

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

☒ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
FOR THE QUARTERLY PERIOD ENDED MARCH 31, 2021

or

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
FOR THE TRANSITION PERIOD FROM _____ TO _____

COMMISSION FILE NUMBER 001-03551

EQT CORPORATION

(Exact name of registrant as specified in its charter)

Pennsylvania

(State or other jurisdiction of incorporation or organization)

25-0464690

(IRS Employer Identification No.)

625 Liberty Avenue, Suite 1700

Pittsburgh, Pennsylvania

(Address of principal executive offices)

15222

(Zip Code)

(412) 553-5700

(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading symbol(s)	Name of each exchange on which registered
Common Stock, no par value	EQT	New York Stock Exchange

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☒	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☐
		Emerging growth company	☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

As of April 30, 2021, 279,098,036 shares of common stock, no par value, of the registrant were outstanding.

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PART I. FINANCIAL INFORMATION
Item 1. Financial Statements

EQT CORPORATION AND SUBSIDIARIES
STATEMENTS OF CONDENSED CONSOLIDATED OPERATIONS (UNAUDITED)

	Three Months Ended March 31,	
	2021	2020
	(Thousands, except per share amounts)	
Operating revenues:		
Sales of natural gas, natural gas liquids and oil	\$ 1,130,951	\$ 715,201
(Loss) gain on derivatives not designated as hedges	(188,813)	389,436
Net marketing services and other	7,785	2,420
Total operating revenues	949,923	1,107,057
Operating expenses:		
Transportation and processing	445,784	439,834
Production	47,230	40,380
Exploration	949	923
Selling, general and administrative	45,006	34,938
Depreciation and depletion	377,116	357,526
Amortization of intangible assets	—	7,478
(Gain) loss on sale/exchange of long-lived assets	(1,207)	48,852
Impairment and expiration of leases	16,757	53,768
Other operating expenses	9,443	—
Total operating expenses	941,078	983,699
Operating income	8,845	123,358
Gain on Equitrans Share Exchange (see Note 8)	—	(187,223)
(Income) loss from investments	(11,848)	390,628
Dividend and other income	(3,304)	(24,714)
Loss on debt extinguishment	4,424	16,610
Interest expense	75,099	62,374
Loss before income taxes	(55,526)	(134,317)
Income tax (benefit) expense	(14,494)	32,822
Net loss	(41,032)	(167,139)
Less: Net loss attributable to noncontrolling interest	(514)	—
Net loss attributable to EQT Corporation	\$ (40,518)	\$ (167,139)
Loss per share of common stock attributable to EQT Corporation:		
Basic:		
Weighted average common stock outstanding	278,852	255,435
Net loss	\$ (0.15)	\$ (0.65)
Diluted:		
Weighted average common stock outstanding	278,852	255,435
Net loss	\$ (0.15)	\$ (0.65)

The accompanying notes are an integral part of these Condensed Consolidated Financial Statements.

EQT CORPORATION AND SUBSIDIARIES
STATEMENTS OF CONDENSED CONSOLIDATED COMPREHENSIVE (LOSS) INCOME (UNAUDITED)

	Three Months Ended March 31,	
	2021	2020
	(Thousands)	
Net loss	\$ (41,032)	\$ (167,139)
Other comprehensive income, net of tax:		
Other post-retirement benefits liability adjustment, net of tax expense: \$27 and \$24	80	12
Comprehensive loss	(40,952)	(167,127)
Less: Comprehensive loss attributable to noncontrolling interests	(514)	—
Comprehensive loss attributable to EQT Corporation	<u>\$ (40,438)</u>	<u>\$ (167,127)</u>

The accompanying notes are an integral part of these Condensed Consolidated Financial Statements.

EQT CORPORATION AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS (UNAUDITED)

	March 31, 2021	December 31, 2020
	(Thousands)	
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 40,670	\$ 18,210
Accounts receivable (less provision for doubtful accounts: \$7,049 and \$6,239)	682,496	566,552
Derivative instruments, at fair value	431,949	527,073
Prepaid expenses and other	158,590	103,615
Total current assets	1,313,705	1,215,450
Property, plant and equipment		
Less: Accumulated depreciation and depletion	6,270,840	5,940,984
Net property, plant and equipment	15,898,016	16,054,265
Contract asset		
Other assets	390,005	410,000
Total assets	437,678	433,754
	\$ 18,039,404	\$ 18,113,469
LIABILITIES AND EQUITY		
Current liabilities:		
Current portion of debt	\$ 29,291	\$ 154,161
Accounts payable	812,273	705,461
Derivative instruments, at fair value	651,058	600,877
Other current liabilities	257,405	301,911
Total current liabilities	1,750,027	1,762,410
Credit facility borrowings		
Senior notes	300,000	300,000
Note payable to EQM Midstream Partners, LP	4,378,270	4,371,467
Deferred income taxes	98,487	99,838
Other liabilities and credits	1,358,489	1,371,967
Total liabilities	923,765	945,057
	8,809,038	8,850,739
Equity:		
Common stock, no par value, shares authorized: 640,000, shares issued: 280,003	8,238,643	8,241,684
Treasury stock, shares at cost: 1,222 and 1,658	(21,469)	(29,348)
Retained earnings	1,007,741	1,048,259
Accumulated other comprehensive loss	(5,275)	(5,355)
Total common shareholders' equity	9,219,640	9,255,240
Noncontrolling interests in consolidated subsidiaries	10,726	7,490
Total equity	9,230,366	9,262,730
Total liabilities and equity	\$ 18,039,404	\$ 18,113,469

The accompanying notes are an integral part of these Condensed Consolidated Financial Statements.

EQT CORPORATION AND SUBSIDIARIES
STATEMENTS OF CONDENSED CONSOLIDATED CASH FLOWS (UNAUDITED)

	Three Months Ended March 31,	
	2021	2020
	(Thousands)	
Cash flows from operating activities:		
Net loss	\$ (41,032)	\$ (167,139)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Deferred income tax (benefit) expense	(13,505)	127,860
Depreciation and depletion	377,116	357,526
Amortization of intangible assets	—	7,478
Loss on sale/exchange of long-lived assets and impairment and expiration of leases	15,550	102,620
Gain on Equitrans Share Exchange	—	(187,223)
(Income) loss from investments	(11,848)	390,628
Loss on debt extinguishment	4,424	16,610
Share-based compensation expense	6,239	4,684
Amortization, accretion and other	10,968	3,303
Loss (gain) on derivatives not designated as hedges	188,813	(389,436)
Cash settlements (paid) received on derivatives not designated as hedges	(38,140)	245,736
Net premiums (paid) on derivative instruments	(3,147)	—
Changes in other assets and liabilities:		
Accounts receivable	(112,899)	149,057
Accounts payable	116,732	(85,840)
Income tax receivable and payable	(23,909)	(92,809)
Other items, net	(75,447)	17,207
Net cash provided by operating activities	399,915	500,262
Cash flows from investing activities:		
Capital expenditures	(251,277)	(256,156)
Cash received for Equitrans Share Exchange	—	52,323
Other investing activities	3,367	140
Net cash used in investing activities	(247,910)	(203,693)
Cash flows from financing activities:		
Proceeds from credit facility borrowings	1,581,000	206,000
Repayment of credit facility borrowings	(1,581,000)	(500,000)
Proceeds from issuance of debt	—	1,750,000
Debt issuance costs	—	(15,662)
Repayments and retirements of debt	(126,396)	(1,701,224)
Premiums paid on debt extinguishment	(4,267)	(13,660)
Contributions from noncontrolling interests	3,750	—
Dividends paid	—	(7,664)
Cash paid for taxes related to net settlement of share-based incentive awards	(2,632)	(304)
Net cash used in financing activities	(129,545)	(282,514)
Net change in cash and cash equivalents	22,460	14,055
Cash and cash equivalents at beginning of period	18,210	4,596
Cash and cash equivalents at end of period	\$ 40,670	\$ 18,651
Cash paid (received) during the period for:		
Interest, net of amount capitalized	\$ 85,211	\$ 29,628
Income taxes, net	22,751	(1,950)
Non-cash activity during the period for:		
Increase in right-of-use lease assets and liabilities	\$ 783	\$ 303
Increase in asset retirement costs and obligations	907	3,761
Capitalization of non-cash equity share-based compensation	1,228	—

The accompanying notes are an integral part of these Condensed Consolidated Financial Statements.

EQT CORPORATION AND SUBSIDIARIES
STATEMENTS OF CONDENSED CONSOLIDATED EQUITY (UNAUDITED)

	Common Stock		Treasury Stock	Retained Earnings	Accumulated Other Comprehensive Loss (a)	Noncontrolling Interests in Consolidated Subsidiaries	Total Equity
	Shares	No Par Value					
	(Thousands, except per share amounts)						
Balance at January 1, 2020	255,171	\$ 7,818,205	\$ (32,507)	\$ 2,023,089	\$ (5,199)	\$ —	\$ 9,803,588
Comprehensive loss, net of tax:							
Net loss				(167,139)			(167,139)
Other postretirement benefits liability adjustment, net of tax expense: \$24					12		12
Dividends (\$0.03 per share)				(7,664)			(7,664)
Share-based compensation plans	91	3,426	1,655				5,081
Balance at March 31, 2020	255,262	\$ 7,821,631	\$ (30,852)	\$ 1,848,286	\$ (5,187)	\$ —	\$ 9,633,878
Balance at January 1, 2021	278,345	\$ 8,241,684	\$ (29,348)	\$ 1,048,259	\$ (5,355)	\$ 7,490	\$ 9,262,730
Comprehensive loss, net of tax:							
Net loss				(40,518)		(514)	(41,032)
Other postretirement benefits liability adjustment, net of tax expense: \$27					80		80
Share-based compensation plans	436	(3,041)	7,879				4,838
Contributions from noncontrolling interests						3,750	3,750
Balance at March 31, 2021	278,781	\$ 8,238,643	\$ (21,469)	\$ 1,007,741	\$ (5,275)	\$ 10,726	\$ 9,230,366

Common shares authorized: 320,000 and 640,000 at March 31, 2020 and 2021, respectively.
Preferred shares authorized: 3,000. There were no preferred shares issued or outstanding.

- (a) Amounts included in accumulated other comprehensive loss are related to other postretirement benefits liability adjustments, net of tax. Losses (gains), net of tax, are attributable to net actuarial losses and net prior service costs.

The accompanying notes are an integral part of these Condensed Consolidated Financial Statements.

EQT CORPORATION AND SUBSIDIARIES
Notes to the Condensed Consolidated Financial Statements (Unaudited)

1. Financial Statements

The accompanying unaudited Condensed Consolidated Financial Statements have been prepared in accordance with United States generally accepted accounting principles (GAAP) for interim financial information and with the requirements of Form 10-Q and Article 10 of Regulation S-X. Accordingly, they do not include all information and notes required by GAAP for complete financial statements. In the opinion of management, these statements include all adjustments (consisting of only normal recurring accruals, unless otherwise disclosed in this Quarterly Report on Form 10-Q) necessary for a fair presentation of the financial position of EQT Corporation and subsidiaries as of March 31, 2021 and December 31, 2020, and the results of its operations, cash flows and equity for the three month periods ended March 31, 2021 and 2020. Certain previously reported amounts have been reclassified to conform to the current year presentation. In this Quarterly Report on Form 10-Q, references to "EQT," "EQT Corporation" and "the Company" refer collectively to EQT Corporation and its consolidated subsidiaries.

The Condensed Consolidated Balance Sheet at December 31, 2020 has been derived from the audited financial statements at that date. For further information, refer to the Consolidated Financial Statements and accompanying notes in the Company's Annual Report on [Form 10-K](#) for the year ended December 31, 2020.

Recently Issued Accounting Standards

In December 2019, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2019-12, *Income Taxes: Simplifying the Accounting for Income Taxes*. This ASU simplifies accounting for income taxes by eliminating certain exceptions to ASC 740, *Income Taxes*, related to the general approach for intraperiod tax allocation, methodology for calculating income taxes in an interim period and recognition of deferred taxes when there are investment ownership changes. In addition, this ASU simplifies aspects of accounting for franchise taxes and interim period effects of enacted changes in tax laws or rates and provides clarification on accounting for transactions that result in a step up in the tax basis of goodwill and allocation of consolidated income tax expense to separate financial statements of entities not subject to income tax. This ASU is effective for fiscal years beginning after December 15, 2020, including interim periods within those fiscal years, and early adoption is permitted. The Company adopted this ASU in the first quarter of 2021 with no material impact on its financial statements and related disclosures.

In August 2020, the FASB issued ASU 2020-06, *Debt with Conversion and Other Options and Derivatives and Hedging: Accounting for Convertible Instruments and Contracts in an Entity's Own Equity*. This ASU simplifies accounting for convertible instruments by removing certain separation models for convertible instruments. For convertible instruments with conversion features that are not accounted for as derivatives under ASC 815 or do not result in substantial premiums accounted for as paid-in capital, the convertible instrument's embedded conversion features are no longer separated from the host contract. Consequently, and as long as no other feature requires bifurcation and recognition as a derivative, the convertible instrument is accounted for as a single liability measured at its amortized cost. This ASU also amends the impact of convertible instruments on the calculation of diluted earnings per share (EPS) and adds several new disclosure requirements. This ASU is effective for fiscal years beginning after December 15, 2021, including interim periods within those fiscal years. The Company plans to adopt this ASU on January 1, 2022 using the full retrospective method of adoption. The Company is evaluating the impact this standard will have on its financial statements and related disclosures.

2. Revenue from Contracts with Customers

Under the Company's natural gas, natural gas liquids (NGLs) and oil sales contracts, the Company generally considers the delivery of each unit (MMBtu or Bbl) to be a separate performance obligation that is satisfied upon delivery. These contracts typically require payment within 25 days of the end of the calendar month in which the commodity is delivered. A significant number of these contracts contain variable consideration because the payment terms refer to market prices at future delivery dates. In these situations, the Company has not identified a standalone selling price because the terms of the variable payments relate specifically to the Company's efforts to satisfy the performance obligations. Other contracts, such as fixed price contracts or contracts with a fixed differential to New York Mercantile Exchange (NYMEX) or index prices, contain fixed consideration. The fixed consideration is allocated to each performance obligation on a relative standalone selling price basis, which requires judgment from management. For these contracts, the Company generally concludes that the fixed price or fixed differentials in the contracts are representative of the standalone selling price.

EQT CORPORATION AND SUBSIDIARIES
Notes to Condensed Consolidated Financial Statements (Unaudited)

Based on management's judgment, the performance obligations for the sale of natural gas, NGLs and oil are satisfied at a point in time because the customer obtains control and legal title of the asset when the natural gas, NGLs or oil is delivered to the designated sales point.

The sales of natural gas, NGLs and oil presented in the Statements of Condensed Consolidated Operations represent the Company's share of revenues net of royalties and exclude revenue interests owned by others. When selling natural gas, NGLs and oil on behalf of royalty or working interest owners, the Company acts as an agent and, thus, reports the revenue on a net basis.

For contracts with customers where the Company's performance obligations had been satisfied and an unconditional right to consideration existed as of the balance sheet date, the Company recorded amounts due from contracts with customers of \$467.8 million and \$394.1 million in accounts receivable in the Condensed Consolidated Balance Sheets as of March 31, 2021 and December 31, 2020, respectively.

The table below provides disaggregated information on the Company's revenues. Certain contracts that provide for the release of capacity that is not used to transport the Company's produced volumes are outside the scope of ASU 2014-09, *Revenue from Contracts with Customers*. The costs of, and recoveries on, such capacity are reported in net marketing services and other in the Statements of Condensed Consolidated Operations. Derivative contracts are also outside the scope of ASU 2014-09.

	Three Months Ended March 31,	
	2021	2020
	(Thousands)	
Revenues from contracts with customers:		
Natural gas sales	\$ 1,013,080	\$ 673,230
NGLs sales	100,257	35,756
Oil sales	17,614	6,215
Total revenues from contracts with customers	\$ 1,130,951	\$ 715,201
Other sources of revenue:		
(Loss) gain on derivatives not designated as hedges	(188,813)	389,436
Net marketing services and other	7,785	2,420
Total operating revenues	\$ 949,923	\$ 1,107,057

The following table summarizes the transaction price allocated to the Company's remaining performance obligations on all contracts with fixed consideration as of March 31, 2021. Amounts shown exclude contracts that qualified for the exception to the relative standalone selling price method as of March 31, 2021.

	2021 (a)	2022	2023	Total
	(Thousands)			
Natural gas sales	\$ 133,576	\$ 8,158	\$ 6,794	\$ 148,528

(a) April 1 through December 31.

3. Derivative Instruments

The Company's primary market risk exposure is the volatility of future prices for natural gas and NGLs, which can affect the Company's operating results. The Company uses derivative commodity instruments to hedge its cash flows from sales of produced natural gas and NGLs. The overall objective of the Company's hedging program is to protect cash flows from undue exposure to the risk of changing commodity prices.

The derivative commodity instruments used by the Company are primarily swap, collar and option agreements. These agreements may require payments to, or receipt of payments from, counterparties based on the differential between two prices for the commodity. The Company uses these agreements to hedge its NYMEX and basis exposure. The Company may also use other contractual agreements when executing its commodity hedging strategy. The Company typically enters into over the counter

EQT CORPORATION AND SUBSIDIARIES
Notes to the Condensed Consolidated Financial Statements (Unaudited)

(OTC) derivative commodity instruments with financial institutions, and the creditworthiness of all counterparties is regularly monitored.

The Company does not designate any of its derivative instruments as cash flow hedges; therefore, all changes in fair value of the Company's derivative instruments are recognized in operating revenues in the Statements of Condensed Consolidated Operations. The Company recognizes all derivative instruments as either assets or liabilities at fair value on a gross basis. These derivative instruments are reported as either current assets or current liabilities due to their highly liquid nature. The Company can net settle its derivative instruments at any time.

Contracts that result in physical delivery of a commodity expected to be sold by the Company in the normal course of business are generally designated as normal sales and are exempt from derivative accounting. Contracts that result in the physical receipt or delivery of a commodity but are not designated or do not meet all of the criteria to qualify for the normal purchase and normal sale scope exception are subject to derivative accounting.

The Company's OTC derivative instruments generally require settlement in cash. The Company also enters into exchange traded derivative commodity instruments that are generally settled with offsetting positions. Settlements of derivative commodity instruments are reported as a component of cash flows from operating activities in the Statements of Condensed Consolidated Cash Flows.

With respect to the derivative commodity instruments held by the Company, the Company hedged portions of expected sales of production and portions of its basis exposure covering approximately 1,954 Bcf of natural gas and 9,984 Mbbbl of NGLs as of March 31, 2021 and 1,955 Bcf of natural gas and 3,462 Mbbbl of NGLs as of December 31, 2020. The open positions at both March 31, 2021 and December 31, 2020 had maturities extending through December 2024.

Certain of the Company's OTC derivative instrument contracts provide that, if the Company's credit rating assigned by Moody's Investors Service, Inc. (Moody's) or S&P Global Ratings (S&P) is below the agreed-upon credit rating threshold (typically, below investment grade), and if the associated derivative liability exceeds the agreed-upon dollar threshold for such credit rating, the counterparty to such contract can require the Company to deposit collateral. Similarly, if such counterparty's credit rating assigned by Moody's or S&P is below the agreed-upon credit rating threshold, and if the associated derivative liability exceeds the agreed-upon dollar threshold for such credit rating, the Company can require the counterparty to deposit collateral with the Company. Such collateral can be up to 100% of the derivative liability. Investment grade refers to the quality of a company's credit as assessed by one or more credit rating agencies. To be considered investment grade, a company must be rated "Baa3" or higher by Moody's, "BBB-" or higher by S&P and "BBB-" or higher by Fitch Rating Service (Fitch). Anything below these ratings is considered non-investment grade. As of March 31, 2021, the Company's senior notes were rated "Ba2" by Moody's and "BB" by S&P.

When the net fair value of any of the Company's OTC derivative instrument contracts represents a liability to the Company that is in excess of the agreed-upon dollar threshold for the Company's then-applicable credit rating, the counterparty has the right to require the Company to remit funds as a margin deposit in an amount equal to the portion of the derivative liability that is in excess of the dollar threshold amount. The Company records these deposits as a current asset in the Condensed Consolidated Balance Sheets. As of March 31, 2021 and December 31, 2020, the aggregate fair value of all OTC derivative instruments with credit rating risk-related contingent features that were in a net liability position was \$176.6 million and \$137.7 million, respectively, for which the Company deposited and recorded current assets of zero and \$21.1 million, respectively.

When the net fair value of any of the Company's OTC derivative instrument contracts represents an asset to the Company that is in excess of the agreed-upon dollar threshold for the counterparty's then-applicable credit rating, the Company has the right to require the counterparty to remit funds as a margin deposit in an amount equal to the portion of the derivative asset that is in excess of the dollar threshold amount. The Company records these deposits as a current liability in the Condensed Consolidated Balance Sheets. As of March 31, 2021 and December 31, 2020, there were no such deposits recorded in the Condensed Consolidated Balance Sheets.

When the Company enters into exchange traded natural gas contracts, exchanges may require the Company to remit funds to the corresponding broker as good-faith deposits to guard against the risks associated with changing market conditions. The Company is required to make such deposits based on an established initial margin requirement and the net liability position, if any, of the fair value of the associated contracts. The Company records these deposits as a current asset in the Condensed Consolidated Balance Sheets. When the fair value of such contracts is in a net asset position, the broker may remit funds to the Company. The Company records these deposits as a current liability in the Condensed Consolidated Balance Sheets. The initial margin

EQT CORPORATION AND SUBSIDIARIES
Notes to the Condensed Consolidated Financial Statements (Unaudited)

requirements are established by the exchanges based on the price, volatility and the time to expiration of the contract. The margin requirements are subject to change at the exchanges' discretion. As of March 31, 2021 and December 31, 2020, the Company recorded \$111.7 million and \$61.5 million, respectively, of such deposits as current assets in the Condensed Consolidated Balance Sheets.

Refer to Note 8 for a discussion of the derivative liability recorded in connection with the Equitrans Share Exchange (defined in Note 8).

The Company has netting agreements with financial institutions and its brokers that permit net settlement of gross commodity derivative assets against gross commodity derivative liabilities. The table below summarizes the impact of netting agreements and margin deposits on gross derivative assets and liabilities.

	Gross derivative instruments recorded in the Condensed Balance Sheets	Derivative instruments subject to master netting agreements	Margin requirements with counterparties	Net derivative instruments
	(Thousands)			
March 31, 2021				
Asset derivative instruments, at fair value	\$ 431,949	\$ (340,292)	\$ —	\$ 91,657
Liability derivative instruments, at fair value	651,058	(340,292)	(111,737)	199,029
December 31, 2020				
Asset derivative instruments, at fair value	\$ 527,073	\$ (328,809)	\$ —	\$ 198,264
Liability derivative instruments, at fair value	600,877	(328,809)	(82,552)	189,516

4. Fair Value Measurements

The Company records its financial instruments, which are principally derivative instruments, at fair value in the Condensed Consolidated Balance Sheets. The Company estimates the fair value of its financial instruments using quoted market prices when available. If quoted market prices are not available, the fair value is based on models that use market-based parameters, including forward curves, discount rates, volatilities and nonperformance risk, as inputs. Nonperformance risk considers the effect of the Company's credit standing on the fair value of liabilities and the effect of the counterparty's credit standing on the fair value of assets. The Company estimates nonperformance risk by analyzing publicly available market information, including a comparison of the yield on debt instruments with credit ratings similar to the Company's or counterparty's credit rating and the yield on a risk-free instrument.

The Company has categorized its assets and liabilities recorded at fair value into a three-level fair value hierarchy based on the priority of the inputs to the valuation technique. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets and liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). Assets and liabilities that use Level 2 inputs primarily include the Company's swap, collar and option agreements.

Exchange traded commodity swaps have Level 1 inputs. The fair value of the commodity swaps with Level 2 inputs is based on standard industry income approach models that use significant observable inputs, including, but not limited to, NYMEX natural gas forward curves, LIBOR-based discount rates, basis forward curves and natural gas liquids forward curves. The Company's collars and options are valued using standard industry income approach option models. The significant observable inputs used by the option pricing models include NYMEX forward curves, natural gas volatilities and LIBOR-based discount rates.

EQT CORPORATION AND SUBSIDIARIES
Notes to the Condensed Consolidated Financial Statements (Unaudited)

The table below summarizes assets and liabilities measured at fair value on a recurring basis.

	Gross derivative instruments recorded in the Condensed Consolidated Balance Sheets	Fair value measurements at reporting date using:		
		Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
(Thousands)				
March 31, 2021				
Asset derivative instruments, at fair value	\$ 431,949	\$ 65,167	\$ 366,782	\$ —
Liability derivative instruments, at fair value	651,058	120,650	530,408	—
December 31, 2020				
Asset derivative instruments, at fair value	\$ 527,073	\$ 70,603	\$ 456,470	\$ —
Liability derivative instruments, at fair value	600,877	93,361	507,516	—

The carrying values of cash equivalents, accounts receivable and accounts payable approximate fair value due to their short-term maturities. The carrying value of the Company's investment in Equitrans Midstream Corporation (Equitrans Midstream) approximates fair value as Equitrans Midstream is a publicly traded company. The carrying value of borrowings under the Company's credit facility approximates fair value as the interest rate is based on prevailing market rates. The Company considered all of these fair values to be Level 1 fair value measurements.

The Company estimates the fair value of its senior notes using established fair value methodology. Because not all of the Company's senior notes are actively traded, their fair value is a Level 2 fair value measurement. As of March 31, 2021 and December 31, 2020, the Company's senior notes had a fair value of approximately \$5.2 billion and a carrying value of approximately \$4.4 billion and \$4.5 billion, respectively, inclusive of any current portion. The fair value of the Company's note payable to EQM Midstream Partners, LP (EQM) is estimated using an income approach model with a market-based discount rate and is a Level 3 fair value measurement. As of March 31, 2021 and December 31, 2020, the Company's note payable to EQM had a fair value of approximately \$122 million and \$130 million, respectively, and a carrying value of approximately \$104 million and \$105 million, respectively, inclusive of any current portion. See Note 6 for further discussion of the Company's debt.

The Company recognizes transfers between Levels as of the actual date of the event or change in circumstances that caused the transfer. There were no transfers between Levels 1, 2 and 3 during the periods presented.

See Note 8 for a discussion of the fair value measurement of the Equitrans Share Exchange and Note 9 for a discussion of the fair value measurement of the 2020 Asset Exchange Transactions and 2020 Divestiture (each defined in Note 9). See Note 1 to the Consolidated Financial Statements in the Company's Annual Report on [Form 10-K](#) for the year ended December 31, 2020 for a discussion of the fair value of assets related to the impairment and expiration of leases.

5. Income Taxes

For the three months ended March 31, 2021 and 2020, the Company calculated the provision for income taxes for interim periods by applying an estimate of the annual effective tax rate for the full fiscal year to "ordinary" income or loss (pre-tax income or loss excluding unusual or infrequently occurring items) for the period. There were no material changes to the Company's methodology for determining unrecognized tax benefits during the three months ended March 31, 2021.

The Company recorded income tax (benefit) expense at an effective tax rate of 26.1% and (24.4)% for the three months ended March 31, 2021 and 2020, respectively. The Company's effective tax rate for the three months ended March 31, 2021 was higher compared to the U.S. federal statutory rate due primarily to state taxes, including valuation allowances limiting certain state tax benefits, partially offset by tax expense relating to deduction limitations for executive compensation. The Company's effective tax rate for the three months ended March 31, 2020 was lower than the U.S. federal statutory rate due primarily to valuation allowances provided against federal and state deferred tax assets for the additional unrealized losses on the Company's investment in Equitrans Midstream incurred in the first quarter of 2020 that, if such investment is sold, would become capital losses. The Company believes it is more likely than not that such additional unrealized losses will not be realized for tax purposes.

EQT CORPORATION AND SUBSIDIARIES
Notes to the Condensed Consolidated Financial Statements (Unaudited)

On April 13, 2021, West Virginia enacted corporate income tax legislation that primarily impacts the way that taxable income is apportioned to West Virginia for tax years beginning on or after January 1, 2022. The Company is evaluating the impact of this change in law on the consolidated financial statements.

6. Debt

Credit facility. The Company has a \$2.5 billion credit facility. On April 23, 2021, the Company entered into an Extension Agreement and First Amendment to Second Amended and Restated Credit Agreement (the Extension Agreement and First Amendment), amending the Second Amended and Restated Credit Agreement, dated as of July 31, 2017, among the Company, PNC Bank, National Association, as administrative agent, swing line lender and an L/C issuer and the other lenders party thereto (the Credit Agreement). The Extension Agreement and First Amendment, among other things, (i) extends the maturity date of the commitments and loans under the Credit Agreement from July 31, 2022 to July 31, 2023, (ii) adds customary provisions to provide for the eventual replacement of LIBOR as a benchmark interest rate and (iii) adds an additional pricing level for the Applicable Rate (as defined in the Credit Agreement).

The Company had approximately \$770 million and \$791 million of letters of credit outstanding under its credit facility as of March 31, 2021 and December 31, 2020, respectively.

Under the Company's credit facility, for the three months ended March 31, 2021 and 2020, the maximum amounts of outstanding borrowings were \$890 million and \$356 million, respectively, the average daily balances were approximately \$525 million and \$86 million, respectively, and interest was incurred at weighted average annual interest rates of 2.1% and 3.2%, respectively.

Term loan facility. The Company had a \$1.0 billion term loan facility that was scheduled to mature in May 2021. During the second quarter 2020, the Company used proceeds from the offering of its Convertible Notes (see below), income tax refunds received by the Company and proceeds from the 2020 Divestiture (see Note 9) to fully repay its term loan facility on June 30, 2020. Under the Company's term loan facility, from January 1, 2020 through March 31, 2020, the average daily balance was approximately \$949 million and interest was incurred at a weighted average annual interest rate of 2.8%.

4.875% Senior Notes. On February 1, 2021, the Company redeemed the remaining \$125.1 million aggregate principal amount of the Company's 4.875% senior notes at a total cost of \$130.7 million, inclusive of redemption premiums of \$4.3 million and accrued but unpaid interest of \$1.3 million.

Convertible Notes. On April 28, 2020, the Company issued \$500 million aggregate principal amount of 1.75% convertible senior notes (the Convertible Notes) due May 1, 2026 unless earlier redeemed, repurchased or converted. The Convertible Notes were issued in a private offering to qualified institutional buyers pursuant to Rule 144A under the Securities Act of 1933, as amended. After deducting offering costs of \$16.9 million and Capped Call Transactions (defined and described below) costs of \$32.5 million, the net proceeds from the offering of \$450.6 million were used to repay \$450 million of the Company's term loan facility borrowings as well as for general corporate purposes.

Holders of the Convertible Notes may convert their Convertible Notes, at their option, at any time prior to the close of business on January 30, 2026 under the following circumstances:

- during any quarter commencing after the quarter ended June 30, 2020 as long as the last reported price of EQT common stock for at least 20 trading days (consecutive or otherwise) during the period of 30 consecutive trading days ending on the last trading day of the immediately preceding quarter is greater than or equal to 130% of the conversion price on each such trading day;
- during the five-business-day period after any five-consecutive-trading-day period (the measurement period) in which the trading price per \$1,000 principal amount of the Convertible Notes for each trading day of the measurement period is less than 98% of the product of the last reported price of EQT common stock and the conversion rate for the Convertible Notes on each such trading day;
- if the Company calls any or all of the Convertible Notes for redemption, at any time prior to the close of business on the second scheduled trading day immediately preceding such redemption date; and
- upon the occurrence of certain corporate events set forth in the Convertible Notes indenture.

On or after February 1, 2026, holders of the Convertible Notes may convert their Convertible Notes, at their option, at any time until the close of business on the second scheduled trading date immediately preceding May 1, 2026.

EQT CORPORATION AND SUBSIDIARIES
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Upon conversion of the Convertible Notes, the Company intends to use a combined settlement approach to satisfy its obligation by paying or delivering to holders of the Convertible Notes cash equal to the principal amount of the obligation and EQT common stock for amounts that exceed the principal amount of the obligation.

The Company may not redeem the Convertible Notes prior to May 5, 2023. On or after May 5, 2023 and prior to February 1, 2026, the Company may redeem for cash all or any portion of the Convertible Notes, at its option, at a redemption price equal to 100% of the principal amount of the Convertible Notes to be redeemed plus accrued and unpaid interest up to the redemption date as long as the last reported price per share of EQT common stock has been at least 130% of the conversion price in effect for at least 20 trading days (consecutive or otherwise) during any 30-consecutive-trading-day period ending on the trading day immediately preceding the date on which the Company delivers notice of redemption. A sinking fund is not provided for the Convertible Notes.

The initial conversion rate for the Convertible Notes is 66.6667 shares of EQT common stock per \$1,000 principal amount of the Convertible Notes, which is equivalent to an initial conversion price of \$15.00 per share of EQT common stock. The initial conversion price represents a premium of 20% to the \$12.50 per share closing price of EQT common stock on April 23, 2020. The conversion rate is subject to adjustment under certain circumstances. In addition, following certain corporate events that occur prior to May 1, 2026 or if the Company delivers notice of redemption, the Company will, in certain circumstances, increase the conversion rate for a holder who elects to convert its Convertible Notes in connection with such corporate event or notice of redemption.

In connection with the Convertible Notes offering, the Company entered into privately negotiated capped call transactions (the Capped Call Transactions), the purpose of which is to reduce the potential dilution to EQT common stock upon conversion of the Convertible Notes and/or offset any cash payments the Company is required to make in excess of the principal amount of such obligation, with such reduction and offset subject to a cap. The Capped Call Transactions have an initial strike price of \$15.00 per share of EQT common stock and an initial capped price of \$18.75 per share of EQT common stock, each of which are subject to certain customary adjustments.

For accounting purposes, the Company separated the Convertible Notes into liability and equity components. The carrying amount of the liability component was calculated by measuring the fair value of similar debt instruments that do not have associated convertible features. The carrying amount of the equity component, representing the conversion option, was determined by deducting the fair value of the liability component from the principal value of the Convertible Notes. The equity component is not remeasured as long as it continues to meet the condition for equity classification. The excess of the principal amount of the liability component over its carrying amount (the debt discount) will be amortized to interest expense over the term of the Convertible Notes, which is approximately 6 years, at an effective interest rate of 8.4%. At inception, the Company recorded the Convertible Notes at fair value of approximately \$358.1 million, a net deferred tax liability of \$41.0 million and an equity component of \$100.9 million.

Issuance costs were allocated to the liability and equity components of the Convertible Notes based on their relative fair values. Issuance costs attributable to the liability component of \$12.1 million were recorded as a reduction to the liability component of the Convertible Notes and will be amortized to interest expense over the term of the Convertible Notes at an effective interest rate of 8.4%. Issuance costs attributable to the equity component of \$4.8 million, representing the conversion option, were netted with the equity component.

The Capped Call Transactions are separate from the Convertible Notes. The Capped Call Transactions were recorded in shareholders' equity and were not accounted for as derivatives. The cost to purchase the Capped Call Transactions were recorded as a reduction to equity and will not be remeasured.

During the second quarter of 2020, the Convertible Notes had a net shareholders' equity impact of \$63.6 million, which consisted of the conversion option equity component of \$100.9 million less the Capped Call Transactions costs of \$32.5 million and issuance costs attributable to the equity component of \$4.8 million.

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Notes to the Condensed Consolidated Financial Statements (Unaudited)

The table below summarizes the net carrying amount of the Convertible Notes, including the unamortized debt discount and debt issuance costs.

	March 31, 2021	December 31, 2020
	(Thousands)	
Principal	\$ 500,000	\$ 500,000
Less: unamortized debt discount	124,151	129,103
Less: unamortized debt issuance costs	10,920	11,263
Net carrying value of Convertible Notes	<u>\$ 364,929</u>	<u>\$ 359,634</u>

The table below summarizes the components of interest expense related to the Convertible Notes.

	Three Months Ended March 31, 2021
	(Thousands)
Contractual interest expense	\$ 2,188
Amortization of debt discount	4,952
Amortization of issuance costs	343
Total Convertible Notes interest expense	<u>\$ 7,483</u>

Based on the closing stock price of EQT common stock of \$18.58 on March 31, 2021, the if-converted value of the Convertible Notes exceeded the principal amount by \$119 million. The Convertible Notes were not convertible at March 31, 2021.

7. Earnings Per Share

In periods when the Company reports a net loss, all options, restricted stock, performance awards and stock appreciation rights are excluded from the calculation of diluted weighted average shares outstanding because of their anti-dilutive effect on loss per share. As a result, for the three months ended March 31, 2021 and 2020, all securities, totaling 7,745,522 and 6,753,915, respectively, were excluded from potentially dilutive securities because of their anti-dilutive effect on EPS.

As discussed in Note 6, the Company issued the Convertible Notes during the second quarter of 2020 and, upon conversion of the Convertible Notes, intends to use a combined settlement approach to satisfy its obligation under the Convertible Notes. As such, there is no adjustment to the diluted EPS numerator for the cash-settled portion of the instrument. In addition, for the three months ended March 31, 2021, the conversion premium of 6,666,670 shares was excluded from potentially dilutive securities because of its anti-dilutive effect on EPS.

8. Equitrans Share Exchange

On February 26, 2020, the Company entered into two share purchase agreements (the Share Purchase Agreements) with Equitrans Midstream, pursuant to which, among other things, the Company sold to Equitrans Midstream a total of 25,299,752 shares of Equitrans Midstream's common stock in exchange for approximately \$52 million in cash and rate relief under certain of the Company's gathering contracts with EQM, an affiliate of Equitrans Midstream (the Equitrans Share Exchange). The transactions contemplated by the Share Purchase Agreements closed on March 5, 2020 (the Share Purchase Closing Date). The rate relief was effected through the execution of the Consolidated GGA (defined herein).

On February 26, 2020, the Company entered into a gas gathering and compression agreement (the Consolidated GGA) with an affiliate of EQM, pursuant to which, among other things, EQM agreed to provide to the Company gas gathering services in the Marcellus and Utica Shales of Pennsylvania and West Virginia, and the Company committed to an initial annual minimum volume commitment of 3.0 Bcf per day and an acreage dedication in Pennsylvania and West Virginia. The Consolidated GGA is effective through December 31, 2035 and will renew annually thereafter unless terminated by the Company or EQM. The Consolidated GGA provides for additional cash bonus payments (the Henry Hub Cash Bonus) payable by the Company to EQM during the period beginning on the first day of the quarter in which the Mountain Valley Pipeline (MVP) is placed in service and ending on the earlier of 36 months thereafter or December 31, 2024. Such payments are conditioned upon the quarterly average of the NYMEX Henry Hub natural gas settlement price exceeding certain price thresholds. In addition, the Consolidated GGA

EQT CORPORATION AND SUBSIDIARIES
Notes to the Condensed Consolidated Financial Statements (Unaudited)

provides a cash payment option that grants the Company the right to receive payments from EQM in the event that the MVP in-service date has not occurred prior to January 1, 2022.

On the Share Purchase Closing Date, the Company recorded in the Condensed Consolidated Balance Sheet a contract asset representing the estimated fair value of the rate relief provided by the Consolidated GGA of \$410 million, a derivative liability related to the Henry Hub Cash Bonus of approximately \$117 million and a decrease in the Company's investment in Equitrans Midstream of approximately \$158 million. The resulting gain of approximately \$187 million was recorded in the Statement of Condensed Consolidated Operations during the first quarter of 2020. Beginning with the MVP in-service date, the Company expects to recognize amortization of the contract asset over a period of approximately four years in a manner consistent with the expected timing of the Company's realization of the economic benefits of the rate relief provided by the Consolidated GGA. As of March 31, 2021, the current portion of the contract asset was approximately \$20 million. As of March 31, 2021, the derivative liability related to the Henry Hub Cash Bonus was approximately \$113 million.

The fair value of the contract asset was based on significant inputs that are not observable in the market and, as such, is a Level 3 fair value measurement. Key assumptions used in the fair value calculation included an estimated production volume forecast, a market-based discount rate and a probability-weighted estimate of the in-service date of the MVP. The fair value of the derivative liability related to the Henry Hub Cash Bonus was based on significant inputs that were interpolated from observable market data and, as such, is a Level 2 fair value measurement. See Note 4 for a description of the fair value hierarchy.

9. 2020 Asset Exchange Transactions and 2020 Divestiture

2020 Asset Exchange Transactions. During the first quarter of 2020, the Company closed on various acreage trade agreements (collectively, the 2020 Asset Exchange Transactions), pursuant to which the Company exchanged approximately 5,000 aggregate net revenue interest acres for approximately 5,000 aggregate net revenue interest acres, all of which are located primarily in Greene County, Pennsylvania. As a result of the 2020 Asset Exchange Transactions, the Company recognized a loss of \$48.9 million in (gain) loss on sale/exchange of long-lived assets in the Statement of Condensed Consolidated Operations for the three months ended March 31, 2020.

The fair value of leases acquired were based on inputs that are not observable in the market and, as such, is a Level 3 fair value measurement. See Note 4 for a description of the fair value hierarchy. Key assumptions used in the fair value calculation included market-based prices for comparable acreage.

2020 Divestiture. On May 11, 2020, the Company closed a transaction to sell certain non-strategic assets located in Pennsylvania and West Virginia (the 2020 Divestiture) for an aggregate purchase price of approximately \$125 million in cash, subject to customary purchase price adjustments and the Contingent Consideration defined and discussed below. The Pennsylvania assets sold included 80 Marcellus wells and approximately 33 miles of gathering lines; the West Virginia assets sold included 809 conventional wells and approximately 154 miles of gathering lines. In addition, the 2020 Divestiture relieved the Company of approximately \$49 million in asset retirement obligations and other liabilities associated with the sold assets. Proceeds from the sale were used to pay down the Company's term loan facility.

The purchase and sale agreement for the 2020 Divestiture provides for additional cash bonus payments (the Contingent Consideration) payable to the Company of up to \$20 million. Such Contingent Consideration is conditioned upon the three-month average of the NYMEX Henry Hub natural gas settlement price relative to stated floor and target price thresholds beginning on August 31, 2020 and ending on November 30, 2022. The Contingent Consideration represents an embedded derivative that is recorded at fair value in the Consolidated Balance Sheets. The Contingent Consideration had a fair value of \$3.1 million and \$1.9 million as of March 31, 2021 and December 31, 2020, respectively. Changes in fair value are recorded in (gain) loss on sale/exchange of long-lived assets in the Statements of Condensed Consolidated Operations. The fair value of the Contingent Consideration is based on significant inputs that are interpolated from observable market data and, as such, is a Level 2 fair value measurement. See Note 4 for a description of the fair value hierarchy.

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10. Subsequent Events

On May 5, 2021, the Company, through one of its wholly owned subsidiaries, entered into a membership interest purchase agreement (the Alta Purchase Agreement) with Alta Resources Development, LLC, a Delaware limited liability company (Alta), Alta Marcellus Development, LLC, a Delaware limited liability company (Alta Marcellus) and ARD Operating, LLC, a Delaware limited liability company (ARD), pursuant to which the Company agreed to acquire all of the issued and outstanding equity interests of Alta Marcellus and ARD, which collectively hold all of Alta's upstream and midstream assets (the Alta Acquisition).

Pursuant to the terms of the Alta Purchase Agreement, the consideration to be paid by the Company for the Alta Acquisition consists of \$1.0 billion in cash and 105,306,346 shares of EQT common stock (the Equity Consideration), subject to certain purchase price adjustments to be calculated as of the closing date (with all post effective date purchase price adjustments netted against the Equity Consideration). The Alta Purchase Agreement contains customary representations and warranties, covenants, indemnification and termination provisions and has an effective date of January 1, 2021.

EQT CORPORATION AND SUBSIDIARIES
Management's Discussion and Analysis of Financial Condition and Results of Operations

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion and analysis of financial condition and results of operations should be read in conjunction with the Condensed Consolidated Financial Statements and the notes thereto included in this report. Unless the context otherwise indicates, all references in this report to "EQT," the "Company," "we," "us," or "our" are to EQT Corporation and its subsidiaries, collectively.

CAUTIONARY STATEMENTS

This Quarterly Report on Form 10-Q contains certain forward-looking statements within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended, and Section 27A of the Securities Act of 1933, as amended. Statements that do not relate strictly to historical or current facts are forward-looking and are usually identified by the use of words such as "anticipate," "estimate," "could," "would," "will," "may," "forecast," "approximate," "expect," "project," "intend," "plan," "believe" and other words of similar meaning, or the negative thereof, in connection with any discussion of future operating or financial matters. Without limiting the generality of the foregoing, forward-looking statements contained in this Quarterly Report on Form 10-Q include the expectations of our plans, strategies, objectives and growth and anticipated financial and operational performance, including guidance regarding our strategy to develop our reserves; drilling plans and programs (including availability of capital to complete these plans and programs); the projected scope and timing of our combo-development projects; estimated reserves, including potential future downward adjustments of reserves and reserve life; total resource potential and drilling inventory duration; projected production and sales volume and growth rates (including liquids production and sales volume and growth rates); natural gas prices; changes in basis and the impact of commodity prices on our business; potential future impairments of our assets; our ability to reduce our well costs and capital expenditures, and the timing of achieving any such reductions; infrastructure programs; the cost, capacity, and timing of obtaining regulatory approvals; our ability to successfully implement and execute our operational, organizational, technological and ESG initiatives, and achieve the anticipated results of such initiatives; projected reductions of our gathering and compression rates resulting from our consolidated gas gathering and compression agreement with Equitrans Midstream Corporation (Equitrans Midstream), and the anticipated cost savings and other strategic benefits associated with the execution of such agreement; monetization transactions, including asset sales, joint ventures or other transactions involving our assets, and our planned use of the proceeds from such monetization transactions; potential acquisition transactions or other strategic transactions, the timing thereof and our ability to achieve the intended operational, financial and strategic benefits from any such transactions; the timing and structure of any dispositions of our remaining retained shares of Equitrans Midstream's common stock, and the planned use of the proceeds from any such dispositions; the amount and timing of any repayments, redemptions or repurchases of our common stock, outstanding debt securities or other debt instruments; our ability to reduce our debt and the timing of such reductions, if any; projected dividends, if any; projected cash flows and free cash flow; projected capital expenditures; liquidity and financing requirements, including funding sources and availability; our ability to maintain or improve our credit ratings, leverage levels and financial profile; our hedging strategy; the effects of litigation, government regulation and tax position; and the expected impact of changes to tax laws.

The forward-looking statements included in this Quarterly Report on Form 10-Q involve risks and uncertainties that could cause actual results to differ materially from projected results. Accordingly, investors should not place undue reliance on forward-looking statements as a prediction of actual results. We have based these forward-looking statements on current expectations and assumptions about future events, taking into account all information currently known by us. While we consider these expectations and assumptions to be reasonable, they are inherently subject to significant business, economic, competitive, regulatory and other risks and uncertainties, many of which are difficult to predict and beyond our control. These risks and uncertainties include, but are not limited to, volatility of commodity prices; the costs and results of drilling and operations; access to and cost of capital; uncertainties about estimates of reserves, identification of drilling locations and the ability to add proved reserves in the future; the assumptions underlying production forecasts; the quality of technical data; our ability to appropriately allocate capital and resources among our strategic opportunities; inherent hazards and risks normally incidental to drilling for, producing, transporting and storing natural gas, natural gas liquids (NGLs) and oil; cyber security risks; availability and cost of drilling rigs, completion services, equipment, supplies, personnel, oilfield services and water required to execute our exploration and development plans; the ability to obtain environmental and other permits and the timing thereof; government regulation or action; environmental and weather risks, including the possible impacts of climate change; and disruptions to our business due to acquisitions and other significant transactions. These and other risks and uncertainties are described under Item 1A., "Risk Factors" and elsewhere in our Annual Report on [Form 10-K](#) for the year ended December 31, 2020.

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Any forward-looking statement speaks only as of the date on which such statement is made, and we do not intend to correct or update any forward-looking statement, whether as a result of new information, future events or otherwise, except as required by law.

Consolidated Results of Operations

Net loss attributable to EQT Corporation for the three months ended March 31, 2021 was \$40.5 million, \$0.15 per diluted share, compared to net loss attributable to EQT Corporation for the same period in 2020 of \$167.1 million, \$0.65 per diluted share. The improvement was attributable primarily to higher sales of natural gas, NGLs and oil, income from investments, lower impairments and an income tax benefit, partly offset by loss on derivatives not designated as hedges, the gain on the Equitrans Share Exchange (defined and discussed in Note 8 to the Condensed Consolidated Financial Statements) in the first quarter of 2020, lower dividends and other income, increased depreciation and depletion and increased selling, general and administrative expense.

See "Sales Volume and Revenues" and "Operating Expenses" for discussions of items affecting operating income and "Other Income Statement Items" for a discussion of other income statement items. See "Investing Activities" under "Capital Resources and Liquidity" for a discussion of capital expenditures.

Average Realized Price Reconciliation

The following table presents detailed natural gas and liquids operational information to assist in the understanding of our consolidated operations, including the calculation of our average realized price (\$/Mcf), which is based on adjusted operating revenues, a non-GAAP supplemental financial measure. Adjusted operating revenues is presented because it is an important measure we use to evaluate period-to-period comparisons of earnings trends. Adjusted operating revenues should not be considered as an alternative to total operating revenues. See "Non-GAAP Financial Measures Reconciliation" for a reconciliation of adjusted operating revenues with total operating revenues, the most directly comparable financial measure calculated in accordance with GAAP.

EQT CORPORATION AND SUBSIDIARIES
Management's Discussion and Analysis of Financial Condition and Results of Operations

	Three Months Ended March 31,	
	2021	2020
	(Thousands, unless otherwise noted)	
NATURAL GAS		
Sales volume (MMcf)	390,298	369,742
NYMEX price (\$/MMBtu)	\$ 2.69	\$ 1.95
Btu uplift	0.15	0.10
Natural gas price (\$/Mcf)	\$ 2.84	\$ 2.05
Basis (\$/Mcf) (a)		
	\$ (0.25)	\$ (0.22)
Cash settled basis swaps (not designated as hedges) (\$/Mcf)	(0.09)	0.05
Average differential, including cash settled basis swaps (\$/Mcf)	\$ (0.34)	\$ (0.17)
Average adjusted price (\$/Mcf)	\$ 2.50	\$ 1.88
Cash settled derivatives (not designated as hedges) (\$/Mcf)	(0.01)	0.60
Average natural gas price, including cash settled derivatives (\$/Mcf)	\$ 2.49	\$ 2.48
Natural gas sales, including cash settled derivatives	\$ 972,494	\$ 915,411
LIQUIDS		
Natural gas liquids (NGLs), excluding ethane:		
Sales volume (MMcfe) (b)	14,600	10,820
Sales volume (Mbbl)	2,433	1,803
Price (\$/Bbl)	\$ 37.28	\$ 18.58
Cash settled derivatives (not designated as hedges) (\$/Bbl)	(2.99)	—
Average NGLs price, including cash settled derivatives (\$/Bbl)	\$ 34.29	\$ 18.58
NGLs sales	\$ 83,443	\$ 33,511
Ethane:		
Sales volume (MMcfe) (b)	8,587	3,329
Sales volume (Mbbl)	1,431	555
Price (\$/Bbl)	\$ 6.66	\$ 4.05
Ethane sales	\$ 9,534	\$ 2,245
Oil:		
Sales volume (MMcfe) (b)	1,705	1,179
Sales volume (Mbbl)	284	197
Price (\$/Bbl)	\$ 61.98	\$ 31.63
Oil sales	\$ 17,614	\$ 6,215
Total liquids sales volume (MMcfe) (b)	24,892	15,328
Total liquids sales volume (Mbbl)	4,148	2,555
Total liquids sales	\$ 110,591	\$ 41,971
TOTAL		
Total natural gas and liquids sales, including cash settled derivatives (c)	\$ 1,083,085	\$ 957,382
Total sales volume (MMcfe)	415,190	385,070
Average realized price (\$/Mcf)	\$ 2.61	\$ 2.49

(a) Basis represents the difference between the ultimate sales price for natural gas and the New York Mercantile Exchange (NYMEX) natural gas price.

(b) NGLs, ethane and oil were converted to Mcfe at a rate of six Mcfe per barrel.

(c) Total natural gas and liquids sales, including cash settled derivatives, is also referred to in this report as adjusted operating revenues, a non-GAAP supplemental financial measure.

EQT CORPORATION AND SUBSIDIARIES
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Non-GAAP Financial Measures Reconciliation

The table below reconciles adjusted operating revenues, a non-GAAP supplemental financial measure, with total operating revenues, its most directly comparable financial measure calculated in accordance with GAAP. Adjusted operating revenues (also referred to in this report as total natural gas and liquids sales, including cash settled derivatives) is presented because it is an important measure we use to evaluate period-to-period comparisons of earnings trends. Adjusted operating revenues excludes the revenue impacts of changes in the fair value of derivative instruments prior to settlement and net marketing services and other. We use adjusted operating revenues to evaluate earnings trends because, as a result of the measure's exclusion of the often-volatile changes in the fair value of derivative instruments prior to settlement, the measure reflects only the impact of settled derivative contracts. Net marketing services and other primarily includes the costs of, and recoveries on, pipeline capacity releases. Because we consider net marketing services and other to be unrelated to our natural gas and liquids production activities, adjusted operating revenues excludes net marketing services and other. We believe that adjusted operating revenues provides useful information to investors for evaluating period-to-period comparisons of earnings trends.

	Three Months Ended March 31,	
	2021	2020
	(Thousands, unless otherwise noted)	
Total operating revenues	\$ 949,923	\$ 1,107,057
Add (deduct):		
Loss (gain) on derivatives not designated as hedges	188,813	(389,436)
Net cash settlements (paid) received on derivatives not designated as hedges	(38,140)	245,736
Premiums (paid) for derivatives that settled during the period	(9,726)	(3,555)
Net marketing services and other	(7,785)	(2,420)
Adjusted operating revenues, a non-GAAP financial measure	<u>\$ 1,083,085</u>	<u>\$ 957,382</u>
Total sales volume (MMcfe)	415,190	385,070
Average realized price (\$/Mcf)	\$ 2.61	\$ 2.49

Sales Volume and Revenues

	Three Months Ended March 31,		
	2021	2020	%
	(Thousands, unless otherwise noted)		
Sales volume by shale (MMcfe):			
Marcellus (a)	373,941	333,751	12.0
Ohio Utica	39,929	49,775	(19.8)
Other	1,320	1,544	(14.5)
Total sales volume (b)	<u>415,190</u>	<u>385,070</u>	<u>7.8</u>
Average daily sales volume (MMcfe/d)	4,613	4,232	9.0
Operating revenues:			
Sales of natural gas, NGLs and oil	\$ 1,130,951	\$ 715,201	58.1
(Loss) gain on derivatives not designated as hedges	(188,813)	389,436	(148.5)
Net marketing services and other	7,785	2,420	221.7
Total operating revenues	<u>\$ 949,923</u>	<u>\$ 1,107,057</u>	<u>(14.2)</u>

(a) Includes Upper Devonian wells.

(b) NGLs, ethane and oil were converted to Mcfe at a rate of six Mcfe per barrel.

Sales of natural gas, NGLs and oil. Sales of natural gas, NGLs and oil increased for the three months ended March 31, 2021 compared to the same period in 2020 due to higher sales volume and a higher average realized price. Average realized price

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increased due to higher NYMEX prices and higher liquids prices, partly offset by unfavorable cash settled derivatives. For the three months ended March 31, 2021, we paid \$38.1 million of net cash settlements on derivatives not designated as hedges and for the same period in 2020, we received \$245.7 million of net cash settlements on derivatives not designated as hedges, which are included in average realized price but may not be included in operating revenues. Sales volume increased primarily as a result of sales volume of 34 Bcfe from upstream assets we acquired from Chevron U.S.A. Inc. in the fourth quarter of 2020 (Chevron Acquisition), partly offset by a decrease of 5 Bcfe attributable to assets we divested in the second quarter of 2020.

(Loss) gain on derivatives not designated as hedges. For the three months ended March 31, 2021, we recognized a loss of \$188.8 million on derivatives not designated as hedges and for the same period in 2020, we recognized a gain of \$389.4 million. The loss for the three months ended March 31, 2021 was related primarily to decreases in the fair market value of our NYMEX swaps and options due to increases in NYMEX forward prices. The gain for the three months ended March 31, 2020 was related primarily to increases in the fair market value of our NYMEX swaps and options due to decreases in NYMEX forward prices.

Operating Expenses

The following table presents information on our production-related operating expenses.

	Three Months Ended March 31,		
	2021	2020	%
	(Thousands, unless otherwise noted)		
Operating expenses:			
Gathering	\$ 280,361	\$ 261,721	7.1
Transmission	124,872	147,162	(15.1)
Processing	40,551	30,951	31.0
Lease operating expenses (LOE), excluding production taxes	27,019	28,023	(3.6)
Production taxes	20,211	12,357	63.6
Exploration	949	923	2.8
Selling, general and administrative	45,006	34,938	28.8
 Production depletion	 \$ 373,008	 \$ 353,077	 5.6
Other depreciation and depletion	4,108	4,449	(7.7)
Total depreciation and depletion	\$ 377,116	\$ 357,526	5.5
 Per Unit (\$/Mcf):			
Gathering	\$ 0.68	\$ 0.68	—
Transmission	0.30	0.38	(21.1)
Processing	0.10	0.08	25.0
LOE, excluding production taxes	0.07	0.07	—
Production taxes	0.05	0.03	66.7
Exploration	—	—	—
Selling, general and administrative	0.11	0.09	22.2
Production depletion	0.90	0.92	(2.2)

Gathering. Gathering expense increased on an absolute basis for the three months ended March 31, 2021 compared to the same period in 2020 due to increased sales volume and additional gathering capacity acquired as a result of the Chevron Acquisition and a higher gathering rate structure as a result of the Consolidated GGA (defined and discussed in Note 8 to the Condensed Consolidated Financial Statements). We expect to realize fee relief and a lower gathering rate structure from the Consolidated GGA beginning with the Mountain Valley Pipeline (MVP) in-service date.

Transmission. Transmission expense decreased on an absolute and per Mcfe basis for the three months ended March 31, 2021 compared to the same period in 2020 due primarily to released capacity on, and credits received from, the Texas Eastern Transmission Pipeline and the Tennessee Gas Pipeline.

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Processing. Processing expense increased on an absolute and per Mcfe basis for the three months ended March 31, 2021 compared to the same period in 2020 due to higher liquid sales volume due primarily to the Chevron Acquisition and increased development of liquids-rich areas.

Production taxes. Production taxes increased on an absolute and per Mcfe basis for the three months ended March 31, 2021 compared to the same period in 2020 due primarily to increased West Virginia severance taxes as a result of higher prices and sales volume.

Selling, general and administrative. Selling, general and administrative expense increased on an absolute and per Mcfe basis for the three months ended March 31, 2021 compared to the same period in 2020 due primarily to higher long-term incentive compensation costs due to changes in the fair value of awards.

Depreciation and depletion. Production depletion increased on an absolute basis for the three months ended March 31, 2021 compared to the same period in 2020 due to increased sales volume, partly offset by a lower annual depletion rate. Production depletion decreased on a per Mcfe basis for the three months ended March 31, 2021 compared to the same period in 2020 due to a lower annual depletion rate.

Amortization of intangible assets. Amortization of intangible assets for the three months ended March 31, 2020 was \$7.5 million. The intangible assets were fully amortized in the fourth quarter of 2020.

(Gain) loss on sale/exchange of long-lived assets. During the first quarter of 2020, we recognized a loss on exchange of long-lived assets of \$48.9 million related to the 2020 Asset Exchange Transactions. See Note 9 to the Condensed Consolidated Financial Statements.

Impairment and expiration of leases. Impairment and expiration of leases for the three months ended March 31, 2021 was \$16.8 million compared to \$53.8 million for the same period in 2020. The decrease was driven by higher lease expirations in 2020 due to changes in market conditions.

Other operating expenses. Other operating expenses for the three months ended March 31, 2021 of \$9.4 million were due primarily to certain transaction-related costs associated with the Chevron Acquisition and changes in legal reserves, including settlements.

Other Income Statement Items

Gain on Equitrans Share Exchange. During the first quarter of 2020, we recognized a gain on the Equitrans Share Exchange of \$187.2 million. See Note 8 to the Condensed Consolidated Financial Statements.

(Income) loss from investments. For the three months ended March 31, 2021, we recognized a gain on an investment in a fund that invests in companies developing technology and operating solutions for exploration and production companies and a gain on our investment in Equitrans Midstream. Our investment in Equitrans Midstream fluctuates with changes in Equitrans Midstream's stock price, which was \$8.16 and \$8.04 as of March 31, 2021 and December 31, 2020, respectively. For the three months ended March 31, 2020, we recognized a loss on our investment in Equitrans Midstream, due to a decrease in Equitrans Midstream's stock price during the three months ended March 31, 2020 as well as a decrease in the number of shares of Equitrans Midstream's common stock that we own as a result of the Equitrans Share Exchange.

Dividend and other income. Dividend and other income decreased for the three months ended March 31, 2021 compared to the same period in 2020 due primarily to lower dividends received from our investment in Equitrans Midstream driven by the decrease in the number of shares of Equitrans Midstream's common stock that we own as well as a decrease in the dividend amount per share.

Loss on debt extinguishment. During the three months ended March 31, 2021, we recognized a loss on debt extinguishment of \$4.4 million related to the repayment of our 4.875% senior notes. During the three months ended March 31, 2020, we recognized a loss on debt extinguishment of \$16.6 million related to the repayment of all or a portion of our 4.875% senior notes, 2.50% senior notes and floating rate notes.

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Interest expense. Interest expense increased for the three months ended March 31, 2021 compared to the same period in 2020 due to increased interest incurred on new debt and letters of credit issued throughout 2020 as well as higher borrowings under our credit facility. These increases were partly offset by lower interest incurred due to debt repayments throughout 2020 and the first quarter of 2021. See Note 6 to the Condensed Consolidated Financial Statements.

Income tax (benefit) expense. See Note 5 to the Condensed Consolidated Financial Statements.

Capital Resources and Liquidity

Although we cannot provide any assurance, we believe cash flows from operating activities and availability under our credit facility should be sufficient to meet our cash requirements inclusive of, but not limited to, normal operating needs, debt service obligations, planned capital expenditures and commitments for at least the next twelve months and, based on current expectations, for the long-term.

Planned Capital Expenditures. In 2021, we expect to spend approximately \$1,025 million to \$1,125 million in total capital expenditures, excluding amounts attributable to noncontrolling interests, which are expected to be funded by operating cash flow and, if required, borrowings under our credit facility. Sales volume in 2021 is expected to be 1,620 Bcfe to 1,700 Bcfe.

Operating Activities. Net cash provided by operating activities was \$400 million for the three months ended March 31, 2021 compared to \$500 million for the same period in 2020. The decrease was due primarily to decreased cash settlements received on derivatives not designated as hedges and unfavorable timing of working capital payments, partly offset by higher cash operating revenues.

Our cash flows from operating activities are affected by movements in the market price for commodities. We are unable to predict such movements outside of the current market view as reflected in forward strip pricing. Refer to Item 1A., "Risk Factors – Natural gas, NGLs and oil price volatility, or a prolonged period of low natural gas, NGLs and oil prices, may have an adverse effect on our revenue, profitability, future rate of growth, liquidity and financial position" in our Annual Report on [Form 10-K](#) for the year ended December 31, 2020.

Investing Activities. Net cash used in investing activities was \$248 million for the three months ended March 31, 2021 compared to \$204 million for the same period in 2020. The increase was due primarily to cash received during the first quarter of 2020 for the Equitrans Share Exchange, partly offset by lower capital expenditures.

The following table summarizes our capital expenditures.

	Three Months Ended March 31,	
	2021	2020
	(Millions)	
Reserve development	\$ 189	\$ 223
Land and lease (a)	23	22
Capitalized overhead	13	11
Capitalized interest	4	4
Other production infrastructure	5	1
Other corporate items	4	1
Total capital expenditures	238	262
Add (deduct) non-cash items (b)	13	(6)
Total cash capital expenditures	\$ 251	\$ 256

(a) Capital expenditures attributable to noncontrolling interests were \$1.3 million for the three months ended March 31, 2021.

(b) Represents the net impact of non-cash capital expenditures, including the effect of timing of receivables from working interest partners, accrued capital expenditures and capitalized share-based compensation costs. The impact of accrued capital expenditures includes the reversal of the prior period accrual as well as the current period estimate.

Financing Activities. Net cash used in financing activities was \$130 million for the three months ended March 31, 2021 compared to \$283 million for the same period in 2020. For the three months ended March 31, 2021, the primary use of financing cash flows

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was net repayments of debt. For the three months ended March 31, 2020, the primary uses of financing cash flows were net repayments of debt and credit facility borrowings, and the primary source of financing cash flows was net proceeds from the issuance of debt.

See Note 6 to the Condensed Consolidated Financial Statements for further discussion of our debt and borrowings under our credit facility.

Depending on our actual and anticipated sources and uses of liquidity, prevailing market conditions and other factors, we may from time to time seek to retire or repurchase our outstanding debt or equity securities through cash purchases in the open market or privately negotiated transactions. The amounts involved in any such transactions may be material. Additionally, we plan to dispose of our remaining retained shares of Equitrans Midstream's common stock and use the proceeds to reduce our debt.

Security Ratings and Financing Triggers

The table below reflects the credit ratings and rating outlooks assigned to our debt instruments as of April 30, 2021. Our credit ratings and rating outlooks are subject to revision or withdrawal at any time by the assigning rating agency, and each rating should be evaluated independent from any other rating. We cannot ensure that a rating will remain in effect for any given period of time or that a rating will not be lowered or withdrawn by a rating agency if, in the rating agency's judgment, circumstances so warrant. See Note 3 to the Condensed Consolidated Financial Statements for further discussion of what is deemed investment grade.

Rating agency	Senior notes	Outlook
Moody's Investors Service (Moody's)	Ba2	Stable
Standard & Poor's Ratings Service (S&P)	BB	Stable
Fitch Ratings Service (Fitch)	BB	Positive

Changes in credit ratings may affect our access to the capital markets, the cost of short-term debt through interest rates and fees under our lines of credit, the interest rate on the senior notes with adjustable rates, the rates available on new long-term debt, our pool of investors and funding sources, the borrowing costs and margin deposit requirements on our over the counter (OTC) derivative instruments and credit assurance requirements, including collateral, in support of our midstream service contracts, joint venture arrangements or construction contracts. Margin deposits on our OTC derivative instruments are also subject to factors other than credit rating, such as natural gas prices and credit thresholds set forth in the agreements between us and our hedging counterparties.

As of April 30, 2021, we had sufficient unused borrowing capacity, net of letters of credit, under our credit facility to satisfy any requests for margin deposit or other collateral that our counterparties are permitted to request of us pursuant to our OTC derivative instruments, midstream services contracts and other contracts. As of April 30, 2021, such assurances could be up to approximately \$1.1 billion, inclusive of letters of credit, OTC derivative instrument margin deposits and other collateral posted of approximately \$0.9 billion in the aggregate. See Notes 3 and 6 to the Condensed Consolidated Financial Statements for further information.

Our debt agreements and other financial obligations contain various provisions that, if not complied with, could result in default or event of default under our credit facility, mandatory partial or full repayment of amounts outstanding, reduced loan capacity or other similar actions. The most significant covenants and events of default under the debt agreements relate to maintenance of a debt-to-total capitalization ratio, limitations on transactions with affiliates, insolvency events, nonpayment of scheduled principal or interest payments, acceleration of other financial obligations and change of control provisions. Our credit facility contains financial covenants that require us to have a total debt to total capitalization ratio no greater than 65%. The calculation of this ratio excludes the effects of accumulated other comprehensive income. As of March 31, 2021, we were in compliance with all debt provisions and covenants under our debt agreements.

Commodity Risk Management

The substantial majority of our commodity risk management program is related to hedging sales of our produced natural gas. The overall objective of our hedging program is to protect cash flows from undue exposure to the risk of changing commodity prices.

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The derivative commodity instruments that we use are primarily swap, collar and option agreements. The following table summarizes the approximate volumes and prices of our NYMEX hedge positions through 2024 as of April 30, 2021.

	2021 (a)		2022		2023		2024	
Swaps:								
Volume (MMDth)		863		618		115		2
Average Price (\$/Dth)	\$	2.73	\$	2.67	\$	2.51	\$	2.67
Calls – Net Short:								
Volume (MMDth)		269		284		77		15
Average Short Strike Price (\$/Dth)	\$	2.92	\$	2.89	\$	2.89	\$	3.11
Puts – Net Long:								
Volume (MMDth)		158		135		69		15
Average Long Strike Price (\$/Dth)	\$	2.59	\$	2.35	\$	2.40	\$	2.45
Fixed Price Sales (b):								
Volume (MMDth)		54		4		3		—
Average Price (\$/Dth)	\$	2.49	\$	2.38	\$	2.38	\$	—

(a) April 1 through December 31.

(b) The difference between the fixed price and NYMEX price is included in average differential presented in our price reconciliation in "Average Realized Price Reconciliation." The fixed price natural gas sales agreements can be physically or financially settled.

For 2021 (April 1 through December 31), 2022, 2023 and 2024, we have natural gas sales agreements for approximately 14 MMDth, 18 MMDth, 88 MMDth and 11 MMDth, respectively, that include average NYMEX ceiling prices of \$3.17, \$3.17, \$2.84 and \$3.21, respectively. We have also entered into derivative instruments to hedge basis. We may use other contractual agreements to implement our commodity hedging strategy from time to time.

See Item 3., "Quantitative and Qualitative Disclosures About Market Risk" and Note 3 to the Condensed Consolidated Financial Statements for further discussion of our hedging program.

Commitments and Contingencies

In the ordinary course of business, various legal and regulatory claims and proceedings are pending or threatened against us. While the amounts claimed may be substantial, we are unable to predict with certainty the ultimate outcome of such claims and proceedings. We accrue legal and other direct costs related to loss contingencies when actually incurred. We have established reserves that we believe to be appropriate for pending matters and, after consultation with counsel and giving appropriate consideration to available insurance, we believe that the ultimate outcome of any matter currently pending against us will not materially affect our financial condition, results of operations or liquidity. See Note 16 to the Consolidated Financial Statements and Part I, Item 3., "Legal Proceedings" in our Annual Report on [Form 10-K](#) for the year ended December 31, 2020 for a discussion of our commitments and contingencies.

Recently Issued Accounting Standards

Our recently issued accounting standards are described in Note 1 to the Condensed Consolidated Financial Statements.

Critical Accounting Policies and Estimates

Our critical accounting policies, including a discussion regarding the estimation uncertainty and the impact that our critical accounting estimates have had, or are reasonably likely to have, on our financial condition or results of operations, are described in Item 7., "Management's Discussion and Analysis of Financial Condition and Results of Operations" in our Annual Report on [Form 10-K](#) for the year ended December 31, 2020. The application of our critical accounting policies may require us to make judgments and estimates about the amounts reflected in the Condensed Consolidated Financial Statements. We use historical experience and all available information to make these estimates and judgments. Different amounts could be reported using different assumptions and estimates.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

Commodity Price Risk and Derivative Instruments. Our primary market risk exposure is the volatility of future prices for natural gas and NGLs. Due to the volatility of commodity prices, we are unable to predict future potential movements in the market prices for natural gas and NGLs at our ultimate sales points and, thus, cannot predict the ultimate impact of prices on our operations. Prolonged low, or significant, extended declines in, natural gas and NGLs prices could adversely affect, among other things, our development plans, which would decrease the pace of development and the level of our proved reserves. Increases in natural gas and NGLs prices may be accompanied by, or result in, increased well drilling costs, increased production taxes, increased lease operating expenses, increased volatility in seasonal gas price spreads for our storage assets and increased end-user conservation or conversion to alternative fuels. In addition, to the extent we have hedged our production at prices below the current market price, we will not benefit fully from an increase in the price of natural gas.

The overall objective of our hedging program is to protect cash flows from undue exposure to the risk of changing commodity prices. Our use of derivatives is further described in Note 3 to the Condensed Consolidated Financial Statements and "Commodity Risk Management" under "Capital Resources and Liquidity" in Item 2., "Management's Discussion and Analysis of Financial Condition and Results of Operations." Our OTC derivative commodity instruments are placed primarily with financial institutions and the creditworthiness of those institutions is regularly monitored. We primarily enter into derivative instruments to hedge forecasted sales of production. We also enter into derivative instruments to hedge basis. Our use of derivative instruments is implemented under a set of policies approved by our management-level Hedge and Financial Risk Committee and is reviewed by our Board of Directors.

For derivative commodity instruments used to hedge our forecasted sales of production, which are at, for the most part, NYMEX natural gas prices, we set policy limits relative to the expected production and sales levels that are exposed to price risk. We have an insignificant amount of financial natural gas derivative commodity instruments for trading purposes.

The derivative commodity instruments we use are primarily swap, collar and option agreements. These agreements may require payments to, or receipt of payments from, counterparties based on the differential between two prices for the commodity. We use these agreements to hedge our NYMEX and basis exposure. We may also use other contractual agreements when executing our commodity hedging strategy.

We monitor price and production levels on a continuous basis and make adjustments to quantities hedged as warranted.

A hypothetical decrease of 10% in the market price of natural gas on March 31, 2021 and December 31, 2020 would increase the fair value of our natural gas derivative commodity instruments by approximately \$473 million and \$501 million, respectively. A hypothetical increase of 10% in the market price of natural gas on March 31, 2021 and December 31, 2020 would decrease the fair value of our natural gas derivative commodity instruments by approximately \$469 million and \$495 million, respectively. For purposes of this analysis, we applied the 10% change in the market price of natural gas on March 31, 2021 and December 31, 2020 to our natural gas derivative commodity instruments as of March 31, 2021 and December 31, 2020 to calculate the hypothetical change in fair value. The change in fair value was determined using a method similar to our normal process for determining derivative commodity instrument fair value described in Note 4 to the Condensed Consolidated Financial Statements.

The above analysis of our derivative commodity instruments does not include the offsetting impact that the same hypothetical price movement may have on our physical sales of natural gas. The portfolio of derivative commodity instruments held to hedge our forecasted produced gas approximates a portion of our expected physical sales of natural gas; therefore, an adverse impact to the fair value of the portfolio of derivative commodity instruments held to hedge our forecasted production associated with the hypothetical changes in commodity prices referenced above should be offset by a favorable impact on our physical sales of natural gas, assuming that the derivative commodity instruments are not closed in advance of their expected term and the derivative commodity instruments continue to function effectively as hedges of the underlying risk.

If the underlying physical transactions or positions are liquidated prior to the maturity of the derivative commodity instruments, a loss on the financial instruments may occur or the derivative commodity instruments might be worthless as determined by the prevailing market value on their termination or maturity date, whichever comes first.

Interest Rate Risk. Changes in market interest rates affect the amount of interest we earn on cash, cash equivalents and short-term investments and the interest rate we pay on borrowings under our credit facility. None of the interest we pay on our senior notes fluctuate based on changes to market interest rates. A 1% increase in interest rates on the borrowings under our credit facility during the three months ended March 31, 2021 would have increased interest expense by approximately \$5 million.

Interest rates on our senior notes fluctuate based on changes to the credit ratings assigned to our senior notes by Moody's, S&P and Fitch. For a discussion of credit rating downgrade risk, see Item 1A., "Risk Factors – Our exploration and production operations have substantial capital requirements, and we may not be able to obtain needed capital or financing on satisfactory terms" in our Annual Report on [Form 10-K](#) for the year ended December 31, 2020. Changes in interest rates affect the fair value of our fixed rate debt. See Note 6 to the Condensed Consolidated Financial Statements for further discussion of our debt and Note 4 to the Condensed Consolidated Financial Statements for a discussion of fair value measurements, including the fair value of our debt.

Other Market Risks. We are exposed to credit loss in the event of nonperformance by counterparties to our derivative contracts. This credit exposure is limited to derivative contracts with a positive fair value, which may change as market prices change. Our OTC derivative instruments are primarily with financial institutions and, thus, are subject to events that would impact those companies individually as well as the financial industry as a whole. We use various processes and analyses to monitor and evaluate our credit risk exposures, including monitoring current market conditions and counterparty credit fundamentals. Credit exposure is controlled through credit approvals and limits based on counterparty credit fundamentals. To manage the level of credit risk, we enter into transactions primarily with financial counterparties that are of investment grade, enter into netting agreements whenever possible and may obtain collateral or other security.

Approximately 41%, or \$367 million, of our OTC derivative contracts outstanding at March 31, 2021 had a positive fair value. Approximately 47%, or \$456 million, of our OTC derivative contracts outstanding at December 31, 2020 had a positive fair value.

As of March 31, 2021, we were not in default under any derivative contracts and had no knowledge of default by any counterparty to our derivative contracts. During the three months ended March 31, 2021, we made no adjustments to the fair value of our derivative contracts due to credit related concerns outside of the normal non-performance risk adjustment included in our established fair value procedure. We monitor market conditions that may impact the fair value of our derivative contracts.

We are exposed to the risk of nonperformance by credit customers on physical sales of natural gas, NGLs and oil. Revenues and related accounts receivable from our operations are generated primarily from the sale of produced natural gas, NGLs and oil to marketers, utilities and industrial customers located in the Appalachian Basin and in markets that are accessible through our transportation portfolio, which includes markets in the Gulf Coast, Midwest and Northeast United States and Canada. We also contract with certain processors to market a portion of NGLs on our behalf.

No one lender of the large group of financial institutions in the syndicate for our credit facility holds more than 10% of the financial commitments under such facility. The large syndicate group and relatively low percentage of participation by each lender are expected to limit our exposure to disruption or consolidation in the banking industry.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

Under the supervision and with the participation of management, including our Principal Executive Officer and Principal Financial Officer, an evaluation of our disclosure controls and procedures (as defined in Rule 13a-15(e) under the Securities Exchange Act of 1934, as amended (Exchange Act)), was conducted as of the end of the period covered by this report. Based on that evaluation, the Principal Executive Officer and Principal Financial Officer concluded that our disclosure controls and procedures were effective as of the end of the period covered by this report.

Changes in Internal Control over Financial Reporting

During the first quarter of 2021, we completed the implementation of an enterprise resource planning (ERP) system, and revised and updated the related controls. As a result of the implementation, there were certain changes to processes and procedures, which resulted in changes to our internal control over financial reporting. The ERP implementation is expected to strengthen our financial controls by automating certain manual processes and standardizing business processes and reporting across the organization. We will continue to evaluate and monitor the internal controls over financial reporting and will continue to evaluate the operating effectiveness of related key controls.

There were no other changes in internal control over financial reporting (as such term is defined in Rule 13a-15(f) under the Exchange Act) that occurred during the first quarter of 2021 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

In the ordinary course of business, various legal and regulatory claims and proceedings are pending or threatened against us. While the amounts claimed may be substantial, we are unable to predict with certainty the ultimate outcome of such claims and proceedings. We accrue legal and other direct costs related to loss contingencies when actually incurred. We have established reserves in amounts that we believe to be appropriate for pending matters and, after consultation with counsel and giving appropriate consideration to available insurance, we believe that the ultimate outcome of any matter currently pending against us will not materially affect our financial condition, results of operations or liquidity.

West Virginia Air Quality Permit Violations, Wetzel County, West Virginia. In mid-March 2021, we discovered that a small subset of nine of our well pads located in Wetzel County, West Virginia (collectively known as the Stone pads) were out of compliance with the air quality permits and/or permit determinations originally obtained for the well pads. The Stone pads were permitted to utilize a pipeline to transport condensate generated from the associated wells on the pads. Beginning in late 2019, we began storing condensate generated from the associated wells in production tanks located on the Stone pads and trucking the condensate off site, as opposed to utilizing a pipeline for transportation. This change in procedure resulted in higher emissions being generated on site. In March 2021, we self-disclosed this information to the West Virginia Department of Environmental Protection (WVDEP) and took corrective actions to ensure that the Stone pads are in compliance with their requisite permits. On April 21, 2021, the WVDEP requested additional information from us related to this matter, and we responded to their requests on April 30, 2021. While we believe that there is a reasonable possibility that the penalties related to this matter may exceed \$300,000, we expect that the resolution of this matter will not have a material impact on our financial condition, results of operations or liquidity.

See also “Commitments and Contingencies” under Part I, Item 2. “Management’s Discussion and Analysis of Financial Condition and Results of Operations.”

Item 1A. Risk Factors

There have been no material changes from the risk factors previously disclosed in Item 1A, “Risk Factors” of our Annual Report on [Form 10-K](#) for the year ended December 31, 2020.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

We did not repurchase any equity securities registered under Section 12 of the Securities Exchange Act of 1934, as amended, during the three months ended March 31, 2021.

Item 6. Exhibits

Exhibit No.	Description	Method of Filing
3.01(a)	Restated Articles of Incorporation of EQT Corporation (as amended through November 13, 2017).	Incorporated herein by reference to Exhibit 3.1 to Form 8-K (#001-3551) filed on November 14, 2017.
3.01(b)	Articles of Amendment to the Restated Articles of Incorporation of EQT Corporation (effective May 1, 2020).	Incorporated herein by reference to Exhibit 3.1 to Form 8-K (#001-3551) filed on May 4, 2020.
3.01(c)	Articles of Amendment to the Restated Articles of Incorporation of EQT Corporation (effective July 23, 2020).	Incorporated herein by reference to Exhibit 3.1 to Form 8-K (#001-3551) filed on July 23, 2020.
3.02	Amended and Restated Bylaws of EQT Corporation (as amended through May 1, 2020).	Incorporated herein by reference to Exhibit 3.4 to Form 8-K (#001-3551) filed on May 4, 2020.
*10.01(a)	Letter Agreement (Wherry), dated February 2, 2021, among EQT Corporation, EQT Production Company, Rice Drilling B LLC, EQT Energy, LLC and EQM Gathering OpCo, LLC, amending that certain Gas Gathering and Compression Agreement, dated February 26, 2020, as amended.	Filed herewith as Exhibit 10.01(a).
*10.01(b)	Letter Agreement (Ealy), dated February 3, 2021, among EQT Corporation, EQT Production Company, Rice Drilling B LLC, EQT Energy, LLC and EQM Gathering OpCo, LLC, amending that certain Gas Gathering and Compression Agreement, dated February 26, 2020, as amended.	Filed herewith as Exhibit 10.01(b).
*10.01(c)	Letter Agreement (Oxford 43), dated February 9, 2021, among EQT Corporation, EQT Production Company, Rice Drilling B LLC, EQT Energy, LLC and EQM Gathering OpCo, LLC, and acknowledged and agreed to by Rice Drilling D LLC and EQM Olympus Midstream, LLC, amending that certain Gas Gathering and Compression Agreement, dated February 26, 2020, as amended.	Filed herewith as Exhibit 10.01(c).
*10.01(d)	Letter Agreement (JT Farms), dated February 23, 2021, among EQT Corporation, EQT Production Company, Rice Drilling B LLC, EQT Energy, LLC and EQM Gathering OpCo, LLC, amending that certain Gas Gathering and Compression Agreement, dated February 26, 2020, as amended.	Filed herewith as Exhibit 10.01(d).
10.02	Extension Agreement and First Amendment to Second Amended and Restated Credit Agreement, dated as of April 23, 2021, among EQT Corporation, PNC Bank, National Association, as administrative agent, and each lender party thereto.	Incorporated herein by reference to Exhibit 10.1 to Form 8-K (#001-3551) filed on April 26, 2021.
31.01	Rule 13(a)-14(a) Certification of Principal Executive Officer.	Filed herewith as Exhibit 31.01.
31.02	Rule 13(a)-14(a) Certification of Principal Financial Officer.	Filed herewith as Exhibit 31.02.
32	Section 1350 Certification of Principal Executive Officer and Principal Financial Officer.	Furnished herewith as Exhibit 32.
101	Interactive Data File.	Filed herewith as Exhibit 101.
104	Cover Page Interactive Data File.	Formatted as Inline XBRL and contained in Exhibit 101.

**Certain terms in this exhibit have been redacted pursuant to Item 601(b)(10)(iv) of Regulation S-K. A copy of the unredacted exhibit will be furnished to the SEC upon request. Omissions are designated with brackets containing asterisks.*

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

EQT CORPORATION

(Registrant)

By:

/s/ David M. Khani

David M. Khani

Chief Financial Officer

Date: May 6, 2021

SPECIFIC TERMS IN THIS EXHIBIT HAVE BEEN REDACTED BECAUSE SUCH TERMS ARE BOTH NOT MATERIAL AND WOULD LIKELY CAUSE COMPETITIVE HARM TO EQT CORPORATION IF PUBLICLY DISCLOSED. THESE REDACTED TERMS HAVE BEEN MARKED IN THIS EXHIBIT AT THE APPROPRIATE PLACE WITH THREE ASTERISKS [*].**

February 2, 2021

Rice Drilling B LLC
625 Liberty Avenue, Suite 1700
Pittsburgh, Pa 15222-3111
Attn: Ray Franks

RE: Wherry Pad Buyback Gas

Dear Mr. Franks:

Reference is made to that certain Gas Gathering and Compression Agreement dated as of February 26, 2020 by and among EQT Corporation, EQT Production Company, Rice Drilling B LLC, and EQT Energy, LLC (collectively, “**Producer**”), and EQM Gathering Opco, LLC (“**Gatherer**”), as the same was amended by that certain First Amendment to Gas Gathering and Compression Agreement dated August 26, 2020, between Producer and Gatherer (as amended, the “**Gathering Agreement**”). All capitalized terms used but not otherwise defined in this letter agreement (“**Letter Agreement**”) shall have the meanings (if any) ascribed to them in the Gathering Agreement.

WHEREAS, Producer has requested that Gatherer construct and install certain gathering facilities in order to commence delivering Dedicated Gas (“**Wherry Buyback Gas**”) to the Delivery Point depicted on Exhibit A attached hereto (the “**Wherry Redelivery Point**”) on or before [***] (“**Requested Service Date**”) for the purpose of supporting Producer’s fracturing operations at the Producer’s Well Pad known as the Wherry Well Pad (“**Wherry Well Pad**”); and

WHEREAS, Gatherer is willing to commence delivering Wherry Buyback Gas received into the Gathering System to the Wherry Redelivery Point on or before the Requested Service Date, provided that Producer reimburse Gatherer for the costs and expenses incurred by Gatherer in connection therewith, subject to the terms and conditions hereof.

NOW, THEREFORE, Gatherer and Producer (collectively, “**Parties**” and each a “**Party**”), by execution of this Letter Agreement and in consideration of the mutual covenants contained herein, do hereby agree as follows:

1. ***Work.***

(a) Subject to the terms and conditions of this Letter Agreement, Gatherer agrees to design, construct and install the equipment and facilities, including gathering pipeline and appurtenant equipment, necessary to deliver Wherry Buyback Gas to the Wherry Redelivery Point (the “***Work***”).

(b) Gatherer shall use commercially reasonable efforts to commence the Work in the field on or before [***] and, provided that Gatherer is able to commence the Work in the field on or before [***], Gatherer agrees to complete the Work on or before the Requested Service Date, except to the extent the completion of the Work is delayed by an event of Force Majeure or the actions or inactions of Producer. Upon completion of the Work, the Wherry Delivery Point shall represent a Redelivery Point for purposes of receiving Buyback Gas and shall be part of the Gathering System under and subject to the Gathering Agreement, including Section 3.10 thereof.

(c) Notwithstanding anything herein to the contrary, this Letter Agreement shall not amend or otherwise modify the obligations of the Parties with respect to the connection of any future Redelivery Points to the Gathering System under Section 3.10 of the Gathering Agreement and the other terms and conditions thereof.

2. ***Producer Obligations.*** Producer agrees to cooperate in good faith with Gatherer in seeking to obtain such permits and authorizations from the appropriate Governmental Authorities and the necessary consents, rights of way and other authorizations from other Persons necessary for Gatherer to commence and complete the Work. Producer is responsible for providing frac measurement data to Gatherer.

3. ***Reimbursement; Estimated Costs.***

(a) Producer shall reimburse Gatherer for all Costs incurred or committed to by Gatherer and/or its Affiliates, subject to the terms hereof. “***Costs***” means all internal and external costs and expenses of any kind incurred or committed to by Gatherer and/or its Affiliates in connection with the Work, before, on or after the date hereof, including, the costs and expenses of acquiring real property rights and/or repairing of any real or personal property in the performance of those activities, and overhead, allowance for funds used during construction [AFUDC] and other costs associated with or allocated to those activities in accordance with Gatherer’s customary allocation procedures. Gatherer agrees that the Costs will generally reflect the market value for the external services and/or materials provided in support of the Work. Gatherer and/or its Affiliates shall choose one or more contractors to perform the Work, subject to an open bidding process and subject to the review and consideration by Gatherer and/or its Affiliates of any such contractor’s qualifications.

(b) Concurrently with the execution of this Letter Agreement, Producer agrees to pay to Gatherer [***] Dollars (\$[***]), in immediately available funds, in accordance with the invoice and statement attached hereto as Exhibit B, which amount represents the estimated Costs of performing the Work (“***Estimated Costs***”). As soon as practical after the completion of the Work, Gatherer shall deliver to Producer a statement showing in reasonable detail the actual

Costs incurred in connection with the Work. If actual Costs exceed the Estimated Costs (a “**Cost Overage**”), then Gatherer will include with the statement an invoice for the Cost Overage and Producer shall pay or cause to be paid the full amount of such Cost Overage within [***] days of the date of the invoice. If actual Costs are less than Estimated Costs (a “**Cost Shortfall**”), then Gatherer shall pay or cause to be paid the full amount of such Cost Shortfall within fifteen (15) days of the date of the statement

4. **Miscellaneous.** The terms and provisions of this Letter Agreement shall be binding on, and shall inure to the benefit of, the Parties and their respective successors and permitted assigns. This Letter Agreement may be executed in any number of counterparts, and each such counterpart hereof shall be deemed to be an original instrument, but all of such counterparts shall constitute for all purposes one agreement. Any signature hereto delivered by a Party by facsimile or other electronic transmission (including scanned documents delivered by email) shall be deemed an original signature hereto, and execution and delivery by such means shall be binding upon the Parties.

5. **Effect of Letter Agreement.** The Parties acknowledge and agree that this Letter Agreement constitutes a written instrument executed by the Parties and fulfills the requirements of an amendment contemplated by Section 18.7 of the Gathering Agreement. The Parties hereby ratify and confirm the Gathering Agreement, as amended hereby. Except as expressly provided herein, the provisions of the Gathering Agreement shall remain in full force and effect in accordance with their respective terms following the execution of this Letter Agreement. In the event of any conflict or inconsistencies between this Letter Agreement and the Gathering Agreement, the terms and conditions of this Letter Agreement shall prevail.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the Parties have executed this Letter Agreement as of the date first written above

GATHERER:

EQM GATHERING OPCO, LLC,
a Delaware limited liability company

By: /s/ John M. Quinn
Name: John M. Quinn
Title: Vice President,
Commercial Services & Rates

PRODUCER:

EQT CORPORATION,
a Pennsylvania corporation

By: /s/ J.E.B. Bolen
Name: J.E.B. Bolen
Title: VP Operations Planning

EQT PRODUCTION COMPANY,
a Pennsylvania corporation

By: /s/ J.E.B. Bolen
Name: J.E.B. Bolen
Title: VP Operations Planning

RICE DRILLING B LLC,
a Delaware limited liability company

By: /s/ J.E.B. Bolen
Name: J.E.B. Bolen
Title: VP Operations Planning

EQT ENERGY, LLC,
a Delaware limited liability company

By: /s/ Keith Shoemaker
Name: Keith Shoemaker
Title: SVP Commercial

EXHIBIT A

Wherry Redelivery Point – Map

[**]

EXHIBIT B

Invoice/Statement - Estimated Costs

[**]

SPECIFIC TERMS IN THIS EXHIBIT HAVE BEEN REDACTED BECAUSE SUCH TERMS ARE BOTH NOT MATERIAL AND WOULD LIKELY CAUSE COMPETITIVE HARM TO EQT CORPORATION IF PUBLICLY DISCLOSED. THESE REDACTED TERMS HAVE BEEN MARKED IN THIS EXHIBIT AT THE APPROPRIATE PLACE WITH THREE ASTERISKS [*].**

February 3, 2021

Rice Drilling B LLC
625 Liberty Avenue, Suite 1700
Pittsburgh, Pa 15222-3111
Attn: Ray Franks

RE: Temporary Waiver and Release of Dedication

Dear Mr. Franks:

Reference is made to that certain Gas Gathering and Compression Agreement dated as of February 26, 2020 by and among EQT Corporation, EQT Production Company, Rice Drilling B LLC, and EQT Energy, LLC (collectively, “**Producer**”), and EQM Gathering Opco, LLC (“**Gatherer**” and together with the Producer, the “**Parties**”), as the same was amended by that certain First Amendment to Gas Gathering and Compression Agreement dated August 26, 2020, between Producer and Gatherer (as amended, the “**Gathering Agreement**”). All capitalized terms used but not otherwise defined in this letter shall have the meanings (if any) ascribed to them in the Gathering Agreement.

WHEREAS, the MDQ for the Pisces System AMI is [***] Mcfd (“**Pisces MDQ**”) and the MRDO for the Pisces System AMI is [***] Mcfd (“**Pisces MRDO**”);

WHEREAS, Gatherer understands that Producer turned in line Wells located within the Pisces System AMI on Producer’s Well Pad known as the Ealy North Pad (“**Ealy North Pad**”) on [***];

WHEREAS, Producer has requested that Gatherer temporarily release from the Dedication the Dedicated Gas produced from the Ealy North Pad (“**Ealy North Gas**”) after the turn in line date, to the extent and only to the extent that the Ealy North Gas, when combined with all other quantities of Dedicated Gas produced from the Pisces AMI, exceeds the Pisces MRDO, but not in excess of the Pisces MDQ (the “**Covered Quantities**”); and

WHEREAS, Gatherer is willing to temporarily waive its rights to the Covered Quantities under the Gathering Agreement and grant a temporary release of the Covered Quantities from the Dedication, subject to the terms and conditions set forth herein.

NOW, THEREFORE, the Parties, in consideration of the mutual covenants contained herein, do hereby agree to the following:

1. ***Waiver and Release.***

(a) Subject to the terms and conditions set forth herein, including Sections 1(b), 1(c), 1(d) and 2 hereof, Gatherer hereby temporarily releases the Covered Quantities from the Dedication and waives its rights and forbears any requirement under the Gathering Agreement that the Producer deliver the Covered Quantities to Gatherer for acceptance by Gatherer into the Gathering System.

(b) Producer grants to Gatherer the right to install, operate and maintain data handoff equipment and/or other Measurement Facilities on the Ealy North Pad for the purpose of verifying the volume or flow rate of Ealy North Gas flowing through each of the [***] wells on the Ealy North Pad.

(c) Gatherer shall have the right to terminate and rescind this waiver and release in its sole discretion immediately upon the delivery of written notice thereof to Producer, including without limitation, in the event that Producer does not deliver all Ealy North Gas except for Covered Quantities to Gatherer for acceptance by Gatherer into the Gathering System or otherwise does not comply with the terms and conditions set forth herein. For avoidance of doubt, (i) Producer shall deliver Ealy North Gas to Gatherer for acceptance into the Gathering System until such Ealy North Gas, when combined with all other quantities of Dedicated Gas produced from the Pisces AMI, reaches the Pisces MRDO, and (ii) at no time shall the Covered Quantities exceed [***] Mcfd.

(d) Notwithstanding anything herein to the contrary, the Producer shall not be entitled to a reduction in the Minimum Volume Commitment resulting from the foregoing temporary waiver and release or otherwise attributable to the Covered Quantities.

2. ***Condition Precedent.*** Notwithstanding anything herein to the contrary, this waiver and release shall not become effective until the same is executed and delivered by Producer; provided, however, upon execution and delivery by Producer, this temporary release and waiver shall be deemed effective as of February 2, 2021.

3. ***Effect.*** Gatherer intends that this letter represent a written waiver contemplated by Section 18.7 of the Gathering Agreement to the extent and only to the extent of the Covered Quantities and subject to all limitations and conditions set forth herein; provided, however, that except as expressly provided herein, Gatherer hereby reserves all of its rights and remedies under the Gathering Agreement and under applicable law and nothing herein will constitute a waiver, release, modification or alteration of the terms, conditions or covenants of the Gathering Agreement, the provisions of which are intended to remain in full force and effect in accordance with their respective terms.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

If you are in agreement with the foregoing, please execute the enclosed copy hereof and return it to the undersigned. If you have any questions, please do not hesitate to contact me.

Sincerely,

/s/ Paul Kress

EQM Gathering Opco, LLC

PRODUCER HAS CAUSED THEIR DULY AUTHORIZED REPRESENTATIVE TO ACKNOWLEDGE AND AGREE TO THE TERMS AND CONDITIONS OF THIS WAIVER AS OF THIS ____ DAY OF FEBRUARY, 2021.

EQT CORPORATION

By: /s/ David Khani

Name: David Khani

Its: CFO

EQT PRODUCTION COMPANY

By: /s/ J.E.B. Bolen

Name: J.E.B. Bolen

Its: VP Operations Planning

RICE DRILLING B LLC

By: /s/ J.E.B. Bolen

Name: J.E.B. Bolen

Its: VP Operations Planning

EQT ENERGY, LLC

By: /s/ Keith Shoemaker

Name: Keith Shoemaker

Its: SVP Commercial

SPECIFIC TERMS IN THIS EXHIBIT HAVE BEEN REDACTED BECAUSE SUCH TERMS ARE BOTH NOT MATERIAL AND WOULD LIKELY CAUSE COMPETITIVE HARM TO EQT CORPORATION IF PUBLICLY DISCLOSED. THESE REDACTED TERMS HAVE BEEN MARKED IN THIS EXHIBIT AT THE APPROPRIATE PLACE WITH THREE ASTERISKS [*].**

February 9, 2021

Rice Drilling B LLC
625 Liberty Avenue, Suite 1700
Pittsburgh, Pa 15222-3111
Attn: Ray Franks

RE: Oxford 43 Pad Buyback Gas

Dear Mr. Franks:

Reference is made to that certain Gas Gathering and Compression Agreement dated as of February 26, 2020 by and among EQT Corporation, EQT Production Company, Rice Drilling B LLC, and EQT Energy, LLC (collectively, “**Producer**”), and EQM Gathering Opco, LLC (“**Gatherer**”), as the same was amended by that certain First Amendment to Gas Gathering and Compression Agreement dated August 26, 2020, between Producer and Gatherer (as amended, the “**Gathering Agreement**”). All capitalized terms used but not otherwise defined in this letter agreement (“**Letter Agreement**”) shall have the meanings (if any) ascribed to them in the Gathering Agreement.

WHEREAS, Gatherer has had Dedicated Gas (“**Oxford Buyback Gas**”) available for delivery to the Oxford Delivery Point depicted on Exhibit A attached hereto (the “**Oxford Redelivery Point**”) at pressures below [***] psig for the purpose of supporting Producer’s fracturing operations at the Producer’s Well Pad known as the Oxford 43 Well Pad (“**Oxford Well Pad**”);

WHEREAS, Producer has requested that Gatherer increase the pressure by which the Oxford Buyback Gas is delivered to the Redelivery Point to 200 psig (the “**Target Pressure**”) commencing on [***] (“**Requested Service Date**”) for the purpose of supporting Producer’s fracturing operations at the Oxford Well Pad, including specifically supporting Producer’s compression facilities at the Oxford Well Pad;

WHEREAS, Producer and Gatherer acknowledge that delivering the Oxford Buyback Gas to the Oxford Redelivery Point at the Target Pressure will result in the reduction of volumes of Dedicated Gas flowing into the Gathering System at other locations of approximately [***] Mcfd, resulting in the reduction of the Overrun Fees attributable to such volumes; and

WHEREAS, Gatherer is willing to deliver Oxford Buyback Gas to the Oxford Redelivery Point at the Target Pressure during the Term (as defined below), subject to Producer's agreement to increase or cause to be increased the volumes of Gas delivered to the Dominator, Smashosaurus and Dreamweaver receipt points ("**OH Receipt Points**") under and subject to that certain Second Amended and Restated Gas Gathering and Compression Agreement (as amended, the "**OH GGA**") dated as of March 31, 2017 between Rice Drilling D LLC ("**RDD**"), and EQM Olympus Midstream, LLC, formerly known as Rice Olympus Midstream LLC ("**EQM Olympus**").

NOW, THEREFORE, Gatherer and Producer (collectively, "**Parties**" and each a "**Party**"), by execution of this Letter Agreement and in consideration of the mutual covenants contained herein, do hereby agree as follows:

1. ***Oxford Buyback Gas; Target Pressure; Term.***

(a) Subject to the terms and conditions of this Letter Agreement, Gatherer agrees to deliver Oxford Buyback Gas to the Oxford Redelivery Point at the Target Pressure, subject to curtailment resulting from an event of Force Majeure or the actions or inactions of Producer, during the period ("**Term**") commencing on the Requested Service Date and continuing thereafter until such time as Producer has completed its fracturing operations at the Oxford Well Pad, it being anticipated that Producer will be conducting such fracturing operations for approximately [***] consecutive Days.

(b) Notwithstanding anything herein to the contrary, this Letter Agreement shall not amend or otherwise modify the obligations of the Parties with respect to the connection of any future Redelivery Points to the Gathering System under Section 3.10 of the Gathering Agreement and the other terms and conditions thereof.

(c) In no event shall the Gatherer be in breach of or otherwise liable under the Gathering Agreement if increasing the pressure by which the Oxford Buyback Gas is delivered to the Oxford Redelivery Point at the Target Pressure in accordance with the terms hereof causes an Overpressure Event or other failure by Gatherer to comply with the provisions of the Gathering Agreement.

2. ***Producer Responsibilities; OH GGA.***

(a) Producer agrees to increase or cause to be increased the volumes of Dedicated Gas (as defined in the OH GGA) delivered by or on behalf of RDD to EQM Olympus during the Term for receipt and acceptance into the Gathering System (as defined in the OH GGA) at the OH Receipt Points by an aggregate volume expected by Producer to be approximately 14,000 Mcfd from the current rate of approximately [***] Mcfd to an unconstrained rate of approximately [***] Mcfd, in accordance with the forecasted specifications and flow metrics set forth on Exhibit B hereto ("**Increased Volumes**"). Such Increased Volumes shall be accepted by EQM Olympus for services under and subject to the terms and conditions of the OH GGA.

(b) To ensure that Gatherer receives the economic benefit of the Increased Volumes, Producer agrees to continue flowing volumes of Gas and cause its Affiliates to continue flowing volumes of Gas during the Term at or above current flow rates and in all material respects in the same manner as presently flowing, and, consistent with the foregoing, will refrain from reductions thereto during the Term which are outside the ordinary course of business practices as of the date hereof.

3. **Miscellaneous.** The terms and provisions of this Letter Agreement shall be binding on, and shall inure to the benefit of, the Parties and their respective successors and permitted assigns. This Letter Agreement may be executed in any number of counterparts, and each such counterpart hereof shall be deemed to be an original instrument, but all of such counterparts shall constitute for all purposes one agreement. Any signature hereto delivered by a Party by facsimile or other electronic transmission (including scanned documents delivered by email) shall be deemed an original signature hereto, and execution and delivery by such means shall be binding upon the Parties.

4. **Effect of Letter Agreement.** The Parties to the Gathering Agreement acknowledge and agree that this Letter Agreement constitutes a written instrument executed by such Parties, and fulfills the requirements of an amendment contemplated by Section 18.7 of the Gathering Agreement. The Parties to the Gathering Agreement also hereby ratify and confirm the Gathering Agreement, as amended hereby. Except as expressly provided herein, the provisions of the Gathering Agreement and OH GGA shall remain in full force and effect in accordance with their respective terms following the execution of this Letter Agreement. In the event of any conflict or inconsistencies between this Letter Agreement, the Gathering Agreement, and the OH GGA, the terms and conditions of this Letter Agreement shall prevail.

[SIGNATURE PAGES FOLLOW]

IN WITNESS WHEREOF, the undersigned have executed this Letter Agreement as of the date first written above.

GATHERER:

EQM GATHERING OPCO, LLC,
a Delaware limited liability company

By: /s/ John Mackin

Name: John Mackin

Title: Vice President, Operations

ACKNOWLEDGED AND AGREED TO BY:

EQM OLYMPUS MIDSTREAM, LLC,
a Delaware limited liability company

By: /s/ John Mackin

Name: John Mackin

Title: Vice President, Operations

IN WITNESS WHEREOF, the undersigned have executed this Letter Agreement as of the date first written above.

PRODUCER:

EQT CORPORATION,
a Pennsylvania corporation

By: /s/ David Khani
Name: David Khani
Title: CFO

EQT PRODUCTION COMPANY,
a Pennsylvania corporation

By: /s/ J.E.B. Bolen
Name: J.E.B. Bolen
Title: VP Operations Planning

RICE DRILLING B LLC,
a Delaware limited liability company

By: /s/ J.E.B. Bolen
Name: J.E.B. Bolen
Title: VP Operations Planning

EQT ENERGY, LLC,
a Delaware limited liability company

By: /s/ Keith Shoemaker
Name: Keith Shoemaker
Title: SVP Commercial

ACKNOWLEDGED AND AGREED TO BY:

RICE DRILLING D LLC,
a Delaware limited liability company

By: /s/ J.E.B. Bolen
Name: J.E.B. Bolen
Title: VP Operations Planning

EXHIBIT A

Oxford Redelivery Point – Map

[**]

Exhibit B

OH Receipt Points – Flow Metrics (Mcf/d)

[***]

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February 23, 2021

Rice Drilling B LLC
625 Liberty Avenue, Suite 1700
Pittsburgh, Pa 15222-3111
Attn: Ray Franks

RE: JT Farms Well Pad

Dear Mr. Franks:

Reference is made to that certain Gas Gathering and Compression Agreement dated as of February 26, 2020 by and among EQT Corporation, EQT Production Company, Rice Drilling B LLC, and EQT Energy, LLC (collectively, “**Producer**”), and EQM Gathering Opco, LLC (“**Gatherer**”), as the same was amended by that certain First Amendment to Gas Gathering and Compression Agreement dated August 26, 2020, between Producer and Gatherer (as amended, the “**Gathering Agreement**”). All capitalized terms used but not otherwise defined in this letter agreement (“**Letter Agreement**”) shall have the meanings (if any) ascribed to them in the Gathering Agreement.

WHEREAS, Producer currently delivers Dedicated Gas produced from Producer’s Well Pad known as the JT Farms Well Pad (“**JT Farms Well Pad**”) through a pipeline of approximately [***] feet in length as depicted on Exhibit A attached hereto (the “**JT Farms Well Line**”) to the applicable Receipt Point (“**JT Farms Receipt Point**”) at a point of interconnection located off-pad (“**Off-Pad Location**”);

WHEREAS, by letter dated October 27, 2020, Gatherer notified Producer that the Dedicated Gas being delivered to the JT Farms Receipt Point contains wellhead condensate in violation of Section 10.2 of the Gathering Agreement;

WHEREAS, to correct the non-conformity caused by such wellhead condensate, (a) Producer has requested that Gatherer decommission and remove the Receipt Point facilities at the Off-Pad Location (“**Off-Pad Facilities**”), and (b) notwithstanding the obligations of the Parties under the Gathering Agreement, the Parties have agreed that Producer will construct and install the new Receipt Point facilities, at Producer’s cost and expense, including interconnect facilities and Measurement Facilities which replicate the Off-Pad Facilities in all material respects, including without limitation, the design and operational capacity thereof (“**On-Pad Facilities**”),

on the JT Farms Well Pad at the location depicted on Exhibit A attached hereto (“**Pad Location**”); and

WHEREAS, Gatherer is willing to decommission and remove the Off-Pad Facilities and Producer is willing to construct and install the On Pad Facilities at the Pad Location, subject, in each case, to the terms and conditions hereof.

NOW, THEREFORE, Gatherer and Producer (collectively, “**Parties**” and each a “**Party**”), by execution of this Letter Agreement and in consideration of the mutual covenants contained herein, do hereby agree as follows:

1. ***Decommission Work; Reimbursement.***

(a) Subject to the terms and conditions of this Letter Agreement, Gatherer agrees to: decommission and remove the Off-Pad Facilities, including without limitation orifice measurement equipment (“**Decommission Work**”). Gatherer agrees to use commercially reasonable efforts to complete the Decommission Work on or before the later of [***] or the date that is [***] weeks after the date of this Letter Agreement. The performance standard set forth in Section 3.1 of the Gathering Agreement shall apply to Gatherer’s performance of the Decommission Work, *mutatis mutandis*.

(b) Producer shall reimburse Gatherer for all Costs incurred or committed to by Gatherer and/or its Affiliates, subject to the terms hereof. “**Costs**” means all documented internal and external costs and expenses, incurred or committed to by Gatherer and/or its Affiliates in accordance with its or their customary procedures and in connection with the Decommission Work, before, on or after the date hereof, including, the costs and expenses of acquiring real property rights and/or repairing of any real or personal property in the performance of those activities, and overhead, allowance for funds used during construction [AFUDC] and other costs associated with or allocated to those activities in accordance with Gatherer’s customary allocation procedures. Gatherer agrees that the Costs will generally reflect the market value for the external services and/or materials provided in support of the Decommission Work. Gatherer and/or its Affiliates shall choose one or more contractors to perform the Decommission Work, subject to an open bidding process and subject to the review and consideration by Gatherer and/or its Affiliates of any such contractor’s qualifications.

(c) Concurrently with the execution of this Letter Agreement, Producer agrees to pay to Gatherer [***] Dollars (\$[***]), in immediately available funds, in accordance with the invoice attached hereto as Exhibit B, which amount represents the estimated Costs of performing the Decommission Work (“**Estimated Costs**”). As soon as practical after the completion of the Decommission Work, Gatherer shall deliver to Producer a statement showing in reasonable detail the actual Costs incurred in connection with the Decommission Work. If actual Costs exceed the Estimated Costs (a “**Cost Overage**”), then Gatherer will include with the statement an invoice for the Cost Overage and Producer shall pay or cause to be paid the full amount of such Cost Overage within [***] days of the date of the invoice. If actual Costs are less than Estimated Costs (a “**Cost Shortfall**”), then Gatherer shall pay or cause to be paid the full amount of such Cost Shortfall within [***] days of the date of the statement.

2. ***Installation Work.***

(a) Subject to the terms and conditions of this Letter Agreement, Producer shall construct and install the On-Pad Facilities at the Pad Location at its sole cost and expense. The On-Pad Facilities shall include ultrasonic measurement equipment, and Producer shall construct and install the On-Pad Facilities in accordance with the construction and design specifications provided by Gatherer (“***Installation Work***”), *provided*, that in any event Producer the performance standard set forth in Section 3.1 of the Gathering Agreement shall apply to Producer’s performance of the Installation Work, *mutatis mutandis*. Producer agrees that the Pad Location shall provide reasonably sufficient space for the On-Pad Facilities, be level, stabilized and in a condition that will allow reasonably free access and movement to and from the Pad Location and otherwise in compliance with the specifications set forth on Exhibit A.

(b) Producer agrees to use commercially reasonable efforts to complete the Installation Work on or before the later of [***] or the date that is [***] weeks after the date of this Letter Agreement; *provided, however*, Gatherer shall have the right promptly thereafter to inspect the Installation Work and approve the On-Pad Facilities and the Pad Location prior to placing the On-Pad Facilities into service.

(c) Producer shall own, maintain, repair and replace the On-Pad Facilities, the JT Farms Well Line and all other facilities which are downstream of the On-Pad Facilities and upstream of the interconnection at the Off-Pad Location (collectively, the “***Downstream Facilities***”) at its sole cost and expense, it being understood that, notwithstanding anything in the Gathering Agreement to the contrary, the Downstream Facilities and the On-Pad Facilities shall be deemed to be Producer facilities subject to Sections 3.3(g) and 8.4 of the Gathering Agreement and all Measurement Facilities at the On-Pad Location shall be Producer Measurement Facilities (and Exhibit M to the Gathering Agreement shall be deemed amended hereby to include the JT Farms Well Pad). Notwithstanding the foregoing, Gatherer shall be entitled to operational control over the Downstream Facilities and On-Pad Interconnect Facilities to the extent necessary to comply with its obligations under the Gathering Agreement, including any responsibilities for Customer (Producer) Owned Measurement Facilities as set forth on Exhibit N to the Gathering Agreement.

(d) Producer hereby agrees to grant and convey to Gatherer an easement and right of way including, without limitation, the right of ingress and egress to and from the JT Farms Well Pad, the On-Pad Location and the Downstream Facilities, along the route depicted on Exhibit A, for the purpose of performing its obligations under the Gathering Agreement, subject to the terms and conditions hereof; *provided, however*, that the terms of Sections 3.11(b) and 3.11(c) of the Gathering Agreement shall apply to such grant and conveyance, *mutatis mutandis*.

(e) The Parties agree to cooperate in good faith with each other Party in seeking necessary environmental permits and authorizations from the applicable Governmental Authorities permitting the JT Farms Well Pad and On-Pad Facilities and setting forth the limit of disturbance and other specifications and limitations, as needed for the completion of the Installation Work, Future Work and Decommission Work, as applicable. To that end, Producer

agrees that prior to submitting all applications or other permitting materials to the applicable Governmental Authorities, it will provide such application, plans, maps, specifications and other related information to Gatherer that Gatherer reasonably requests for Gatherer's review, and the Parties shall coordinate the pad design and specifications, including the limit of disturbance and other specifications for the On-Pad Facilities at the Pad Location, consistent with the terms and conditions hereof and Sections 3.12 and 3.13 of the Gathering Agreement.

(f) In the event that Producer should drill additional Wells on the JT Farms Well Pad in the future, Producer shall be responsible for the construction and/or installation, at its sole cost and expense, of all additional Receipt Point facilities and ancillary facilities which are necessary to accommodate production therefrom, including, without limitation, any well lines and Measurement Facilities, whether located on the JT Farms Well Pad or at an off-pad location ("***Future Work***").

(g) Except to the extent expressly set forth herein, this Letter Agreement shall not amend or otherwise modify the obligations of the Parties with respect to the connection of any future Wells on the JT Farms Well Pad or otherwise to the Gathering System under Section 3.3 of the Gathering Agreement and the other terms and conditions thereof.

3. ***Miscellaneous.*** The terms and provisions of this Letter Agreement shall be binding on, and shall inure to the benefit of, the Parties and their respective successors and permitted assigns. This Letter Agreement may be executed in any number of counterparts, and each such counterpart hereof shall be deemed to be an original instrument, but all of such counterparts shall constitute for all purposes one agreement. Any signature hereto delivered by a Party by facsimile or other electronic transmission (including scanned documents delivered by email) shall be deemed an original signature hereto, and execution and delivery by such means shall be binding upon the Parties.

4. ***Effect of Letter Agreement.*** The Parties acknowledge and agree that this Letter Agreement constitutes a written instrument executed by the Parties and fulfills the requirements of an amendment contemplated by Section 18.7 of the Gathering Agreement. The Parties hereby ratify and confirm the Gathering Agreement, as amended hereby. Except as expressly provided herein, the provisions of the Gathering Agreement shall remain in full force and effect in accordance with their respective terms following the execution of this Letter Agreement. In the event of any conflict or inconsistencies between this Letter Agreement and the Gathering Agreement, the terms and conditions of this Letter Agreement shall prevail.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the Parties have executed this Letter Agreement as of the date first written above

GATHERER:

EQM GATHERING OPCO, LLC,
a Delaware limited liability company

By: /s/ John Mackin
Name: John Mackin
Title: Vice President, Operations

PRODUCER:

EQT CORPORATION,
a Pennsylvania corporation

By: /s/ David Khani
Name: David Khani
Title: CFO

EQT PRODUCTION COMPANY,
a Pennsylvania corporation

By: /s/ J.E.B. Bolen
Name: J.E.B. Bolen
Title: VP Operations Planning

RICE DRILLING B LLC,
a Delaware limited liability company

By: /s/ J.E.B. Bolen
Name: J.E.B. Bolen
Title: VP Operations Planning

EQT ENERGY, LLC,
a Delaware limited liability company

By: /s/ Keith Shoemaker
Name: Keith Shoemaker
Title: SVP, Commercial

EXHIBIT A

JT Farms Off Pad and On Pad Location

[***]

EXHIBIT B

Invoice - Estimated Costs

[***]

CERTIFICATION

I, Toby Z. Rice, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of EQT Corporation (the "registrant");
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditor and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 6, 2021

/s/ Toby Z. Rice

Toby Z. Rice
President and Chief Executive Officer

CERTIFICATION

I, David M. Khani, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of EQT Corporation (the "registrant");
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditor and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 6, 2021

/s/ David M. Khani

David M. Khani

Chief Financial Officer

CERTIFICATION

In connection with the Quarterly Report of EQT Corporation ("EQT") on Form 10-Q for the period ended March 31, 2021, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), each of the undersigned certify pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that, to their knowledge:

- (1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of EQT.

/s/ Toby Z. Rice _____ May 6, 2021
Toby Z. Rice
President and Chief Executive Officer

/s/ David M. Khani _____ May 6, 2021
David M. Khani
Chief Financial Officer