



*The Resource Growth Company*

**QEP Resources, Inc.**

**Third Quarter 2012  
Operations Update  
October 30, 2012**

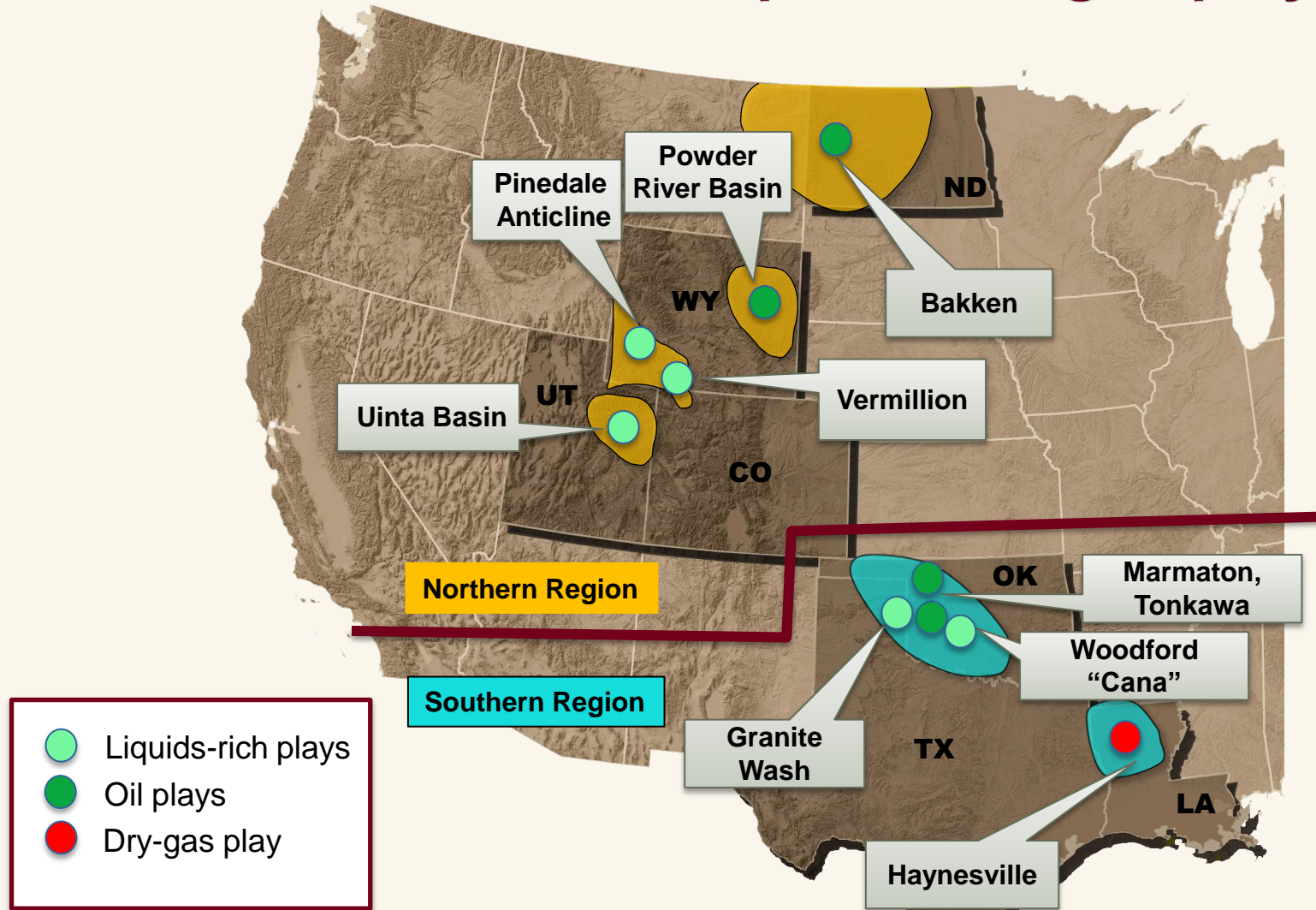
# CAUTIONARY STATEMENTS REGARDING FORWARD-LOOKING STATEMENTS AND NONPROVED RESERVES

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: forecasted production and capital; well costs and average estimated ultimate recoveries per well; plans for drilling and completion; and potential 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 of capital; changes in local, regional, national and global demand for natural gas, oil and NGL; 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; permitting delays; 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 Resources undertakes no obligation to publicly correct or update the forward-looking statements in this news release, in other documents, or on its Web site to reflect future events or circumstances. All such statements are expressly qualified by this cautionary statement.

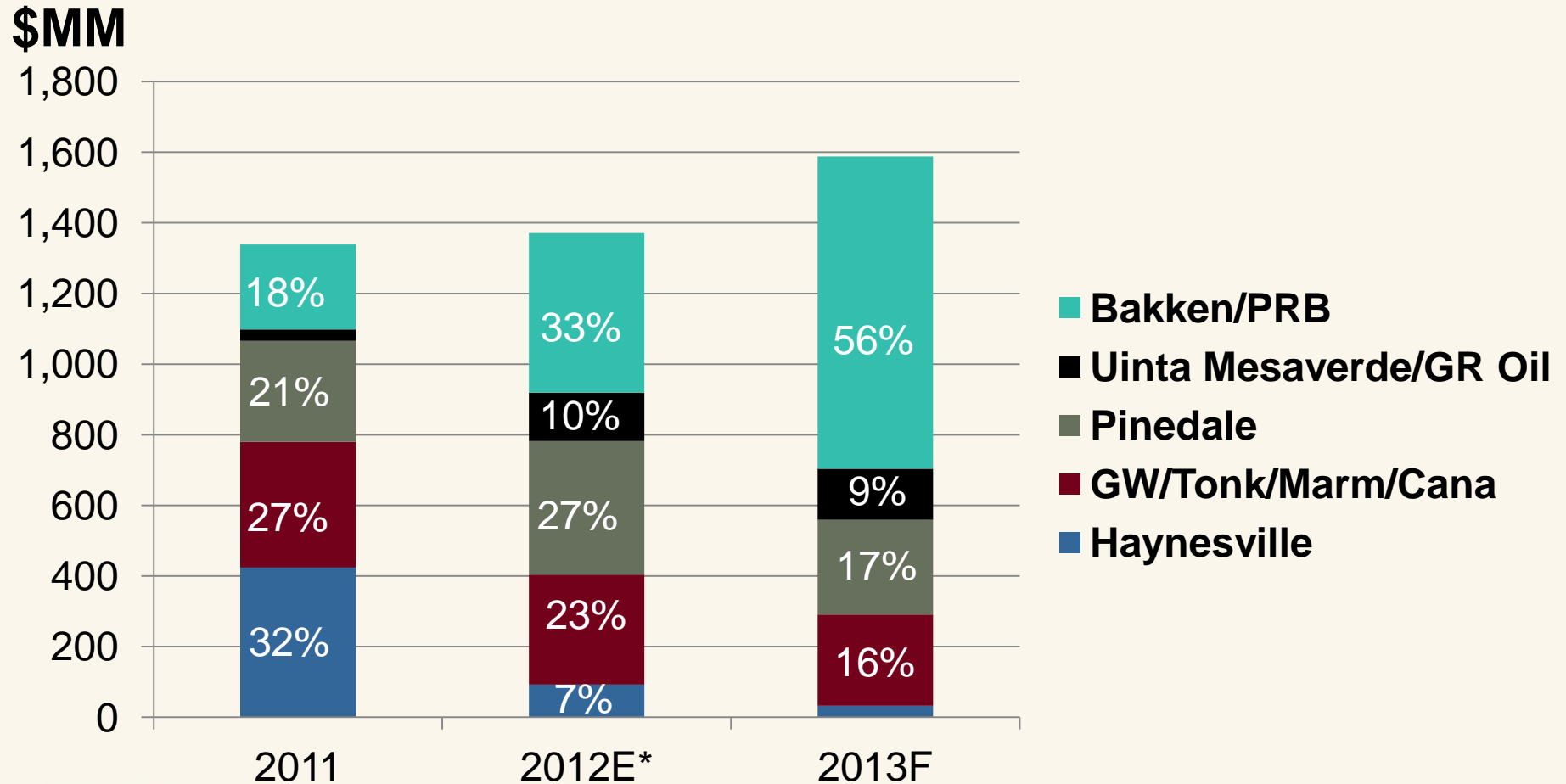
The Securities and Exchange Commission (SEC) requires oil and gas companies, in their filings with the SEC, to disclose proved reserves that a company has demonstrated by actual production or through reliable technology to be economically and legally producible at specific prices and existing economic 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 closely consider the disclosures and risk factors in QEP’s most recent Annual Report on Form 10-K and in other reports on file with the SEC.



# 93% of QEP Energy's forecast 2012 CAPEX budget is allocated to oil and liquids-rich gas plays



# With the recent North Dakota acquisition, QEP Energy plans to allocate about 33% of 2012 and 56% of 2013 CAPEX to the Williston Basin

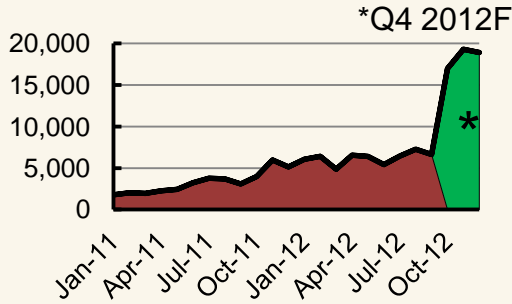


\*2012E CAPEX excludes the approximate \$1.4 billion North Dakota property acquisition

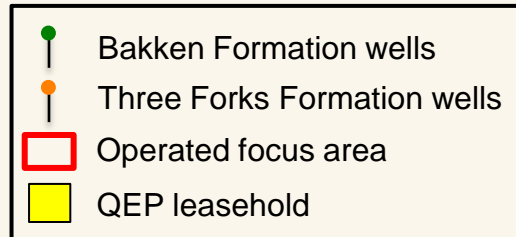
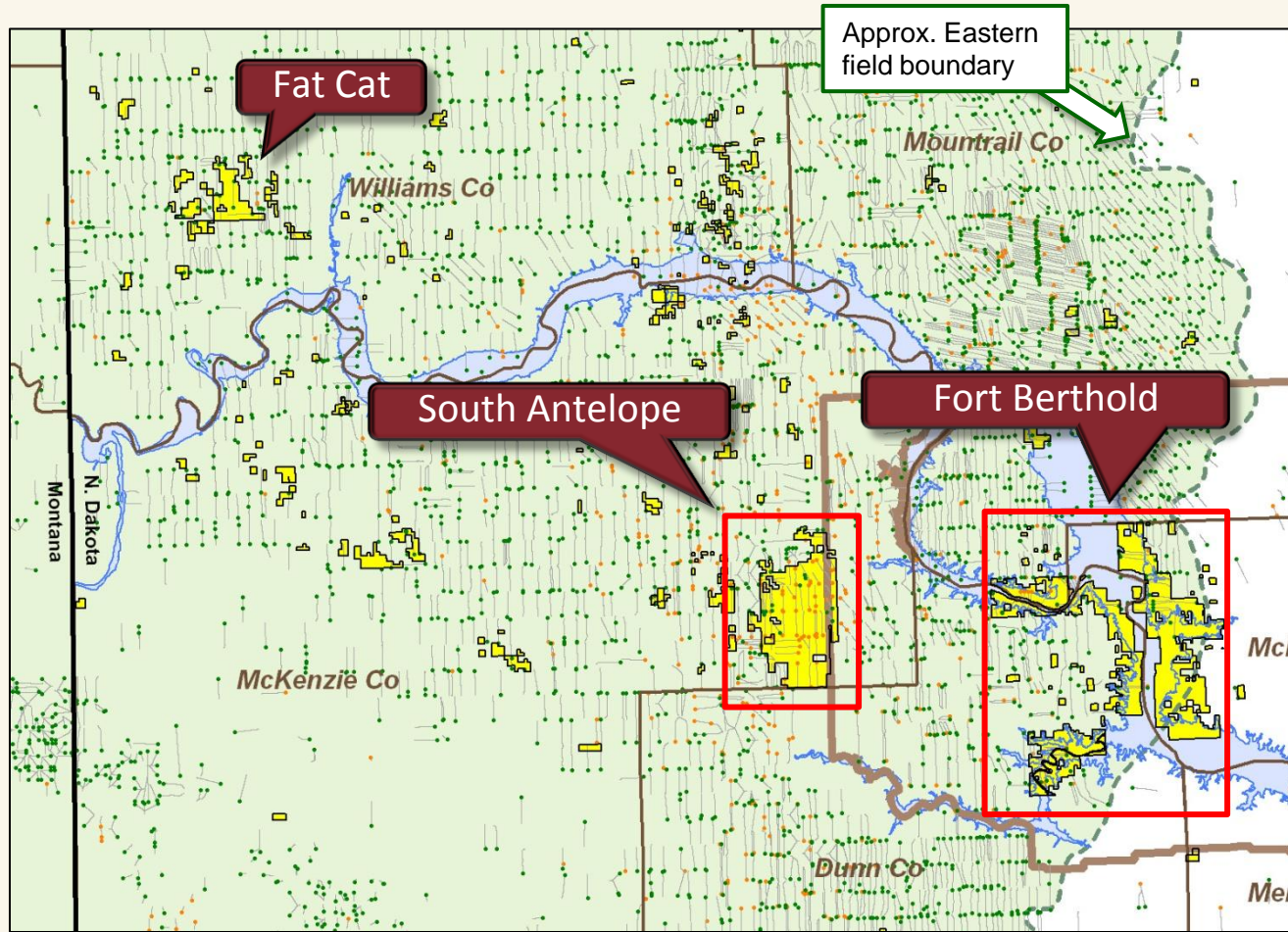


# QEP has 117,000 net acres in the ND Bakken play

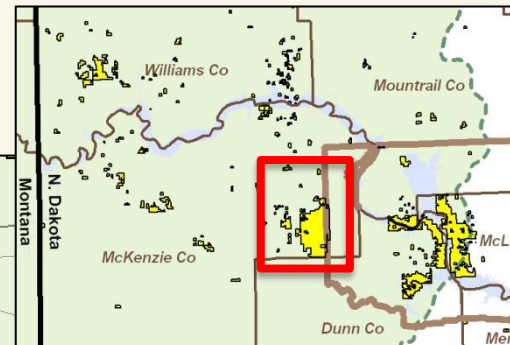
QEP net production (Boepd)



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

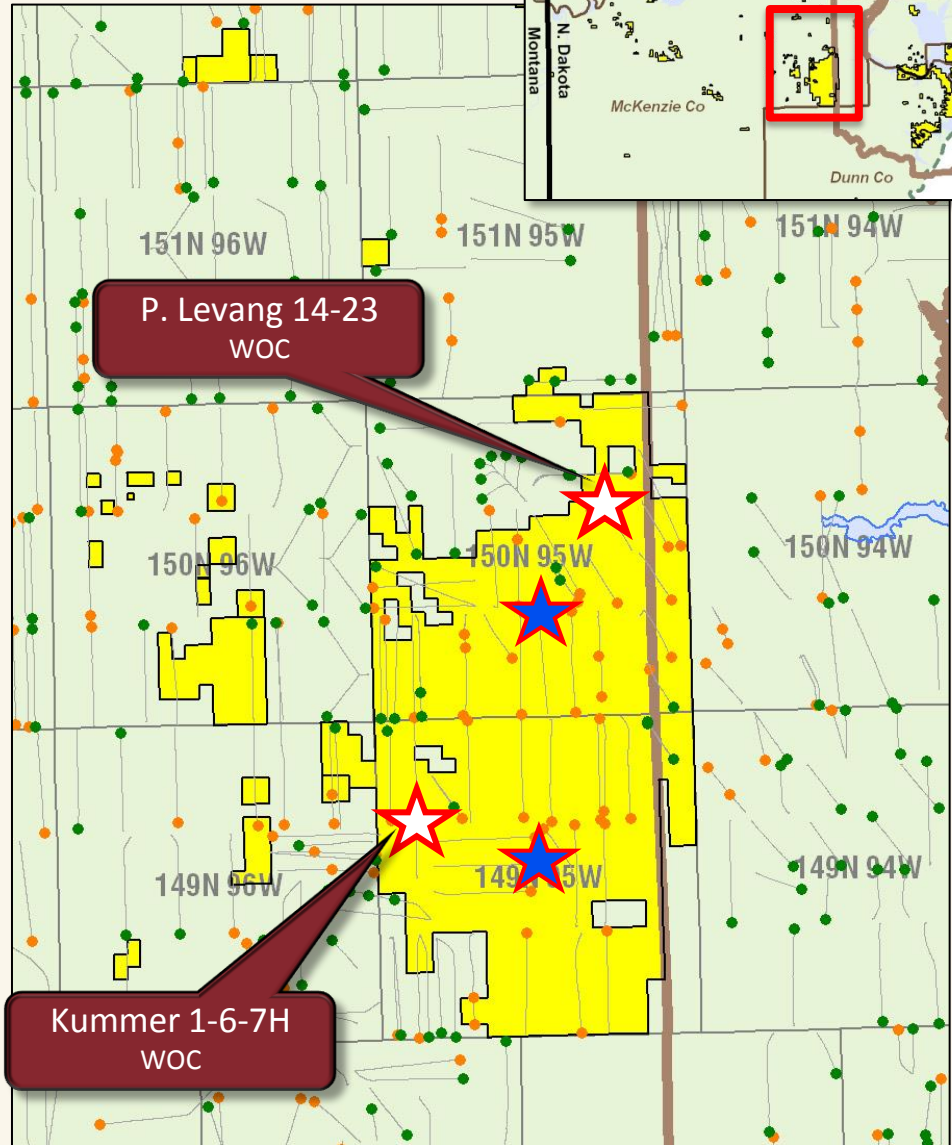


# South Antelope Area Activity



- Number of operated wells as of Q3 2012:
  - 2 Bakken
  - 28 Three Forks
  - 1 Dual zone
- 5,000 to 12,500-ft laterals
- \$11 MM (long lateral) well costs
- Proved + probable reserves of approximately 125 MMBoe
- Average EUR of 1,160 Mboe/well for Bakken long laterals post 1/1/2010
- Average EUR of 990 Mboe/well for Three Forks long laterals post 1/1/2010

	QEP Drilling
	QEP WOC
	Bakken wells
	Three Forks wells
	QEP leasehold









6 Miles

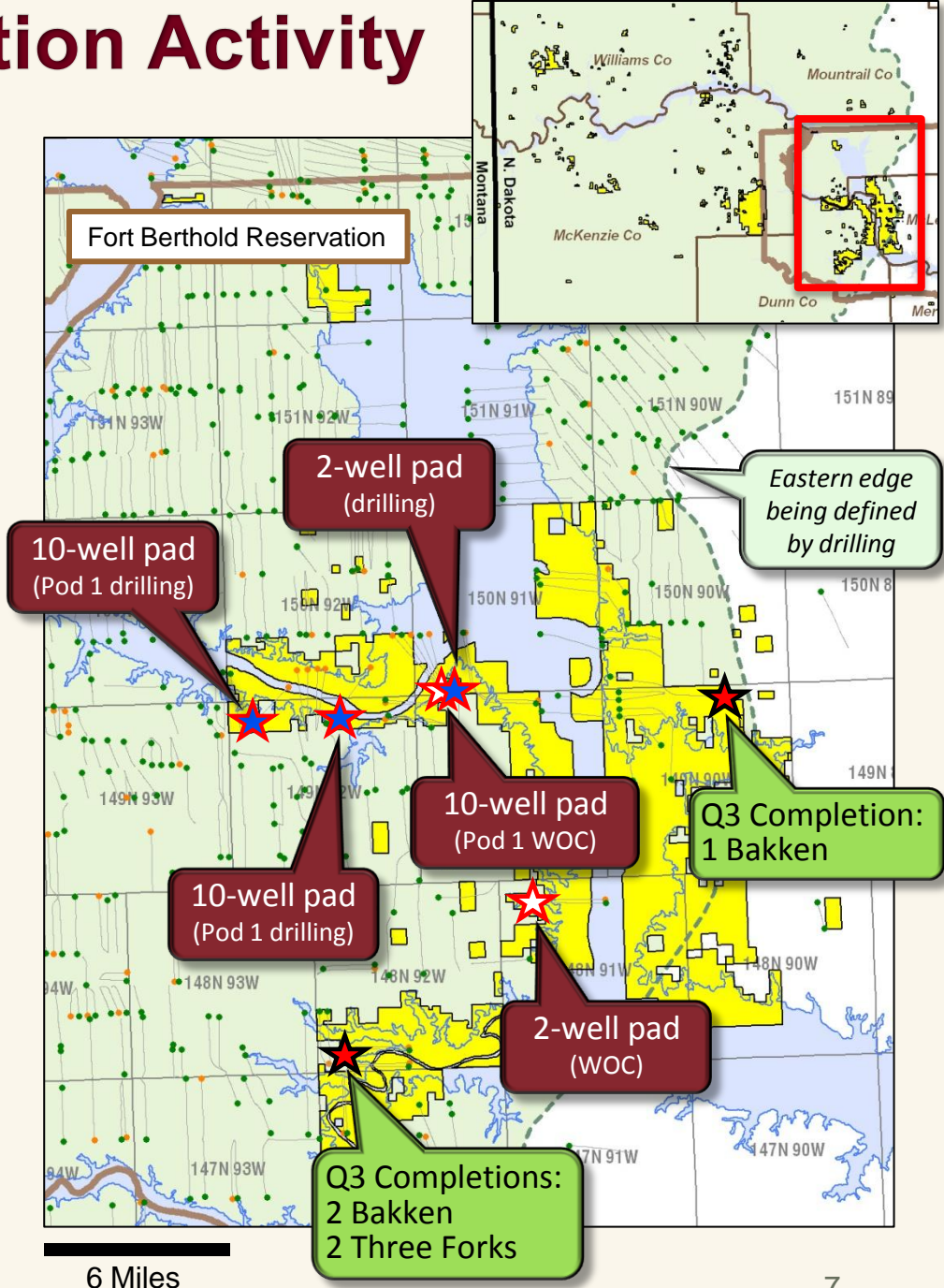


# Fort Berthold Reservation Activity

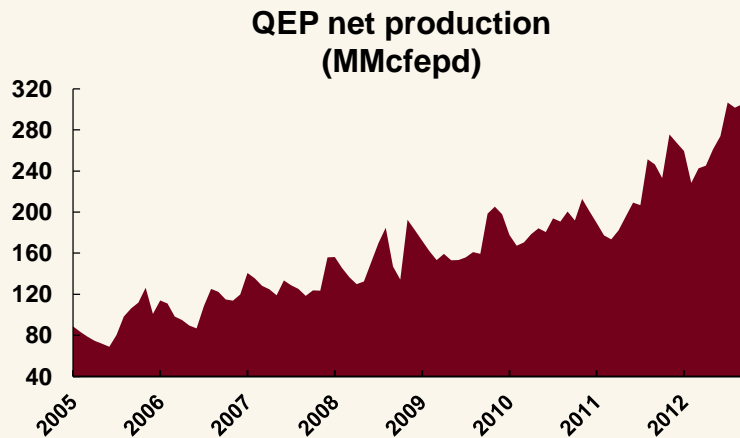
- Number of operated wells as of Q3 2012:
  - 31 Bakken
  - 8 Three Forks
- 5,000 to 12,500-ft laterals
- \$11 MM (long lateral) well costs
- Proved reserves of 43.2 MMBoe\*
- 97 Bakken/Three Forks PUD locations\*
- EUR 300 to 900 Mboe/well (avg. 500 Mboe/well) (Three Forks and Bakken)

\* As of December 31, 2011

	QEP Completions
	QEP Drilling
	QEP WOC
	Bakken wells
	Three Forks wells
	QEP leasehold

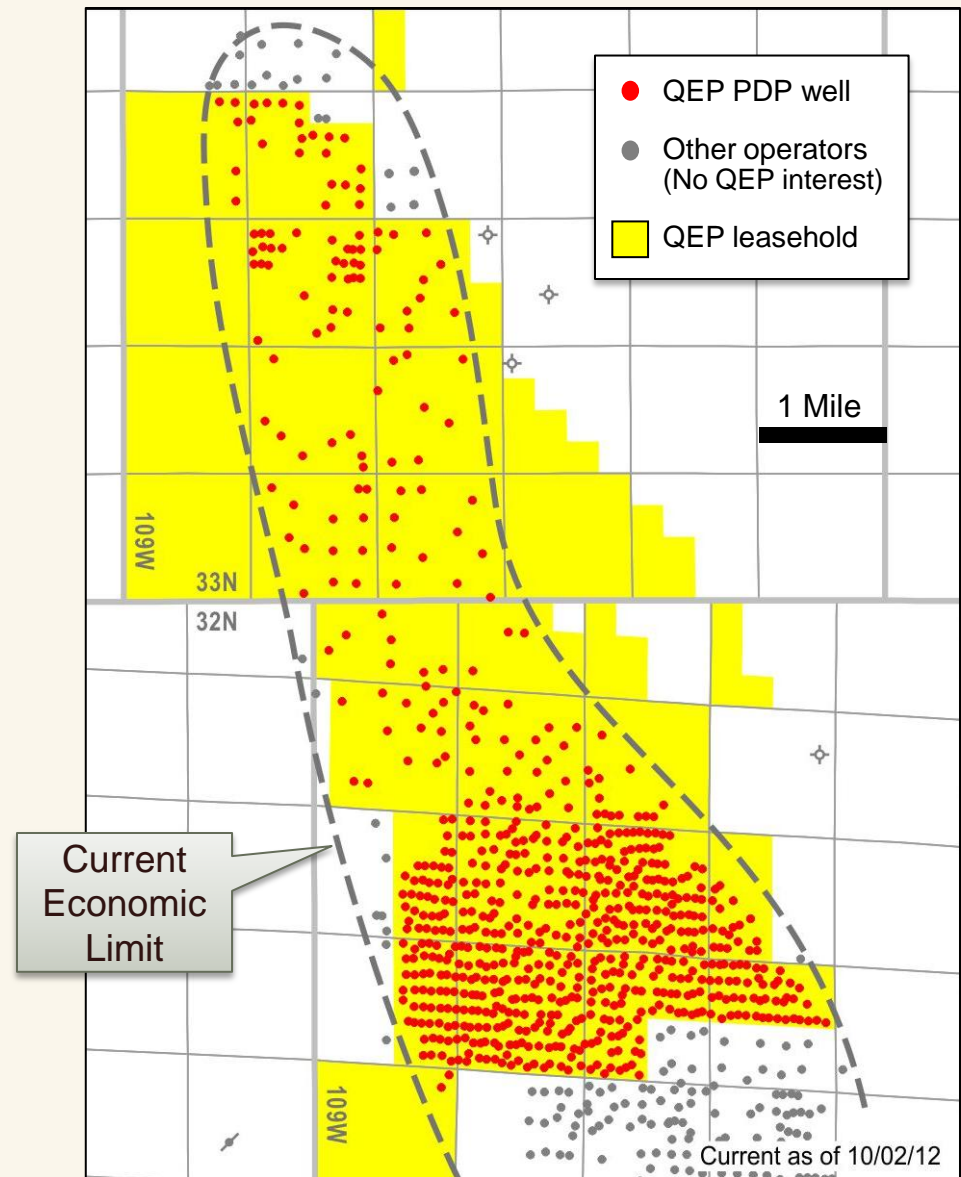


# Up to 1,000 remaining locations at Pinedale



- Proved reserves 1.53 Tcfe\*
  - 526 PUD locations on a combination of 5 and 10-acre density \*
- Up to 1,000 remaining locations
- 105 well completions in 2011
- 102 new completions planned for 2012
- \$4.1 MM average well cost

\* As of December 31, 2011

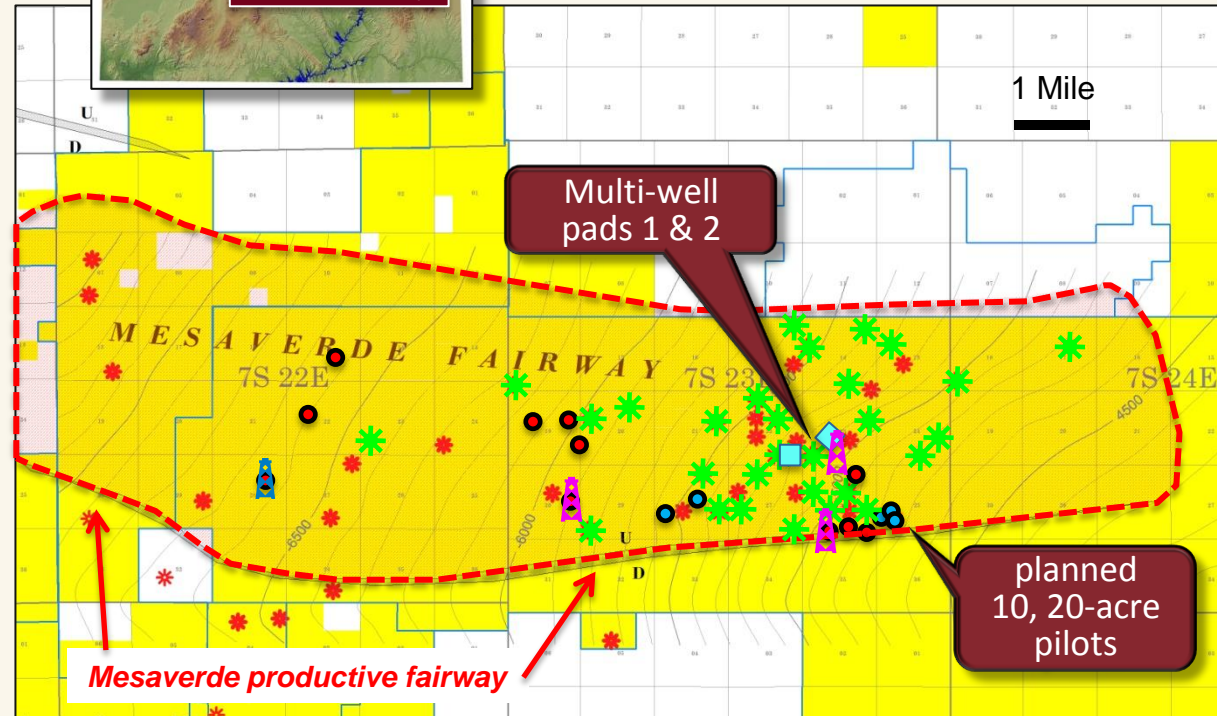
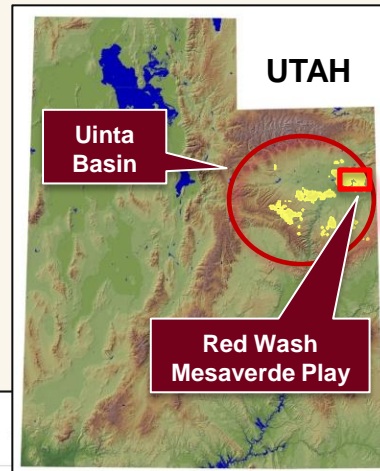




# Up to 3,200 potential locations in the Uinta Basin

## 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



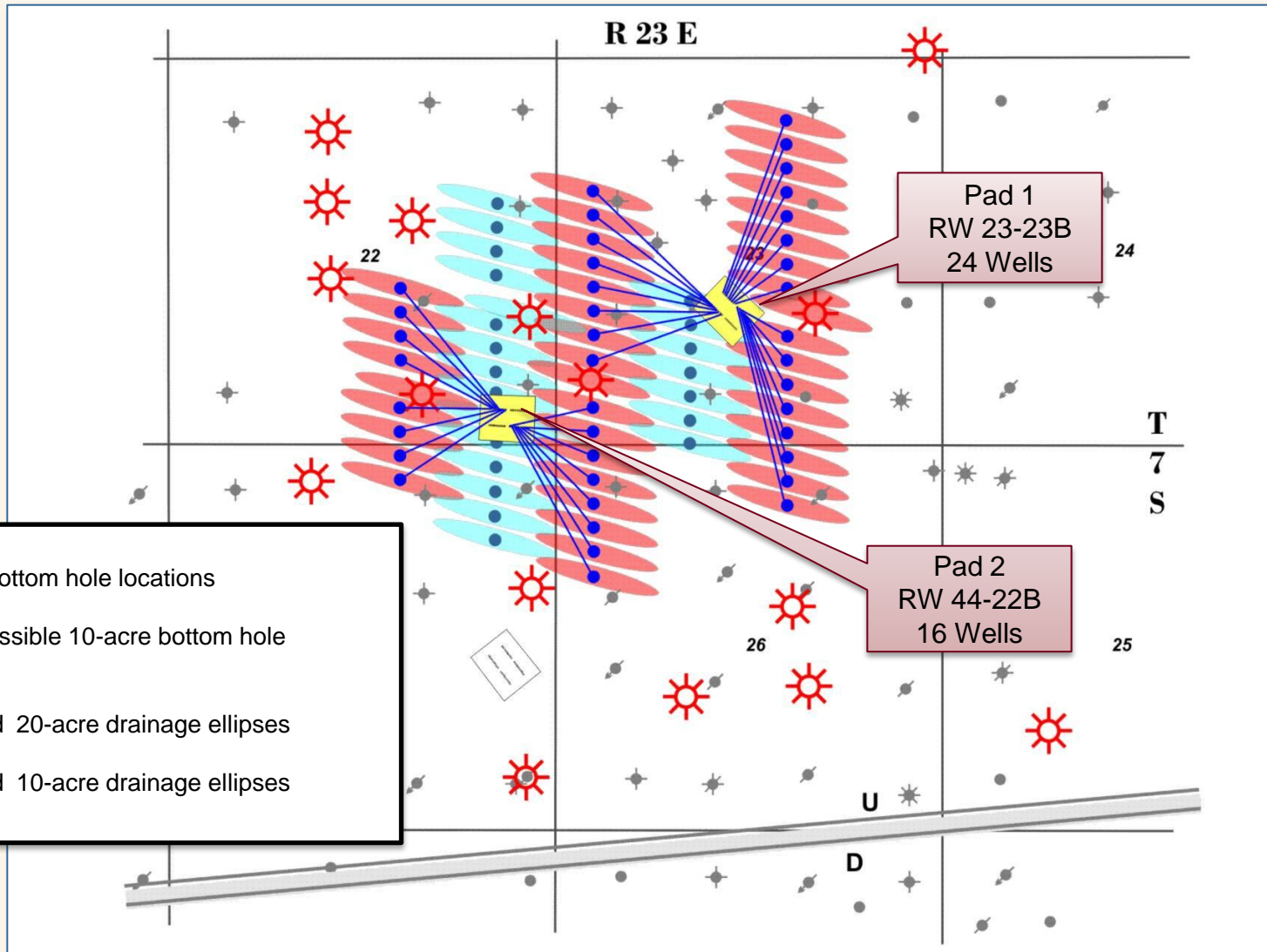
- Proved reserves of 204 Bcfe\*
  - 136 PUD locations on 40-acre spacing\*
- Vertical wells to average TD of 11,000'
- \$2.3 MM average well cost
- Average EUR 2.3 Bcfe
- 32,300 net acres with 86.5% NRI

\* As of December 31, 2011

*	Mesaverde wells
*	2012 Mesaverde Producer
●	2012 Mesaverde Location
●	2012 Pilot Well Location
□	Directional Drilling Pad
⚙	Drilling
⚙	WOC
■	QEP leasehold



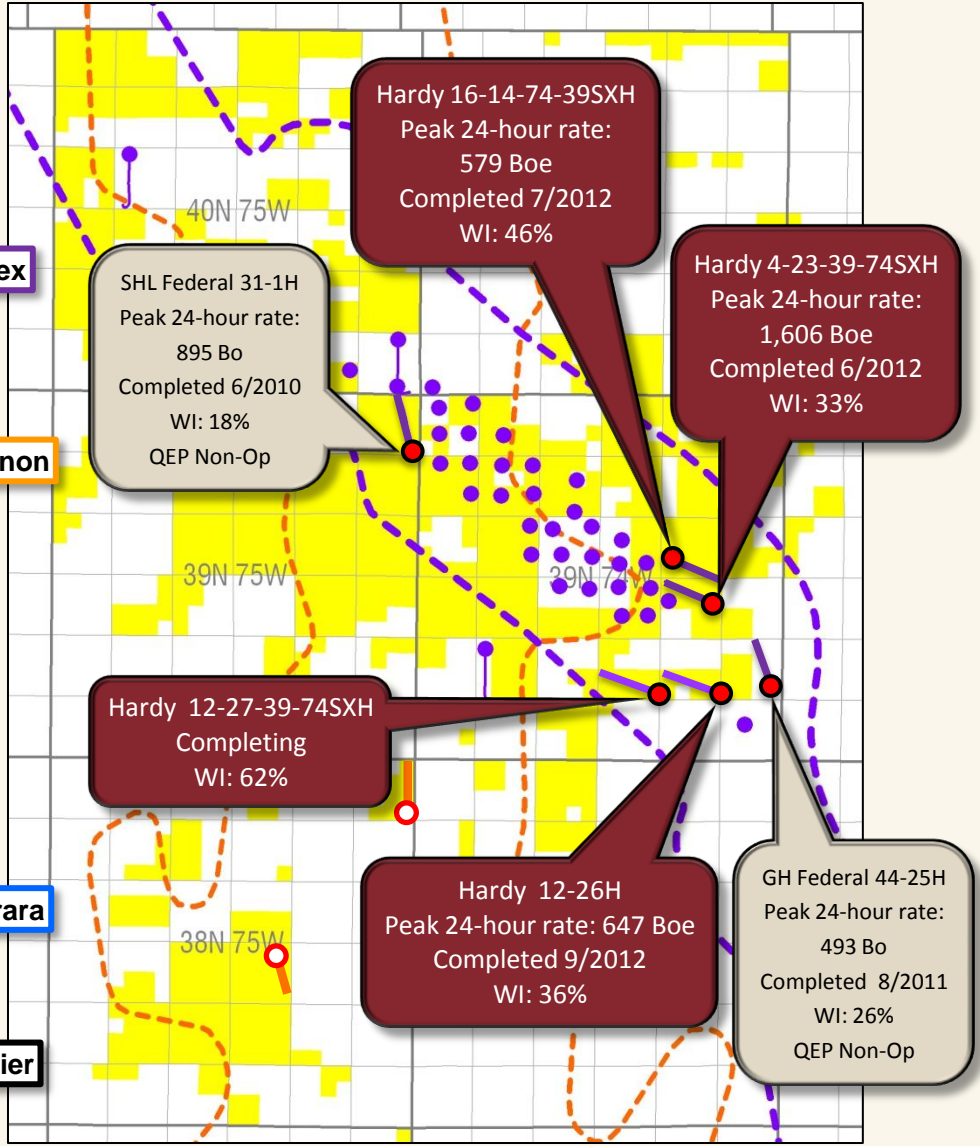
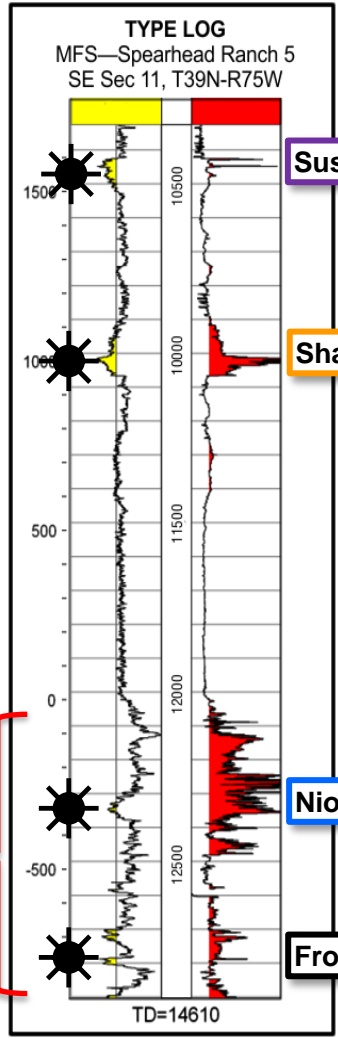
# QEP will begin pad drilling in the Uinta Basin Lower Mesaverde Play by yearend 2012



# QEP has 40,000 net acres in the Spearhead Ranch Area of the Powder River Basin, Wyoming

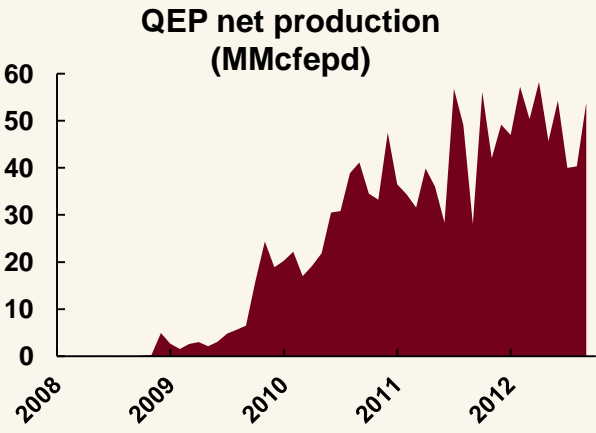
- Multiple stacked oil targets
- 4,500-ft laterals
- \$6.5 - \$7.0 MM average well cost
- Average Sussex EUR: 450 to 525 Mboe/horizontal well

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

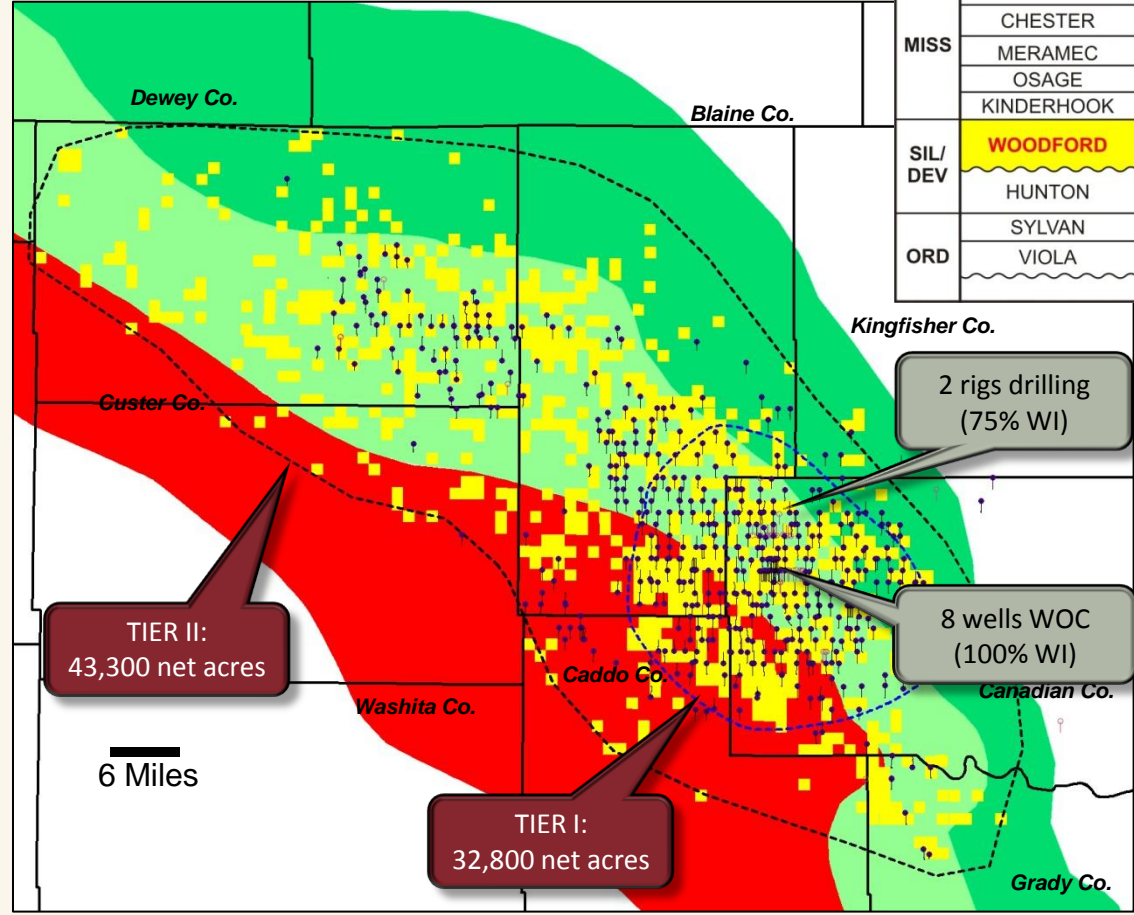


# Woodford "Cana" economics include significant value from liquids across most of our 76,100 net acres

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



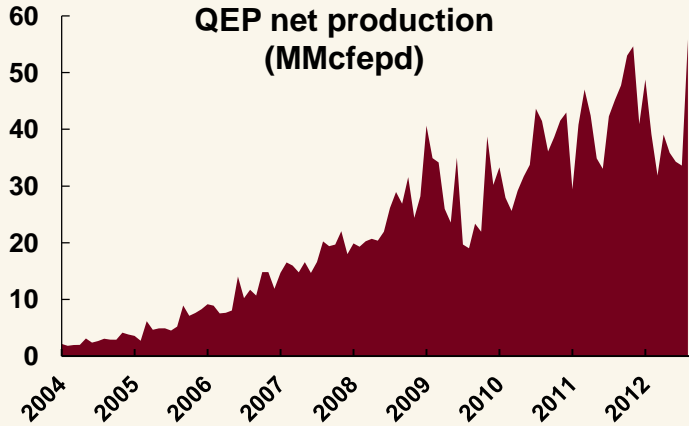
**Value Driver:**

- 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

After processing peak daily production rates for recently completed operated well:

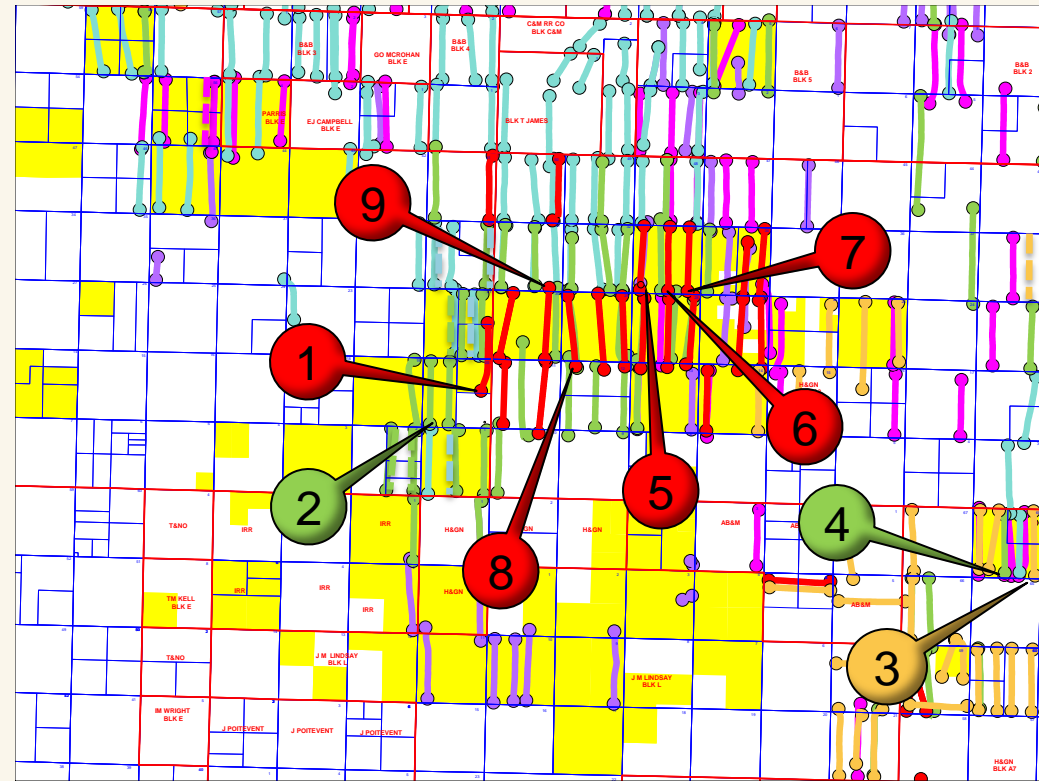
1. Jolly 21 SL #7H 327 BOPD 111 BNGLPD 383 MCFPD (81% WI)

After processing peak daily production rates for outside-operated wells completed in Q3:

2. 711 BOPD 1,225 BNGLPD 3,783 MCFPD (19% WI)
3. 1,703 BOPD 317 BNGLPD 1,095 MCFPD (1.3% WI)
4. 606 BOPD 1,608 BNGLPD 4,967 MCFPD (1.4% WI)
5. 3,490 BOPD 1,366 BNGLPD 4,712 MCFPD (51% WI)
6. 2,132 BOPD 1,029 BNGLPD 3,551 MCFPD (51% WI)
7. 2,148 BOPD 864 BNGLPD 2,981 MCFPD (51% WI)
8. 413 BOPD 370 BNGLPD 1,278 MCFPD (5% WI)

Select outside-operated wells in progress:

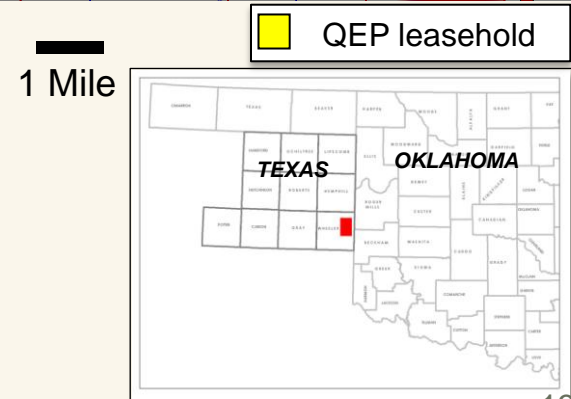
9. DRILLING (12% WI)



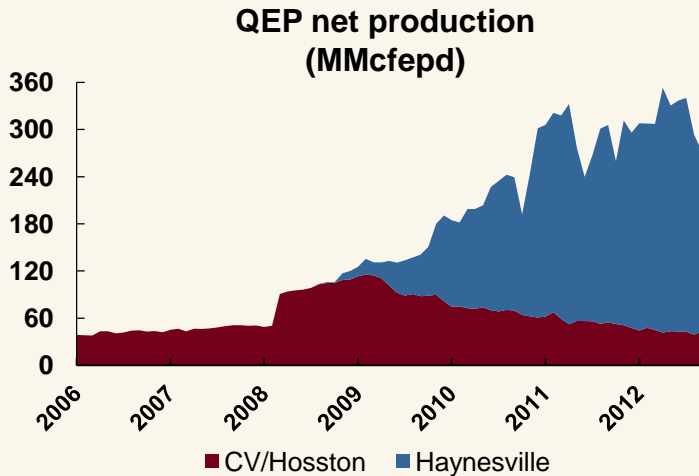
SYS	GROUP	FORMATION	
PENNSYLVANIAN	VIRGILIAN	DOUGLAS	
	MISSOURIAN	LANSING	★
		HOGSHOOTER	★
		KANSAS CITY	★
	DESMOINESIAN	MARMATON	★
		CALDWELL	★
		CHEROKEE	★
		GRANITE WASH A-F	★
		ATOKAN	ATOKA
	MORROWAN	MORROW	
	SPRINGERAN	SPRINGER	

Wash

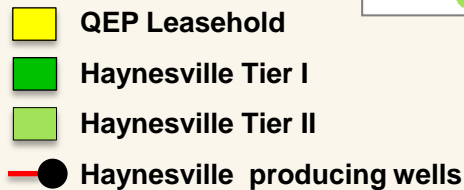
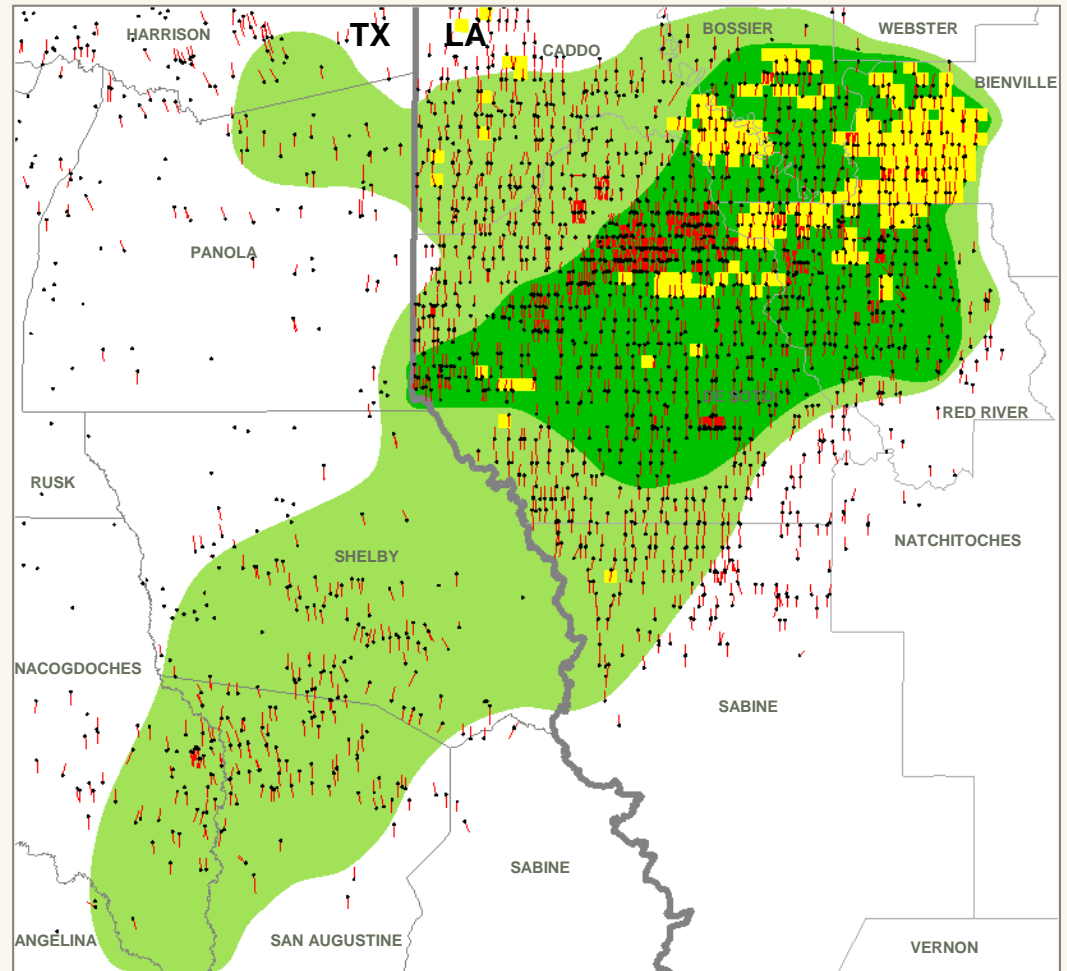
★ High Oil Yield



# 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



# QEP Energy expects its production mix will change dramatically

