EQT Reports 2020 Proved Reserves Of 19.8 Tcfe And Provides Update On 2021 Hedge Position

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PITTSBURGH, Jan. 5, 2021 - EQT Corp. (NYSE: EQT) today reported year-end 2020 total proved reserves of 19.8 Tcf increase of 2.3 Tcfe or 13% compared to year-end 2019. The increase was driven by the efficiencies realized from the EQT's combo-development strategy, and reserve additions associated with EQT's acquisition of Chevron's upstream A assets, which closed on November 30, 2020 (the Chevron Acquisition).

EQT actively hedged throughout 2020 and now sits with approximately 80% of its expected 2021 production hedged, a of approximately 60% as compared to the hedge position at the beginning of 2020.

Year-End Proved Reserves

Proved developed reserves increased by 1.2 Tcfe year-over-year, or 10%, to 13.6 Tcfe. This increase was driven by 1. reserve additions associated with the Chevron Acquisition.

During 2020, EQT continued its digital transformation, which included undergoing a reliable technology study of its rese conjunction with an independent consultant, EQT performed this study to document the technologies in place that provi reasonable certainty of the future performance and economics of EQT's wells. A combination of statistical methods and evaluations were employed, resulting in an increase to EQT's proved reserves area. The outcome of the study provides degree of qualitative and quantitative confidence in EQT's premier reserve base.

Proved undeveloped reserves increased by 1.1 Tcfe year-over-year, or 23%, to 6.2 Tcfe, primarily as a result of reserve enhancements driven by a more efficient and optimized future development cadence, with 0.2 Tcfe of the increase attri the Chevron Acquisition. These reserves include 279 wells planned to be developed over the next five years, in accord US Securities and Exchange Commission (SEC) Regulation S-X Rule 4-10(a). EQT has an additional 13 Tcfe of reserv the definition of proved reserves, except they are planned to be developed beyond five years and are therefore not incl current estimate of proved reserves.

Over the past 18 months, EQT has realized improvements in well performance driven by a combo-development focuse schedule and the application of standardized well designs. However, approximately 60% of the year-end 2020 proved d reserve conversions were subject to sub optimal legacy management development, impacting the expected ultimate re (EUR) applied to the proved undeveloped reserves. Over the next 5 years, EQT expects approximately 80% of the prov undeveloped locations are set for highly efficient combo-development. As these reserves are developed, the applicatio improving EUR's is expected to enhance the remaining proved undeveloped reserve portfolio.

Future development costs for proved undeveloped reserves are estimated to be approximately $2.26 billion, or $0.37 p 29% improvement as compared to 2019.

Proved Reserves by Play (Bcfe)

	Year Ended December 31,	
	2020	2019
Proved developed reserves		
Marcellus	11,943	10,513
Upper Devonian	839	880
Ohio Utica	757	947
Other	102	104
Total	13,641	12,444
Proved undeveloped reserves		
Marcellus	6,061	4,584
Ohio Utica	100	441
Total	6,161	5,025
Total proved reserves	19,802	17,469

Year-end 2020 reserves are based on a $1.99 per MMBtu natural gas price (NYMEX), which is $0.59 lower than the price used to estimate the 2019 reserves. Prices are determined in accordance with the SEC requirement to use the unweighted arithmetic average of the first-day-of-the-month price for the preceding twelve months without giving effect to derivative transactions.

Netherland Sewell and Associates, Inc. an independent consulting firm hired by management, reviewed 100% of the total net natural gas, NGLs and oil proved reserves attributable to EQT's interests as of December 31, 2020.

Hedging Update (as of January 1, 2021)

During the fourth quarter of 2020, EQT continued executing on its hedge strategy to protect against downside commodity risk in 2021. As a result, EQT currently has approximately 80% of its expected 2021 production hedged, assuming maintenance level production, pro forma for the Chevron Acquisition. This represents an increase of approximately 15% as compared to the third-quarter 2020 hedge position.

EQT's total natural gas production NYMEX hedge positions are:

	2021	2022	2023	2024
Swaps:				
Volume (MMDth)	997	366	69	2
Average Price ($/Dth)	$ 2.69	$ 2.65	$ 2.48	$ 2.67
Calls – Net Short:				
Volume (MMDth)	407	284	77	15
Average Short Strike Price ($/Dth)	$ 2.93	$ 2.89	$ 2.89	$ 3.11
Puts – Net Long:				
Volume (MMDth)	227	135	69	15
Average Long Strike Price ($/Dth)	$ 2.59	$ 2.35	$ 2.40	$ 2.45
Fixed Price Sales:				
Volume (MMDth)	72	4	3	—
Average Price ($/Dth)	$ 2.50	$ 2.38	$ 2.38	$ —

EQT has also entered into derivative instruments to hedge basis. EQT may use other contractual agreements from time to time to implement its commodity hedging strategy.

About EQT Corporation

EQT Corp. is a leading independent natural gas production company with operations focused in the cores of the Marcellus and Utica Shales in the Appalachian Basin. We are dedicated to responsibly developing our world-class asset base and being the operator of choice for our stakeholders. By leveraging a culture that prioritizes operational efficiency, technology and sustainability, we seek to continuously improve the way we produce environmentally responsible, reliable and low-cost energy. We have a longstanding commitment to the safety of our employees, contractors, and communities, and to the reduction of our overall environmental footprint. Our values are evident in the way we operate and in how we interact each day – trust, teamwork, heart, and evolution are at the center of all we do.

EQT Management speaks to investors from time to time and the analyst presentation for these discussions, which is updated periodically, is available via EQT's investor relations website at https://ir.eqt.com.

Cautionary Statements

This news release contains certain forward-looking statements within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended, and Section 27A of the Securities Act of 1933, as amended. Statements that do not relate strictly to historical or current facts are forward-looking. Without limiting the generality of the foregoing, forward-looking statements contained in this news release specifically include the expectations of plans, strategies, objectives and growth and anticipated financial and operational performance of EQT Corp. and its subsidiaries (collectively, the Company), including reserves estimates and projections of the Company's reserves; guidance regarding the Company's strategy to develop its reserves and wells to be developed, including the timing of developing such reserves and wells; the number of wells to be developed within the next five years and beyond; projections of the Company's wells set for combo-development; projected costs to develop the Company's proved undeveloped reserves; projected natural gas prices; and the Company's hedging strategy. These forward-looking statements involve risks and uncertainties that could cause actual results to differ materially from projected results. Accordingly, investors should not place undue reliance on forward-looking statements as a prediction of actual results. The Company has based these forward-looking statements on current expectations and assumptions about future events, taking into account all information currently available to the Company. While the Company considers these expectations and assumptions to be reasonable, they are inherently subject to significant business, economic, competitive, regulatory and other risks and uncertainties, many of which are difficult to predict and beyond the Company's control. The risks and uncertainties that may affect the operations, performance and results of the Company's business and forward-looking statements include, but are not limited to, volatility of commodity prices; the costs and results of drilling and operations; access to and cost of capital; uncertainties about estimates of reserves, identification of drilling locations and the ability to add proved reserves in the future; the assumptions underlying production forecasts; the quality of technical data; the Company's ability to appropriately allocate capital and resources among its strategic opportunities; inherent hazards and risks normally incidental to drilling for, producing, transporting and storing natural gas, NGLs and oil; cyber security risks; availability and cost of drilling rigs, completion services, equipment, supplies, personnel, oilfield services and water required to execute the Company's exploration and development plans; the ability to obtain environmental and other permits and the timing thereof; government regulation or action; environmental and weather risks, including the possible impacts of climate change; uncertainties related to the severity, magnitude and duration of the COVID-19 pandemic; and disruptions to the Company's business due to acquisitions and other significant transactions. These and other risks are described under Item 1A, "Risk Factors," and elsewhere in the Company's Annual Report on Form 10-K for the year ended December 31, 2019, as updated by Part II, Item 1A, "Risk Factors" in the Company's subsequently filed Quarterly Reports on Form 10-Q and other documents the Company files from time to time with the Securities and Exchange Commission. In addition, the Company may be subject to currently unforeseen risks that may have a materially adverse impact on it.

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