



*The Resource Growth Company*

**QEP Resources, Inc.**

**Second Quarter 2012  
Operations Update  
July 31, 2012**

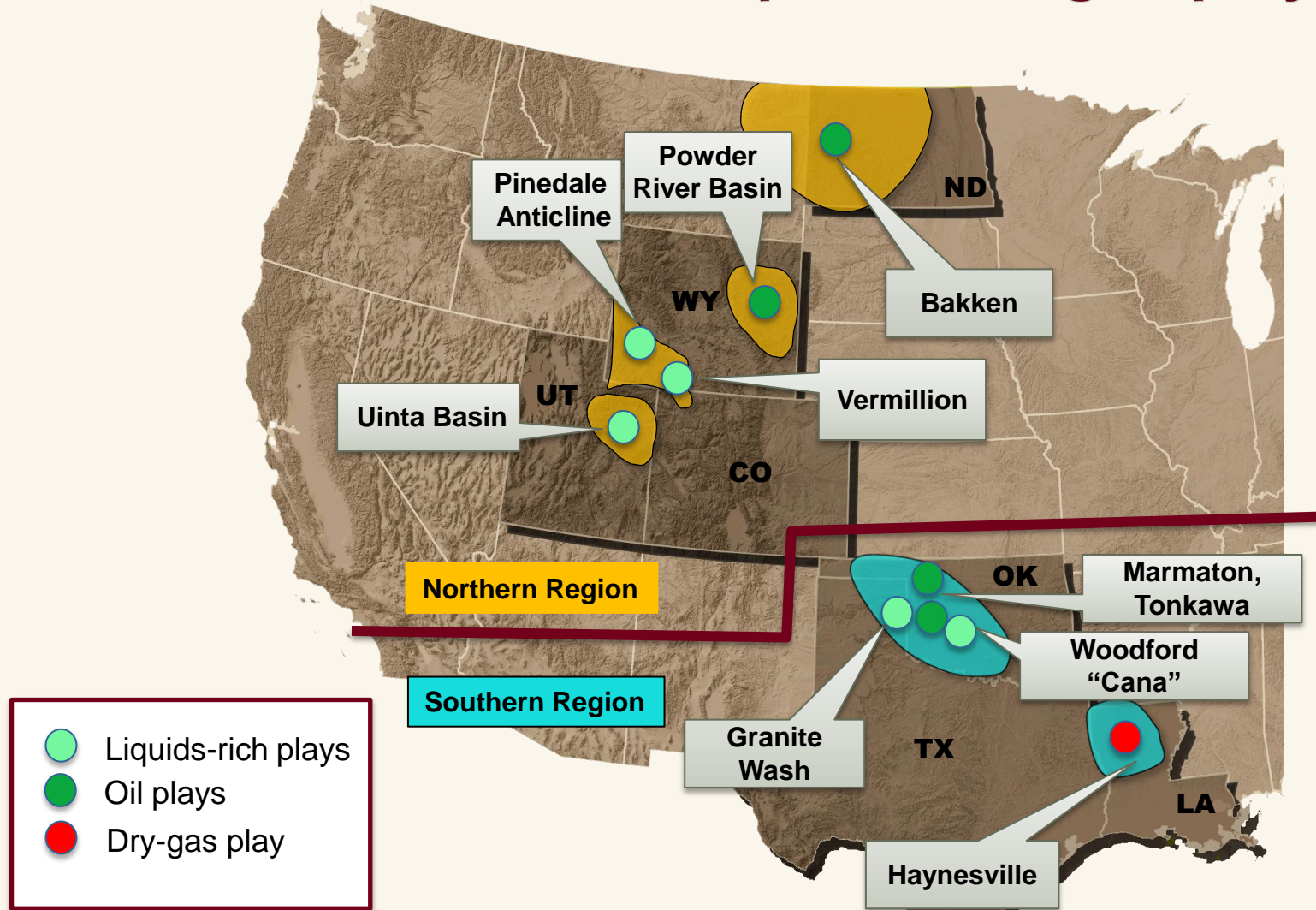
## CAUTIONARY STATEMENTS REGARDING FORWARD-LOOKING INFORMATION AND NON-PROVED RESERVES AND POTENTIAL RESOURCE

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; potential locations for development; estimated proved reserves, non-proved reserves and potential resource; estimated ultimate recoveries per well; and average operated well cost. 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; global geopolitical and macroeconomic factors; natural gas, NGL and oil prices; potential legislative or regulatory changes regarding the use of hydraulic fracture stimulation; impact of new laws and regulations, including the implementation of the Dodd-Frank Act; 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; legislative or regulatory changes, including initiatives related to drilling and completion techniques, including hydraulic fracturing; liabilities from litigation; 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, 2011. QEP undertakes no obligation to publicly correct or update the forward-looking statements in this presentation, in its news releases, in other documents, or on its Web site to reflect future events or circumstances. All such statements are expressly qualified by this cautionary statement.

The Securities and Exchange Commission 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, however QEP has made no such disclosures in its filings with the SEC. Estimates of probable reserves, possible reserves and potential resource are not prepared in accordance with SEC guidelines and do not conform to the SEC’s five-year development rule and pricing mechanism for oil and gas reserve estimation. QEP uses certain terms in this presentation, its news releases and other presentation materials such as “estimated ultimate recovery” (or “EUR”), “resource potential”, and “net resource potential”. These estimates are by their nature more speculative than estimates of proved, probable or possible reserves and accordingly are subject to substantially more risks of actually being realized. The SEC guidelines strictly prohibit us from including such estimates in filings with the SEC. Investors are urged to closely consider the disclosures and risk factors in our most recent annual report on Form 10-K and in other reports on file with the SEC.

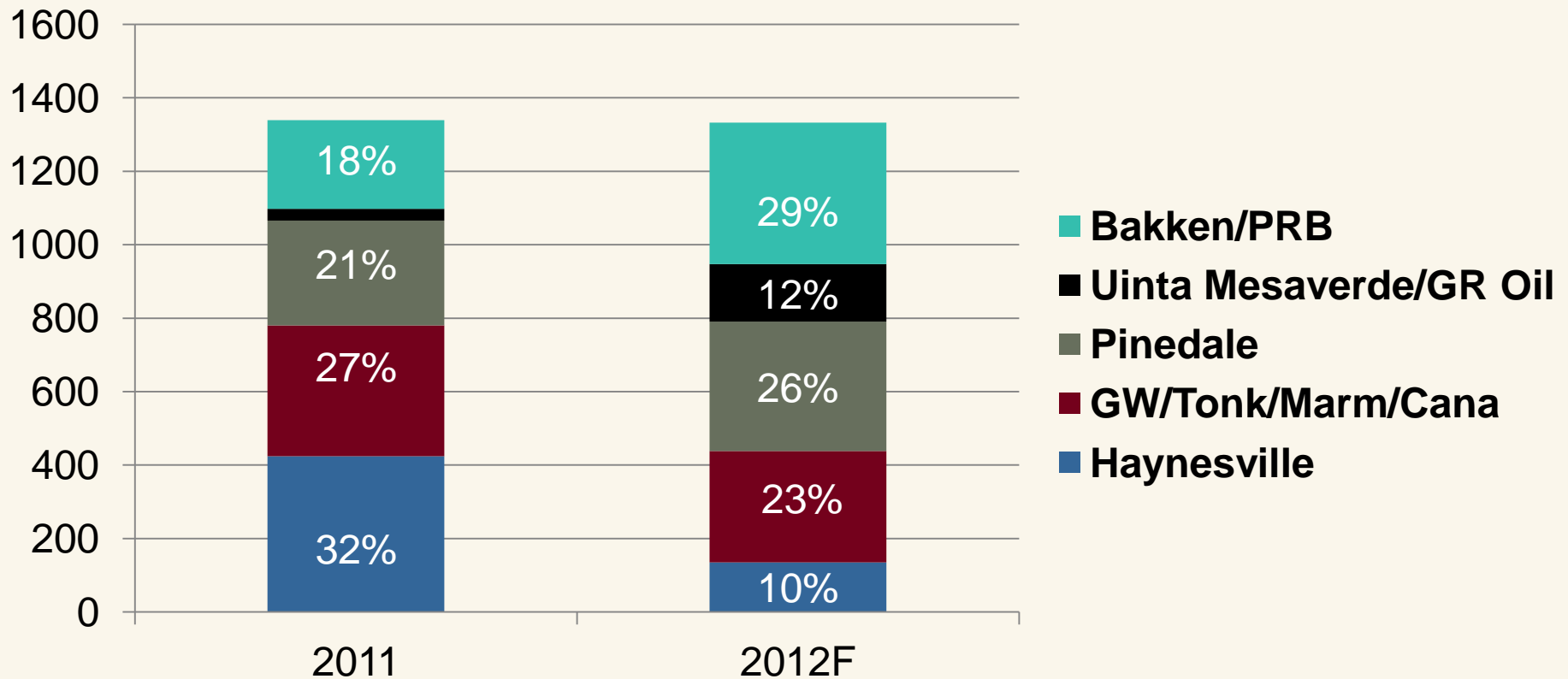


# 90% of QEP Energy's forecast 2012 CAPEX budget is allocated to oil and liquids-rich gas plays



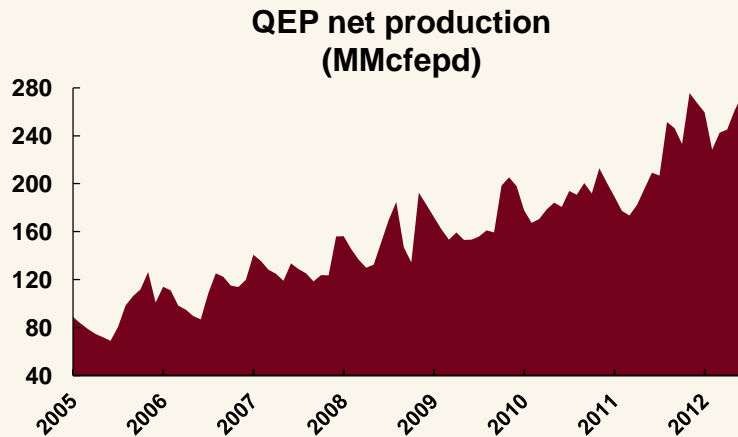
# QEP Energy is shifting CAPEX to higher return oil and liquids-rich gas plays

\$MM



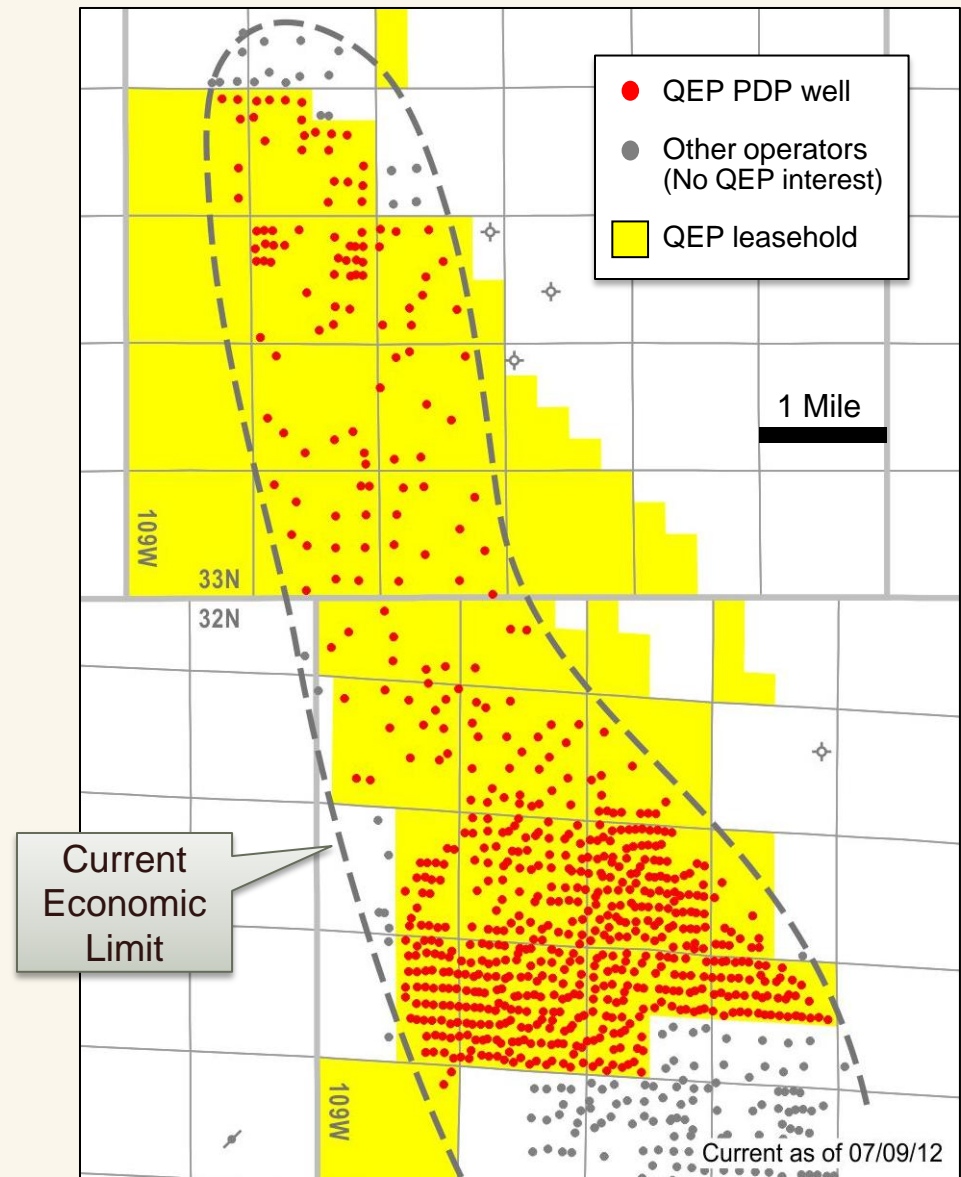


# Up to 1,050 remaining locations at Pinedale



- Proved reserves 1.53 Tcfe\*
  - 526 PUD locations on a combination of 5 and 10-acre density \*
- Up to 1,050 remaining locations
- 105 well completions in 2011
- 100 new completions planned for 2012
- \$4.1 MM average well cost

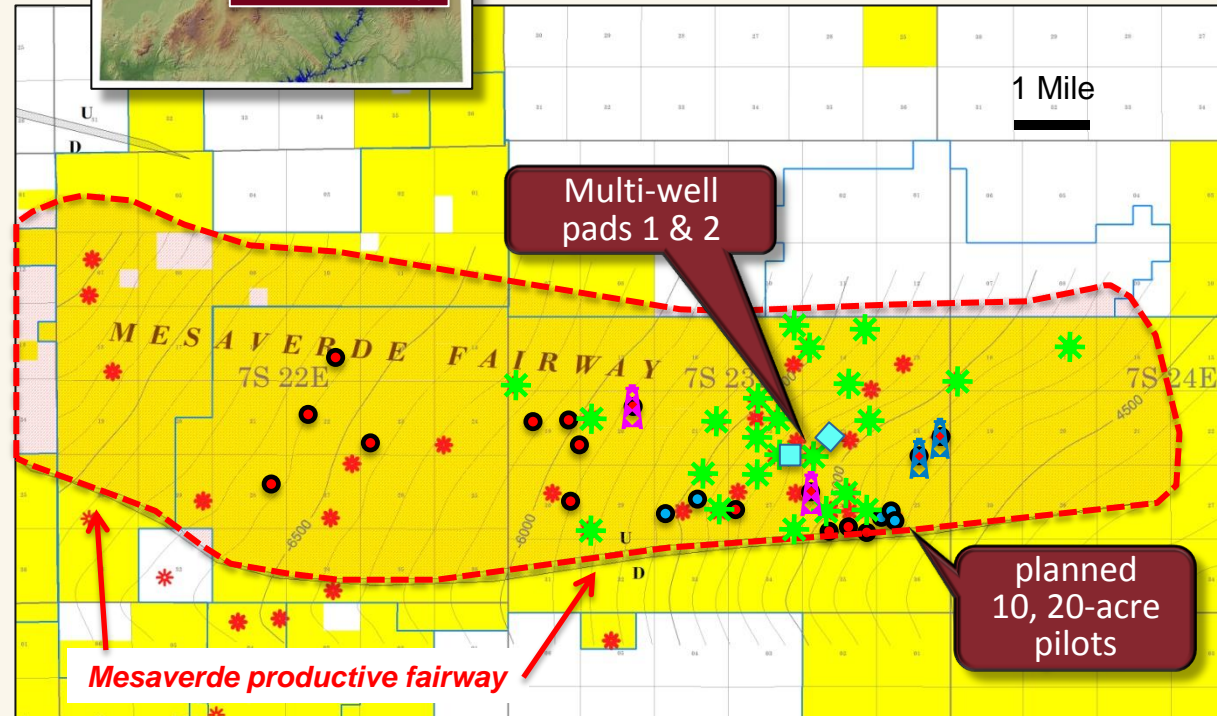
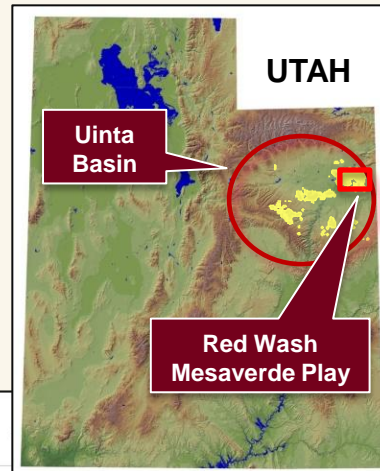
\* As of December 31, 2011



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

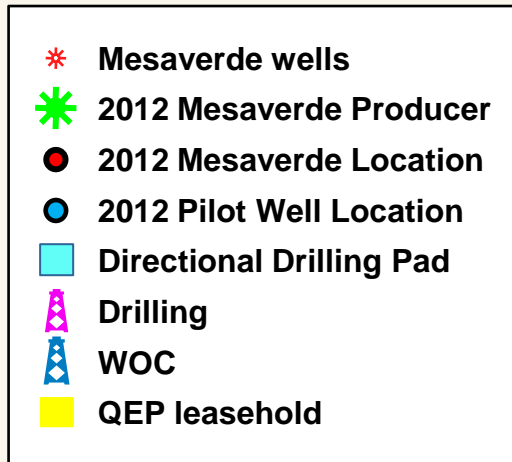
## Red Wash Lower Mesaverde play

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

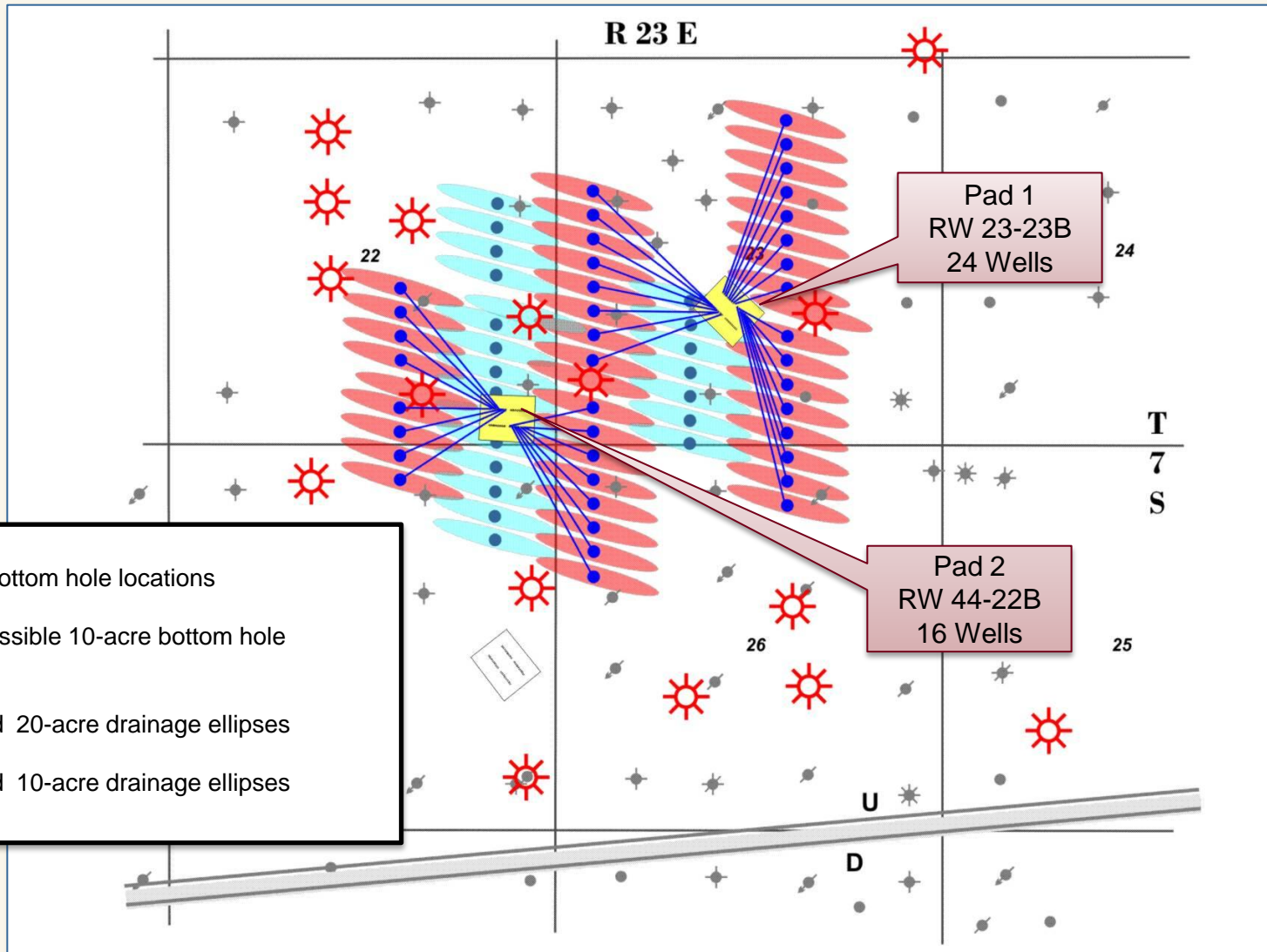


- Proved reserves of 204 Bcfe\*
  - 136 PUD locations on 40-acre spacing\*
- Vertical wells to average TD of 11,000'
- \$2.3 MM average well cost
- Average EUR 2.3 Bcfe
- 32,300 net acres with 86.5% NRI

\* As of December 31, 2011

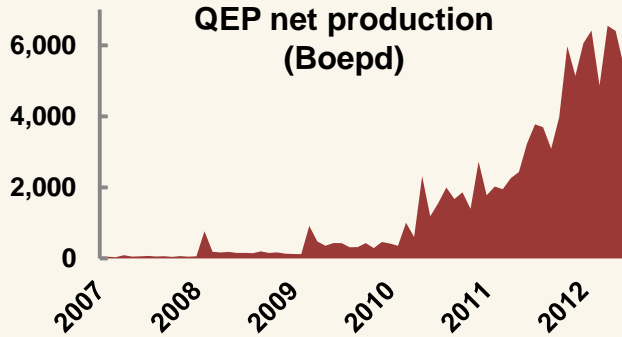


# QEP is starting pad drilling in the Uinta Basin Lower Mesaverde Play



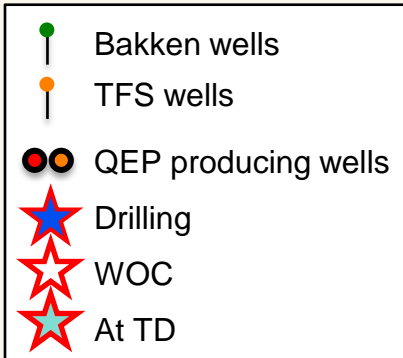


# QEP has 90,000 net acres in the ND Bakken play

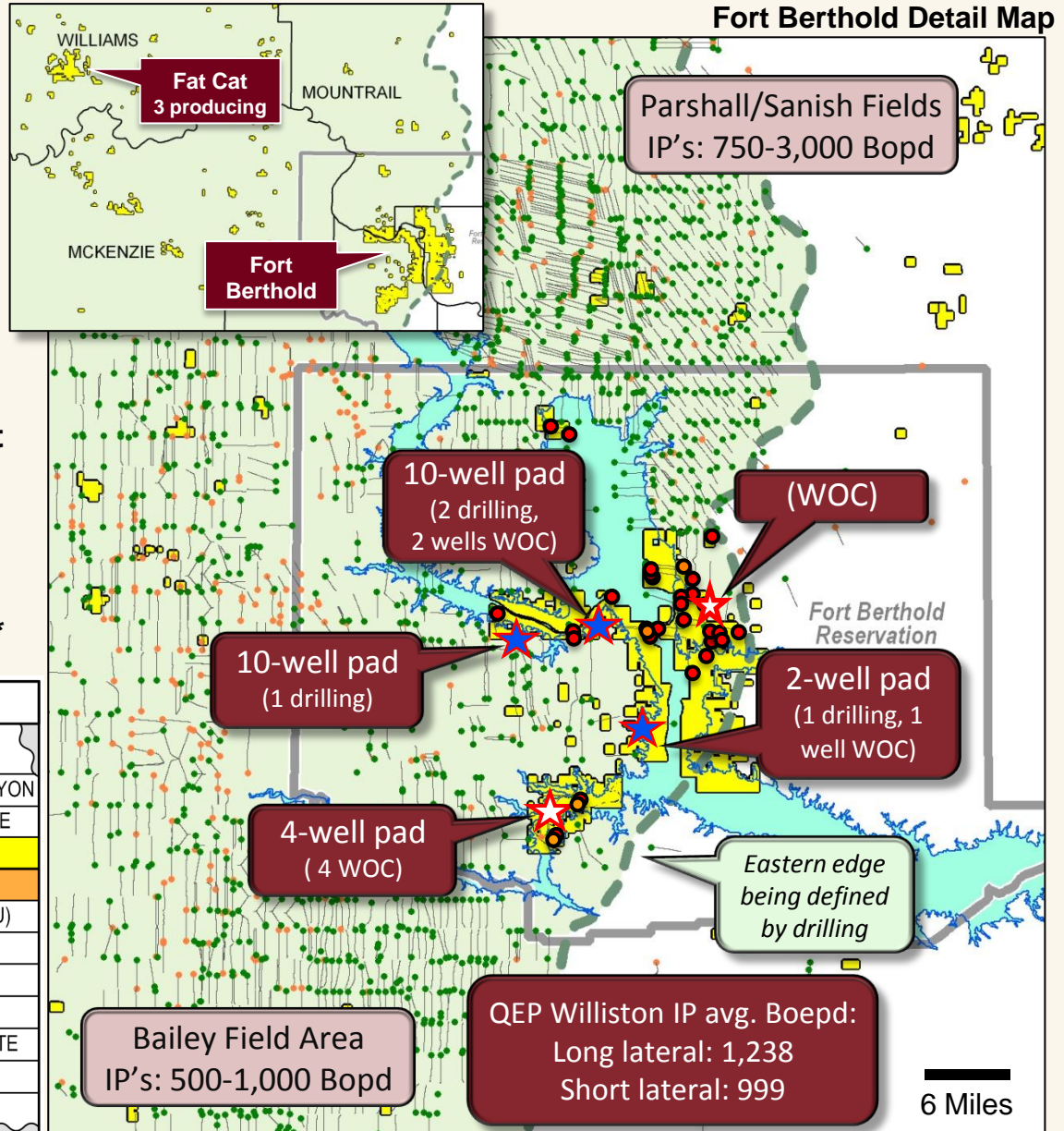


- 5,000 to 12,500-ft laterals
- \$11 MM (long lateral) average well cost
- EUR 300 to 900 Mboe/well (avg. 500 Mboe/well) (Three Forks and Bakken)
- Proved reserves of 43.2 MMMBoe\*
- 97 Bakken/Three Forks PUD locations\*

\* As of December 31, 2011



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

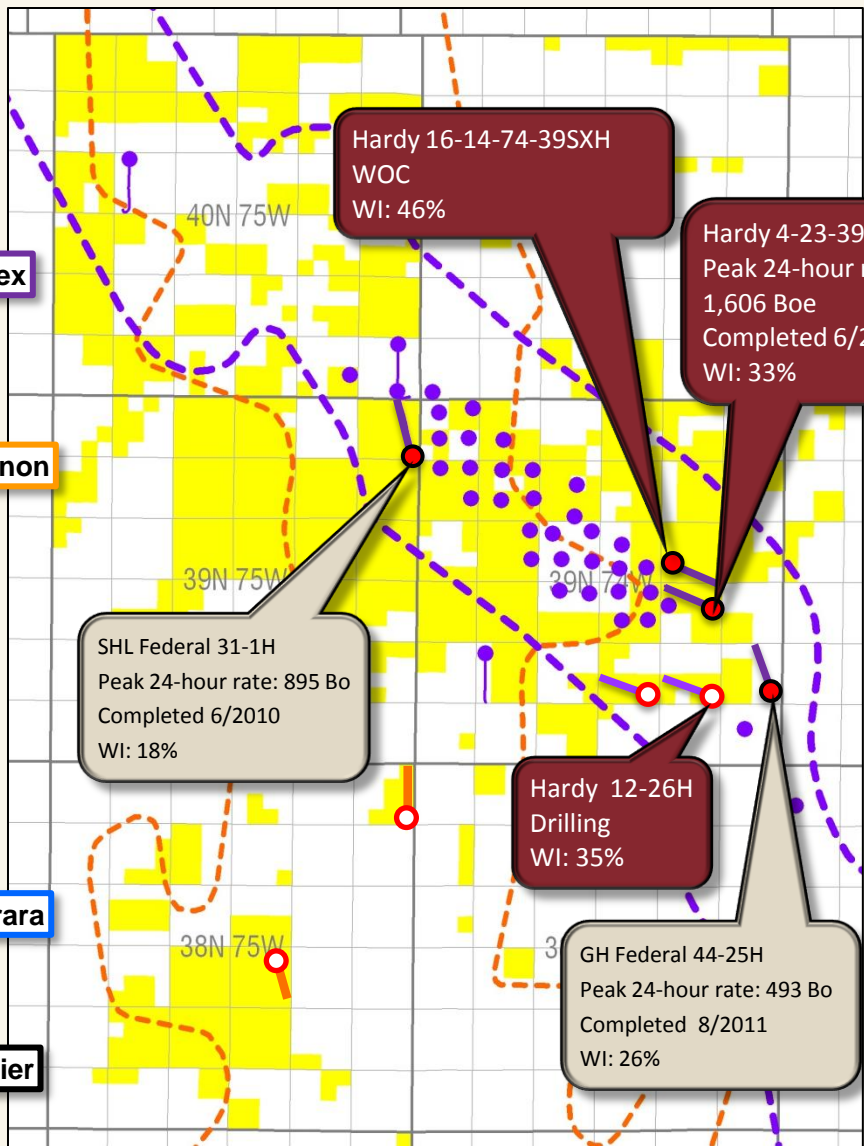
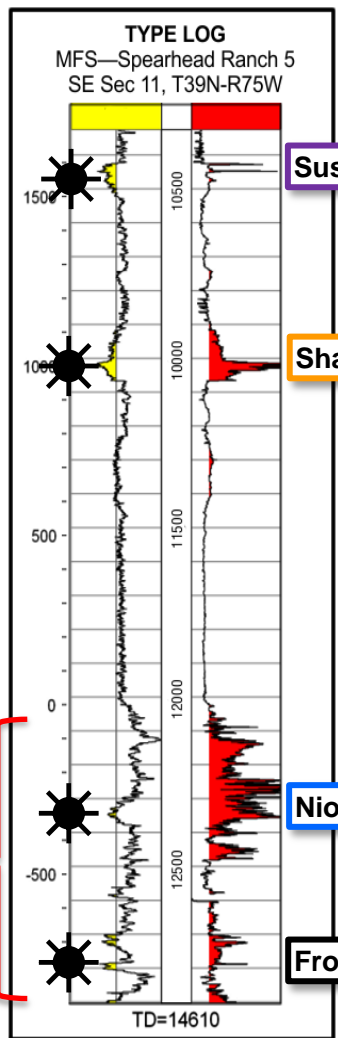




# QEP has 39,000 net acres in the Spearhead Ranch Area of the Powder River Basin, Wyoming

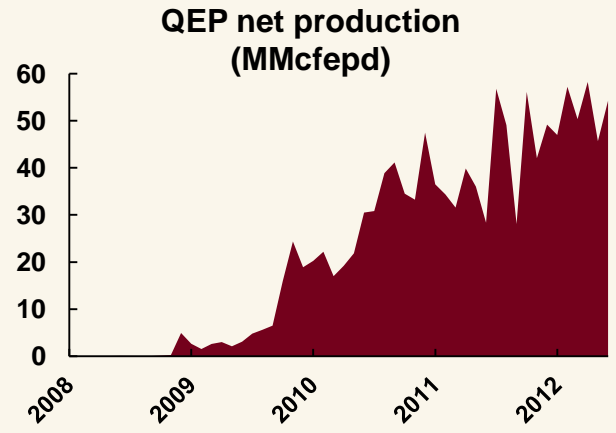
- Multiple oil targets
- 4,500-ft laterals
- \$6.5 - \$7 MM average well cost
- Average Sussex EUR: 450 to 525 Mboe/horizontal well

- Sussex vertical producers
- QEP working interest horizontal producing well
- QEP planned horizontal wells (color coded by formation)
- Sussex play fairway
- Shannon play fairway

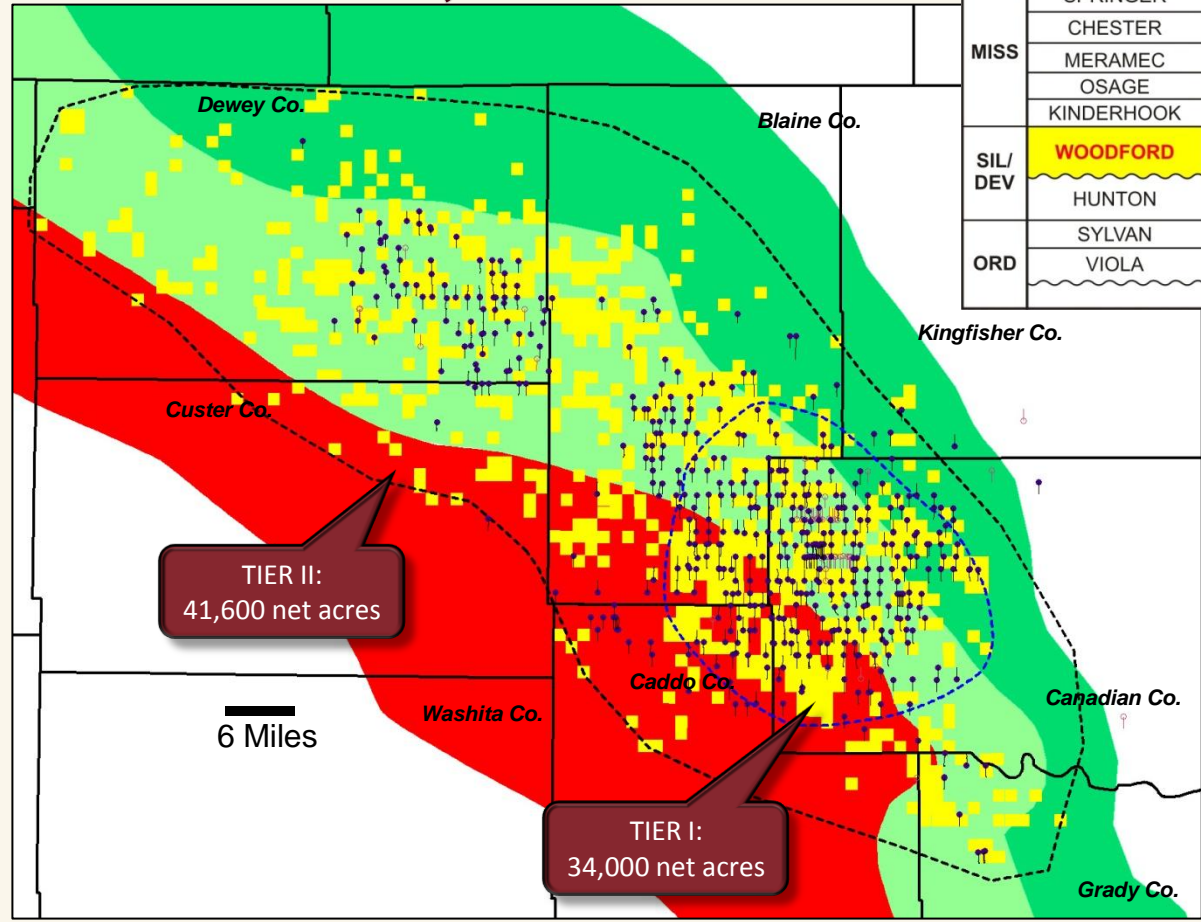


# Woodford "Cana" economics include significant value from liquids across most of our 75,600 net acres

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



- Proved reserves 303 Bcfe\*
  - 86 PUD locations\*
- 3,360 additional potential locations (including 1,978 in Tier 1)
- 20% average working interest in Tier I lands
- \$8 MM average well cost
- Anticipate 14 QEP-operated new well completions in 2012
  - EUR 6 to 8 Bcfe/well
- Significant NGL (25 to 130 bbls/MMcf)



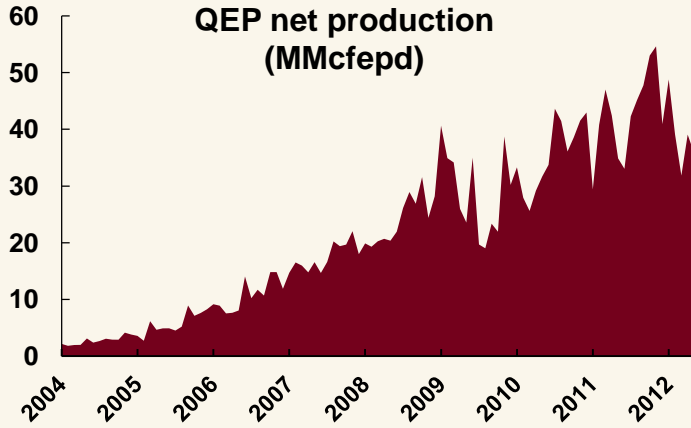
### Value Driver:

- Predominately condensate and NGL  
16% of QEP net acres
- Significant condensate and NGL  
59% of QEP net acres
- Dry gas  
25% of QEP net acres
- QEP leasehold (Woodford or deeper)
- Woodford wells completed
- Woodford wells drilling & WOC



\* As of December 31, 2011

# QEP has 22,600 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

Operated well currently completing:

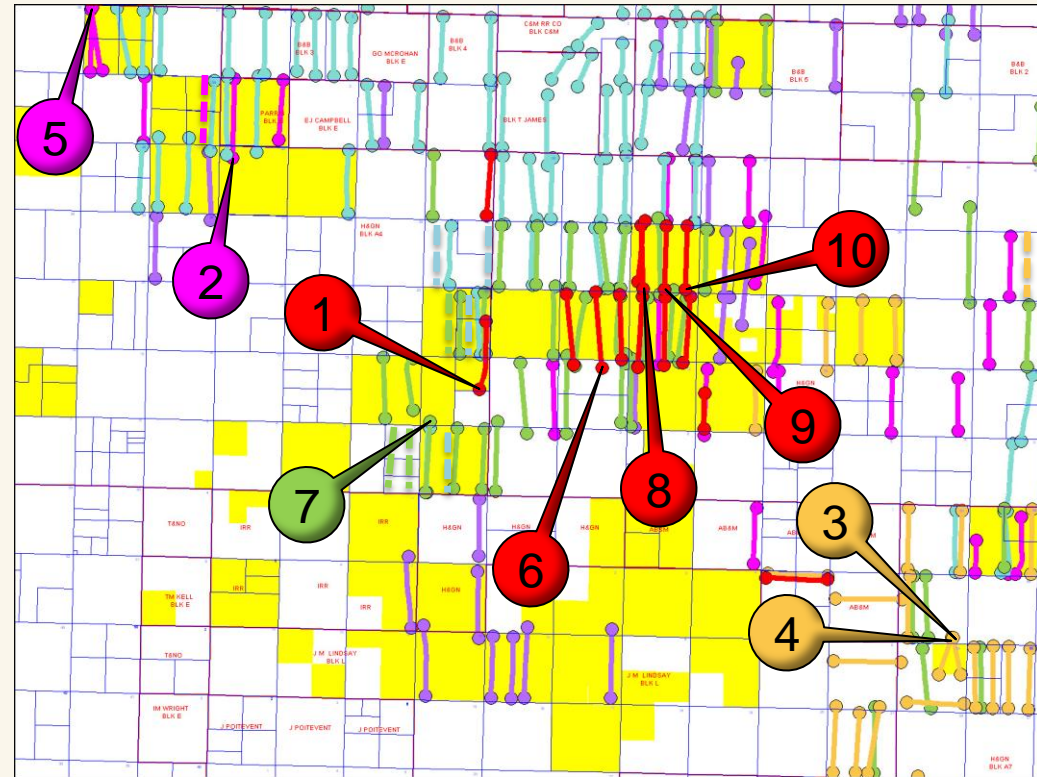
1. Jolly 21 SL #7H (81% WI)

After processing peak daily production rates for select recently completed outside-operated wells:

- |    |            |              |             |                          |
|----|------------|--------------|-------------|--------------------------|
| 2. | 746 BOPD   | 1,114 BNLDPD | 8,803 MCFPD | (6% WI)                  |
| 3. | 374 BOPD   | 50 BNLDPD    | 361 MCFPD   | (33% WI) (short lateral) |
| 4. | 958 BOPD   | 74 BNLDPD    | 536 MCFPD   | (33% WI) (short lateral) |
| 5. | 470 BOPD   | 397 BNLDPD   | 4,234 MCFPD | (23% WI)                 |
| 6. | 1,685 BOPD | 637 BNLDPD   | 2,701 MCFPD | (10% WI)                 |
| 7. | 711 BOPD   | 1225 BNLDPD  | 3,783 MCFPD | (19% WI)                 |

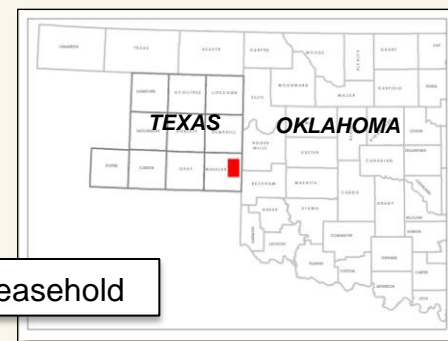
Select outside-operated wells in progress:

- |     |          |          |
|-----|----------|----------|
| 8.  | WOC      | (51% WI) |
| 9.  | WOC      | (51% WI) |
| 10. | DRILLING | (51% 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		

1 Mile



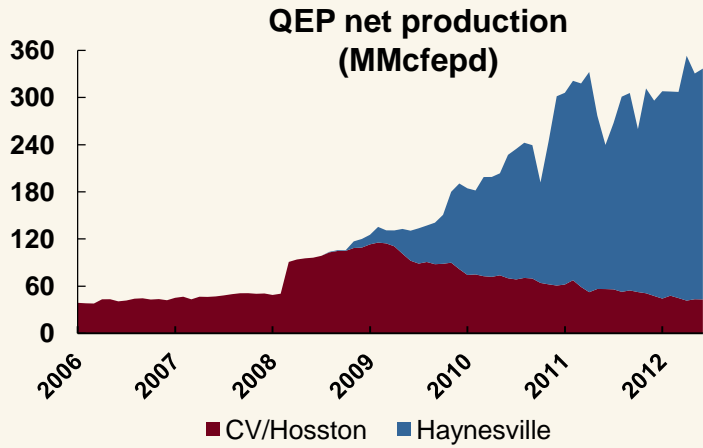
★ High Oil Yield



Location of planned or in-progress operated/non-operated wells with QEP WI

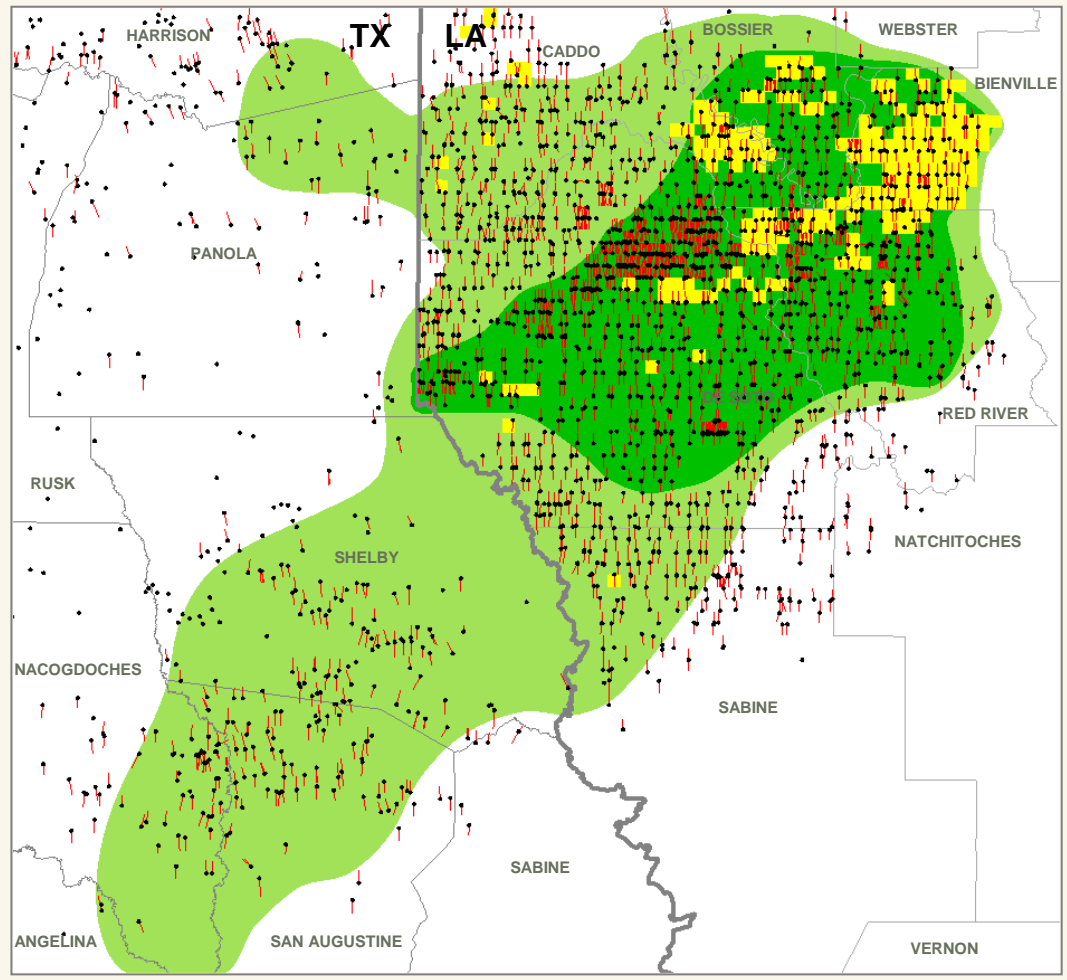
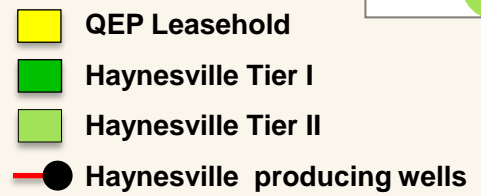


# 50,700 net acres in the core of the Haynesville Shale play

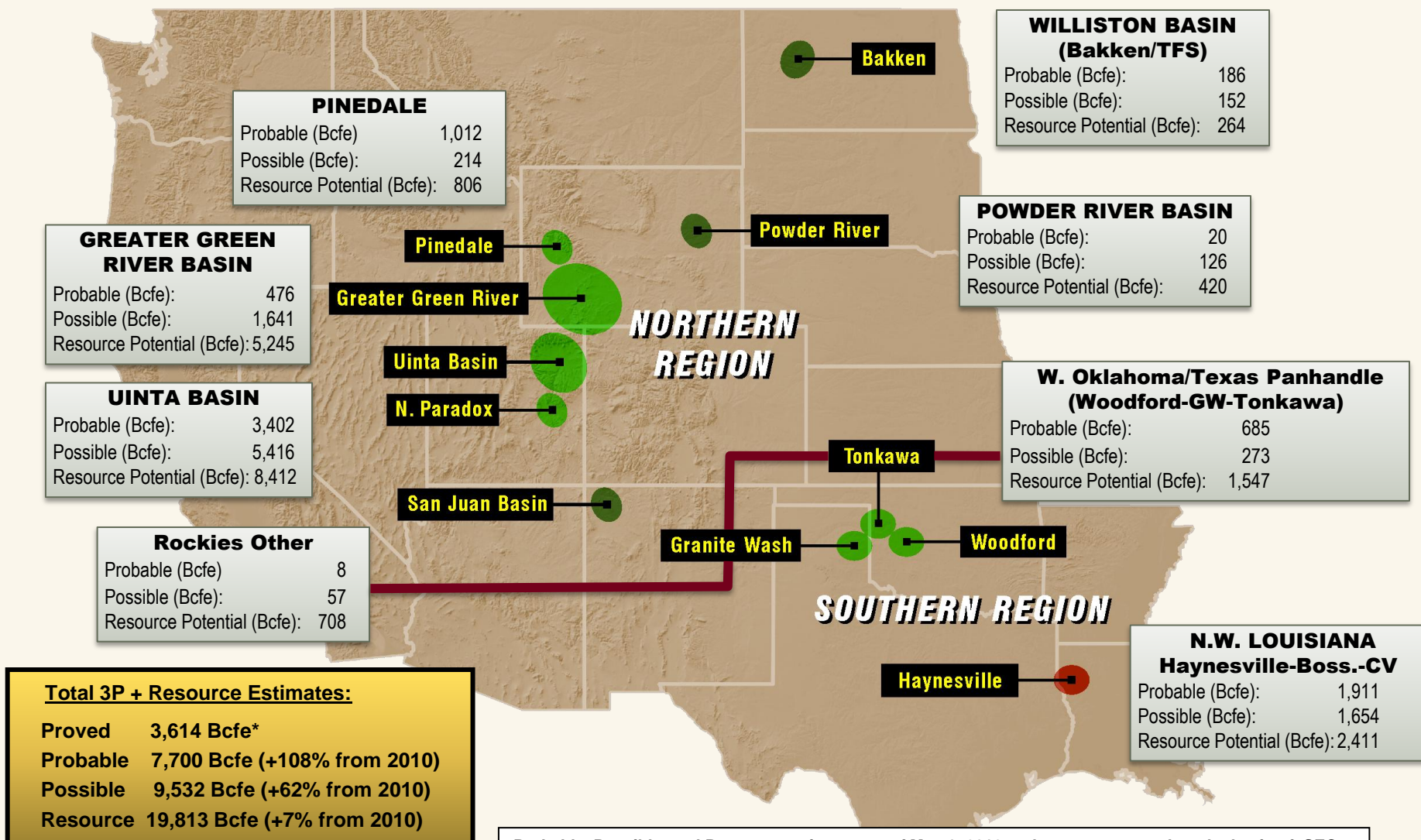


- Proved reserves 685 Bcf\*
  - 98 PUD locations\*
- 1,200 additional potential locations on 80-acre density
- \$9 MM average well cost
- Average EUR 6 to 8 Bcf/well

\* As of December 31, 2011



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



Total 3P + Resource Estimates:	
Proved	3,614 Bcfe*
Probable	7,700 Bcfe (+108% from 2010)
Possible	9,532 Bcfe (+62% from 2010)
Resource	19,813 Bcfe (+7% from 2010)

Probable, Possible, and Resource estimates as of May 1, 2012 and are not prepared on the basis of SEC guidelines relative to commodity prices and timing of development

\*Proved Reserve Estimates as of December 31, 2011

