

QEP Resources Inc. Provides Operational And Financial Update

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DENVER, March 13, 2020 - [QEP Resources Inc.](#) (NYSE: QEP) (QEP or the Company) today provided an operational and financial update in response to current market conditions.

- Expect to reduce planned 2020 and 2021 combined capital expenditures by more than an aggregate \$300 million, or nearly 30%
- Plan to suspend completion operations in the Permian Basin from early May through at least the beginning of the fourth quarter 2020
- Intend to release the intermediate drilling rig operating in the Permian Basin at the conclusion of its current operation in March 2020
- Plan to suspend the refracturing program in the Williston Basin upon completion of current projects for the remainder of 2020
- Expect to generate approximately \$75 million of Free Cash Flow (a non-GAAP measure)¹ in 2020 at \$35/bbl WTI, which excludes the \$37.5 million tax refund expected in 2020
- The adjusted plan is expected to generate Free Cash Flow in 2021 at current commodity strip prices
- Plan to suspend \$0.02 quarterly dividend following payment on March 20, 2020 of the dividend for fourth quarter 2019
- The Company expects to update 2020 guidance in connection with reporting its first quarter 2020 financial results and as such, the 2020 guidance issued on February 26, 2020 should no longer be relied upon

COMMODITY DERIVATIVES

The following tables present QEP's volumes and average prices for its open derivative positions as of February 14, 2020:

Production Commodity Derivative Swaps

Year	Index	Total Volumes (in millions)	Average Swap Price per Unit (\$/bbl)
Oil sales		(bbls)	
2020	NYMEX WTI	13.0	\$ 57.81
2020	Argus WTI Midland	1.3	\$ 57.30
2020	Argus WTI Houston	0.8	\$ 60.06
2021	NYMEX WTI	1.6	\$ 55.04

Production Commodity Derivative Basis Swaps

Year	Index	Basis	Total Volumes (in millions)	Weighted-Average Differential (\$/bbl)
Oil sales			(bbls)	
2020	NYMEX WTI	Argus WTI Midland	6.2	\$ 0.19
2020	NYMEX WTI	Argus WTI Houston	0.3	\$ 3.75
2021	NYMEX WTI	Argus WTI Midland	4.4	\$ 0.99

About QEP Resources, Inc.

[QEP Resources Inc.](#) (NYSE: QEP) is an independent crude oil and natural gas exploration and production company focused in two regions of the United States: the Southern Region (primarily in Texas) and the Northern Region (primarily in North Dakota). For more information, visit QEP's website at: www.qepres.com.

Forward-Looking Statements

This release 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: plans to suspend completion operations and release the intermediate drilling rig operating in the Permian Basin; plans to suspend the refracturing program in the Williston Basin; expected generation of free cash flow in 2020 and 2021 and related assumptions; expected tax refund in 2020; plans to suspend the quarterly dividend following payment of the fourth quarter 2019 dividend; and plans to update 2020 guidance in connection with reporting first quarter 2020 financial results. 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 length and severity of the recent outbreak of the COVID-19 virus and its impact on QEP’s business; changes in oil, gas and NGL prices; liquidity constraints, including those resulting from the cost or unavailability of financing due to debt and equity capital and credit market conditions, changes in QEP’s credit rating, QEP’s compliance with loan covenants, the increasing credit pressure on QEP’s industry or demands for cash collateral by counterparties to derivative and other contracts; market conditions; global geopolitical and macroeconomic factors; the activities of the Organization of Petroleum Exporting Countries and other oil producing countries such as Russia; general economic conditions, including interest rates; changes in local, regional, national and global demand for natural oil, gas and NGL; impact of new laws and regulations, including the use of hydraulic fracture stimulation; impact of U.S. dollar exchange rates on oil, gas and NGL prices; elimination of federal income tax deductions for oil and gas exploration and development; guidance for implementation of the Tax Cuts and Jobs Act; actual proceeds from asset sales; actions of activist shareholders; tariffs on products QEP uses in its operations or on the products QEP sells; drilling results; shortages of oilfield equipment, services and personnel; the availability of storage and refining capacity; operating risks such as unexpected drilling conditions; transportation constraints, including gas and crude oil pipeline takeaway capacity in the Permian Basin; weather conditions; changes in maintenance, service and construction costs; permitting delays; outcome of contingencies such as legal proceedings; inadequate supplies of water and/or lack of water disposal sources; credit worthiness of counterparties to agreements; 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, 2019. QEP Resources undertakes no obligation to publicly correct or update the forward-looking statements in this news release, in other documents, or on the website to reflect future events or circumstances. All such statements are expressly qualified by this cautionary statement.

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¹ QEP is unable to provide a quantitative reconciliation of Free Cash Flow, a forward-looking non-GAAP measure, to its most directly comparable forward-looking GAAP measure because management cannot reliably quantify certain of the necessary components of such forward-looking GAAP measure. The reconciling items in future periods could be significant.

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