

INVESTOR UPDATE

EP ENERGY CORPORATION

Improving Results

4Q'17 Investor Update

March 1, 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 and reconciliation between U.S. GAAP and non-GAAP financial measures are included in the Fourth Quarter 2017 Financial and Operational Reporting Package at epenergy.com.

OFF TO A GOOD START

- ✓ Improved financial flexibility with extended debt maturity profile – closed 1Q'18
- ✓ Largest acquisition to date funded primarily with divestiture – closed 1Q'18
- ✓ Initiated new drilling and completion concepts in Eagle Ford (other basins in progress)
 - ➔ Increased current oil field rate by 20 percent compared with 4Q'17 average
 - ➔ Half of the increase driven by new well completions
 - ➔ Half driven by closing the recent acquisition
 - ➔ Ritchie Farms in-fill pad child wells, 25-day cum production ~6% higher than parent well
 - ➔ On four new Volatile Oil wells, 60-day oil rate 30% higher than type curve

Delivered results while adding a new perspective

PRIOR FOCUS

A DIFFERENT APPROACH

- | | | |
|--|---|---|
| → Capital allocation by basin | → | Project focused, basin agnostic |
| → Primarily divestiture focused | → | Focused on accretive A&D |
| → Static approach to new ideas | → | Approximately 10% of capital used for new projects and concepts |
| → Mass manufacturing-style development | → | Engineering each pad for optimal resource recovery and returns |

Designed to improve asset performance and capture opportunities

2018 OUTLOOK

VOLUMES	1Q'18	FY'18
Oil Production (MBbls/d)	43 – 44	46 - 50
Equivalent Production (MBoe/d)	77 – 79	81 - 87
OIL & GAS EXPENDITURES (\$ million)^{1,2}	\$210 - \$220	\$600 - \$650
Eagle Ford		~50%
Permian		~30%
Altamont		~20%
AVERAGE GROSS DRILLING RIGS		
Eagle Ford		1 - 2
Permian		1
Altamont		2
OPERATING COSTS		
Lease operating expense (\$/Boe)		\$5.00 - \$5.70
G&A expense (\$/Boe)		\$2.90 - \$3.25
Adjusted G&A expense (\$/Boe) ³		\$2.30 - \$2.60
Transportation and commodity purchases (\$/Boe)		\$3.15 - \$3.45
Taxes, other than income (\$/Boe) ⁴		\$2.50 - \$2.60
DD&A (\$/Boe)		\$16.50 - \$17.50

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

² Altamont capital includes ~100 recompletions.

³ See the Fourth Quarter 2017 Financial and Operational Reporting Package, available at epenergy.com, for the Company's non-GAAP reconciliations and definitions

⁴ Severance taxes are based on \$55/Bbl WTI.

2017 RESULTS

	4Q 2017	2017
Adjusted EBITDAX (\$MM) ¹	181	691
Oil & Gas Expenditures (\$MM)	145	587
Adjusted Cash Operating Costs (\$/Boe) ¹	13.65	14.23
Total Production (MBoe/d)	80.6	82.3
Oil Production (MBbls/d)	43.6	46.1
Proved Reserves (MMBoe/d)		392.1 R/P of ~13 years ²

¹ See the Fourth Quarter 2017 Financial and Operational Reporting Package, available at epenergy.com, for the Company's non-GAAP reconciliations and definitions

² Based on 2017 annual production

2017 CASH COSTS RESULTS

2017 FY RESULTS		2018 GUIDANCE ¹	(\$/Boe)
Lease Operating Expense \$5.42		Lease Operating Expense \$5.35	
Adjusted G&A ² \$2.62		Adjusted G&A ² \$2.45	
Transportation \$3.83		Transportation \$3.30	
Taxes Other Than Income \$2.19		Taxes Other Than Income \$2.55	

Focused on improving cost efficiency

¹ Represents midpoint of 2018 Guidance

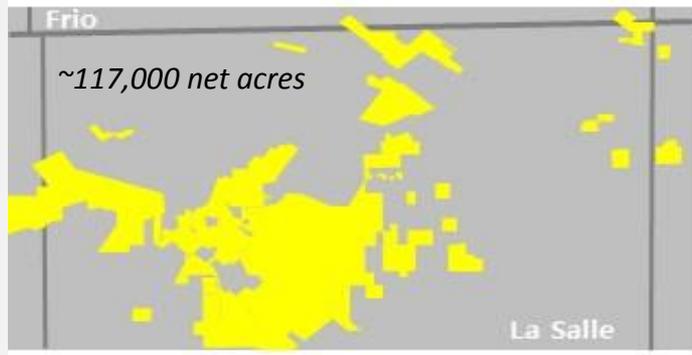
² See the Fourth Quarter 2017 Financial and Operational Reporting Package, available at epenergy.com, for the Company's non-GAAP reconciliations and definitions

EAGLE FORD OPERATIONS SUMMARY

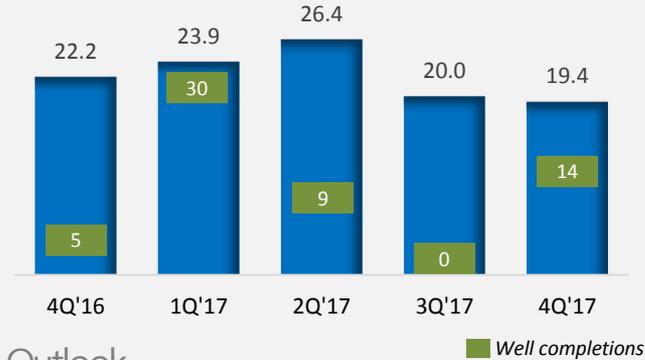
Highlights

- ➔ **Highly efficient capital program**
- ➔ **Large contiguous acreage position**
- ➔ **Recently expanded inventory**
- ➔ **Benefit from improved LLS pricing**

Current Acreage Position¹



Oil Production (MBbls/d)



Outlook

- ➔ **Designing completions pad by pad**
- ➔ **Testing enhanced oil recovery (EOR)**
- ➔ **Mitigating cost inflation with engineering**

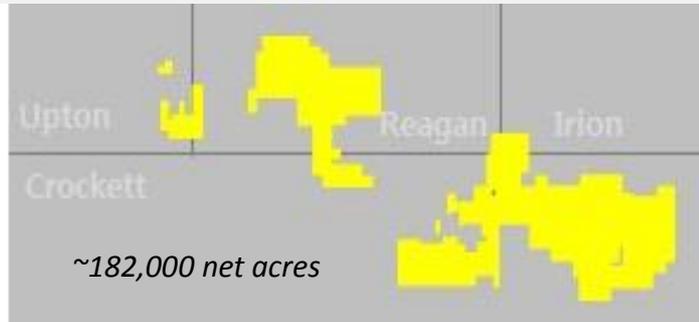
¹ As of March 1, 2018

PERMIAN OPERATIONS SUMMARY

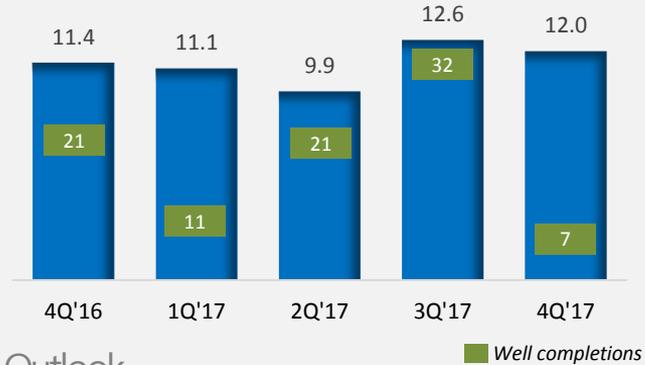
Highlights

- ➔ **Multiple zone opportunities**
- ➔ **Large contiguous acreage position**
- ➔ **Well positioned for increased operational efficiencies**

Current Acreage Position¹



Oil Production (MBbls/d)



Outlook

- ➔ **Mitigating cost inflation with design changes**
- ➔ **Further reduce operating costs**
 - ➔ **Water handling facilities**
 - ➔ **Natural gas-fired frac fleet**
- ➔ **Test new zones**
- ➔ **New completion techniques**

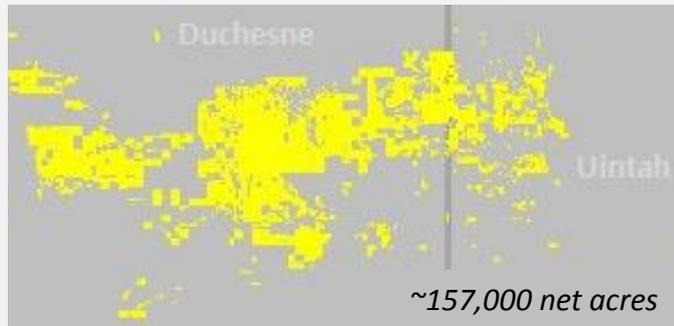
¹ As of March 1, 2018

ALTAMONT OPERATIONS SUMMARY

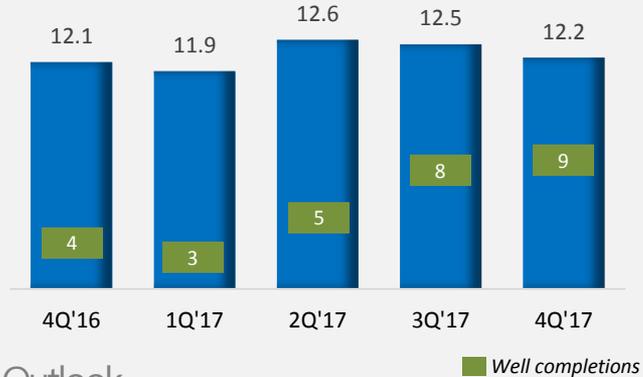
Highlights

- ➔ Consistent oil program
- ➔ Significant future drilling inventory
- ➔ High return recompletion program
- ➔ Drilling joint venture enhances capital efficiency

Current Acreage Position¹



Oil Production (MBbls/d)



Outlook

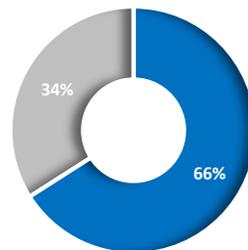
- ➔ Expanding successful recompletion program
- ➔ Testing horizontal drilling opportunities
- ➔ Reduce operating costs

¹ As of March 1, 2018

CURRENT HEDGE POSITION

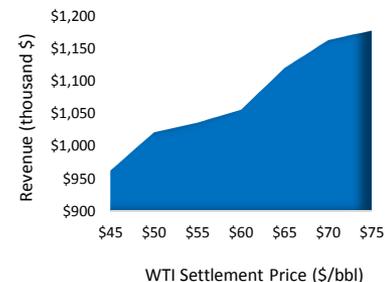
Crude Oil (MMBbls)	2018		2019	
Fixed Price	\$/Bbl		\$/Bbl	
Swaps	5.079	\$56.47	0.73	\$55.88
Costless Collar Ceiling	1.002	\$64.98	-	-
Costless Collar Floor	1.002	\$55.00	-	-
Three-way Ceiling	8.859	\$68.15	1.1	\$65.05
Three-way Upper Floor	8.859	\$60.00	1.1	\$55.00
Three-way Lower Floor	8.859	\$50.00	1.1	\$45.00
Avg. Ceiling	14.94	\$63.96	1.83	\$61.38
Avg. Floor	14.94	\$58.47	1.83	\$55.35
Percentage Hedged	89%		11%	
Natural Gas (Tbtu)	2018		2019	
Fixed Price	\$/MMBtu		\$/MMBtu	
Swaps	25.55	\$3.04	7.3	\$2.97
Collar Ceiling	25.55	\$3.04	7.3	\$2.97
Collar Floor	25.55	\$3.04	7.3	\$2.97
Percentage Hedged	56%		16%	
NGLs (MMGal)	2018		2019	
Fixed Price Swaps	\$/Gal		\$/Gal	
Ethane	61.32	\$0.30	-	-
Propane	30.66	\$0.75	-	-

2018 Crude Oil Upside Price Exposure



- 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 \$58.47/Bbl
- ➔ Crude oil option structures allow for significant upside participation as WTI price rises
- ➔ 66% of 2018 crude oil exposure open to upwards price moves above current strip

Note: Hedge positions are as of January 31, 2018 (Contract months: January 1, 2018 – Forward). Percent hedged based on LRP

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