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2017 Permian Basin Acquisition

July 26, 2017



Forward-Looking Statements & Non-GAAP Financial Measures

This presentation includes forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E 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 statements are not guarantees of future performance. These forward-looking statements include statements regarding: potential drilling locations; estimated reserves and net recoverable resources; the timing of the closing of the Acquisition; structuring the transaction as a like-kind exchange and related tax-benefits; benefits of the Acquisition, including, among others, the leveraging of current operations; and the funding of the Acquisition. Actual results may differ materially from those included in the forward-looking statements due to a number of factors, including, but not limited to: disruptions of QEP’s ongoing business, distraction of management and employees, increased expenses and adversely affected results of operations from organizational modifications due to the Pinedale Divestiture and the Acquisition; the inability of the parties to satisfy the conditions to the consummation of such transactions; changes in oil, natural 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 our credit rating, our compliance with loan covenants, the increasing credit pressure on our industry or demands for cash collateral by counterparties to derivative and other contracts; global geopolitical and macroeconomic factors; the activities of the Organization of Petroleum Exporting Countries; the impact of Brexit; general economic conditions, including interest rates; changes in local, regional, national and global demand for oil, natural gas and NGL; changes in, adoption of and compliance with laws and regulations, including decisions and policies concerning the environment, climate change, greenhouse gas or other emissions, natural resources, and fish and wildlife, hydraulic fracturing, water use and drilling and completion techniques, as well as the risk of legal and other proceedings arising from such matters, whether involving public or private claimants or regulatory investigative or enforcement measures; strength of the U.S. dollar; elimination of federal income tax deductions for oil and gas exploration and development; 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; 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; and the other risks discussed in the Company’s periodic filings with the Securities and Exchange Commission, including the Risk Factors sections of the Company’s Annual Report on Form 10-K for the year ended December 31, 2016 (the 2016 Annual Report on Form 10-K), and Quarterly Report on Form 10-Q for the quarter ended March 31, 2017. QEP undertakes no obligation to publicly correct or update the forward-looking statements in this presentation, in other documents, or on its website to reflect future events or circumstances. All such statements are expressly qualified by this cautionary statement.

The 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. “Net recoverable resources” refers to QEP’s internal estimates of hydrocarbon quantities that may be potentially discovered through exploratory drilling or recovered with additional drilling or recovery techniques and are not proved, probable or possible reserves within the meaning of the rules of the SEC. Probable and possible reserves and net recoverable resources 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 of oil, natural gas and NGL that may be ultimately recovered from QEP’s interests may differ substantially from the estimates contained in this presentation due to a number of factors, including: the availability of capital; oil, gas and NGL prices; drilling and production costs; availability of drilling services and equipment; drilling results; geological and mechanical factors affecting recovery rates; lease expirations; transportation constraints; changes in local, regional, national and global demand for oil, natural gas and NGL; changes in, adoption of and compliance with laws and regulations; regulatory approvals; and other factors. Investors are urged to consider carefully the disclosures and risk factors about QEP’s reserves in the 2016 Annual Report on Form 10-K.

QEP refers to Adjusted EBITDA, Adjusted Net Income (Loss) and other non-GAAP financial measures that management believes are good tools to assess QEP’s operating results. For definitions of these terms and reconciliations to the most directly comparable GAAP measures, see the recent earnings press release and SEC filings at the Company’s website at www.qepres.com under “Investor Relations.”

Acquisition in the Core of the Northern Midland Basin

Approximately 13,800 net acres in Martin County, TX

- Aggregate purchase price of \$732 million, subject to customary purchase price adjustments
- Over 730 potential horizontal drilling locations in four horizons
- Adjusted for current production, acquisition cost of less than \$1 million per location or approximately \$12,800 per net mineral acre per horizon ⁽¹⁾
- ~60% of the identified potential locations can be developed with 10,000 foot or longer laterals
- Company estimated net proved reserves of 44 MMBoe and net recoverable resources of 295 MMBoe

Allows for efficient development

- Nearly all of the acreage is held by production to the Wolfcamp Formation or deeper
- No continuous drilling obligations
- No existing long-term midstream commitments

Leverages synergies of existing operations

- Proximate to existing County Line and Mustang Springs acreage
- Allows for efficient deployment of drilling and completion fleets

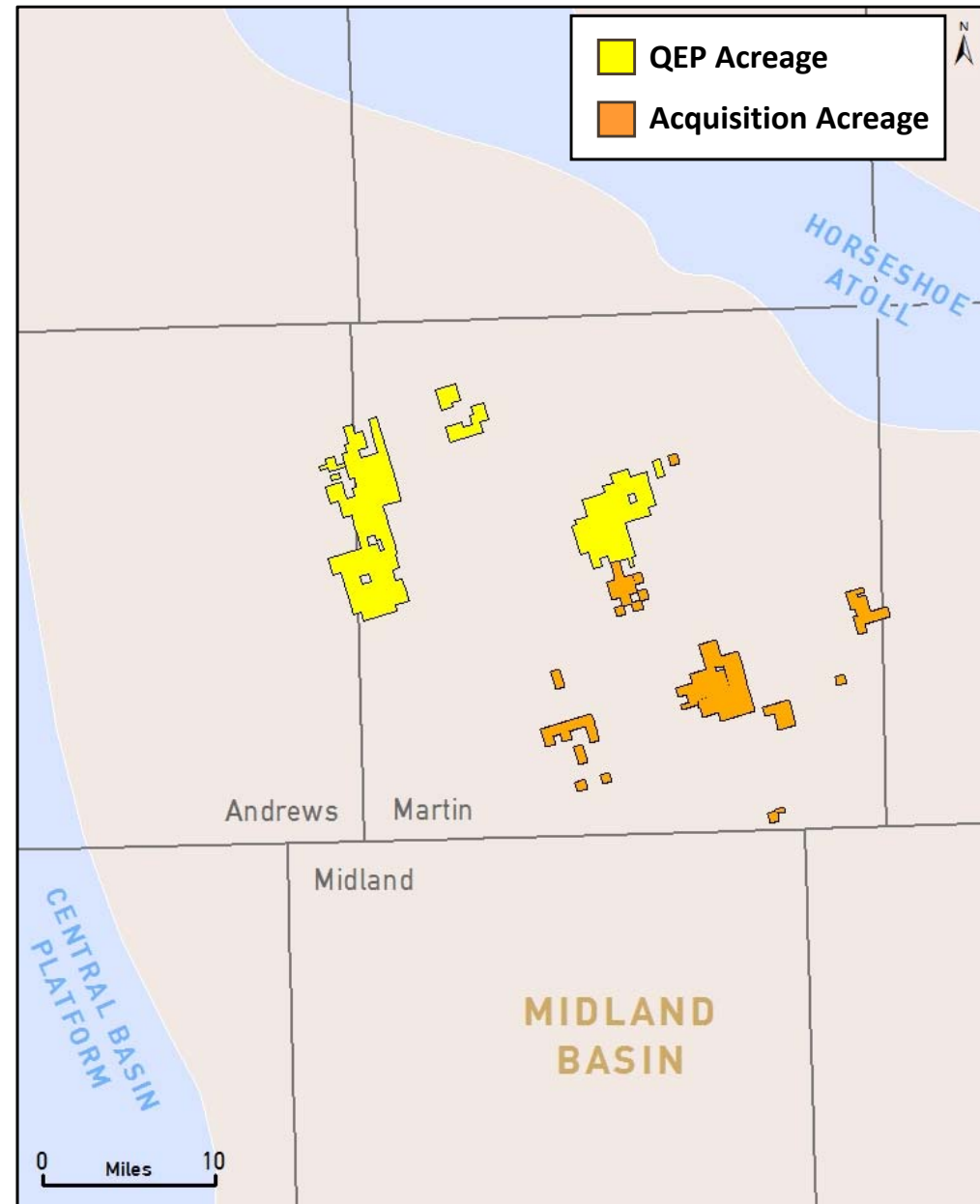
Creates meaningful scale on a pro forma basis

- Approximately 43,000 net acres
- Approximately 1,900 locations, based on current well density assumptions
- Further horizontal drilling inventory upside from additional horizons and increased well density

Acquisition Summary – *Expanding in the Core*

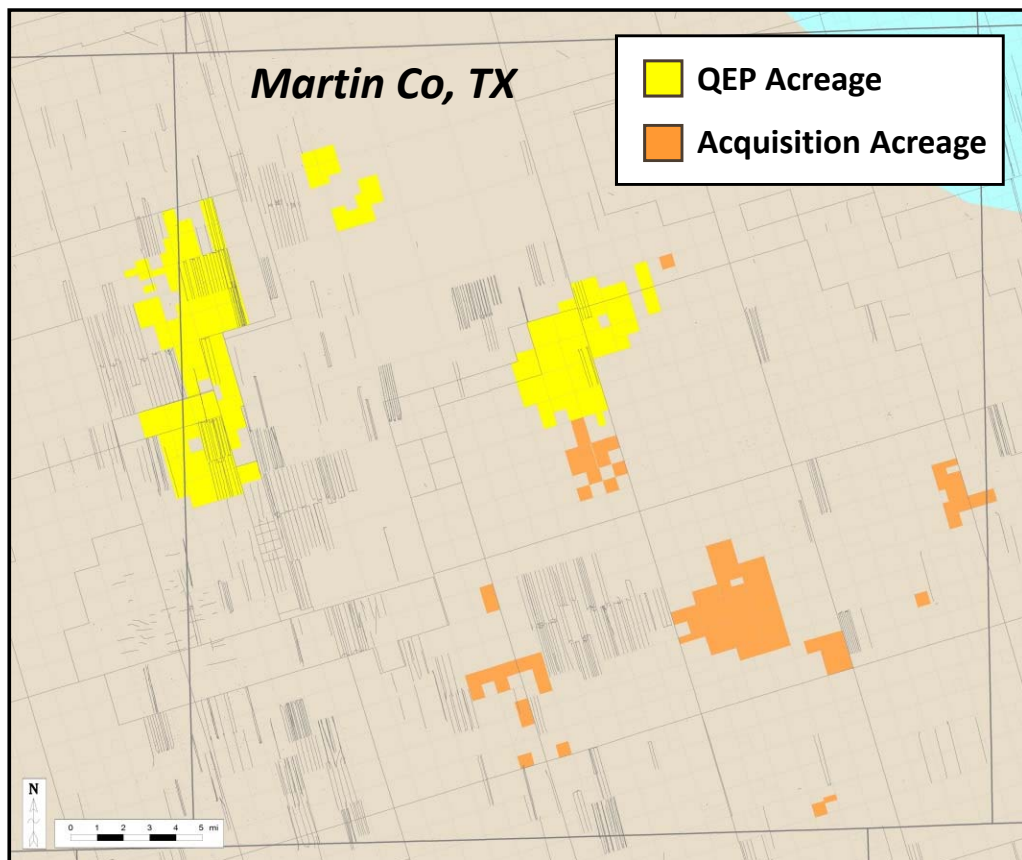
Acquisition Overview

- QEP has agreed to acquire crude oil and natural gas properties in the core of the northern Midland Basin in Martin County, TX for approximately \$732 million
 - Approximately 13,800 net acres
 - Over 730 potential horizontal drilling locations in four horizons – Middle Spraberry, Spraberry Shale, Wolfcamp A and Wolfcamp B
 - Additional potential horizontal drilling locations in emerging prospective horizons
 - Nearly all of the acreage is held by production to the Wolfcamp Formation or deeper
 - Average 88% working interest, subject to a 25% royalty burden
 - Current net production of ~635 Boed (71% oil) from 99 vertical wells
- The Company expects to structure the acquisition as a like-kind-exchange and fund the acquisition utilizing proceeds from the Pinedale Divestiture, announced on July 24, 2017, and cash on hand
- Expected close before end of October 2017



Pro Forma Permian Position – Significant Core Opportunity

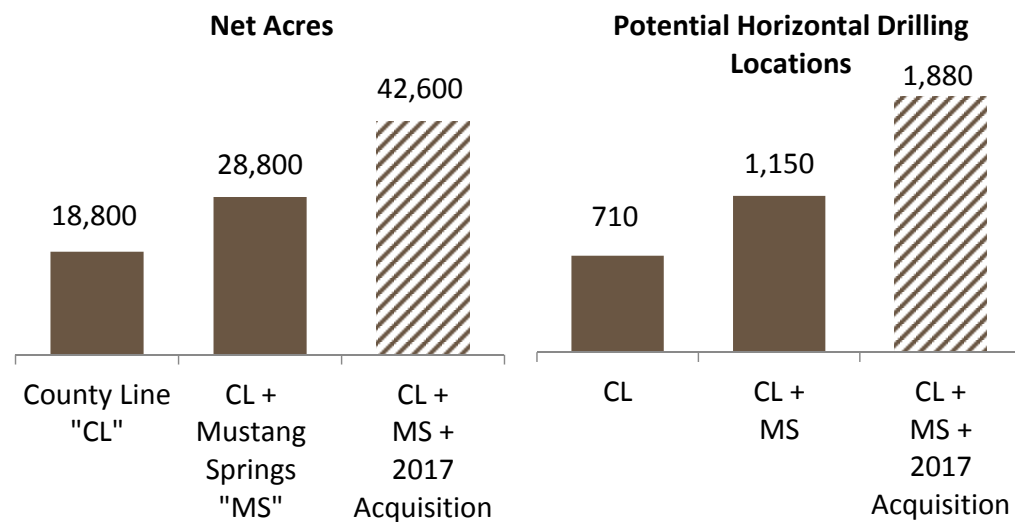
Pro Forma Leasehold



Pro Forma Advantages

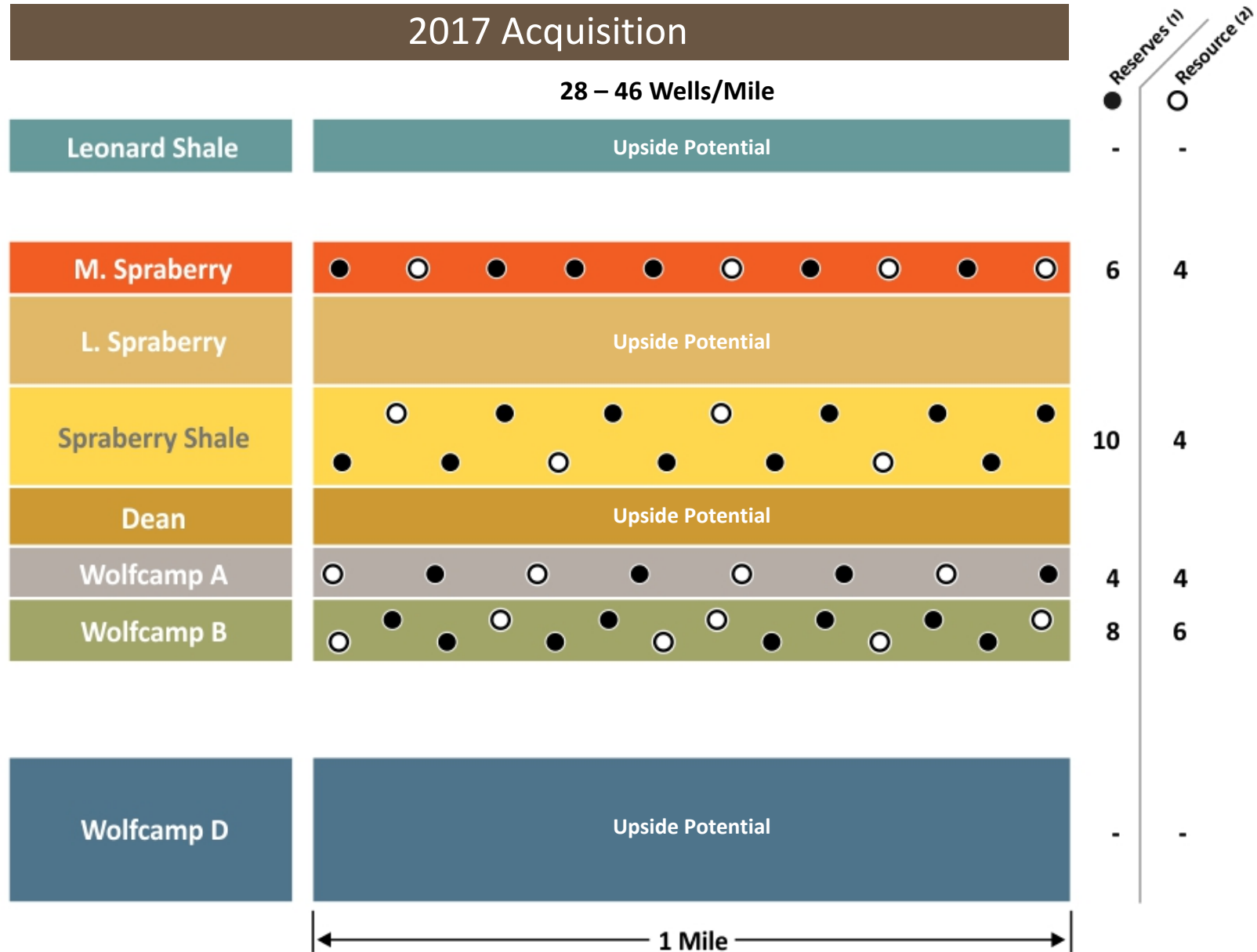
- Acquisition increases QEP's net acreage by nearly 50%, adding to significant core northern Midland Basin footprint
- Acquisition leverages current operations
 - Optimized rig deployment
 - Higher oil production growth profile
 - Greater cost efficiency
 - Increased water handling synergies
 - Advantaged midstream opportunity

Pro Forma Statistics ⁽¹⁾

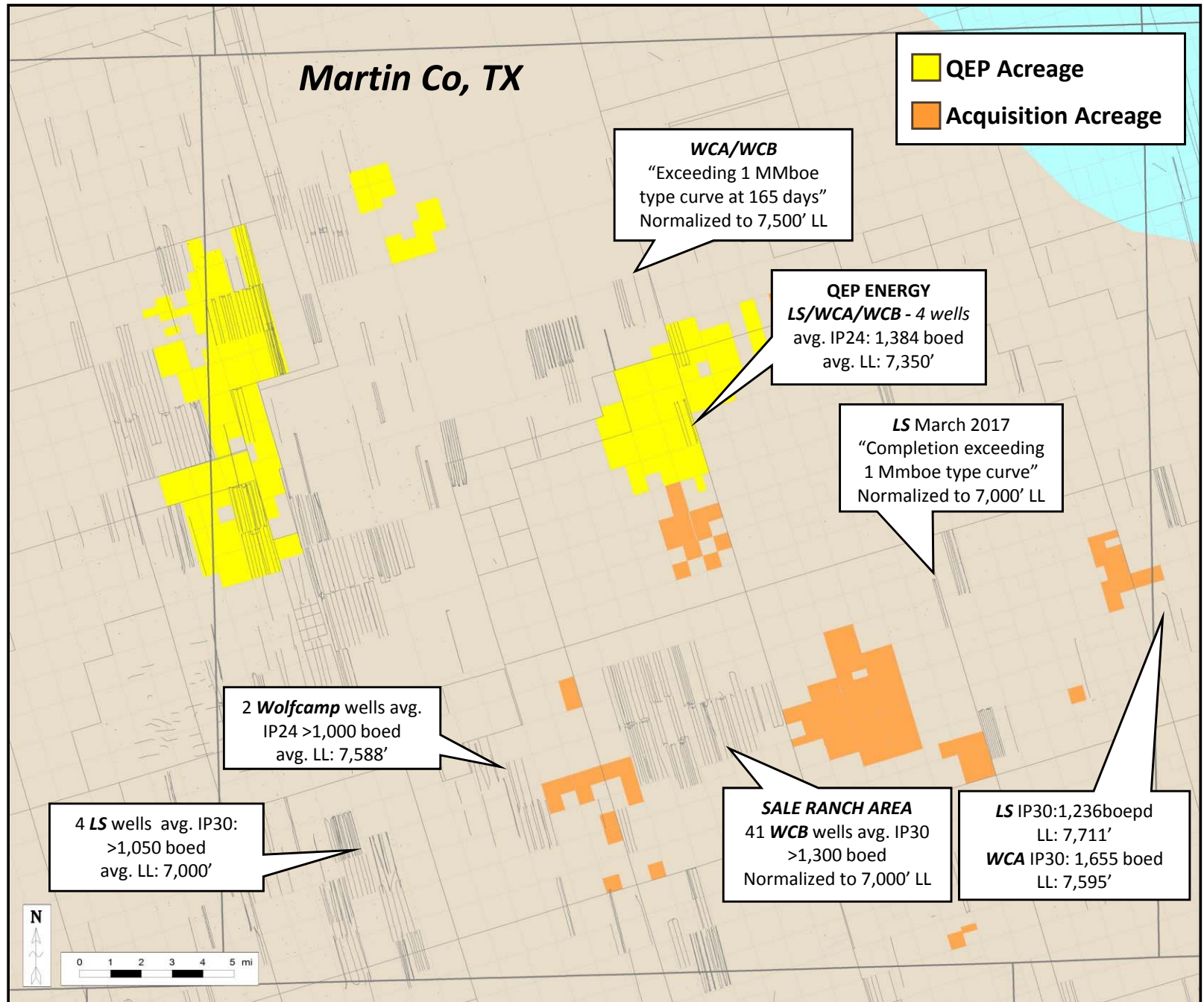


Acquisition – Well Density Assumptions

Lateral Length	# of Locations	
7,500'	303	41%
10,000'	322	38%
12,500'	108	21%

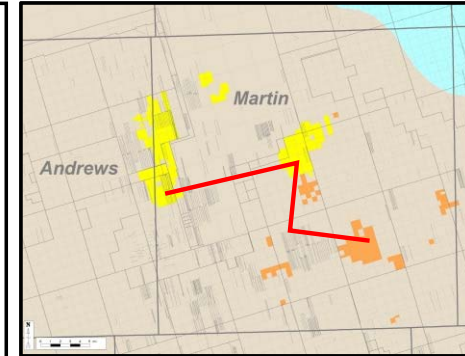
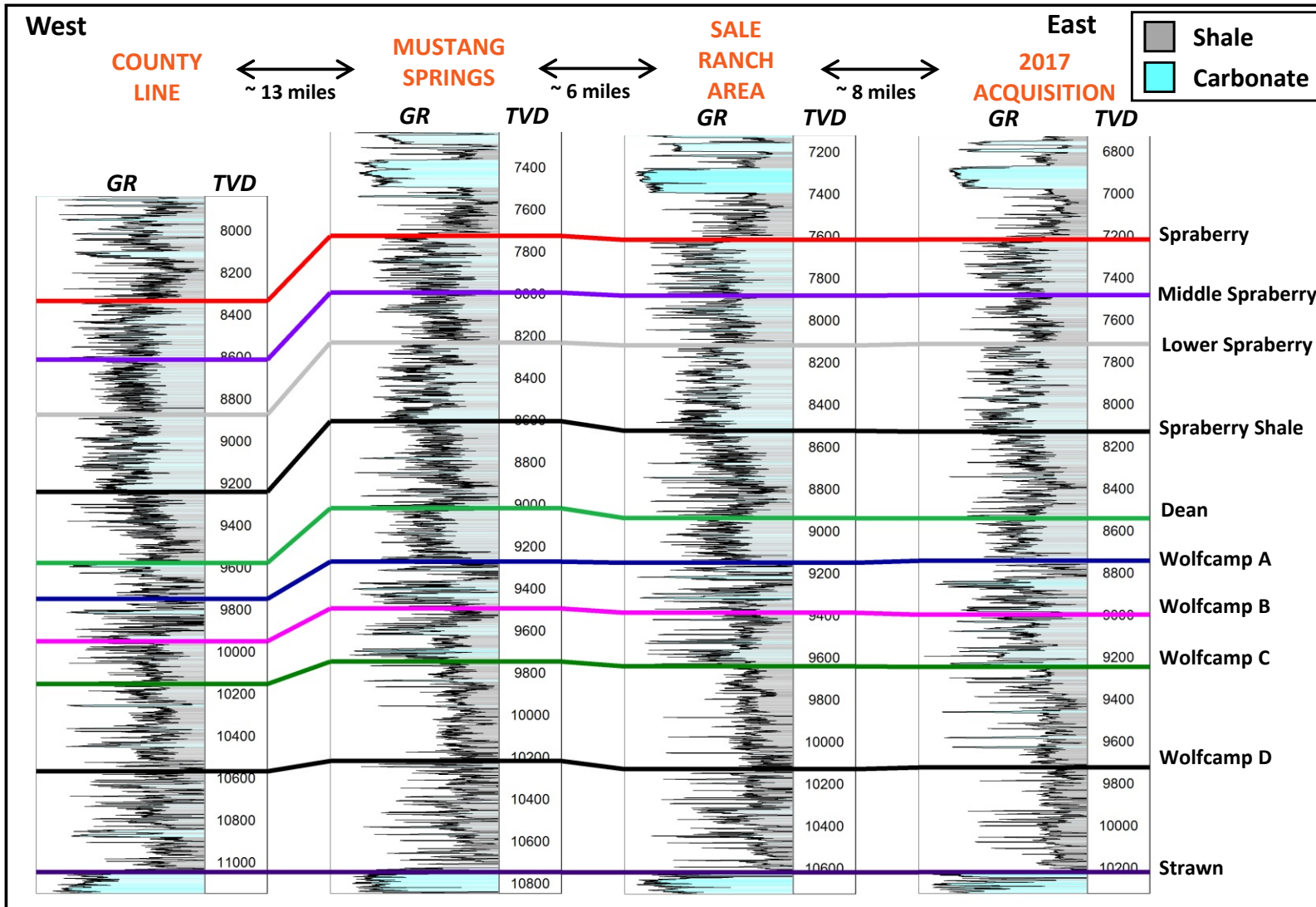


Acquisition – Strong Offset Well Performance



Note: well information from various operator press releases and IR presentations

Permian Basin – Predictable Geology Across Acreage



County Line, Mustang Springs, Sale Ranch Area and 2017 Acquisition acreage have similar reservoir characteristics in the Spraberry and Wolfcamp intervals