EQT Corporation

Analyst Presentation

July 25, 2019

World-Class Asset Base

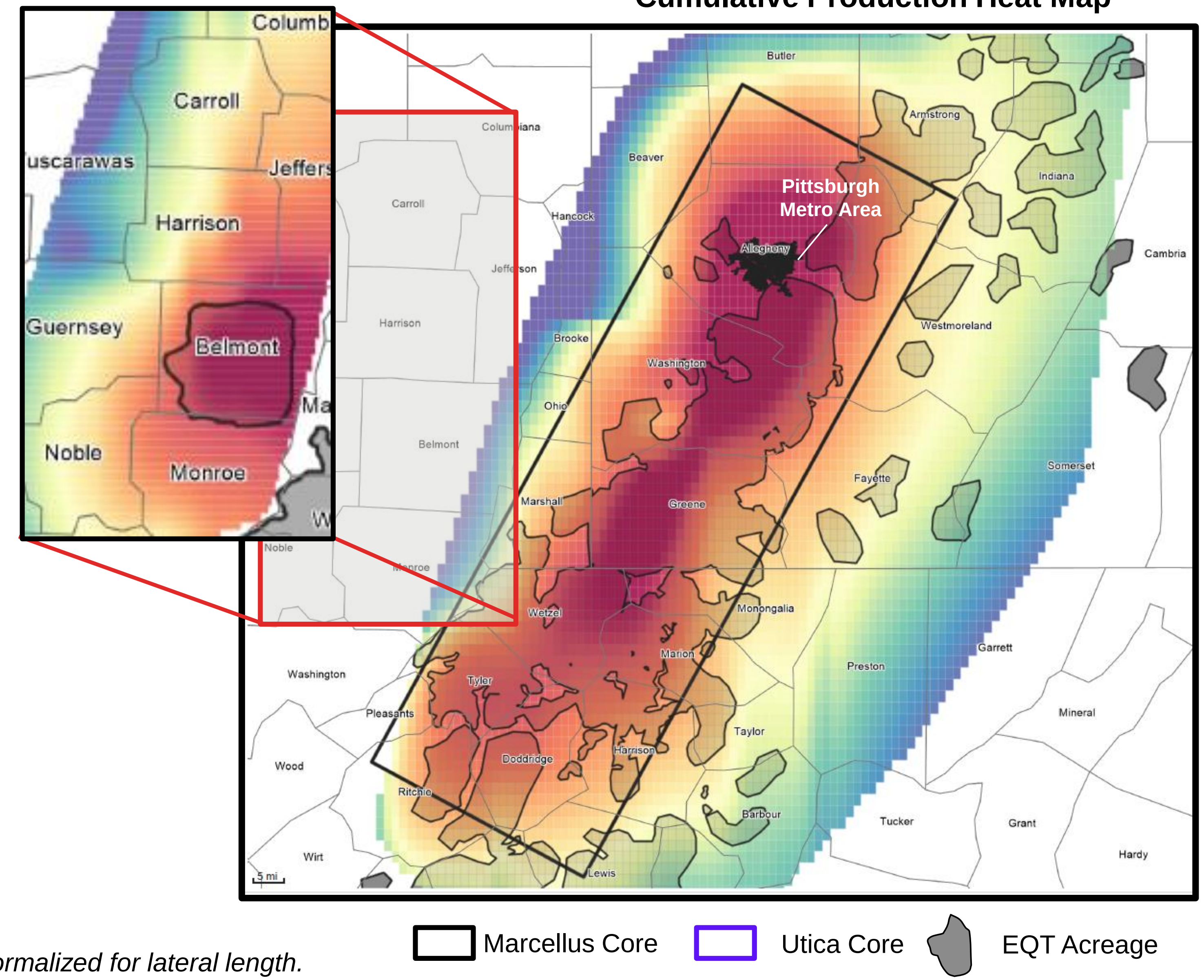
Large-scale position in the core of the Appalachian Basin

Market Cap[(1)]	$	4.0 B
Enterprise Value[(2)]	$	9.0 B
Ownership Interest in ETRN[(3)]	$	1.0 B
Core Net Marcellus Acres[(4)]		660,000
Core Marcellus Undeveloped Locations[(4,5)]		1,860
2018 Proved Developed Reserves		11.6 Tcfe
2018 Total Proved Reserves		21.8 Tcfe
2019E Production (Bcfe)		1,480 – 1,520
2019E Adjusted EBITDA[(6)]	$	2.0 – 2.1 B

EQT Acreage Overlays the SW Marcellus Core

Utica Cumulative Production Heat Map

SW Marcellus Cumulative Production Heat Map



[(1)]As of 06/28/2019
[(2)]Enterprise value is calculated using EQT market capitalization and net debt as of 06/30/2019
[(3)]Market value as of 06/28/2019 of approximately 19.9% of ETRN shares outstanding
[(4)]Acres and locations as of 06/28/2019
[(5)]Assumes 1,000' spacing and 12,000' lateral
[(6)]Non-GAAP financial measure, see appendix for definition
Heat map generated using IHS public data for all operators – depicts 24-month cumulative Mcfe normalized for lateral length. Data sets include >4,000 wells in the Marcellus and >1,000 wells in the Utica.

Reconstituted Board and Management Team to Lead EQT's Transformation

One team united and marching towards shareholder value creation

- July 10, 2019: EQT's 12-person Board of Directors was reconstituted with 8 new directors
- The Board unanimously appointed Toby Z. Rice as President and CEO
  - Mission: Transform EQT into a modern, digitally enabled energy producer focused on lowering well costs to maximize free cash flow per share
- Evolution Committee has been created to oversee the implementation of our 100-Day Plan
  - Mission: Reposition organization to execute large-scale Combo Development projects
  - Combo Development is the key to transforming EQT into the lowest cost producer in the Appalachian Basin
- All 8 "Evolution Leaders" have been hired to execute the Operational, Technological and Organizational Initiatives in our 100-Day Plan
- EQT has published revised 2019 Guidance but has suspended its 2020+ Outlook
  - EQT will announce new guidance in the coming months that reflects the potential of EQT's assets

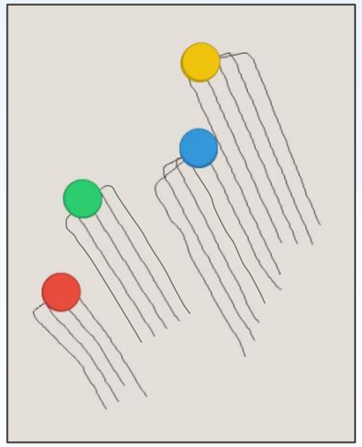
The End State: Combo Pad Development

Track Record of Execution at Rice Energy

- Combo Development consists of multiple wells drilled from multiple pads simultaneously
- This is the key to lowering EQT's well costs to $735/ft
- End State Goal: >80% of EQT's Development is Combo Development

EXAMPLE OF COMBO-DEVELOPMENT FROM RICE

Covered on Rice Energy Final Conference Call in 2Q17



RICE Combo-Development
Washington County, PA, 2017

- 19 Wells developed simultaneously from 4 adjacent pads. Avg lateral length: 9,200' at a cost of $770/ft
- Total 175,000 hz feet brought to sales for $135 million (the 11,000' laterals within this project were <$700/ft)
- Brought online at a restricted rate of 265 mmcfpd with cumulative EURs of 380 Bcf

EXPECTED OPERATIONAL BENEFITS

Drilling
- Row development allows for drilling teams to get in a groove

Logistics + Materials
- Utilize scale to efficiently procure massive amounts of material

Completions
- Multiple crews and shared services drive stages per day up

Production
- Easy coordination of flowback water to be reused in nearby frac

EXPECTED COST BENEFITS

Drilling
- 80% improvement in Wells Drilled Per Rig. Cost down by 30%

Logistics + Materials
- 20-40% savings on raw material and water costs

Completions
- 100% improvement in stages per day. Costs down by 30%.

Production
- Better well uptime due to concentrated focus

Proper Development Planning Leads to Success: 2019 Drilling Example

EQT's properly planned pads are within reach of our $735/ft Goal

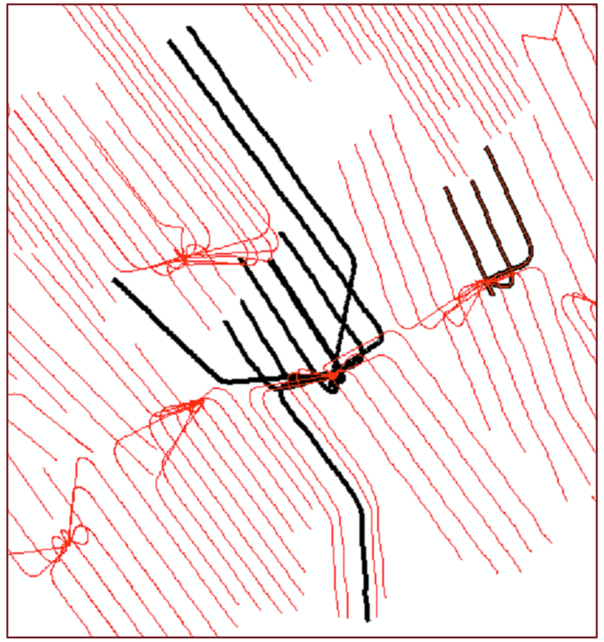
Poorly Planned Development

Drilled 1st half 2019

Next 12 Month Schedule

>50% of go-forward development

"Drill where you can to hit production guidance"

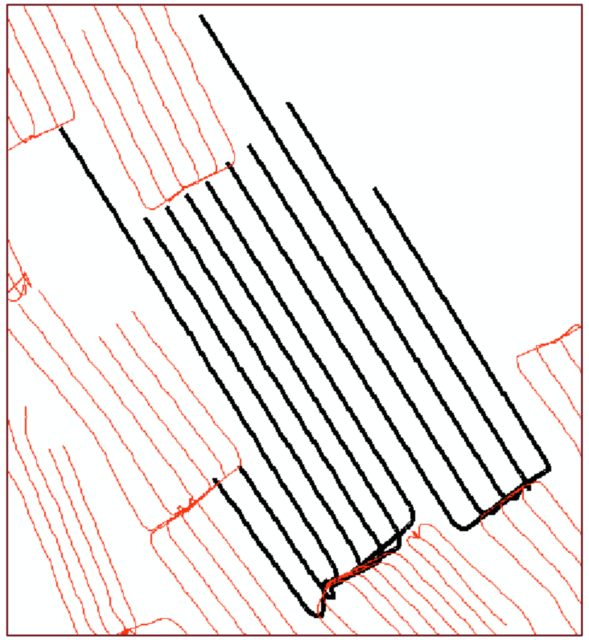


Producing Well

New Well

Properly Planned Development

Planned by Rice Energy in 2017: Currently Drilling



End State Goal

80% of schedule comprises this type of development

Only achievable with aligned workforce

>80% of EQT's remaining inventory can look like this

- **Drilling Efficiency: 1,000' drilled per day**
- **Drilling Cost: $325/ft**
- Offset Curtailments: -30 mmcfd for 90 days
- Offset Well Impact: Expect -10% to EUR(1)
- New Well Impact: Expect 10% below Type Curve

EQT Costs are 80% above "End State" goals. Impossible for teams to reach expectations

- **Drilling Efficiency: 1,500' drilled per day**
- **Drilling Cost: $200/ft**
- Minimal Curtailments
- Minimal Parent/Child Impacts
- Expect to Outperform Type Curve

EQT Costs today are within 5% of "End State" goals. With further engineering we will hit our numbers

Note: Drilling costs are field estimates

(1)"EUR" means "estimated ultimate recovery". See appendix for important disclosures regarding EUR.

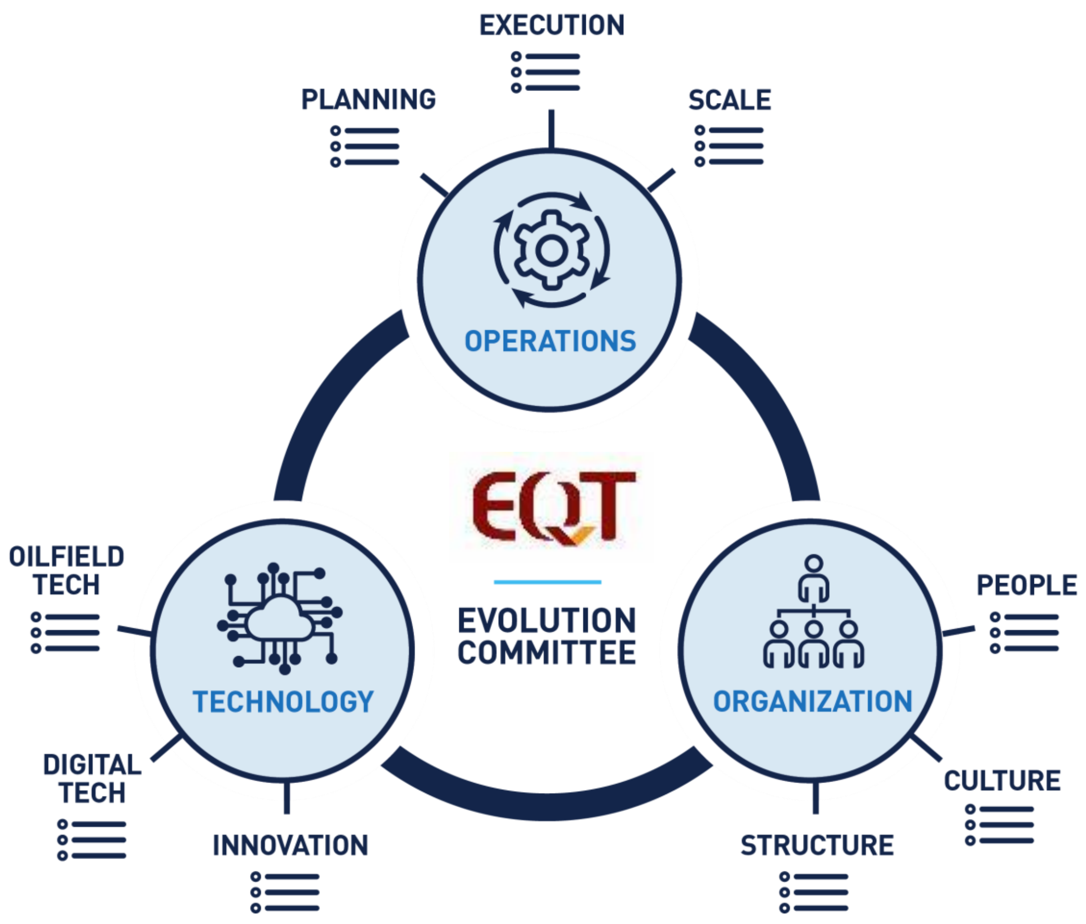
100-Day Plan Will Reposition EQT to Execute Combo Development

A sprint to combo development

100-Day Goals:

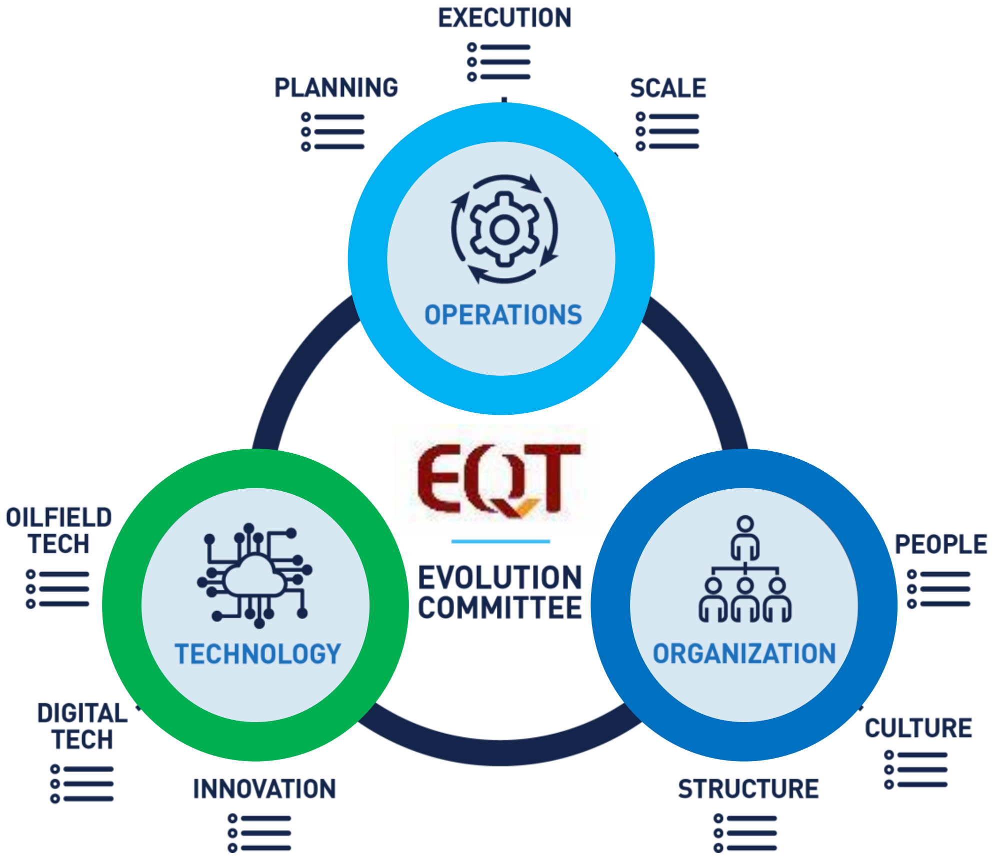
Build the foundation of our modern operating model, complete basic optimization and become “Combo Ready”

FOCUS AREA	INITIATIVE
ORGANIZATION	• Ensure we have the right **people** • Build **culture** to align with vision • **Structure** workforce to ensure accountability and collaboration
TECHNOLOGY	• **Digitally** connect workforce to streamline “Insight to Action” • Leverage **oilfield tech** to evolve field operations • Unleash **innovation** at scale
OPERATIONS	• Effective **planning** to execute large-scale development projects • **Execute** proven well designs on time, on budget • Leverage EQT’s **scale** to lower per unit costs



Evolution Leaders Will Execute the 100-Day Plan Initiatives

All 8 leaders have been hired and will be added to the organization by the end of July



OPERATIONS: Planning / Execution / Scale

Accomplished leaders in large scale development programs

Asset Performance → Operations Scheduling → Drilling → Completions

TECHNOLOGY: Digital Tech / Innovation

Accomplished leaders who developed the technology at Rice Energy

CIO → VP Digital Technology

ORGANIZATION: People / Culture / Structure

Leader who understands the culture needed to drive results

Human Resources

Change Management

Leader who understands risk management during a transformation

Risk Management

Tangible Action Items Ready for Execution

Clear targets and accountability

Focus Area	Initiative	Action Item	Target	Lead Party
ORGANIZATION	PEOPLE	Proven Leadership	Ensure we have leadership that is capable of generating results.	Evolution Committee
		Capable Staffing	Ensure that employees have necessary attitude & ability to execute	Senior Mgmt.
		Balanced Workforce	Assess workforce horsepower to meet short-term & long term needs	Senior Mgmt.
	CULTURE	Mission Alignment	Implement Mission Alignment exercise & technology across company	Evolution Committee
		Values Driven	Ensure all decisions are made in alignment with our values	Senior Mgmt.
		Happy Workforce	Promote initiatives that drive employee happiness	HR
	STRUCTURE	Department	Implement Organization Strategy & technology	Evolution Committee
		Sub Departments	Maximize team collaboration & functionality	Senior Mgmt.
		Roles	Maximize individual accountability & productivity	Senior Mgmt.
TECHNOLOGY	DIGITAL	Digital Work Environment	Implement Digital Work Environment to electrify the “Critical Path”	Digital Technology
		Application Portfolio	Implement our Digital Strategy & Agile Development Process	Evolution Committee
		IT Infrastructure	Upgrade to modern solutions to enable our Digital Oilfield & 4D apps	Digital Technology
	OILFIELD	Existing Technology	Leverage existing technology by operating with best practices	Upstream Depts
		Use New Technology	Implement “new” (to EQT) technologies to drive performance & efficiency	Upstream Depts
		Electrify the Oilfield	Implement Digital Oilfield strategy & technology to connect our assets	IT
	INNOVATION	Build Innovation Machine	Implement Innovation strategy & technology	Evolution Committee
		Prepare Organization	Train employees on innovation process	HR
		Drive Innovation Machine	Integrate company strategy & pain points to focus on highest value items	Evolution Committee
OPERATIONAL	DEVELOPMENT PLANNING	Proven Well Design	Implement Well Design strategy & technology	Asset Performance
		Proven Schedule Design	Implement Schedule Design strategy & technology	Operations Scheduling
		Planning Resources	Standardize GIS data to enable centralized planning	Operations Services
	EXECUTION	Project Management	Implement Project Management strategy & technology	Upstream Depts
		Accurate Budgeting	Generate accurate operational budgets	Finance
		Procurement	Implement Procurement strategy & technology	Procurement
	SCALE	Water Infrastructure	Maximize efficient utilization of water infrastructure	Operations Scheduling
		Midstream Infrastructure	Maximize efficient utilization of gathering infrastructure	Operations Scheduling
		Asset Management	High grade our asset base (leasehold, wells, sites, facilities)	Evolution Committee

We Have a Schedule to Keep Execution on Track

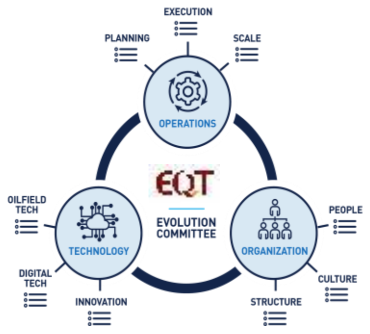
We have a holistic schedule with clear milestones to coordinate the execution across the entire organization

Focus Area	*Initiative*	*Action Item*	Communicate		Foundation	Optimize	COMBO READY
ORGANIZATION	PEOPLE	Proven Leadership	100 Day Plan Intro	Assess	Proven Leadership		
		Capable Staffing				Staff Assessment / Retention / Attraction	
		Balanced Workforce					Balance Workforce
	CULTURE	Mission Alignment		MA Executive	Mission Align Leadership	Mission Align: Staff	Monitor Mission Goals
		Values Driven		Assess Values	Evangelize Values		Recognize "+ Behaviors"
		Happy Workforce		Assess Happy		Design Happy Campaign	Happiness Campaign
	STRUCTURE	Department		Assess Depts	Dept		
		Sub Departments		Assess Teams	Match; Sub		
		Roles		Assess Titles	Match; Roles		Monitor Functionality
TECHNOLOGY	DIGITAL	Digital Work Environment	100 Day Plan Intro	Assess DWE	Agile Backlog; On-Board	Agile: Critical Path Items	Agile Backlog: Ops Focus
		Application Portfolio		Assess Apps	Assess vs. Digital Strategy	Agile: Digital Strategy	Agile Backlog: Digital Strategy
		IT Infrastructure		Assess	Assess for Digital Oilfield	Agile: Digital Oilfield	Agile Backlog: Digital Oilfield
	OILFIELD	Existing Technology		Assess	Exploitation Existing Tech		Project Design
		Use New Technology		Assess	Implement Known Tech	Hunt for New Tech	Innovation Backlog: Tech Hunt
		Electrify the Oilfield				Electrify Action Plan	Execute Electrify Action Plan
	INNOVATION	Build Innovation Machine		Stand Up	Centralize Innovation Ideas		
		Prepare Organization			Train Staff		
		Drive Innovation Machine				Prioritize Best Value Ideas	Innovation Backlog
OPERATIONAL	DEVELOPMENT PLANNING	Proven Well Design	100 Day Plan Intro	Well Type	Assess Existing Well Design	Well Design Deck	Well Design App & Science Insight
		Proven Schedule Design		Dev. Runs	Schedule Baseline	Schedule Optimization	Schedule App & Insight
		Planning Resources		Core Stack	Core Stack Alignment	Core Stack GIS	Core Stack GIS Team Maps
	EXECUTION	Project Management		Project Type	Project Type Design	Project Deck Creation	Project Deck Optimize
		Accurate Budgeting		Assess Assumption	Master Assumption Baseline	Master Assumption Budget	Monitor Master Assumptions
		Procurement		Assess Services	Service & Service Provider Deck	Bid Deck; "Next 180" Budget	"Blue Pages" App & Insight
	SCALE	Water Infrastructure		Assess Water/Gas Action Plan	Water System Deck	Assess Constraints; Final Water/Gas Action Plan; Execute Water/Gas Action Plan	Water Sourcing Forecast
		Midstream Infrastructure			Gathering System Deck	Assess Constraints	Gathering System Forecast
		Asset Management		Assess	Leasehold & Wells Ranking	Asset Mgmt. Action Plan; Execute Asset Mgmt. Action Plan	Asset Mgmt Insight

Day: Zero 30 60 90 **100**

A Methodical Approach to Create a Sustainable EQT

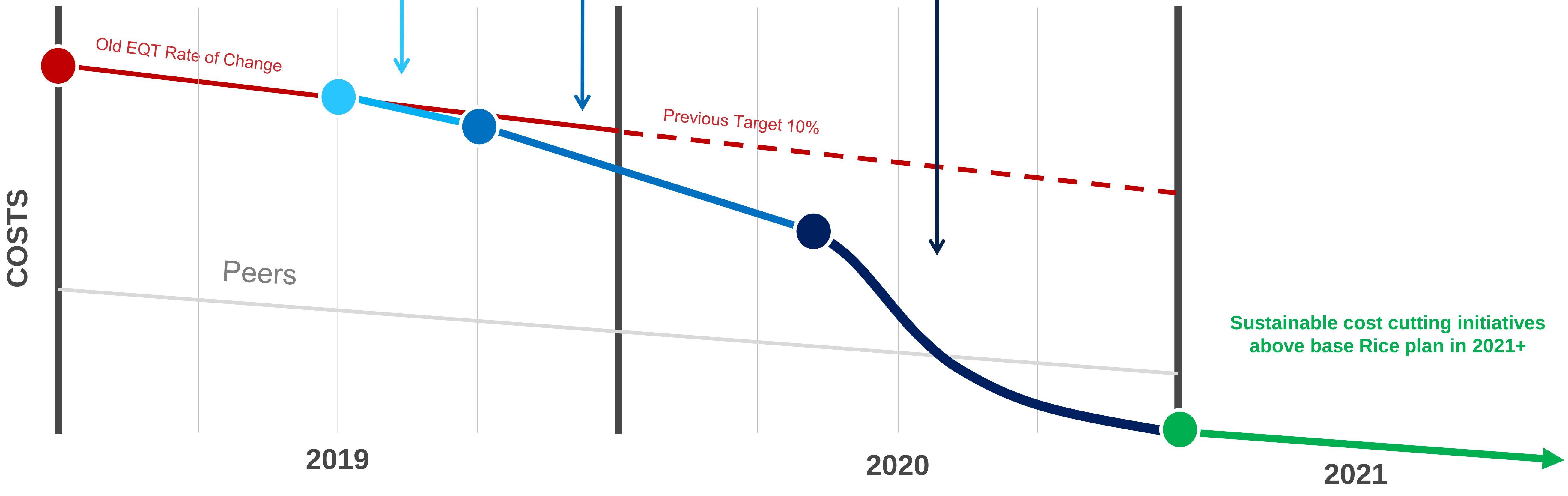
Value generating in 2019 with full benefit realized by 2021+



- Bring in Rice Team
- Implement 100-Day Plan

- Enhanced front line leaders pushing field performance
- Entire organization prepping logistics for large scale projects

- Large scale projects hit schedule
- Technology fully implemented
- Massive efficiencies realized



Second Quarter Highlights

Second Quarter 2019 Highlights

Operational and Financial Highlights

		Q2 2019	Q2 2018
Marcellus	*Bcfe*	319	294
Ohio Utica	*Bcfe*	50	48
Other	*Bcfe*	1	21
Total sales volumes	***Bcfe***	**370**	**363**
NYMEX Henry Hub	*$/Mmbtu*	$ 2.64	$ 2.80
Btu uplift		$ 0.12	$ 0.18
Unhedged gas price	*$/Mcf*	**$** 2.76	**$** 2.98
Average differential	*$/Mcf*	$ (0.41)	$ (0.43)
Cash settled derivatives (not designated as hedges)	*$/Mcf*	$ 0.20	$ 0.09
Post-hedge realized natural gas price	***$/Mcf***	**$ 2.55**	**$ 2.64**
Average realized price (incl. liquids sales)[1]	***$/Mcfe***	**$ 2.59**	**$ 2.81**
Gathering, transmission, and processing	*$/Mcfe*	$ 1.18	$ 1.19
LOE, excl. production taxes	*$/Mcfe*	$ 0.05	$ 0.08
Production taxes	*$/Mcfe*	$ 0.05	$ 0.06
Exploration	*$/Mcfe*	$ 0.01	$ ---
SG&A	*$/Mcfe*	$ 0.23	$ 0.17
Total cash operating expenses	***$/Mcfe***	**$ 1.52**	**$ 1.50**
Adjusted SG&A[2]	*$/Mcfe*	$ 0.13	$ 0.14
Adj. net income from continuing operations[2]	***$MM***	**$ 22**	**$ 34**
Adj. EBITDA from continuing operations[2]	***$MM***	**$ 461**	**$ 490**
Adj. EBITDA from continuing operations[2]	***$/Mcfe***	**$ 1.25**	**$ 1.35**

Capital Expenditures

$ millions	Q2 2019	Q2 2018
Reserve development	$ 374	$ 603
Land and lease	$ 50	$ 43
Capitalized overhead	$ 24	$ 36
Capitalized interest	$ 6	$ 9
Other production infrastructure	$ 5	$ 16
Property acquisitions	$ 6	$ 5
Other corporate items	$ 1	$ 4
Total capital expenditures from continuing operations	$ **466**	$ **716**
Adj. Operating Cash Flow[2]	$ **386**	$ **529**
Adj. Free Cash Flow[2]	$ **(81)**	$ **(187)**

[1]See price reconciliation in earnings release for more details
[2]Non-GAAP financial measure, see appendix for definitions

2019 Guidance

	Q3 2019			Full-Year 2019		
Production						
Total production sales volume (Bcfe)	365	-	385	1,480	-	1,520
Liquids sales volume, excluding ethane (Mbbls)	2,075	-	2,175	8,330	-	8,530
Ethane sales volume (Mbbls)	1,065	-	1,165	4,255	-	4,455
Total liquids sales volume (Mbbls)	3,140	-	3,340	12,585	-	12,985
Resource Counts				2nd Half 2019		
Marcellus / Utica Rigs				5	-	7
Top-hole Rigs				1	-	2
Frac Crews				3	-	5
Unit Costs ($/Mcfe)				Full-Year 2019		
Gathering				$0.54	-	$0.56
Transmission				$0.51	-	$0.53
Processing				$0.08	-	$0.10
LOE, excluding production taxes				$0.05	-	$0.07
Production taxes				$0.04	-	$0.06
Adjusted SG&A[1]				$0.11	-	$0.13
Average Differential ($/Mcf)	($0.55)	-	($0.35)	($0.40)	-	($0.20)
				Full-Year 2019		
Adjusted EBITDA ($B)[1]				2.025	-	2.125
Adjusted Operating Cash Flow ($B)[1]				1.875	-	1.975
Capital Expenditures ($B)				1.825	-	1.925
Adjusted Free Cash Flow ($B)[1]				0.025	-	0.125

Based on average NYMEX natural gas price (July to December) of $2.36 per MMbtu as of June 30, 2019

[1]Non-GAAP financial measure, see appendix for definitions

Indicates change from prior guidance

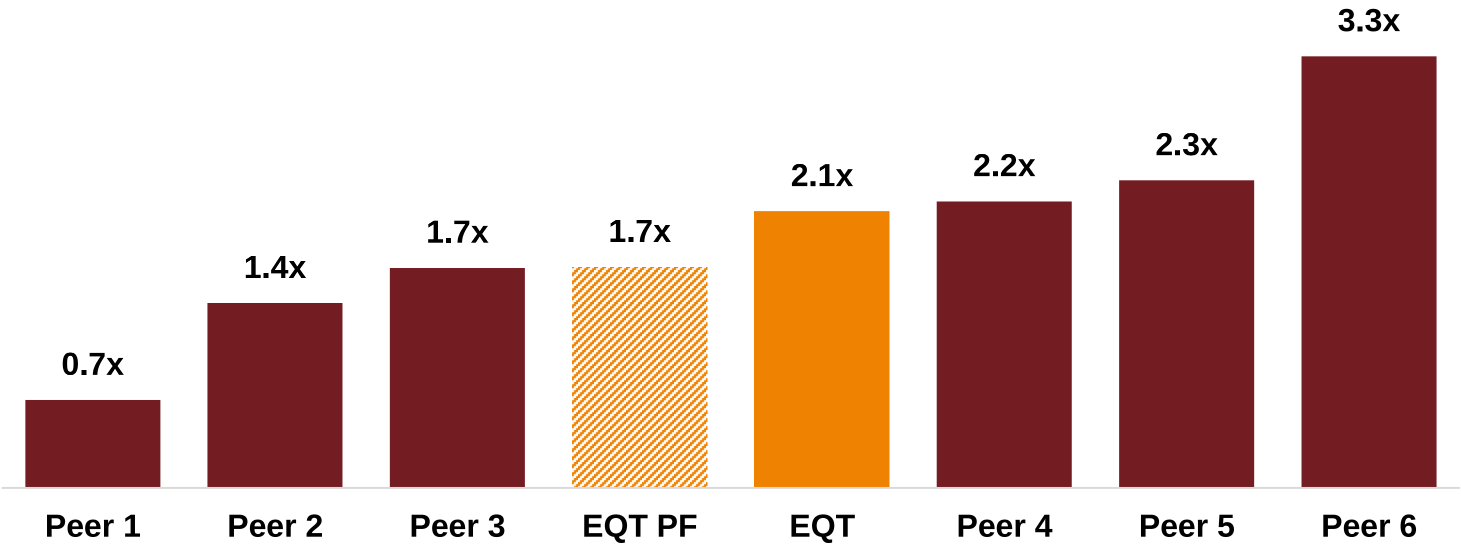
Appendix

Financial Strength

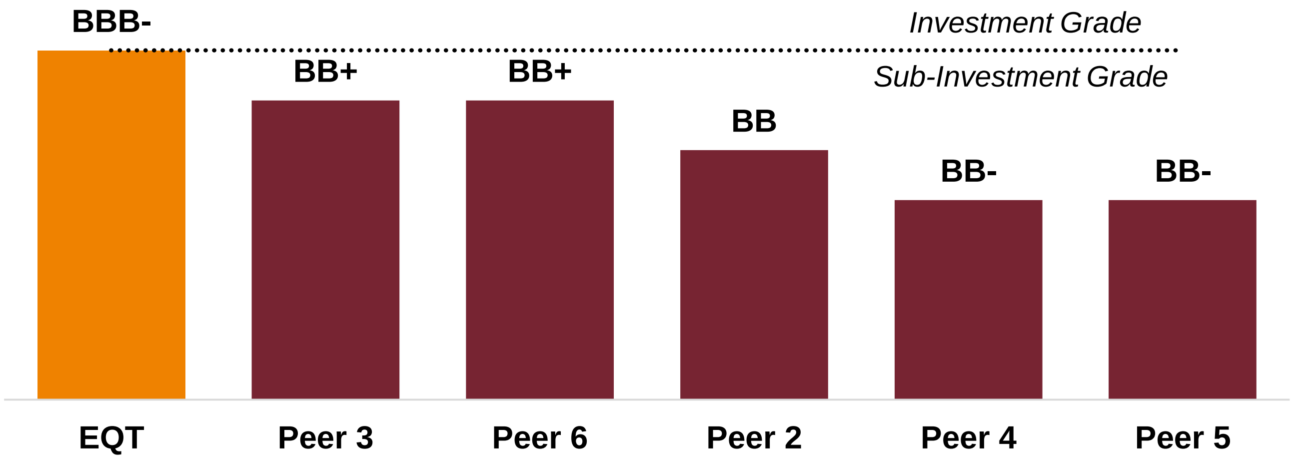
Flexibility to further reduce leverage and return capital to shareholders

- Monetization of ETRN stake
  - Can reduce leverage[1,2] from 2.1x to 1.7x
- Investment grade ratings
  - Flexibility in volatile commodity price environments

Leverage – EQT vs. Marcellus Peers[1,3]



S&P Credit Ratings – EQT vs. Marcellus Peers[3]



[1]Leverage for all peers calculated as of 03/31/2019 based on net debt divided by trailing twelve months ended 03/31/2019 adjusted EBITDA. Leverage for EQT calculated as of 06/30/19 based on net debt divided by trailing twelve months ended 06/30/2019 adjusted EBITDA. EQT's adjusted EBITDA is a non-GAAP financial measure, see appendix for definition. Net debt means total debt, less cash and cash equivalents. CNX consolidated net debt and adjusted EBITDA are adjusted to exclude net debt and adjusted EBITDA for CNXM
[2]ETRN and EQT share price as of 06/30/2019
[3]Peers: AR, COG (unrated by S&P), CNX, GPOR, RRC and SWN

Risk Management

NYMEX Hedge position as of July 22, 2019

	2019*	2020	2021	2022	2023
Swaps					
Volume (MMDth)	441	580	314	138	70
Average Price ($/Dth)	$ 2.85	$ 2.81	$ 2.78	$ 2.75	$ 2.73
Calls - Net Short					
Volume (MMDth)	197	248	58	22	7
Average Short Strike Price ($/Dth)	$ 3.02	$ 3.07	$ 3.14	$ 3.20	$ 3.18
Puts - Net Long					
Volume (MMDth)	4	10	10	–	–
Average Long Strike Price ($/Dth)	$ 2.60	$ 2.25	$ 2.71	$ –	$ –

	2019*	2020	2021	2022	2023
Fixed Price Sales**					
Volume (MMDth)	47	14	4	–	–
Average Price ($/Dth)	$ 2.82	$ 2.79	$ 2.72	$ –	$ –

**July 1 through December 31, 2019*
***The difference between the fixed price and NYMEX is included in average differential on the Company's price reconciliation*

Experienced, Diverse Board To Oversee EQT's Transformation

DIRECTOR	PRINCIPAL EXPERIENCE	UNIQUE CONTRIBUTIONS
LYDIA BEEBE	Former Corp Secretary, Chevron	▪ Expertise in public company governance in the context of the energy industry ▪ Commitment to shareholder engagement and transparency
PHILIP BEHRMAN	Former SVP, Worldwide Exploration, Marathon Oil Corporation	▪ Significant exploration and operational experience in energy industry
LEE CANAAN	Energy Investor and Consultant	▪ Knowledge of geology/geophysics, natural gas drilling and operating techniques ▪ Investor perspective, with deep understanding of the energy industry
JANET CARRIG	Former SVP, Legal, GC, and Corporate Secretary, ConocoPhillips	▪ Expertise in legal and corporate governance with large corporations ▪ Experience within the E&P energy industry
KATE JACKSON	Energy Consultant, Former CTO	▪ Expertise in transforming businesses with technology ▪ Commitment to sustainable business practices
JOHN MCCARTNEY*	Former President, US Robotics	▪ Experience serving on nine public company Boards ▪ Financial reporting and accounting expertise
JAMES MCMANUS II	Former Chairman, CEO and President, Energen Corporation	▪ Leadership, operations, and M&A experience with publicly traded E&P companies
ANITA POWERS	Former EVP, Worldwide Exploration, Occidental Oil and Gas Corporation	▪ Proven operational and geology experience in the E&P industry ▪ Commitment to operational efficiencies to drive strong returns
DANIEL RICE IV	Former CEO, Rice Energy	▪ Former Chief Executive Officer of Rice Energy ▪ Commitment to strategic execution
TOBY RICE	Former COO, Rice Energy	▪ Founder and COO of Rice Energy ▪ Driven operator focused on efficiency, capital allocation and culture
STEPHEN THORINGTON	Former EVP and CFO, Plain Exploration and Production Company	▪ Experience in energy company management, finance, and corporate development ▪ Extensive public board experience as a member of multiple governance committees
HALLIE VANDERHIDER	Former President, Black Stone Minerals	▪ Financial and operating executive in the energy business ▪ Capital allocation and capital efficiency in developing energy and natural resource assets

Chairman of the Board of Directors

Environmental, Health and Safety

"The right thing to do"

Environmental Stewardship

- **Founding partner** of the **Center for Responsible Shale Development (CRSD)**
- **In 2018, EQT joined** the **ONE Future Coalition,** committed to science-based approach to reduce methane emissions
- For the past three years EQT has **recycled** over **90%** of the wastewater we generated
- EQT publishes a robust **Corporate Social Responsibility Report** in accordance with Global Reporting Initiative 4.0 standards

Safety

- Employees participated in **>13,000 hours of safety training** in 2018
- **EQT led many initiatives in 2018 to improve safety,** including launching **Zero is Possible – Today** safety program and other vehicle related initiatives
- In 2018, achieved best employee safety performance in last 5 years

In the Community

- **EQT and the EQT Foundation** — a separate 501(c)(3) organization — support our communities through **local giving, sponsorship, and philanthropic efforts.**
- In 2018, received the Greene County Chamber of Commerce's McCracken Legacy Award for EQT's **"commitment to social responsibility and exemplary community involvement"**
- **> $19 million** in community investments
- In 2018, gave >$100,000 to volunteer fire departments in West Virginia, Pennsylvania and Ohio

EQT as a Leading Environmental Steward

Long-term, sustainable environmental practices aligned with investors and stakeholders

Board and Management Oversight

- The Public Policy and Corporate Responsibility Committee of EQT's Board has direct oversight responsibility for issues related to air, water, waste and safety
- Committee reviews and provides oversight on annual environmental and safety audits, performance and policy initiatives

Environmental Collaborations

- As a One Future member, EQT exceeded the methane intensity sector level target of 0.28% with a rate of 0.15% (methane emissions per gross production)
- Joined API's Environmental Partnership methane management program

Methane Emissions Initiatives

- Conduct leak detection and repair at all unconventional well pads
- 100% green completion program
- Pneumatic controller replacement plan has replaced over 650 high bleed pneumatics since 2016

Water Management

- Strong water sourcing and recycling program that minimizes fresh water use
- In 2018, 37% of the water used for hydraulic fracturing was from wastewater
- EQT recycles over 90% of the wastewater that we generate
- Water withdrawal plans ensure surface waters and aquatic species are protected

Cautionary Statements

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The Securities and Exchange Commission (SEC) permits oil and gas companies, in their filings with the SEC, to disclose only proved, probable and possible reserves that a company anticipates as of a given date to be economically and legally producible and deliverable by application of development projects to known accumulations. We use certain terms in this presentation, such as "EUR" (estimated ultimate recovery) and total resource potential, that the SEC's rules strictly prohibit us from including in filings with the SEC. We caution you that the SEC views such estimates as inherently unreliable and these estimates may be misleading to investors unless the investor is an expert in the natural gas industry. We also note that the SEC strictly prohibits us from aggregating proved, probable and possible (3P) reserves in filings with the SEC due to the different levels of certainty associated with each reserve category.

Disclosures in this presentation contain 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. Without limiting the generality of the foregoing, forward-looking statements contained in this presentation specifically include the expectations of plans, strategies, objectives and growth and anticipated financial and operational performance of EQT Corporation and its subsidiaries (EQT), including guidance regarding EQT's strategy to develop its reserves; drilling plans and programs (including the number, type, depth, spacing, lateral lengths, and locations of wells to be drilled, number of frac crews and number and type of rigs); projected natural gas prices, liquids price impact, basis, premium and average differential; total resource potential, well production and drilling inventory duration, reserves and EUR; projected production and sales volumes and growth rates (including liquids production and sales volumes and growth rates); internal rate of return (IRR), compound annual growth rate (CAGR) and expected after-tax returns per well; technology (including drilling and completion techniques); projected drilling and completions (D&C) costs, other well costs, unit costs and G&A expenses; projected reductions in expenses and capital and well costs; projected frac stage lengths, and market mix; infrastructure programs; the cost, capacity, and timing of regulatory approvals; acquisition transactions; the projected capital efficiency savings and other operating efficiencies associated with EQT's business strategy; EQT's ability to successfully implement and execute its 100-Day Plan and the new management team's organizational, technological and operational initiatives, and achieve the anticipated results of such plan and initiatives; EQT's ability to mitigate curtailments; the projected capital efficiency savings and other operating efficiencies and synergies resulting from EQT's acquisition of Rice Energy Inc. (Rice); EQT's ability to achieve the anticipated synergies and efficiencies from its acquisition of Rice; monetization transactions, including asset sales, joint ventures or other transactions involving EQT's assets; EQT's ability to achieve the anticipated operational, financial and strategic benefits of the spin-off of Equitrans Midstream Corporation (ETRN) from EQT; the timing and structure of any dispositions of EQT's approximately 19.9% retained common stock of ETRN and EQT's planned use of the proceeds from any such dispositions; the amount and timing of any repurchases of EQT's common stock, including whether EQT will institute a share repurchase program; dividend amounts and rates; projected cash flows, including the ability to fund the 2019 drilling program through cash from operations; projected adjusted free cash flow, adjusted operating cash flow, projected adjusted SG&A per unit, net marketing services revenue, and net income attributable to noncontrolling interests, including EQT's ownership of approximately 19.9% of ETRN's common stock; projected capital expenditures; projected adjusted EBITDA; liquidity and financing requirements, including funding sources and availability; EQT's ability to maintain or improve its credit ratings, leverage levels and financial profile; potential future impairments of EQT's assets; EQT's hedging strategy; the effects of government regulation and litigation; and tax position and the expected impact of changes to tax laws. These forward-looking statements 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. EQT has based these forward-looking statements on current expectations and assumptions about future events taking into account all information currently known to EQT. While EQT considers 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 EQT's control. The risks and uncertainties that may affect the operations, performance and results of EQT's business and forward-looking statements include, but are not limited to, those set forth under Item 1A, "Risk Factors," of EQT's Form 10-K for the year ended December 31, 2018, as filed with the SEC and as updated by any subsequent Form 10-Qs and in other documents EQT files with the SEC from time to time. Any forward-looking statement speaks only as of the date on which such statement is made and EQT does 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.

Non-GAAP Financial Measure

Adjusted Net Income from Continuing Operations

Adjusted net income from continuing operations is a non-GAAP supplemental financial measure that is presented because it is an important measure used by EQT's management to evaluate period-to-period comparisons of earnings trends. Adjusted net income from continuing operations should not be considered as an alternative to income (loss) from continuing operations presented in accordance with GAAP. Adjusted net income from continuing operations as presented excludes the revenue impact of changes in the fair value of derivative instruments prior to settlement, impairment/loss on the sale of long-lived assets, lease impairments and expirations, proxy, transaction and reorganization costs and certain other items that impact comparability between periods. Management utilizes adjusted net income from continuing operations to evaluate earnings trends because the measure reflects only the impact of settled derivative contracts; thus, the income from natural gas sales is not impacted by the often-volatile fluctuations in the fair value of derivatives prior to settlement. The measure also excludes other items that affect the comparability of results or that are not indicative of trends in the ongoing business. Management believes that adjusted net income from continuing operations as presented provides useful information for investors for evaluating period-over-period earnings.

Non-GAAP Financial Measure

Reconciliation of Adjusted Net Income from Continuing Operations

The table below reconciles adjusted net income from continuing operations with income (loss) from continuing operations, the most comparable financial measure calculated in accordance with GAAP, as derived from the Statements of Condensed Consolidated Operations to be included in EQT's report on Form 10-Q for the quarter ended June 30, 2019.

	Three Months Ended June 30,		Six Months Ended June 30,	
	2019	**2018**	**2019**	**2018**
	(Thousands, except per share information)			
Income (loss) from continuing operations	$ 125,566	$ (76,978)	$ 316,257	$ (1,655,511)
Add back / (deduct):				
Impairment/loss on sale of long-lived assets	—	118,114	—	2,447,159
Lease impairments and expirations	48,584	19,529	78,118	23,408
Proxy, transaction and reorganization	21,518	5,060	25,607	15,138
(Gain) loss on derivatives not designated as hedges	(407,635)	53,897	(275,639)	(8,695)
Net cash settlements received (paid) on derivatives not designated as hedges	53,144	25,513	(10,490)	(13,116)
Premiums received for derivatives that settled during the period	4,769	237	7,206	471
Royalty and litigation reserves	37,786	—	45,786	—
Unrealized loss on investment in Equitrans Midstream Corporation	104,741	—	15,686	—
Tax impact of non-GAAP items (a)	33,524	(111,798)	31,339	(596,728)
Adjusted net income from continuing operations	$ 21,997	$ 33,574	$ 233,870	$ 212,126

(a) The tax impact of non-GAAP items represents the incremental tax expense that would have been incurred had these items been excluded from income (loss) from continuing operations, which resulted in blended tax rates of 23.5% and 50.3% for the three months ended June 30, 2019 and 2018, respectively, and 26.2% and 24.2% for the six months ended June 30, 2019 and 2018, respectively. These rates differ from the Company's statutory tax rate primarily due to the impact of items specific to each respective quarter. In addition, the tax benefit that may be recorded in any quarter is limited to the amount of benefit expected for the entire year. As a result, the tax benefit recorded in the first quarter 2018 was the entire benefit forecast for the year at March 31, 2018. At June 30, 2018 the forecast tax benefit for year was higher than at March 31, 2018, primarily as a result of lower commodity price forecasts for the second half of the year. As a result, the Company recorded an additional tax benefit in the second quarter 2018.

Non-GAAP Financial Measure
Adjusted EBITDA

Adjusted EBITDA is defined as income (loss) from continuing operations, plus interest expense, income tax expense (benefit), depreciation and depletion, amortization of intangible assets, long-lived asset impairments, lease impairments and expirations, proxy, transaction and reorganization costs, the revenue impact of changes in the fair value of derivative instruments prior to settlement, unrealized (gain) loss on investment in Equitrans Midstream Corporation and certain other items that impact comparability between periods. Adjusted EBITDA is a non-GAAP supplemental financial measure that management and external users of the Company's consolidated financial statements, such as industry analysts, lenders and ratings agencies use to assess the Company's earnings trends.

EQT believes that adjusted EBITDA is an important measure used by EQT's management and investors in evaluating period-over-period comparisons of earnings trends. Adjusted EBITDA should not be considered as an alternative to EQT's net income presented in accordance with GAAP. Adjusted EBITDA excludes the revenue impact of changes in the fair value of derivative instruments prior to settlement and other items that affect the comparability of results and are not trends in the ongoing business. Management utilizes adjusted EBITDA to evaluate earnings trends because the measure reflects only the impact of settled derivative contracts and thus the income from natural gas is not impacted by the often-volatile fluctuations in fair value of derivatives prior to settlement.

EQT has not provided projected net income or a reconciliation of projected adjusted EBITDA to projected net income, the most comparable financial measure calculated in accordance with GAAP, because EQT does not provide guidance with respect to depletion and depreciation expense, income tax expense, the revenue impact of changes in the projected fair value of derivative instruments prior to settlement or unrealized gains and losses on its investments in equity securities. Therefore, projected net income and a reconciliation of projected adjusted EBITDA to projected net income, are not available without unreasonable effort.

Non-GAAP Financial Measure
Reconciliation of Adjusted EBITDA

The table below reconciles adjusted EBITDA with income (loss) from continuing operations, the most comparable financial measure as calculated in accordance with GAAP, as reported in the Statements of Condensed Consolidated Operations to be included in EQT's report on Form 10-Q for the quarter ended June 30, 2019.

	Three Months Ended June 30,		**Six Months Ended June 30,**	
	2019	**2018**	**2019**	**2018**
	(Thousands)			
Income (loss) from continuing operations	$ 125,566	$ (76,978)	$ 316,257	$ (1,655,511)
Add back / (deduct):				
Interest expense	50,503	57,120	107,076	115,031
Income tax expense (benefit)	38,865	(94,922)	77,099	(524,762)
Depreciation and depletion	372,413	371,709	763,526	764,402
Amortization of intangible assets	10,342	10,342	20,684	20,684
Impairment/loss on sale of long-lived assets	—	118,114	—	2,447,159
Lease impairments and expirations	48,584	19,529	78,118	23,408
Proxy, transaction and reorganization	21,518	5,060	25,607	15,138
(Gain) loss on derivatives not designated as hedges	(407,635)	53,897	(275,639)	(8,695)
Net cash settlements received (paid) on derivatives not designated as hedges	53,144	25,513	(10,490)	(13,116)
Premiums received for derivatives that settled during the period	4,769	237	7,206	471
Royalty and litigation reserves	37,786	—	45,786	—
Unrealized loss on investment in Equitrans Midstream Corporation	104,741	—	15,686	—
Adjusted EBITDA	$ 460,596	$ 489,621	$ 1,170,916	$ 1,184,209

Non-GAAP Financial Measure

Adjusted Operating Cash Flow and Adjusted Free Cash Flow

Adjusted operating cash flow is defined as EQT's net cash provided by operating activities less changes in other assets and liabilities, less EBITDA attributable to discontinued operations (a non-GAAP supplemental financial measure defined herein), plus interest expense attributable to discontinued operations and cash distributions from discontinued operations. Adjusted free cash flow is defined as adjusted operating cash flow less accrual-based capital expenditures attributable to continuing operations.

Adjusted operating cash flow and adjusted free cash flow are non-GAAP supplemental financial measures that EQT's management and external users of EQT's consolidated financial statements, such as industry analysts, lenders and ratings agencies use to assess EQT's liquidity. EQT believes that adjusted operating cash flow and adjusted free cash flow provide useful information to management and investors in assessing EQT's ability to generate cash flow in excess of capital requirements and return cash to shareholders. Adjusted operating cash flow and adjusted free cash flow should not be considered as alternatives to net cash provided by operating activities or any other measure of liquidity presented in accordance with GAAP.

EQT has not provided projected net cash provided by operating activities or reconciliations of projected adjusted operating cash flow and adjusted free cash flow to projected net cash provided by operating activities, the most comparable financial measure calculated in accordance with GAAP. EQT is unable to project net cash provided by operating activities for any future period because this metric includes the impact of changes in operating assets and liabilities related to the timing of cash receipts and disbursements that may not relate to the period in which the operating activities occurred. EQT is unable to project these timing differences with any reasonable degree of accuracy without unreasonable efforts such as predicting the timing of its and customers' payments, with accuracy to a specific day, months in advance. Furthermore, EQT does not provide guidance with respect to its average realized price, among other items, that impact reconciling items between net cash provided by operating activities and adjusted operating cash flow and adjusted free cash flow, as applicable. Natural gas prices are volatile and out of EQT's control, and the timing of transactions and the income tax effects of future transactions and other items are difficult to accurately predict. Therefore, EQT is unable to provide projected net cash provided by operating activities, or the related reconciliations of projected adjusted operating cash flow and adjusted free cash flow to projected net cash provided by operating activities, without unreasonable effort.

Non-GAAP Financial Measure

Reconciliation of Adjusted Operating Cash Flow and Adjusted Free Cash Flow

The table below reconciles adjusted operating cash flow and adjusted free cash flow with net cash provided by operating activities, the most comparable financial measure calculated in accordance with GAAP, as derived from the Statements of Condensed Consolidated Cash Flows to be included in the Company's report on Form 10-Q for the quarter ended June 30, 2019.

	Three Months Ended June 30,		Six Months Ended June 30,	
	2019	**2018**	**2019**	**2018**
	(Thousands)			
Net cash provided by operating activities	$ 443,546	$ 636,712	$ 1,314,833	$ 1,541,124
(Deduct) / add back changes in other assets and liabilities	(57,845)	54,264	(281,779)	54,504
Operating cash flow	$ 385,701	$ 690,976	$ 1,033,054	$ 1,595,628
(Deduct) / add back:				
EBITDA attributable to discontinued operations (a)	—	(282,851)	—	(574,968)
Interest expense attributable to discontinued operations	—	19,884	—	31,986
Cash distributions from discontinued operations (b)	—	101,282	—	176,249
Adjusted operating cash flow	$ 385,701	$ 529,291	$ 1,033,054	$ 1,228,895
(Deduct):				
Capital expenditures attributable to continuing operations	(466,387)	(716,295)	(942,409)	(1,326,434)
Adjusted free cash flow	$ (80,686)	$ (187,004)	$ 90,645	$ (97,539)

(a) As a result of the separation of the Company's midstream business from its upstream business and subsequent spin-off of Equitrans Midstream Corporation (Equitrans Midstream) in November 2018, the results of operations of Equitrans Midstream are presented as discontinued operations in the Company's Statements of Condensed Consolidated Operations. EBITDA attributable to discontinued operations is a non-GAAP supplemental financial measure reconciled herein.

(b) Cash distributions from discontinued operations represents the cash distributions payable from EQM Midstream Partners, LP, EQGP Holdings, LP and Rice Midstream Partners LP (the Company's former midstream affiliates) to the Company in respect of the three and six months ended June 30, 2018.

Non-GAAP Financial Measure
EBITDA Attributable to Discontinued Operations

EBITDA attributable to discontinued operations is a non-GAAP supplemental financial measure defined as income from discontinued operations, net of tax plus interest expense, income tax expense, depreciation and amortization of intangible assets attributable to discontinued operations for the three and six months ended June 30, 2018.

The table below reconciles EBITDA attributable to discontinued operations with income from discontinued operations, net of tax, the most comparable financial measure calculated in accordance with GAAP, as reported in the Statements of Condensed Consolidated Operations to be included in the Company's report on Form 10-Q for the quarter ended June 30, 2019.

	Three Months Ended June 30, 2018	Six Months Ended June 30, 2018
	(Thousands)	
Income from discontinued operations, net of tax	$ 213,324	$ 346,878
Add back / (deduct):		
Interest expense	19,884	31,986
Income tax (benefit) expense	(6,707)	84,168
Depreciation	45,963	91,163
Amortization of intangible assets	10,387	20,773
EBITDA attributable to discontinued operations	$ 282,851	$ 574,968

Non-GAAP Financial Measure
Adjusted SG&A Per Unit

Adjusted SG&A per unit is a non-GAAP supplemental financial measure that is presented because it is an important measure used by EQT's management to evaluate period-to-period comparisons of earnings trends. Adjusted SG&A per unit is defined as SG&A less royalty and litigation reserves and excluding indirect costs allocated to the midstream business prior to the separation that are not permitted to be allocated to discontinued operations under the accounting rules, divided by total sales volumes. The measure excludes items that affect the comparability of results or that are not indicative of trends in the ongoing business. Management believes that adjusted SG&A per unit as presented provides useful information for investors for evaluating period-over-period earnings.

EQT has not provided projected SG&A or a reconciliation of projected SG&A per unit to projected SG&A, the most comparable financial measure calculated in accordance with GAAP. EQT is unable to project SG&A for any future period because EQT does not project litigation reserves as they are dependent on facts and circumstances of various cases, including court rulings, that are out of EQT's control. Therefore, EQT is unable to provide projected SG&A, or the related reconciliation of projected SG&A to projected adjusted SG&A per unit, without unreasonable effort.

The table below reconciles adjusted SG&A per unit with SG&A, the most comparable financial measure calculated in accordance with GAAP, as derived from the Statements of Condensed Consolidated Operations to be included in EQT's report on Form 10-Q for the quarter ended June 30, 2019.

	Three Months Ended June 30,		Six Months Ended June 30,	
	2019	**2018**	**2019**	**2018**
	(Thousands, unless noted)			
Selling, general and administrative	$ 86,208	$ 62,959	$ 135,186	$ 102,774
Less:				
Indirect costs previously allocated to midstream business prior to separation	—	13,876	—	27,609
Royalty and litigation reserves	37,786	—	45,786	—
Adjusted SG&A	$ 48,422	$ 49,083	$ 89,400	$ 75,165
Total sales volumes (MMcfe)	370,114	362,540	753,584	719,545
Adjusted SG&A per unit	$ 0.13	$ 0.14	$ 0.12	$ 0.10