

EQT Corp
Form DFAN14A
October 24, 2017
SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a)
of the Securities Exchange Act of 1934

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material Under Rule 14a-12

EQT Corporation

(Name of Registrant as Specified In Its Charter)

JANA Partners LLC

Scott Ostfeld

David DiDomenico

Sam Assamongkol

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (check the appropriate box):

R No fee required.

Fee computed on table below per Exchange Act Rule 14a-6(i)(4) and 0-11.

- 1) Title of each class of securities to which transaction applies:
- 2) Aggregate number of securities to which transaction applies:
- 3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):
- 4) Proposed maximum aggregate value of transaction:
- 5) Total fee paid:

Fee paid previously with preliminary materials.

Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

- 1) Amount Previously Paid:
- 2) Form, Schedule or Registration Statement No.:
- 3) Filing Party:
- 4) Date Filed:

JANA Partners Opposes EQT Corporation's Proposed Acquisition of Rice Energy Inc.
October 23, 2017 1

Disclaimer THE VIEW EXPRESSED HEREIN REPRESENT THE OPINIONS OF JAN A PARTNERS LLC (THE "SHAREHOLDER"), WHICH OPINIONS ARE BASED EXCLUSIVELY ON PUBLICLY AVAILABLE INFORMATION WITH RESPECT TO EQT CORPORATION (THE "ISSUER"). THESE MATERIALS ARE FOR GENERAL INFORMATIONAL PURPOSES ONLY. THEY DO NOT HAVE REGARD TO THE SPECIFIC INVESTMENT OBJECTIVE, FINANCIAL SITUATION, SUITABILITY, OR THE PARTICULAR NEED OF ANY SPECIFIC PERSON WHOMAY RECEIVE THESE MATERIALS, AND SHOULD NOT BE TAKEN AS ADVICE ON THE MERITS OF ANY INVESTMENT DECISION. OPINIONS EXPRESSED HEREIN ARE CURRENT OPINIONS AS OF THE DATE APPEARING IN THIS MATERIAL ONLY. THE SHAREHOLDER DISCLAIMS ANY OBLIGATION TO UPDATE THE DATA, INFORMATION OR OPINIONS CONTAINED HEREIN. UNLESS OTHERWISE INDICATED, FINANCIAL INFORMATION AND DATA USED HEREIN HAVE BEEN DERIVED OR OBTAINED, WITHOUT INDEPENDENT VERIFICATION, FROM FILINGS MADE BY THE ISSUER OR OTHER COMPANIES WITH THE SECURITIES AND EXCHANGE COMMISSION THAT THE SHAREHOLDER CONSIDERS COMPARABLE, AND FROM OTHER THIRD PARTY SOURCES. EXCEPT FOR THE HISTORICAL INFORMATION CONTAINED HEREIN, THE MATTERS ADDRESSED IN THESE MATERIALS, INCLUDING PROJECTIONS, MARKET OUTLOOKS, ASSUMPTIONS AND ESTIMATES, ARE FORWARD-LOOKING STATEMENTS THAT INVOLVE CERTAIN RISKS AND UNCERTAINTIES. YOU SHOULD BE AWARE THAT ACTUAL RESULTS COULD DIFFER MATERIALLY FROM THOSE CONTAINED IN THE FORWARD-LOOKING STATEMENTS. YOU SHOULD BE AWARE THAT FORWARD-LOOKING STATEMENTS ARE INHERENTLY UNCERTAIN, AND ACTUAL RESULTS MAY DIFFER FROM THE PROJECTIONS AND OTHER FORWARD LOOKING STATEMENTS CONTAINED HEREIN DUE TO REASONS THAT MAY OR MAY NOT BE FORESEEABLE. THE SHAREHOLDER DOES NOT ASSUME ANY OBLIGATION TO UPDATE THE FORWARD-LOOKING STATEMENTS. EXCEPT AS OTHERWISE STATED HEREIN, THE SHAREHOLDER HAS NOT SOUGHT OR OBTAINED CONSENT FROM ANY THIRD PARTY TO THE USE HEREIN OF PREVIOUSLY PUBLISHED INFORMATION. ANY SUCH INFORMATION SHOULD NOT BE VIEWED AS INDICATING THE SUPPORT OF SUCH THIRD PARTY FOR THE VIEWS EXPRESSED HEREIN. ALTHOUGH DATA AND INFORMATION CONTAINED HEREIN HAVE BEEN OBTAINED FROM SOURCES BELIEVED TO BE RELIABLE, THE SHAREHOLDER DOES NOT GUARANTEE THEIR ACCURACY, COMPLETENESS OR FAIRNESS. THE SHAREHOLDER HAS RELIED UPON AND ASSUMED, WITHOUT INDEPENDENT VERIFICATION, THE ACCURACY AND COMPLETENESS OF ALL DATA AND INFORMATION AVAILABLE FROM PUBLIC SOURCES. NO WARRANTY IS MADE THAT ANY DATA OR INFORMATION CONTAINED HEREIN, WHETHER DERIVED OR OBTAINED FROM FILINGS MADE WITH A REGULATOR OR FROM ANY THIRD PARTY, IS ACCURATE. THE SHAREHOLDER SHALL NOT BE RESPONSIBLE OR HAVE ANY LIABILITY FOR ANY MISINFORMATION CONTAINED IN ANY REGULATORY FILING OR THIRD PARTY REPORT. THERE IS NO ASSURANCE OR GUARANTEE WITH RESPECT TO THE PRICES AT WHICH ANY SECURITIES OF THE ISSUER WILL TRADE, AND SUCH SECURITIES MAY NOT TRADE AT PRICES THAT MAY BE IMPLIED HEREIN. THE ESTIMATES, PROJECTIONS, PRO FORMA INFORMATION AND POTENTIAL IMPACT OF THE PROPOSALS SET FORTH HEREIN ARE BASED ON ASSUMPTIONS THAT THE SHAREHOLDER BELIEVES TO BE REASONABLE, BUT THERE CAN BE NO ASSURANCE OR GUARANTEE THAT ACTUAL RESULTS OR PERFORMANCE OF THE ISSUER WILL NOT DIFFER, AND SUCH DIFFERENCES MAY BE MATERIAL. THE SHAREHOLDER CURRENTLY HOLDS A SUBSTANTIAL AMOUNT OF SHARES OF COMMON STOCK

K OF THE ISSUER. THE SHAREHOLDER MAY FROM TIME TO TIME SELL ALL OR A PORTION OF ITS SHARES IN OPEN MARKET TRANSACTIONS OR OTHERWISE (INCLUDING VIA SHORT SALES), BUY ADDITIONAL SHARES (IN OPEN MARKET OR PRIVATELY NEGOTIATED TRANSACTIONS OR OTHERWISE), OR TRADE IN OPTIONS, PUTS, CALLS OR OTHER DERIVATIVE INSTRUMENTS RELATING TO SUCH SHARES. THE SHAREHOLDER ALSO RESERVES THE RIGHT TO TAKE ANY ACTIONS WITH RESPECT TO ITS INVESTMENT IN THE ISSUER AS IT MAY DEEM APPROPRIATE, INCLUDING, BUT NOT LIMITED TO, COMMUNICATING WITH MANAGEMENT OF THE ISSUER, THE BOARD OF DIRECTORS OF THE ISSUER, AND OTHER INVESTORS. NEITHER THESE MATERIALS NOR ANYTHING CONTAINED HEREIN IS INTENDED TO BE, NOR SHOULD IT BE CONSTRUED OR USED AS, INVESTMENT, TAX, LEGAL OR FINANCIAL ADVICE, AN OPINION OF THE APPROPRIATENESS OF ANY SECURITY OR INVESTMENT, OR AN OFFER, OR THE SOLICITATION OF ANY OFFER, TO BUY OR SELL ANY SECURITY OR INVESTMENT. THE SHAREHOLDER HAS FILED WITH THE SEC A DEFINITIVE PROXY STATEMENT AND AN ACCOMPANYING PROXY CARD TO BE USED TO SOLICIT PROXIES IN CONNECTION WITH THE UPCOMING SPECIAL MEETING OF SHAREHOLDERS OF THE ISSUER, INCLUDING ANY ADJOURNMENTS OR POSTPONEMENTS THEREOF FOR ANY OTHER MEETING THAT MAY BE CALLED IN LIEU THEREOF (THE "SPECIAL MEETING"). INFORMATION RELATING TO THE PARTICIPANTS IN SUCH PROXY SOLICITATION HAS BEEN INCLUDED IN THE DEFINITIVE PROXY STATEMENT FILED BY THE SHAREHOLDER WITH THE SEC ON OCTOBER 13, 2017. SHAREHOLDERS ARE ADVISED TO READ THE DEFINITIVE PROXY STATEMENT AND ANY OTHER DOCUMENTS RELATED TO THE SOLICITATION OF SHAREHOLDERS OF THE ISSUER IN CONNECTION WITH THE SPECIAL MEETING BECAUSE THEY CONTAIN IMPORTANT INFORMATION, INCLUDING ADDITIONAL INFORMATION RELATING TO THE SHAREHOLDER AND THE OTHER PARTICIPANTS. THESE MATERIALS AND OTHER MATERIALS FILED BY THE SHAREHOLDER IN CONNECTION WITH THE SOLICITATION OF PROXIES WILL BE AVAILABLE AT NO CHARGE AT THE SEC'S WEBSITE AT WWW.SEC.GOV AND WILL ALSO BE AVAILABLE, WITHOUT CHARGE, ON REQUEST FROM THE SHAREHOLDER'S PROXY SOLICITOR, OKAPI PARTNERS LLC, AT (855) 208-8902 OR VIA EMAIL AT INFO@OKAPIPARTNERS.COM. 2

Background 3 JANA Partners Founded in 2001; typically works collaboratively with companies to unlock shareholder value; aligned with all shareholders. Owns approximately 6% of EQT Corporation ("EQT") and opposes proposed acquisition of Rice Energy Inc. ("RICE") by EQT. JANA has partnered in its investment with leading industry experts. Jonathan Cohen and Daniel Herz helped build Atlas Energy, a pioneer in the Marcellus shale, the same basin where EQT and RICE operate, and created billions in value for their shareholders. We have opposed the RICE transaction because we believe the rationale for the deal is simply not supported by the facts. JANA has been leading the argument against the RICE transaction, and has already been successful in causing EQT to announce changes to the flawed management compensation plan that JANA believes helped lead to the proposed acquisition, and has engaged with a majority of shareholders regarding the RICE proposal.

The Case To Reject Proposed RICE Acquisition Fictitious transaction rationale and synergies Value transfer to RICE shareholder exceeds benefit to EQT shareholder EQT's poor M&A track-record & large deal size elevates execution risk EQT's misaligned incentives and efforts to force RICE vote without a plan to address sum-of-parts discount is highly suspect 12344

Transaction Fails To Deliver Stated Rationale & Synergies
RICE acquisition is primarily based on one promise: significant contiguous acreage yielding substantial drilling cost synergies. We recreated EQT's acreage maps with the assistance of four industry partners, a well-regarded petroleum engineering firm with a focus in the region, and a premier lands services company. Mapped EQT, RICE and third party acreage and wells in Washington & Greene Counties. Developed plan that maximizes lateral length for combined EQT/RICE undeveloped acreage. Our research shows that there is in fact minimal contiguous undrilled acreage, and therefore far less synergy than promised. EQT claims: \$1.9bn of drilling synergy (~80% of \$2.5bn announced synergy) from extending EQT's average lateral length by 4,000 feet in Washington & Greene Counties. Our analysis shows: combined EQT/RICE acreage position only supports extending EQT's average lateral length by ~600 feet (implying <\$300m or ~15% of claimed drilling synergy).⁵ Source: EQT investor presentation (6/19/17); JANA experts' analysis.

EQT/RICE Does Not Have Claimed Contiguous Acreage We believe EQT presented a highly misleading acreage map of Washington & Greene Counties to claim significant contiguous acreage. MANAGEMENT PRESENTATION (6/19/17) ACTUAL MAP EQT Acreage RICE Acreage Without contiguous acreage EQT cannot drill longer laterals. 6 Source: EQT investor presentation (6/19/17); JANA experts' analysis.

EQT/RICE Cannot Easily Obtain Contiguous Acreage Delivering EQT's claimed benefits from acquiring RICE would require obtaining substantial acreage via acquisitions (requiring significant additional capital) and leases. WASHINGTON/GREENE ACREAGE OWNERSHIP Ź Significant acreage is already held by third party operators Ź Ability to gain access to abutting acreage is further complicated by lack of "forced pooling" in Marcellus, creating significant holdup value EQT Acreage RICE Acreage Owners Potential for acreage not "held-by-production" to revert back to landowners amplifies the challenge If abutting acreage was readily obtainable, EQT or RICE would already have gained access to it.⁷ Source: JANA experts' analysis.

Existing Drilled Wells Limit Drilling Synergy Potential Even if EQT were somehow able to obtain the abutting acreage, achieving its synergy target from longer laterals would still prove extremely challenging: 1) Both EQT and RICE have drilled significant acreage along their borders, limiting potential areas for longer laterals 2) Third party operators have already drilled over 300 wells in the area around RICE and EQT EXISTING EQT/RICE WELLS EQT Acreage RICE Acreage Drilled EQT/RICE Marcellus Acreage Despite allocating ~\$8 billion to acquire RICE, EQT has yet to provide detail to support their synergy claims. 8 Source: JANA experts' analysis.

Drilling Synergies Are Evolving & Impossible To Reconcile EQT's synergies math is inconsistent & difficult to reconcile in our view. Undiscounted Drilling Synergies (Prior Disclosure): \$1.3bn Undiscounted Drilling Synergies (Merger Proxy): \$2.5bn EQT's Marcellus well cost estimate (disclosed on their IR webpage) shows ~\$0.6m of variable cost per 1,000 feet of lateral extension. Implies ~\$1.3 billion in undiscounted pre-tax cost savings if full 14,000 foot lateral extension is achieved. Merger Proxy shows undiscounted pre-tax savings of \$2.5 billion (and \$1.9 billion on a present-value basis) Undiscounted Drilling Synergies (Q2 Earnings Call): \$3.4bn lateral extension is achieved. Q2 Earnings Call Synergies per management commentary on 7/27/17, citing \$200mm of savings in 2018 and \$350mm of annual savings for 2019 through 2027. Management cited undiscounted pre-tax savings of \$3.4 billion (\$200 million in 2018 and \$350 million annually for 2019-2027) Additionally, the difficulty of tracking and measuring achievement of drilling synergies will impede shareholders from holding EQT accountable. Note: Prior Disclosure Synergies based on data in "Marcellus Well Costs" file on EQT IR webpage. Number of wells from pages 7 and 12 of EQT investor presentation (6/19/17). Merger Proxy Synergies from page 82 of Merger Proxy (10/12/17). Number of Wells Cost per Well (\$mm) Total Cost (\$mm) Pre-Deal (8kft avg. lateral) 1,780 x \$7.36 = \$13,108 Post-Deal (12kft avg. lateral) 1,200 x \$9.81 = \$11,776 Undiscounted pre-tax savings \$1,332

Sell Side Opinions Are Premised On Erroneous Synergies Sell side opinions on the transaction are premised on EQT's erroneous continuous acreage claims without independent validation. Therefore, we believe such opinions are not a useful barometer. "[W]e are fans of this strategic consolidation given the strong acreage overlap, which should boost capital efficiency by enhancing EQT's ability to drill longer-laterals in the core Marcellus (notably Greene and Washington Counties)" JPMorgan (6/19/17) "We view the transaction positively given significant overlap of high quality core acreage that should drive what EQT management estimates to be \$2.5 billion in development and economic synergies" Wells Fargo (7/29/17) "EQT will be able to optimally develop its core Marcellus with long laterals" Cowen (6/19/17) "We view the deal positively for EQT, as the addition of RICE's contiguous Marcellus acreage will improve capital efficiency through the drilling of longer average laterals (12,000 ft vs 8,000 ft previously)" Jeffries (7/12/17) "Importantly, the ability to extend lateral lengths in the Appalachian sweet-spot provides optimal economic returns" RBC Capital Markets (7/5/17)

The Case To Reject Proposed RICE Acquisition Fictitious transaction rationale and synergies Value transfer to RICE shareholder exceeds benefit to EQT shareholder EQT's poor M&A track-record & large deal size elevates execution risk EQT's misaligned incentives and efforts to force RICE vote without a plan to address sum-of-parts discount is highly suspect 123411

EQT is Giving RICE More Value Than It Is Receiving. EQT is paying RICE shareholders more than it is receiving, while also issuing ~ 50% of significantly undervalued equity. Premium EQT is Paying to RICE \$1.8 billion \$1.6 billion \$2.0 billion \$0.2 - \$1.4 billion Shortfall Synergy Value EQT is Getting from RICE EQT's Share of Synergy Based on Management Claim EQT's Share of Synergy Based on Actual Data Premium Paid Based on Market Value post deal (supporting only ~ 15% of the later all length extension than management claims) and is based on the work of experts engaged by JANA for the purpose of evaluating the transaction. Premium Paid Based on Proxy Fair Values 12 \$0.6 billion Note: Premium Paid Based on Market Value based on EQT and RICE share prices on 6/16/17 prior to deal announcement. Premium Paid Based on Proxy Fair Values based on midpoint of fair value of EQT equity issued and cash consideration paid to RICE shareholders and midpoint of fair value of RICE equity received calculated based on sum-of-part equity fair values per Citi (EQT's financial advisor) on pages 94 and 101 of Merger Proxy (10/12/17). EQT's Share of Synergy Based on Management Claim reflects 65% pro forma ownership of the \$2.5bn synergy value per EQT's investor presentation (6/19/17). EQT's Share of Synergy Based on Actual Data reflects 65% pro forma ownership of \$0.6bn in G & A synergy and \$0.3bn in drilling synergy that can be justified by actual acreage ownership

6.4x EQT is Issuing Significantly Undervalued Equity EQT is issuing equity at an implied E&P EBITDA multiple of 2.4x-4.1x, well below average peer E&P multiple of 6.4x. EQT's Implied E&P EV to Consensus 2018 EBITDA Peers E&P EV / 2018 EBITDA 36% Discount 46% Discount 62% Discount 2.4x 4.1x 3.4x Based on Proxy Value for EQGP Stake with Acquisition Premium Based on Proxy Value for EQGP Stake Based on Market Value for EQGP Stake Midpoint of Proxy Peer Range 13 Note: Enterprise value of EQT E&P business based on market value of EQT on 6/16/17 (prior to deal announcement) plus net debt of the E&P business (i.e. excluding EQM net debt) less equity value of the EQGP stake. Consensus EQT 2018 E&P EBITDA per Bloomberg on 6/16/17. The 3.4x multiple reflect equity value for EQGP stake at midpoint of the fair value range based on comps per Citi (EQT's financial advisor) as shown on page 101 of Merger Proxy (10/12/17). The 2.4x multiple reflects the same preceeding fair value for EQGP plus a assumed 20% acquisition premium. The 4.1x multiple reflects market value of EQGP stake on 6/16/17. The 6.4x peer multiple is the midpoint of the range as noted by Citi on pages 91 and 101 of Merger Proxy (10/12/17).

EQT is More Valuable Without RICE. We believe the RICE deal destroys value when synergies are properly valued. EQT's own proxy sum-of-parts valuation shows a 14% upside from the RICE deal only after giving full credit to fictitious synergies. EQT Advisor's Sum-of-the-Parts Valuation: \$88 (\$90-\$99-\$92-\$95) 2% Upside \$101 8% Downside 4% Downside High-End of Range Midpoint. EQT has relied on a sum-of-parts to communicate its undervaluation. While other proxy methodologies are used to justify a transaction, they involve subjective assumptions that are, in some cases, not disclosed (\$77.14 the work of experts engaged by JANA for the purpose of evaluating the transaction), and \$2.5bn value for Mgmt Stated Synergies. \$69 (\$73-\$78-\$80-\$84) EQT Standalone EQT+RICE Before Synergies EQT+RICE With Actual Synergies EQT+RICE With Mgmt Stated Synergies Low-End of Range Note: Based on sum-of-parts equity fair value ranges based on comps for RICE and EQT per Citi (EQT's financial advisor) on pages 94 and 101 of Merger Proxy (10/12/17). Merged equity value ranges reflect \$1.3bn of incremental transaction debt, \$0.9bn value for Actual Synergies (that can be justified by actual acreage ownership and lateral extension opportunity post-deal based on

Proxy Discounted Cash Flow Value Appears Problematic averaged discount rate from using RICE's stand alone discount rate, to value combined EQT and RICE cash flows. We believe the discounted cash flow (DCF) used by EQT's financial advisor to justify the transaction is not a reliable measure of value. Terminal value assumption appears indefensible and skews output. Despite RICE only having ~3 years of remaining inventory (well less than half of EQT's remaining core inventory years), EQT's advisor uses same ~8x 2021 EBITDA terminal multiple for both companies. Even RICE's own advisor recognized this, assigning EQT a ~60% higher terminal growth rate than RICE. Adjusting EQT's terminal value assumption for RICE's advisor's assumption cuts EQT's RICE DCF value from ~\$36 to ~\$15 per share. EQT's slower discount rate is inexplicably, in our view, used to value RICE's cash flows in the combined company Has/Get analysis. This has the effect of increasing the relative value of a combined EQT/RICE, and is particularly acute given this analysis relies on discounting cash flows for 50 years (instead of a terminal multiple) 15 Note: DCF valuation as described on pages 98, 102, and 110 of the Merger Proxy (10/12/17). In particular, the terminal value multiple of 8.0x above reflects the midpoint of the 7.2x - 8.8x range used by EQT's financial advisor for both EQT and RICE. RICE's financial advisor used terminal growth midpoint of 3.5% for RICE and 5.5% for EQT. Inventory depletion is estimated based on publicly disclosed number of undrilled locations and capital plans in the Merger Proxy (10/12/17) and does not assume the addition of new acreage. We estimate RICE's financial advisor's terminal value calculation for RICE (using midpoint of discount rate and terminal growth rate assumptions) implies a terminal multiple of ~4.6x on 2021 EBITDA. Applying this 4.6x multiple (instead of 8.0x) to EQT's financial advisor's terminal value calculation of RICE would reduce midpoint of DCF value per share by approximately \$21. Has/Get Analysis as described on pages 103 - 104 of the Merger Proxy (10/12/17). Note that EQT's financial advisor uses EQT's slower stand alone discount rate, rather than the higher weighted

EQT Attempts To Sell Deal On Irrelevant Accretion Metric 16 EQT has also attempted to justify the RICE acquisition based on cash flow accretion in 2018 and 2019. Cash flow accretion is an irrelevant & misleading metric. Accretion says nothing about value paid or benefits received & results anytime a higher cash flow multiple stock (EQT) is used as a currency to buy a lower cash flow multiple stock (RICE). Use of debt financing increases cash flow accretion. EQT also exaggerates their cash flow accretion metrics with questionable assumptions in our opinion. EQT's accretion calculations selectively uses RICE's higher EBITDA estimate, which in 2019 is 13% higher than EQT's own estimate for RICE in its proxy, resulting in a 2x increase in accretion. EQT's accretion metric also unrealistically assumes RICE's G&A is mostly gone in 2018. Note: EQT accretion metrics as noted in investor presentations dated (6/19/17 & 7/27/17) and reiterated in the cover letter to its Merger Proxy (10/12/17). Pages 83 and 86 of Merger Proxy (10/12/17) show EQT's own estimate of RICE EBITDA (which was close to consensus) was meaningfully below estimates supplied by RICE management.

Shareholders Could Generate Higher Accretion On Own EQT share holders would have created greater cash flow accretion (and with no execution risk) simply buying RICE shares in the open market than what would be achieved by EQT's acquisition of RICE. EQT's 2019 cash flow accretion of 33% compares unfavorably to the 53% available to EQT share holders purchasing RICE in the open market (pre-deal price) using the same financing mix as the deal Cash Flow per Share Accretion in 2019 From EQT+RICE Transaction Cash Flow per Share Accretion in 2019 From Open-Market Reallocation 53% 33% 13% Based on Consensus Estimates Based on Management Estimates Based on Management Estimates Note: Based on closings share prices prior to deal announcement on 6/16/17 and management estimates contained in the Merger Proxy (10/12/17). 17 Accretion from EQT+RICE Transaction based on consensus and management estimates as calculated by Barclays (Rice's financial advisor) and shown on page 126 of Merger Proxy (10/12/17) and is consistent with metrics as noted in EQT's investor presentations (6/19/17 & 7/27/17) and reiterated in the cover letter to its Merger Proxy (10/12/17). Accretion from Open-Market Reallocation: Since legacy EQT share holders would own ~65% of the merged company and absorb ~\$5 per share of incremental transaction debt post deal, investors can mimic the per share effect of the transaction by (a) selling 0.35 share of EQT and borrowing \$5 and (b) use the combined proceeds to purchase RICE shares in the open market.

EQT's Other "Value" Arguments Fall Short based on EQT's offer. EQT's argument in its proxy that RICE has traded at a discounted value to EQT and other comps and that RICE would re-rate within EQT does not stand up to scrutiny in our view. RICE's score Marcellus inventory life is less than half of its peers, implying their multiples should be lower than peers. EQT's implied E&P multiple is well below peers and ~40% below RICE's multiple, implying RICE could actually de-rate within EQT and destroy even greater value. EQT also points to unlocking RICE's embedded midstream value as a deal rationale that we believe is illusory. The increase in value of EQGP (EQT's midstream GP) following the announcement was mostly offset by the decline in value of RMP (RICE's midstream MLP) and implied decline of the RMP GP. Note: Marcellus inventory years reflect the ratio between core Marcellus undrilled locations to number of wells spud in 2017 based on public disclosure. RICE has 11 inventory years while peers (AR, COG, EQT, RRC) have 23-50 years of inventory. Future capital plans in the Merger Proxy (10/12/17) with greater drilling activity suggests RICE's current inventory would deplete in ~2024. EQT's and RICE's E&P multiple calculated using the same methodology described on prior slide titled "EQT Is Issuing Significantly Undervalued Equity" of this presentation. RICE's multiple calculated

RICE Dilutes Midstream Exposure & Increases Net Debt ARICE acquisition would reduce EQT per share exposure to midstream while increasing net debt per share. Transaction reduces exposure to attractive midstream business by 10% & results in a lower quality mix (e.g., RICE's water handling). Diluting EQT's upside to unlocking the value of midstream. Transaction also increases E&P parent net debt per share by 60% and decreases net leverage by 40% ~ 10% Dilution to Midstream Exposure 41% 37% (10/12/17). 31% EQT Pre-Deal RICE EQT Post-Deal Percentage of Total Enterprise Value from Midstream at Midpoint of Proxy SOTP Value Based on Comps 19 Note: EQT E&P parent net debt per share would increase from \$10 to \$16 post deal based on latest balance sheet on 6/30/17. Net leverage based on E&P parent net debt to consensus 2017 E&P EBITDA per Bloomberg including G&A synergy on a pro forma basis. Midstream share of total enterprise value based on midpoint of sum-of-parts fair value ranges based on comps per Citi (EQT's financial advisor) on pages 91-94 and 101 of Merger Proxy

The Case To Reject Proposed RICE Acquisition Fictitious transaction rationale and synergies Value transfer to RICE shareholder exceeds benefit to EQT shareholder EQT's poor M&A track-record & large deal size elevates execution risk EQT's misaligned incentives and efforts to force RICE vote without a plan to address sum-of-parts discount is highly suspect 123420

EQT's Poor M&A Track-Record & Deal Size Heighten Risk
EQT's poor M&A track-record and a transaction 5x larger than any prior deal—with suspects synergy claims and required follow-on M&A—significantly elevate execution risk for shareholders. We believe EQT has a troubling track-record of increasingly problematic M&A: \$1.6bn spent in 2016/2017 for WV acreage; EQT now notes will take significantly longer than expected to realize value, but for reasons that would have been readily apparent at time of acquisition. Wasted hundreds of millions of dollars in 2014 in a cash/assets swap to acquire Permian acreage they are now trying to exit. \$280 million spent in 2010 acquiring acreage in Cameron, Clearfield, Elk and Jefferson Counties that are no longer focus areas. Execution risk is further elevated by promised magnitude and pace of G&A synergies. EQT's financial justification for the transaction assumes elimination of nearly all of RICE's G&A entering 2018. Required pace of G&A cuts simplified tail loss that is incompatible with EQT's desire to apply best practices from both companies. 21

Poor M&A Record/Inability To Assess Value Elevates Risk Potential in inaccurate assessment of RICE value and synergies amplifies execution risk. EQT's actions in core Marcellus region raise questions about ability to properly assess the value and potential of their targets. Since 2016 EQT passed on acquiring RICE as well as most of the Marcellus assets that today comprise RICE, all at low values. EQT passed on acquiring Alpha Natural Resources, Vantage Energy and Lola Energy due to prices being too high. RICE acquired these assets and their cost accounted for ~75% of RICE's unaffected market cap, before tacking on EQT's ~40% acquisition premium. As disclosed in the proxy, in 2016 EQT walked away from a deal to acquire RICE at a substantially low value. A "yes" vote for RICE brings further execution risk from significant follow-on M&A to attempt to fill in acreage and achieve promised synergies.

The Case To Reject Proposed RICE Acquisition Fictitious transaction rationale and synergies Value transfer to RICE shareholder exceeds benefits to EQT shareholders EQT's poor M&A track-record & large deal size elevates execution risk EQT's misaligned incentives and efforts to force RICE vote without a plan to address sum-of-parts discount is highly suspect 1 2 3 4 23

EQT's negative stock price reaction immediately following the RICE announcement was among the worst declines of any acquirer YTD Market Reaction To RICE Deal Was Decidedly Negative YTD Acquirer Announcement Day Reaction YTD Acquirer Three Day Reaction Average: (0.4%) EQT Performance: (9.0%) Average: 0.9% EQT Performance: (11.5)% This measurement period is insignificant as it represents the reaction to the transaction & excludes stock moves caused by other factors Reaction was pronounced: 25% of EQT's shares (billions of value) traded in 3-day period following the pre-market announcement The market reaction reflected disappointment with the RICE announcement and related issuance of undervalued EQT equity Shareholders were focused on addressing the sum-of-parts discount (which EQT repeatedly acknowledged), and we believe there is still limited enthusiasm for the RICE acquisition on a stand-alone basis²⁴ Note: Charts based on 2017 U.S. M&A transactions greater than \$2bn through 10/12/17. Average acquirer stock price calculation excludes EQT.

EQT's Stock Price Recovery Was Unrelated To RICE Ž EQT's stock bounced for reasons unrelated to RICE announcement 6/23/17: First ever open market buys by CEO & CFO disclosed 6/23/17: Received approval for critical pipeline; as RBC noted: "Final EIS for MVP a Positive Step... clearing this hurdle should alleviate some market concern over timing" Ž Potential resolution of sum-of-parts fueled/sustained recovery "Part of EQT's 2018 strategy is to address the persistent SOTP discount, which has been absent from the story over the past year." BMO 6/20/17 JANA Partners files 13D on July 3, 2017 25 \$ 68.00 \$ 66.00 \$ 64.00 \$ 62.00 \$ 60.00 \$ 58.00 \$ 56.00 \$ 54.00 \$ 52.00 \$ 50.00 6/12/17 6/26/17 7/10/17 7/24/17 8/7/17 8/21/17 9/4/17 9/18/17 10/2/17 EQT Share Price EQT/RICE announced 2Q17 Earnings EQT Share Price Reaction CEO & CFO Share Purchase Mountain Valley Pipeline receives EIS JANA 13D Filed Board moves update to address sum-of-parts

Decision To Prioritize RICE Acquisition Is Highly Suspect EQT is determined to push RICE vote through before addressing its sum-of-parts discount, which we and many other shareholders find highly suspect. Flawed Incentives: EQT's perverse short & long-term compensation structure had management earning tens of millions simply by acquiring RICE regardless of whether it generated any shareholder value. EQT's decision to acquire RICE coincided with EQT's 3-year rolling incentive targets looking increasingly unachievable absent RICE. Transaction also had potential to boost future short-term bonus pool. EQT's board belatedly acknowledged & committed to address these flawed incentives on 9/13/17 and only after shareholder pressure. Flawed Governance: Shareholders lacked key protections from overpaying for RICE. Note: See additional discussion of misaligned compensation incentives in JANA's letter dated August 14, 2017 filed in conjunction with SEC Form 13D/A. 20-year Lead Director (raising serious doubts about independence) sits on comp. committee, which is chaired by a 10-year director. Board Chairman (former CEO) retained long-term compensation incentives that stood to benefit from RICE transaction. 26

Decision To Prioritize RICE Acquisition Is Highly Suspect Flawed Arguments: After original \$2.5bn of synergies were challenged, EQT “found” \$7.5bn new ones, resulting in total synergies exceeding entire deal value by ~\$2.5bn EQT added \$6.1bn or 81% of new synergies from categories that EQT tacitly acknowledged could in fact be \$0.3bn EQT’s example for “drilling and completion best practices” is engineered completions, an opportunity EQT could pursue stand alone like numerous other shale E&Ps “Lengthening WV laterals” requires changes in state law, not RICE RICE G&A would go away post 2027 anyway (inventory depleted) “Marketing optimization” assumes EQT finds market to sell pure commodity at a premium price while also assuming “MVP expansion” synergies from diverting RICE’s gas to MVP pipeline 27 Note: Table from page 14 of EQT’s investor presentation (7/27/17).

Decision To Prioritize RICE Acquisition Is Highly Suspect EQT was not willing to stand behind the purported \$7.5bn of news synergies when questioned by analysts, in our opinion “The numbers that are shown on that page are all the numbers at the high-end of the ranges... I don't want anyone to take away from this that we're saying we're going to get another \$7.5 billion on top of the \$2.5 billion... we will get some amount probably from each of these categories... these are far more difficult to prove... These will be much more difficult to demonstrate.” EQT CEO Steve Shlotterbeck, Q2 Conference Call (7/27/17) 3 Flawed Excuses: EQT has given suspect reasons for extending the time needed to address the sum-of-parts discount For example, until publicly challenged by shareholders, EQT cited taxes as an excuse for originally wanting to wait two years to address its sum-of-parts discount Despite ability to give shareholders an answer, EQT has refused to do so until after the RICE deal closes and has at times cited ideas for addressing the valuation discount that are entirely suboptimal 284

Decision To Prioritize RICE Acquisition Is Highly Suspect Flawed Logic: EQT continues to tease resolving the sum-of-parts to sell the RICE transaction, yet refuses to complete the picture. EQT's cover letter to its proxy dated October 12, 2017 asserts: "We believe this transaction enhances our ability to unlock the substantial value embedded within our legacy EQT assets as well as within the acquired Rice assets, which is a top priority." EQT fails to acknowledge the fundamental issue. EQT argues in its October 16, 2017 press release, "JANA seem to believe shareholders face a binary decision between either approving the proposed Rice transaction or taking action to address EQT's sum-of-the-parts discount." This completely misses the point: shareholders do not dispute EQT will do something to address its discount, they are concerned EQT will do it the wrong way in light of past strategic ineptitude and the lengths gone to avoid addressing this long acknowledged issue. EQT is asking shareholders for a blank check by forcing them to vote on a highly questionable acquisition that, even if somehow successful, will create little shareholder value in our view, before revealing how they intend to address the most pressing issue 29

EQT Is Well Positioned Without RICE 30 There are no adverse effects to existing operations if the RICE deal is voted down, and EQT has promising avenues to create value. EQT is not dependent on acquiring RICE. EQT has not changed its business or operations such that a "No" vote on the RICE deal would have an adverse impact. EQT has a ready and well-worn path to addressing its sum-of-parts discount. Given dearth of potential RICE buyers, in the future EQT could look to joint venture with RICE in the limited instances where acreage actually overlaps. Replicates any actual deal benefits, mitigates execution risk & avoids a massive issuance of undervalued equity. There is simply no justification for fast-tracking the RICE acquisition, and the circumstances surrounding it raises serious doubts as to whether management can be trusted to take the right steps for shareholders if it is approved.

Appendix: Atlas Energy Case Study 31

930% Return \$0.00 May-04 May-05 May-06 May-07 May-08 May-09 May-10 \$10.00
 \$20.00 \$30.00 \$40.00 \$50.00 In addition to Atlas Energy Inc., Atlas Management built a separate publicly traded midstream business, Atlas Pipeline Partners (“APL”). APL began by Atlas Management segregating midstream assets from its upstream business. APL grew over 15 years to be a leading provider of gathering and processing services across the top oil basins in the U.S., including the Permian, SCOOP/STACK and the Eagle Ford. At Atlas Energy Inc., Jonathan Cohen, as Vice Chairman, and Daniel Herz, as Senior Vice President of Corporate Development and Strategy (collectively “Atlas Management”) built and sold a premier Marcellus enterprise. Atlas Management was a pioneer of the Marcellus shale: Drilled more wells from 2005–2010 than any other operator in the play. Grew Marcellus acreage position from 86,000 net acres in 2004 to 468,000 net acres in 2010. Atlas Management brought in external capital to accelerate development of its Marcellus position: 2009: Sold 51% interest in Laurel Mountain Midstream to Williams Companies Inc., creating joint venture to build out Marcellus gathering and processing infrastructure. 2010: Formed a \$1.8 billion drilling joint venture with Reliance Industries, valuing the Marcellus position at \$14,100/acre. Atlas Energy History ATLAS AMERICA/ATLAS ENERGY INC. (NASDAQ: ATLS) Atlas Management sold APL and its general partner in 2014 to Targa for \$7.7 billion, generating a 420% return for IPO investors. Ultimately, Atlas Management sold its Marcellus upstream and midstream position to Chevron in 2011 for \$4.3 billion, earning IPO investors a 930% return. ATLAS PIPELINE PARTNERS (NYSE: APL) 32