

INVESTOR UPDATE

EP ENERGY CORPORATION

A Fresh Look At EP Energy

January 23, 2018



CAUTIONARY STATEMENT REGARDING FORWARD LOOKING STATEMENTS

This presentation includes certain forward-looking statements and projections of EP Energy. EP Energy has made every reasonable effort to ensure that the information and assumptions on which these statements and projections are based are current, reasonable, and complete. However, a variety of factors could cause actual results to differ materially from the projections, anticipated results or other expectations expressed, including, without limitation, the volatility of, and sustained low oil, natural gas, and NGL prices; the supply and demand for oil, natural gas and NGLs; changes in commodity prices and basis differentials for oil and natural gas; EP Energy's ability to meet production volume targets; the uncertainty of estimating proved reserves and unproved resources; the future level of service and capital costs; the availability and cost of financing to fund future exploration and production operations; the success of drilling programs with regard to proved undeveloped reserves and unproved resources; EP Energy's ability to comply with the covenants in various financing documents; EP Energy's ability to obtain necessary governmental approvals for proposed E&P projects and to successfully construct and operate such projects; actions by the credit rating agencies; credit and performance risks of EP Energy's lenders, trading counterparties, customers, vendors, suppliers, and third party operators; general economic and weather conditions in geographic regions or markets served by EP Energy, or where operations of EP Energy are located, including the risk of a global recession and negative impact on oil and natural gas demand; the uncertainties associated with governmental regulation, including any potential changes in federal and state tax laws and regulation; competition; and other factors described in EP Energy's Securities and Exchange Commission filings. While EP Energy makes these statements and projections in good faith, neither EP Energy nor its management can guarantee that anticipated future results will be achieved. Reference must be made to those filings for additional important factors that may affect actual results. EP Energy assumes no obligation to publicly update or revise any forward-looking statements made herein or any other forward-looking statements made by EP Energy, whether as a result of new information, future events, or otherwise.

This presentation presents certain production and reserves-related information on an "equivalency" basis. Equivalent volumes are computed with natural gas converted to barrels at a ratio of six Mcf to one Bbl. These conversions are based on energy equivalency conversion methods primarily applicable at the burner tip and do not represent value equivalencies at the wellhead. Although these conversion factors are industry accepted norms, they are not reflective of price or market value differentials between product types.

This presentation refers to certain non-GAAP financial measures such as "Adjusted Cash Operating Costs", "Adjusted EBITDAX" and "Adjusted General and Administrative Expenses". Definitions of these measures are included in the Appendix of this presentation.

OUR FOCUS

- Enhance the value of our asset portfolio
- Increase capital efficiency
- Reduce cash costs per barrel
- Maintain financial flexibility
- Move toward cash flow neutrality
- Pursue accretive A&D transactions

All decisions based on value creation

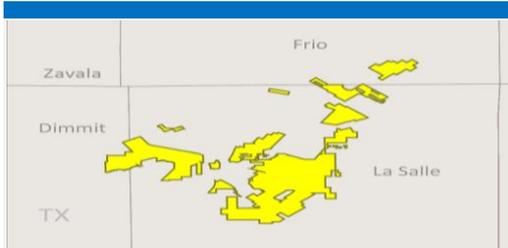
A DIFFERENT APPROACH

- More nimble company
- Increased collaboration throughout organization
- Pursuing new ideas in all asset programs
- Optimized well designs
- Utilize fresh operational concepts to reduce costs
- Strategic use of A&D transactions with enhanced analytics

Apply new concepts to enhance quality asset base

HIGH QUALITY ASSET PORTFOLIO

EAGLE FORD (~93,000 NET ACRES)

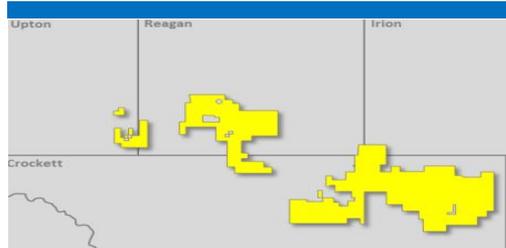


Low cost capital
efficient program

Acquisition increases
inventory and provides
additional running
room

Favorable market
pricing

PERMIAN (~178,000 NET ACRES)

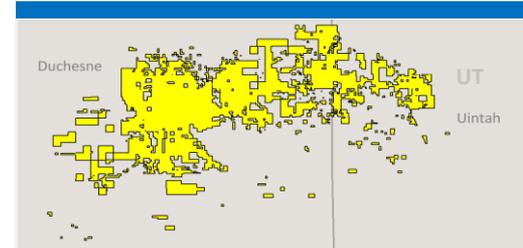


Significant resource and
multi-decade drilling
inventory

Multiple zone
opportunities

Large contiguous
acreage position
supports efficient
operating cost structure

ALTAMONT (~181,000 NET ACRES)



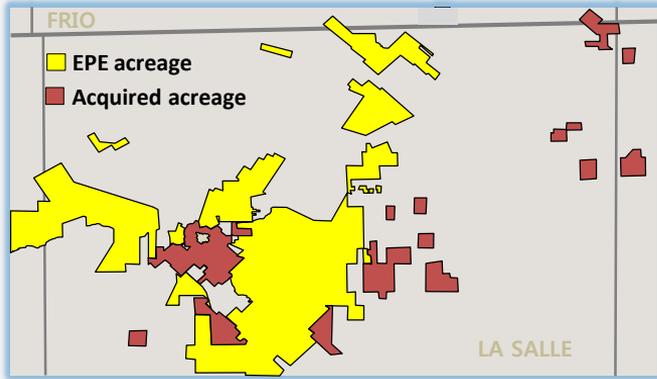
Rich resource base

Strong performance
from recompletion
program

Demonstrated value
marker for acreage

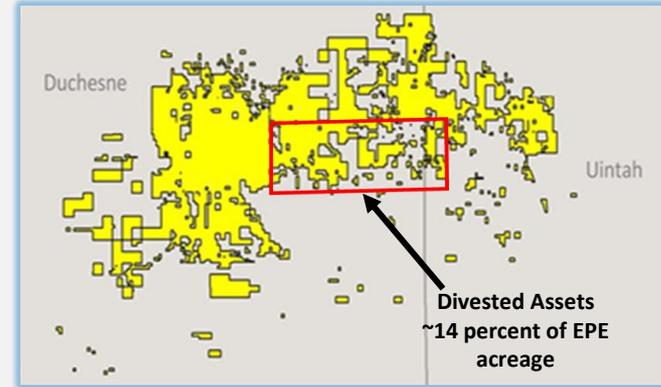
SUCCESSFUL A&D TRANSACTIONS

EAGLE FORD ACQUISITION



- Largest acquisition in EPE's history
- Bolt-on acquisition with operational synergies
- Adds ~200 future drilling locations
- 95% operated (EPE operates other 5%)
- Lateral extension on 30 future locations

ALTAMONT DIVESTITURE



- Favorable market valuation
- Significantly accretive to valuation and improves credit metrics over time
- Accelerates long-lead time value forward
- Demonstrated value marker for acreage

Transactions are credit neutral and accretive to production and cash flow

IMPROVED FINANCIAL FLEXIBILITY

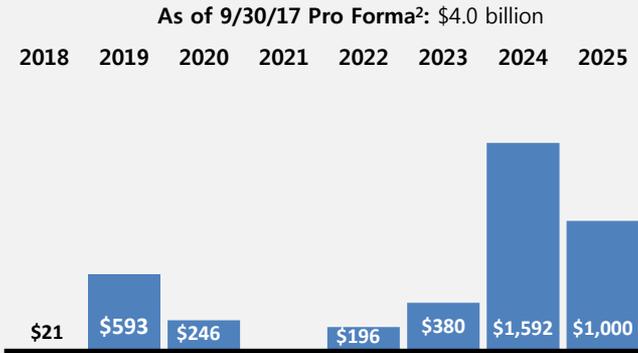
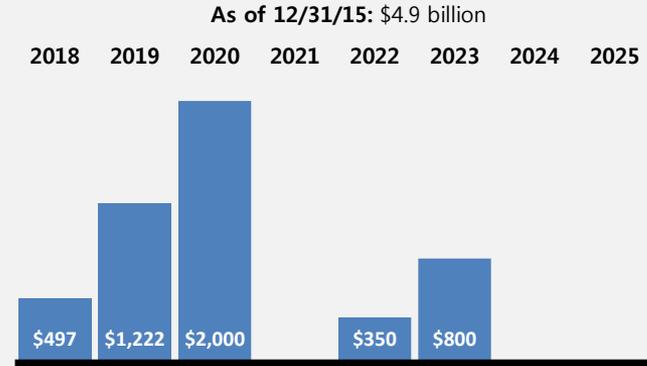
Financial Priorities

- ➔ Opportunistically extend debt maturities
- ➔ Maintain ample financial flexibility
- ➔ Improve cash margins¹
- ➔ Lower leverage via improved cash flows, accretive A&D

Execution

- ➔ Retired or extended ~\$2.8 billion of debt maturing by 2020 over the last two years
- ➔ Manageable 2020 maturity stub
- ➔ ~\$700 million of liquidity at 12/31/17 pro forma for the debt exchange

MATURITY PROFILES (\$MM)



¹ Total operating revenue less adjusted cash operating costs. See Appendix for non-GAAP definition.

² Pro forma as of 9/30/17 to include 1/3/18 notes exchange transaction and the October 2017 Borrowing Base Redetermination

SOLID HEDGE PROGRAM

Crude Oil (MMbbls)

Fixed Price

Swaps
Costless Collar Ceiling
Costless Collar Floor
Three-way Ceiling
Three-way Upper Floor
Three-way Lower Floor ¹
Avg. Ceiling
Avg. Floor
Percentage Hedged

2018	
million bbls	\$/bbl
5.079	\$56.47
1.002	\$64.98
1.002	\$55.00
8.859	\$68.15
8.859	\$60.00
8.859	\$50.00
14.94	\$63.96
14.94	\$58.46
85%	

2019	
million bbls	\$/bbl
0.73	\$55.88
4%	

Natural Gas (Tbtu)

Fixed Price

Swaps
Avg. Ceiling
Avg. Floor
Percentage Hedged

2018	
tBtu	\$/mmBtu
25.55	\$3.04
25.55	\$3.04
25.55	\$3.04
55%	

2019	
tBtu	\$/mmBtu
7.3	\$2.97
7.3	\$2.97
7.3	\$2.97
16%	

NGLs (MMGal)

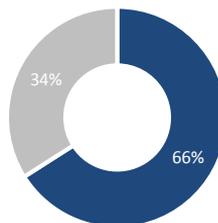
Fixed Price

Ethane Swaps
Percentage Hedged
Propane Swaps
Percentage Hedged

2018	
million gal	\$/gal
61.32	\$0.30
63%	
30.66	\$0.75
42%	

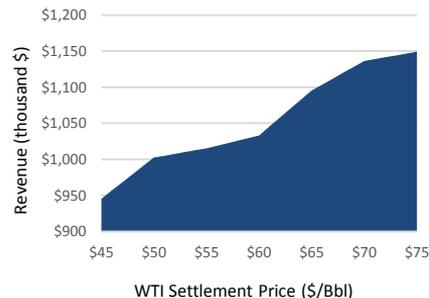
2019	
million gal	\$/gal

Cal-18 Crude Oil Hedge Position



- Crude Volume with Upside Price Exposure
- Crude Volume at Fixed Price

Hedge-Adjusted 2018 Crude Oil Revenue at Various WTI Prices



- ➔ Substantial portion of 2018 crude oil volume hedged with floor at \$58.46/Bbl
- ➔ Crude oil option structures allow for significant upside participation as WTI price rises
- ➔ Two-thirds of 2018 crude oil exposure open to upward price moves above current strip

Note: Hedge positions are as of January 10, 2018 (Contract months: January 1, 2018 – Forward). Percent hedged based on midpoint of 2018 guidance.

¹ If market prices settle at or below \$50.00 in 2018, EPE will receive a “locked-in” cash settlement of the market price plus \$10.00 per Bbl. As of December 31, 2017, the average forward price of oil was \$59.31 per Bbl for 2018.

2018 TOTAL OIL & GAS EXPENDITURES

- Manage capital program near 2017 levels
- Focused on increasing capital efficiency
- ~10% of capital allocated for new concepts
- Includes next generation completions

Enhanced fracture designs

Longer laterals

2018 ~\$600MM – 650MM¹



Eagle Ford
Permian
Altamont²

Returns-based capital allocation

¹ Includes ~\$135MM non-drill capital including: ~\$55MM for general equipment, ~\$30MM for capitalized G&A and interest, ~\$25MM for enhanced facility projects, ~\$15MM for leasing and seismic, and ~\$10MM for EOR projects and excludes net acquisition costs and divestiture proceeds of ~\$57MM.

² Altamont capital includes ~100 recompletions for ~\$50MM.

2018 DRILLING RIGS AND PRODUCTION

	2017 Preliminary	2018 Guidance
EAGLE FORD  1 - 2	Oil production (MBbls/d)	46.1
	Total production (MBoe/d)	82.3
PERMIAN  1		
ALTAMONT  2		

- ➔ **Benefit from operational enhancements**
- ➔ **Generate higher cash margins¹**
- ➔ **Manage inflation with efficient operations**
- ➔ **Increase net cash flow²**

¹ Total operating revenue before the impact from financial derivatives less adjusted cash operating costs. See Appendix for non-GAAP definition.

² Defined as Adjusted EBITDAX less oil & gas expenditures, excluding acquisition capital. See Appendix for non-GAAP definition.

EFFICIENT OPERATING COSTS

	2018 Guidance	% Change From 2017 Midpoint Guidance	
Lease operating expense (\$/Boe)	\$5.00 - \$5.70	 6%	Reduced salt water disposal and water handling costs plus focus on optimizing M&R
Adjusted G&A expenses (\$/Boe) ¹	\$2.30 - \$2.60	 17%	More efficient organized structure and reduced non-labor costs
Transportation and commodity purchases (\$/Boe)	\$3.15 - \$3.45	 19%	Reduced minimum volume commitment charges and reduction due to new revenue recognition standard
Taxes, other than income (\$/Boe) ²	\$2.50 - \$2.60	 17%	Higher commodity prices
DD&A (\$/Boe)	\$16.50 - \$17.50	 3%	Permian sliding scale reversion due to higher WTI prices

¹ See Appendix for non-GAAP reconciliation and definition

² Assumes \$55/Bbl WTI

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APPENDIX



NON-GAAP TERMS

Adjusted cash operating costs is a non-GAAP measure that is defined as total operating expenses, excluding depreciation, depletion and amortization expense, exploration expense, impairment charges, gains and/or losses on sale of assets, the non-cash portion of compensation expense (which represents compensation expense under our long-term incentive programs adjusted for cash payments made under these plans) and transition, severance and other costs that affect comparability.

EBITDAX is defined as net income (loss) plus interest and debt expense, income taxes, depreciation, depletion and amortization and exploration expense. Adjusted EBITDAX is defined as EBITDAX, adjusted as applicable in the relevant period for the net change in the fair value of derivatives (mark-to-market effects of financial derivatives, net of cash settlements and cash premiums related to these derivatives), the non-cash portion of compensation expense (which represents non-cash compensation expense under these programs adjusted for cash payments made under these plans), transition, restructuring and other costs that affect comparability, gains and losses on extinguishment/modification of debt and impairment charges.

Adjusted general and administrative expenses are defined as general and administrative expenses excluding the non-cash portion of compensation expense which represents compensation expense under our long-term incentive programs adjusted for cash payments under these plans. For 2018, we expect GAAP general and administrative expenses between approximately \$2.90 per Boe - \$3.25 per Boe which includes approximately \$0.60 per Boe - \$0.65 per Boe of non-cash compensation expense.