



# Investor Presentation

September 2014

## 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: proposed sale of Midcontinent assets; plans to operate in ethane recovery model forecasted production and capital expenditures and related assumptions; allocation of 2014 capital expenditures; well costs and average estimated ultimate recoveries; estimated reserves; and 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 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 regulations on the flaring of natural gas and 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; QEP’s success in selling or spinning off QEP Field Services or its assets and selling additional non-core assets in the Midcontinent area; operating in ethane recovery; 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, 2013 (the 2013 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 2013 Form 10-K and other reports on file with the SEC.

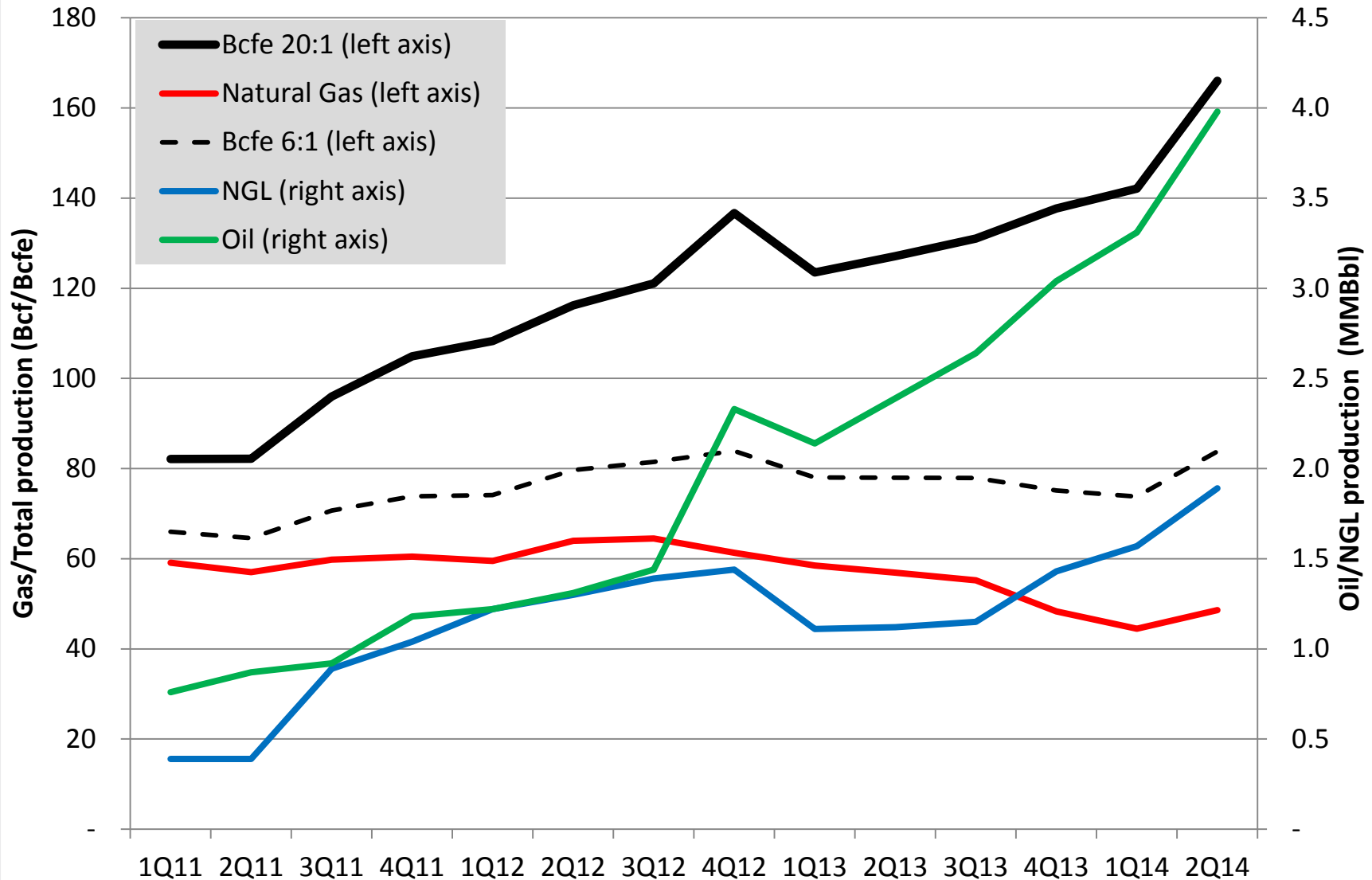
QEP refers to Adjusted EBITDA, Enterprise Value (EV), EV/EBITDA multiple, Net Debt, PV-10, NYMEX Price 10% Before Tax Rate of Return, Before Tax Rate of Return, and Finding Costs, each of which is a non-GAAP financial measure that management believes is a good tool to assess QEP’s operating results. 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

- **Balanced upstream portfolio**
  - Proved reserves of 4.1 Tcfe at YE 2013 in multiple US basins
  - Product diversity – In 2Q14, crude oil represented 56% of QEP Energy field-level revenues and 29% of production volumes
- **Focused investment in high-return areas**
  - Williston Basin crude oil play
  - Permian Basin crude oil play
  - Pinedale liquids-rich gas play
  - Uinta Basin (Lower Mesaverde) liquids-rich gas play
- **Complementary midstream business and MLP**
  - Upstream development creates midstream investment opportunities
  - General Partner and majority owner of QEP Midstream Partners, LP (NYSE:QEPM)

# QEP ENERGY – EXECUTING ON TRANSITION TO OIL

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20:1 and 6:1 refer to Mcf:Bbl conversion ratio for oil and NGL

# 2014 HIGHLIGHTS

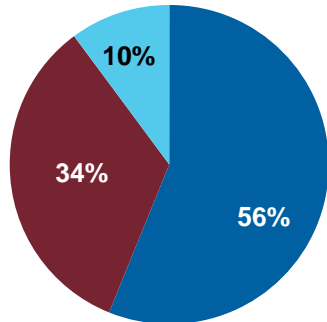
- **The Permian Basin acquisition closed on February 25, 2014 for total consideration of approximately \$942 million**
- **Focused upstream portfolio**
  - High-graded asset portfolio with over \$700 million in asset sales (Woodford Cana, Granite Wash and “Fat Cat” in the Williston Basin)
  - Additional upstream asset sales anticipated
  - Investment focused in core areas (67% of 2014 capital budget focused on oil)
- **Strong operating results from core assets**
- **Reduced leverage**
  - Announced sale of interest in Green River Processing to QEPM for \$230 million
  - Reduced Net Debt/EBITDA to  $\sim 1.9x^1$  with proceeds from announced asset sales
- **On December 2, 2013, QEP announced its intention to separate QEP Field Services, including its ownership interest in QEPM (GP and LP), from QEP**
  - Dual track process for spin or merger/sale
  - Filed Form 10 with SEC during the second quarter 2014

1. Long-term debt less cash and cash equivalents as of 07/1/2014, divided by annualized 1H 2014 Adjusted EBITDA



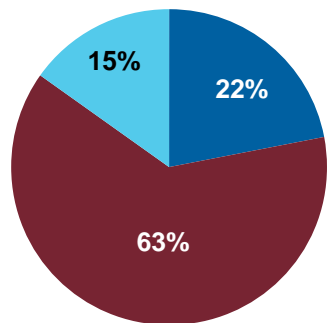
# QEP ENERGY ASSET OVERVIEW

QEP Energy 2Q 2014  
Production Revenues

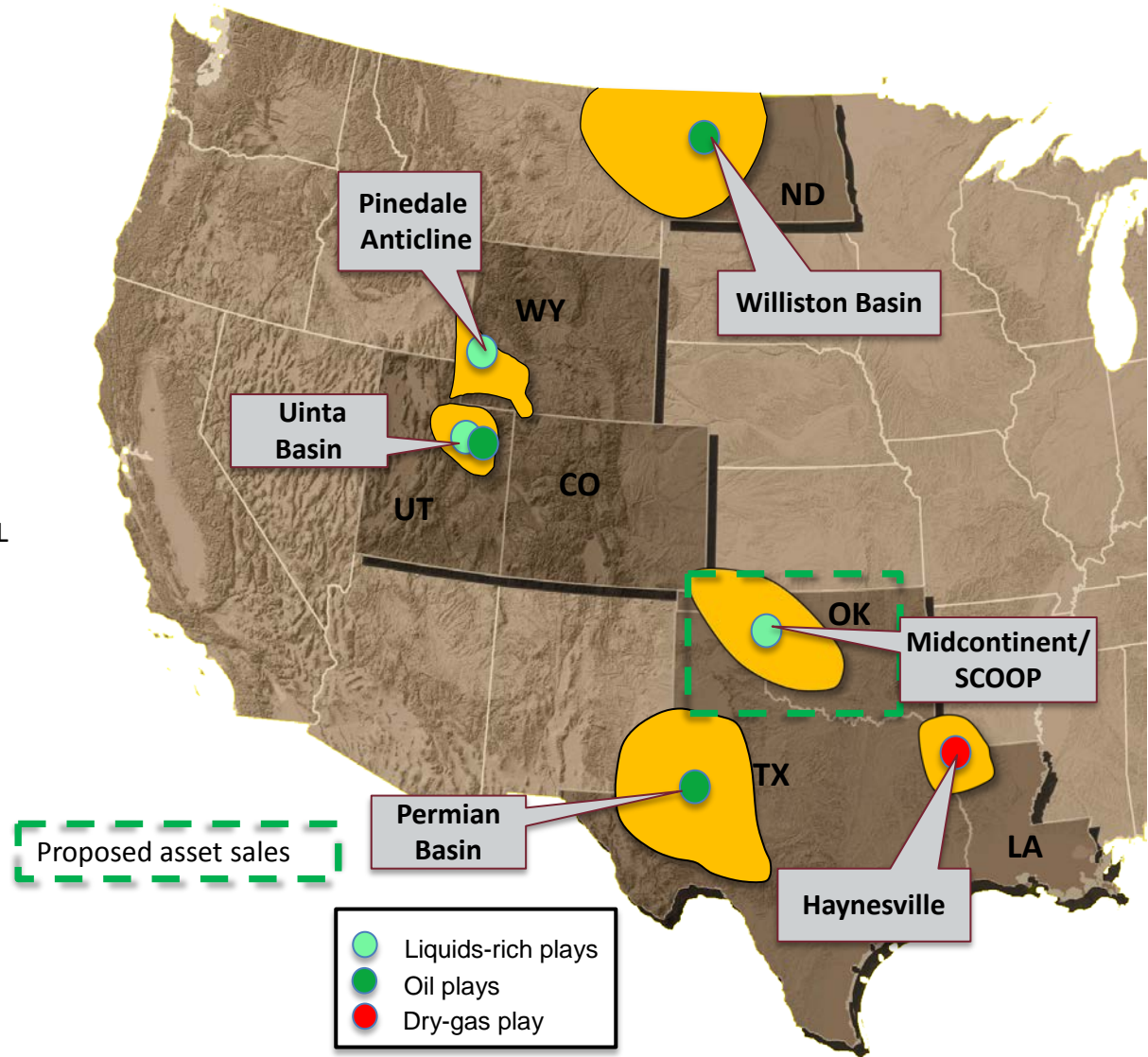


■ Oil ■ Natural Gas ■ NGL

QEP Resources  
2013YE Proved Reserves

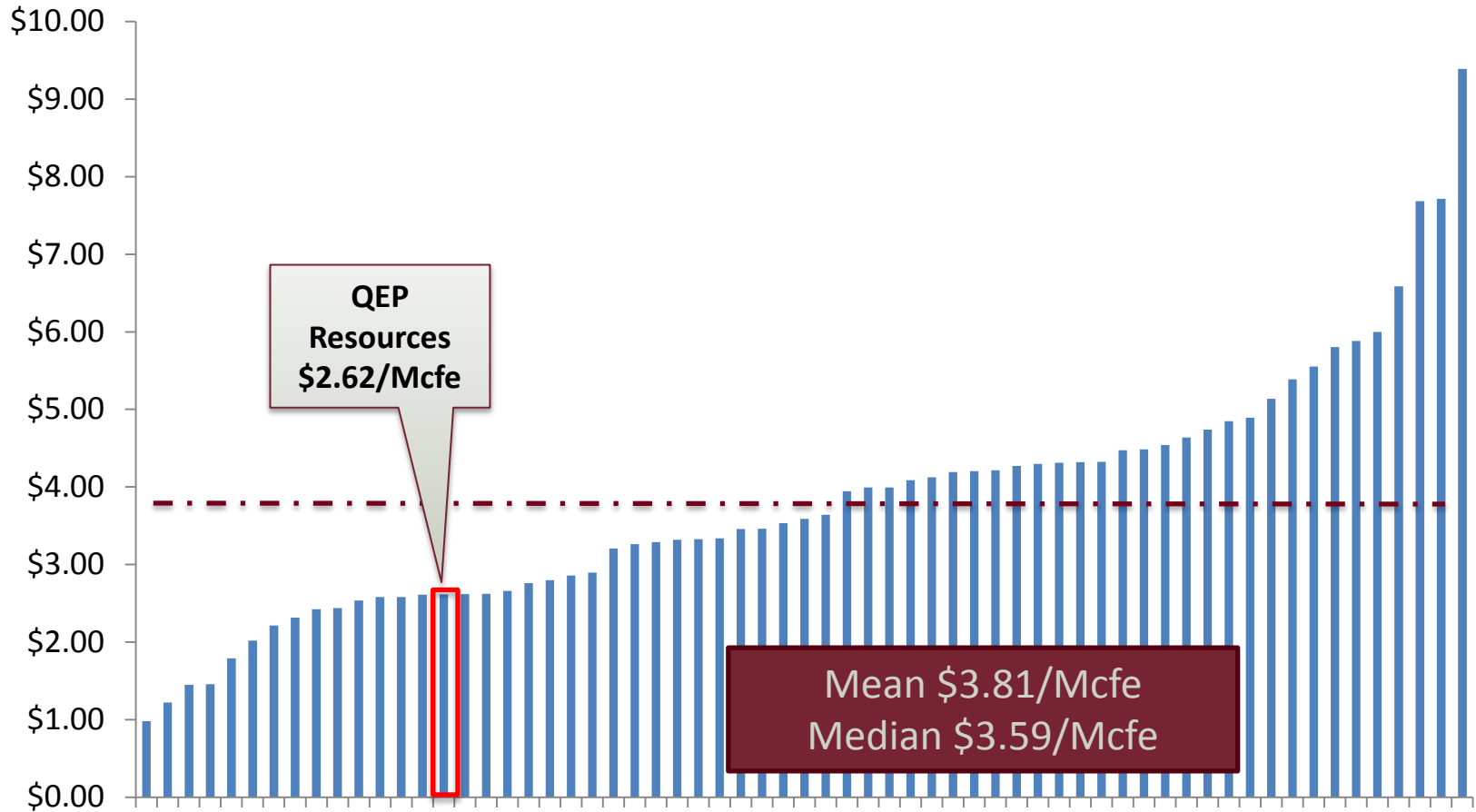


■ Oil ■ Natural Gas ■ NGL



# LOW COST STRUCTURE

**2013 average production cash cost structure versus 63 E&P peers (\$/Mcf)**  
(LOE + transportation/gathering/processing + production taxes + G&A + interest + preferred dividends)



Source: Company data and Howard Weil, March 2014; includes allocated capitalized interest & G&A

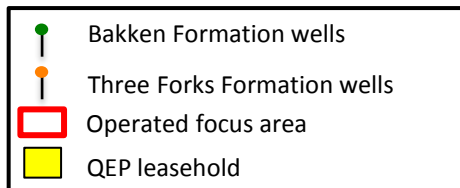
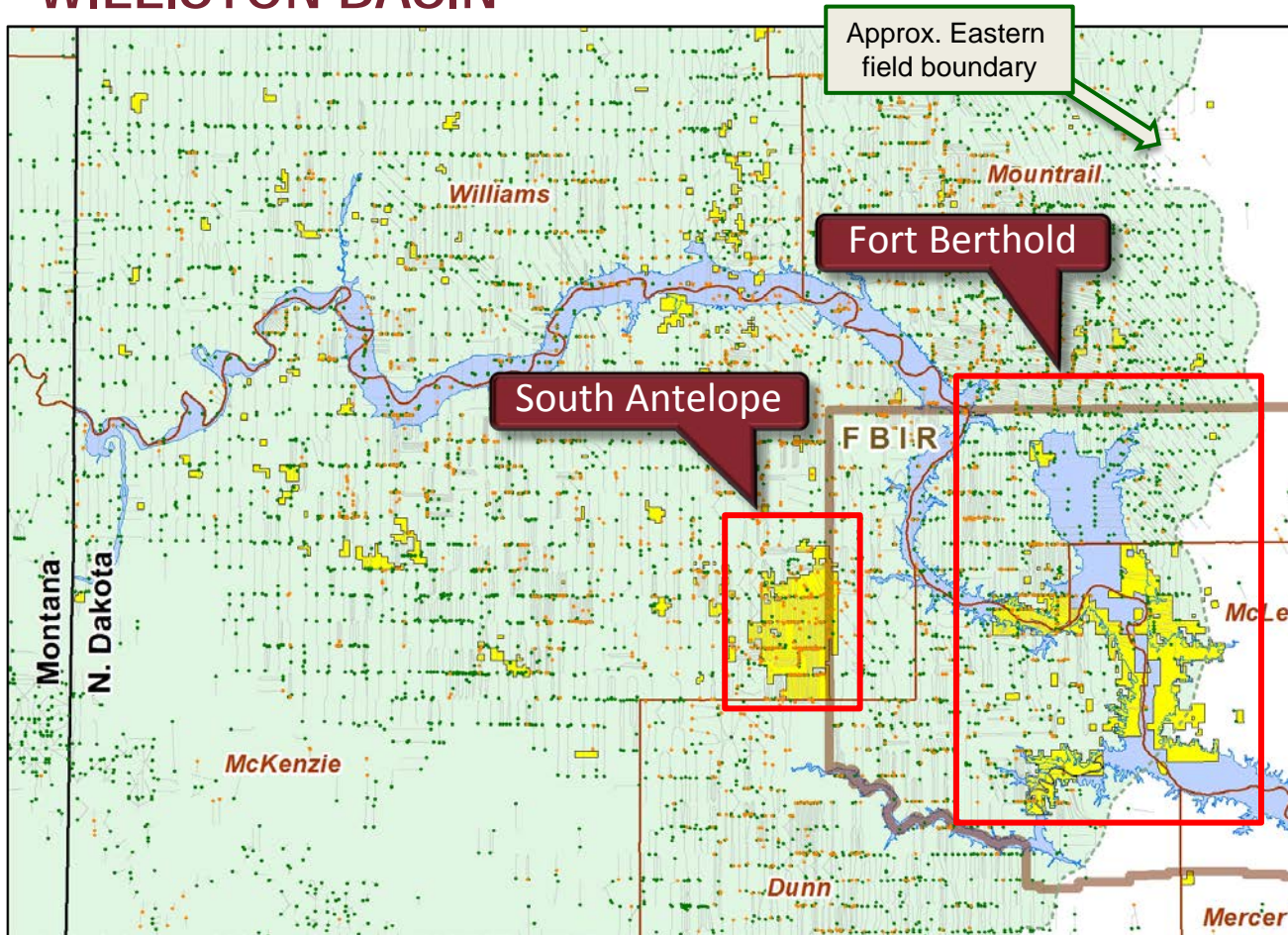
## Areas Of Operations – E&P



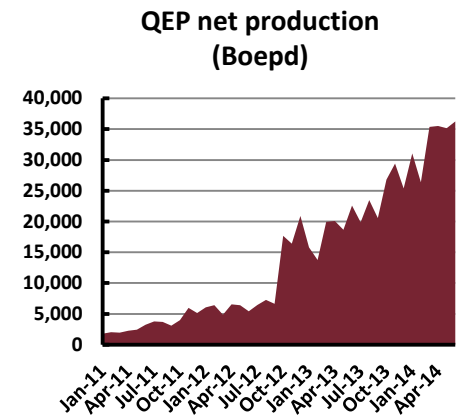
QEP Resources, Inc.



# WILLISTON BASIN



- 109,000 net acres
- Changed to high volume completion design
- 7 rigs as of 8/6/2014 all on pad drilling at South Antelope
- 2Q14 avg. net production – 35.6 Mboe/d



# WILLISTON BASIN – SOUTH ANTELOPE

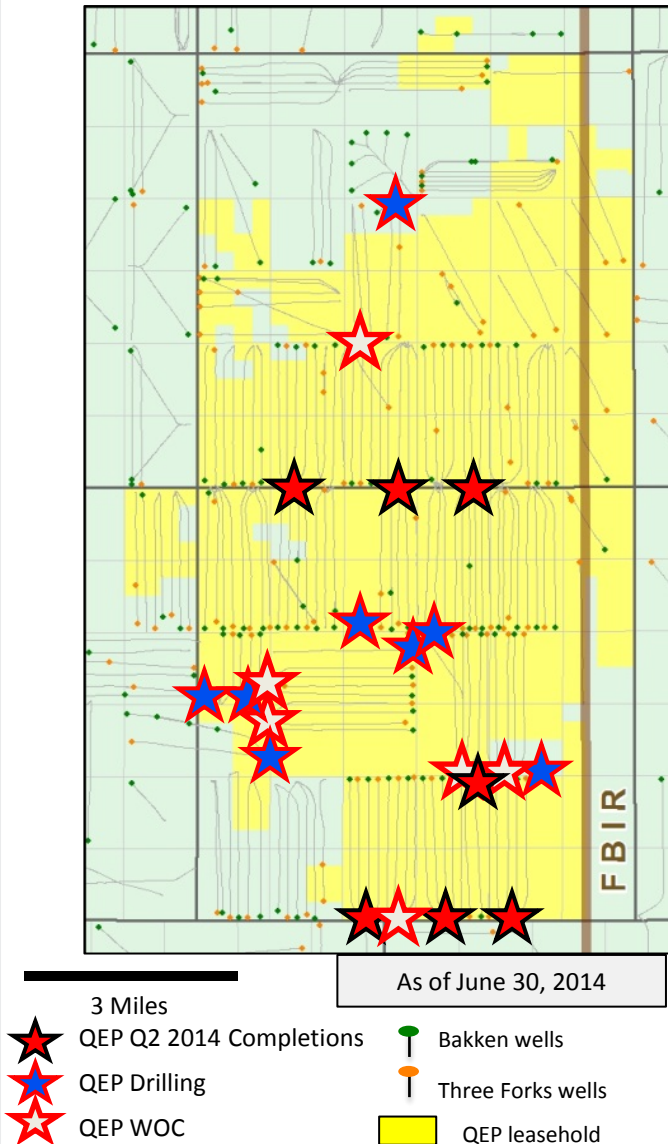
- Acquisition closed on 9/27/2012
- Pre-tax PV-10 proved reserves of over \$2.2 billion as of 12/31/2013
- Total net capital spend (including acquisition costs) less EBITDA of \$1.5 billion through 2013
- Reduced drilling, completion and equipment costs by over \$1 million since acquisition

## CURRENT ACTIVITY

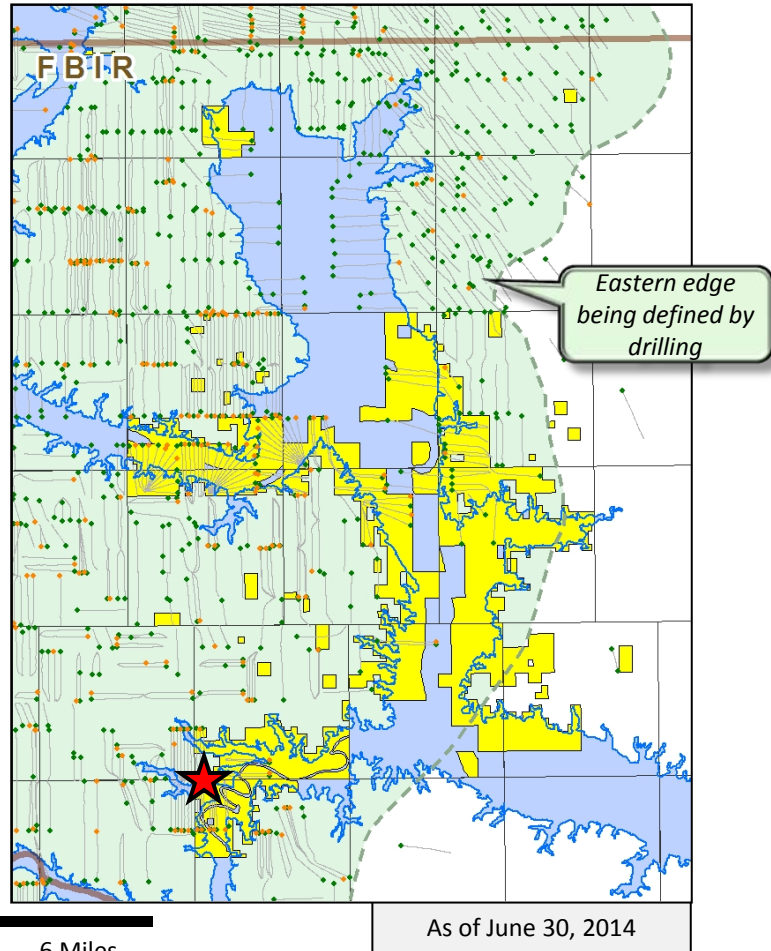
Number of rigs (as of 8/6/2014)	7
Avg. gross EUR	
Bakken* (MBoe)	1,070
Three Forks* (MBoe)	1,025
Gross locations remaining*	250







\* As of December 31, 2013

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# WILLISTON BASIN – FORT BERTHOLD RESERVATION



-  QEP Q2 2014 Completions
-  QEP Drilling
-  QEP WOC
-  Bakken wells
-  Three Forks wells
-  QEP leasehold

- Strong well performance
- Substantial inventory for future development

## CURRENT ACTIVITY

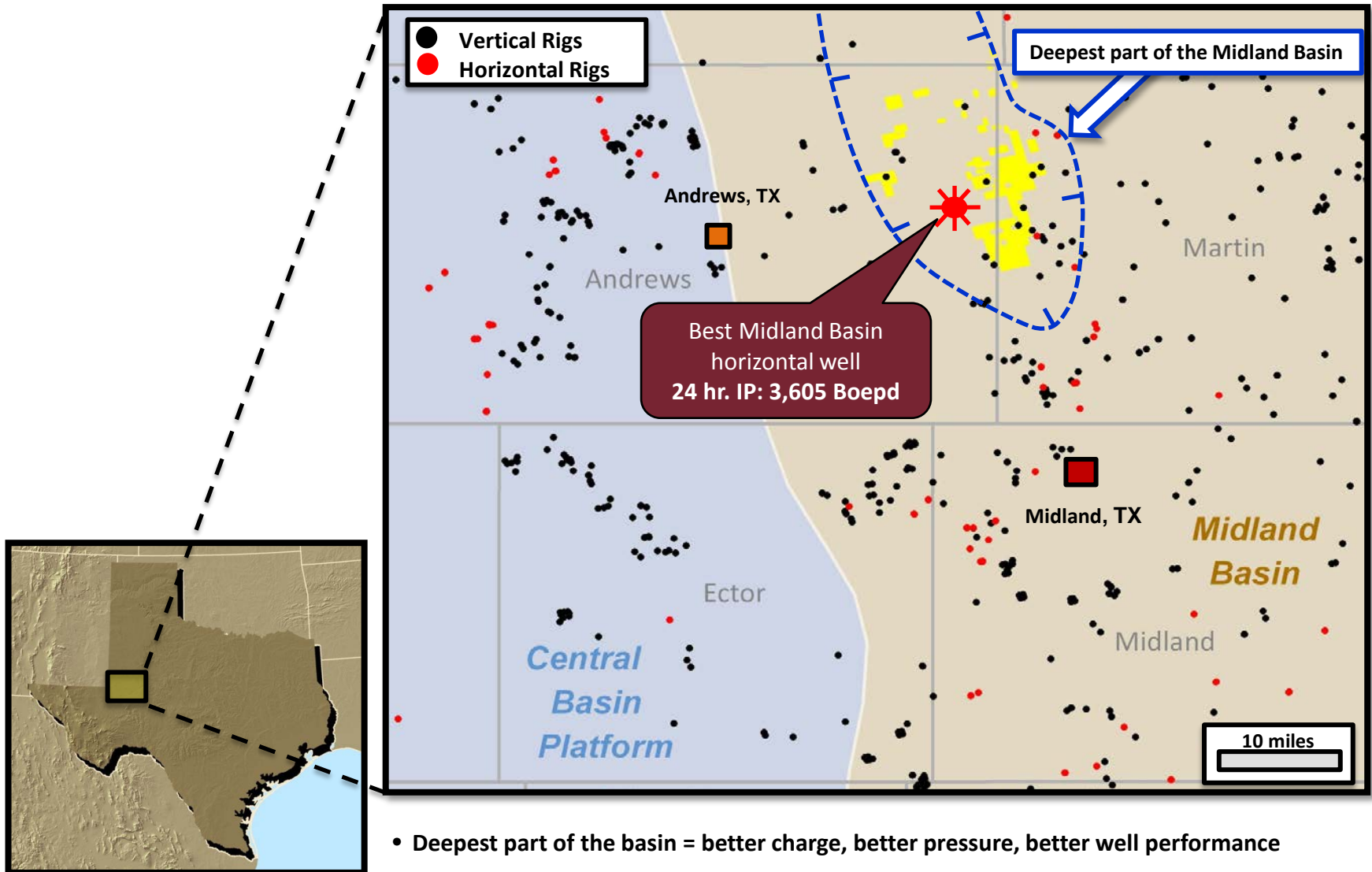
Number of rigs (as of 6/30/2014)	0
Avg. gross EUR	
Bakken* (MBoe)	550
Three Forks* (MBoe)	550
Gross locations remaining*	400

\* As of December 31, 2013



# PERMIAN BASIN - ACREAGE LOCATION

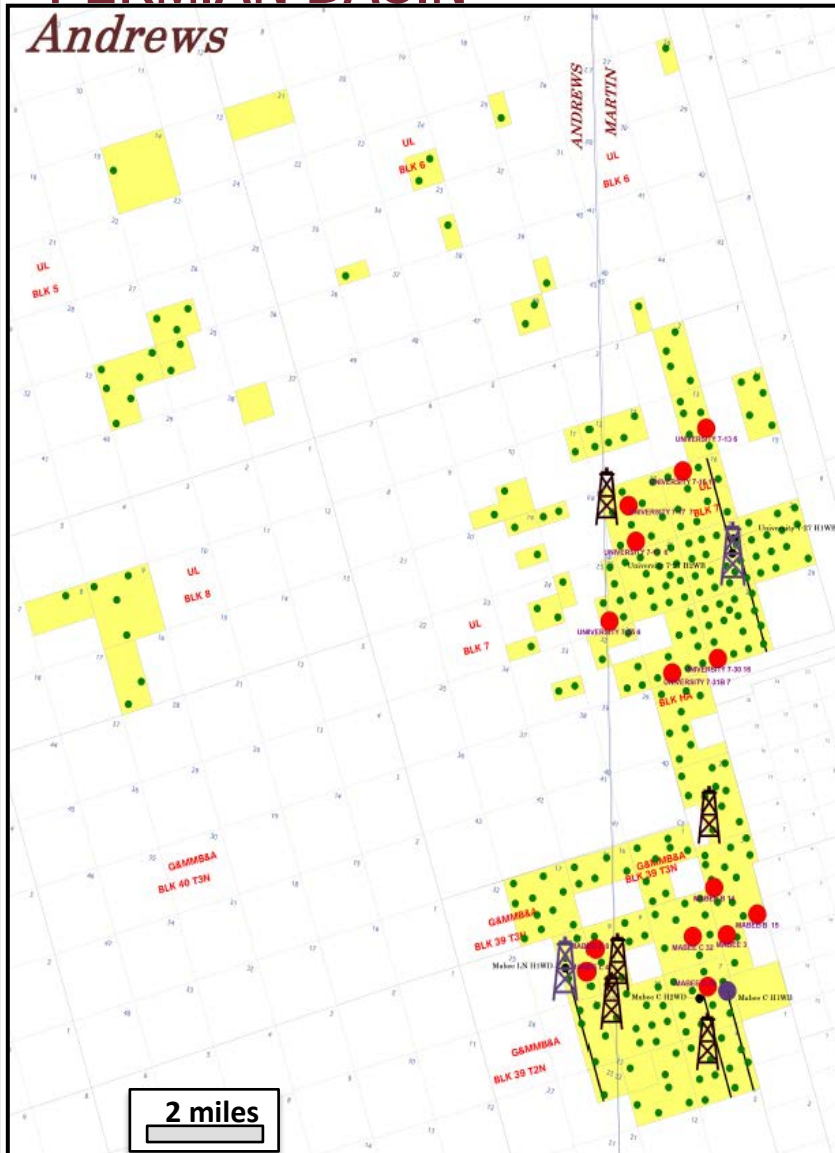
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- Deepest part of the basin = better charge, better pressure, better well performance

# PERMIAN BASIN

## Andrews



- 284 operated vertical PDP wells\*
- Completed 14 vertical wells in Q2, 6 WOC
  - Average gross peak rate 358 Boed\*\* (70% oil)
- Completed 1 horizontal well in Q2, 2 WOC
- Testing multiple horizontal benches

### CURRENT ACTIVITY

Number of vertical rigs (6/30/2014)	5
Number of horizontal rigs (6/30/2014)	2
Avg. gross vertical EUR (Atokaberry) (MBoe)**	253
Gross vertical locations remaining*	200
Gross horizontal locations remaining*	775

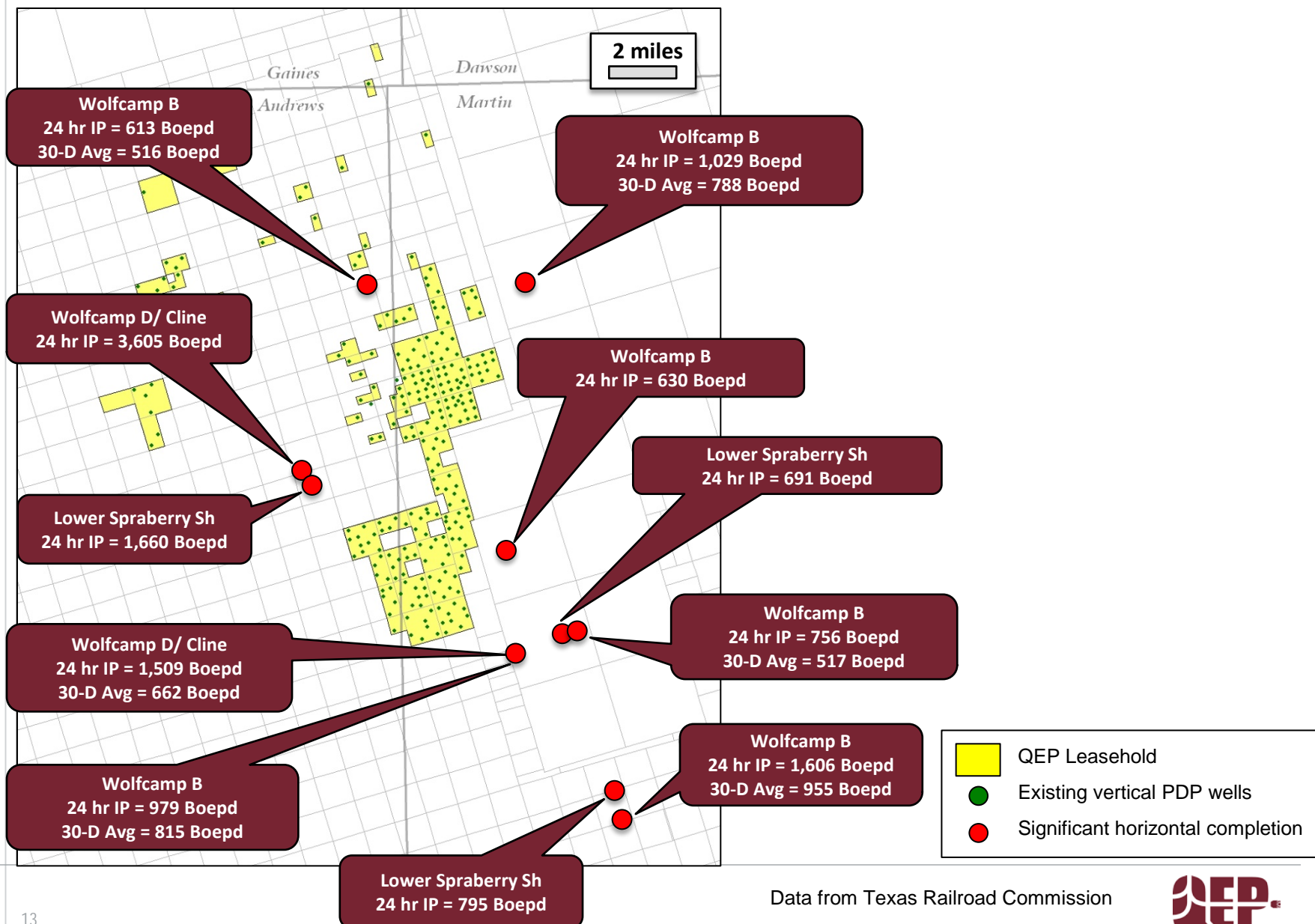
- QEP Leasehold
- Existing vertical PDP wells
- Q2 2014 vertical completion
- Q2 2014 horizontal completion

\* as of December 31, 2013  
\*\*post-processing volumes



# PERMIAN BASIN – OFFSET HORIZONTAL ACTIVITY

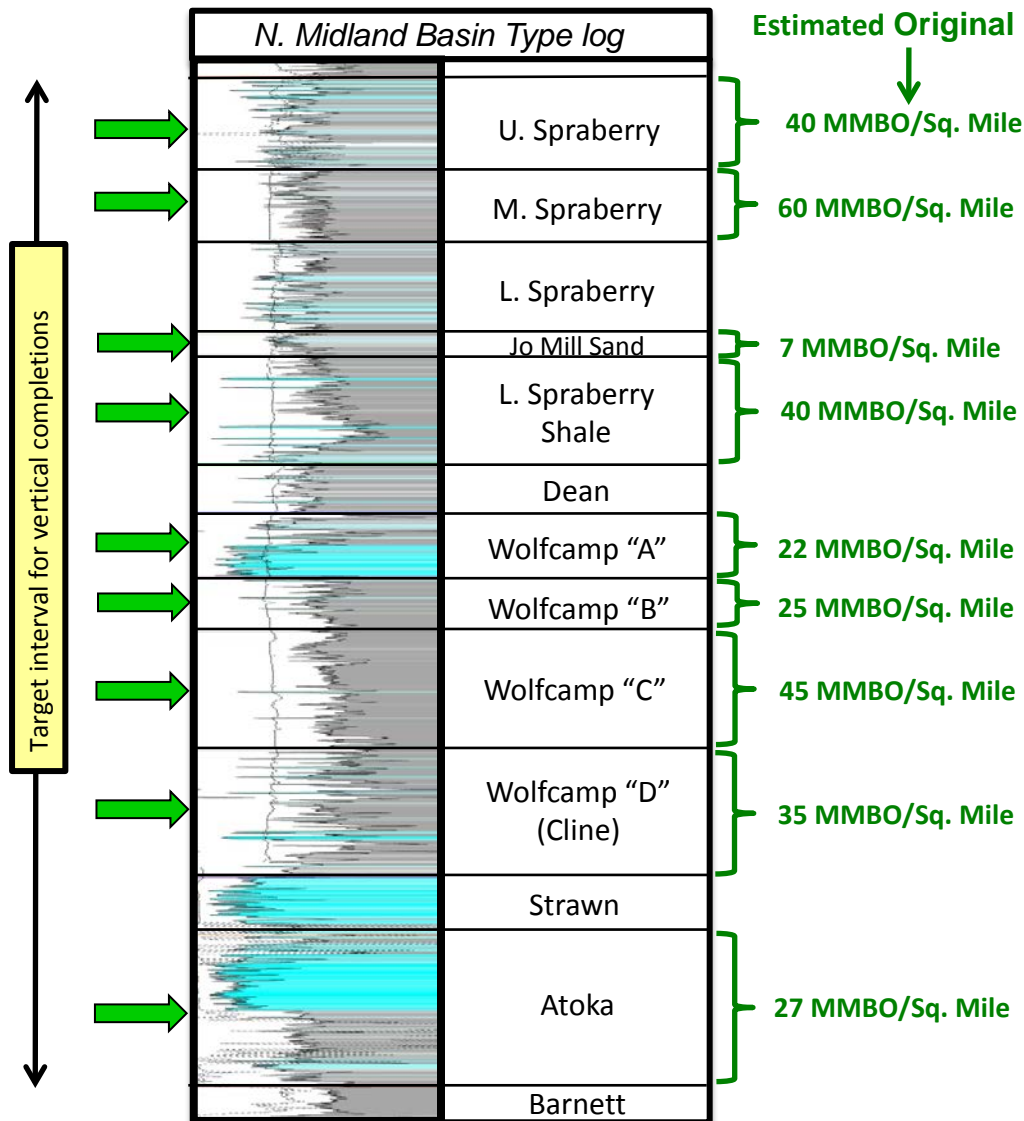
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Data from Texas Railroad Commission

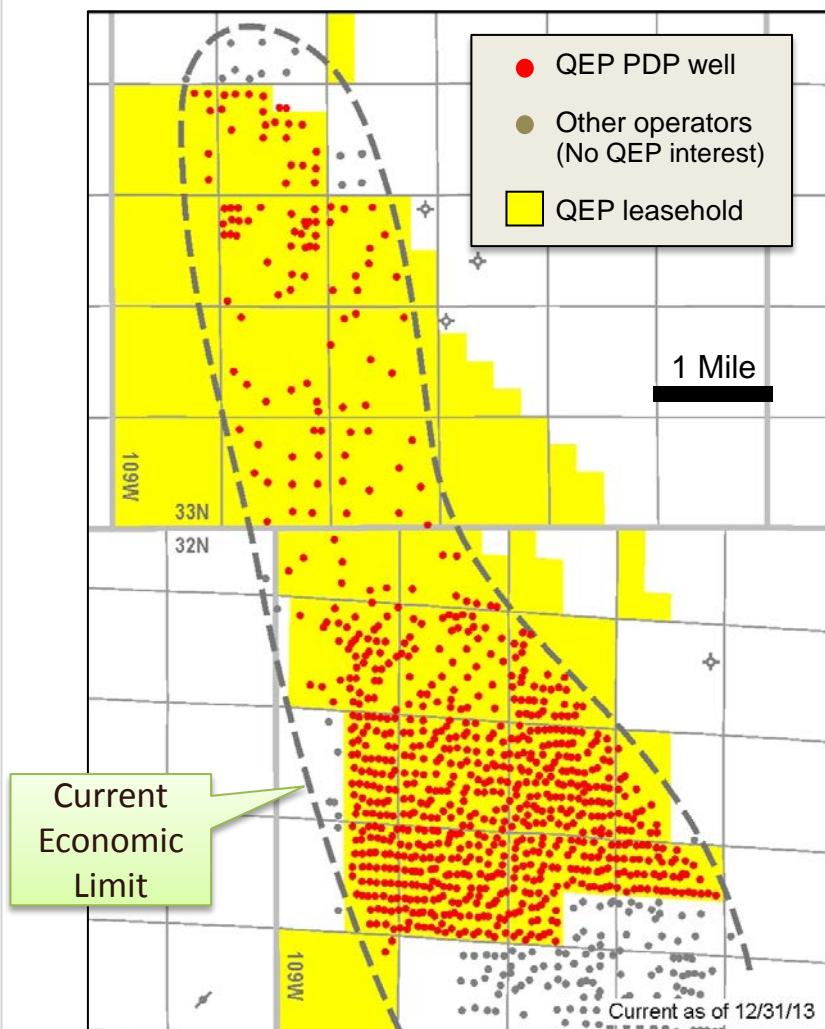


# STACKED HORIZONTAL DRILLING TARGETS



- Estimated 300+ MMBO per square mile of original oil in place
- ~3,000 feet of oil-charged vertical section
- Up to 775 future horizontal locations
- Martin/Andrews block alone holds an estimated 7.7 billion barrels of original oil in place
- Offset horizontal drilling activity de-risking many zones

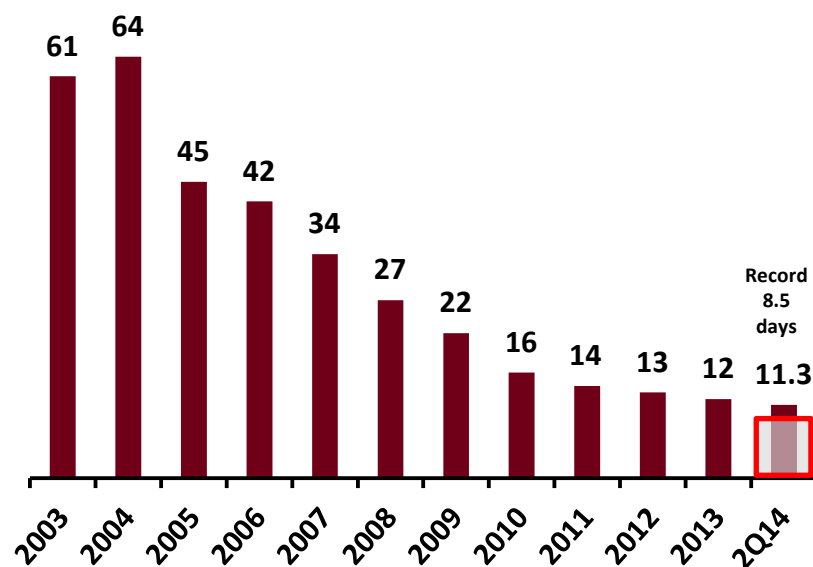
# GREEN RIVER BASIN – PINEDALE



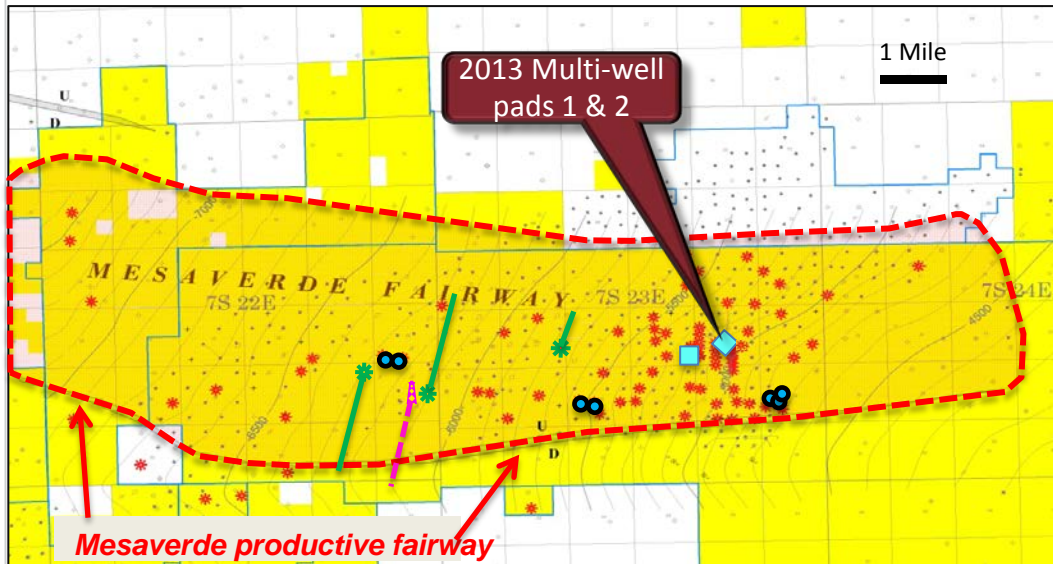
## CURRENT ACTIVITY

Number of rigs (as of 6/30/2014)	4
Well cost (\$MM)	\$4.0
Avg. gross EUR (Bcfe)	4.6
Gross locations remaining*	up to 600

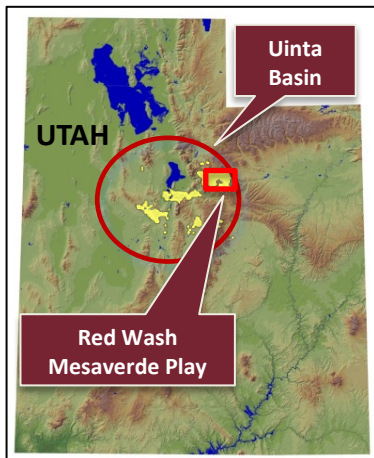
\* As of December 31, 2013



# UINTA BASIN – LOWER MESAVERDE



- 1 horizontal rig (at 6/30/2014)
- Proved reserves of 402 Bcfe\*
- Approximately 250,000 net acres in the Uinta Basin
- Over 32,000 net acres in the Red Wash unit (100% WI, 86.5% NRI)
- Vertical wells to average total depth of 11,000' with an average EUR 2.0 Bcfe
- Horizontal maximum daily rate of over 9 MMcfed (3 well average)

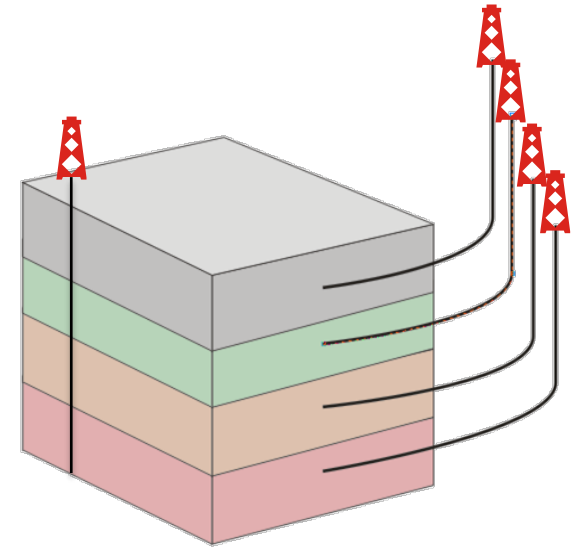
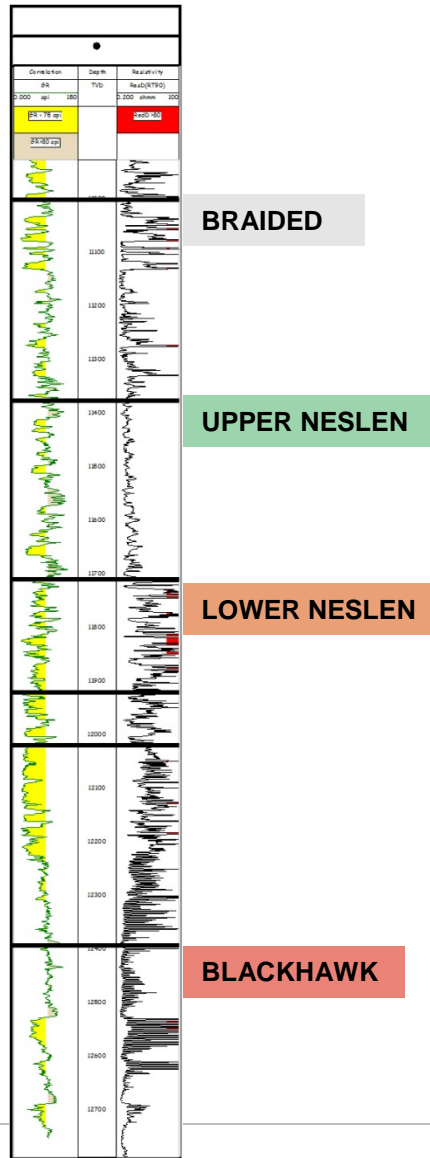


* (red star)	Producing Mesaverde wells
* (green star)	Mesaverde Horizontal wells
● (blue circle)	2013 10 and 20-acre pilot wells
■ (blue square)	2013 Directional Drilling Pad
⚙️ (drilling rig icon)	Drilling
■ (yellow square)	QEP leasehold

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

# UINTA BASIN – LOWER MESAVERDE HORIZONTAL POTENTIAL

↑  
1,750' – Gas Saturated Sandstones & Siltstones  
↓



## Braided

Vertical testing shows potential for two horizontal targets in the western part of the Red Wash unit.

## Upper Neslen

An estimated 60% of vertical Mesaverde production comes from the Neslen interval. The upper Neslen interval could potentially be developed horizontally.

## Lower Neslen

Current horizontal target.

## Blackhawk

When commingled with Mesaverde, the Blackhawk represents an estimated 30% of total production from vertical wells and could also be developed horizontally.

## Areas Of Operations – Midstream



QEP Resources, Inc.

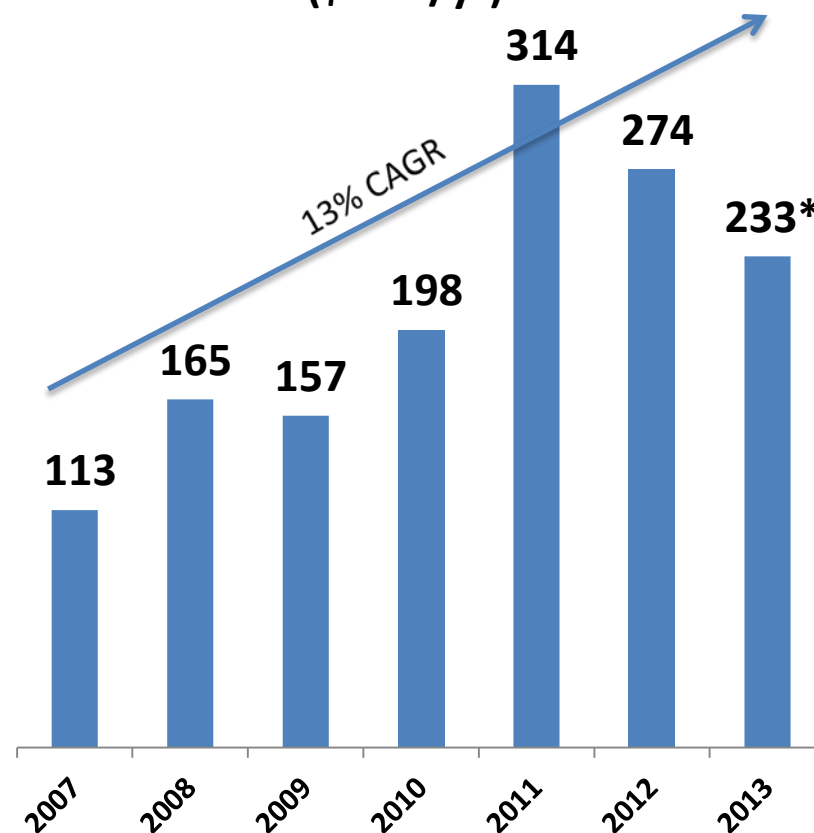
# FIELD SERVICES – A GROWING MIDSTREAM BUSINESS

- Owns and operates gathering, treating, and NGL fractionation assets in QEP producing areas
  - Including its ownership in QEPM
- QEPM provides access to capital for acquisitions and organic growth
- Actively evaluating options for separation of Field Services

## Recent investments:

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

**Field Services Adjusted EBITDA  
(\$MM/yr)**



\* Includes 42.2% public owned EBITDA of QEP Midstream

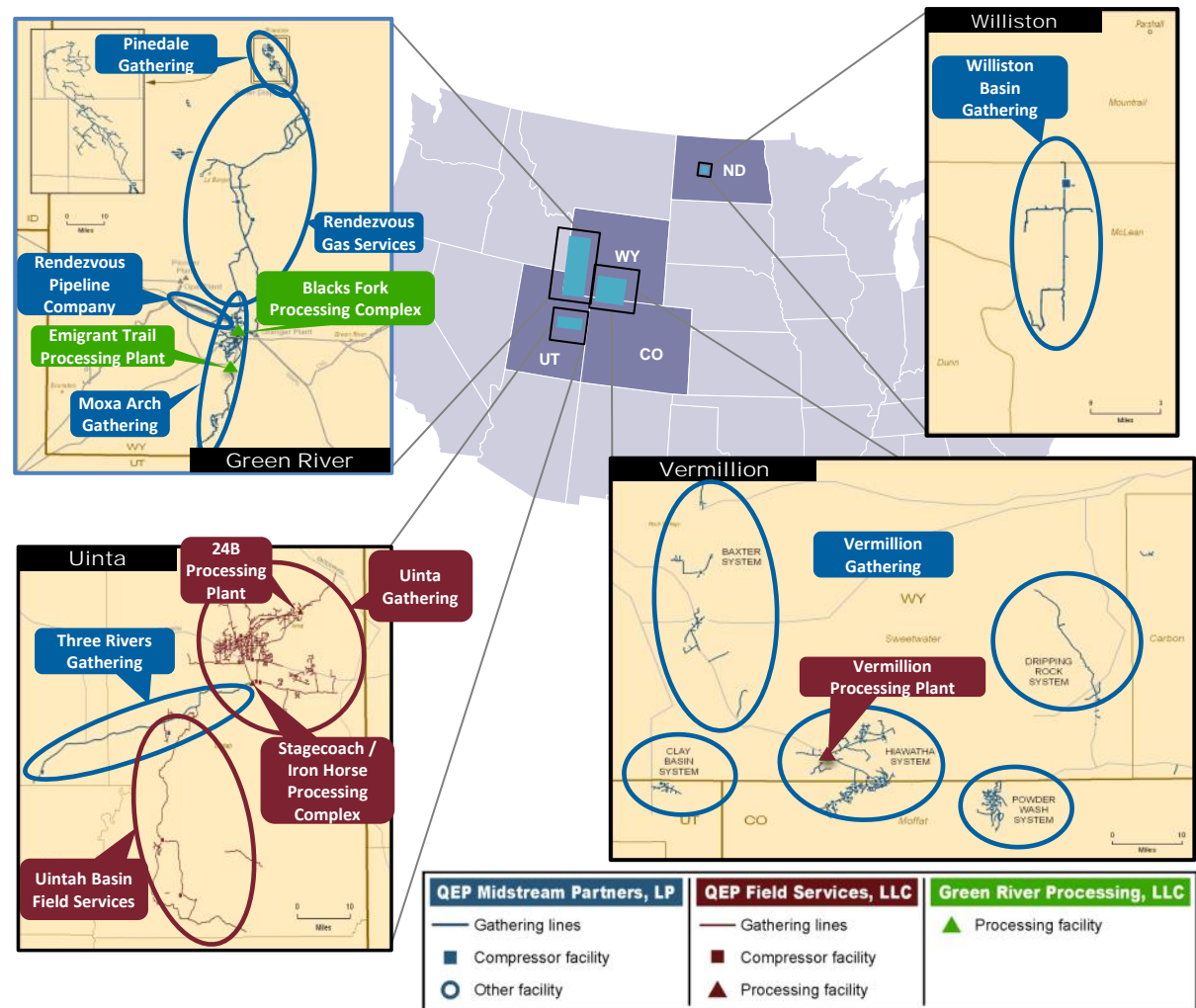


# QEP FIELD SERVICES OVERVIEW

## Overview

- Development of QEP Field Services' midstream systems began in the mid-90's while part of Questar Corporation
- Areas of operation include the Green River, Vermillion, Uinta, and Williston basins
- QEP formed QEP Midstream Partners, LP ("QEPML") in August 2013
  - QEPML includes ownership interests in gathering and processing assets
- QEP Field Services includes:
  - Gathering and processing assets at the QEPFS level
  - 55.8% non-public LP ownership interest
  - 2.0% GP interest (including 100% of the IDRs in QEPML)

## Map of Operations

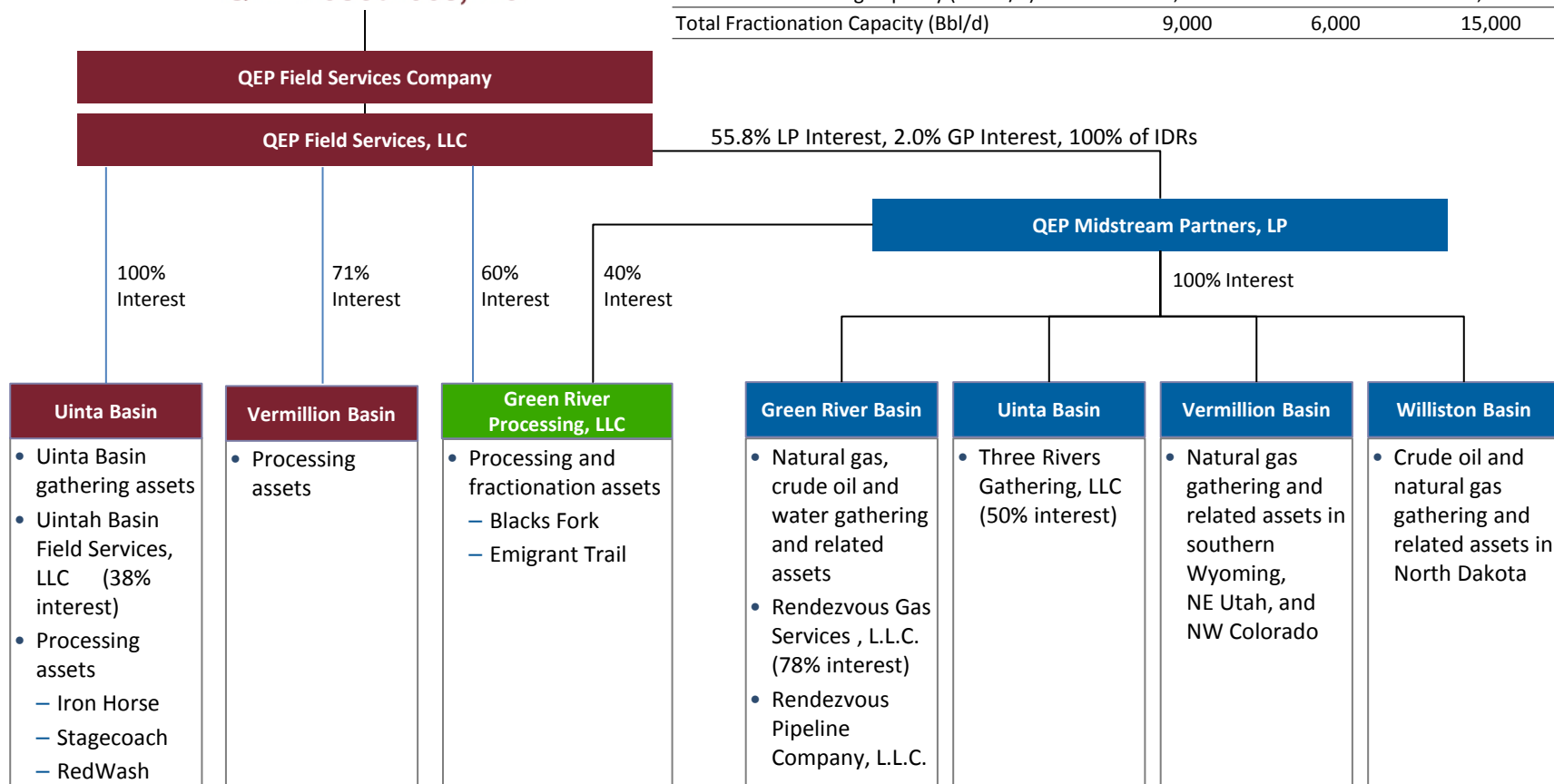


# QEP FIELD SERVICES ASSET OVERVIEW



**QEP Resources, Inc.**

	QEPFS	QEPM	Total
Miles of Gathering and Transmission Pipeline	710	1,512	2,222
Compression Horsepower (bhp)	59,666	77,759	137,425
Total Natural Gas Throughput Capacity (MMcf/d)	325	2,646	2,971
Total Oil Throughput Capacity (Bbl/d)	-	54,937	54,937
Approximate Receipt Points	1,975	1,120	3,095
Total Inlet Processing Capacity (MMcf/d)	1,227	356	1,583
Total Fractionation Capacity (Bbl/d)	9,000	6,000	15,000



Note: Figures shown in the table are as of December 31, 2013. Organization flowchart reflects the sale of a 40% equity interest in Green River Processing, LLC to QEPM in July 2014.

## WHY INVEST IN QEP?

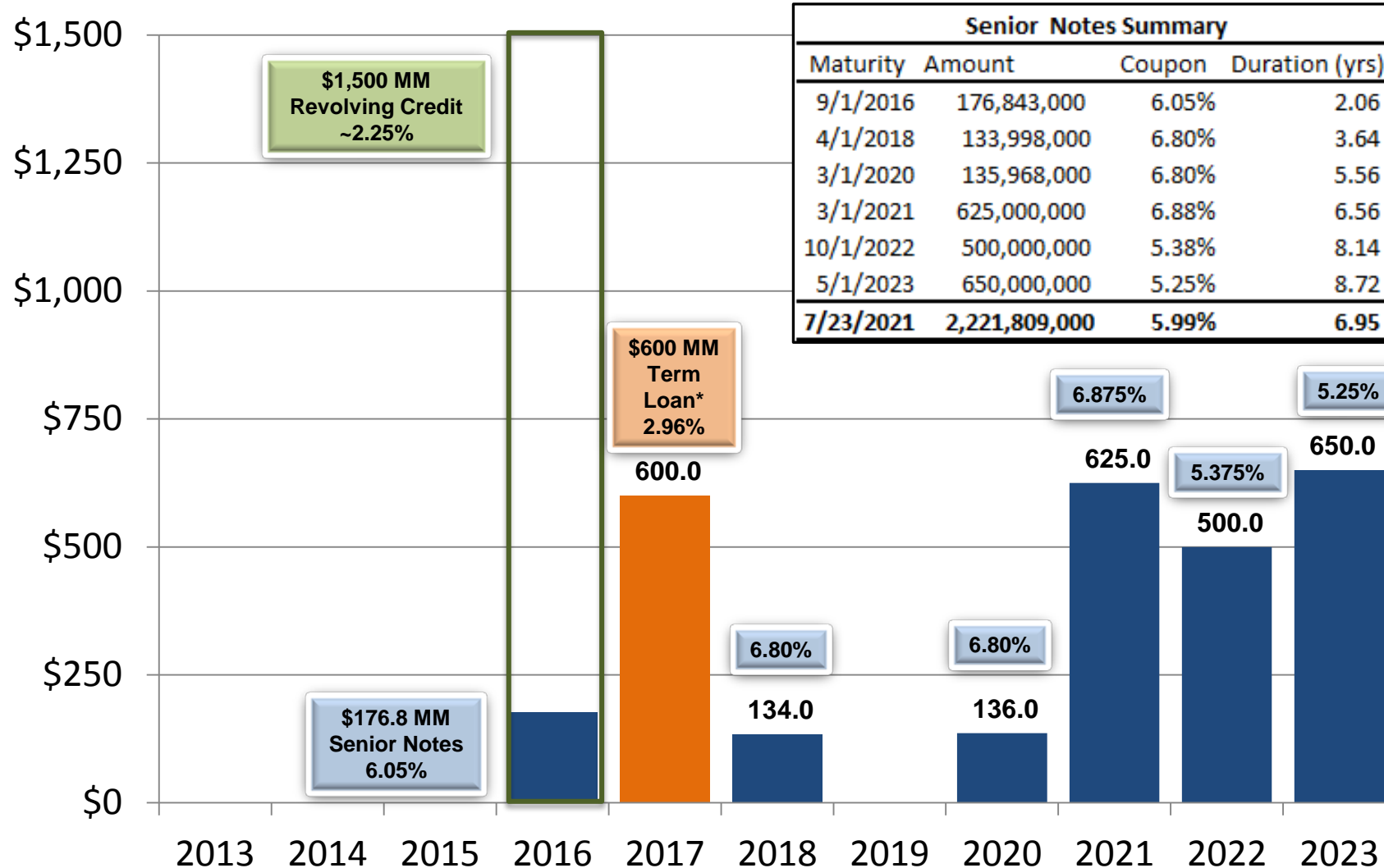
- **Well positioned for future crude oil growth**
  - Williston Basin
  - Permian Basin
- **Balanced and focused inventory of high-quality assets**
- **Complementary midstream business and MLP**
- **Actively taking steps to unlock value for shareholders**

# Appendix



QEP Resources, Inc.

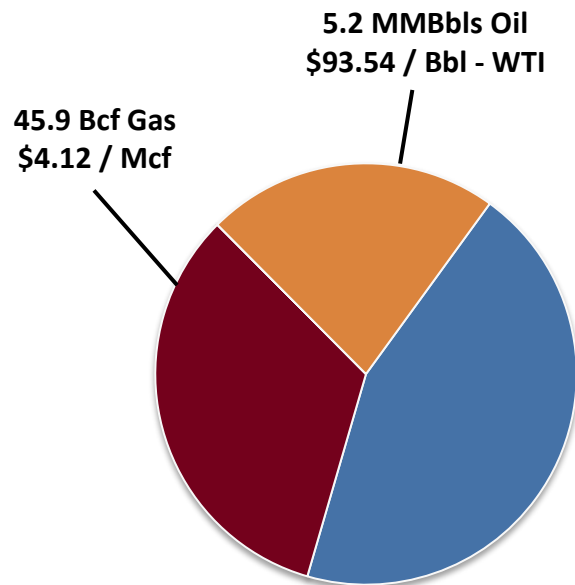
# DEBT MATURITY SCHEDULE



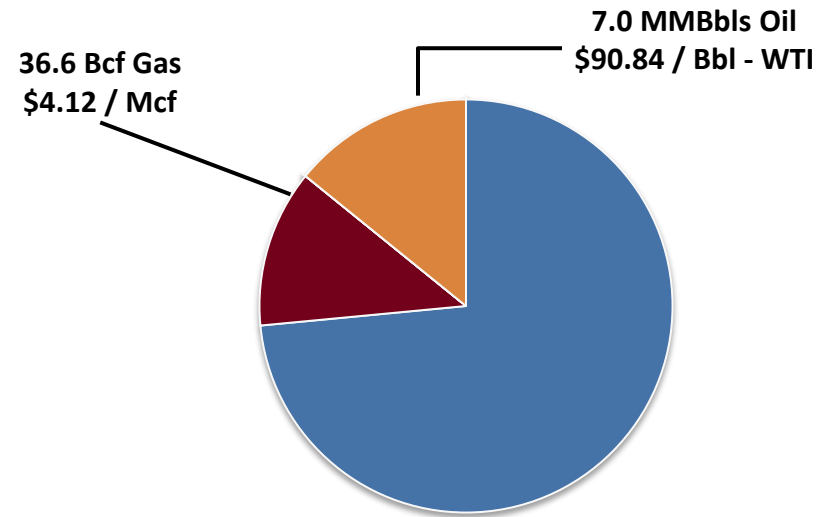
\*As of December 31, 2013

# COMMODITY DERIVATIVES

## QEP Energy - Gas, oil and NGL derivatives (as of 7/31/2014) (prices before deducts)



2014



2015\*

■ Gas Swaps

■ Oil Swaps

■ Commodity Exposed

\* 2015 derivative chart shown for illustration purposes only. No volume guidance has been provided for 2015.

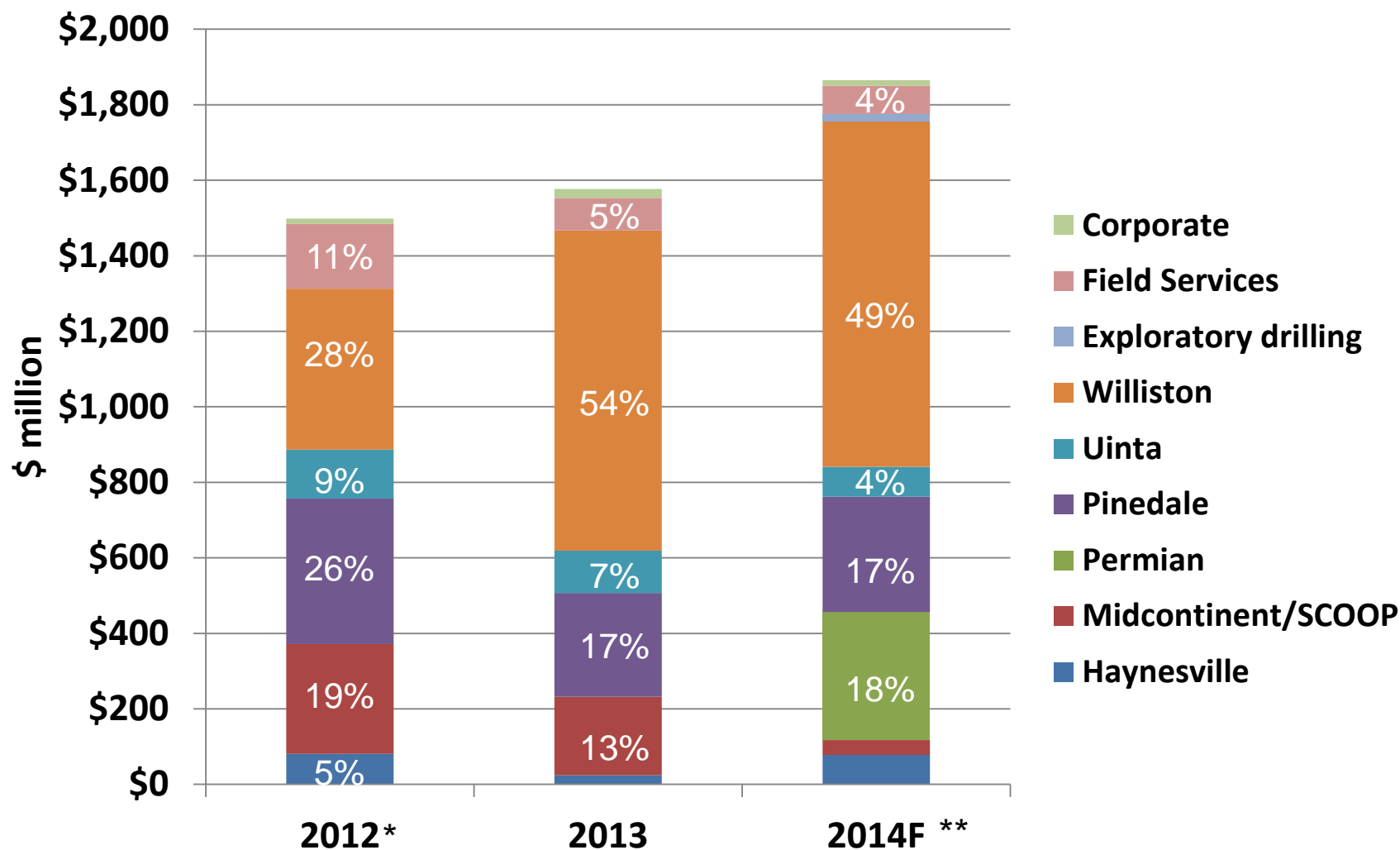
Note: Charts do not include Brent or LLS Oil Basis Swaps



# 2014 GUIDANCE

2014 Guidance (as of 8/06/2014)	Low	High
QEP Energy Oil production (MMBbl)	14.7	15.2
QEP Energy NGL production (MMBbl)	6.0	6.3
<u>QEP Energy natural gas production (Bcf)</u>	<u>165</u>	<u>175</u>
QEP Energy total equivalent production (Bcfe)	289	304
LOE and transportation expense (per Mcfe)	\$1.50	\$1.65
QEP Energy DD&A (per Mcfe)	\$3.10	\$3.25
Production taxes, % of field-level revenue	9%	10%
General and Administrative expense (in millions)	\$225	\$235
QEP Energy capital investment (in millions)	\$1,725	\$1,825
QEP Field Services capital investment (in millions)	\$75	
<u>Corporate and other capital investment (in millions)</u>	<u>\$15</u>	
Total QEP Resources capital investment (in millions)	\$1,815	\$1,915

# QEP RESOURCES CAPITAL ALLOCATION



\*2012 CAPEX excludes the approximate \$1.4 billion North Dakota property acquisition

\*\*2014 CAPEX forecast as of August 6, 2014, excludes the approximate \$942 million Permian property acquisition and assumes no sale or separation of QEP Field Services