

EQT Announces Closing of Asset Sale and Strategic Volume Curtailment

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PITTSBURGH, May 26, 2020 - [EQT Corp.](#) (NYSE: EQT) today announced that it has closed a transaction to sell certain non-strategic assets and implemented a strategic volume curtailment program.

Asset Sale:

EQT has closed a transaction to sell certain non-strategic assets located in Pennsylvania and West Virginia to Diversified Gas and Oil PLC, for an aggregate purchase price of \$125 million in cash, subject to customary closing adjustments. The transaction includes potential contingent consideration of up to an additional \$20 million, payable based on certain future commodity price targets. Additionally, the transaction relieves EQT of approximately \$47 million in asset retirement obligations and other liabilities associated with the assets. Proceeds from the sale have been used to pay down EQT's term loan due 2021.

Asset Description:

- Pennsylvania: Cameron, Clarion, Clearfield, Elk, Indiana, Jefferson, and Tioga Counties
 - 80 Marcellus wells with current net production of approximately 50 MMcfe per day
 - Leasehold and drilling rights retained on all acreage, excluding Tioga County
 - 33 miles of gathering lines
- West Virginia: Doddridge, Harrison, Marion, Monongalia, Ritchie, Taylor, Tyler, and Wetzel Counties
 - 809 Conventional wells with current net production of approximately 3 MMcfe per day
 - Leasehold and drilling rights retained on all acreage
 - 154 miles of gathering lines

President and CEO Toby Rice stated: "The closing of this non-strategic asset sale demonstrates our commitment to improving the balance sheet and reducing debt. These assets sit outside our core focus area and the divestment will enable a heightened focus on our core asset portfolio. Additionally, the transaction relieves EQT of the higher relative operating costs and substantial asset retirement obligations associated with these assets and will improve our financial standing."

Strategic Volume Curtailment:

On May 14, 2020, EQT made the strategic decision to temporarily curtail approximately 1.4 Bcfe per day of gross production, equivalent to approximately 1.0 Bcfe per day of net production, beginning on May 16, 2020. The Company believes these actions to be value accretive, as the deferred production will be monetized at a higher forward commodity price. The duration of the curtailment will be subject to commodity price movements, relationships and resulting economics, and could potentially continue through the end of the second quarter 2020.

Assuming production remains curtailed at this level through June 30, 2020, EQT would expect its second quarter 2020 total sales volumes to be 315 – 335 Bcfe, approximately 45 Bcfe lower than its previously announced guidance range of 360 – 380 Bcfe. The Company reiterates its second quarter 2020 average differential guidance of \$(0.45) – \$(0.25) per Mcf. Due to the fixed cost nature of certain operating costs, second quarter 2020 total per unit operating costs are expected to be at the high-end of the Company's full-year guidance range of \$1.34 – \$1.46 per Mcfe.

EQT expects no changes to its full-year 2020 guidance and reiterates its previously announced full-year 2020 production and financial guidance.

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.

Visit [EQT Corp.](https://www.EQT.com) at <https://www.EQT.com>; and to learn more about EQT's sustainability efforts, please visit <https://csr.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 and its subsidiaries (collectively, the Company), including guidance regarding the Company's strategy to develop its reserves; projected production and sales volume and growth rates (including liquids sales volume and growth rates); projected operating costs and average differential; the anticipated benefits resulting from the sale of certain of the Company's assets to Diversified Gas and Oil PLC, including the projected relief from liabilities by the Company, the anticipated total proceeds from such sale and the use of such proceeds; projected curtailments in production and the duration of such curtailments and the anticipated financial benefits of implementing such curtailments; the Company's expectations regarding forward commodity prices; and the Company's liquidity, funding sources and availability. The forward-looking statements included in this new release 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 and which 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, natural gas liquids 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 transaction. These and other risks and uncertainties are described under Item 1A, "Risk Factors," of the Company's Form 10-K for the year ended December 31, 2019 as filed with the SEC, as updated by any subsequent Form 10-Qs, and in the other documents the Company files from time to time with the SEC.

Any forward-looking statement speaks only as of the date on which such statement is made, and the Company does not intend to correct or update any forward-looking statement, whether as a result of new information, future events or otherwise, except as required by law.

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