

## **EP Energy Corporation Files an Amended Plan of Reorganization Targeting a Third Quarter Emergence**

**HOUSTON – July 13, 2020** – EP Energy Corporation (“EP Energy” or the “Company”) filed today an Amended Plan of Reorganization (the “Plan”) and Disclosure Statement with the United States Bankruptcy Court for the Southern District of Texas. Under the revised Plan, holders of allowed 1.125L notes claims will receive 100% of the new common shares of the reorganized company, subject to dilution by the Company’s Employee Incentive Plan (“EIP”). Lenders representing 98% of commitments have agreed to revised terms under the \$629MM Reserve Based Loan (RBL) Exit Facility, including a three-year maturity from emergence.

The revised Plan reflects significant cancellation and equitization of debt of approximately \$4.4 billion. Upon execution of the Plan, the company’s only debt will be borrowings under the company’s RBL, which is projected to be \$500 million at emergence. The Plan also provides for a \$300,000 cash pool for distribution to the existing equity owners of EP Energy Corporation on behalf of certain tax attributes of the parent company and a \$175,000 cash pool for distribution to holders of smaller general unsecured claims (“Convenience Claims”).

The Company will seek conditional approval of the Disclosure Statement at a scheduled hearing on Monday, July 20<sup>th</sup>. The Company intends to begin the process of soliciting votes after the July 20<sup>th</sup> hearing and will seek a confirmation of the Plan in late August.

President and Chief Executive Officer Russell Parker said, “We are excited to be moving forward with the revised Plan that provides for a strong balance sheet and sustainable business even at historically low oil prices. Under current commodity prices we expect the Company to generate a material amount of free cash flow after interest that provides valuable flexibility to create value and delever the business.”

Mr. Parker continued, “I want to thank our banks for their support and our dedicated team of employees for their commitment and unwavering focus. Our employees’ drive to reduce operating and capital costs, in addition to improving well results, have combined to provide us the ability to create the revised Plan with a very bright future. On behalf of the EP Energy Board and management team, I also want to express my appreciation for the continued partnership and support of our vendors, lessors and royalty owners. We look forward to completing this process over the coming months and beginning a new and stronger chapter together.”

### **Additional Information**

Additional resources for vendors, royalty owners, lessors and other stakeholders is available on EP Energy’s restructuring website at [www.EPEnergyRestructuring.com](http://www.EPEnergyRestructuring.com). Court filings and other documents related to the Chapter 11 process are available on a separate website administered by EP Energy’s claims agent, Prime Clerk, at <https://cases.primeclerk.com/EPEnergy>. Information is also available by calling 877-502-9869 (toll-free in the U.S.) or +1-917-947-2373 (for calls originating outside the U.S.) or sending an email to [EPEnergyinfo@primeclerk.com](mailto:EPEnergyinfo@primeclerk.com).

Weil, Gotshal & Manges LLP is serving as the Company’s legal counsel, Evercore LLC is serving as financial advisor and FTI Consulting, Inc. is serving as restructuring advisor.

### **About EP Energy Corporation**

The company focuses on enhancing the value of its high quality asset portfolio, increasing capital efficiency, maintaining financial flexibility, and pursuing accretive acquisitions and divestitures. EP Energy is working to set the standard for efficient development of hydrocarbons in the U.S. Learn more at [epenergy.com](http://epenergy.com).

## **Forward Looking Statements**

This release includes certain forward-looking statements and projections of EP Energy. Such statements are subject to risks and uncertainties that could cause results to differ materially from the Company's expectations, including the following: risks and uncertainties relating to the Company's chapter 11 cases (the "Chapter 11 Cases"), including but not limited to, the effects of the Chapter 11 Cases on the Company and on the interests of various constituents, Bankruptcy Court rulings in the Chapter 11 Cases and the outcome of the Chapter 11 Cases in general, the potential adverse effects of the Chapter 11 Cases on the Company's liquidity or results of operations; the Company's ability to obtain debtor-in-possession financing and the amount, terms and conditions of any such financing; uncertainty associated with evaluating and completing any strategic alternatives as well as the Company's ability to implement and realize any anticipated benefits associated with any alternative that may be pursued; risks related to the expected deregistration of the common stock of EP Energy, and the suspension of our Securities and Exchange Commission reporting obligations; the effects of disruption from the Chapter 11 Cases making it more difficult to maintain business and operational relationships, to retain key executives and to maintain various licenses and approvals necessary for the Company to conduct its business; the consequences of the acceleration of the Company's debt obligations; risks related to the trading of the Company's securities on the OTC Pink Market; as well as the risk factors described in the Company's Annual Report on Form 10-K for the year ended December 31, 2018, as updated in the Company's subsequently filed Quarterly Reports on Form 10-Q. While the Company makes these statements in good faith, neither the Company nor its management can guarantee that anticipated future results will be achieved. The Company assumes no obligation to publicly update or revise any forward-looking statements made herein or any other forward-looking statements made by the Company, whether as a result of new information, future events, or otherwise. All forward-looking statements attributable to the Company or persons acting on the Company's behalf are expressly qualified in their entirety by the foregoing cautionary statements. All such statements speak only as of the date made, and, except as required by law, the Company undertakes no obligation to update or revise publicly any forward-looking statements, whether as a result of new information, future events or otherwise.