

**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): October 8, 2020**

**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 OK</b>	<b>73118</b>
(Address of principal executive offices)		(Zip Code)
<b>(405) 848-8000</b>		
(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(s)	Name of each exchange on which registered
Common stock, par value \$0.01 per share	CHKAQ*	N/A*

\* On July 20, 2020, the New York Stock Exchange ("NYSE") filed a Form 25 with the Securities and Exchange Commission (the "SEC") to delist Chesapeake Energy Corporation's (the "Company") common stock, par value \$0.01 per share (the "Common Stock"), from NYSE. The deregistration of the Common Stock under Section 12(b) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), will be effective 90 days, or such shorter period as the SEC may determine, after filing of the Form 25. Upon deregistration of the Common Stock under Section 12(b) of the Exchange Act, the Common Stock will remain registered under Section 12(g) of the Exchange Act.

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 7.01 Regulation FD Disclosure.

### *Cleansing Material*

As previously disclosed on June 28, 2020, Chesapeake Energy Corporation (“Chesapeake”) and certain of its subsidiaries (together with Chesapeake, the “Company”) filed voluntary petitions for reorganization under Chapter 11 of the Bankruptcy Code (the “Chapter 11 Cases”) in the United States Bankruptcy Court for the Southern District of Texas (the “Bankruptcy Court”). The Company’s Chapter 11 Cases are being jointly administered under the caption *In re Chesapeake Energy Corporation*.

On October 7, 2020, the Company entered into a confidentiality agreement (the “NDA”) with certain beneficial holders of its funded debt and equity (the “Holders”) (collectively, the “Holders”). Pursuant to the NDA, the Company agreed to publicly disclose certain information (the “Cleansing Material”) upon the occurrence of certain events set forth in the NDA. A copy of the Cleansing Material is attached to this Form 8-K as Exhibit 99.1.

The information included in this Form 8-K under Item 7.01 and Exhibit 99.1 are being furnished and shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or otherwise subject to liabilities of that Section, unless the registrant specifically states that the information is to be considered “filed” under the Exchange Act or incorporates it by reference into a filing under the Exchange Act or the Securities Act of 1933, as amended (the “Securities Act”).

### *Forward Looking Statements*

This Current Report on Form 8-K includes “forward-looking statements” within the meaning of Section 27A of the Securities Act and Section 21E of the Exchange Act. Forward looking statements are statements other than statements of historical fact. They are generally identified by the words “believe,” “expect,” “anticipate,” “estimate,” “intend,” “plan,” “may,” “should,” “could,” “will,” “would,” and “will be,” and variations of such words and similar expressions, although not all forward-looking statements contain these identifying words. They include statements regarding our current expectations or forecasts of future events, including matters relating to the continuing effects of the COVID-19 pandemic and the impact thereof on our business, financial condition and results of operations; actions by, or disputes among or between, members of OPEC+; market factors, market prices; our ability to meet debt service requirements; our expectations regarding the borrowing base under our revolving credit facility; our evaluation of strategic alternatives, cost-cutting measures, reductions in capital expenditures, refinancing transactions, capital exchange transactions, asset divestitures, operational efficiencies, future impairments, cost savings due to operational and capital efficiencies related to the WildHorse Merger; the operation or effects of the Section 382 Rights Plan and the use of NOLs to offset future taxable income. Such forward-looking statements are subject to risks and uncertainties that could cause actual results to differ materially from those expressed in, or implied by, such statements. Although we believe the expectations and forecasts reflected in the forward-looking statements are reasonable, we can give no assurance they will prove to have been correct. They can be affected by inaccurate or changed assumptions or by known or unknown risks and uncertainties. These risks and uncertainties include, but are not limited to: the impact of the COVID-19 pandemic and its effect on our business, financial condition, employees, contractors, vendors and the global demand for oil and natural gas and U.S. and world financial markets; the Company’s ability to obtain Bankruptcy Court approval with respect to motions or other requests made to the Bankruptcy Court; the ability of the Company to negotiate, develop, confirm, and consummate the Plan; the effects of the Chapter 11 Cases on the Company’s liquidity or results of operations or business prospects; the effects of the Chapter 11 Cases on the Company’s business and the interests of various constituents; the length of time that the Company will operate under Chapter 11 protection; risks associated with third-party motions in the Chapter 11 Cases; the Company’s ability to comply with the covenants under our revolving credit facility and other indebtedness and the related impact on our ability to continue as a going concern; the volatility of oil, natural gas and NGL prices, which are affected by general economic and business conditions, as well as increased demand for (and availability of) alternative fuels and electric vehicles; 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; the Company’s ability to replace reserves and sustain production; drilling and operating risks and resulting

liabilities; the Company's ability to generate profits or achieve targeted results in drilling and well operations; the limitations the Company's level of indebtedness may have on our financial flexibility; the Company's inability to access the capital markets on favorable terms; the availability of cash flows from operations and other funds to finance reserve replacement costs or satisfy the Company's debt obligations; adverse developments or losses from pending or future litigation and regulatory proceedings, including royalty claims; legislative and regulatory initiatives addressing environmental concerns, including initiatives addressing the impact of global climate change or further regulating hydraulic fracturing, methane emissions, flaring or water disposal; terrorist activities and/or cyber-attacks adversely impacting the Company's operations; effects of acquisitions and dispositions, including the Company's acquisition of WildHorse and its ability to realize related synergies and cost savings; effects of purchase price adjustments and indemnity obligations; and other important risks, assumptions and other important factors that could cause actual results to differ materially from those expressed in the forward-looking statements and which are described under "Risk Factors" in Item 1A of Chesapeake's Annual Report on Form 10-K for the fiscal year ended December 31, 2019 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. Chesapeake undertakes no obligation to release publicly any revisions to any forward looking statements, to report events or to report the occurrence of unanticipated events.

**Item 9.01 Exhibits.**

(d)

<b>Exhibit No.</b>	<b>Document Description</b>
<a href="#">99.1</a>	Cleansing Material.
104	Cover Page Interactive Data File (embedded within the Inline XBRL document and contained in Exhibit 101).

**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/ JAMES R. WEBB

James R. Webb

Executive Vice President — General Counsel and  
Corporate Secretary

Date: October 9, 2020

**FINANCIAL PROJECTIONS**

The Debtors believe that the Plan<sup>1</sup> meets the feasibility requirement set forth in section 1129(a)(11) of the Bankruptcy Code, as confirmation is not likely to be followed by liquidation or the need for further financial reorganization of the Debtors or any successor thereto under the Plan. In connection with the planning and development of a plan of reorganization and for the purposes of determining whether such plan would satisfy this feasibility standard, the Debtors analyzed their ability to satisfy their post-Effective Date financial obligations while maintaining sufficient liquidity and capital resources.

The Debtors do not, as a matter of course, publish their business plans or strategies, projections or anticipated financial position. Accordingly, the Debtors do not anticipate that they will, and disclaim any obligation to, furnish updated business plans or the Financial Projections to holders of Claims or Interests or other parties in interest going forward, or to include such information in documents required to be filed with the SEC or otherwise make such information public, unless required to do so by the SEC or other regulatory bodies pursuant to the provisions of the Plan.

In connection with the Disclosure Statement, the Debtors' management team ("Management") prepared the Financial Projections for the years 2021 through 2025. The Financial Projections were prepared by Management and are based on several assumptions made by Management with respect to the future performance of the Reorganized Debtors' operations.

The Debtors have prepared the Financial Projections based on information available to them, including information derived from public sources that have not been independently verified. No representation or warranty, expressed or implied, is provided in relation to fairness, accuracy, correctness, completeness, or reliability of the information, opinions, or conclusions expressed herein.

THESE FINANCIAL PROJECTIONS WERE NOT PREPARED WITH A VIEW TOWARD COMPLIANCE WITH PUBLISHED GUIDELINES OF THE SEC OR GUIDELINES ESTABLISHED BY THE AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS FOR PREPARATION AND PRESENTATION OF PROSPECTIVE FINANCIAL INFORMATION. THE PRO FORMA BALANCE SHEET HEREIN REFLECTS A PRELIMINARY HIGH-LEVEL PRESENTATION OF WHAT A FRESH START ACCOUNTING ESTIMATE MAY LOOK LIKE, BUT IS SUBJECT TO MATERIAL CHANGE AND DOES NOT REFLECT A FULL FRESH START ACCOUNTING ANALYSIS, WHICH COULD RESULT IN MATERIAL CHANGE TO ANY OF THE PROJECTED VALUES HEREIN.

ALTHOUGH MANAGEMENT HAS PREPARED THE FINANCIAL PROJECTIONS IN GOOD FAITH AND BELIEVES THE UNDERLYING ASSUMPTIONS TO BE REASONABLE, IT IS IMPORTANT TO NOTE THAT NEITHER THE DEBTORS NOR THE REORGANIZED DEBTORS CAN PROVIDE ANY ASSURANCE THAT SUCH ASSUMPTIONS WILL BE REALIZED. AS DESCRIBED IN DETAIL IN THE DISCLOSURE STATEMENT, A VARIETY OF RISK FACTORS COULD AFFECT THE REORGANIZED DEBTORS' FINANCIAL RESULTS AND MUST BE CONSIDERED. ACCORDINGLY, THE FINANCIAL PROJECTIONS SHOULD BE REVIEWED IN CONJUNCTION WITH A REVIEW OF THE DISCLOSURE STATEMENT AND THE ASSUMPTIONS DESCRIBED HEREIN, INCLUDING ALL RELEVANT QUALIFICATIONS AND FOOTNOTES.

---

<sup>1</sup> Capitalized terms used but not otherwise defined herein have the meanings ascribed to them in the Disclosure Statement, to which these Financial Projections are attached.

The Financial Projections contain certain forward-looking statements, all of which are based on various estimates and assumptions. Such forward looking statements are subject to inherent uncertainties and to a wide variety of significant business, economic, and competitive risks, including those summarized herein. When used in the Financial Projections, the words, “anticipate,” “believe,” “estimate,” “will,” “may,” “intend,” “expect,” and similar expressions should be generally identified as forward-looking statements. Although the Debtors believe that their plans, intentions, and expectations reflected in the forward-looking statements are reasonable, the Debtors cannot be sure that such plans, intentions and expectations will be achieved. These statements are only predictions are not guarantees of future performance or results. Forward-looking statements are subject to risks and uncertainties that could cause actual results to differ materially from those contemplated by a forward-looking statement. All forward-looking statements are attributable to the Debtors or Persons or Entities acting on their behalf are expressly qualified in their entirety by the cautionary statements set forth herein. Forward-looking statements speak only to as of the date on which they are made. Except as required by law, the Debtors expressly disclaim any obligation to update any forward-looking statement, whether because of new information, future events, or otherwise.

The Financial Projections should be read in conjunction with the assumptions, qualifications, and explanations set forth in the Disclosure Statement and the Plan in their entirety as well as the notes and assumptions set forth below.

The Financial Projections are subject to inherent risks and uncertainties, most of which are difficult to predict and many of which are beyond Management’s control. Although Management believes these assumptions are reasonable under the circumstances, such assumptions are subject to significant uncertainties, including, but not limited to: (a) fluctuations in oil and natural gas prices and the Reorganized Debtors’ ability to hedge against movements in prices; (b) the uncertainty inherent in estimating reserves, future net revenues, and discounted future cash flows; (c) the timing and amount of future production of oil and natural gas; (d) changes in the availability and cost of capital; (e) environmental, drilling and other operating risks, including liability claims as a result of oil and natural gas operations; (f) proved and unproved drilling locations and future drilling plans; and (g) the effects of existing and future laws and governmental regulations, including environmental, hydraulic fracturing, and climate change regulation. The Debtors believe, based on preliminary tax and accounting analyses, that it will not incur income taxes over the forecast horizon. To the extent it is later determined that these accounting and tax analyses are incorrect, the Reorganized Debtors projections could be materially impacted. Additional information regarding these uncertainties are described in the Disclosure Statement. Should one or more of the risks or uncertainties referenced in the Disclosure Statement occur, or should underlying assumptions prove incorrect, actual results and plans could differ materially from those expressed in the Financial Projections. Further, new factors could cause actual results to differ materially from those described in the Financial Projections, and it is not possible to predict all such factors, or to the extent to which any such factors or combination may cause actual results to differ from those contained in the Financial Projections. The Financial Projections herein are not, and must not be viewed as, a representation of fact, prediction or guaranty of the Reorganized Debtors’ future performance.

## **Overview**

Actual balances may vary from those reflected in the opening balance sheet due to variances in projections. The reorganized pro forma debt capital structure for the period ending December 31, 2020 through December 31, 2025 contain certain pro forma adjustments as a result of consummation of the Plan.

## **Assumptions**

### **A. Overview**

The Reorganized Debtors are an independent energy company focused on the acquisition, production, exploration and development of onshore oil and natural gas assets in the United States. The Reorganized Debtors have operations across five key regions, which are assumed to continue in the financial projections: Appalachia, Brazos Valley, Gulf Coast, South Texas, and Powder River Basin. The Mid-Continent asset is actively in a sales process and is not included in the financial projections.

### **B. Presentation**

The Projections are presented on a consolidated basis, including estimates of operating results for the Reorganized Debtor entities in the aggregate.

### **C. Plan Consummation**

The Financial Projections include projected financial statements for 2021 – 2025 and an Assumed Effective Date of January 1, 2021.

### **D. Accounting Policies**

The Projections have been prepared using accounting policies that are materially consistent with those applied in the Debtors' historical financial statements.

### **E. Total Revenue**

Total revenue consists of production revenue and hedging revenue. Production revenue is generated from the exploration for and development, production, gathering, and sale of oil, natural gas, and natural gas liquids.

### **F. Commodity Pricing**

Commodity pricing is based on September 30, 2020 New York Mercantile Exchange ("NYMEX") forward pricing for crude oil, natural gas, and NGLs. Management estimates realized pricing based on forecasted oil and gas differentials. Hedged volumes and hedged prices reflect hedge schedule as of September 9, 2020.

WTI Oil (\$/Bbl)	2021E	2022E	2023E	2024E	2025E
Benchmark Price	\$42.21	\$43.56	\$44.35	\$45.07	\$45.96
Realized Price	\$40.30	\$41.76	\$42.57	\$43.35	\$44.31
Total Volumes Hedged (%)	55%	37%	--	--	--
Average Hedged Prices	\$42.10	\$42.34	n.a.	n.a.	n.a.

Henry Hub Gas (\$/MMBtu)	2021E	2022E	2023E	2024E	2025E
Benchmark Price	\$2.92	\$2.62	\$2.48	\$2.47	\$2.49
Realized Price	\$2.69	\$2.40	\$2.25	\$2.24	\$2.37
Total Volumes Hedged (%)	52%	19%	--	--	--
Average Hedged Prices	\$2.60	\$2.47	n.a.	n.a.	n.a.

## G. Operating Expenses

Operating expenses consist of lease operating expenses, production and ad valorem taxes and gathering, transportation and marketing expense. GP&T projections include savings associated with ongoing midstream contract rejections and renegotiations as part of the Reorganized Debtor's business.



## H. Cash General and Administrative Expenses

Cash general and administrative ("G&A") expenses primarily consists of personnel costs, rent, insurance, and other corporate overhead costs necessary to manage operations and comply with regulatory and public company requirements. The Reorganized Debtors' projected G&A expenses are based on the Debtors' current development and operational plans.





## I. Development Capex

Development Capex reflects cost incurred in connection with the Reorganized Debtors' development plan.

## J. Interest Expense

Post-emergence interest expense is forecasted based on the Reorganized Debtors' anticipated pro forma capital structure. Pro forma capital structure includes \$[1.05]bn drawn on a \$1.75bn Exit RBL (commitment) with an interest rate of L+3.25% – 4.25% and a \$750mm Exit Term Loan with an interest rate of 10.50%.

<i>(\$mm, unless otherwise noted)</i>	Annual Forecast <sup>(2)</sup>				
	2021E	2022E	2023E	2024E	2025E
<b>Income Statement</b>					
<i>Net Production (Mboe/d)</i>	426	395	386	377	364
<b>Total Revenue</b>	<b>\$3,045</b>	<b>\$2,526</b>	<b>\$2,323</b>	<b>\$2,240</b>	<b>\$2,265</b>
Lease Operating Expenses	330	296	285	279	267
Production Tax	64	49	45	43	44
Ad Valorem Tax	62	51	48	46	44
Gathering, Processing & Transportation	847	789	724	701	673
<b>Asset Level Cash Flows</b>	<b>\$1,742</b>	<b>\$1,340</b>	<b>\$1,222</b>	<b>\$1,172</b>	<b>\$1,237</b>
General and Administrative	187	187	187	187	187
Other	6	5	5	5	5
<b>Adjusted EBITDAX (Before Hedges)</b>	<b>\$1,550</b>	<b>\$1,148</b>	<b>\$1,030</b>	<b>\$980</b>	<b>\$1,045</b>
Hedge Gain / (Loss)	(128)	(31)	--	--	--
<b>Adjusted EBITDAX</b>	<b>\$1,422</b>	<b>\$1,117</b>	<b>\$1,030</b>	<b>\$980</b>	<b>\$1,045</b>
Development Capex	627	617	605	615	638
Other Cash Expenses	63	57	51	51	51
<b>Unlevered Free Cash Flow</b>	<b>\$732</b>	<b>\$443</b>	<b>\$375</b>	<b>\$314</b>	<b>\$357</b>
Change in Net Working Capital	(127)	(19)	9	(28)	7
Cash Interest	123	98	92	91	90
KEIP / KERF	10	--	--	--	--
<b>Levered Free Cash Flow</b>	<b>\$725</b>	<b>\$364</b>	<b>\$274</b>	<b>\$251</b>	<b>\$260</b>

  

<i>(\$mm, unless otherwise noted)</i>	Annual Forecast <sup>(2)</sup>					
	1/1/2021E <sup>(3)</sup>	2021YE	2022YE	2023YE	2024YE	2025YE
<b>Balance Sheet</b>						
Exit RBL	\$1,054	\$329	\$--	\$--	\$--	\$--
Exit Term Loan	750	743	735	728	720	713
<b>Total Debt</b>	<b>\$1,804</b>	<b>\$1,072</b>	<b>\$735</b>	<b>\$728</b>	<b>\$720</b>	<b>\$713</b>
Cash	10	10	44	318	569	829
<b>Net Debt</b>	<b>\$1,794</b>	<b>\$1,062</b>	<b>\$691</b>	<b>\$409</b>	<b>\$151</b>	<b>(\$116)</b>

<sup>2</sup> The Company has approximately \$2.5 billion PV-10 of potential savings opportunities, some or all of which may or may not be achieved. Of these opportunities, approximately \$1.75 billion are reflected in the business plan, of which \$700 - \$900 million are subject to ongoing negotiation and may or may not be achieved.

<sup>3</sup> Debt balances shown prior to application of cash proceeds, if any, from Mid-Con sales process.