

EP Energy Announces Agreement to Divest of Southern Midland Basin Assets

Transaction to transform EP Energy into two-basin Northeastern Utah and Eagle Ford operator with low leverage and significant free cash flow generation ability

HOUSTON – December 11, 2020 – EP Energy Corporation (“EP Energy” or the “Company”) announced today that it has entered into a Purchase and Sale Agreement with an undisclosed buyer to divest of EP Energy’s assets located in the Southern Midland Basin. The transaction is expected to close by the end of January 2021.

Pro forma for the divestiture, EP Energy will own approximately 410,000 gross (275,000 net) acres in Northeastern Utah and the Eagle Ford. Average daily net production for the third quarter 2020 pro-forma for the transaction was 48,400 barrels of oil equivalent per day and 31,600 barrels of oil per day. The Company intends to use the proceeds to reduce borrowings under its Reserve Based Loan facility. Pro forma for the transaction, the Company expects end-of-year 2020 Net Debt to be approximately \$100MM and Net Debt to Adjusted EBITDAX to be approximately 0.3x.

President and Chief Executive Officer Russell Parker said, “We are very pleased to announce this transaction that enables EP Energy to core up its portfolio and significantly reduce debt. Post the divestiture, EP Energy will have minimal leverage, a strong liquidity position, and an asset base that can generate attractive returns and free cash flow in the current price environment.”

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.

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. 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.