

The following email was sent to employees of QEP Resources, Inc. on December 21, 2020.

QEP Team –

Today QEP and Diamondback Energy announced we have entered into a definitive agreement under which Diamondback will acquire QEP in an all-stock transaction. The transaction is expected to close in the first quarter or early in the second quarter of 2021.

The decision to pursue a merger with Diamondback Energy is aimed at delivering long-term value to stakeholders. The combination of the two companies will increase the size and scale of operations and create a large, contiguous Tier-1 acreage position in the Northern Midland Basin. We expect the merger will result in operational synergies and capital efficiencies beyond what each company could achieve independently. Finally, we believe the merger provides stakeholders a compelling investment opportunity in a company with the ability to grow in value in the future.

We realize this is significant news for our employees. We are committed to treating our employees fairly, as we have done with other company decisions that have affected QEP employees. We all need to remain dedicated to the continued operation of our business for the foreseeable future.

Employment decisions at or after close will depend on Diamondback Energy's needs and the level of transition support agreed upon through the transaction. We cannot guarantee employment with Diamondback; however, we have made them aware of our strong team.

All employees will be eligible for severance packages and outplacement support. For a period of 12 months from close, employees who are terminated (except for Cause) or employees who resign for Good Reason (such as an offer that requires relocation within a certain distance or an offer that results in a material reduction to compensation) will be provided the following:

- o Cash severance payment equivalent to one month of pay for every year of service with a minimum of nine (9) months and a maximum of 12 months;
- o Prorated AIP payout based on the months worked at individual target and 100% company performance;
- o Full vesting of any outstanding long-term incentive awards or long-term cash incentive awards (for participating employees);
- o 3 months outplacement services; and
- o 3 months COBRA subsidy

Severance payments and benefits are contingent upon signing a release of claims. Refer to the Employee Severance Letter attached to this email for more information. The Employee Severance Letter is not a "notice" that your employment is being terminated. It is for your reference, and you do not need to sign or return the letter.

Additionally, the Board of Directors has approved a 2020 AIP score of 100% company performance. The 2020 AIP will be paid at individual target and 100% company performance at the regular time or prior to close, whichever is sooner.

We have posted an FAQ document on The Lateral and attached it to this email. This includes the answers we are able to provide at this point. We will update the FAQ with relevant information as we are able to do so.

On behalf of the Board of Directors and Executive Committee, I would like to thank you for your hard work and dedication. We hope we can provide you with some assurance so that you can enjoy your holidays with family and friends.

Let's continue to work safely and stay focused on those things that we can control. As we have more information, we will communicate with you. If you have questions or concerns, please contact your VP or HR. If you receive questions from media, analysts or external parties, please direct them to William Kent at William.Kent@qepres.com or 303-405-6665.

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Important Information for Investors and Stockholders; Additional information and Where to Find It

This communication does not constitute an offer to sell or the solicitation of an offer to buy any securities or a solicitation of any vote or approval, nor shall there be any sale, issuance, exchange or transfer of the securities referred to in this document in any jurisdiction in contravention of applicable law. In connection with the proposed transaction, Diamondback Energy, Inc. (“Diamondback”) intends to file with the SEC a registration statement on Form S-4 that will include a proxy statement of QEP Resources, Inc. (the “Company”) that also constitutes a prospectus of Diamondback. Each of Diamondback and the Company also plan to file other relevant documents with the SEC regarding the proposed transaction. No offering of securities shall be made except by means of a prospectus meeting the requirements of Section 10 of the U.S. Securities Act of 1933, as amended. Any definitive proxy statement of the Company will be mailed to stockholders of the Company if and when available.

INVESTORS AND SECURITY HOLDERS OF DIAMONDBACK AND THE COMPANY ARE URGED TO READ THE REGISTRATION STATEMENT, PROXY STATEMENT/PROSPECTUS AND OTHER DOCUMENTS THAT MAY BE FILED WITH THE SEC CAREFULLY AND IN THEIR ENTIRETY IF AND WHEN THEY BECOME AVAILABLE BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION ABOUT THE PROPOSED TRANSACTION.

Investors and security holders will be able to obtain free copies of these documents (if and when available) and other documents containing important information about Diamondback and the Company, once such documents are filed with the SEC through the website maintained by the SEC at <http://www.sec.gov>. Copies of the documents filed with the SEC by Diamondback will be available free of charge on Diamondback’s website at <https://www.diamondbackenergy.com/home/default.aspx> under the tab “Investors” and then under the heading “Financial Information.” Copies of the documents filed with the SEC by the Company will be available free of charge on the Company’s website at <https://www.qepres.com/> under the tab “Investors” and then under the heading “Financial Information.”

Participants in the Solicitation

Diamondback, the Company and certain of their respective directors, executive officers and other persons may be deemed to be participants in the solicitation of proxies in respect of the proposed transaction. Information regarding the directors and executive officers of Diamondback is available in its definitive proxy statement for its 2020 annual meeting, filed with the SEC on April 24, 2020, and information regarding the directors and executive officers of the Company is available in its definitive proxy statement for its 2020 annual meeting, filed with the SEC on April 2, 2020. Other information regarding the participants in the proxy solicitations and a description of their direct and indirect interests, by security holdings or otherwise, will be contained in the proxy statement/prospectus and other relevant materials to be filed with the SEC when such materials become available. Investors should read the proxy statement/prospectus carefully when it becomes available before making any voting or investment decisions. You may obtain free copies of these documents from Diamondback or the Company using the sources indicated above.

Forward-Looking Statements

This filing contains certain “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995 and other federal securities laws. Words such as “anticipates,” “believes,” “expects,” “intends,” “will,” “should,” “may,” “plans,” “targets,” “forecasts,” “projects,” “believes,” “seeks,” “schedules,” “estimates,” “positions,” “pursues,” “could,” “budgets,” “outlook,” “trends,” “guidance,” “focus,” “on schedule,” “on track,” “is slated,” “goals,” “objectives,” “strategies,” “opportunities,” “poised,” “potential” and similar expressions may be used to identify forward-looking statements. Forward-looking statements are not statements of historical fact and reflect Diamondback’s and the Company’s current views about future events. Such forward-looking statements include, but are not limited to, statements about the benefits of the proposed merger involving Diamondback and the Company, including future financial and operating results, Diamondback’s and the Company’s plans, objectives, expectations and intentions, the expected timing and likelihood of completion of the merger, and other statements that are not historical facts, including estimates of oil and natural gas reserves and resources, estimates of future production, assumptions regarding future oil and natural gas pricing, planned drilling activity, future results of operations, projected financial information (including projected cash flow and liquidity), business strategy, other plans and objectives for future operations or any future opportunities. These statements are not guarantees of future performance and no assurances can be given that the forward-looking statements contained in this filing will occur as projected. Actual results may differ materially from those projected. Forward-looking statements are based on current expectations, estimates and assumptions that involve a number of risks and uncertainties that could cause actual results to differ materially from those projected.

The risks and uncertainties that could cause actual results to differ materially from those in forward looking statements include, without limitation, the ability to obtain the approval of the merger by Company stockholders; the risk that Diamondback or the Company may be unable to obtain governmental and regulatory approvals required for the merger, or required governmental and regulatory approvals may delay the merger or result in the imposition of conditions that could cause the parties to abandon the merger; the risk that an event, change or other circumstances could give rise to the termination of the merger agreement; the risk that a condition to closing of the merger may not be satisfied; the timing to consummate the proposed merger; the risk that the businesses will not be integrated successfully; the risk that the cost savings and any other synergies from the transaction may not be fully realized or may take longer to realize than expected; the risk that any announcement relating to the proposed transaction could have adverse effects on the market price of Diamondback’s common stock or the Company’s common stock; the risk of litigation related to the proposed transaction; the risk of any unexpected costs or expenses resulting from the proposed transaction; disruption from the transaction making it more difficult to maintain relationships with customers, employees or suppliers; the diversion of management time from ongoing business operations due to merger-related issues; the volatility in commodity prices for crude oil and natural gas, the presence or recoverability of estimated reserves, particularly during extended periods of low prices for crude oil and natural gas during the COVID-19 pandemic; the ability to replace reserves; environmental risks, drilling and operating risks, including the potential liability for remedial actions or assessments under existing or future environmental regulations and litigation; exploration and development risks; competition, government regulation or other actions; the ability of management to execute its plans to meet its goals and other risks inherent in Diamondback’s and the Company’s businesses; public health crises, such as pandemics (including COVID-19) and epidemics, and any related government policies and actions; the potential disruption or interruption of Diamondback’s or the Company’s operations due to war, accidents, political events, civil unrest, severe weather, cyber threats, terrorist acts, or other natural or human causes beyond Diamondback’s or the Company’s control; the risk that the announcement or consummation of the merger, or any other intervening event results in a requirement under certain of the Company’s indebtedness to make a change of control offer with respect to some or all of such debt; and Diamondback’s ability to identify and mitigate the risks and hazards inherent in operating in the global energy industry. Other unpredictable or unknown factors not discussed in this report could also have material adverse effects on forward looking statements.

All such factors are difficult to predict and are beyond Diamondback’s or the Company’s control, including those detailed in Diamondback’s annual reports on Form 10-K, quarterly reports on Form 10-Q and current reports on Form 8-K that are available on its website at <https://www.diamondbackenergy.com> and on the SEC’s website at <http://www.sec.gov>, and those detailed in the Company’s annual reports on Form 10-K, quarterly reports on Form 10-Q and current reports on Form 8-K that are available on the Company’s website at <https://www.qepres.com/> and on the SEC’s website at <http://www.sec.gov>.

Forward-looking statements are based on the estimates and opinions of management at the time the statements are made. Neither the Company nor Diamondback undertakes any obligation to publicly update any forward-looking statement, whether as a result of new information, future events or otherwise. Readers are cautioned not to place undue reliance on these forward-looking statements that speak only as of the date hereof.