

FORM 8-K

Date of Report (Date of earliest event reported): April 1, 2022

EP Energy Corporation
(Exact Name as Specified in its Charter)

Delaware
(State or Other Jurisdiction of
Incorporation)

46-3472728
(I.R.S. Employer Identification
Number)

601 Travis Street, Suite 1400, Houston, Texas, 77002
(Address of Principal Executive Offices) (Zip Code)

713-997-1000
(Registrant's Telephone Number, Including Area Code)

Item 1.02. Termination of a Material Definitive Agreement.

The disclosure set forth below in Item 8.01 with respect to the termination of the Stockholders Agreement is incorporated by reference into this Item 1.02.

Item 5.02. Departure of Directors or Principal Officers; Election of Directors; Appointment of Principal Officers.

Effective as of April 1, 2022, the Board of Directors (the “Board”) of the Company appointed Mr. Kyle McCuen as the Chief Executive Officer and the Chief Financial Officer of the Company to implement the Plan of Dissolution (as defined below).

Item 8.01. Other Events.

Initial Liquidating Distribution

On April 5, 2022, the Board approved a liquidating distribution to the stockholders of record of the Company as of April 12, 2022, in the aggregate amount of \$1,125 million or \$89.50 per share, which will be payable on or around April 19, 2022. American Stock Transfer & Trust Company, LLC, the Company’s registered agent, will act as paying agent for the distribution. See *Approval of Dissolution Mechanics and Initial Liquidating Distribution* below for further detail.

Plan of Dissolution, Close of Stock Transfer Books and Beneficial Ownership Tracking

As previously disclosed, on March 23, 2022, the Board unanimously adopted resolutions whereby it (i) determined that it is advisable and in the best interest of the Company and its stockholders to dissolve the Company, (ii) approved the dissolution of the Company, (iii) approved and adopted a plan of liquidation and dissolution (the “Plan of Dissolution”) and (iv) authorized and directed that the dissolution of the Company and the Plan of Dissolution be presented to the stockholders of the Company for approval. Subsequently, on March 31, 2022, the holders of not less than a majority in voting power of the issued and outstanding shares of common stock of the Company and entitled to vote approved by written consent the dissolution of the Company and the Plan of Dissolution.

On April 1, 2022, the Company filed a certificate of dissolution with the Secretary of State of the State of Delaware, as contemplated by the Plan of Dissolution. The certificate of dissolution became effective as of 1:15 p.m. eastern time on April 1, 2022 (the “Effective Time”). The Plan of Dissolution provides that, in connection with the filing of the certificate of dissolution, the Company closed its stock transfer books and discontinued recording transfers of its common stock (the “Shares”).

The Plan of Dissolution further provides that, from and after the Effective Time, Cede & Co., the nominee for The Depository Trust Company (“DTC”) and the record holder for all Shares except those issued under the Employee Incentive Plan, will not be able to transfer record ownership of its Shares on the Company’s stock transfer book. The Plan of Dissolution further provides that, from and after the Effective Time, and subject to applicable law, no holder of Shares shall have any rights in respect thereof, except the right to receive distributions, if any, pursuant to and in accordance with the Plan of Dissolution. Notwithstanding the foregoing, the Company has requested that the DTC continue to maintain records of changes in beneficial ownership of the Shares, which after the Effective Time represent the right to receive any post-dissolution liquidating distributions, including transfers of beneficial ownership of such Shares. Consequently, the Company expects that transfers of beneficial

ownership of the Shares (and attendant transfers of such rights) will be tracked by DTC.

Termination of Stockholders Agreement

Upon the filing of the certificate of dissolution, that certain Stockholders Agreement, dated October 1, 2020, by and among the Company and the stockholders listed therein (the “Stockholders Agreement”) terminated pursuant to its terms. Upon termination of the Stockholders Agreement, the Company’s stockholders party thereto ceased to have any rights or obligations thereunder.

Approval of Dissolution Mechanics and Initial Liquidating Distribution

On April 5, 2022, the Board unanimously adopted resolutions whereby it:

- i. determined that in connection with the Plan of Dissolution, the Company will pay or make reasonable provisions (A) for the payment of all claims and obligations (including all contingent, conditional or unmatured claims known to the Company), (B) as will be reasonably likely to provide sufficient compensation for any and all claims against the Company for pending actions, suits or proceedings, and (C) likely to be sufficient to provide compensation for claims that have not been made known to the Company or that have not arisen but, based on facts known to the Company, are likely to arise or become known to Company within 10 years after the date of Dissolution (collectively, the “Claims”);
- ii. established a reserve for the payment of potential Claims in the aggregate amount of \$144 million (the “Company Provision”), which consists of a cash reserve of \$62 million, as well as \$82 million held in escrow pursuant to that certain Membership Interest Purchase Agreement dated July 26, 2021 by and between EPE Acquisition, LLC and Verdun Oil Company II LLC;
- iii. determined that, after establishing the Company Provision, any remaining assets of the Company will be liquidated and distributed to the stockholders of the Company; and
- iv. approved a liquidating distribution to the stockholders of record of the Company as of April 12, 2022, in the aggregate amount of \$1,125 million or \$89.50 per share (the “Initial Liquidating Distribution”), which will be payable on or around April 19, 2022.

Based on currently available information, the Company currently estimates that the total amount of liquidating distributions that may be made available to the Company’s stockholders during the course of the dissolution (including the Initial Liquidating Distribution) is \$99.62 (up to \$10.12 per share of potential additional distributions after the payment of the Initial Liquidating Distribution).

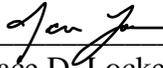
The foregoing summary and estimates are only as of the date of this report. The estimation of liquidating distributions is subject to change and will depend on numerous factors, including the actual cost of estimated Claims, wind down obligations and expenses and how quickly the Company can complete the wind down process. Details regarding any potential liquidating distribution(s) subsequent to the Initial Distribution, including amount and timing thereof, will be provided to shareholders at a later date, and to facilitate providing such information, the Company intends to maintain a website where shareholders may access periodic reports. Access to such website can be requested via InvestorRelations@epenergycorp.com. *There can be no assurance regarding the timing or amount of any subsequent distribution(s) that the Company may make as part of the dissolution process.*

[Signature page to follow]

SIGNATURE

Date: April 6, 2022

EP Energy Corporation

By:  _____
Jace D. Locke
Vice President, General Counsel and
Corporate Secretary