

CAPITAL STRUCTURE (USDm)													
Instrument	Coupon	Face Amount	Adj.	PF Face Amount	Price	Market Amount	Yield	Maturity	Est. Annual Interest	LTM Face Leverage	PF LTM Face Leverage	2018E Face Leverage	PF 2018E Face Leverage
USD 629m RBL (LC: USD 19m) ^{1,2}	L + 2.5% - 3.5%	100	40	140	94.8	133	8.2%	23 Nov 2021	7	0.1x	0.2x	0.2x	0.2x
2026 1.125 Lien Notes	7.75%	1,000	-	1,000	84.3	1,000	11.0%	15 May 2026	78	1.4x	1.4x	1.7x	1.8x
2024 1.25 Lien Notes	8.00%	500	-	500	57.5	288	21.3%	29 Nov 2024	40	2.0x	2.0x	2.5x	2.5x
2025 1.5 Lien Notes	8.00%	1,000	-	1,000	34.5	345	34.9%	15 Feb 2025	80	3.2x	3.2x	4.0x	4.1x
2024 1.5 Lien Senior Notes	9.38%	1,092	-	1,092	34.9	382	40.5%	01 May 2024	102	4.5x	4.6x	5.7x	5.7x
2019 Second Lien Term Loan	L + 3.5%	8	-	8	-	8	-	30 Apr 2019	0	4.5x	4.6x	5.7x	5.8x
Secured Debt		3,700		3,740		2,155			307	4.5x	4.6x	5.7x	5.8x
Stub 2020 Senior Notes	9.4%	232	(50)	182	47.0	86	98.1%	01 May 2020	17	4.8x	4.8x	6.0x	6.0x
Stub 2022 Senior Notes	7.8%	182	-	182	23.0	42	68.4%	01 Sep 2022	14	5.1x	5.0x	6.3x	6.3x
Stub 2023 Senior Notes	6.4%	324	-	324	23.0	75	55.0%	15 Jun 2023	21	5.5x	5.4x	6.8x	6.8x
Total Debt		4,438		4,428		2,357			359	5.5x	5.4x	6.8x	6.8x
Less: Cash		27		27		27							
Net Debt		4,411		4,401		2,330				5.4x	5.4x	6.8x	6.8x
Market Value of Common Stock		61		61	0.24 P/S	61							
Enterprise Value		4,472		4,462		2,391				5.5x	5.5x	6.9x	6.9x
2018 Adjusted EBITDAX		814											
2019P Adjusted EBITDAX		650											

1) Collateralized by certain oil and natural gas properties and has a borrowing base subject to semi-annual redeterminations taking place in April and October.
2) Assumes USD 40m of cash used to paydown unsecured notes was financed with an equivalent draw on the RBL.

Source: SEC Filings, MarketAxess, Markit, Debtwire Analytics

RECENT DEVELOPMENTS:

In mid-March, EP Energy (EPE) announced 4Q18 earnings that modestly surpassed consensus estimates, guided a materially significant decline in 1Q19 production on greater-than-expected capital expenditures and elected to forego taking questions on the earnings call and providing full year guidance. In 4Q18, EPE generated USD 196m in adjusted EBITDA (vs. USD 187m Factset Consensus) on production of 79.4 MBoe/d (in line with consensus). Adjusted EBITDA was down 8.8% QoQ, with realized commodity prices declining 17.5% sequentially and production modestly falling 1.2%. This was partially offset by cash settlements realized from EPE's hedging program, along with reduced operating costs. Specifically, cash operating costs/boe fell to USD 12.16 from USD 15.2 in the prior quarter, driven by lease operating expenses falling to USD 4.79 from USD 6.23 in the prior quarter.

The company also recognized a USD 1.1bn write-down on its Permian assets following a significant reduction in planned Permian activity over the next five years. Pricing pressures that played out in the Permian during 3Q18 incentivized the company to pivot toward developing its Eagle Ford acreage and Northeastern Utah projects. Because of this shift in direction, proven undeveloped reserves were marked downward, as EPE adjusted its PUD development time frame to three years, versus the SEC maximum five-year time frame, and eliminated Permian PUD reserves from its 2018 reserve report. It should be noted that this has no effect on PDP and should not impact the borrowing base, as secured debt baskets are not linked to ACNTA, like most E&Ps.

During 2018, EPE repurchased USD 84m of its 2020, 2022 and 2023 senior unsecured notes with USD 49m of cash, for an average purchase price of USD 0.58. Subsequent to 2Q18, an additional USD 50m of unsecured notes were repurchased with cash of USD 40m. In our analysis, we assume EPE targeted the 2020 Senior Notes and funded the cash payment with a draw on its revolver.

PROJECTIONS:

Looking into 2019, we project adjusted EBITDA of USD 650m, assuming run rate production based off of guided 1Q19 production. After netting out interest payments and an assumed capital budget of USD 500m, we project a 2019 cash burn of USD 115m.

RESTRUCTURING:

In line with our projections, management estimates that "as of May 2020, we will not have sufficient liquidity available to repay these notes and meet our working capital needs and/or fund our planned capital expenditures." If this goes unresolved by year-end, EPE would be forced to include a going concern warning in its 10-K, which would trigger an EoD under its revolving credit facility and cross defaults of its secured and unsecured debt. That being said, we expect EPE to initiate an uptiered exchange targeting the 2022 Senior Notes. We expect EPE will wait for the 2020 Notes to become current on 1 May 2019, before initiating an exchange offer, as any exchanges/repurchases completed prior to this date will impact RP capacity and reduce flexibility beyond May 2020. Should EPE pursue this route, USD 371m of secured debt capacity exists above the 1.5 lien tranche,

assuming RBL capacity remains at the current level of USD 629m. This makes all debt junior to the first lien revolver at risk of being primed. For further covenant analysis, please refer to [Xtract's latest Special Report on EP Energy](#).

RECOVERIES:

In our analysis, we assume a restructuring taking place at year-end 2019. Assuming no additional capital structure changes (other than what's been outlined previously), we see full recoveries on EPE's RBL and 1.125 lien notes, an 85%-100% recovery on its 1.25 lien notes, 7%-32% recoveries on its 1.5 Lien notes and 7%-12% recoveries on its unsecured notes. If EPE were to issue an additional tranche of 1.25 lien notes in exchange for the 2020 Senior Notes at an 87% exchange ratio, 1.25 lien recoveries would decrease to a range of 66%-100% and 1.5 Lien would decrease to a range of 7%-25.7%.

Liquidity (USDm)	
PF Cash on Hand	27
Revolver Availability ¹	470
Pro Forma Liquidity	497

1) USD 420 as of 28 February 2019.

Source: SEC Filings, Debtwire Analytics

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PROJECTIONS:

USDm, Where Applicable

Period	FY16A	FY17A	1Q18A	2Q18A	3Q18P	4Q18P	FY18P	1Q19P	2Q19P	3Q19P	4Q19P	FY19P
Days	365	365	90	91	92	92	365	90	91	92	92	365
Daily Production Volumes												
Oil Sales Volumes (MMbbls/d)												
Wolfcamp	8.6	11.4	9.8	9.7	8.8	8.1	9.1	7.9	7.9	7.9	7.9	7.9
Eagle Ford	26.4	22.4	24.0	25.8	25.6	24.7	25.0	21.0	21.0	21.0	21.0	21.0
Altamont	11.6	12.3	11.6	11.7	12.0	11.5	11.7	9.5	9.5	9.5	9.5	9.5
Haynesville	-	-	-	-	-	-	-	-	-	-	-	-
Total Oil Sales Volume	46.6	46.1	45.4	47.2	46.4	44.3	45.8	38.5	38.5	38.5	38.5	38.5
Natural Gas Sales Volumes (MMcf/d)												
Wolfcamp	40.5	55.5	56.0	54.0	58.0	53.0	55.2	53.7	53.7	53.7	53.7	53.7
Eagle Ford	50.2	38.5	36.0	40.0	30.0	36.0	35.5	39.8	39.8	39.8	39.8	39.8
Altamont	29.8	33.0	34.0	30.0	33.0	33.0	32.5	29.8	29.8	29.8	29.8	29.8
Haynesville	36.8	-	-	-	-	-	-	-	-	-	-	-
Total Natural Gas Sales Volume	157.4	127.0	126.0	124.0	121.0	122.0	123.2	123.4	123.4	123.4	123.4	123.4
NGLs Sales Volumes (MMbbls/d)												
Wolfcamp	6.1	8.2	7.8	7.8	8.7	8.3	8.2	7.3	7.3	7.3	7.3	7.3
Eagle Ford	8.6	6.8	5.9	6.8	5.2	6.6	6.1	6.3	6.3	6.3	6.3	6.3
Altamont	-	-	-	-	-	-	-	-	-	-	-	-
Haynesville	-	-	-	-	-	-	-	-	-	-	-	-
Total NGLs Sales Volume	14.7	15.1	13.7	14.6	13.9	14.9	14.3	13.6	13.6	13.6	13.6	13.6
Equivalent Sales Volumes (MBoe/d)												
Wolfcamp	21.4	28.8	26.9	26.4	27.1	25.2	26.4	24.1	24.1	24.1	24.1	24.1
Eagle Ford	43.3	35.6	35.9	39.2	35.8	37.3	37.0	34.0	34.0	34.0	34.0	34.0
Altamont	16.5	17.8	17.2	16.7	17.5	17.0	17.1	14.5	14.5	14.5	14.5	14.5
Haynesville	6.1	-	-	-	-	-	-	-	-	-	-	-
Other	0.1	-	-	-	-	-	-	-	-	-	-	-
Total Equivalent Sales Volume	87.4	82.2	79.9	82.3	80.3	79.4	80.5	72.5	72.5	72.5	72.5	72.5
<i>Sequential Change in Production</i>	-20.4%	-6.0%	-6.0%	3.0%	-2.4%	-1.2%	-2.1%	-8.7%	-	-	-	-9.9%
% Oil	53%	56%	57%	57%	58%	56%	57%	53%	53%	53%	53%	53%
% Natural Gas	30%	26%	26%	25%	25%	25%	25%	28%	28%	28%	28%	28%
% NGL	17%	18%	17%	18%	17%	19%	18%	19%	19%	19%	19%	19%
Price Assumptions												
WTI Curve (\$/Bbl)	\$43.20	\$50.79	\$62.91	\$68.07	\$69.69	\$59.97	\$65.16	\$54.84	\$59.71	\$60.35	\$60.21	\$58.79
Realized Price - Oil	\$38.24	\$48.33	\$61.56	\$65.53	\$66.61	\$55.31	\$62.25	\$51.90	\$56.77	\$57.41	\$57.27	\$55.86
HH Curve (\$/MMBtu)	\$2.52	\$2.99	\$3.08	\$2.85	\$2.93	\$3.77	\$3.16	\$2.84	\$2.91	\$2.97	\$3.12	\$2.96
Realized Price - Gas	\$1.95	\$2.32	\$1.94	\$1.58	\$1.34	\$1.76	\$1.65	\$1.49	\$1.52	\$1.55	\$1.64	\$1.55
Realized Price - NGL's (\$/Bbl)	\$12.02	\$18.83	\$20.93	\$22.65	\$27.74	\$20.29	\$22.91	\$18.57	\$20.31	\$20.54	\$20.49	\$19.98
Revenue												
Oil Revenue	651	812	252	281	284	225	1,043	180	199	203	203	785
Natural Gas Revenue	112	108	22	18	15	20	74	17	17	18	19	70
NGL Revenue	65	104	26	30	35	28	119	23	25	26	26	99
O&G Revenue	827	1,023	299	329	335	273	1,236	219	241	247	247	954
(+) Revenue on Commodity Purchases	13	2	1	(0)	3	0	4	1	1	1	1	3
(+) Hedge Impact	(73)	41	(14)	(64)	(44)	206	84	-	-	-	-	-
Net Revenue	767	1,066	286	265	294	479	1,324	220	242	247	248	957
(-) Oil and Natural Gas Purchases	(10)	(2)	-	-	(3)	-	(3)	(1)	(1)	(1)	(1)	(3)
(-) Transportation Costs	(109)	(115)	(25)	(26)	(25)	(24)	(100)	(25)	(25)	(25)	(25)	(100)
(-) Lease Operating Expense	(159)	(163)	(39)	(38)	(46)	(35)	(158)	(41)	(41)	(42)	(42)	(165)
(-) General and Administrative	(146)	(81)	(19)	(28)	(21)	(21)	(89)	(19)	(19)	(20)	(20)	(78)
(-) Production Taxes	(50)	(65)	(20)	(21)	(22)	(14)	(77)	(12)	(12)	(13)	(13)	(50)
(-) Hedge Revenues	73	(41)	14	64	44	(206)	(84)	-	-	-	-	-
(+) Cash Settlements and Cash Premium on Financial Derivatives	639	93	(10)	(10)	(14)	9	(25)	32	19	17	17	86
(+) Non-Cash Compensation Expenses	19	(22)	2	2	5	4	13	1	1	1	1	3
(+) Transition, Restructuring and Other Costs	15	19	-	6	1	2	9	-	-	-	-	-
(+) Other Income	-	-	-	-	2	2	4	-	-	-	-	-
Adjusted EBITDAX	1,039	694	189	214	215	196	814	155	163	166	166	650
(-) Cash Interest	(312)	(326)	(85)	(88)	(95)	(97)	(365)	(49)	(79)	(49)	(79)	(257)
(-) Capex	(533)	(541)	(173)	(211)	(175)	(131)	(690)	(165)	(165)	(165)	(165)	(500)
(+) Asset Sales (Acquisitions)	389	(36)	(56)	(14)	(30)	-	(100)	-	-	-	-	-
(-) Debt Repayment	-	-	-	-	-	-	-	(8)	-	-	-	(8)
Free Cash Flow, Net	583	(209)	(125)	(99)	(85)	(32)	(341)	(59)	(89)	(48)	(79)	(115)
Liquidity												
Ending Cash						27		-	-	-	-	
Ending Revolver Borrowing Base						629		629	629	629	629	
Ending Revolver Utilized						140		172	261	309	388	
(-) Letters of Credit						(19)		(19)	(19)	(19)	(19)	
Ending Revolver Availability						470		438	349	301	222	
Est. Total Liquidity						497		438	349	301	222	

Source: SEC Filings, Debtwire Analytics

VALUATION:

Company Name	NTM TEV/2018 EBITDA (Factset)	NTM TEV/2019E EBITDA (Factset)	EV/Quarterly Production (\$/MBoe/d)	EV/2018 PV-10	EV/2017 Proved Reserves (\$/Boe)
Whiting Petroleum Corporation (NYSE:WLL)	3.8x	4.5x	\$41,876,539	1.0x	\$10.16
Oasis Petroleum Inc. (NYSE:OAS)	4.3x	4.8x	\$59,842,499	0.9x	\$39.79
Diamondback Energy, Inc. (NasdaqGS:FANG)	9.1x	4.8x	\$134,986,864	3.0x	\$32.59
Continental Resources, Inc. (NYSE:CLR)	6.4x	6.9x	\$81,023,670	1.5x	\$14.83
Denbury Resources Inc. (NYSE:DNR)	4.6x	5.0x	\$54,662,870	1.0x	\$12.92
Carrizo Oil & Gas Inc (Nasdaq:CRZO)	3.7x	4.1x	\$50,339,590	0.7x	\$8.72
Sanchez Energy Corp (NYSE:SN)	4.6x	6.4x	\$33,352,126	1.1x	\$6.97
SM Energy Company (NYSE:SM)	4.6x	4.5x	\$38,682,344	1.0x	\$8.84
EP Energy Corporation (NYSE:EPE)	6.4x	5.5x	\$54,121,928	1.3x	\$13.76
Summary Statistics					
High	9.1x	6.9x	\$134,986,864	3.0x	\$39.79
Low	3.7x	4.1x	\$33,352,126	0.7x	\$6.97
Mean	5.1x	5.1x	\$61,845,812	1.3x	\$16.85
Median	4.6x	4.8x	\$52,501,230	1.0x	\$11.54

Source: Factset, Debtwire Analytics

Developed and Undeveloped Acreage as of 12/31/18	Developed		Undeveloped		Total	
	Gross	Net	Gross	Net	Gross	Net
Eagle Ford Shale	46,367	43,718	83,926	75,987	130,293	119,705
Permian	25,881	22,725	157,150	159,389	183,031	182,114
Altamont	144,323	103,752	138,562	51,562	282,885	155,314
Other ¹	70,501	5,924	214,085	96,535	284,586	102,459
Total	287,072	176,119	593,723	383,473	880,795	559,592

1) Consists of properties located in Wyoming and West Virginia

Estimated Proved Reserves as of 12/31/18	Oil (MMBbls)	NGLs (MMBbl)	Natural Gas (Bcf)	Total (MMBoe)	Liquids (%)	% Proved Developed	Ave. Net Daily Production (Mboe/d)
Eagle Ford Shale	83.8	27.7	166.0	139.1	80%	80%	37.1
Permian	19.0	32.4	221.7	88.4	58%	58%	26.5
Altamont	65.9		186.8	97.0	68%	68%	17.1
Total	168.7	60.1	574.5	324.5	68%	47%	80.7

SOTP Valuation	
Est. PD Reserve Value	2,061
Est. PUD Reserve Value ¹	0
Plus: Hedge PV ²	94
Plus: Cash	27
Est. Total Value	2,182

(1) Assumed to be zero.

(2) Est. NPV of hedge position..

Based on our sum-of-the-parts analysis, we attribute an enterprise value of USD 2,182m to EPE, with proved developed reserves accounting for USD 2,061m in value. We ascribe no value to PUD reserves, citing implied market enterprise values of Halcon Resources, Alta Mesa and Sable Permian. We estimate the NPV of hedges to be USD 94m.

WATERFALL ANALYSIS:

BASE CASE:

Distributable Value	DW Est. ¹	PV10 ²
Est. PDP Reserve Value	2,061	2,717
Est. PUD Reserve Value ³	0	0
(+) Hedge Settlements	8	8
(+) Cash	0	0
(-) Professional Fees at 3%	(62)	(82)
Total Distributable Value	2,007	2,643
Claims		
RBL Claim	388	388
2026 1.125 Lien Notes	1,000	1,000
2024 1.25 Lien Notes	500	500
2025 1.5 Lien Notes	1,000	1,000
2024 1.5 Lien Senior Notes	1,092	1,092
2019 Second Lien Term Loan	0	0
Total Secured Claims	3,980	3,980
Stub 2020 Senior Notes	182	182
Stub 2022 Senior Notes	182	182
Stub 2023 Senior Notes	324	324
Total Unsecured Claims	688	688
Total Claims	4,668	4,668
Estimated Recovery		
RBL Recovery		
90% of Proved Reserved Value	1,855	2,445
(-) Professional Fees at 3%	(56)	(73)
(+) Hedge Settlements	8	8
Value available to RBL Credit Facility	1,807	2,380
Recovery for Revolver	100.0%	100.0%
2026 1.125 Lien Notes Recovery		
Residual Value Available to 2026 1.125 Lien Notes	1,419	1,992
Value available to 2026 1.125 Lien Notes	100.0%	100.0%
2024 1.25 Lien Notes Recovery		
Residual Value Available to 2024 1.25 Lien Notes	419	992
1.25 Lien Deficiency Claim	81	0
Value available to 2024 1.25 Lien Notes	83.9%	100.0%
1.5 Lien Notes Recovery		
Residual Value Available to 2025 & 2024 1.5 Lien Notes	0	492
1.5 Lien Deficiency Claim	2,092	1,600
Value available to 2025 & 2024 1.5 Lien Notes	0.0%	23.5%
Unsecured Creditor Recovery		
10% of Proved Reserve Value	206	272
(+) Undeveloped Reserve Value	0	0
(-) Professional Fees at 3%	(6)	(8)
(+) Cash	0	0
Value Available to Deficiency Claims and Unsecured Claims	200	264
Recovery on 1.25 Lien Deficiency Claim	6	0
Recovery on 1.5 Lien Deficiency Claim	146	184
Recovery on Second Lien Claim	0	0
Recovery on Unsecured Claims	48	79
Summary Recoveries		
RBL	100.0%	100.0%
1.125 Lien Notes	100.0%	100.0%
1.25 Lien Notes	85.0%	100.0%
1.5 Lien Notes	7.0%	32.3%
Second Lien Term Loans	100.0%	100.0%
Unsecured Notes	7.0%	11.5%

1) Debtwire estimate of PDP Reserve value, assumes subdued production and WTI/HH prices of ~USD 58/USD 2.80.

2) References PDP valuation conducted by Ryder Scott (located in the Reserve Report) which assumes WTI/HH prices of USD 65.53/ USD 3.10.

3) Assumes PUD reserves have no value.

BASE CASE:

In our waterfall analysis, we outline a base case scenario in which EPE restructures at year-end 2019. We assume that 90% of proved developed reserves and the value of remaining hedge positions are encumbered by secured liens, while 10% of proved developed reserves, 100% of the value of proven undeveloped reserves, and cash go to unsecured creditors. Under this scenario, we foresee 100% recoveries for the RBL Credit Facility and 1.125 Lien Notes, while

the 1.25 Lien, 1.5 Lien Notes and Unsecured Notes will recover 85%, 7% and 7%, respectively. Additionally, we assume the current USD 8m Second Lien Term Loan will be paid out in full at maturity in April 2019.

SECURED DEBT REFINANCING:

Our other scenario assumes that EPE will refinance its est. USD 182m 9.375% Senior Unsecured Notes due 2020 with new 1.25 Lien Notes that would effectively dilute the existing 1.25 Lien Notes' claim on the secured collateral package. If this were to

SECURED DEBT REFINANCING:

Distributable Value	DW Est. ¹	PV10 ²
Est. PDP Reserve Value	2,061	2,717
Est. PUD Reserve Value ³	0	0
(+) Hedge Settlements	8	8
(+) Cash	0	0
(-) Professional Fees at 5%	(62)	(82)
Total Distributable Value	2,007	2,643
Claims		
RBL Claim	388	388
2026 1.125 Lien Notes	1,000	1,000
2024 1.25 Lien Notes	500	500
New 1.25 Lien Notes	158	158
2025 1.5 Lien Notes	1,000	1,000
2024 1.5 Lien Senior Notes	1,092	1,092
2019 Second Lien Term Loan	0	0
Total Secured Claims	4,138	4,138
2022 Senior Notes	182	182
2023 Senior Notes	324	324
Total Unsecured Claims	506	506
Total Claims	4,644	4,644
Estimated Recovery		
RBL Recovery		
90% of Proved Reserved Value	1,855	2,445
(-) Professional Fees at 5%	(56)	(73)
(+) Hedge Settlements	8	8
Value available to RBL Credit Facility	1,807	2,380
Recovery for Revolver	100.0%	100.0%
2026 1.125 Lien Notes Recovery		
Residual Value Available to 2026 1.125 Lien Notes	1,419	1,992
Value available to 2026 1.125 Lien Notes	100.0%	100.0%
2024 1.25 Lien Notes Recovery		
Residual Value Available to 2024 1.25 Lien Notes	419	992
1.25 Lien Deficiency Claim	239	0
Value available to 2024 1.25 Lien Notes	63.7%	100.0%
1.5 Lien Notes Recovery		
Residual Value Available to 2025 1.5 Lien Notes	0	333
1.5 Lien Deficiency Claim	2,092	1,759
Value available to 2025 1.5 Lien Notes	0.0%	15.9%
Unsecured Creditor Recovery		
10% of Proved Reserve Value	206	272
(+) Undeveloped Reserve Value	0	0
(-) Professional Fees at 5%	(6)	(8)
(+) Cash	0	0
Value Available to Deficiency Claims and Unsecured Claims	200	264
Recovery on 1.25 Lien Deficiency Claim	17	0
Recovery on 1.5 Lien Deficiency Claim	147	205
Recovery on Second Lien Claim	0	0
Recovery on Unsecured Claims	36	59
Summary Recoveries		
RBL	100.0%	100.0%
1.125 Lien Notes	100.0%	100.0%
1.25 Lien Notes	66.3%	100.0%
1.5 Lien Notes	7.0%	25.7%
Second Lien Term Loans	100.0%	100.0%
Unsecured Notes	7.0%	11.6%

1) Debtwire estimate of PDP Reserve value, assumes subdued production and WTI/HH prices of ~USD 58/USD 2.80.

2) References PDP valuation conducted by Ryder Scott (located in the Reserve Report) which assumes WTI/HH prices of USD 65.53/ USD 3.10.

3) Assumes PUD reserves have no value.

happen under our valuation assumptions, the 1.25 Lien recoveries would drop to 66% from 85% under the base case scenario, assuming a 87% exchange ratio on the uptiered exchange. It should also be noted that any tranche below the RBL is at risk of being primed.

FINANCIALS:

Calendar Period, Figures in US\$M	2014	2015	2016	2017	LTM	3Q17	4Q17	1Q18	2Q18	3Q18	4Q18
Balance Sheet											
Current Assets											
Cash & Equivalents	22	26	20	27	27	21	27	19	98	56	27
Restricted Cash	-	-	-	18	-	-	18	1	1	-	-
Accounts Receivable, Net	272	201	149	171	230	177	171	176	198	238	230
Income Tax Receivable	24	3	-	9	-	7	9	5	5	-	-
Materials & Supplies	25	24	16	16	22	16	16	20	17	15	22
Derivative Instruments	752	694	58	18	101	53	18	11	6	-	101
Assets Held for Sale	-	344	-	172	-	-	172	-	-	-	-
Prepaid Assets	7	5	5	35	5	8	35	5	4	6	5
Other Assets	-	-	-	-	-	-	-	-	-	-	-
Total Current Assets	1,102	1,297	248	466	385	282	466	237	329	315	385
Non-Current Assets											
PP&E, Net	8,728	4,427	4,498	4,531	3,774	4,568	4,422	4,741	4,832	4,913	3,774
Other Assets	324	109	15	37	22	22	12	11	13	11	22
Total Assets	10,154	5,833	4,761	5,034	4,181	4,872	4,900	4,989	5,174	5,239	4,181
Current Liabilities											
Trade Payables	142	69	63	70	115	74	88	90	103	119	115
Other Payables	403	164	113	111	111	138	158	170	160	158	111
Derivative Instruments	1	-	4	-	-	2	17	15	52	71	-
Accrued Interest	53	47	43	65	70	83	62	68	69	112	70
Other Accrued Liabilities	47	70	98	93	86	93	102	72	87	95	86
Gross Debt	4,533	4,812	3,789	3,946	4,343	3,954	4,043	4,125	4,299	4,303	4,343
Net Debt	4,511	4,786	3,769	3,919	4,316	3,933	4,016	4,106	4,201	4,247	4,316
Deferred Income Taxes	578	-	-	-	-	-	-	-	-	-	-
Derivative Instruments	-	8	1	-	-	-	-	-	9	12	-
Asset Retirement Obligations	42	38	40	40	39	36	33	34	35	39	39
Other Non-Current	7	6	4	4	16	1	5	5	5	13	16
Total Liabilities	5,806	5,214	4,155	4,329	4,780	4,381	4,508	4,579	4,819	4,922	4,780
Shareholder's Equity (Deficit)	4,348	619	606	559	(599)	491	392	410	355	317	(599)
Income Statement											
Net Revenue	3,084	1,908	767	1,066	1,324	219	224	286	265	294	479
(-) Oil and Natural Gas Purchases	(23)	(31)	(10)	(2)	(3)	-	-	-	-	(3)	-
(-) Transportation Costs	(100)	(116)	(109)	(115)	(100)	(29)	(29)	(25)	(26)	(25)	(24)
(-) Lease Operating Expense	(193)	(186)	(159)	(163)	(158)	(42)	(42)	(39)	(38)	(46)	(35)
(-) General and Administrative	(244)	(148)	(146)	(81)	(89)	(25)	(10)	(19)	(28)	(21)	(21)
(-) Production Taxes	(129)	(80)	(50)	(65)	(77)	(16)	(15)	(20)	(21)	(22)	(14)
(-) Hedge Revenues	(985)	(667)	73	(41)	(84)	23	51	14	64	44	(206)
(+) Cash Settlements and Cash Premium on Financial Derivatives	44	942	639	93	(25)	27	7	(10)	(10)	(14)	9
(+) Non-Cash Compensation Expenses	9	13	19	(22)	13	5	(29)	2	2	5	4
(+) Transition, Restructuring and Other Costs	(4)	8	15	19	9	-	19	-	6	1	2
(+) Fees Paid to Sponsors	6	-	-	5	-	-	5	-	-	-	-
(-) Drilling Rig Contract Early Termination Expenses	(3)	(2)	-	-	-	-	-	-	-	-	-
(+) Other Income	1	-	-	-	4	-	-	-	-	2	2
Adj. EBITDAX	1,463	1,641	1,039	694	814	162	181	189	214	215	196
Company Stated Adjusted EBITDAX	1,547	1,641	1,039	691	813	159	181	189	215	214	195
Interest Expense	(318)	(330)	(312)	(326)	(365)	(80)	(81)	(85)	(88)	(95)	(97)
Net Income (Loss)	731	(3,748)	(27)	(194)	(1,003)	(72)	(228)	18	(58)	(44)	(919)
Ratio Analysis											
Adj. EBITDAX Margin	50.2%	86.0%	135.5%	64.8%	61.4%	72.6%	80.8%	66.1%	81.1%	72.8%	40.7%
Net Income Margin	23.7%	-196.4%	-3.5%	-18.2%	-75.8%	-32.9%	-101.8%	6.3%	-21.9%	-15.0%	-191.9%
Net Debt / Adj. EBITDAX	2.9x	2.9x	3.6x	5.7x	5.3x	5.1x	5.8x	5.8x	5.6x	5.3x	5.3x
Total Debt / Adj. EBITDAX	2.9x	2.9x	3.6x	5.7x	5.3x	5.1x	5.8x	5.8x	5.6x	5.3x	5.3x
Adj. EBITDAX / Interest Expense	4.9x	5.0x	3.3x	2.1x	2.2x	2.0x	2.2x	2.2x	2.4x	2.3x	2.0x
Cash Flow Statement											
Funds From Operations	183	1,048	11	320	561	33	23	102	72	91	296
Changes in Operating Assets & Liabilities	1,003	279	773	55	(139)	84	54	(15)	58	72	(254)
Operating Cash Flow	1,186	1,327	784	375	422	117	77	87	130	163	42
Capital Expenditures	(2,033)	(1,433)	(533)	(541)	(690)	(139)	(136)	(173)	(211)	(175)	(131)
Proceeds from Asset Sales	154	1	389	18	192	-	18	167	2	6	17
Cash Paid for Acquisitions	(165)	(111)	-	(54)	(292)	(29)	(25)	(223)	(16)	(36)	(17)
Free Cash Flow	(858)	(216)	640	(202)	(368)	(51)	(66)	(142)	(95)	(42)	(89)
Cash Flow from Financing	829	220	(646)	227	350	28	90	117	174	(1)	60

Source: SEC Filings, Press Releases, Debtwire Analytics

SUPPLEMENTAL DATA:

Calendar Period, Figures in USDm	2014	2015	2016	2017	4Q13	3Q17	4Q17	1Q18	2Q18	3Q18	4Q18
Daily Production Volumes											
Oil Sales Volumes (MMbbls/d)											
Wolfcamp	8.5	9.1	8.6	11.4	9.1	12.6	12.0	9.8	9.7	8.8	8.1
Eagle Ford	34.8	39.0	26.5	22.4	25.0	20.0	19.4	24.0	25.8	25.6	24.7
Altamont	11.5	12.4	11.5	12.3	11.7	12.5	12.2	11.6	11.7	12.0	11.5
Haynesville	-	-	-	-	-	-	-	-	-	-	-
Total Oil Sales Volume	54.8	60.5	46.6	46.1	45.8	45.1	43.6	45.4	47.2	46.4	44.3
Natural Gas Sales Volumes (MMcf/d)											
Wolfcamp	21.0	34.0	40.0	55.0	55.3	55.0	64.0	56.0	54.0	58.0	53.0
Eagle Ford	50.0	58.0	51.0	39.0	35.5	37.0	32.0	36.0	40.0	30.0	36.0
Altamont	23.0	28.0	30.0	33.0	32.5	34.0	34.0	34.0	30.0	33.0	33.0
Haynesville	96.0	87.0	37.0	-	-	-	-	-	-	-	-
Total Natural Gas Sales Volume	190.0	207.0	158.0	127.0	123.3	126.0	130.0	126.0	124.0	121.0	122.0
NGLs Sales Volumes (MMbbls/d)											
Wolfcamp	3.4	5.1	6.0	8.2	8.2	8.2	9.4	7.8	7.8	8.7	8.3
Eagle Ford	7.9	9.6	8.7	6.8	6.1	6.7	5.9	5.9	6.8	5.2	6.6
Altamont	-	-	-	-	-	-	-	-	-	-	-
Haynesville	-	-	-	-	-	-	-	-	-	-	-
Total NGLs Sales Volume	11.3	14.7	14.7	15.0	14.3	14.9	15.3	13.7	14.6	13.9	14.9
Equivalent Sales Volumes (MBoe/d)											
Wolfcamp	15.3	19.9	21.4	28.7	26.5	29.9	32.1	27.0	26.5	27.1	25.2
Eagle Ford	50.9	58.2	43.5	35.7	37.1	32.9	30.6	35.9	39.2	35.8	37.3
Altamont	15.5	17.1	16.5	17.9	17.1	18.2	17.9	17.2	16.8	17.5	17.0
Haynesville	15.9	14.4	6.2	-	-	-	-	-	-	-	-
Other	0.1	0.1	-	-	-	-	-	-	-	-	-
Total Equivalent Sales Volume	97.7	109.7	87.6	82.3	80.6	81.0	80.6	80.1	82.5	80.4	79.5
Realized Price											
Oil on physical sales (/Bbl)	\$85.31	\$44.28	\$38.24	\$48.23	\$62.25	\$45.49	\$54.13	\$61.56	\$65.53	\$66.61	\$55.31
Oil including financial derivatives (/Bbl)	\$88.77	\$82.18	\$74.88	\$53.50	\$60.31	\$51.75	\$55.70	\$58.86	\$62.30	\$63.37	\$56.71
Natural Gas on physical sales (/Mcf)	\$3.76	\$2.27	\$1.95	\$2.32	\$1.66	\$2.26	\$2.14	\$1.94	\$1.58	\$1.34	\$1.76
Natural Gas including financial derivatives (/Mcf)	\$3.34	\$3.59	\$2.19	\$2.47	\$1.96	\$2.49	\$2.44	\$2.03	\$1.96	\$1.69	\$2.16
NGLs on physical Sales (/Bbl)	\$26.73	\$11.22	\$12.02	\$18.87	\$22.90	\$18.98	\$22.72	\$20.93	\$22.65	\$27.74	\$20.29
NGLs including financial derivatives (/Bbl)	\$27.78	\$12.36	\$12.19	\$18.46	\$21.82	\$18.45	\$20.98	\$20.91	\$22.07	\$24.79	\$19.51
Average Transportation Costs											
Oil (/Bbl)	\$1.65	\$1.55	\$1.88	\$1.86	-	\$1.92	\$2.03	-	-	-	-
Natural Gas (/Mcf)	\$0.65	\$0.91	\$1.32	\$1.79	-	\$1.82	\$1.73	-	-	-	-
NGL (/Bbl)	\$5.42	\$2.31	\$0.22	\$0.15	-	\$0.11	\$0.12	-	-	-	-
Combined (/Boe)	\$2.81	\$2.88	\$3.41	\$3.83	-	\$3.91	\$3.92	\$3.43	\$3.49	\$3.41	\$3.32
Other Expenses (/Boe)											
Total Operating Expenses (/Boe)	\$44.59	\$146.44	\$26.99	\$30.86	\$69.63	\$31.79	\$29.16	\$31.11	\$32.20	\$33.13	\$181.47
Cash Operating Costs (/Boe)	\$13.27	\$13.56	\$13.77	\$14.23	\$13.77	\$14.73	\$13.65	\$13.97	\$13.85	\$15.20	\$12.16
Depreciation, Depletion and Amortization Rate (/Boe)	\$24.53	\$24.54	\$14.40	\$16.22	\$17.23	\$15.92	\$16.01	\$16.69	\$17.20	\$17.11	\$17.90
Proved Reserves											
Oil (MMbbls)	320,813	298,741	219,783	203,865	168,657	-	-	-	-	-	-
NGLs (MMbbls)	94,226	90,875	90,575	79,477	60,054	-	-	-	-	-	-
Natural Gas (Bcf)	1,243	938	732	652	574	-	-	-	-	-	-
Total Proved Reserves (MMBoe)	622	546	432	392	325	-	-	-	-	-	-
PDP Reserves	238	257	205	218	234	-	-	-	-	-	-
PUD Reserves	384	289	228	174	91	-	-	-	-	-	-
%PDP	38%	47%	47%	56%	72%	-	-	-	-	-	-
Company Reported PV-10 (USDm)	9,376	2,034	1,027	2,033	3,350	-	-	-	-	-	-

Source: SEC Filings, Press Releases, Debtwire Analytics

INVOLVED PARTIES:

	Administrative Agent/Trustee	Holders
USD 629m RBL Credit Facility	JP Morgan Chase Bank NA	Bank of America NA
		Bank of Tokyo-Mitsubishi UFJ
		Bank of Nova Scotia (US)
		BMO Harris Financing Inc
2026 1.125 Lien Notes	Wilmington Trust Co	Fidelity Mgmt. & Research
		JPMorgan Chase & Co
2024 1.25 Lien Notes	Wilmington Trust Co	JPMorgan Chase & Co
		BlackRock
		Federated Investors Inc
		Massachusetts Mutual Life Ins
2024 1.5 Lien Notes	Wilmington Trust Co	BlackRock
		JPMorgan Chase & Co
2025 1.5 Lien Notes	Wilmington Trust Co	JPMorgan Chase & Co
		Alliance Bernstein
		Northern Trust Corp.
		BlackRock
2019 Second Lien Term Loan	Citibank NA	Ares CLO Ltd.
		North Westerly CLO BV
2020 Senior Notes	Wilmington Trust NA	Allianz SE
		JPMorgan Chase & Co
		Neuberger Berman Group LLC
		BlackRock
2022 Senior Notes	Wilmington Trust NA	JPMorgan Chase & Co
		Neuberger Berman Group LLC
		Schroders PLC
		Alliance Bernstein
2023 Senior Notes	Wilmington Trust NA	Neuberger Berman Group LLC
		TIAA-CREF
		BlackRock
		Nomura
Common Stock	-	Apollo Management Holdings
		Access Industries LLC
		Korea National Oil Corp.
		Riverstone Holdings LLC
		King Street Capital Mgmt.

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Source: Debtwire, SEC Filings

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