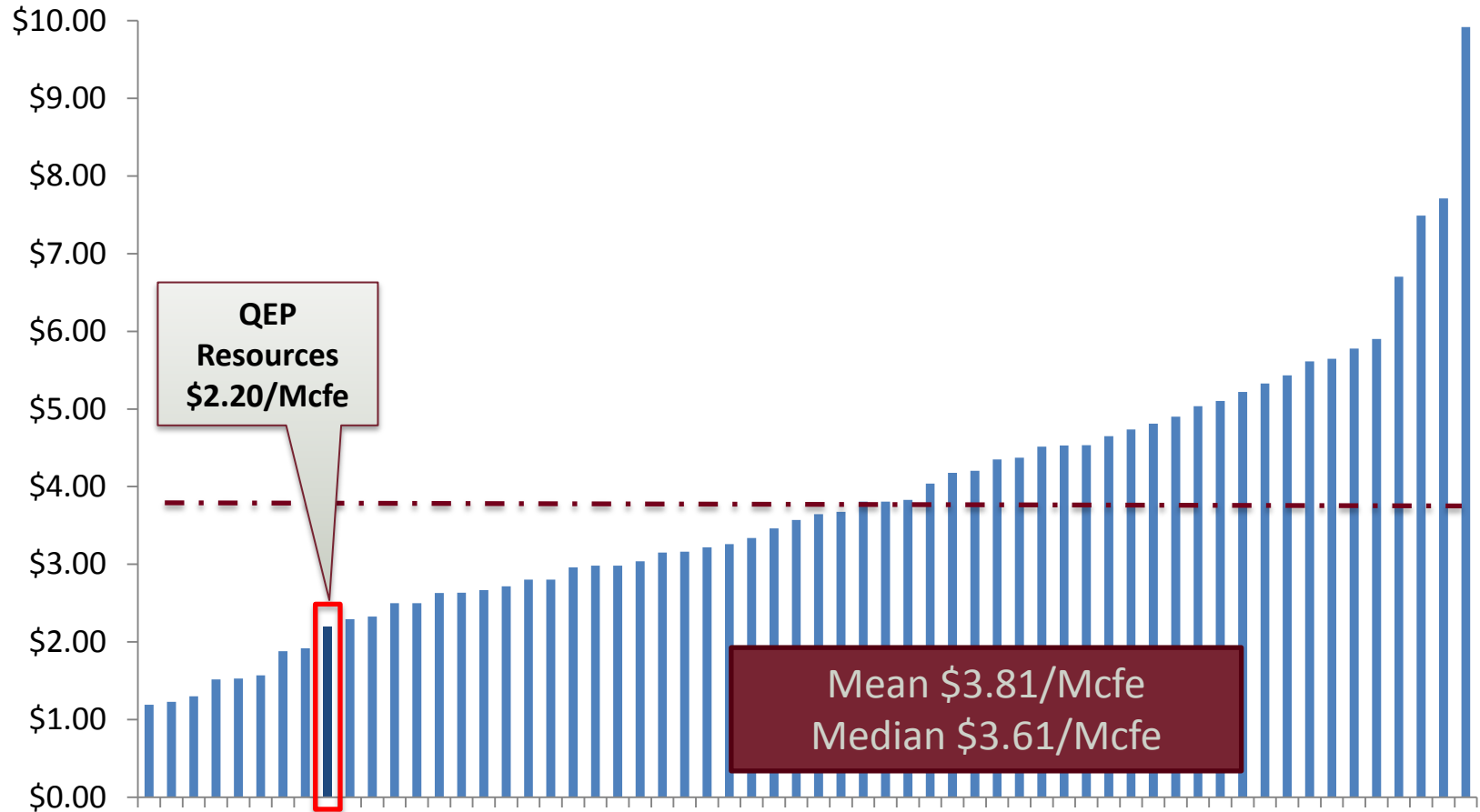
Source: QEP Resources and Company Reports

Peers include: APC, BBG, BRY, CHK, COG, DVN, EOG, EQT, FST, KWK, NBL, NFX, PXD, PXP, RRC, SM, SWN, UPL, WLL, WPX, XCO, XEC.

\*Total reserve revision figure used when no price-related figure given

# LOW COST STRUCTURE

**2012 average production cash cost structure versus 60 E&P peers (\$/Mcfe)**  
(LOE + transportation/gathering/processing + production taxes + G&A + interest + preferred dividends)



Source: Company data and Howard Weil, March 2013; includes allocated capitalized interest & G&A



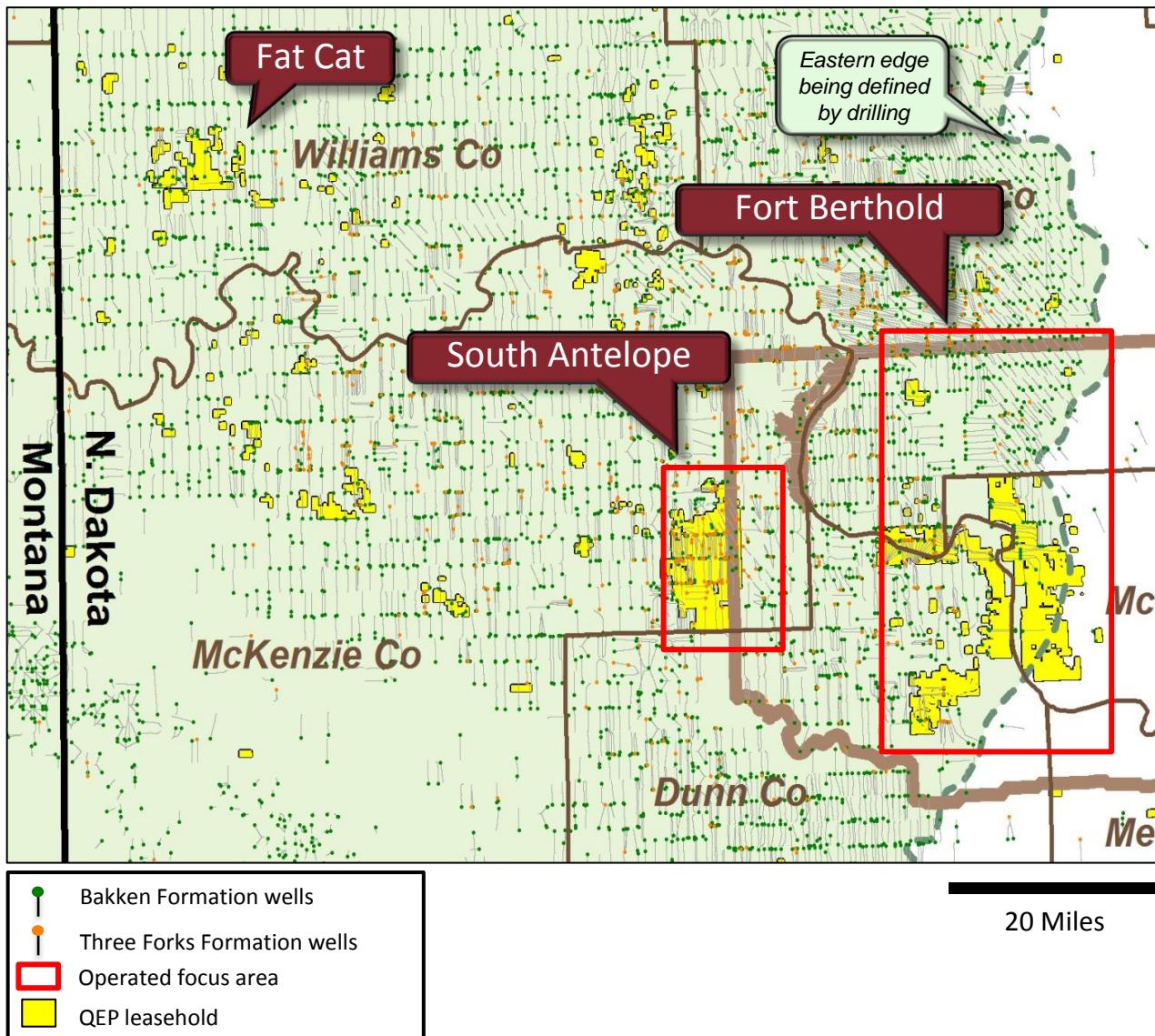
# RESERVE SUMMARY (BCFE)

Area	Proved <sup>1</sup>	Probable <sup>2</sup>	Possible <sup>2</sup>
Williston Basin	615	606	152
Pinedale	1,531	1,012	214
Uinta Basin	618	3,402	5,416
Midcontinent	530	685	273
Haynesville/ Cotton Valley	531	1,911	1,654
<u>Legacy</u>	<u>112</u>	<u>504</u>	<u>1,822</u>
<b>TOTAL</b>	<b>3,936</b>	<b>8,120</b>	<b>9,532</b>
<b>Reserves/Production (years)<sup>3</sup></b>	<b>12.3</b>	<b>25.4</b>	<b>29.9</b>

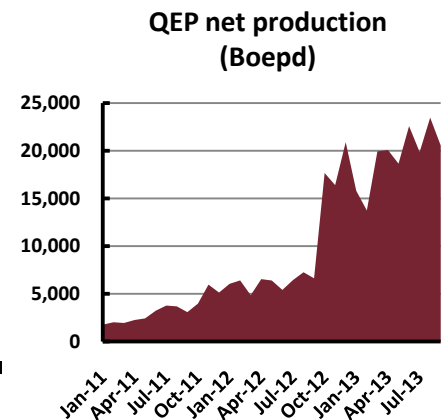
1. Proved Reserve Estimate as of December 31, 2012 as prepared by Ryder Scott Company ,L.P.
2. Probable and Possible Reserve estimates as of May 1, 2012, as reviewed by Ryder Scott Company, L.P., are not prepared on the basis of SEC guidelines relative to commodity prices and timing of development. Includes probable reserves from South Antelope Acquisition
3. Total Reserve figures divided by 2012 production of 319 Bcfe

## Areas Of Operations – E&P

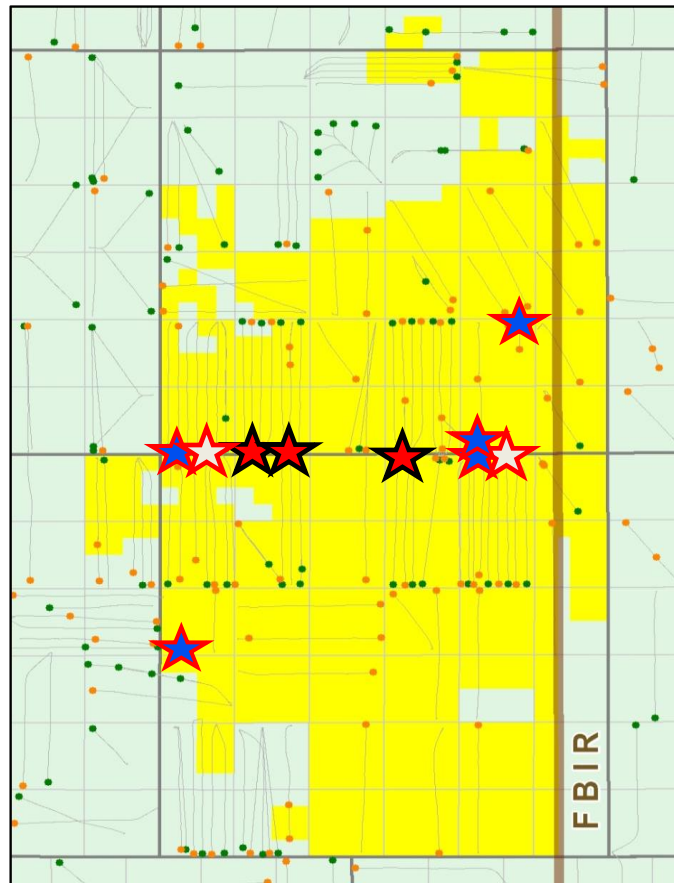
# WILLISTON BASIN



- 116,000 net acres
- 8 rigs as of 9/30/2013  
all on pad drilling
  - 5 rigs S. Antelope
  - 3 rigs Ft. Berthold
- 3Q13 avg. net production
  - 21.3 Mboe/d



# WILLISTON BASIN – SOUTH ANTELOPE



3 Miles

As of Sept 30, 2013

- QEP Q2 2013 Completions
- QEP Drilling
- QEP WOC
- Bakken wells
- Three Forks wells
- QEP leasehold

- Acquisition closed on 9/27/2012
- Approximately net cash flow neutral since closing while proved reserve PV-10 value of asset has increased substantially
- Time for spud to first production reduced by 20% since acquisition
- Water gathering system on track for Q4 startup

## CURRENT ACTIVITY

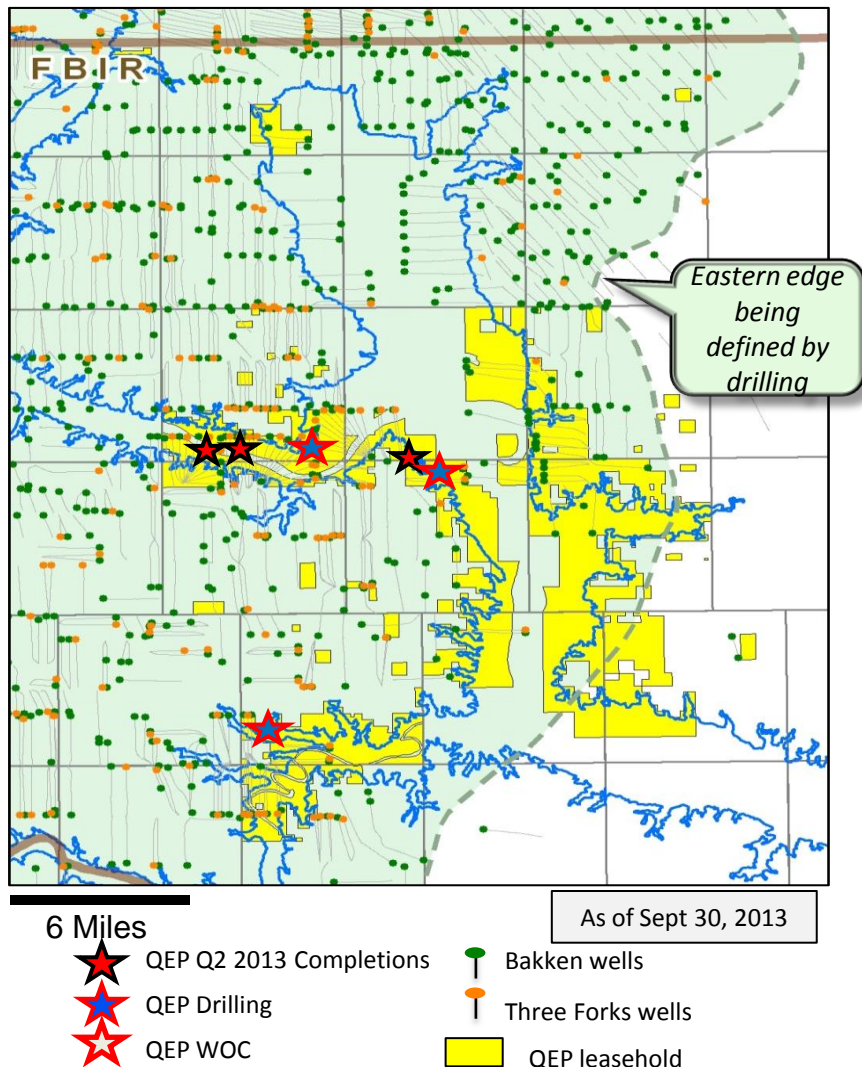
Number of rigs (as of 9/30/2013)	5
Avg. gross EUR (post 1/1/2010 completion)	
Bakken (MBoe)	1,150
Three Forks (MBoe)	1,020
Gross locations remaining*	301

\* As of December 31, 2012

# WILLISTON BASIN – FORT BERTHOLD RESERVATION

Building operational momentum

- Strong well performance
- Improvements in capital and operating cost
  - LOE reduced substantially from 2012
- Nearly all of oil, gas and water volumes now being transported by pipeline



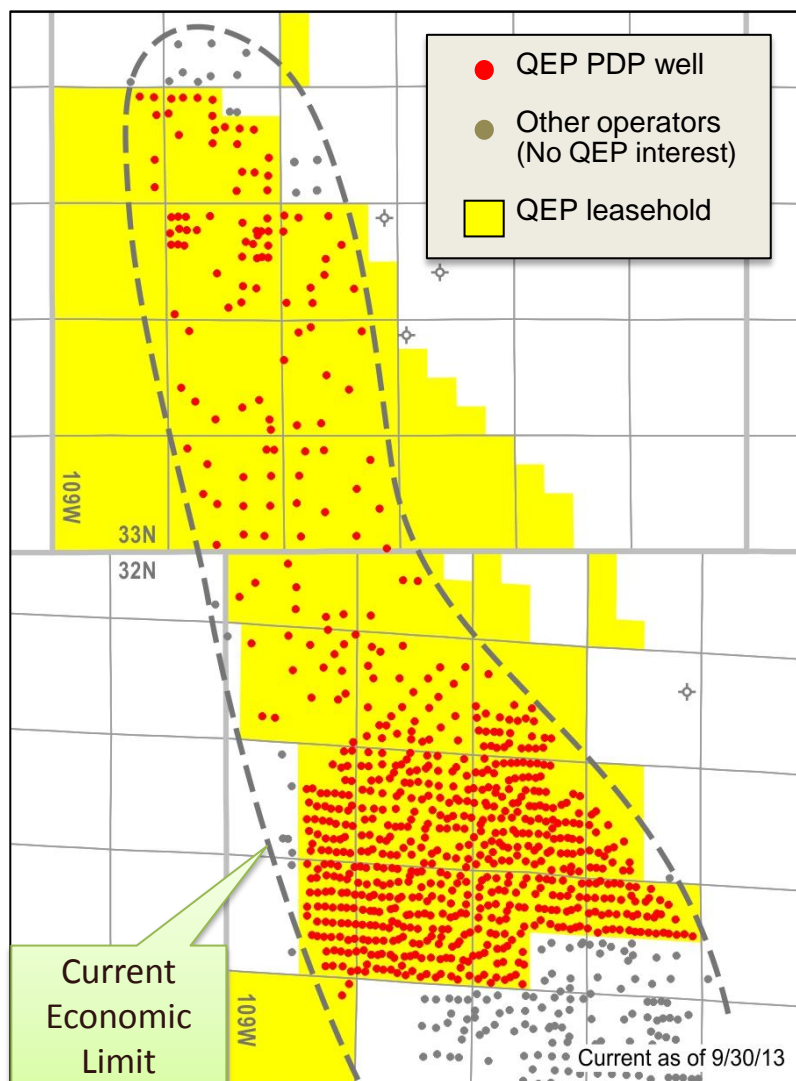
## CURRENT ACTIVITY

Number of rigs (as of 9/30/2013)	3
Avg. gross EUR	
Bakken (MBoe)	640
Three Forks (MBoe)	640
Gross locations remaining*	450

\* As of December 31, 2012

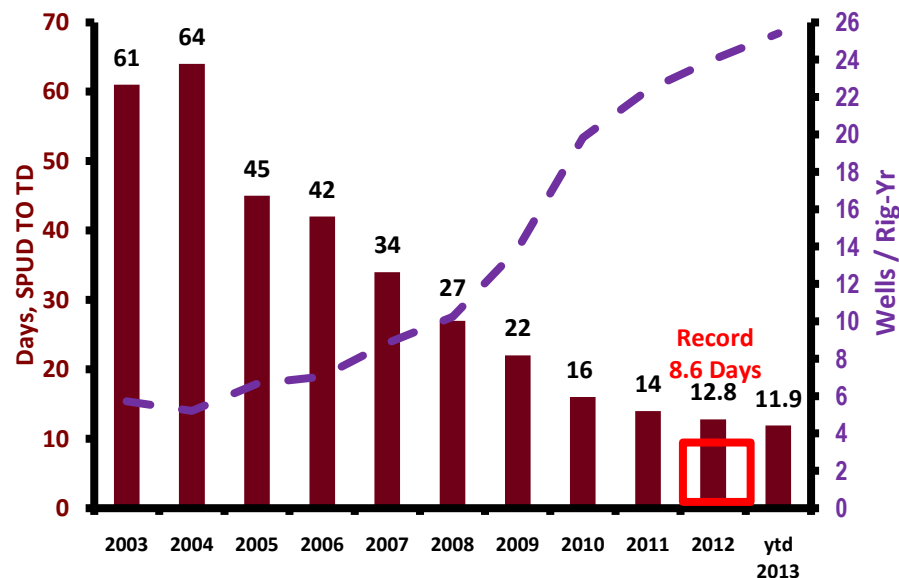


# GREEN RIVER BASIN - PINEDALE



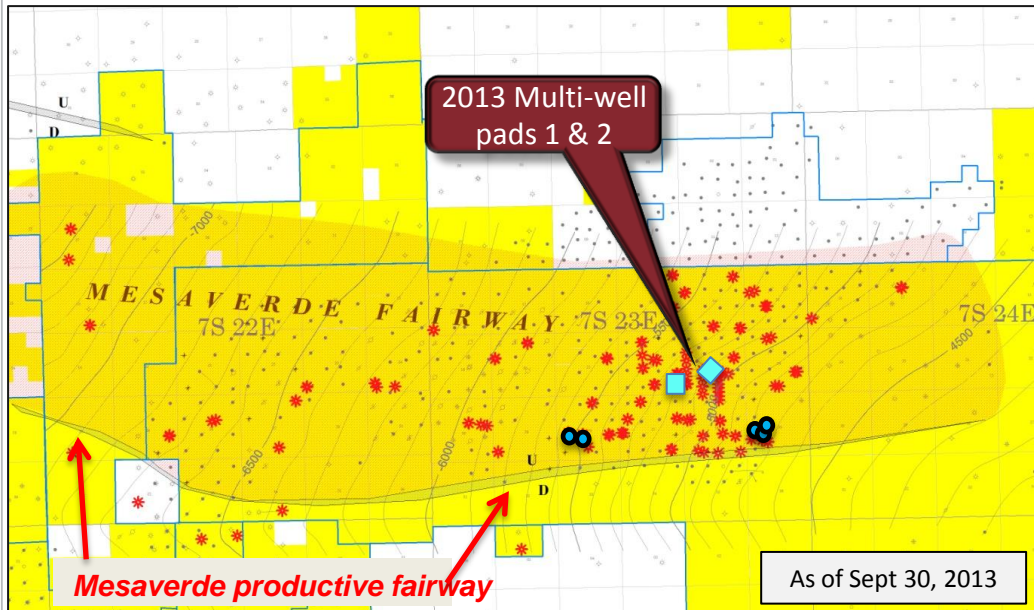
## CURRENT ACTIVITY

Number of rigs (as of 9/30/2013)	4
Well cost (\$MM)	\$4.2
Avg. gross EUR (Bcfe)	4.6
Gross locations remaining (approx.)	800





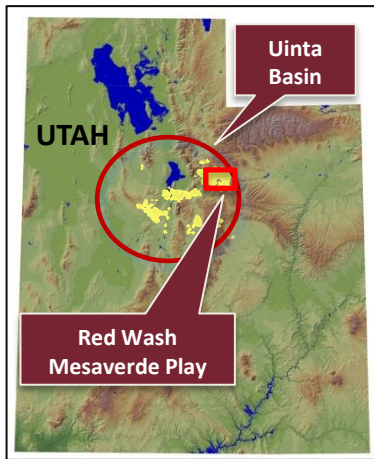
# UINTA BASIN – LOWER MESAVERDE



CURRENT ACTIVITY	
Number of rigs (as of 9/30/2013)	1
Avg. well cost (\$MM)	\$2.3
Avg. gross EUR (Bcfe)	2.3
Avg. liquids content (gallons per Mcf)	2.45
Gross locations – remaining (10-ac)*	3,200

\* As of December 31, 2012

- Over 32,000 net acres
- 100% Working Interest
- 86.5% Net Revenue Interest



<u>Geologic Age</u>	<u>Formation</u>
TERTIARY	Green River
	Wasatch
CRETACEOUS	<b>Mesaverde</b>
	Blackhawk
	Mancos
	Dakota/Cedar Mtn ss

- \* Producing Mesaverde wells
- 2013 10 and 20-acre pilot wells
- 2013 Directional Drilling Pad
- ⚡ Drilling
- QEP leasehold

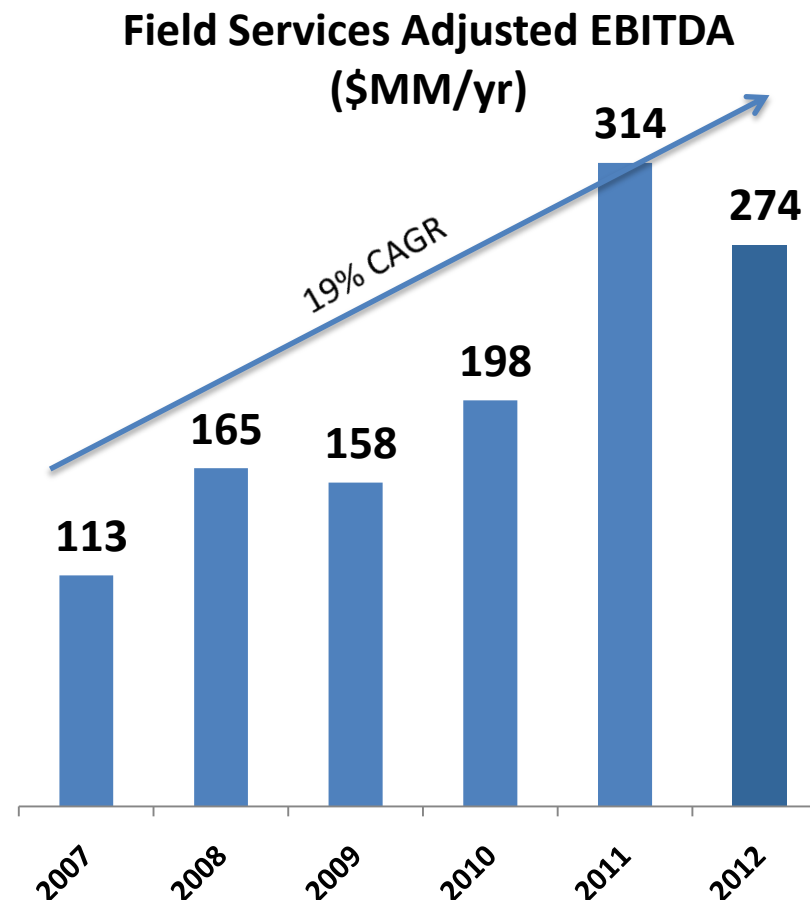
## **Areas Of Operations – Midstream**

# FIELD SERVICES – A GROWING MIDSTREAM BUSINESS

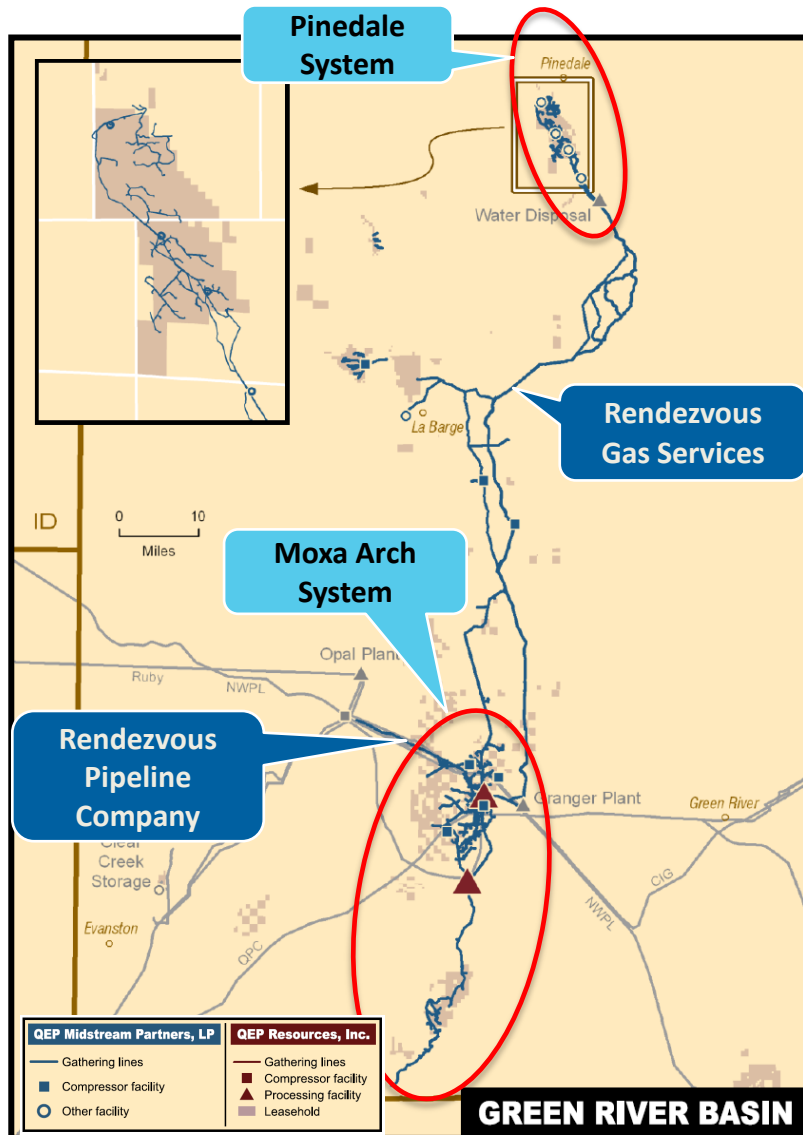
- Owns and operates gathering, treating, and NGL extraction assets in QEP producing areas
- Maximizes margins on and timeliness of QEP production
- QEPM provides access to capital for acquisitions and organic growth
  - Assets contributed to QEPM generated \$86 million of EBITDA in 2012

## Recent investments:

- Iron Horse II 150 MMcfpd cryogenic processing plant in the Uinta Basin, Utah online February 2013
- Blacks Fork 10,000 Bpd fractionator expansion online June 2013

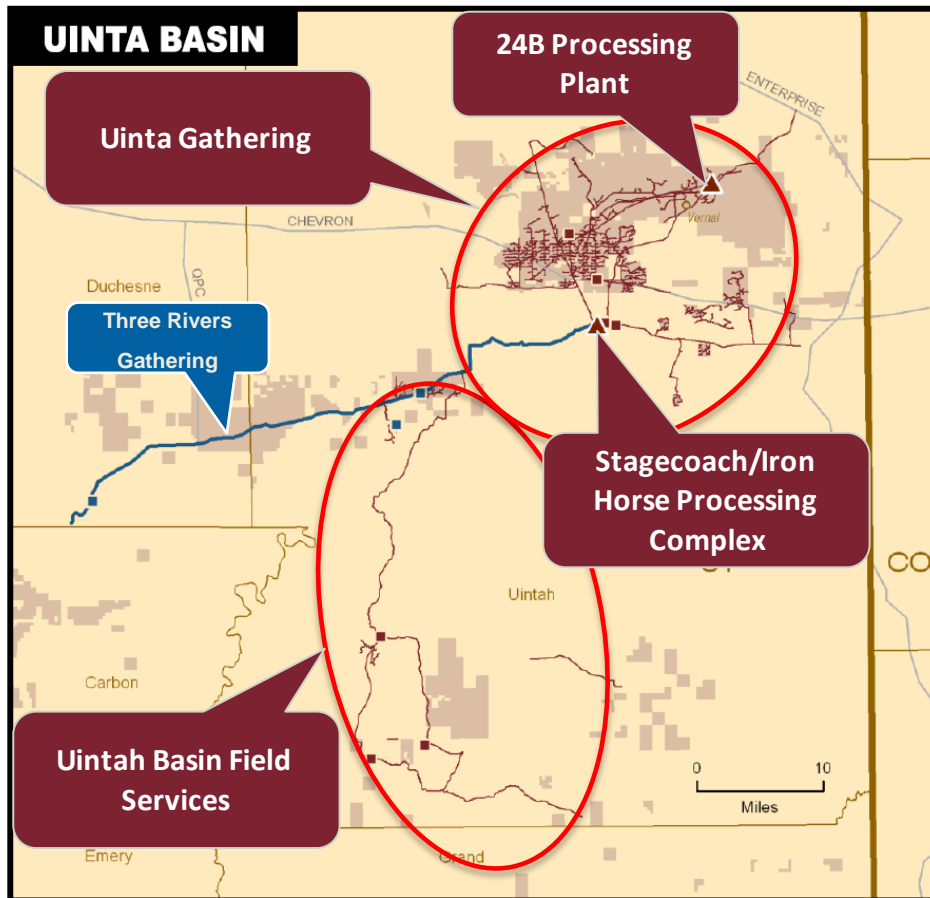


# MIDSTREAM – GREEN RIVER BASIN



- QEP contributed all gathering and transmission assets in the Green River Basin to QEPM
  - Natural gas, crude oil and water gathering
  - Interconnects to multiple interstate pipelines
  - QEP Energy is largest customer
- Primary volume drivers are the Pinedale Anticline, the Jonah Field and the Moxa Arch area
- QEP retained the processing and fractionation assets at Blacks Fork and Emigrant Trail

# MIDSTREAM – UINTA BASIN



- QEP contributed 50% ownership interest in the Three Rivers Gathering JV to QEPM
  - Throughput capacity of 212 MMcf/d in 2012
  - Transports gathered gas to processing facilities owned by QEP and third parties
- QEP retained processing assets, Uintah Basin Field Services JV ownership and all other Uinta Basin gathering assets

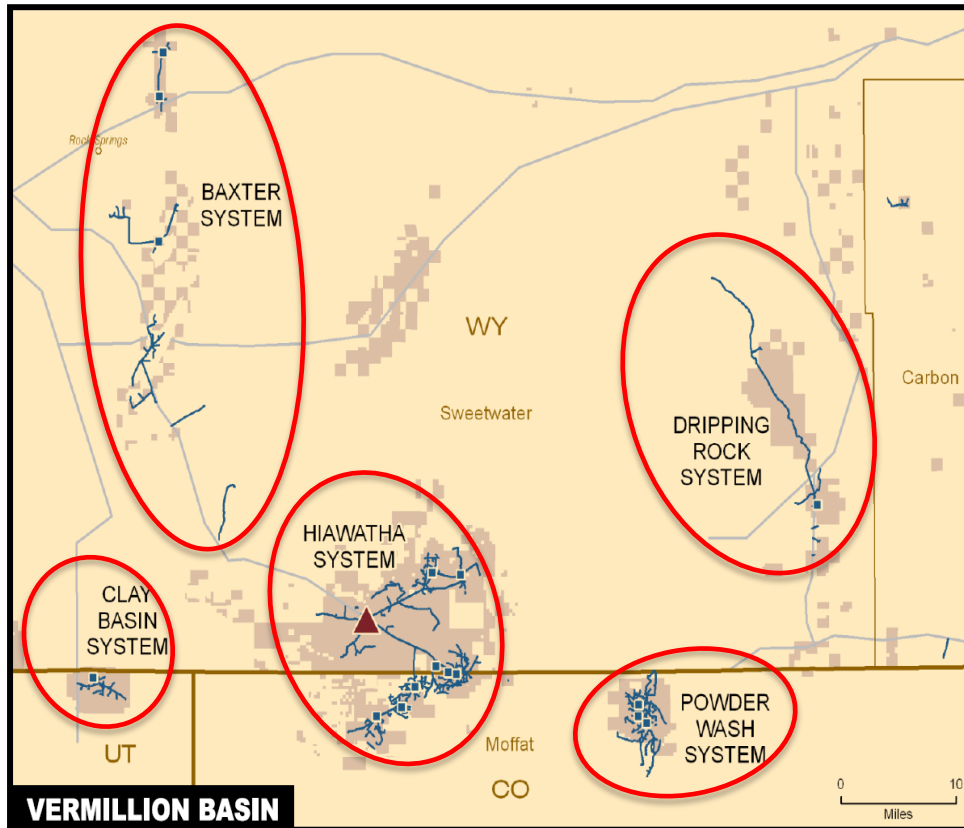
## QEP Midstream Partners, LP

- Gathering lines
- Compressor facility
- Other facility

## QEP Resources, Inc.

- Gathering lines
- Compressor facility
- ▲ Processing facility
- Leasehold

# MIDSTREAM – VERMILLION BASIN

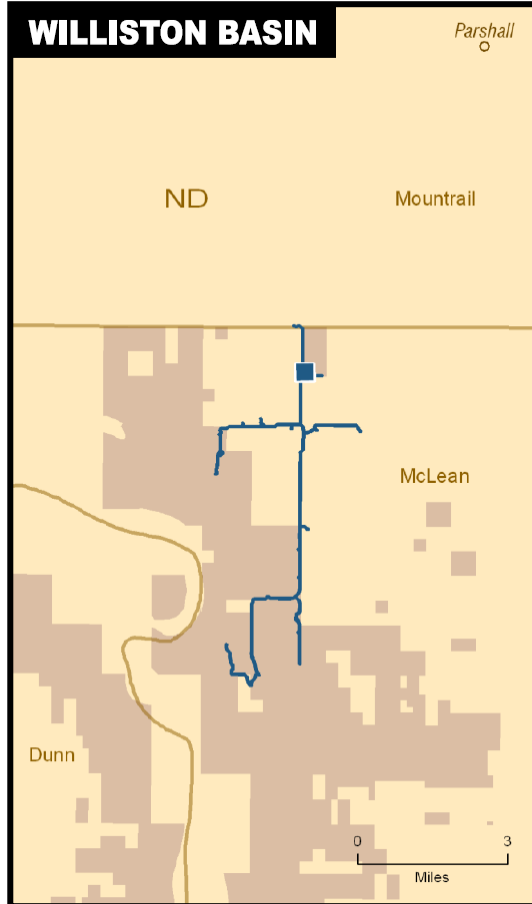


- QEP contributed gathering and compression assets in SW Wyoming, NE Utah and NW Colorado
  - Throughput capacity of 206 MMcf/d in 2012
  - Transports gathered gas to processing facilities owned by QEP and third parties
- QEP retained 43 MMcf/d cryogenic processing plant

QEP Midstream Partners, LP	QEP Resources, Inc.
— Gathering lines	— Gathering lines
■ Compressor facility	■ Compressor facility
○ Other facility	▲ Processing facility
	■ Leasehold



# OTHER MIDSTREAM ASSETS



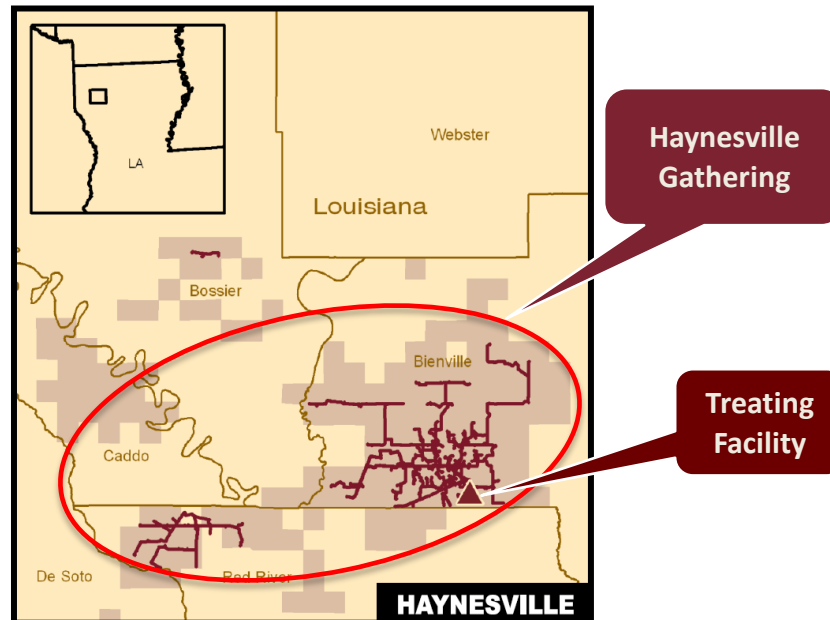
## QEP Midstream Partners, LP

- Gathering lines
- Compressor facility
- Other facility

## QEP Resources, Inc.

- Gathering lines
- Compressor facility
- ▲ Processing facility
- Leasehold

- QEP contributed gathering and related assets in North Dakota.
  - Capacity of 7,000 Bbl/d with minimum volume commitments
- QEP retained Haynesville midstream assets
  - Natural gas gathering and treating
  - 323 BBtu/d throughput in 2012



## WHY INVEST IN QEP?

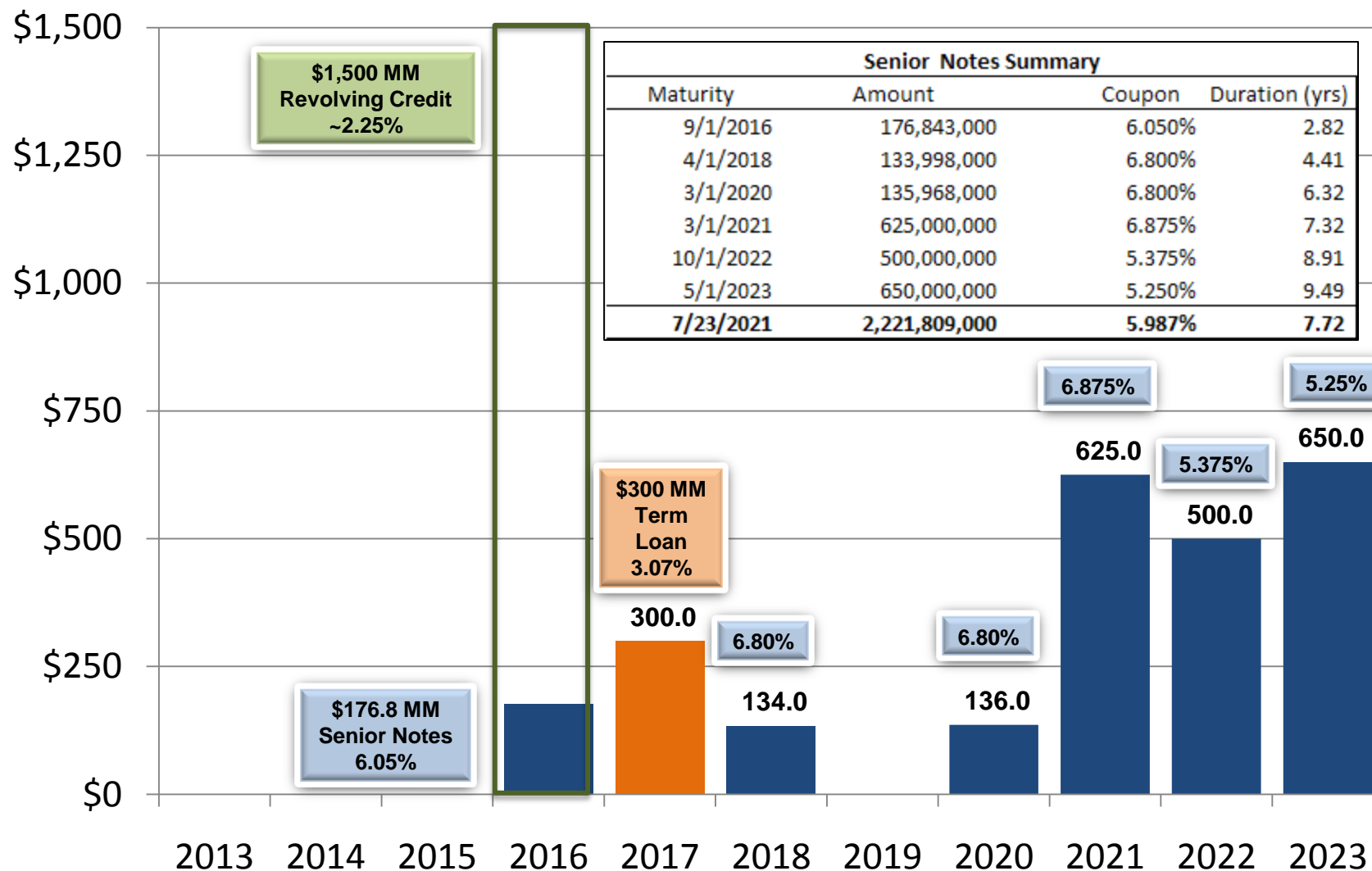
- Well positioned for future crude oil growth
- Deep inventory of high-quality assets
- Complementary midstream business and MLP
- Strong balance sheet (>\$1.2B in liquidity) as of Sept 30<sup>th</sup>

# Appendix



QEP Resources, Inc.

# DEBT MATURITY SCHEDULE



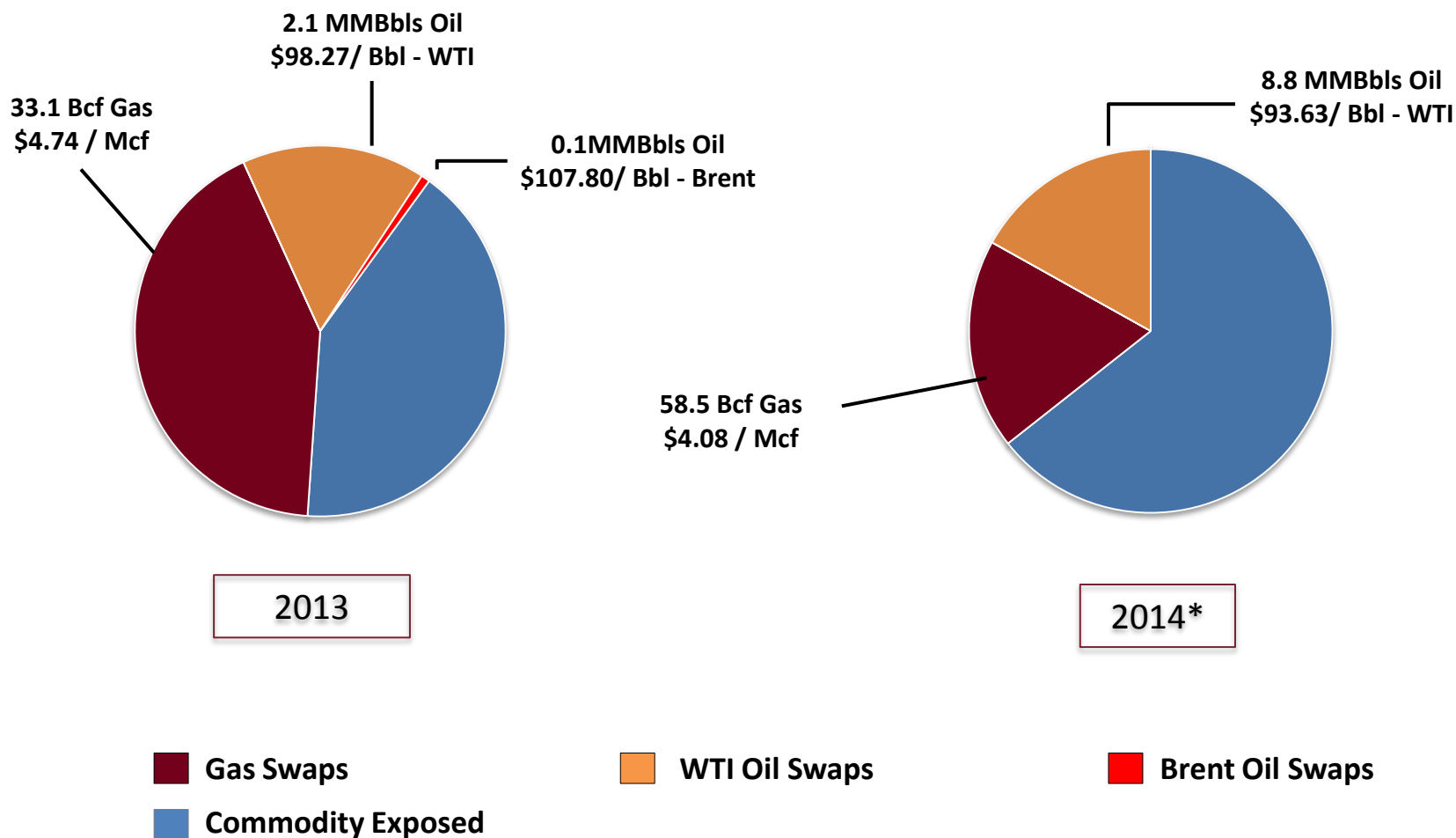
# GUIDANCE AND ASSUMPTIONS

2013 Guidance (as of 11/05/2013)	Low	High
Adjusted EBITDA (\$MM)	\$1,550	\$1,600
Production (Bcfe)	310	315
Capital Investment (\$MM)	\$1,555	\$1,605

Pricing	Low	High
NYMEX Gas Price (\$/MMBtu)	\$3.50	\$4.00
NYMEX Oil Price (\$/Bbl)	\$95	\$105
Rockies Gas Basis (\$/MMBtu)	\$0.10	\$0.05
Midcontinent Gas Basis (\$/MMBtu)	\$0.20	\$0.15
Williston Basin (Clearbrook) Basis (\$/Bbl)	\$10.50	

# COMMODITY DERIVATIVES

## Gas, oil and NGL derivatives (as of 9/30/13) (prices before deducts)



\* 2014 derivative chart shown for illustration purposes only. No volume guidance has been provided for 2014.

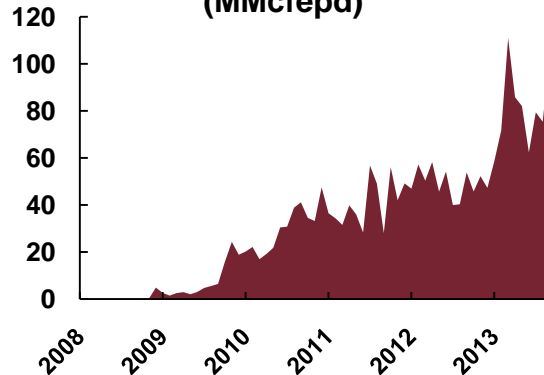


# 2013 CAPITAL EXPENDITURE FORECAST

Capital Expenditures	Percentage	Amount (\$MMs)
Williston Basin	52%	\$815
Pinedale	17%	\$270
Midcontinent	16%	\$250
Uinta Basin	7%	\$110
Haynesville	2%	\$30
Field Services	5%	\$80
<u>Corporate</u>	<u>1%</u>	<u>\$25</u>
<b>Total (midpoint of guidance)</b>		<b>\$1,580</b>

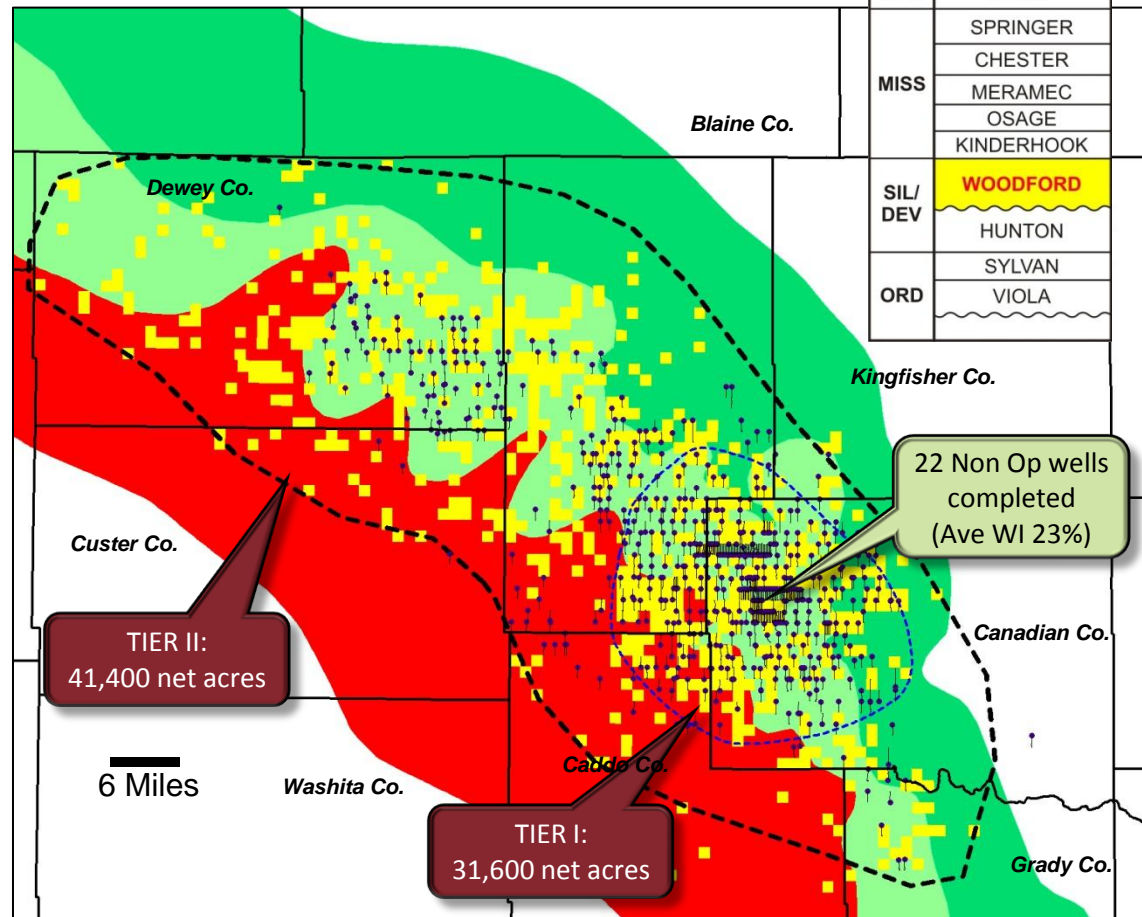
# WOODFORD "CANADA"

QEP net production  
(MMcfepd)



- 73,000 net acres
- Proved reserves 337 Bcfe\*
  - 156 PUD locations\*
- 3,206 additional potential locations (including 1,842 in Tier 1)
- 20% average working interest in Tier I lands
- \$8 MM average well cost
- 22 Non-Op new well completions in Q3 of 2013 (Avg WI 23%)
- Significant NGL (25 to 130 bbls/MMcf)

\* As of December 31, 2012







## Value Driver:

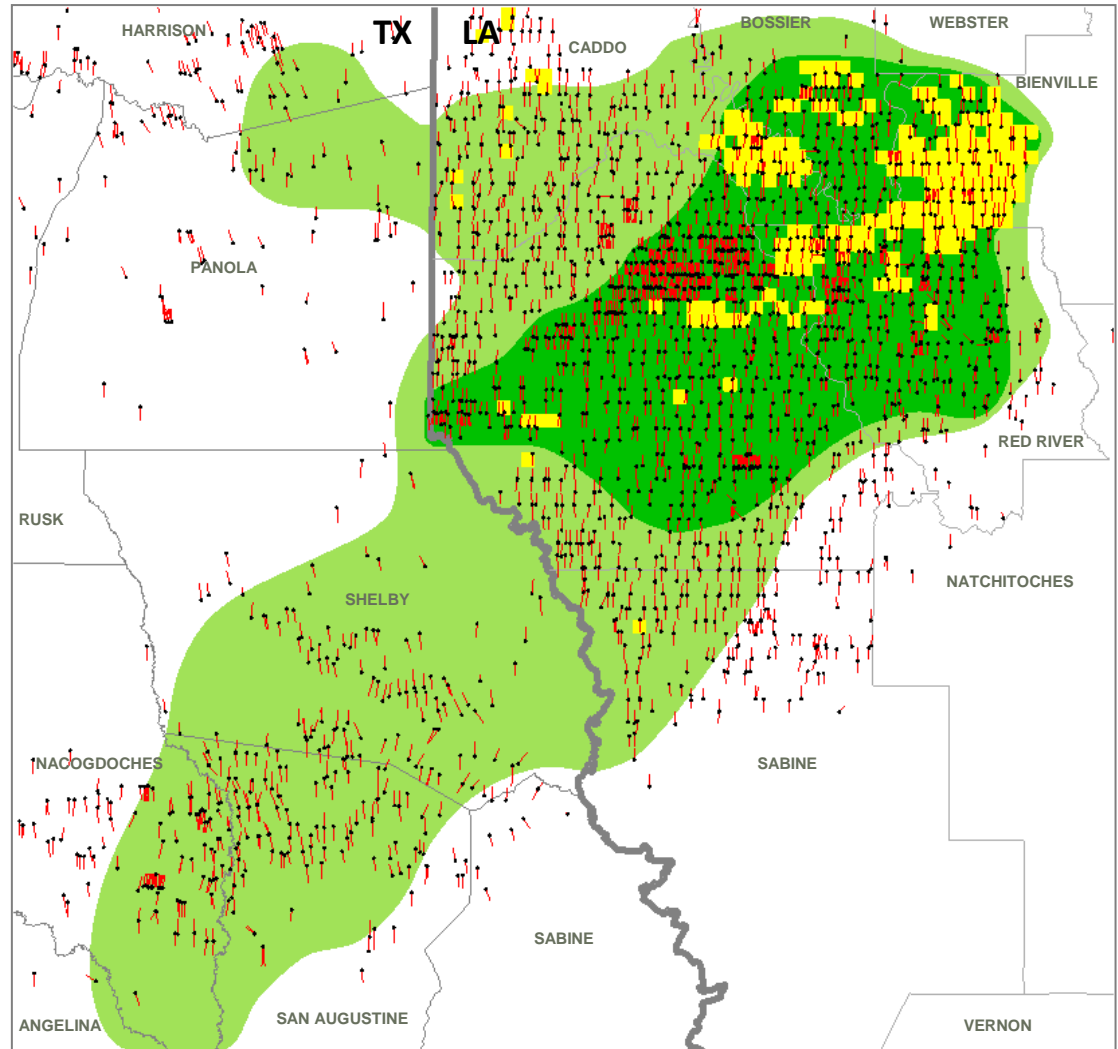
- Predominately condensate and NGL  
15% of QEP net acres
- Significant condensate and NGL  
54% of QEP net acres
- Dry gas  
31% of QEP net acres

- QEP leasehold (Woodford or deeper)
- Woodford wells completed
- Woodford wells drilling & WOC

# HAYNESVILLE SHALE

- 50,600 net acres
- Proved reserves 470 Bcf\*
  - 52 PUD locations\*
- 1,000 additional potential locations on 80-acre density
- Average EUR 6 to 8 Bcf/well

-  QEP Leasehold
-  Haynesville Tier I
-  Haynesville Tier II
-  Haynesville producing wells



\*As of December 31, 2012 Haynesville only