

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

**FORM 8-K**

**CURRENT REPORT**  
Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): August 2, 2022



**CHESAPEAKE ENERGY CORPORATION**

(Exact name of Registrant as specified in its Charter)		
<b>Oklahoma</b>	<b>1-13726</b>	<b>73-1395733</b>
(State or other jurisdiction of incorporation)	(Commission File No.)	(IRS Employer Identification No.)
<b>6100 North Western Avenue</b>	<b>Oklahoma City</b>	<b>OK</b>
(Address of principal executive offices)		<b>73118</b>
	<b>(405) 848-8000</b>	(Zip Code)
	(Registrant's telephone number, including area code)	

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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

Title of each class	Trading Symbol	Name of each exchange on which registered
Common Stock, \$0.01 par value per share	CHK	The Nasdaq Stock Market LLC
Class A Warrants to purchase Common Stock	CHKEW	The Nasdaq Stock Market LLC
Class B Warrants to purchase Common Stock	CHKEZ	The Nasdaq Stock Market LLC
Class C Warrants to purchase Common Stock	CHKEL	The Nasdaq Stock Market LLC

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§ 230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§ 240.12b-2 of this chapter).

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.

**Item 2.02 Results of Operations and Financial Condition.**

On August 2, 2022, Chesapeake Energy Corporation (“Chesapeake”) issued a press release reporting financial and operational results for the second quarter of 2022. A copy of the press release, financial information and outlook are attached as Exhibit 99.1, Exhibit 99.2 and Exhibit 99.3, respectively, to this Current Report on Form 8-K.

The information in the press release is being furnished, not filed, pursuant to Item 2.02. Accordingly, the information in the press release will not be incorporated by reference into any registration statement filed by Chesapeake under the Securities Act of 1933, as amended, except as set forth by specific reference in such filing.

**Item 7.01 Regulation FD Disclosure.**

On August 3, 2022, Chesapeake will make a presentation about its financial and operating results for the second quarter of 2022, as noted in the press release described in Item 2.02 above. Chesapeake has made the presentation available on its website at <http://investors.chk.com>.

This information is being furnished, not filed, pursuant to Item 7.01. Accordingly, this information will not be incorporated by reference into any registration statement filed by Chesapeake Energy Corporation under the Securities Act of 1933, as amended, except as set forth by specific reference in such filing.

**Item 9.01 Financial Statements and Exhibits.**

(d) Exhibits

<b>Exhibit No.</b>	<b>Document Description</b>
<a href="#">99.1</a>	Chesapeake Energy Corporation press release dated August 2, 2022
<a href="#">99.2</a>	Supplemental Financial Information
<a href="#">99.3</a>	Outlook as of August 2, 2022
104.0	Cover Page Interactive Data File (embedded within the Inline XBRL document)

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**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 hereunto duly authorized.

**CHESAPEAKE ENERGY CORPORATION**

By: /s/ DOMENIC J. DELL'OSSO, JR.

Domenic J. Dell'Osso, Jr.

President and Chief Executive Officer

Date: August 2, 2022

# NEWS RELEASE

FOR IMMEDIATE RELEASE  
 AUGUST 2, 2022

## CHESAPEAKE ENERGY CORPORATION REPORTS 2022 SECOND QUARTER RESULTS AND ANNOUNCES IT IS SOLIDIFYING ITS STRATEGIC FOCUS ON CORE MARCELLUS AND HAYNESVILLE POSITIONS

OKLAHOMA CITY, August 2, 2022 – Chesapeake Energy Corporation (NASDAQ:CHK) today reported 2022 second quarter financial and operating results and announced the company is taking actions to solidify its strategic focus on its core Marcellus and Haynesville positions.

- **Net cash provided by operating activities of \$909 million**
- **Delivered adjusted EBITDAX<sup>(1)</sup> of \$1,269 million and \$494 million in adjusted free cash flow<sup>(1)</sup>**
- **Net income totaled \$1,237 million, or \$8.27 per diluted share; adjusted net income<sup>(1)</sup> of \$729 million, or \$4.87 per diluted share**
- **Increased annual base dividend by 10% to \$2.20 per share; total quarterly dividend of \$2.32 per common share**
- **Retired approximately \$670 million, or approximately 7.6 million common shares through July 31; \$2 billion common stock and warrant repurchase program remains active**
- **Positioning Haynesville assets for future growth while reducing activity in Eagle Ford position which the company now views as non-core to its future capital allocation strategy**
- **Entered into gas supply agreement with Golden Pass LNG facilities**
- **Achieved Grade “A” MiQ and EO100™ certification for responsible energy production in legacy Marcellus operations**

(1) A Non-GAAP measure as defined in the supplemental financial tables available on the company's website at [www.chk.com](http://www.chk.com).

Nick Dell'Osso, Chesapeake's President and Chief Executive Officer, commented, “We continue to execute our business and deliver on our leading capital return program. Over the last two months we have doubled our share and warrant repurchase authorization to \$2 billion, retired over \$580 million in common shares, and increased our base dividend by 10%.

“We are pleased to also announce that we are solidifying our strategic focus on the two premier North American shale gas plays,” added Dell'Osso. “Our acreage positions in the Marcellus and Haynesville are truly differentiated with industry leading capital efficiency, deep runways of low breakeven inventory, strong operating margins, and advantaged emissions profiles. Given we now view our Eagle Ford assets as non-core to our future capital allocation strategy, we are increasing our capital allocation to the Haynesville in the second half of the year and into 2023 to position the asset for returns-driven growth. Simply put, we are tightening our strategic focus around our best rock, best operations and lowest emissions footprint to generate the most attractive and sustainable capital returns in the industry and be the leader in answering the call for delivering affordable, reliable, lower carbon energy the world needs.”

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### CHESAPEAKE ENERGY CORPORATION

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## **Shareholder Return Update**

During the second quarter of 2022, Chesapeake generated \$909 million of operating cash flow and had \$17 million of cash on hand at quarter-end. As a result of its significant free cash flow, Chesapeake is raising its base dividend by 10% to \$2.20 per share. Consistent with the company's cash return framework, Chesapeake plans to pay its base and variable dividend on September 1, 2022 to shareholders of record at the close of business on August 17, 2022. The total common stock dividend, including the variable and base components, is calculated as follows:

(\$ and shares in millions, except per share amounts)	2Q 2022	
Net cash provided by operating activities	\$	909
Less cash capital expenditures		415
Add back cash paid for acquisition costs		—
Adjusted free cash flow		494
Less cash paid for common base dividends		67
50% of adjusted free cash flow available for common variable dividends	\$	214
Common shares outstanding at 7/29/22 <sup>(1)</sup>		121
Variable dividend payable per common share in September 2022	\$	1.77
Base dividend payable per common share in September 2022	\$	0.55
Total dividend payable per common share in September 2022	\$	2.32

*(1) Basic common shares outstanding as of the declaration date of 8/2/2022. Assumes no exercise of warrants between dividend declaration date and dividend record date.*

In June 2022, the company doubled its previously announced repurchase program authorization from \$1 billion to up to \$2 billion in aggregate value of its common stock and/or warrants through year-end 2023. Through July 31, 2022, Chesapeake has repurchased approximately 7.6 million shares of its common stock for approximately \$670 million.

## **Operations and Marketing Update**

Chesapeake's net production in the second quarter of 2022 was approximately 4,125 MMcfe per day (approximately 91% natural gas and 9% total liquids), utilizing an average of 16 rigs to drill 63 wells and placed 57 wells on production. Chesapeake is currently operating 16 rigs including five in the Marcellus, five in the Eagle Ford and six in the Haynesville, with the sixth rig just added in the last week. The company expects to drill 60 to 70 wells and place 40 to 50 wells on production in the third quarter of 2022.

To position the company for additional returns-driven growth from the Haynesville, the company is reallocating capital to the Haynesville and increasing its capital investment program by 15% to \$1.75–\$1.95 billion (previous guidance was \$1.5–\$1.8 billion). The move reflects industry-wide inflation as well as the addition of two operated Haynesville rigs with the sixth rig added in early August and a seventh rig before year-end. Chesapeake intends to reduce planned activities and investments in the Eagle Ford which includes dropping to three rigs by the end of August and exiting the year with two rigs.

Chesapeake is also working with midstream partners to increase our gas gathering and treating capacity in the Haynesville. The company expects to have incremental capacity available beginning in first quarter of 2023, growing through the end of 2023 to correspond with the volume growth generated by the projected increased rig activity.

Additionally, Chesapeake has entered into a term gas supply agreement (GSA) with Golden Pass LNG Terminal LLC ("Golden Pass") to deliver 300 mmcf per day of Responsibly Sourced, independently certified gas, from the Haynesville to Golden Pass's liquefied natural gas terminal on the Gulf Coast near Sabine Pass, Texas. The GSA is expected to begin in 2024 with a 36 month term at a NYMEX based price less a fixed differential. For more information on each of its operating areas, including projections for activity, well statistics and pricing, Chesapeake has posted slides on its website at [www.chk.com](http://www.chk.com).

## **ESG Update**

Chesapeake achieved certification of its legacy Marcellus operations under the MiQ methane standard and the EO100™ Standard for Responsible Energy Development, which cover a broad range of environmental, social and governance (ESG) criteria. The company previously announced the certification of its Haynesville operations in December 2021, and is the first company to achieve Grade “A” ratings (the highest rating a company can earn) from MiQ across two major shale basins. The company anticipates its recently acquired position in the Marcellus from Chief E&D Holdings, LP and affiliates of Tug Hill, Inc. will achieve certification by year end, resulting in 100% independent certification for produced and marketed volumes across Chesapeake’s two industry leading gas plays.

In 2021 and through June 30, 2022, Chesapeake has installed more than 2,000 continuous methane emission monitoring devices and retrofitted 15,000 pneumatic devices across its operations. As part of that effort, all operated new facility construction is engineered today to be 100% vent free using electric device technology, instrument air and vent capture systems. In addition, the company has executed an agreement beginning in the third quarter of 2022 to implement aerial Gas Mapping LiDAR scans to detect and quantify emissions multiple times per year across the entirety of its assets. Finally, the company joined Veritas, a GTI Differentiated Gas Measurement and Verification Initiative designed to accelerate actions that reduce methane leakage from natural gas systems.

### **Conference Call Information**

Chesapeake plans to host a conference call to discuss recent results on Wednesday, August 3, 2022 at 9:00 am EDT. The telephone number to access the conference call is 877-344-7529 or 412-317-0088 for international callers. The passcode for the call is 6061361.

### **Financial Statements, Non-GAAP Financial Measures and 2022 Guidance and Outlook Projections**

The company's 2022 second quarter financial and operational results, along with non-GAAP measures that adjust for items that are typically excluded by securities analysts, are available on the company's website. Such non-GAAP measures should be not considered as an alternative to GAAP measures. Reconciliations of these non-GAAP measures and other disclosures are provided with the supplemental financial tables available on the company's website at [www.chk.com](http://www.chk.com). Management's updated guidance for 2022 can be found on the company's website at [www.chk.com](http://www.chk.com).

***Headquartered in Oklahoma City, Chesapeake Energy Corporation is powered by dedicated and innovative employees who are focused on discovering and responsibly developing our leading positions in top U.S. oil and gas plays. With a goal to achieve net-zero direct GHG emissions by 2035, Chesapeake is committed to safely answering the call for affordable, reliable, lower carbon energy.***

### **Forward-Looking Statements**

*This news release and the accompanying outlook include "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. Forward-looking statements are statements other than statements of historical fact. They include statements that give our current expectations, management's outlook guidance or forecasts of future events, expected natural gas and oil growth trajectory, projected cash flow and liquidity, our ability to enhance our cash flow and financial flexibility, dividend plans, future production and commodity mix, plans and objectives for future operations, ESG initiatives, the ability of our employees, portfolio strength and operational leadership to create long-term value, and the assumptions on which such statements are based. Although we believe the expectations and forecasts reflected in our forward-looking statements are reasonable, they are inherently subject to numerous risks and uncertainties, most of which are difficult to predict and many of which are beyond our control. No assurance can be given that such forward-looking statements will be correct or achieved or that the assumptions are accurate or will not change over time.*

*Factors that could cause actual results to differ materially from expected results include those described under "Risk Factors" in Item 1A of our annual report on Form 10-K and any updates to those factors set forth in Chesapeake's subsequent quarterly reports on Form 10-Q or current reports on Form 8-K (available at <http://www.chk.com/investors/sec-filings>). These risk factors include: the ability to execute on our business strategy following emergence from bankruptcy; the impact of inflation and commodity price volatility resulting from Russia's invasion of Ukraine, COVID-19 and related supply chain constraints, along with the effect on our business, financial condition, employees, contractors and vendors, and on the global demand for oil and natural gas and U.S. and world financial markets; the acquisitions of Vine Energy Inc. ("Vine") and Chief E&D Holdings, LP and affiliates of Tug Hill, Inc. (together, "Chief"), including our ability to successfully integrate the businesses of Vine and Chief into the Company and achieve the expected synergies from these acquisitions within the expected timeframes; effects of purchase price adjustments and indemnity obligations; the volatility of oil, natural gas and NGL prices; the limitations our level of indebtedness may have on our financial flexibility; our ability to comply with the covenants under our credit facility and other indebtedness; our inability to access the capital markets on favorable terms; the availability of cash flows from operations and other funds to fund cash dividends, repurchases of equity, to finance reserve replacement costs and/or satisfy our debt obligations; write-downs of our oil and natural gas asset carrying values due to low commodity prices; our ability to replace reserves and sustain production; uncertainties inherent in estimating quantities of oil, natural gas and NGL reserves and projecting future rates of production and the amount and timing of development expenditures; our ability to generate profits or achieve targeted results in drilling and well operations; leasehold terms expiring before production can be established; commodity derivative activities resulting in lower prices realized on oil, natural gas and NGL sales; the need to secure derivative liabilities and the inability of counterparties to satisfy their obligations; adverse developments or losses from pending or future litigation and regulatory proceedings, including royalty claims; charges incurred in response to market conditions; drilling and operating risks and resulting liabilities; effects of environmental protection laws and regulations on our business and legislative, regulatory and environmental, social and governance ("ESG") initiatives, addressing environmental concerns, including initiatives addressing the impact of global climate change or further regulating hydraulic fracturing, methane emissions, flaring or water disposal; our ability to achieve and maintain ESG goals and certifications; our need to secure adequate supplies of water for our drilling operations and to dispose of or recycle the water used; impacts of potential*

*legislative and regulatory actions addressing climate change; federal and state tax proposals affecting our industry; potential OTC derivatives regulation limiting our ability to hedge against commodity price fluctuations; competition in the oil and gas exploration and production industry; a deterioration in general economic, business or industry conditions; negative public perceptions of our industry; limited control over properties we do not operate; pipeline and gathering system capacity constraints and transportation interruptions; terrorist activities or cyber-attacks adversely impacting our operations; and an interruption in operations at our headquarters due to a catastrophic event.*

*In addition, disclosures concerning the estimated contribution of derivative contracts to our future results of operations are based upon market information as of a specific date. These market prices are subject to significant volatility. Our production forecasts are also dependent upon many assumptions, including estimates of production decline rates from existing wells and the outcome of future drilling activity. We caution you not to place undue reliance on our forward-looking statements that speak only as of the date of this news release, and we undertake no obligation to update any of the information provided in this release, except as required by applicable law. In addition, this news release contains time-sensitive information that reflects management's best judgment only as of the date of this news release.*



CHESAPEAKE ENERGY CORPORATION - SUPPLEMENTAL TABLES

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**CONDENSED CONSOLIDATED BALANCE SHEETS (unaudited)**

(\$ in millions)	Successor	
	June 30, 2022	December 31, 2021
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 17	\$ 905
Restricted cash	9	9
Accounts receivable, net	1,804	1,115
Short-term derivative assets	2	5
Other current assets	178	69
Total current assets	2,010	2,103
Property and equipment:		
Natural gas and oil properties, successful efforts method		
Proved natural gas and oil properties	10,816	7,682
Unproved properties	2,211	1,530
Other property and equipment	498	495
Total property and equipment	13,525	9,707
Less: accumulated depreciation, depletion and amortization	(1,747)	(908)
Property and equipment held for sale, net	5	3
Total property and equipment, net	11,783	8,802
Long-term derivative assets	13	—
Other long-term assets	93	104
<b>Total assets</b>	<b>\$ 13,899</b>	<b>\$ 11,009</b>
<b>Liabilities and stockholders' equity</b>		
Current liabilities:		
Accounts payable	\$ 414	\$ 308
Accrued interest	38	38
Short-term derivative liabilities	2,059	899
Other current liabilities	1,730	1,202
Total current liabilities	4,241	2,447
Long-term debt, net	3,046	2,278
Long-term derivative liabilities	446	249
Asset retirement obligations, net of current portion	337	349
Other long-term liabilities	21	15
Total liabilities	8,091	5,338
Contingencies and commitments		
Stockholders' equity:		
Successor common stock, \$0.01 par value, 450,000,000 shares authorized: 121,590,256 and 117,917,349 shares issued	1	1
Successor additional paid-in capital	5,619	4,845
Retained earnings	188	825
Total stockholders' equity	5,808	5,671
<b>Total liabilities and stockholders' equity</b>	<b>\$ 13,899</b>	<b>\$ 11,009</b>

**CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS (unaudited)**

	Successor	
	Three Months Ended June 30, 2022	Three Months Ended June 30, 2021
<i>(\$ in millions except per share data)</i>		
<b>Revenues and other:</b>		
Natural gas, oil and NGL	\$ 2,790	\$ 892
Marketing	1,223	539
Natural gas and oil derivatives	(514)	(740)
Gains on sales of assets	21	2
Total revenues and other	3,520	693
<b>Operating expenses:</b>		
Production	118	74
Gathering, processing and transportation	274	211
Severance and ad valorem taxes	57	41
Exploration	7	1
Marketing	1,228	535
General and administrative	36	24
Separation and other termination costs	—	11
Depreciation, depletion and amortization	451	229
Impairments	—	1
Other operating expense (income), net	8	(4)
Total operating expenses	2,179	1,123
<b>Income (loss) from operations</b>	<b>1,341</b>	<b>(430)</b>
<b>Other income (expense):</b>		
Interest expense	(36)	(18)
Other income	9	9
Total other income (expense)	(27)	(9)
<b>Income (loss) before income taxes</b>	<b>1,314</b>	<b>(439)</b>
Income tax expense	77	—
<b>Net income (loss) available to common stockholders</b>	<b>\$ 1,237</b>	<b>\$ (439)</b>
<b>Earnings (loss) per common share:</b>		
Basic	\$ 9.75	\$ (4.48)
Diluted	\$ 8.27	\$ (4.48)
<b>Weighted average common shares outstanding (in thousands):</b>		
Basic	126,814	97,931
Diluted	149,532	97,931

	Successor		Predecessor
	Six Months Ended June 30, 2022	Period from February 10, 2021 through June 30, 2021	Period from January 1, 2021 through February 9, 2021
<i>(\$ in millions except per share data)</i>			
<b>Revenues and other:</b>			
Natural gas, oil and NGL	\$ 4,704	\$ 1,445	\$ 398
Marketing	2,090	816	239
Natural gas and oil derivatives	(2,639)	(694)	(382)
Gains on sales of assets	300	6	5
Total revenues and other	4,455	1,573	260
<b>Operating expenses:</b>			
Production	228	114	32
Gathering, processing and transportation	516	322	102
Severance and ad valorem taxes	120	65	18
Exploration	12	2	2
Marketing	2,079	815	237
General and administrative	62	39	21
Separation and other termination costs	—	11	22
Depreciation, depletion and amortization	860	351	72
Impairments	—	1	—
Other operating expense (income), net	31	(2)	(12)
Total operating expenses	3,908	1,718	494
<b>Income (loss) from operations</b>	<b>547</b>	<b>(145)</b>	<b>(234)</b>
<b>Other income (expense):</b>			
Interest expense	(68)	(30)	(11)
Other income	25	31	2
Reorganization items, net	—	—	5,569
Total other income (expense)	(43)	1	5,560
<b>Income (loss) before income taxes</b>	<b>504</b>	<b>(144)</b>	<b>5,326</b>
Income tax expense (benefit)	31	—	(57)
<b>Net income (loss) available to common stockholders</b>	<b>\$ 473</b>	<b>\$ (144)</b>	<b>\$ 5,383</b>
<b>Earnings (loss) per common share:</b>			
Basic	\$ 3.82	\$ (1.47)	\$ 550.35
Diluted	\$ 3.25	\$ (1.47)	\$ 534.51
<b>Weighted average common shares outstanding (in thousands):</b>			
Basic	123,826	97,922	9,781
Diluted	145,534	97,922	10,071

**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (unaudited)**

(\$ in millions)	Successor	
	Three Months Ended June 30, 2022	Three Months Ended June 30, 2021
<b>Cash flows from operating activities:</b>		
Net income (loss)	\$ 1,237	\$ (439)
Adjustments to reconcile net income (loss) to cash provided by operating activities:		
Depreciation, depletion and amortization	451	229
Derivative losses, net	514	740
Cash payments on derivative settlements, net	(1,043)	(113)
Share-based compensation	6	3
Gains on sales of assets	(21)	(2)
Impairments	—	1
Exploration	6	1
Other	13	(7)
Changes in assets and liabilities	(254)	(19)
Net cash provided by operating activities	909	394
<b>Cash flows from investing activities:</b>		
Capital expenditures	(415)	(149)
Proceeds from divestitures of property and equipment	—	2
Net cash used in investing activities	(415)	(147)
<b>Cash flows from financing activities:</b>		
Proceeds from Exit Credit Facility - Tranche A Loans	2,985	—
Payments on Exit Credit Facility - Tranche A Loans	(2,710)	—
Proceeds from warrant exercise	2	2
Cash paid to repurchase and retire common stock	(475)	—
Cash paid for common stock dividends	(298)	(34)
Other	—	(1)
Net cash used in financing activities	(496)	(33)
Net increase (decrease) in cash, cash equivalents and restricted cash	(2)	214
Cash, cash equivalents and restricted cash, beginning of period	28	408
Cash, cash equivalents and restricted cash, end of period	\$ 26	\$ 622
Cash and cash equivalents	\$ 17	\$ 612
Restricted cash	9	10
Total cash, cash equivalents and restricted cash	\$ 26	\$ 622

	Successor		Predecessor
	Six Months Ended June 30, 2022	Period from February 10, 2021 through June 30, 2021	Period from January 1, 2021 through February 9, 2021
<i>(\$ in millions)</i>			
<b>Cash flows from operating activities:</b>			
Net income (loss)	\$ 473	\$ (144)	\$ 5,383
Adjustments to reconcile net income (loss) to net cash provided by operating activities:			
Depreciation, depletion and amortization	860	351	72
Deferred income tax benefit	—	—	(57)
Derivative losses, net	2,639	694	382
Cash payments on derivative settlements, net	(1,611)	(145)	(17)
Share-based compensation	10	3	3
Gains on sales of assets	(300)	(6)	(5)
Impairments	—	1	—
Non-cash reorganization items, net	—	—	(6,680)
Exploration	10	1	2
Other	5	(3)	45
Changes in assets and liabilities	(324)	51	851
Net cash provided by (used in) operating activities	1,762	803	(21)
<b>Cash flows from investing activities:</b>			
Capital expenditures	(759)	(226)	(66)
Business combination, net	(2,006)	—	—
Proceeds from divestitures of property and equipment	403	6	—
Net cash used in investing activities	(2,362)	(220)	(66)
<b>Cash flows from financing activities:</b>			
Proceeds from Exit Credit Facility - Tranche A Loans	4,550	30	—
Payments on Exit Credit Facility - Tranche A Loans	(3,775)	(80)	(479)
Payments on DIP Facility borrowings	—	—	(1,179)
Proceeds from issuance of senior notes, net	—	—	1,000
Proceeds from issuance of common stock	—	—	600
Proceeds from warrant exercise	3	2	—
Debt issuance and other financing costs	—	(3)	(8)
Cash paid to repurchase and retire common stock	(558)	—	—
Cash paid for common stock dividends	(508)	(34)	—
Other	—	(2)	—
Net cash used in financing activities	(288)	(87)	(66)
Net increase (decrease) in cash, cash equivalents and restricted cash	(888)	496	(153)
Cash, cash equivalents and restricted cash, beginning of period	914	126	279
Cash, cash equivalents and restricted cash, end of period	\$ 26	\$ 622	\$ 126
Cash and cash equivalents	\$ 17	\$ 612	\$ 40
Restricted cash	9	10	86
Total cash, cash equivalents and restricted cash	\$ 26	\$ 622	\$ 126

**NATURAL GAS, OIL AND NGL PRODUCTION AND AVERAGE SALES PRICES (unaudited)**

	Successor							
	Three Months Ended June 30, 2022							
	Natural Gas		Oil		NGL		Total	
	MMcf per day	\$/Mcf	MBbl per day	\$/Bbl	MBbl per day	\$/Bbl	MMcfe per day	\$/Mcf
Marcellus	1,957	6.46	—	—	—	—	1,957	6.46
Haynesville	1,643	6.60	—	—	—	—	1,643	6.60
Eagle Ford	130	7.23	50	111.01	16	42.56	525	13.63
<b>Total</b>	<b>3,730</b>	<b>6.55</b>	<b>50</b>	<b>111.01</b>	<b>16</b>	<b>42.56</b>	<b>4,125</b>	<b>7.43</b>
Average Realized Price (including realized derivatives)		4.03		69.46		42.56		4.65

	Successor							
	Three Months Ended June 30, 2021							
	Natural Gas		Oil		NGL		Total	
	MMcf per day	\$/Mcf	MBbl per day	\$/Bbl	MBbl per day	\$/Bbl	MMcfe per day	\$/Mcf
Marcellus	1,279	1.94	—	—	—	—	1,279	1.94
Haynesville	531	2.57	—	—	—	—	531	2.57
Eagle Ford	143	2.37	64	65.58	20	22.78	650	7.73
Powder River Basin	57	3.10	10	64.27	3	30.39	138	6.69
<b>Total</b>	<b>2,010</b>	<b>2.17</b>	<b>74</b>	<b>65.41</b>	<b>23</b>	<b>23.90</b>	<b>2,598</b>	<b>3.77</b>
Average Realized Price (including realized derivatives)		2.12		48.64		23.90		3.25

	Successor							
	Six Months Ended June 30, 2022							
	Natural Gas		Oil		NGL		Total	
	MMcf per day	\$/Mcf	MBbl per day	\$/Bbl	MBbl per day	\$/Bbl	MMcfe per day	\$/Mcf
Marcellus	1,706	5.70	—	—	—	—	1,706	5.70
Haynesville	1,634	5.54	—	—	—	—	1,634	5.54
Eagle Ford	129	5.65	51	102.84	16	41.84	531	12.53
Powder River Basin	20	5.45	4	95.18	1	53.96	51	10.66
<b>Total</b>	<b>3,489</b>	<b>5.62</b>	<b>55</b>	<b>102.30</b>	<b>17</b>	<b>42.82</b>	<b>3,922</b>	<b>6.62</b>
Average Realized Price (including realized derivatives)		3.59		67.38		42.82		4.32

	Successor							
	Period from February 10, 2021 through June 30, 2021							
	Natural Gas		Oil		NGL		Total	
	MMcf per day	\$/Mcf	MBbl per day	\$/Bbl	MBbl per day	\$/Bbl	MMcfe per day	\$/Mcf
Marcellus	1,280	2.15	—	—	—	—	1,280	2.15
Haynesville	529	2.61	—	—	—	—	529	2.61
Eagle Ford	143	3.67	65	64.11	19	23.74	650	7.95
Powder River Basin	57	3.71	10	62.42	4	31.98	137	6.84
<b>Total</b>	<b>2,009</b>	<b>2.43</b>	<b>75</b>	<b>63.89</b>	<b>23</b>	<b>24.99</b>	<b>2,596</b>	<b>3.95</b>
Average Realized Price (including realized derivatives)		2.37		47.36		24.99		3.43

	Predecessor							
	Period from January 1, 2021 through February 9, 2021							
	Natural Gas		Oil		NGL		Total	
	MMcf per day	\$/Mcf	MBbl per day	\$/Bbl	MBbl per day	\$/Bbl	MMcfe per day	\$/Mcf
Marcellus	1,233	2.42	—	—	—	—	1,233	2.42
Haynesville	543	2.44	—	—	—	—	543	2.44
Eagle Ford	165	2.57	74	53.37	18	23.94	721	6.71
Powder River Basin	61	2.92	10	51.96	4	34.31	144	5.71
<b>Total</b>	<b>2,002</b>	<b>2.45</b>	<b>84</b>	<b>53.21</b>	<b>22</b>	<b>25.92</b>	<b>2,641</b>	<b>3.77</b>
Average Realized Price (including realized derivatives)		2.62		49.06		31.42		3.65

	Non-GAAP Combined							
	Six Months Ended June 30, 2021							
	Natural Gas		Oil		NGL		Total	
	MMcf per day	\$/Mcf	MBbl per day	\$/Bbl	MBbl per day	\$/Bbl	MMcfe per day	\$/Mcf
Marcellus	1,270	2.21	—	—	—	—	1,270	2.21
Haynesville	532	2.57	—	—	—	—	532	2.57
Eagle Ford	148	3.40	67	61.48	19	23.78	667	7.65
Powder River Basin	58	3.53	10	60.15	4	32.56	138	6.57
<b>Total</b>	<b>2,008</b>	<b>2.43</b>	<b>77</b>	<b>61.31</b>	<b>23</b>	<b>25.19</b>	<b>2,607</b>	<b>3.91</b>
Average Realized Price (including realized derivatives)		2.41		47.40		25.19		3.48



**GROSS MARGIN (unaudited)**

(\$ in millions, except per unit)	Successor			
	Three Months Ended June 30, 2022		Three Months Ended June 30, 2021	
	\$	\$/Mcf	\$	\$/Mcf
<b>Marcellus</b>				
Natural gas, oil and NGL sales	\$ 1,152	6.46	\$ 226	1.94
Production expenses	19	0.11	9	0.07
Gathering, processing and transportation expenses	105	0.59	79	0.68
Severance and ad valorem	4	0.02	3	0.02
Gross margin	<u>\$ 1,024</u>	<u>5.74</u>	<u>\$ 135</u>	<u>1.17</u>
<b>Haynesville</b>				
Natural gas, oil and NGL sales	\$ 988	6.60	\$ 124	2.57
Production expenses	39	0.26	11	0.22
Gathering, processing and transportation expenses	86	0.57	25	0.52
Severance and ad valorem	12	0.08	5	0.09
Gross margin	<u>\$ 851</u>	<u>5.69</u>	<u>\$ 83</u>	<u>1.74</u>
<b>Eagle Ford</b>				
Natural gas, oil and NGL sales	\$ 650	13.63	\$ 458	7.73
Production expenses	60	1.25	47	0.80
Gathering, processing and transportation expenses	83	1.75	82	1.39
Severance and ad valorem	41	0.85	26	0.43
Gross margin	<u>\$ 466</u>	<u>9.78</u>	<u>\$ 303</u>	<u>5.11</u>
<b>Powder River Basin</b>				
Natural gas, oil and NGL sales	\$ —	—	\$ 84	6.69
Production expenses	—	—	7	0.60
Gathering, processing and transportation expenses	—	—	25	1.95
Severance and ad valorem	—	—	7	0.64
Gross margin	<u>\$ —</u>	<u>—</u>	<u>\$ 45</u>	<u>3.50</u>

	Successor				Predecessor		Non-GAAP Combined	
	Six Months Ended June 30, 2022		Period from February 10, 2021 through June 30, 2021		Period from January 1, 2021 through February 9, 2021		Six Months Ended June 30, 2021	
	\$	\$/Mcf	\$	\$/Mcf	\$	\$/Mcf	\$	\$/Mcf
<i>(\$ in millions, except per unit)</i>								
<b>Marcellus</b>								
Natural gas, oil and NGL sales	\$ 1,761	5.70	\$ 389	2.15	\$ 119	2.42	\$ 508	2.21
Production expenses	32	0.10	14	0.08	4	0.08	18	0.08
Gathering, processing and transportation expenses	176	0.57	121	0.67	34	0.70	155	0.69
Severance and ad valorem	8	0.02	4	0.02	1	0.01	5	0.02
Gross margin	<u>\$ 1,545</u>	5.01	<u>\$ 250</u>	1.38	<u>\$ 80</u>	1.63	<u>\$ 330</u>	1.42
<b>Haynesville</b>								
Natural gas, oil and NGL sales	\$ 1,640	5.54	\$ 194	2.61	\$ 53	2.44	\$ 247	2.57
Production expenses	71	0.24	17	0.23	4	0.19	21	0.22
Gathering, processing and transportation expenses	151	0.51	36	0.48	11	0.49	47	0.49
Severance and ad valorem	24	0.09	7	0.09	2	0.09	9	0.09
Gross margin	<u>\$ 1,394</u>	4.70	<u>\$ 134</u>	1.81	<u>\$ 36</u>	1.67	<u>\$ 170</u>	1.77
<b>Eagle Ford</b>								
Natural gas, oil and NGL sales	\$ 1,204	12.53	\$ 730	7.95	\$ 193	6.71	\$ 923	7.65
Production expenses	115	1.20	71	0.77	21	0.71	92	0.76
Gathering, processing and transportation expenses	167	1.74	126	1.38	45	1.55	171	1.44
Severance and ad valorem	77	0.80	42	0.46	13	0.45	55	0.48
Gross margin	<u>\$ 845</u>	8.79	<u>\$ 491</u>	5.34	<u>\$ 114</u>	4.00	<u>\$ 605</u>	4.97
<b>Powder River Basin</b>								
Natural gas, oil and NGL sales	\$ 99	10.66	\$ 132	6.84	\$ 33	5.71	\$ 165	6.57
Production expenses	10	0.94	12	0.65	3	0.56	15	0.63
Gathering, processing and transportation expenses	22	2.32	39	2.00	12	2.09	51	2.03
Severance and ad valorem	11	1.09	12	0.65	2	0.48	14	0.60
Gross margin	<u>\$ 56</u>	6.31	<u>\$ 69</u>	3.54	<u>\$ 16</u>	2.58	<u>\$ 85</u>	3.31

## CAPITAL EXPENDITURES ACCRUED (unaudited)

	Successor	
	Three Months Ended June 30, 2022	Three Months Ended June 30, 2021
<i>(\$ in millions)</i>		
Drilling and completion capital expenditures:		
Marcellus	\$ 135	\$ 65
Haynesville	209	63
Eagle Ford	148	34
Powder River Basin	—	4
Total drilling and completion capital expenditures <sup>(a)</sup>	492	166
Leasehold and additions to other PP&E	11	2
Capitalized interest	8	2
Total capital expenditures	\$ 511	\$ 170

	Successor		Predecessor	Non-GAAP Combined
	Six Months Ended June 30, 2022	Period from February 10, 2021 through June 30, 2021	Period from January 1, 2021 through February 9, 2021	Six Months Ended June 30, 2021
<i>(\$ in millions)</i>				
Drilling and completion capital expenditures:				
Marcellus	\$ 197	\$ 104	\$ 30	\$ 134
Haynesville	401	74	22	96
Eagle Ford	196	42	9	51
Powder River Basin	24	5	—	5
Total drilling and completion capital expenditures <sup>(a)</sup>	818	225	61	286
Leasehold and additions to other PP&E	19	3	—	3
Capitalized interest	13	3	1	4
Total capital expenditures	\$ 850	\$ 231	\$ 62	\$ 293

(a) Total drilling and completion capital expenditures includes capitalized G&A, capitalized workovers and infrastructure capital.

**NATURAL GAS AND OIL HEDGING POSITIONS AS OF JULY 29, 2022**

**Natural Gas Swaps**

	Volume (Bcf)		Avg. NYMEX Price of Swaps
Q3 2022 <sup>(a)</sup>	134	\$	2.63
Q4 2022	117	\$	2.60
Total 2022	251	\$	2.61
Total 2023	204	\$	2.67
Total 2024	88	\$	2.67
Total 2025	27	\$	2.65

**Natural Gas Swaptions**

	Volume (Bcf)		Avg. NYMEX Strike Price
Total 2023	7	\$	2.88

**Natural Gas Collars**

	Volume (Bcf)		Avg. NYMEX Bought Put Price		Avg. NYMEX Sold Call Price
Q3 2022 <sup>(a)</sup>	94	\$	3.41	\$	4.56
Q4 2022	120	\$	3.12	\$	4.27
Total 2022	214	\$	3.25	\$	4.40
Total 2023	393	\$	3.38	\$	5.59

**Natural Gas Three-Way Collars**

	Volume (Bcf)		Avg. NYMEX Sold Put Price		Avg. NYMEX Bought Put Price		Avg. NYMEX Sold Call Price
Q3 2022 <sup>(a)</sup>	7	\$	2.41	\$	2.90	\$	3.43
Q4 2022	6	\$	2.41	\$	2.90	\$	3.43
Total 2022	13	\$	2.41	\$	2.90	\$	3.43
Total 2023	4	\$	2.50	\$	3.40	\$	3.79

**Natural Gas Written Call Options**

	Volume (Bcf)		Avg. NYMEX strike price
Total 2023	18	\$	3.29

**Natural Gas Basis Protection Swaps**

	Volume (Bcf)		Avg. NYMEX plus/(minus)
Q3 2022 <sup>(a)</sup>	138	\$	(0.51)
Q4 2022	106	\$	(0.28)
Total 2022	<u>244</u>	\$	<u>(0.41)</u>
Total 2023	<u>203</u>	\$	<u>(0.22)</u>
Total 2024	<u>38</u>	\$	<u>(0.13)</u>
Total 2025	<u>5</u>	\$	<u>(0.21)</u>

**Crude Oil Swaps**

	Volume (MMBbls)		Avg. NYMEX Price of Swaps
Q3 2022 <sup>(a)</sup>	2.7	\$	44.85
Q4 2022	2.6	\$	45.92
Total 2022	<u>5.3</u>	\$	<u>45.37</u>
Total 2023	<u>1.9</u>	\$	<u>47.17</u>

**Crude Oil Collars**

	Volume (MMBbls)	Avg. NYMEX Bought Put Price	Avg. NYMEX Sold Call Price
Total 2023	<u>6.2</u>	\$ 69.99	\$ 83.86

**Crude Oil Basis Protection Swaps**

	Volume (MMBbls)		Avg. NYMEX plus/(minus)
Q3 2022 <sup>(a)</sup>	3.6	\$	0.89
Q4 2022	3.5	\$	0.89
Total 2022	<u>7.1</u>	\$	<u>0.89</u>
Total 2023	<u>6.2</u>	\$	<u>0.96</u>

(a) Includes amounts settled in July and August 2022.

## NON-GAAP FINANCIAL MEASURES

As a supplement to the financial results prepared in accordance with U.S. GAAP, Chesapeake's quarterly earnings releases contain certain financial measures that are not prepared or presented in accordance with U.S. GAAP. These non-GAAP financial measures include Adjusted Net Income (Loss) Attributable to Chesapeake, Adjusted EBITDAX, Free Cash Flow and Net Debt. A reconciliation of each financial measure to its most directly comparable GAAP financial measure is included in the tables below.

These financial measures are non-GAAP and should not be considered as an alternative to, or more meaningful than, net income (loss), earnings (loss) per common share or cash flow provided by operating activities prepared in accordance with GAAP.

Chesapeake believes that the non-GAAP measures presented, when viewed in combination with its financial measures prepared in accordance with GAAP, provide useful information as they exclude certain items management believes affects the comparability of operating results. Management believes these adjusted financial measures are a meaningful adjunct to earnings and cash flows calculated in accordance with GAAP because (a) management uses these financial measures to evaluate the company's trends and performance relative to other oil and natural gas producing companies, (b) these financial measures are comparable to estimates provided by securities analysts, and (c) items excluded generally are one-time items or items whose timing or amount cannot be reasonably estimated. Accordingly, any guidance provide by the company generally excludes information regarding these types of items.

Because not all companies use identical calculations, Chesapeake's non-GAAP measures may not be comparable to similar titled measures of other companies.

## RECONCILIATION OF ADJUSTED NET INCOME (LOSS) ATTRIBUTABLE TO CHESAPEAKE (unaudited)

	Successor		Successor	
	Three Months Ended June 30, 2022		Three Months Ended June 30, 2021	
	\$	\$/Share	\$	\$/Share
<i>(\$ in millions, except per share data)</i>				
<b>Net income (loss) available to common stockholders (GAAP)</b>	\$ 1,237	\$ 9.75	\$ (439)	\$ (4.48)
Effect of dilutive securities	—	(1.48)	—	—
Diluted income (loss) available to common stockholders (GAAP)	\$ 1,237	\$ 8.27	\$ (439)	\$ (4.48)
<b>Adjustments:</b>				
Unrealized (gains) losses on natural gas and oil derivatives	(532)	(3.57)	617	6.30
Separation and other termination costs	—	—	11	0.11
Gains on sales of assets	(21)	(0.14)	(2)	(0.02)
Other operating expense (income), net	16	0.11	(4)	(0.04)
Impairments	—	—	1	0.01
Other	(2)	(0.01)	(3)	(0.03)
Tax effect of adjustments <sup>(a)</sup>	31	0.21	—	—
Effect of dilutive securities	—	—	—	(0.21)
<b>Adjusted net income (Non-GAAP)</b>	\$ 729	\$ 4.87	\$ 181	\$ 1.64

	Successor				Predecessor	
	Six Months Ended June 30, 2022		Period from February 10, 2021 through June 30, 2021		Period from January 1, 2021 through February 9, 2021	
	\$	\$/Share	\$	\$/Share	\$	\$/Share
<i>(\$ in millions, except per share data)</i>						
<b>Net income (loss) available to common stockholders (GAAP)</b>	\$ 473	\$ 3.82	\$ (144)	\$ (1.47)	\$ 5,383	\$ 550.35
Effect of dilutive securities	—	(0.57)	—	—	—	(15.84)
Diluted income (loss) available to common stockholders (GAAP)	\$ 473	\$ 3.25	\$ (144)	\$ (1.47)	\$ 5,383	\$ 534.51
<b>Adjustments:</b>						
Unrealized losses on natural gas and oil derivatives	1,006	6.91	504	5.15	369	36.64
Separation and other termination costs	—	—	11	0.11	22	2.18
Gains on sales of assets	(300)	(2.06)	(6)	(0.06)	(5)	(0.50)
Other operating expense (income), net	47	0.32	(2)	(0.02)	(12)	(1.19)
Impairments	—	—	1	0.01	—	—
Reorganization items, net	—	—	—	—	(5,569)	(552.97)
Other	(15)	(0.10)	(24)	(0.25)	—	—
Tax effect of adjustments <sup>(a)</sup>	(46)	(0.32)	—	—	(57)	(5.66)
Effect of dilutive securities	—	—	—	(0.36)	—	—
<b>Adjusted net income (Non-GAAP)</b>	\$ 1,165	\$ 8.00	\$ 340	\$ 3.11	\$ 131	\$ 13.01

(a) The 2022 Successor Period and 2022 Successor Quarters include an incremental tax effect attributed to the reconciling adjustments using blended rates of 5.8% for the 2022 Successor Second Quarter and 6.0% for the 2022 Successor First Quarter. The 2021 Predecessor Period includes an income tax benefit of \$57 million attributed to deferred income tax effects associated with Predecessor accumulated other comprehensive income, eliminated in fresh start accounting.

**RECONCILIATION OF NET INCOME (LOSS) TO ADJUSTED EBITDAX (unaudited)**

	<b>Successor</b>		<b>Successor</b>	
	<b>Three Months Ended June 30, 2022</b>		<b>Three Months Ended June 30, 2021</b>	
<i>(\$ in millions)</i>				
<b>Net income (loss) available to common stockholders (GAAP)</b>	\$	1,237	\$	(439)
<b>Adjustments:</b>				
Interest expense		36		18
Income tax expense		77		—
Depreciation, depletion and amortization		451		229
Exploration		7		1
Unrealized (gains) losses on natural gas and oil derivatives		(532)		617
Separation and other termination costs		—		11
Gains on sales of assets		(21)		(2)
Other operating expense (income), net		16		(4)
Impairments		—		1
Other		(2)		(3)
<b>Adjusted EBITDAX (Non-GAAP)</b>	<b>\$</b>	<b>1,269</b>	<b>\$</b>	<b>429</b>

	<b>Successor</b>		<b>Predecessor</b>	<b>Non-GAAP Combined</b>
	<b>Six Months Ended June 30, 2022</b>	<b>Period from February 10, 2021 through June 30, 2021</b>	<b>Period from January 1, 2021 through February 9, 2021</b>	<b>Six Months Ended June 30, 2021</b>
<i>(\$ in millions)</i>				
<b>Net income (loss) available to common stockholders (GAAP)</b>	\$ 473	\$ (144)	\$ 5,383	\$ 5,239
<b>Adjustments:</b>				
Interest expense	68	30	11	41
Income tax expense (benefit)	31	—	(57)	(57)
Depreciation, depletion and amortization	860	351	72	423
Exploration	12	2	2	4
Unrealized losses on natural gas and oil derivatives	1,006	504	369	873
Separation and other termination costs	—	11	22	33
Gains on sales of assets	(300)	(6)	(5)	(11)
Other operating expense (income), net	47	(2)	(12)	(14)
Impairments	—	1	—	1
Reorganization items, net	—	—	(5,569)	(5,569)
Other	(15)	(24)	—	(24)
<b>Adjusted EBITDAX (Non-GAAP)</b>	<b>\$ 2,182</b>	<b>\$ 723</b>	<b>\$ 216</b>	<b>\$ 939</b>



## ADJUSTED FREE CASH FLOW

	Successor	
	Three Months Ended June 30, 2022	Three Months Ended June 30, 2021
<i>(\$ in millions)</i>		
<b>Net cash provided by operating activities (GAAP)</b>	\$ 909	\$ 394
Cash paid for reorganization items, net	—	47
Cash capital expenditures	(415)	(149)
<b>Adjusted free cash flow (Non-GAAP)</b>	<u>\$ 494</u>	<u>\$ 292</u>

	Successor		Predecessor	Non-GAAP Combined
	Six Months Ended June 30, 2022	Period from February 10, 2021 through June 30, 2021	Period from January 1, 2021 through February 9, 2021	Six Months Ended June 30, 2021
<i>(\$ in millions)</i>				
<b>Net cash provided by (used in) operating activities (GAAP)</b>	\$ 1,762	\$ 803	\$ (21)	\$ 782
Cash paid for reorganization items, net	—	65	66	131
Cash paid for acquisition costs	23	—	—	—
Cash capital expenditures	(759)	(226)	(66)	(292)
<b>Adjusted free cash flow (Non-GAAP)</b>	<u>\$ 1,026</u>	<u>\$ 642</u>	<u>\$ (21)</u>	<u>\$ 621</u>

## NET DEBT

	Successor
	June 30, 2022
<i>(\$ in millions)</i>	
<b>Total debt (GAAP)</b>	\$ 3,046
Premiums and issuance costs on debt	(100)
<b>Principal amount of debt</b>	2,946
Cash and cash equivalents	(17)
<b>Net debt (Non-GAAP)</b>	<u>\$ 2,929</u>

## CHESAPEAKE ENERGY CORPORATION - MANAGEMENT'S OUTLOOK AS OF AUGUST 2, 2022

Chesapeake periodically provides guidance on certain factors that affect the company's future financial performance. New information or changes from the company's June 22, 2022 outlook are italicized bold below.

	<b>2022 Projections</b>
<b>Total production:</b>	
Oil - mbbls per day	51 - 56
NGL - mbbls per day	15 - 18
Natural gas - mmcf per day	3,600 - 3,680
Total daily rate - mmcf per day	4,020 - 4,140
<b>Estimated basis to NYMEX prices, based on 7/25/22 strip prices:</b>	
<b>Oil - \$/bbl</b>	<b>\$1.20 - \$1.60</b>
Natural gas - \$/mcf	(\$0.45) - (\$0.55)
NGL - realizations as a % of WTI	40% - 45%
<b>Operating costs per mcf of projected production:</b>	
Production expense	\$0.29 - \$0.33
<b>Gathering, processing and transportation expenses</b>	<b>\$0.70 - \$0.80</b>
Oil - \$/bbl	\$2.80 - \$3.00
<b>Natural Gas - \$/mcf</b>	<b>\$0.75 - \$0.85</b>
Severance and ad valorem taxes	\$0.16 - \$0.18
General and administrative <sup>(a)</sup>	\$0.08 - \$0.11
Depreciation, depletion and amortization expense	\$1.17 - \$1.33
Marketing net margin and other (\$ in millions)	\$25 - \$50
Interest expense (\$ in millions)	\$125 - \$135
Cash taxes (\$ in millions)	\$225 - \$275
<b>Cash taxes (as a percent of income before income taxes)</b>	<b>6% - 9%</b>
<b>Adjusted EBITDAX, based on 7/25/22 strip prices (\$ in millions)<sup>(b)</sup></b>	<b>\$4,800 - \$5,000</b>
<b>Total capital expenditures (\$ in millions)</b>	<b>\$1,750 - \$1,950</b>
<b>Marcellus D&amp;C</b>	<b>\$400 - \$440</b>
<b>Haynesville D&amp;C</b>	<b>\$750 - \$800</b>
<b>Eagle Ford D&amp;C</b>	<b>\$375 - \$415</b>
Powder River Basin D&C	\$25
<b>Non-D&amp;C Field (workover, infrastructure and leasehold)</b>	<b>\$115 - \$165</b>
<b>Non-D&amp;C Corporate (PP&amp;E, G&amp;G, capitalized interest and G&amp;A)</b>	<b>\$85 - \$105</b>

(a) Includes ~\$0.01/mcfe of expenses associated with stock-based compensation, which are recorded in general and administrative expenses in Chesapeake's Condensed Consolidated Statement of Operations.

(b) Adjusted EBITDAX is a non-GAAP measure used by management to evaluate the company's operational trends and performance relative to other oil and natural gas producing companies. Adjusted EBITDAX excludes certain items that management believes affect the comparability of operating results. The most directly comparable GAAP measure is net income (loss), but it is not possible, without unreasonable efforts, to identify the amount or significance of events or transactions that may be included in future GAAP net income (loss) but that management does not believe to be representative of underlying business performance. The company further believes that providing estimates of the amounts that would be required to reconcile forecasted adjusted EBITDAX to forecasted GAAP net income (loss) would imply a degree of precision that may be confusing or misleading to investors. Items excluded from net income (loss) to arrive at adjusted EBITDAX include interest expense, income taxes, depreciation, depletion and amortization expense, and exploration expense as well as one-time items or items whose timing or amount cannot be reasonably estimated.