



*The Resource Growth Company*

**QEP Resources, Inc.**

**Investor Presentation  
March 2013**

# CAUTIONARY STATEMENTS REGARDING FORWARD-LOOKING INFORMATION AND NON-GAAP FINANCIAL MEASURES

This presentation includes forward-looking statements within the meaning of Section 27(a) of the Securities Act of 1933, as amended, and Section 21(e) 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: forecasted production and capital expenditures; well costs and average estimated ultimate recoveries per well; estimated reserves; plans for drilling and completion; and potential locations for wells.

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 of capital; changes in local, regional, national and global demand for natural gas, oil and NGL; natural gas, NGL and oil prices; potential legislative or regulatory changes regarding the use of hydraulic fracture stimulation; impact of new laws and regulations; 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; the availability and cost of credit; permitting delays; and the other risks discussed in the Company’s periodic filings with the Securities and Exchange Commission, including the Risk Factors section of the Company’s Annual Report on Form 10-K for the year ended December 31, 2012. QEP Resources 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.

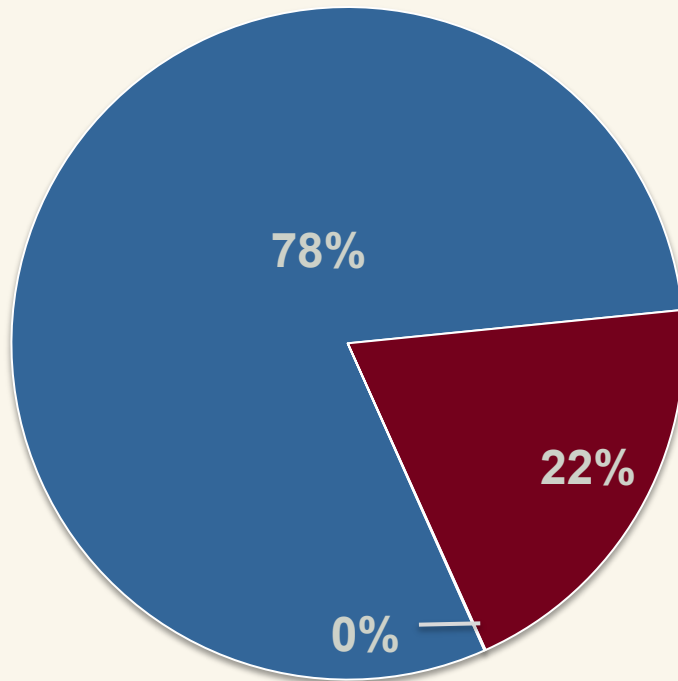
The Securities and Exchange Commission (SEC) requires oil and gas companies, in their filings with the SEC, to disclose proved reserves that a company has demonstrated by actual production or through reliable technology to be economically and legally producible at specific prices and existing economic 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 closely consider the disclosures and risk factors in QEP’s most recent Annual Report on Form 10-K and in other reports on file with the SEC.

QEP refers to Adjusted EBITDA, a non-GAAP financial measure that management believes is a good tool to assess QEP’s operating results. Management generally defines Adjusted EBITDA as net income before each of the following: separation costs, discontinued operations, loss on early debt extinguishment, unrealized gains and losses on basis-only swaps, gains and losses on asset sales, interest and other income, interest expense, depreciation, depletion and amortization, abandonments and impairments, exploration expense and income taxes. A reconciliation of historical Adjusted EBITDA to historical net income/loss, the relevant GAAP measure, can be found in QEP’s quarterly earnings releases on the Company’s Web site at [www.qepres.com](http://www.qepres.com) under “Investor Relations.” This release also refers to forecasted Adjusted EBITDA for the year ended 2013. Due to the forward-looking nature of this non-GAAP financial measure for future periods, information to reconcile it to forecasted net income, the most directly comparable GAAP financial measure, is not available at this time, as management is unable to project special items, mark-to-market adjustments and other factors for future periods.



# QEP Resources - a portfolio of high-quality assets

**LTM ADJUSTED  
EBITDA \$1.42 B \***



\* LTM ending 4Q12



**QEP Energy**  
(Exploration & Production)  
3.9 Tcfe proved reserves  
18% 5-yr production CAGR



**QEP Field Services**  
(Gathering and NGL extraction)  
1.37 Bcfpd processing  
~ 2,000 miles of gathering lines



**QEP Marketing**  
(Production marketing)  
Markets affiliate gas, oil and NGL's  
Owns gas storage

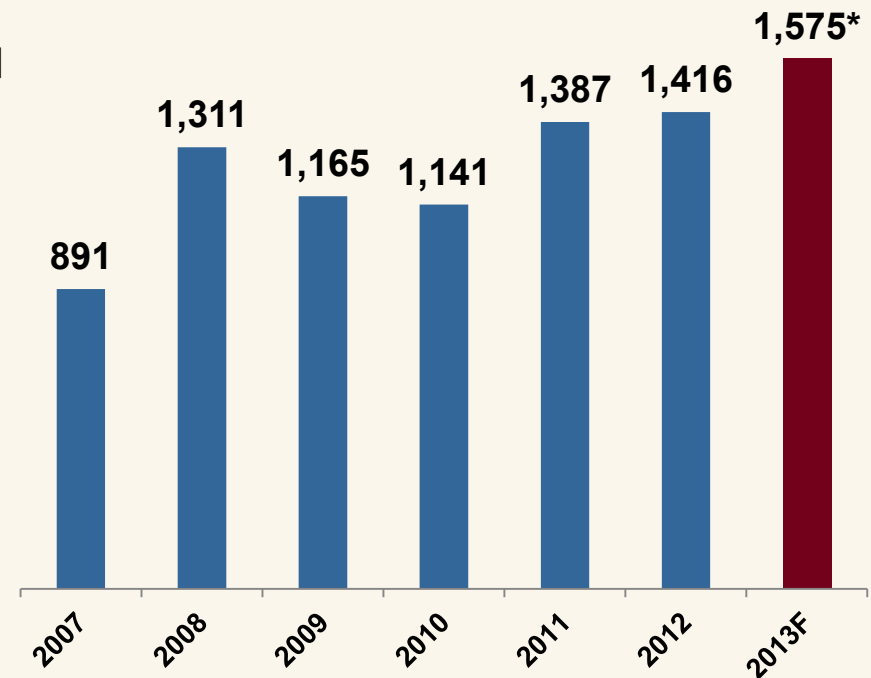


# Guidance and price assumptions

## 2013 Guidance

- Adjusted EBITDA \$1,500 to \$1,650 MM
- 325 to 330 Bcfe production
- Capital investment \$1,625 to \$1,725 MM
- Approximately 53% of natural gas volumes hedged in 2013 with a weighted average price of \$4.84/MMBtu and ~58% of oil volumes at \$98.82/Bbl.
- Assumptions for unhedged production:
  - NYMEX gas price \$3.25 to \$4.25/MMBtu
  - NYMEX oil price \$90 to \$100/Bbl
  - Rockies gas basis: \$0.15 to \$0.10/MMBtu
  - Midcontinent gas basis: \$0.20 to \$0.15/MMBtu

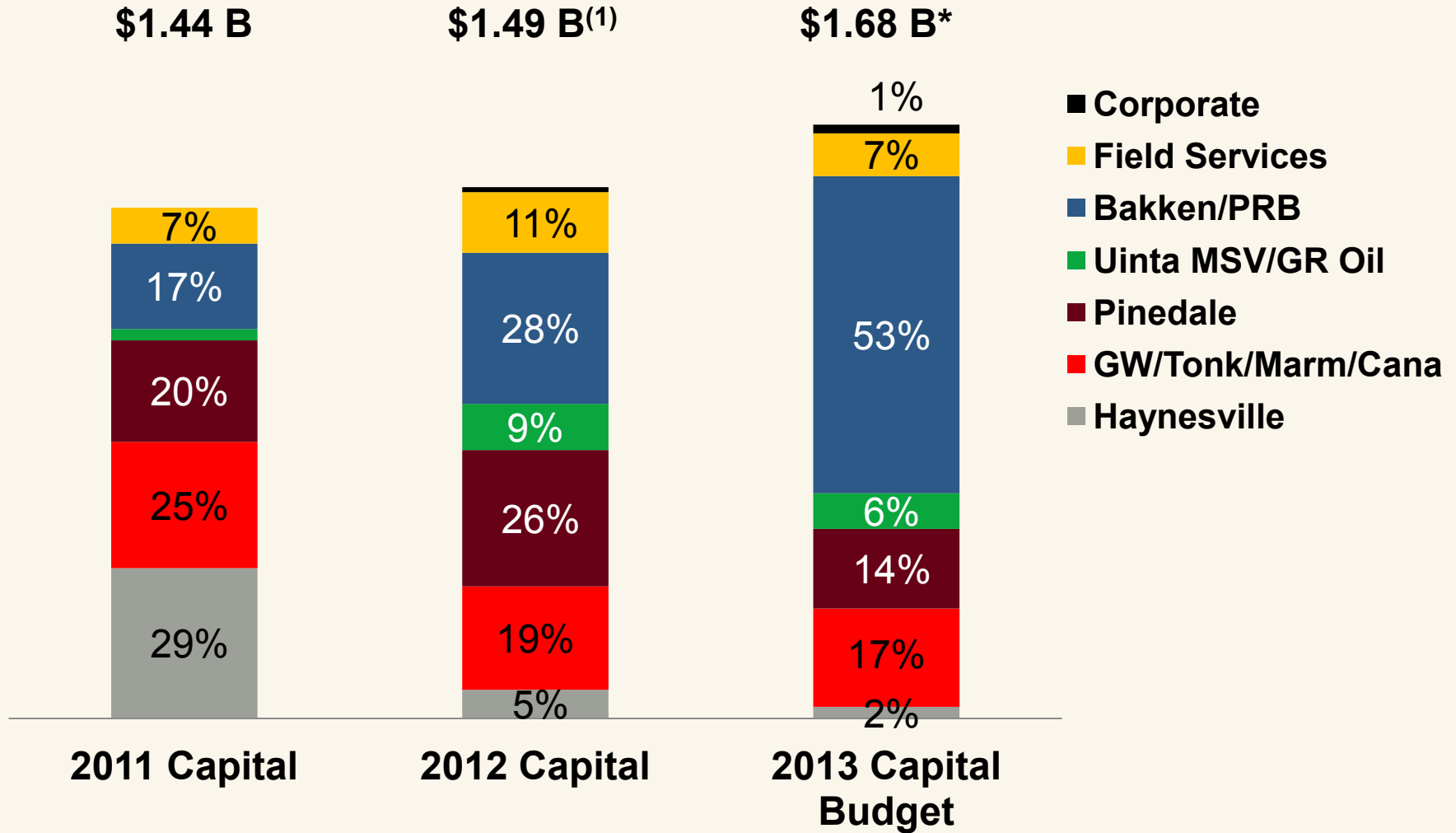
## Adjusted EBITDA (\$MM/yr)



**\*Guidance midpoint**  
(as of February 19, 2013)



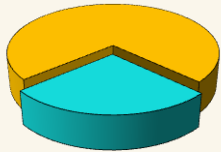
# A diversified portfolio allows flexibility in development capital allocation



# QEP is active in several of North America's most economic resource plays

**2012 Reserves\***  
**3,936 Bcfe**

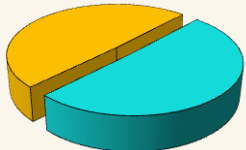
Northern: 2,876 Bcfe






Southern: 1,060 Bcfe

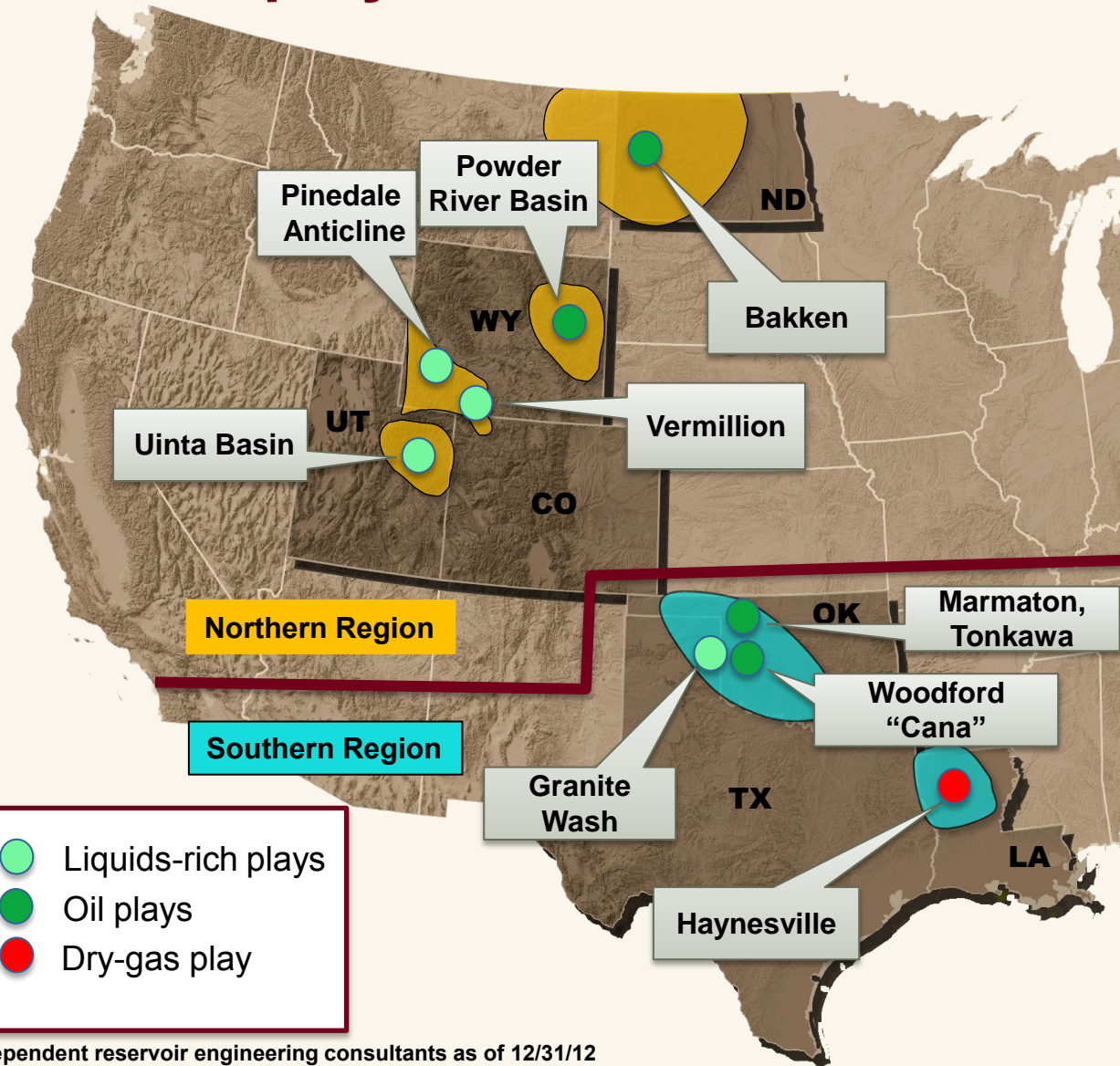
**2012 Production**  
**872 MMcfepd**

Northern: 431 MMcfepd



Southern: 442 MMcfepd

-  Liquids-rich plays
-  Oil plays
-  Dry-gas play

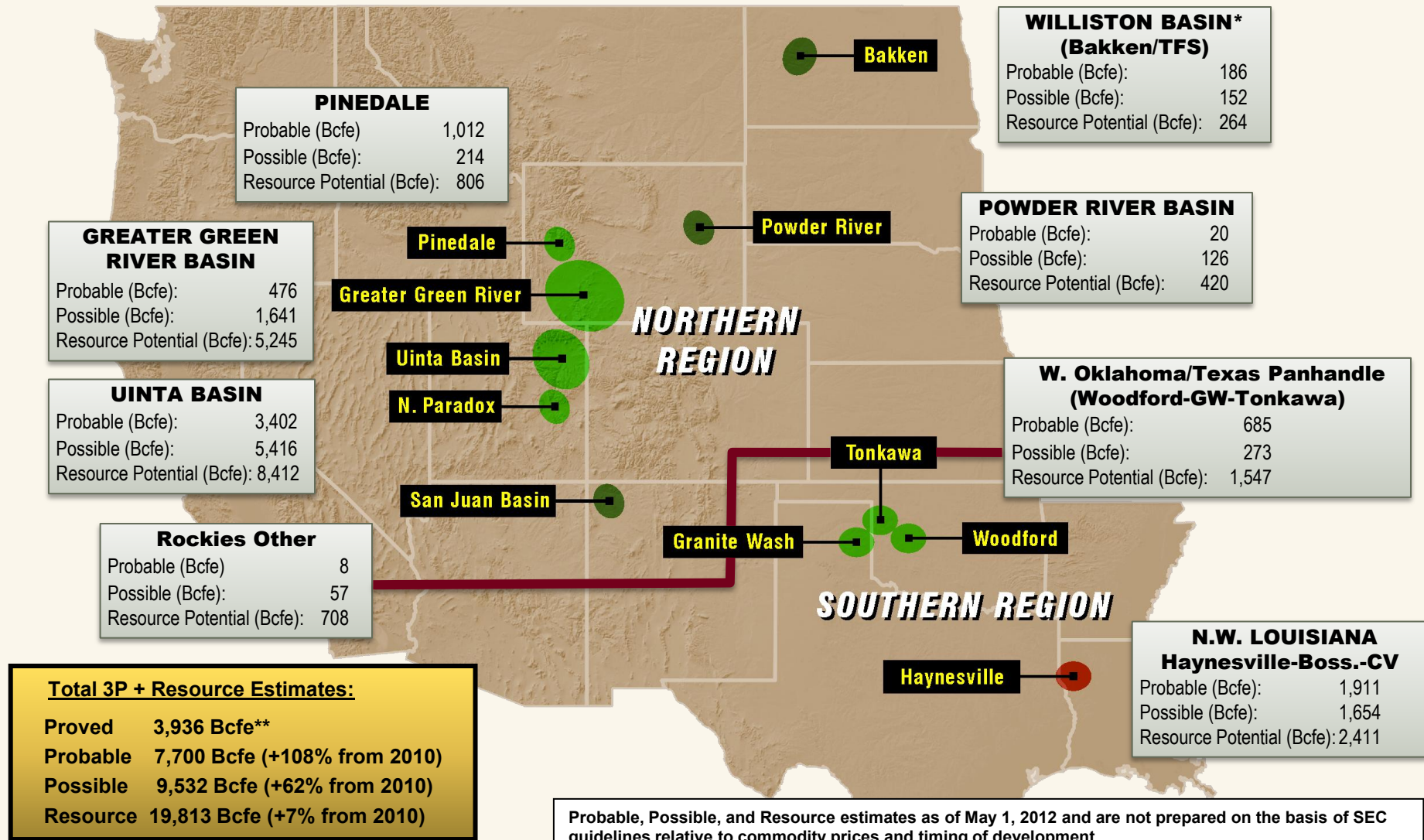


\* Proved reserves prepared by independent reservoir engineering consultants as of 12/31/12



The Resource Growth Company ♦ NYSE: QEP

# A deep, high quality inventory of non-proved reserves and resource potential to propel future organic growth



# QEP is in some of the most economic resource plays in North America

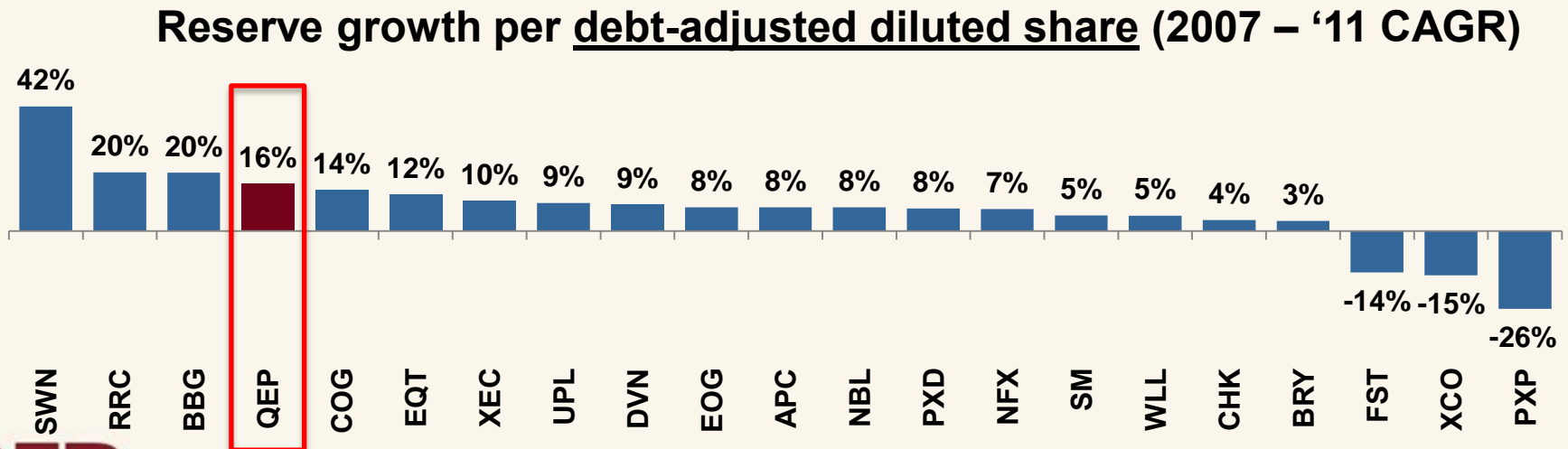
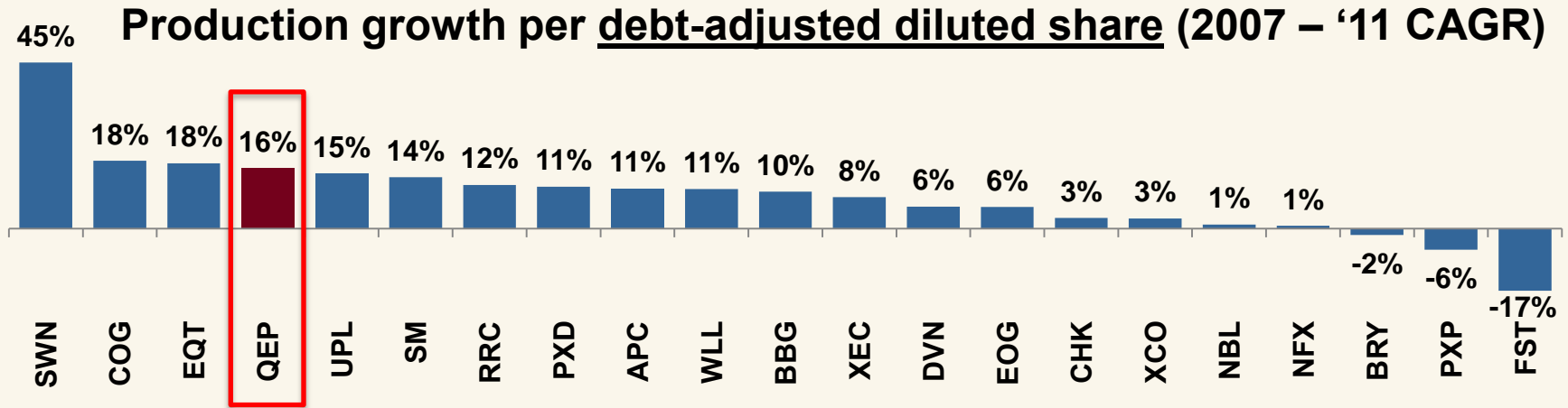
Play	Gross Remaining Locations (as of Dec. 2012)	Avg. Working Interest	Avg. Gross EUR (Bcfe/well)	Net Finding Cost (\$/Mcfe)	NYMEX Price 10% BTAX ROR**
Pinedale	900	60%	4.6	\$1.06	\$2.05
Bakken + Three Forks					
Reservation	450	77%	640*	\$24.40*	\$73.50
So. Antelope	301	49%	920*	\$14.80*	\$43.00
Uinta Red Wash	3,200 (10-ac)				
Lower MV	1,600 (20-ac)	100%	2.1	\$1.26	\$2.26
Woodford "Cana"	3,268	20%	5.5	\$1.64	\$2.54
Haynesville	1,000	37%	6.0	\$2.01	\$3.93

\* Bakken/Three Forks in Mbo or \$/Boe

\*\* Assumes \$85/Bbl WTI oil price



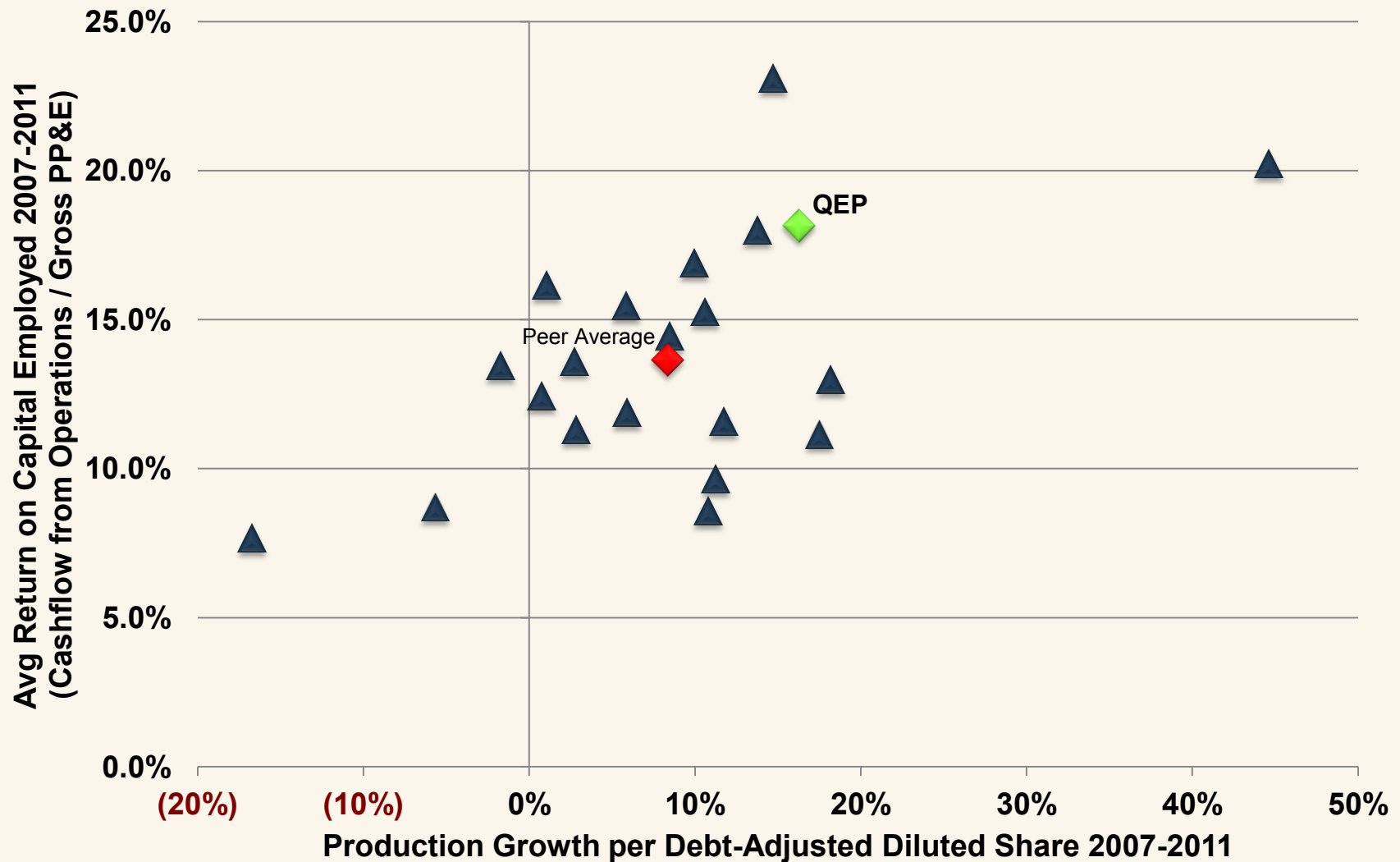
# QEP is an industry leader in debt-adjusted per share production and reserve growth



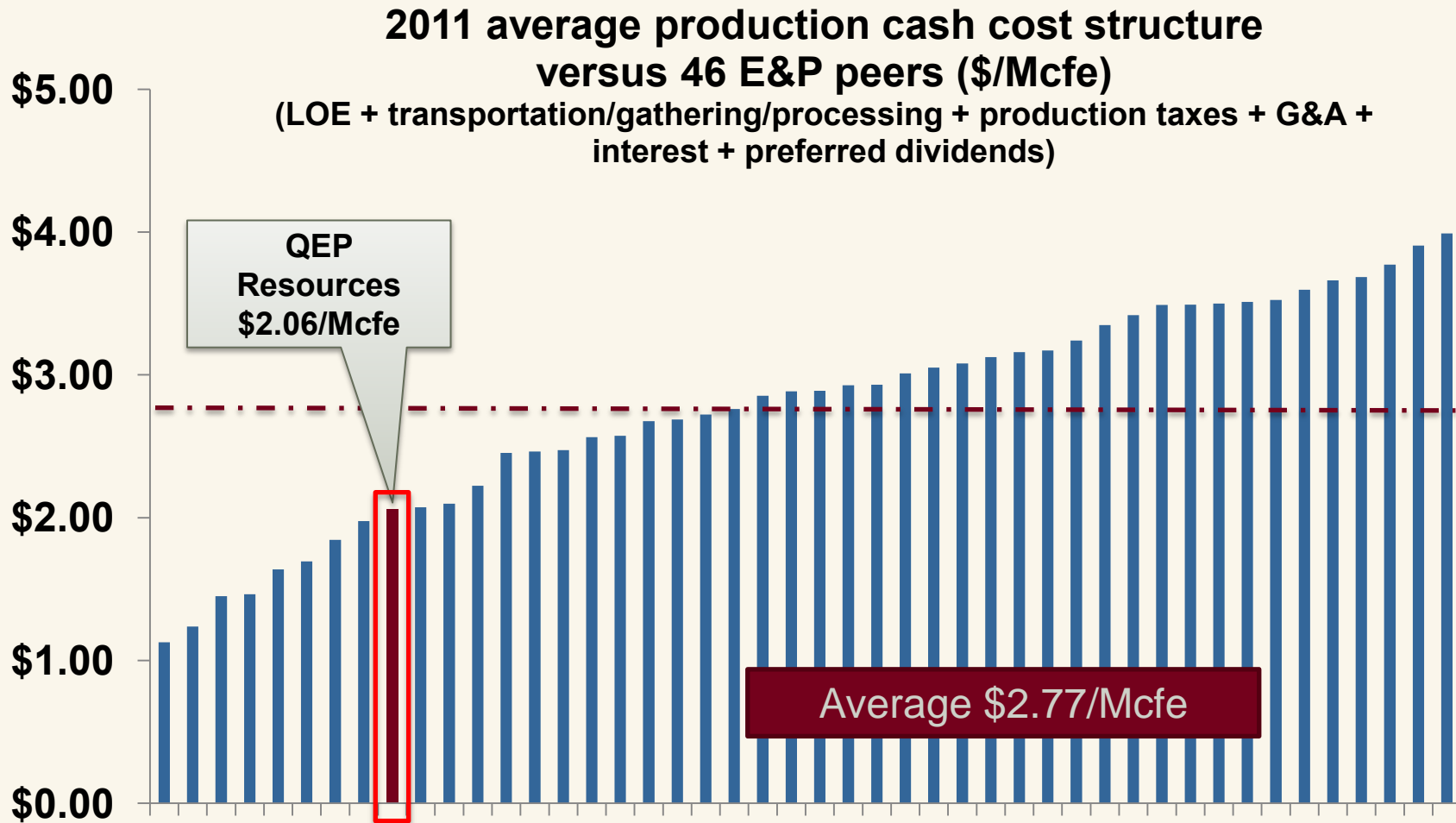
Source: QEP Resources, Enercom & ThomsonReuters Mar 2012

The Resource Growth Company ♦ NYSE: QEP

# Strong production growth while maintaining high return on capital



# Our low cost structure is a competitive advantage

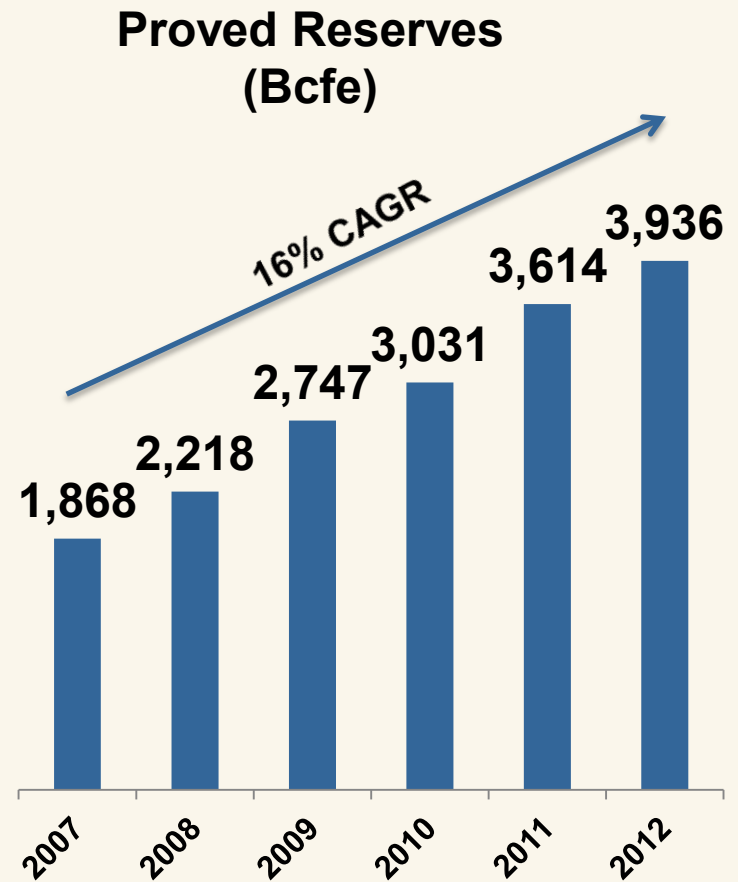
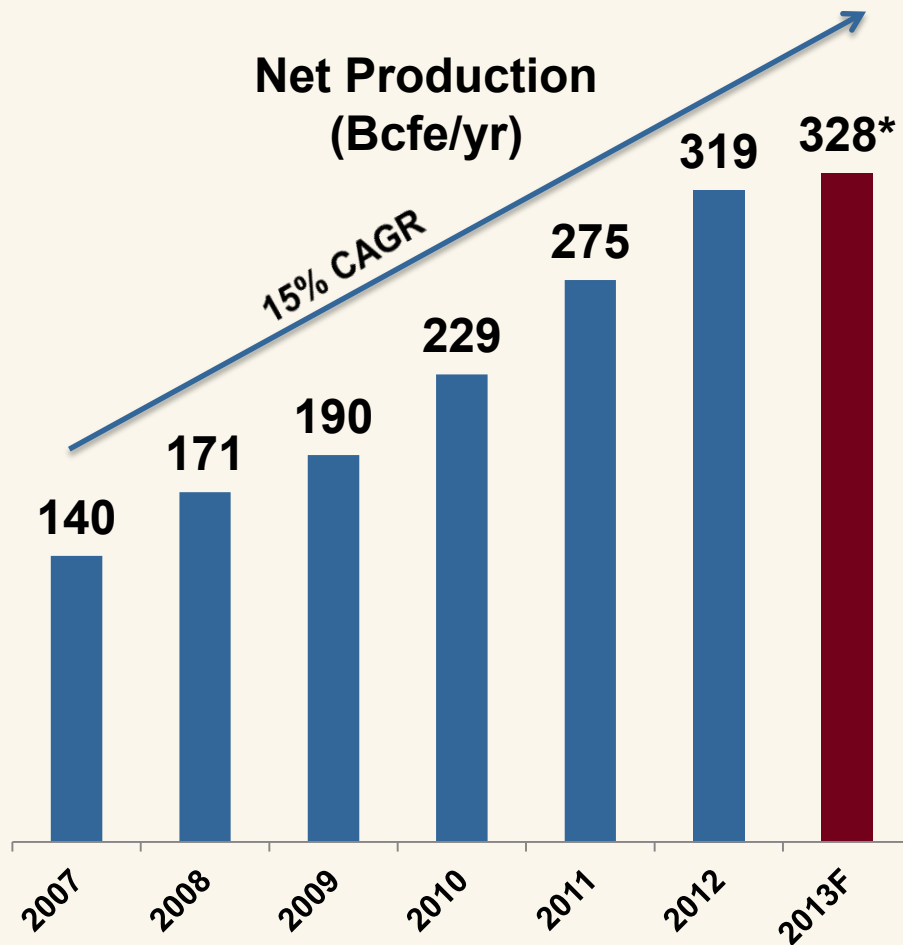


Source: Company data and Howard Weil, March 2012; includes allocated capitalized interest & G&A



The Resource Growth Company ♦ NYSE: QEP

# QEP has a track record of strong production and reserve growth

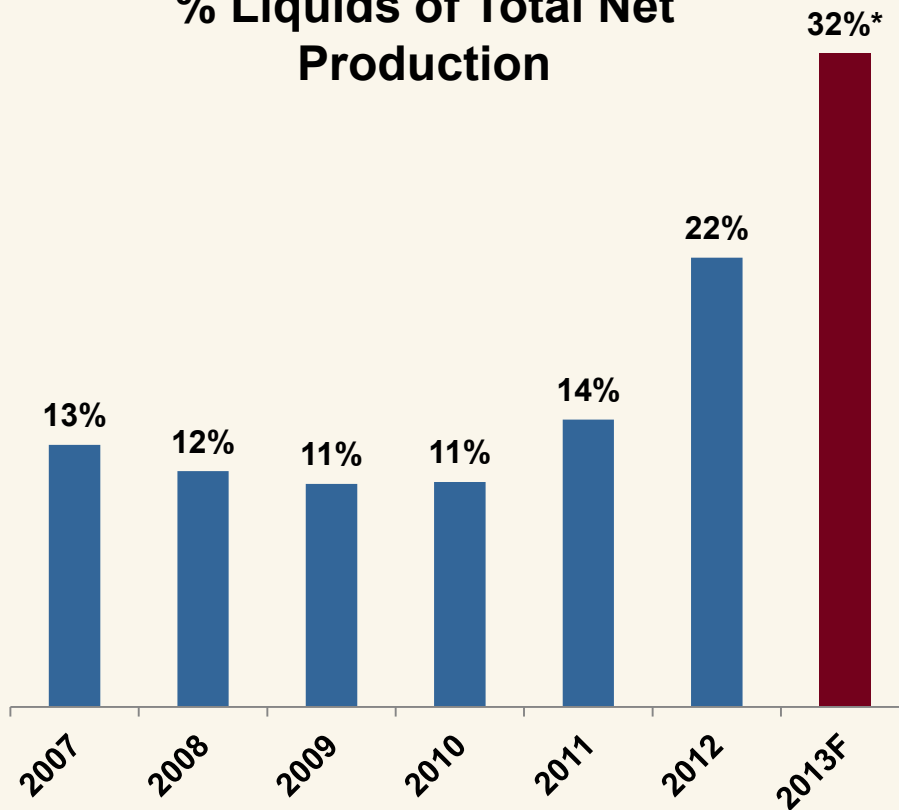


\* Guidance midpoint  
(as of February 19, 2013)

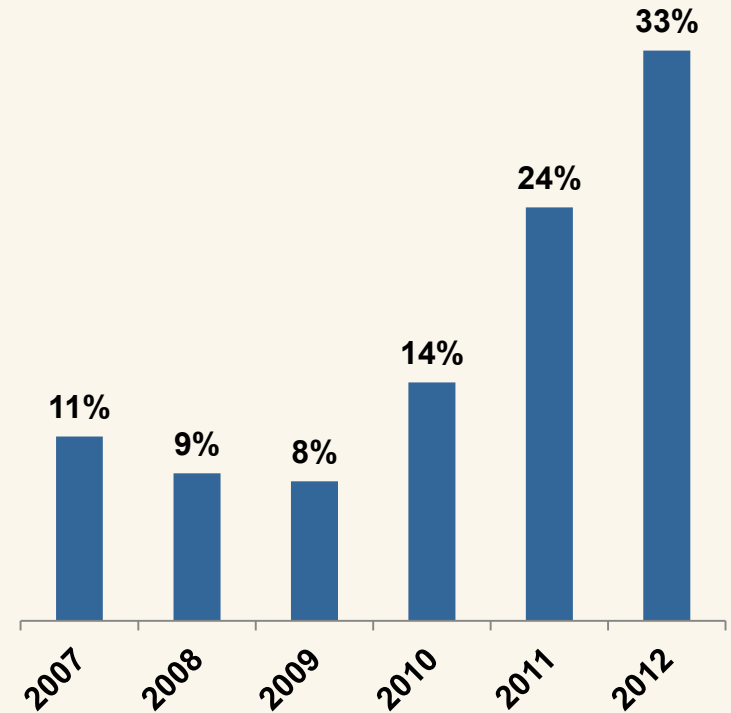


# Capital allocation decisions to maximize economic returns are changing QEP's portfolio mix

**% Liquids of Total Net Production**



**% Liquids of Total Proved Reserves**

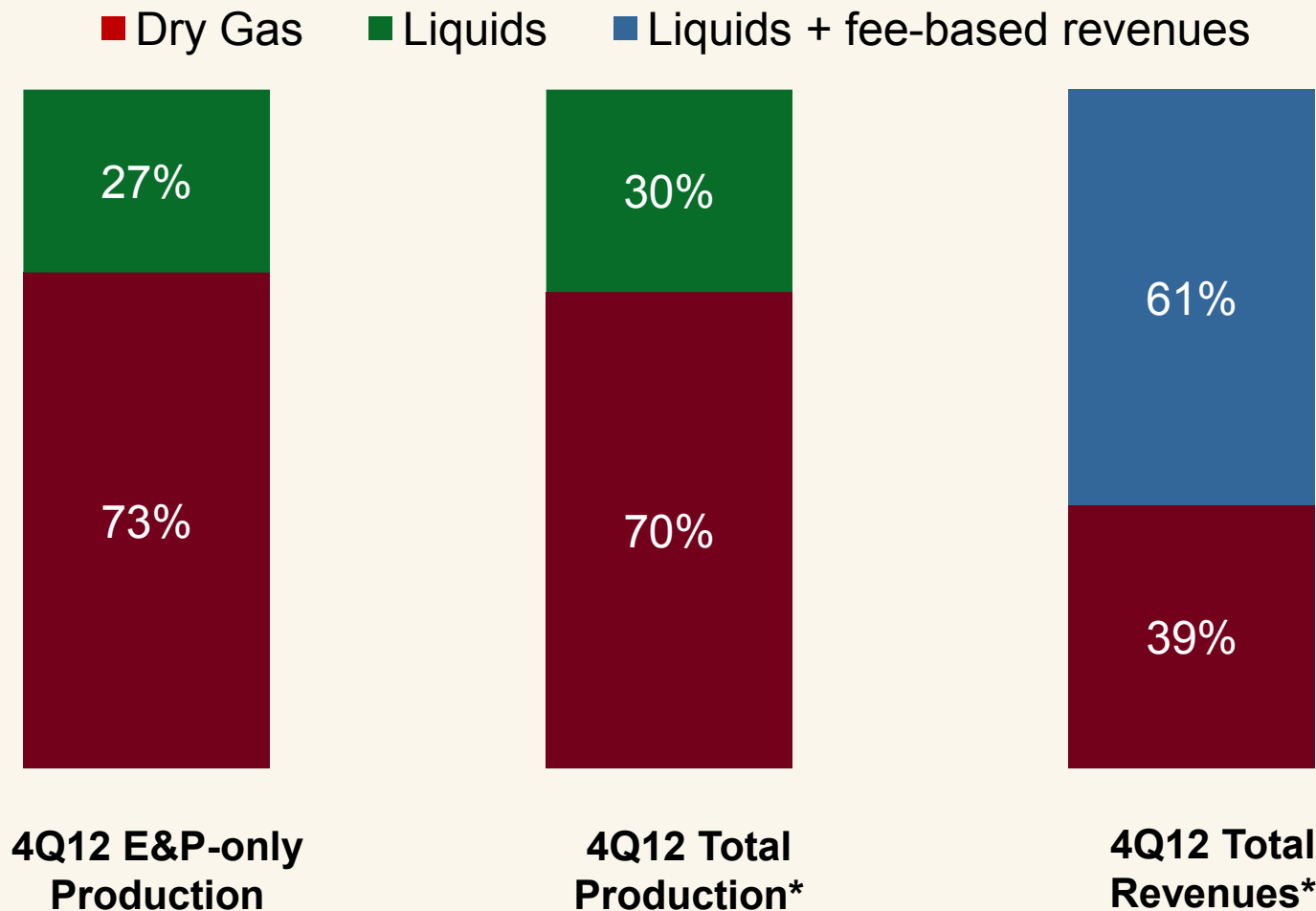


**\*Guidance midpoint**  
(as of February 19, 2013)



The Resource Growth Company ♦ NYSE: QEP

# Liquids are a growing component of QEP's total value proposition

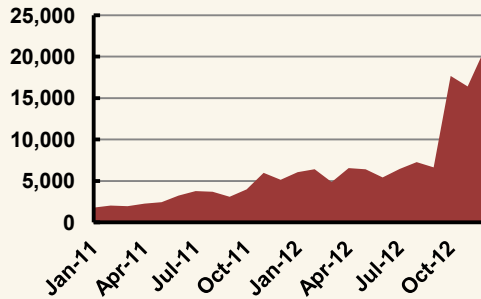


\* E&P + Midstream

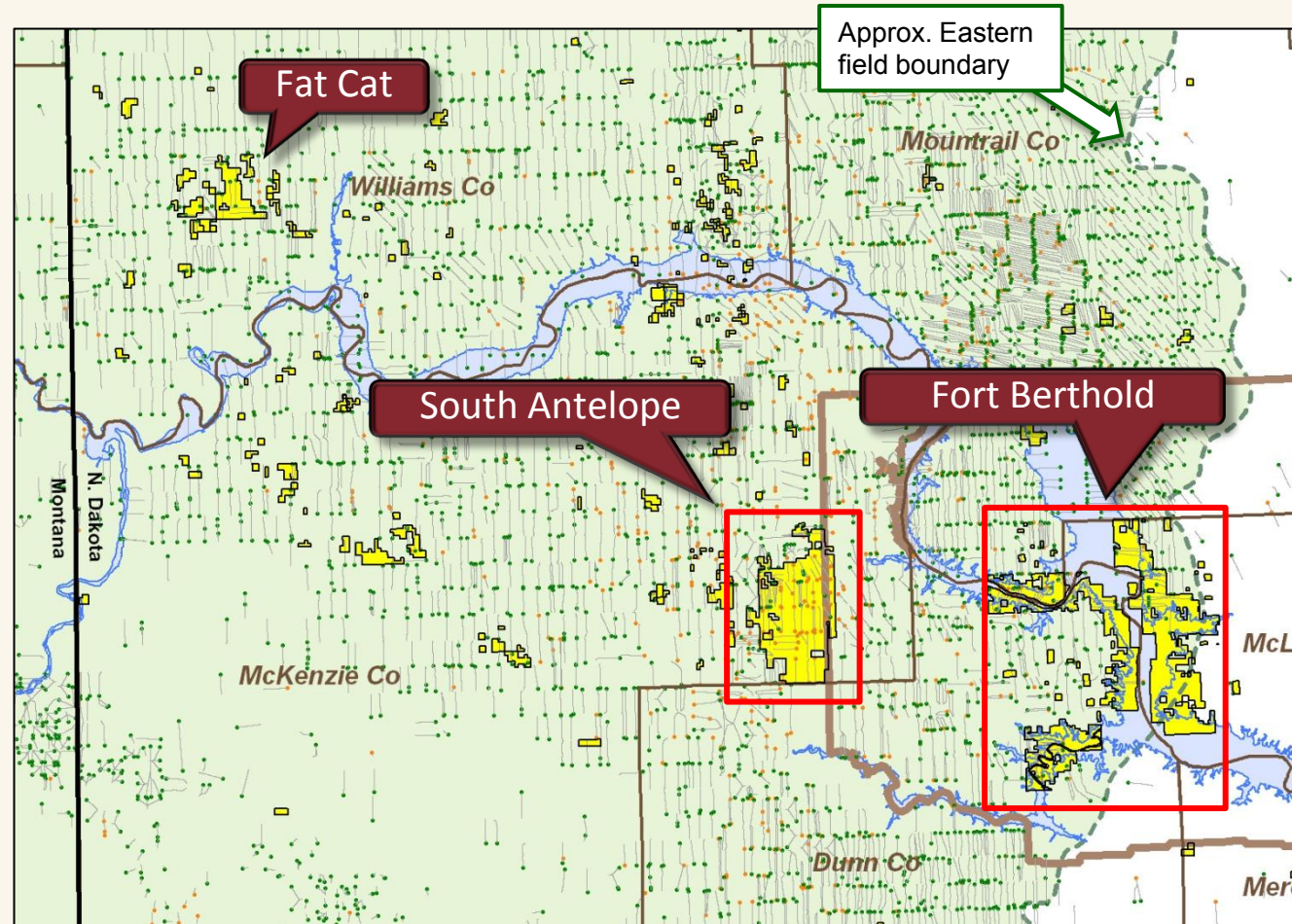


# QEP has 117,000 net acres in the Williston Basin

QEP net production  
(Boepd)



SYS	FORMATION	
MISS	MADISON GROUP	CHARLES
		MISSION CANYON
		LODGEPOLE
DEVONIAN		BAKKEN
		THREE FORKS
		BIRDBEAR (NISKU)
		DUPEROW
		SOURIS RIVER
		DAWSON BAY
		PRAIRIE EVAPORITE
		WINNIPEGOSIS
		ASHERN



- Bakken Formation wells
- Three Forks Formation wells
- Operated focus area
- QEP leasehold

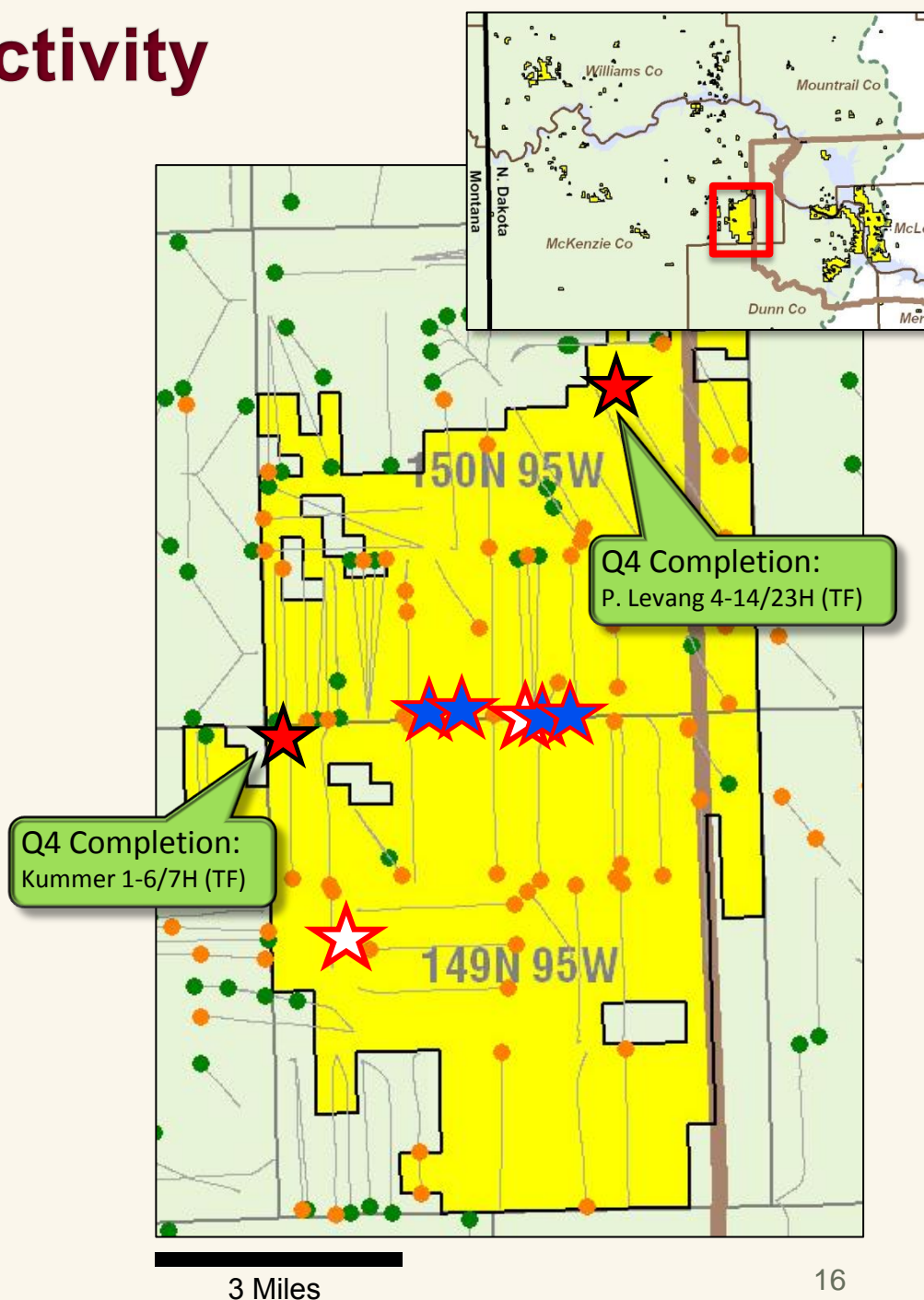
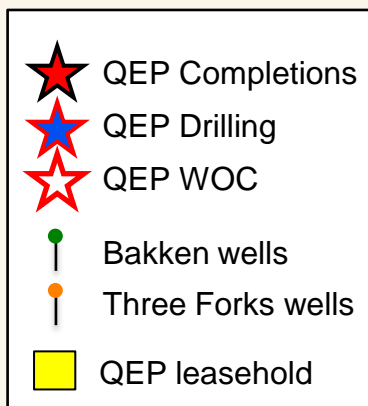
20 Miles



# South Antelope area activity

- Number of operated wells as of YE 2012:
  - 30 Three Forks (TF)
  - 3 Dual Bakken/Three Forks
- 5,000 to 12,500-ft laterals
- \$11 MM (long lateral) well costs
- Proved reserves of 55 MMBoe\*
- Probable reserves of 70 MMBoe\*
- 95 Bakken/Three Forks PUD locations\*
- Average EUR of 1,160 MBoe/well for Bakken long laterals post 1/1/2010
- Average EUR of 990 MBoe/well for TFS long laterals post 1/1/2010

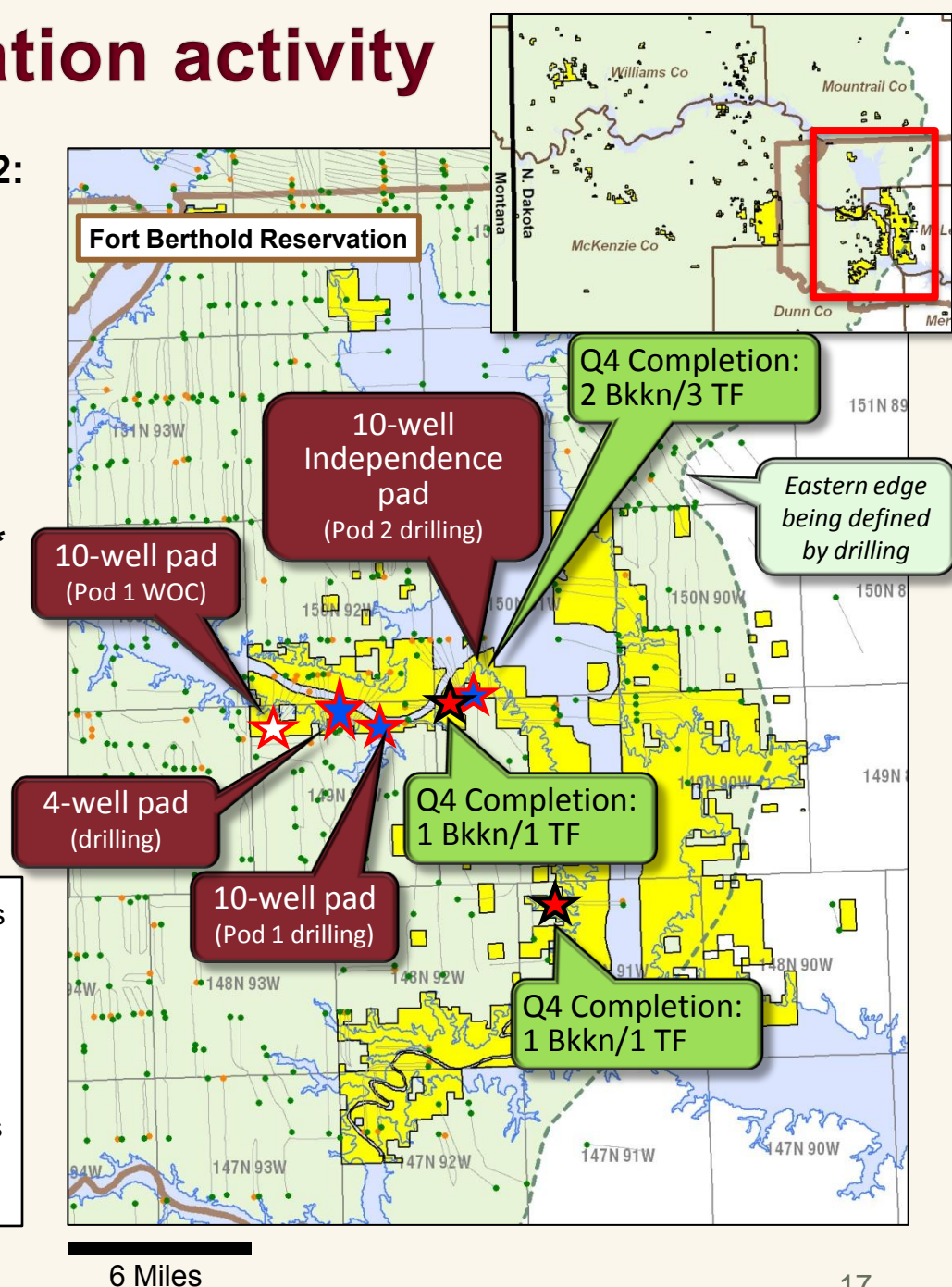
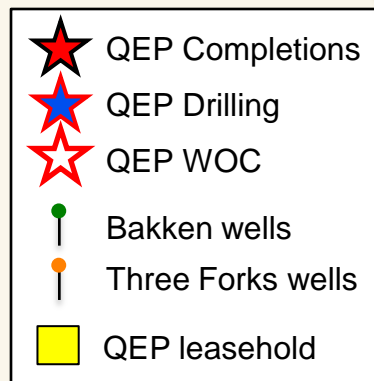
\* As of December 31, 2012



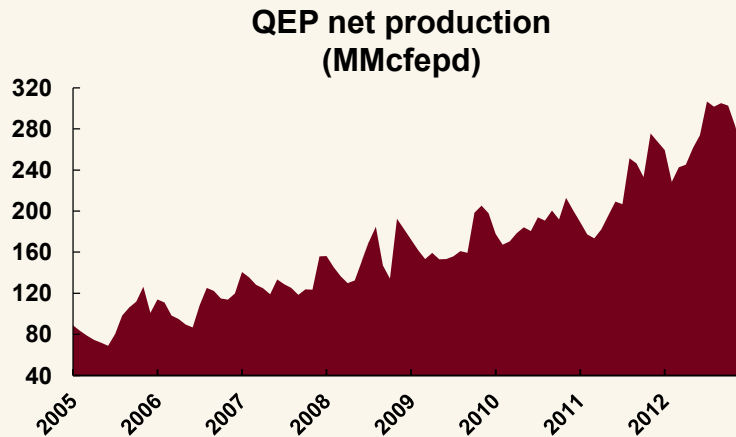
# Fort Berthold Reservation activity

- Number of operated wells as of YE 2012:
  - 38 Bakken (Bkkn)
  - 13 Three Forks (TF)
- 5,000 to 12,500-ft laterals
- \$11 MM (long lateral) well costs
- Proved reserves of 45 MMBoe\*
- 111 Bakken/Three Forks PUD locations\*
- EUR 300 to 900 MBoe/well (avg. 640 MBoe/well) (Three Forks and Bakken)

\* As of December 31, 2012



# Up to 900 remaining locations at Pinedale

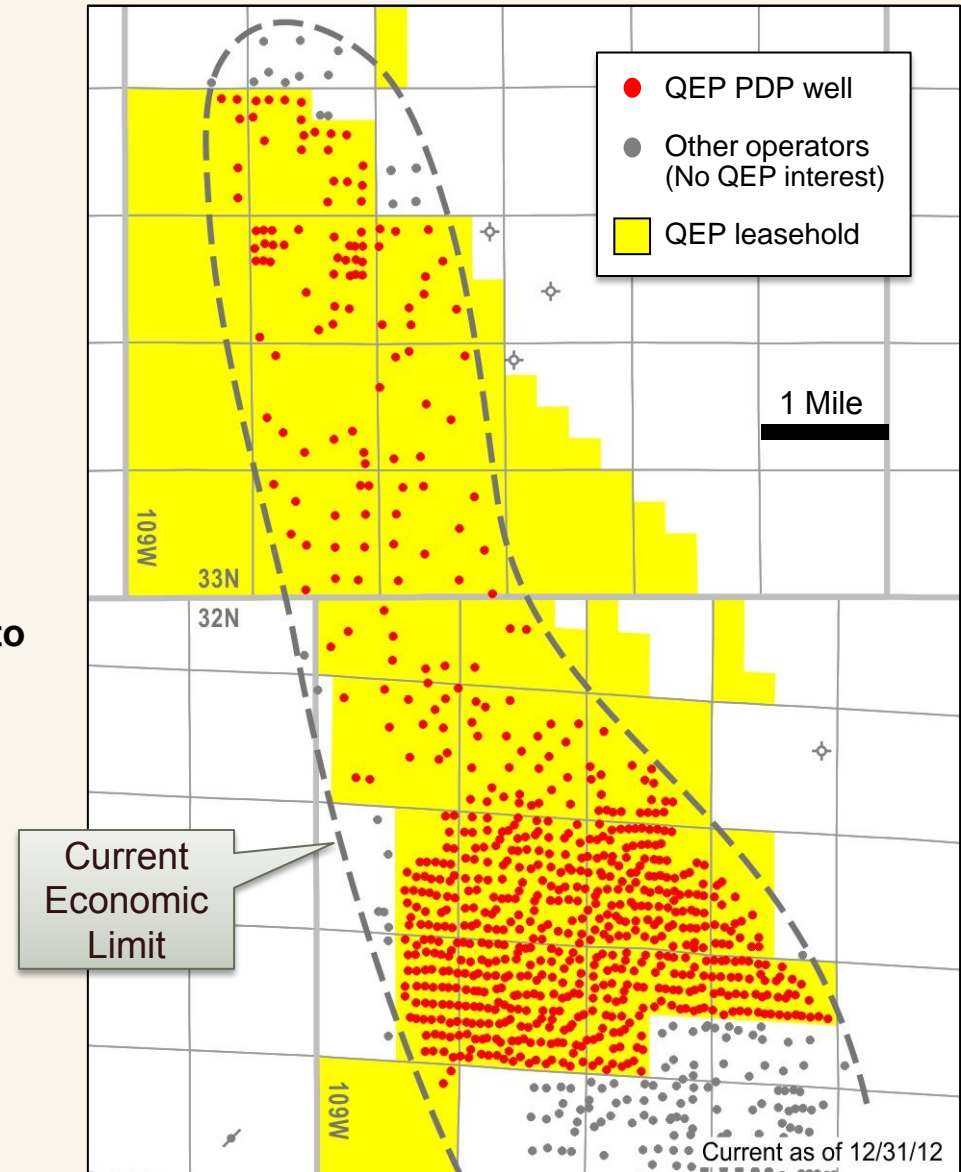


- Proved reserves 1.53 Tcfe\*
  - 452 PUD locations on a combination of 5 to 10-acre density \*
- Up to 900 remaining locations
- 102 well completions in 2012
- 110 new completions planned for 2013
- \$4.2 MM average well cost

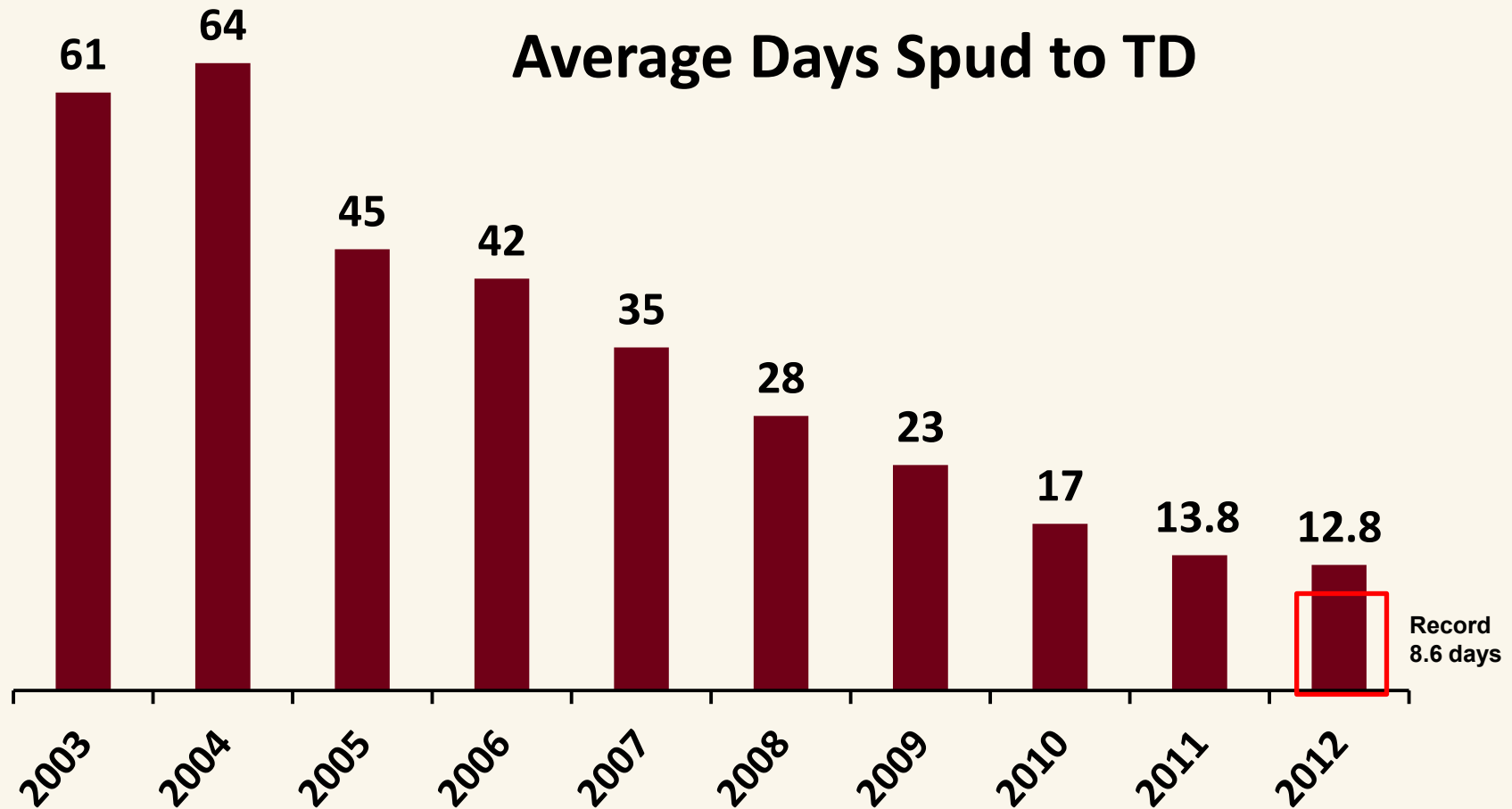
\* As of December 31, 2012



The Resource Growth Company ♦ NYSE: QEP




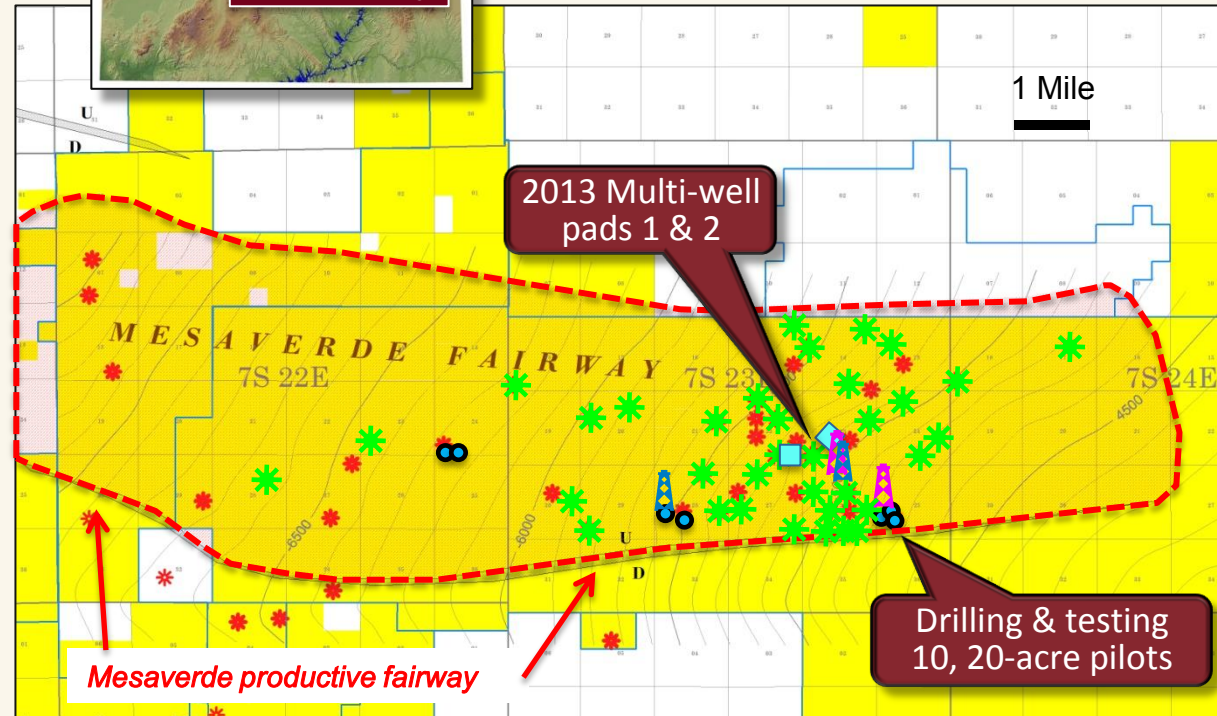
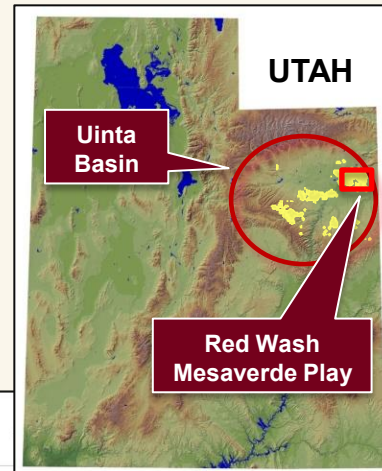
# Pinedale drill times have declined significantly over the past few years










# Up to 3,200 potential locations in the Uinta Basin

## Red Wash Lower Mesaverde play

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



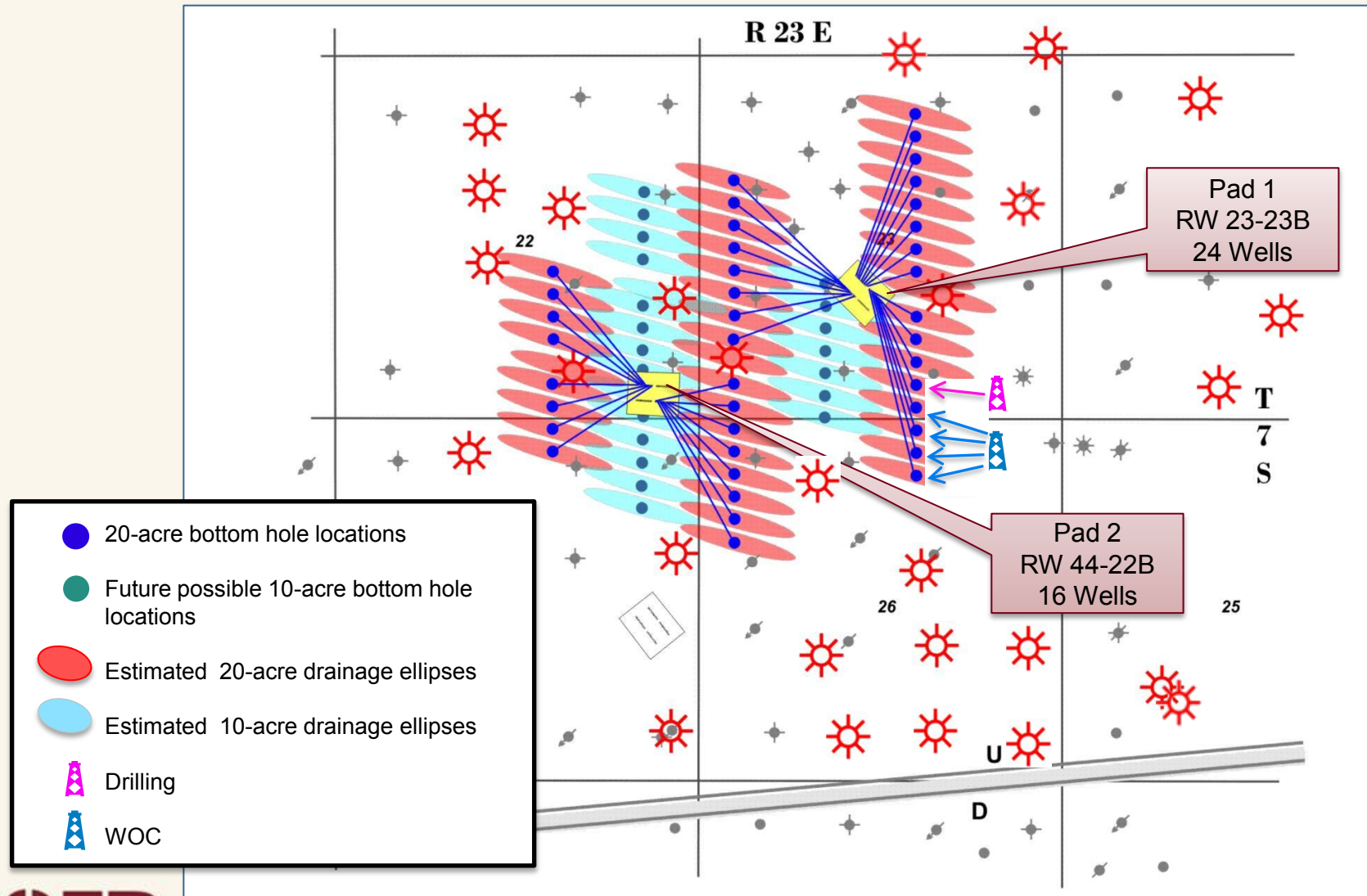
-  Mesaverde wells
-  Project Delineation Wells
-  2013 Pilot Well Location
-  2013 Directional Drilling Pad
-  Drilling
-  WOC
-  QEP leasehold

- Proved reserves of 428 Bcfe\*
  - 225 PUD locations on 40-acre density\*
- Vertical wells average TD of 11,000'
- \$2.3 MM average well cost
- Average EUR 2.3 Bcfe
- 32,300 net acres (86.5% NRI)

\* As of December 31, 2012

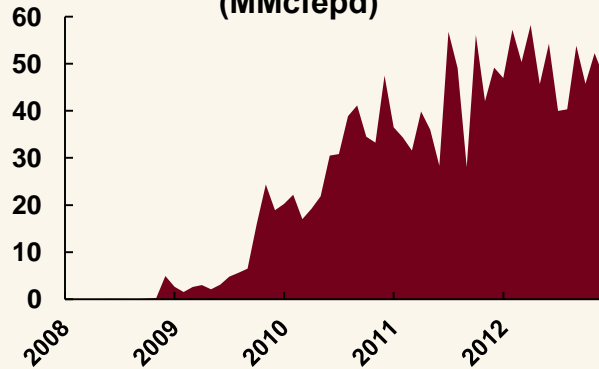


# QEP began pad drilling in the Uinta Basin Lower Mesaverde Play in November of 2012



# Woodford "Cana" economics include significant value from liquids across most of our 76,000 net acres

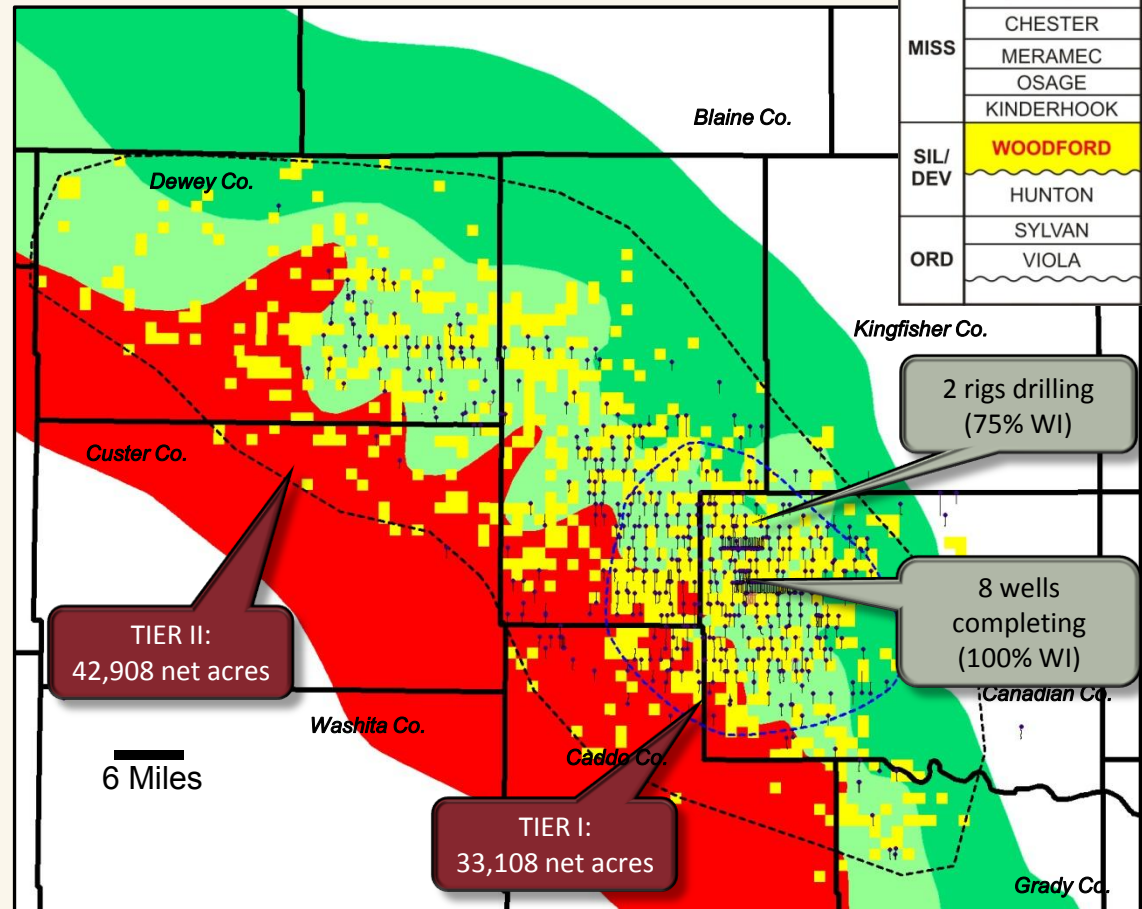
QEP net production (MMcfe/d)



- Proved reserves 337 Bcfe\*
  - 156 PUD locations\*
- 3,268 additional potential locations (including 1,904 in Tier 1)
- 20% average working interest in Tier I lands
- \$8 MM average well cost
- Anticipate 16 QEP-operated new well completions in the first half of 2013
  - EUR 6 to 8 Bcfe/well
- Significant NGL (25 to 130 bbls/MMcf)

\* As of December 31, 2012

The Resource Growth Company ♦ NYSE: QEP



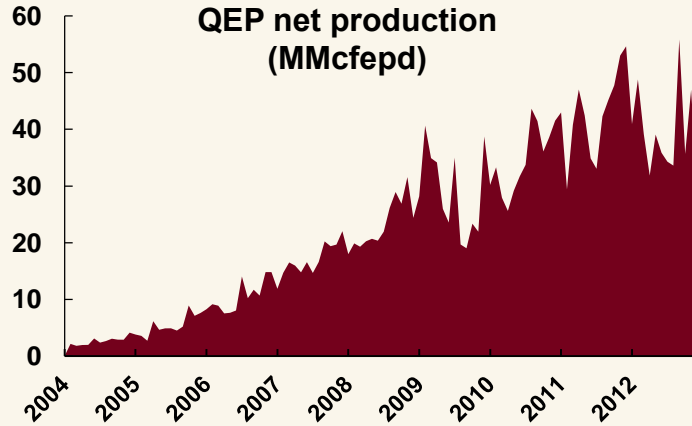
SYS	GROUP
MISS	SPRINGER
	CHESTER
	MERAMEC
	OSAGE
	KINDERHOOK
SIL/DEV	<b>WOODFORD</b>
ORD	HUNTON
	SYLVAN
	VIOLA

## Value Driver:

- Predominately condensate and NGL  
16% of QEP net acres
- Significant condensate and NGL  
54% of QEP net acres
- Dry gas  
30% of QEP net acres

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

# QEP has 21,000 net acres in the Granite Wash play in the Texas Panhandle



- \$7 MM average operated well costs
- EUR 500 MBoe to 1,200 MBoe/well

After processing peak daily production rates for outside-operated wells completed in Q4:

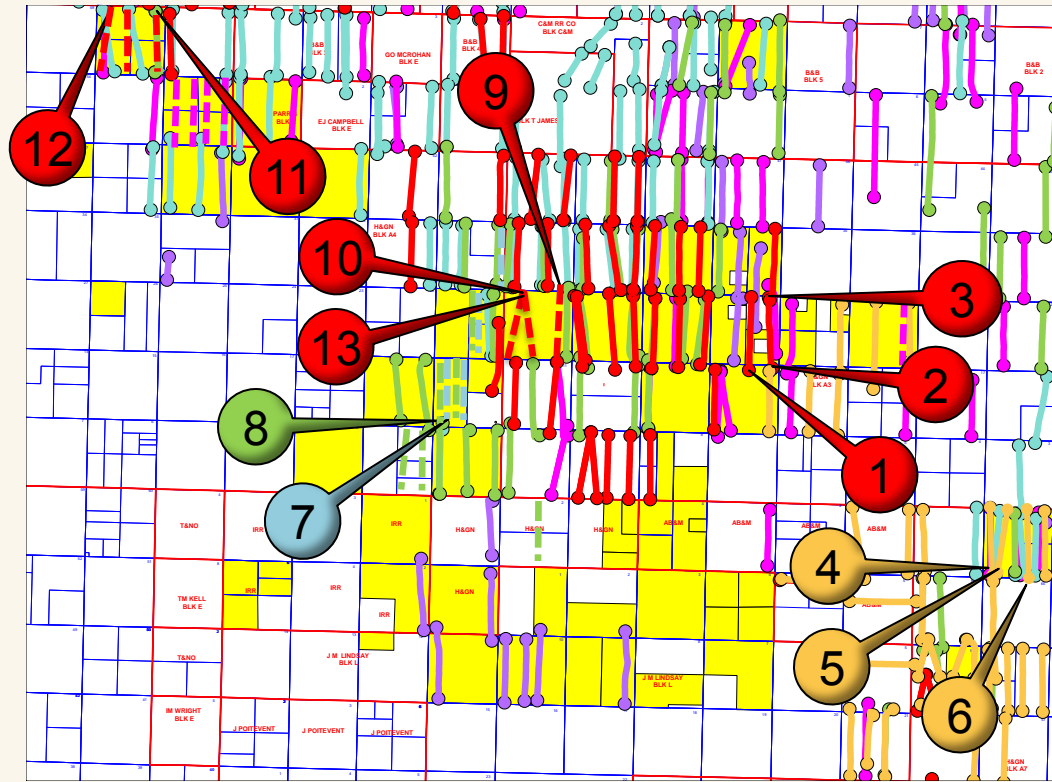
1.	505 BOPD	96 BNGLPD	580 MCFPD	(1.5% WI)
2.	314 BOPD	61 BNGLPD	366 MCFPD	(1.6% WI)
3.	488 BOPD	4 BNGLPD	24 MCFPD	(1.5% WI)
4.	802 BOPD	11 BNGLPD	590 MCFPD	(1.3% WI)
5.	349 BOPD	3 BNGLPD	179 MCFPD	(1.4% WI)
6.	1,469 BOPD	8 BNGLPD	444 MCFPD	(1.3% WI)

Operated wells in progress:

7.	Jolly 21 SL 4H	WOC	(59% WI)
8.	Jolly 21 SL 5H	DRILLING	(59% WI)

Select outside-operated wells in progress:

9.	WOC	(12% WI)
10.	WOC	(12% WI)
11.	WOC	(24% WI)
12.	WOC	(24% WI)
13.	DRILLING	(12% WI)

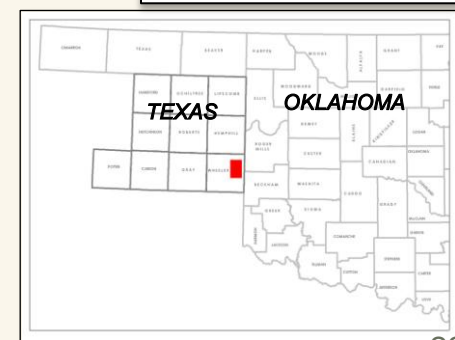


SYS	GROUP	FORMATION
PENNSYLVANIAN	VIRGILIAN	DOUGLAS
	MISSOURIAN	LANSING ★
		HOGSHOOTER ★
		KANSAS CITY ★
	DESMOINESIAN	MARMATON ★
		CALDWELL ★
		CHEROKEE ★
		GRANITE WASH A-F ★
	ATOKAN	ATOKA
	MORROWAN	MORROW
	SPRINGERAN	SPRINGER

★ High Oil Yield

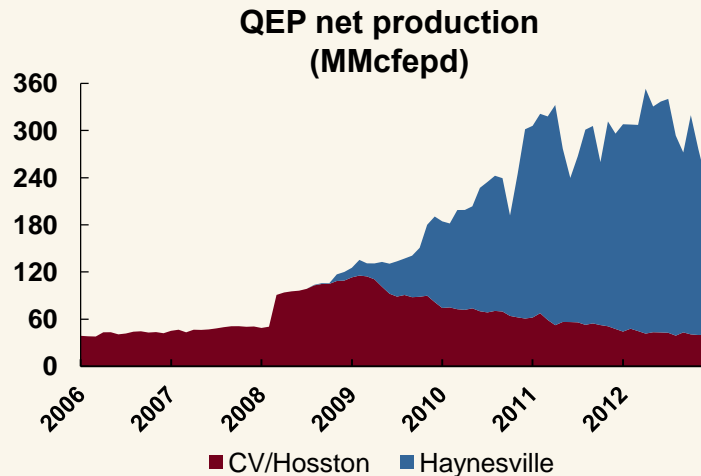
1 Mile

QEP leasehold



The Resource Growth Company ♦ NYSE: QEP

# 50,700 net acres in the core of the Haynesville Shale play



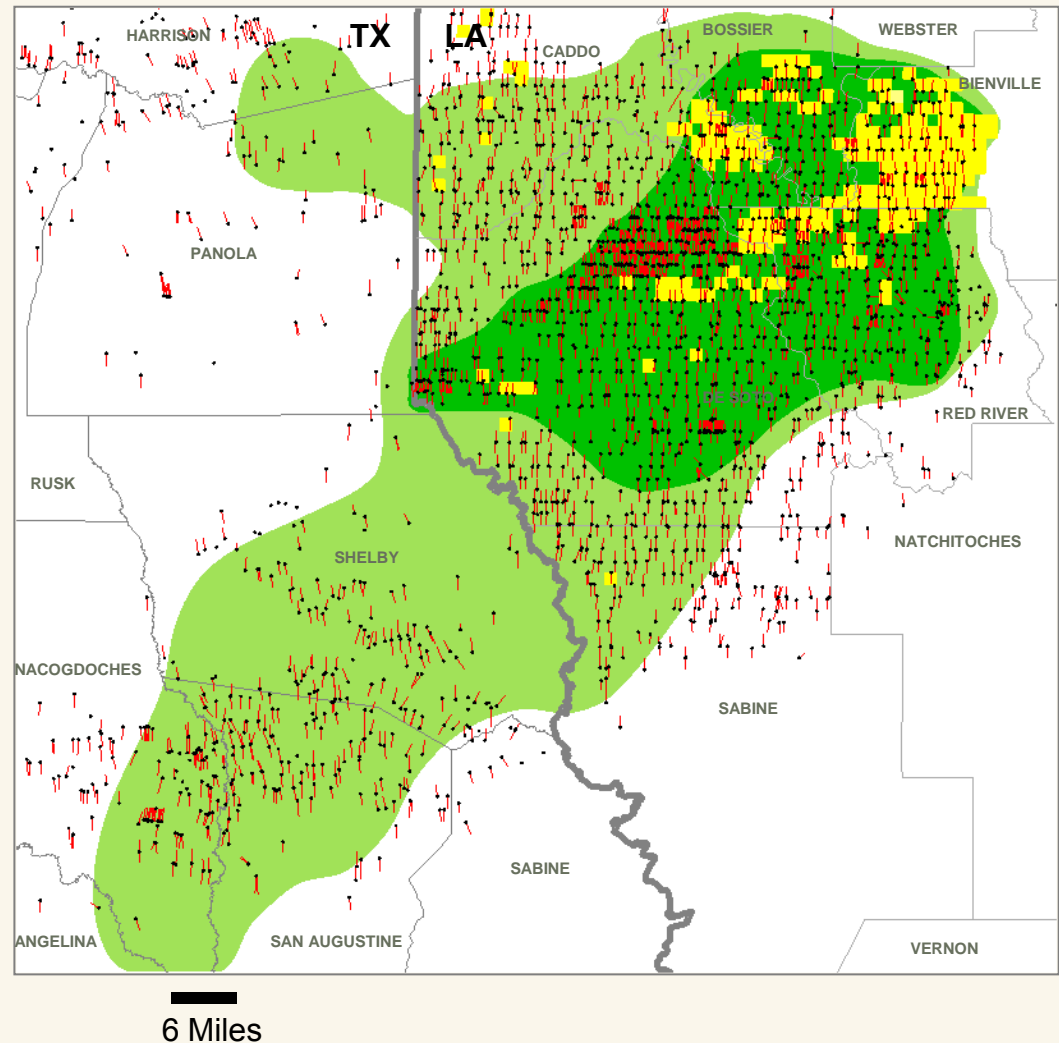
- **Proved reserves 471 Bcf\***
  - **57 PUD locations\***
- **1,000 additional potential locations on 80-acre density**
- **\$9 MM average well cost**
- **Average EUR 6 to 8 Bcf/well**

\*As of December 31, 2012  
Haynesville only

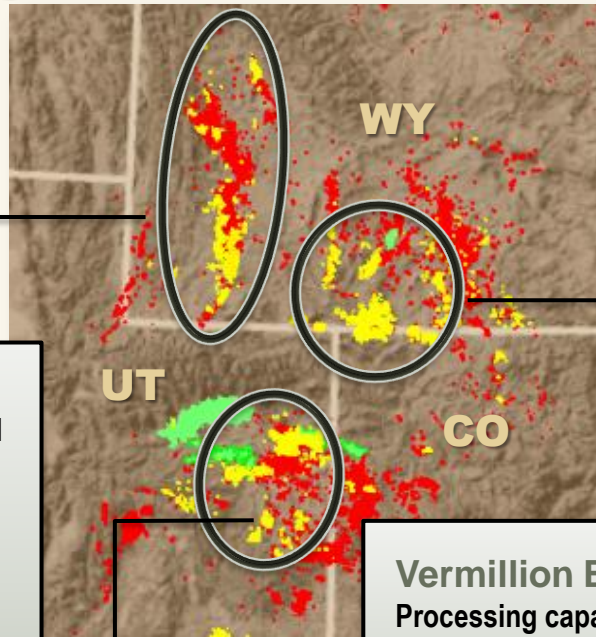


The Resource Growth Company ♦ NYSE: QEP

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



# Field Services assets are concentrated in QEP producing areas



## W. Green River Basin

Processing capacity: 840 MMcfpd  
Gathering: 886 miles  
Rendezvous transmission: 21 miles  
Interstate pipeline connections: 6

The Blacks Fork 10,000 Bpd fractionator expansion online mid-2013

## NW Louisiana

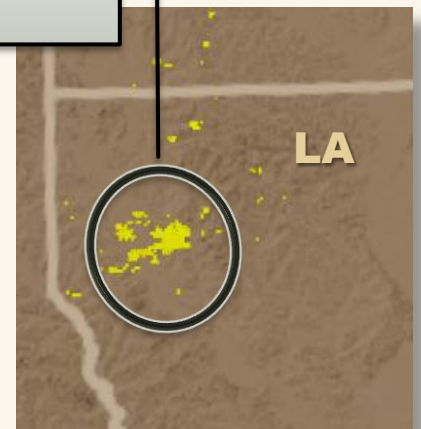
CO<sub>2</sub> treating / blending capacity: 600 MMcfpd  
Gathering: 179 miles  
Interstate pipeline connections: 4

## Vermillion Basin

Processing capacity: 35 MMcfpd  
Gathering: 374 miles  
Interstate pipeline connections: 1

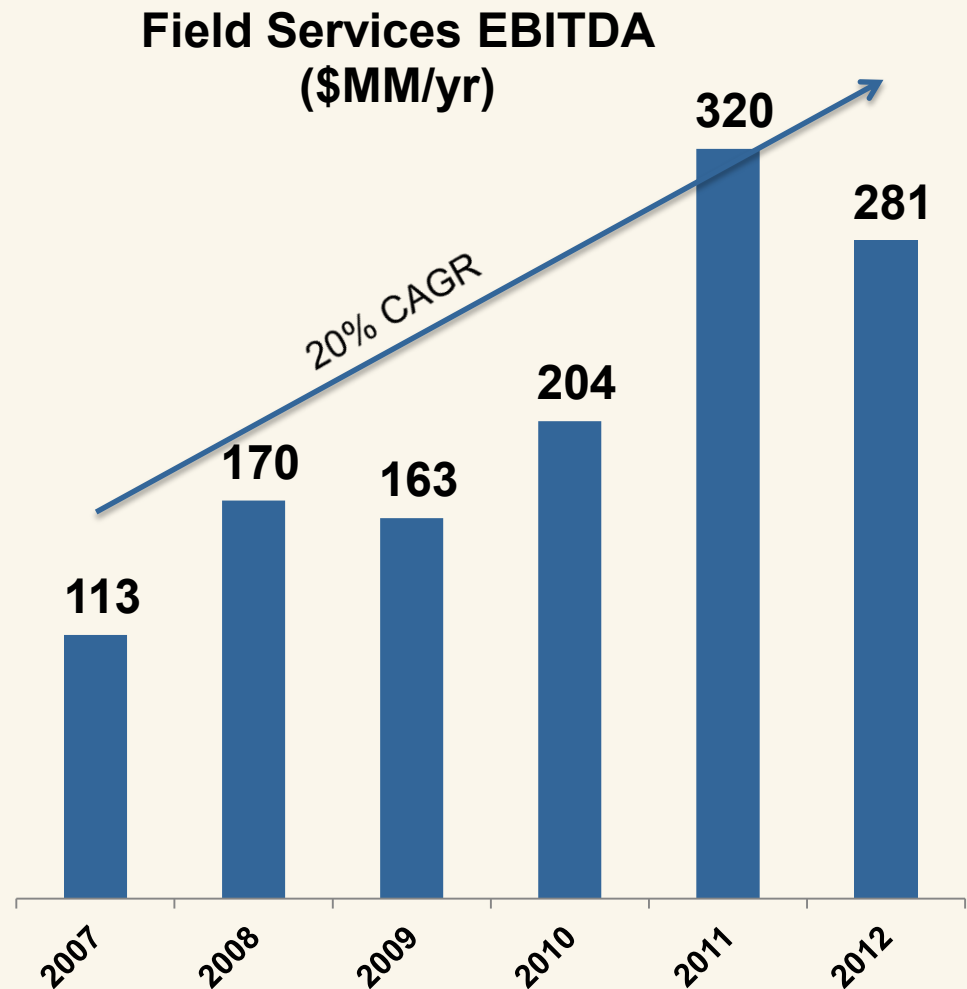
## Uinta Basin

Processing capacity: 495 MMcfpd  
Gathering: 779 miles  
Interstate pipeline connections: 4  
Iron Horse II 150 MMcfpd cryogenic processing plant online February 2013



# Ownership/control of midstream assets integral to execution and value maximization

- Own and operate gathering, treating, and NGL extraction assets in core QEP producing areas
- Maximizes margins on QEP production
- Iron Horse II processing plant in the Uinta Basin, Utah online February 2013
- Blacks Fork 10,000 Bpd fractionator online mid-2013
- Approximately 81% of QEP Field Services' 4Q12 net operating revenue was derived from fee-based gathering and processing activities



# Why invest in QEP?

- **High-quality assets with a proven execution strategy**
  - Acreage in core of high-quality, repeatable resource plays
  - Concentrated, contiguous QEP-operated land positions
  - Track record as low-cost leader
- **Williston Basin acquisition adds depth to crude oil development inventory**
- **Top-tier debt-adjusted per-share production and reserve growth**
- **Focus on returns on invested capital and profitable growth – we are low-cost developers and producers**
- **Complementary midstream business**
  - Control timing and scope of gathering and processing infrastructure build
  - Adds value downstream of wellhead
  - Large percentage of revenue is fee-based
- **Strong balance sheet**





*The Resource Growth Company*

**QEP Resources, Inc.**

**Appendix**

# Ethane Recovery/Rejection Comparison - Pinedale

	Price per unit <sup>1</sup>	<u>Ethane Recovery</u>		<u>Ethane Rejection</u>	
		Units Produced	Revenue per product <sup>2</sup>	Units Produced	Revenue per product <sup>2</sup>
Natural Gas (Mcf)	\$ 3.75	s 8,527	\$ 31,977	w 8,964	\$ 34,657
Ethane (gal)	\$ 0.25	t 9,032	\$ 2,258	x -	\$ -
Other NGL (gal)	\$ 1.43	u 5,987	\$ 8,536	u 5,987	\$ 8,536
Condensate (Bbl)	\$ 80.00	v 74	\$ 5,899	v 74	\$ 5,899
Total (volumes in Mcfe)		11,115	\$ 48,669	10,262	\$ 49,092
Delta				-7.7%	0.9%

## Assumptions

Production (MMBtu) (gross)	10,000	a
Production (Mcfe) (gross) (b=a÷d)	9,217	b
Condensate Yield (Bbl/MMcf)	8.0	c
Inlet gas BTU content (MMBtu/Mcf)	1.085	d
Residue gas Btu (MMBtu/Mcf recovery)	1.00	e
Residue gas Btu (MMBtu/Mcf rejection)	1.03	f
Plant Shrink (recovery)	7.48%	g
Plant Shrink (rejection)	2.74%	h

## Recovered Gallons per Mcf (GPM)

Ethane	0.9800	i
Other NGL	0.6496	j

<sup>1</sup>Price per unit of natural gas shown in \$/MMBtu.

NGL price based on propane, iso-butane, normal butane and natural gasoline prices of \$0.86, \$1.65, \$1.69 and \$2.42, respectively

$$s=b*(1-g)$$

$$t=b*i$$

$$u=b*j$$

$$v=c*b/1000$$

$$w=b*(1-h)$$

$$x=b*0$$

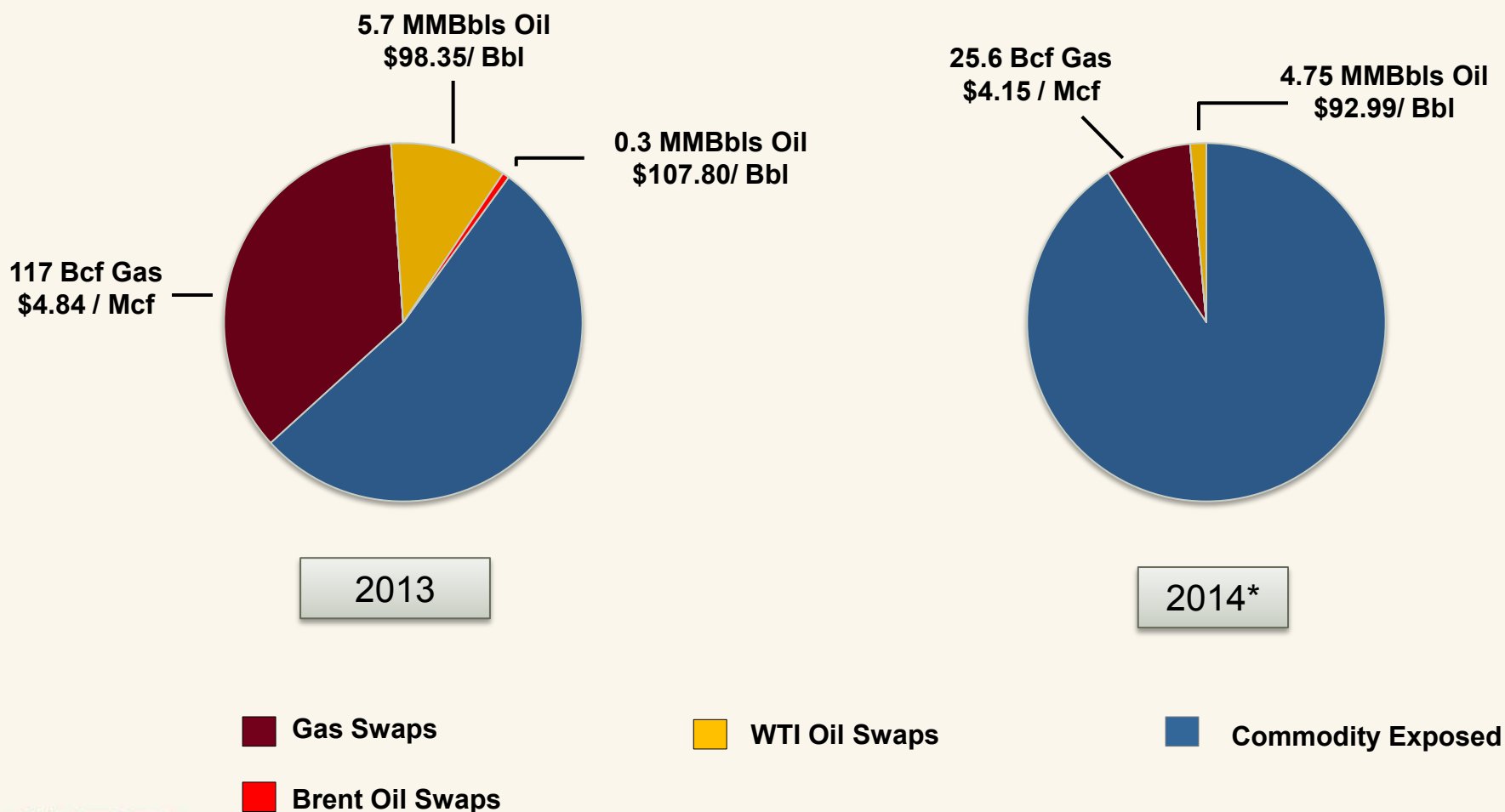
<sup>2</sup>Natural gas revenue = volume\*price per MMBtu\*

Residue gas Btu content

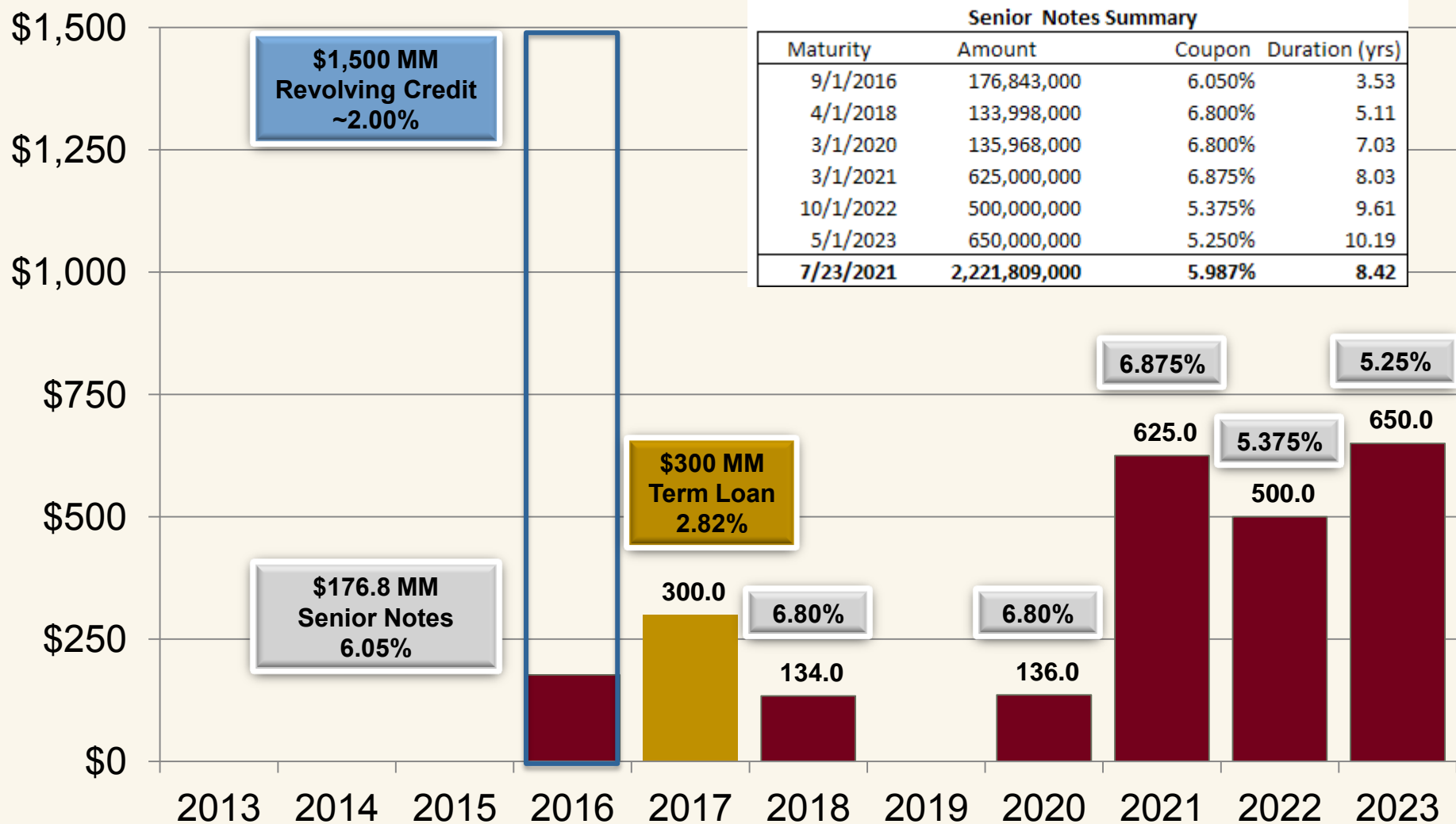


# ~47% of our forecasted production for 2013 is protected by commodity price derivatives

## Gas, oil and NGL derivatives (as of 2/12/13) (prices before deducts)

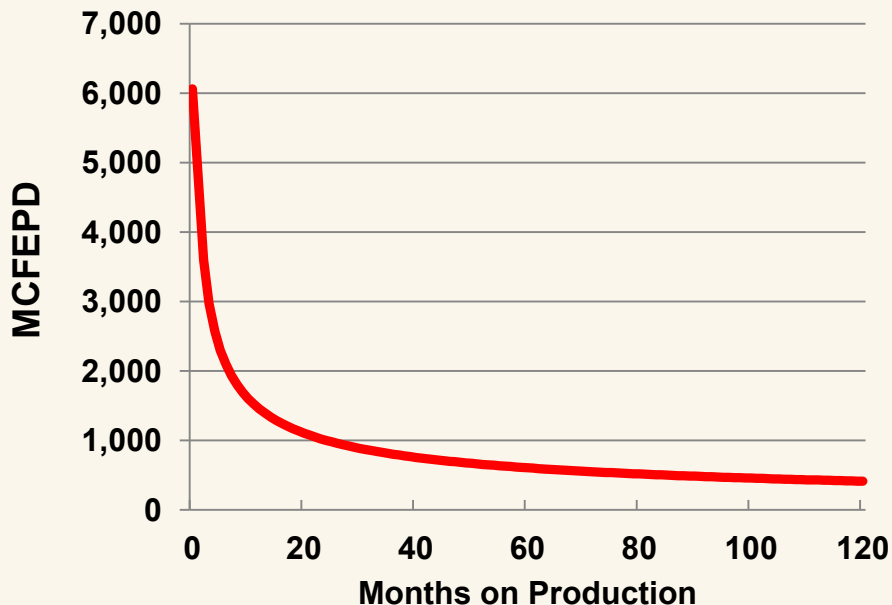


# Debt Maturity Summary (\$ millions)



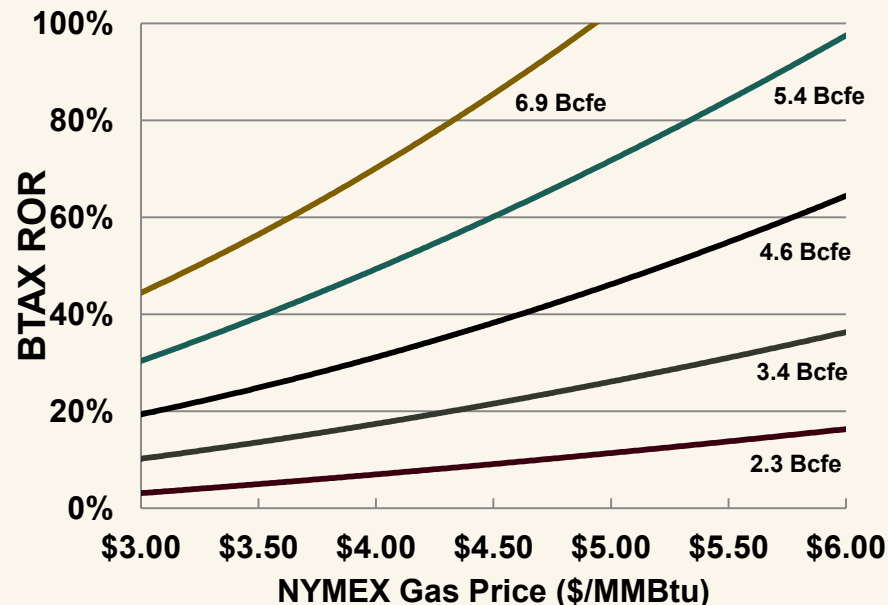
# Lance Pool, Pinedale, Wyoming

Production Type Curve



- Type curve details: IP: 5.9 MMcfepd, b factor: 1.6
- Hyperbolic Initial Decline: 75.7% (effective annual)
- Terminal decline: 6.0%, Well life: 40 years
- Type curve EUR: 4.6 Bcfe (Approximately 23% liquids, 50% of EUR in 7.3 yrs)
- Well depth: 14,000'/14,300' MD
- Completed Well Cost: \$3.8 MM\*

Capital Return Price Sensitivity

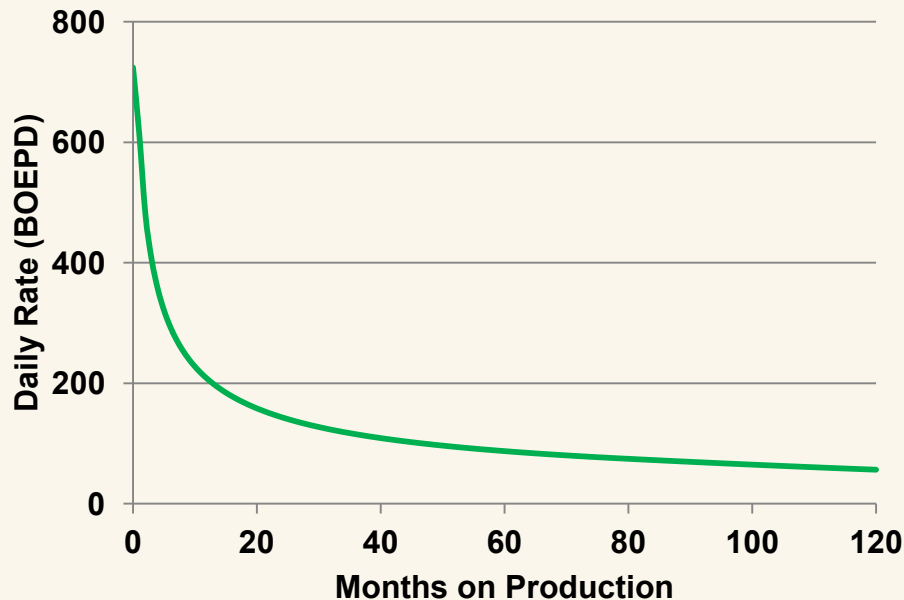


- Economic summary: \$4.50/MMBtu NYMEX, \$85 WTI
- BTAX ROR: 38.3%
- BTAX PV10: \$2.0 MM
- Net Finding Cost: \$1.06/Mcfe
- Net LOE: \$0.18/Mcfe



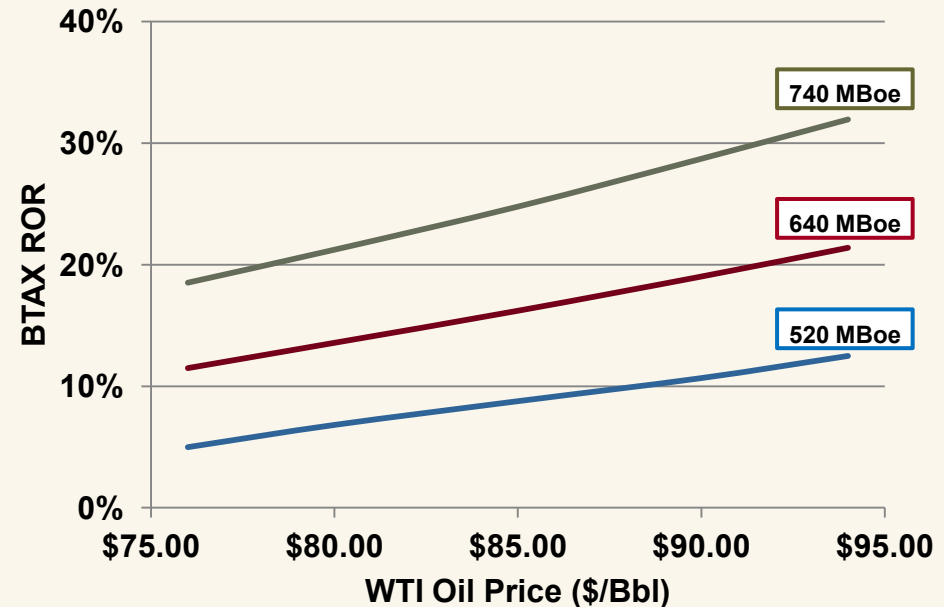
# Bakken/Three Forks Formation, North Dakota (Reservation)

Production Type Curve



- Type curve details: IP: 724 Boepd, b factor: 1.8
- Hyperbolic Initial Decline: 72% (effective annual)
- Terminal decline: 8.0%, Well life: 34.9 years
- Type curve EUR: 640 MBoe (50% of EUR in 5.5 yrs)
- Well depth: 10,000' TVD/20,000' MD
- Completed Well Cost: \$11.0 MM\*

Capital Return Price Sensitivity

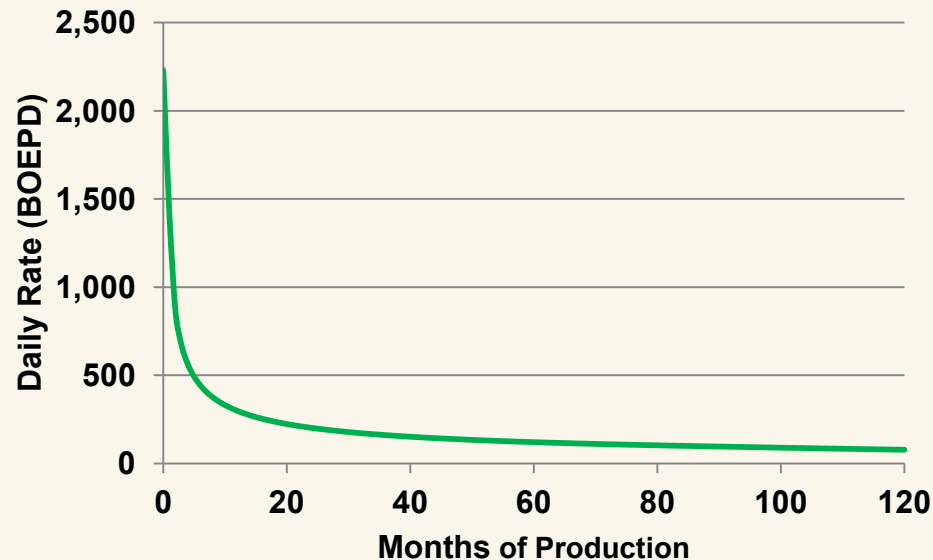


- Economic Summary: \$85.00/Bbl WTI  
\$44.00/Bbl NGL  
\$4.00/MMBtu NYMEX
- BTAX ROR: 16.2%
- BTAX PV10: \$2.1 MM
- Net Finding Cost: \$24.40/Boe
- Net LOE: \$14.10/Boe

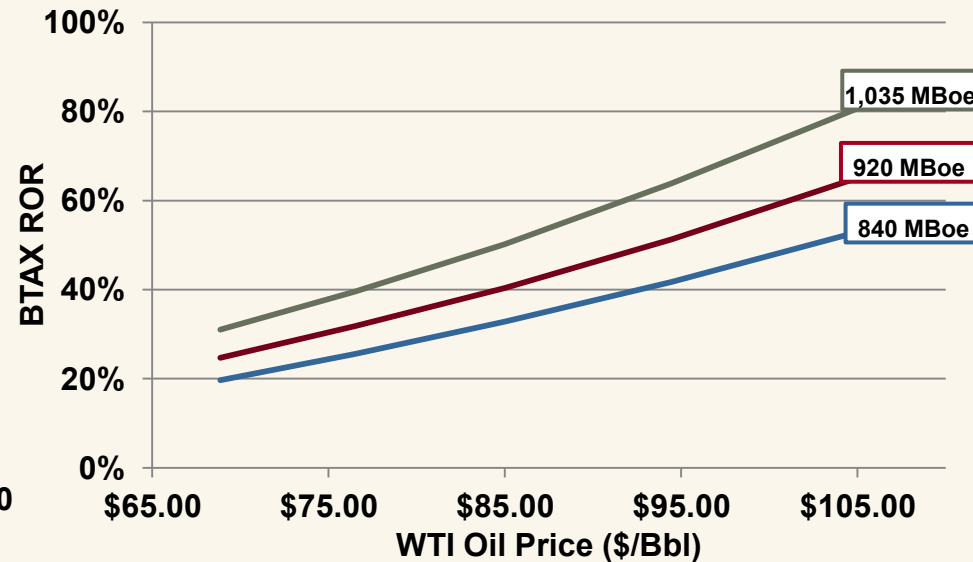


# Bakken/Three Forks Formation, North Dakota (South Antelope)

Production Type Curve



Capital Return Price Sensitivity



- Type curve details: IP: 2,230 Boepd, b factor: 1.8
- Hyperbolic Initial Decline: 86.9% (effective annual)
- Terminal decline: 8.0%, Well life: 36.1 years
- Type curve EUR: 920 MBoe (50% of EUR in 5.5 yrs)

- Well depth: 10,000' TVD/20,000' MD
- Completed Well Cost: \$11.0 MM\*

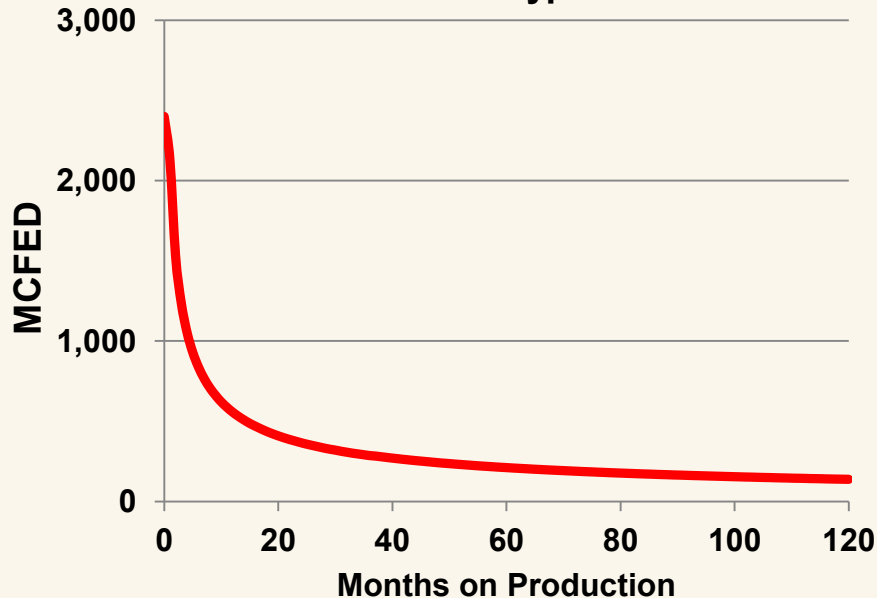
- Economic Summary: \$85.00/Bbl WTI  
\$44.00/Bbl NGL  
\$4.00/MMBtu NYMEX

- BTAX ROR: 54.33%
- BTAX PV10: \$11.1 MM
- Net Finding Cost: \$14.80/Boe
- Net LOE: \$7.60/Boe



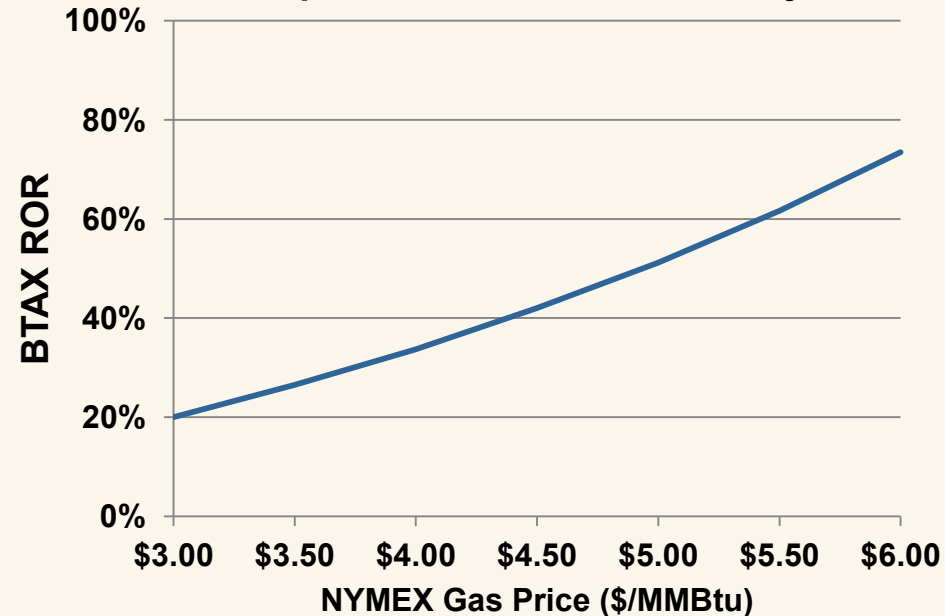
# Red Wash Lower MV Play, Uinta Basin

Production Type Curve



- Type Curve Details: IP: 2.4 MMcfepd, b factor: 1.6
- Hyperbolic Initial Decline: 80.0% (effective annual)
- Terminal decline: 6.0%, Well life: 40.0 Years
- Type curve EUR: 2.1 Bcfe (Approximately 26% liquids, 50% of EUR in 3.5 yrs)
- Well Depth: 11,500'
- Completed Well Cost: \$2.1 MM\*

Capital Return Price Sensitivity

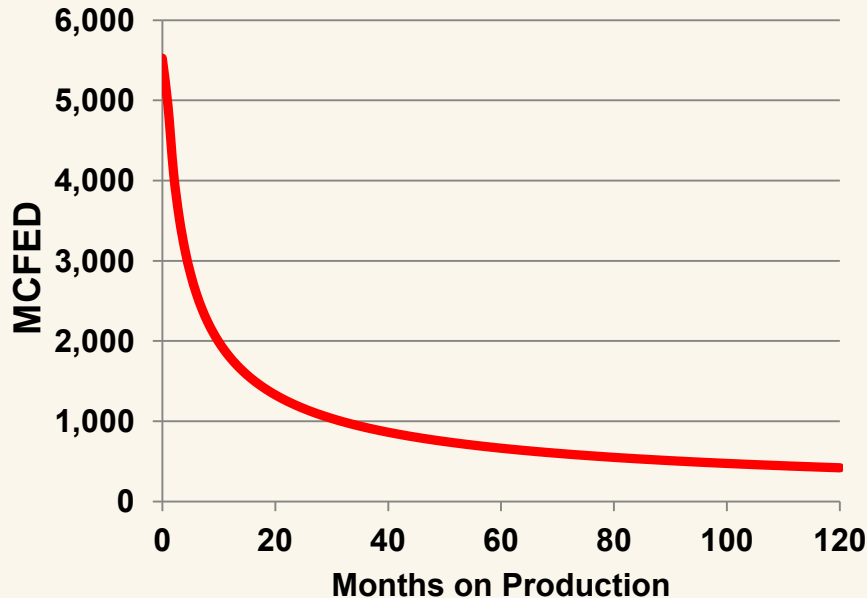


- Economic Summary: \$4.50/MMBtu NYMEX, \$85/Bbl WTI
- BTAX ROR: 42.0%
- BTAX PV10: \$1.5 MM
- Net Finding Cost: \$1.26/Mcfe
- Net LOE: \$0.76/Mcfe

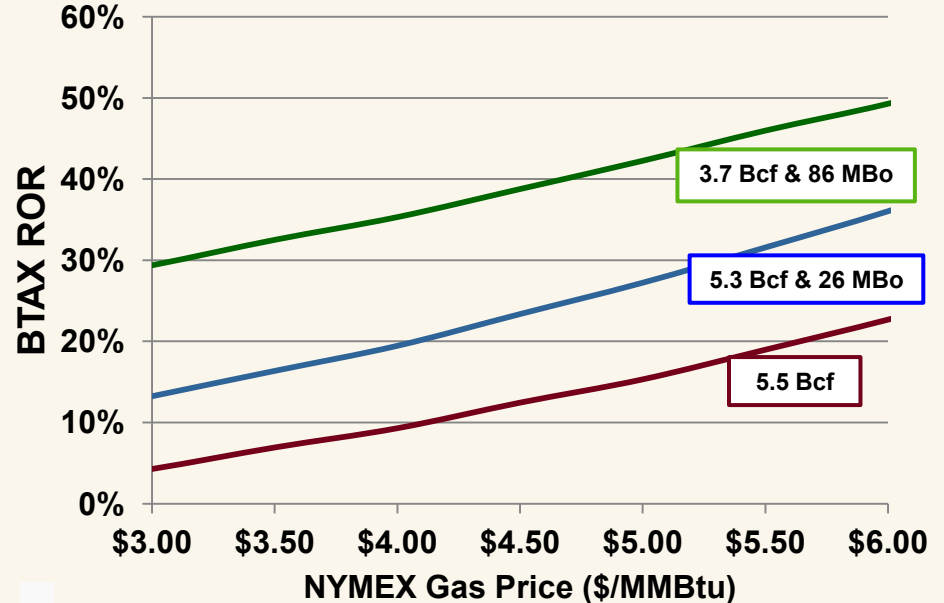


# Woodford Cana Shale, Oklahoma

Production Type Curve



Capital Return Price Sensitivity



- Type curve details: IP: 5.5 MMcfepd, b factor: 1.5
- Hyperbolic Initial Decline: 68.2% (effective annual)
- Terminal decline: 6.0%, Well life: 39.5 years
- Type curve EUR: 5.5 Bcfe (Approximately 33% liquids, 50% of EUR in 6.2 yrs)

- Well depth: 13,000' TVD, 18,000' MD
- Completed Well Cost: \$8.3 MM\*

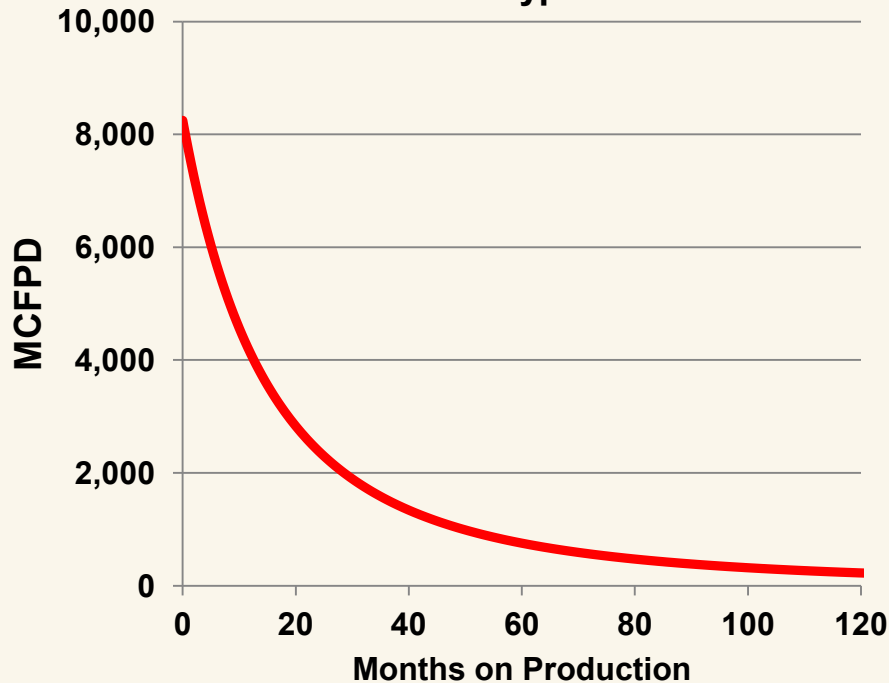
- Economic Summary: \$4.50/MMBtu NYMEX, \$85/Bbl WTI

- BTAX ROR: 23.4%
- BTAX PV10: \$3.3 MM
- Net Finding Cost: \$1.64/Mcfe
- Net LOE: \$0.30/Mcfe

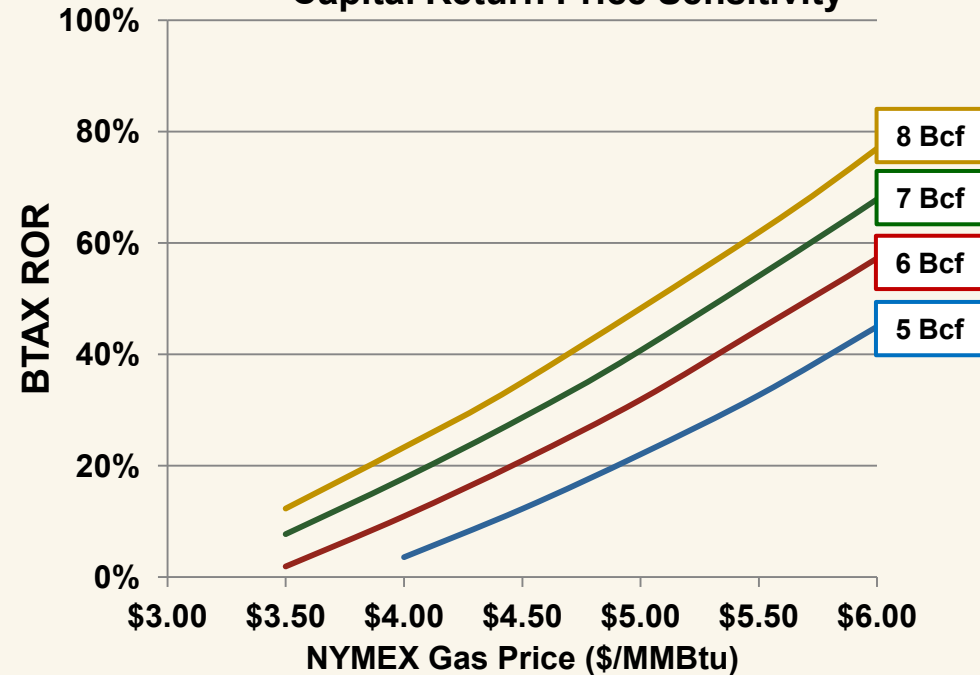


# Haynesville Formation, NW Louisiana

Production Type Curve



Capital Return Price Sensitivity



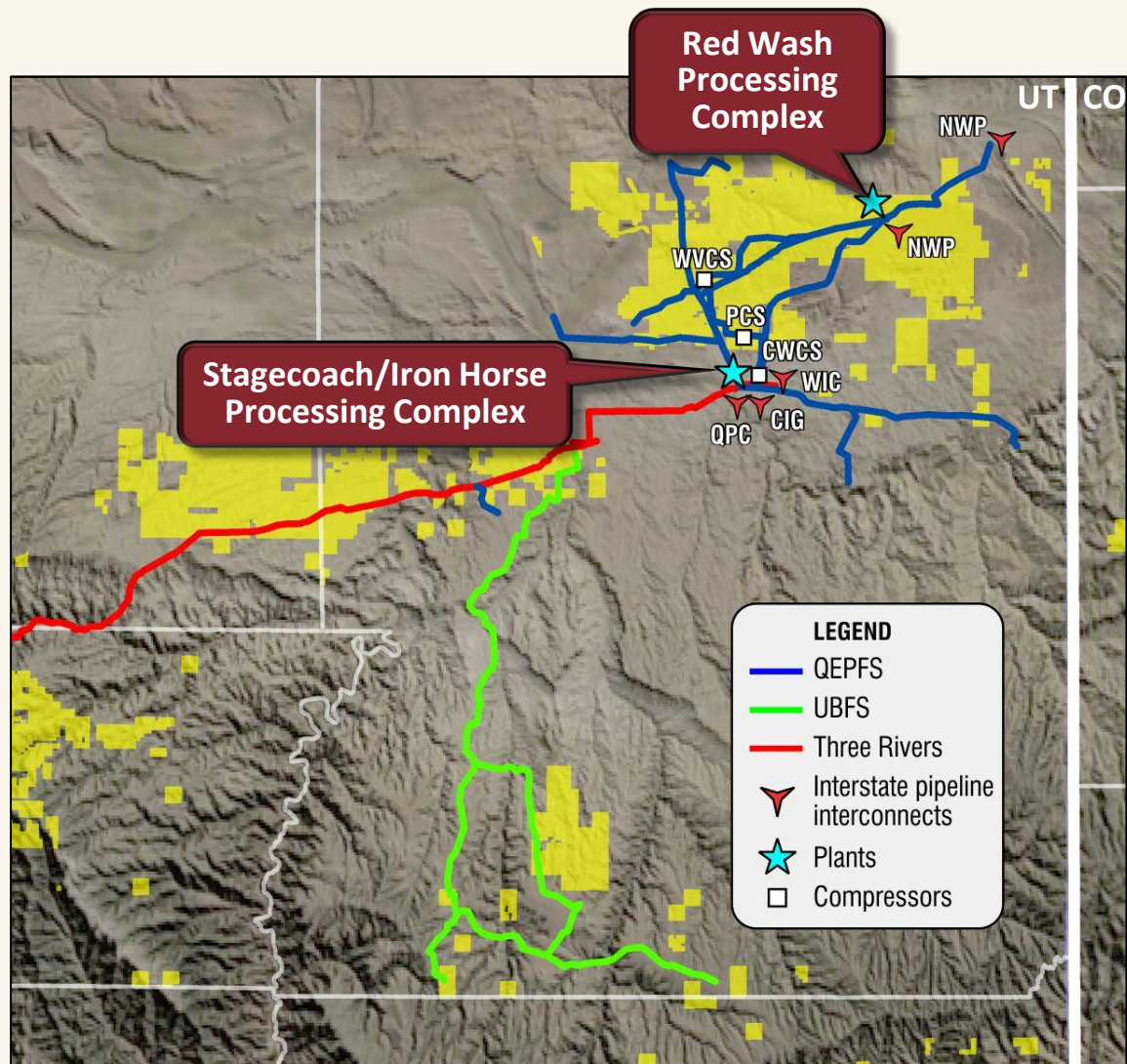
- Type curve details: IP: 8.25 MMcfpd, b factor: 0.4
- Hyperbolic Initial Decline: 50.1% (effective annual)
- Terminal decline: 6.0%, well life: 25 yrs
- Type curve EUR: 6.0 Bcf (50% of EUR in 1.75 yrs)
- Well depth: 12,300' / 17,000' MD
- Completed Well Cost: \$9.1 MM\*

- Economic summary: \$4.50/MMBtu NYMEX
- BTAX ROR: 20.2%
- BTAX PV10: \$1.7 MM
- Net Finding Cost: \$2.01/Mcfe
- Net LOE: \$0.82/Mcfe



# Uinta Hub

Northern  
Utah assets,  
Red Wash  
and Iron  
Horse  
Processing  
Complexes



# Blacks Fork Hub

## Southwest Wyoming assets and Blacks Fork Processing Complex

