

**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): May 4, 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 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	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 May 4, 2022, Chesapeake Energy Corporation (“Chesapeake”) issued a press release reporting financial and operational results for the first 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 May 4, 2022, Chesapeake will make a presentation about its financial and operating results for the first 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 May 4, 2022
<a href="#">99.2</a>	Supplemental Financial Information
<a href="#">99.3</a>	Outlook as of May 4, 2022
104.0	Cover Page Interactive Data File (embedded within the Inline XBRL document)

---

**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: May 4, 2022

# NEWS RELEASE

FOR IMMEDIATE RELEASE  
MAY 4, 2022

## CHESAPEAKE ENERGY CORPORATION REPORTS 2022 FIRST QUARTER RESULTS

OKLAHOMA CITY, May 4, 2022 – Chesapeake Energy Corporation (NASDAQ:CHK) today reported 2022 first quarter financial and operating results. Highlights include:

- **Net cash provided by operating activities of \$853 million**
- **Delivered \$532 million in adjusted free cash flow<sup>(1)</sup>, the highest quarterly amount in company history**
- **Net loss totaled \$764 million, or \$6.32 per diluted share; adjusted net income<sup>(1)</sup> of \$436 million, or \$3.09 per diluted share**
- **Adjusted EBITDAX<sup>(1)</sup> of \$913 million**
- **Quarterly dividend of \$2.34 per common share, consisting of a variable dividend of \$1.84 per common share and a quarterly base dividend of \$0.50 per common share, payable June 2, 2022 to shareholders of record at the close of business on May 19, 2022**
- **Initiated share repurchase program, retiring \$83 million of common shares in the first quarter; anticipate pursuing additional repurchases in the second quarter and beyond**
- **Increased 2022 adjusted EBITDAX guidance to \$4.6 – \$4.8 billion (previous range \$3.8 – \$4.0 billion)**
- **Increased 2022 adjusted free cash flow to \$2.6 – \$2.8 billion (previous range \$1.9 – \$2.1 billion)**

(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, "Momentum continues to build for Chesapeake as we execute our returns-focused strategy. We delivered record quarterly adjusted free cash flow, initiated our \$1 billion share and warrant repurchase program and continued realizing the synergies anticipated from the Vine transaction, which we look forward to replicating with our recently closed Chief assets. We have updated our annual guidance, increasing the midpoint of our adjusted free cash flow projection, and further enhancing our ability to execute our capital return framework. Importantly, as recent events bring the focus of energy security back to the forefront of policy discussions across the globe, Chesapeake remains uniquely positioned to deliver reliable, affordable and lower carbon energy the world desperately needs."

### INVESTOR CONTACT:

Brad Sylvester, CFA  
(405) 935-8870  
[ir@chk.com](mailto:ir@chk.com)

### MEDIA CONTACT:

Gordon Pennoyer  
(405) 935-8878  
[media@chk.com](mailto:media@chk.com)

### CHESAPEAKE ENERGY CORPORATION

6100 North Western Avenue  
P.O. Box 18496  
Oklahoma City, OK 73154

### **Dividend Update**

During the first quarter of 2022, Chesapeake generated \$853 million of operating cash flow and had \$19 million of cash on hand at quarter-end. Consistent with the company's cash return framework, Chesapeake plans to pay its base and variable dividend on June 2, 2022 to shareholders of record at the close of business on May 19, 2022. The total common stock dividend, including the variable and base components, is calculated as follows:

(\$ and shares in millions, except per share amounts)	<b>1Q 2022</b>	
Net cash provided by operating activities	\$	853
Less cash capital expenditures		344
Add back cash paid for acquisition costs		23
Adjusted free cash flow		532
Less cash paid for common base dividends		64
50% of adjusted free cash flow available for common variable dividends	\$	234
Common shares outstanding at 5/4/22 <sup>(1)</sup>		127
Variable dividend payable per common share in June 2022	\$	1.84
Base dividend payable per common share in June 2022	\$	0.50
Total dividend payable per common share in June 2022	\$	2.34

*(1) Basic common shares outstanding as of the declaration date of 5/4/2022. Assumes no exercise of warrants between dividend declaration date and dividend record date.*

### **Operations Update**

Chesapeake's net production rate in the first quarter of 2022 was approximately 620,000 boe per day (approximately 87% natural gas and 13% total liquids), utilizing an average of 13 rigs to drill 41 wells and place 43 wells on production. 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).

On March 9, 2022, Chesapeake closed its previously announced acquisition of Chief E&D Holdings, LP and affiliates of Tug Hill, Inc. Chesapeake expects the integration of the Chief and Tug Hill assets into its legacy Marcellus Shale operations to be largely completed by the third quarter of 2022. Additionally, on March 25, 2022, Chesapeake closed its previously announced sale of its Powder River Basin asset.

Chesapeake plans to host an Analyst Day on its Oklahoma City campus in the Fall of 2022 to provide additional details regarding its assets, operations and long-term outlook.

### **Conference Call Information**

Chesapeake will conduct a conference call to discuss these results on Thursday, May 5, 2022 at 9:00 am EDT. The telephone number to access the conference call is 888-317-6003 or 412-317-6061 for international callers. The passcode for the call is 3710649.

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

The company's 2022 first 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; 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; risks related to the acquisition of Chief E&D Holdings, LP and affiliates of Tug Hill, Inc. (together, "Chief"), including our ability to successfully integrate the business of Chief into the company and achieve the expected synergies from the Chief acquisition within the expected timeframe; the volatility of oil, natural gas and NGL prices; the limitations our level of indebtedness may have on our financial flexibility; our inability to access the capital markets on favorable terms; the availability of cash flows from operations and other funds to fund cash dividends, to finance reserve replacement costs 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; legislative and regulatory initiatives further regulating hydraulic fracturing; 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 and 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

Table of Contents:	Page
<a href="#">Condensed Consolidated Balance Sheets</a>	<a href="#">2</a>
<a href="#">Condensed Consolidated Statements of Operations</a>	<a href="#">3</a>
<a href="#">Condensed Consolidated Statements of Cash Flows</a>	<a href="#">4</a>
<a href="#">Oil, Natural Gas and NGL Production and Average Sales Prices</a>	<a href="#">5</a>
<a href="#">Gross Margin</a>	<a href="#">6</a>
<a href="#">Capital Expenditures Accrued</a>	<a href="#">7</a>
<a href="#">Oil and Natural Gas Hedging Positions</a>	<a href="#">8</a>
<a href="#">Non-GAAP Financial Measures</a>	<a href="#">10</a>
<a href="#">Reconciliation of Adjusted Net Income (Loss) Attributable to Chesapeake</a>	<a href="#">11</a>
<a href="#">Reconciliation of Adjusted EBITDAX</a>	<a href="#">12</a>
<a href="#">Adjusted Free Cash Flow</a>	<a href="#">13</a>
<a href="#">Net Debt</a>	<a href="#">13</a>



**CONDENSED CONSOLIDATED BALANCE SHEETS (unaudited)**

(\$ in millions)	Successor	
	March 31, 2022	December 31, 2021
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 19	\$ 905
Restricted cash	9	9
Accounts receivable, net	1,383	1,115
Short-term derivative assets	1	5
Other current assets	75	69
Total current assets	1,487	2,103
Property and equipment:		
Oil and natural gas properties, successful efforts method		
Proved oil and natural gas properties	10,259	7,682
Unproved properties	2,263	1,530
Other property and equipment	495	495
Total property and equipment	13,017	9,707
Less: accumulated depreciation, depletion and amortization	(1,300)	(908)
Property and equipment held for sale, net	3	3
Total property and equipment, net	11,720	8,802
Long-term derivative assets	8	—
Other long-term assets	78	104
<b>Total assets</b>	<b>\$ 13,293</b>	<b>\$ 11,009</b>
<b>Liabilities and stockholders' equity</b>		
Current liabilities:		
Accounts payable	\$ 374	\$ 308
Accrued interest	39	38
Short-term derivative liabilities	2,638	899
Other current liabilities	1,341	1,202
Total current liabilities	4,392	2,447
Long-term debt, net	2,774	2,278
Long-term derivative liabilities	393	249
Asset retirement obligations, net of current portion	334	349
Other long-term liabilities	17	15
Total liabilities	7,910	5,338
Contingencies and commitments		
Stockholders' equity:		
Successor common stock, \$0.01 par value, 450,000,000 shares authorized: 127,052,372 and 117,917,349 shares issued	1	1
Successor additional paid-in capital	5,615	4,845
Retained earnings (accumulated deficit)	(233)	825
Total stockholders' equity	5,383	5,671
<b>Total liabilities and stockholders' equity</b>	<b>\$ 13,293</b>	<b>\$ 11,009</b>

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

	Successor		Predecessor
	Three Months Ended March 31, 2022	Period from February 10, 2021 through March 31, 2021	Period from January 1, 2021 through February 9, 2021
<i>(\$ in millions except per share data)</i>			
<b>Revenues and other:</b>			
Oil, natural gas and NGL	\$ 1,914	\$ 553	\$ 398
Marketing	867	277	239
Oil and natural gas derivatives	(2,125)	46	(382)
Gains on sales of assets	279	4	5
Total revenues and other	935	880	260
<b>Operating expenses:</b>			
Production	110	40	32
Gathering, processing and transportation	242	111	102
Severance and ad valorem taxes	63	24	18
Exploration	5	1	2
Marketing	851	280	237
General and administrative	26	15	21
Separation and other termination costs	—	—	22
Depreciation, depletion and amortization	409	122	72
Other operating expense (income), net	23	2	(12)
Total operating expenses	1,729	595	494
<b>Income (loss) from operations</b>	<b>(794)</b>	<b>285</b>	<b>(234)</b>
<b>Other income (expense):</b>			
Interest expense	(32)	(12)	(11)
Other income	16	22	2
Reorganization items, net	—	—	5,569
Total other income (expense)	(16)	10	5,560
<b>Income (loss) before income taxes</b>	<b>(810)</b>	<b>295</b>	<b>5,326</b>
Income tax benefit	(46)	—	(57)
<b>Net income (loss) available to common stockholders</b>	<b>\$ (764)</b>	<b>\$ 295</b>	<b>\$ 5,383</b>
<b>Earnings (loss) per common share:</b>			
Basic	\$ (6.32)	\$ 3.01	\$ 550.35
Diluted	\$ (6.32)	\$ 2.75	\$ 534.51
<b>Weighted average common shares outstanding (in thousands):</b>			
Basic	120,805	97,907	9,781
Diluted	120,805	107,159	10,071

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

	Successor		Predecessor
	Three Months Ended March 31, 2022	Period from February 10, 2021 through March 31, 2021	Period from January 1, 2021 through February 9, 2021
<i>(\$ in millions)</i>			
<b>Cash flows from operating activities:</b>			
Net income (loss)	\$ (764)	\$ 295	\$ 5,383
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:			
Depreciation, depletion and amortization	409	122	72
Deferred income tax benefit	—	—	(57)
Derivative (gains) losses, net	2,125	(46)	382
Cash payments on derivative settlements, net	(568)	(32)	(17)
Share-based compensation	4	—	3
Gains on sales of assets	(279)	(4)	(5)
Non-cash reorganization items, net	—	—	(6,680)
Exploration	4	—	2
Other	(8)	4	45
Changes in assets and liabilities	(70)	70	851
Net cash provided by (used in) operating activities	853	409	(21)
<b>Cash flows from investing activities:</b>			
Capital expenditures	(344)	(77)	(66)
Business combination, net	(2,006)	—	—
Proceeds from divestitures of property and equipment	403	4	—
Net cash used in investing activities	(1,947)	(73)	(66)
<b>Cash flows from financing activities:</b>			
Proceeds from Exit Credit Facility - Tranche A Loans	1,565	30	—
Payments on Exit Credit Facility - Tranche A Loans	(1,065)	(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	1	—	—
Debt issuance and other financing costs	—	(3)	(8)
Cash paid to repurchase and retire common stock	(83)	—	—
Cash paid for common stock dividends	(210)	—	—
Other	—	(1)	—
Net cash provided by (used in) financing activities	208	(54)	(66)
Net increase (decrease) in cash, cash equivalents and restricted cash	(886)	282	(153)
Cash, cash equivalents and restricted cash, beginning of period	914	126	279
Cash, cash equivalents and restricted cash, end of period	\$ 28	\$ 408	\$ 126
Cash and cash equivalents	\$ 19	\$ 340	\$ 40
Restricted cash	9	68	86
Total cash, cash equivalents and restricted cash	\$ 28	\$ 408	\$ 126

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

Successor								
Three Months Ended March 31, 2022								
	Oil		Natural Gas		NGL		Total	
	MBbl per day	\$/Bbl	MMcf per day	\$/Mcf	MBbl per day	\$/Bbl	MBoe per day	\$/Boe
Marcellus	—	—	1,452	4.66	—	—	242	27.97
Haynesville	—	—	1,625	4.46	—	—	271	26.73
Eagle Ford	52	95.00	129	4.04	16	41.09	90	68.67
Powder River Basin	8	95.18	41	5.45	3	53.96	17	63.98
<b>Total</b>	<b>60</b>	<b>95.02</b>	<b>3,247</b>	<b>4.54</b>	<b>19</b>	<b>43.05</b>	<b>620</b>	<b>34.31</b>
Average Realized Price (including realized derivatives)		65.64		3.08		43.05		23.79

Successor								
Period from February 10, 2021 through March 31, 2021								
	Oil		Natural Gas		NGL		Total	
	MBbl per day	\$/Bbl	MMcf per day	\$/Mcf	MBbl per day	\$/Bbl	MBoe per day	\$/Boe
Marcellus	—	—	1,283	2.53	—	—	214	15.21
Haynesville	—	—	524	2.68	—	—	87	16.09
Eagle Ford	66	61.51	143	6.04	18	25.72	107	50.07
Powder River Basin	10	58.95	57	4.82	3	34.75	23	42.57
<b>Total</b>	<b>76</b>	<b>61.19</b>	<b>2,007</b>	<b>2.89</b>	<b>21</b>	<b>27.20</b>	<b>431</b>	<b>25.57</b>
Average Realized Price (including realized derivatives)		45.68		2.83		27.52		22.59

Predecessor								
Period from January 1, 2021 through February 9, 2021								
	Oil		Natural Gas		NGL		Total	
	MBbl per day	\$/Bbl	MMcf per day	\$/Mcf	MBbl per day	\$/Bbl	MBoe per day	\$/Boe
Marcellus	—	—	1,233	2.42	—	—	206	14.49
Haynesville	—	—	543	2.44	—	—	90	14.62
Eagle Ford	74	53.37	165	2.57	18	23.94	120	40.27
Powder River Basin	10	51.96	61	2.92	4	34.31	24	34.25
<b>Total</b>	<b>84</b>	<b>53.21</b>	<b>2,002</b>	<b>2.45</b>	<b>22</b>	<b>25.92</b>	<b>440</b>	<b>22.63</b>
Average Realized Price (including realized derivatives)		49.06		2.62		31.42		21.46

Non-GAAP Combined								
Three Months Ended March 31, 2021								
	Oil		Natural Gas		NGL		Total	
	MBbl per day	\$/Bbl	MMcf per day	\$/Mcf	MBbl per day	\$/Bbl	MBoe per day	\$/Boe
Marcellus	—	—	1,261	2.48	—	—	210	14.90
Haynesville	—	—	532	2.57	—	—	89	15.42
Eagle Ford	70	57.66	153	4.37	18	24.93	114	45.46
Powder River Basin	10	55.84	59	3.94	4	34.54	23	38.75
<b>Total</b>	<b>80</b>	<b>57.45</b>	<b>2,005</b>	<b>2.69</b>	<b>22</b>	<b>26.62</b>	<b>436</b>	<b>24.25</b>
Average Realized Price (including realized derivatives)		46.23		2.70		26.62		22.20

## GROSS MARGIN (unaudited)

	Successor				Predecessor		Non-GAAP Combined	
	Three Months Ended March 31,		Period from February 10, 2021 through March 31,		Period from January 1, 2021 through February 9,		Three Months Ended March 31,	
	2022		2021		2021		2021	
	\$	\$/Boe	\$	\$/Boe	\$	\$/Boe	\$	\$/Boe
<i>(\$ in millions, except per unit)</i>								
<b>Marcellus</b>								
Oil, natural gas and NGL sales	\$ 609	27.97	\$ 163	15.21	\$ 119	14.49	\$ 282	14.90
Production expenses	13	0.62	5	0.50	4	0.50	9	0.50
Gathering, processing and transportation expenses	71	3.27	42	3.94	34	4.17	76	4.04
Severance and ad valorem taxes	4	0.15	1	0.09	1	0.07	2	0.08
Gross margin	<u>\$ 521</u>	23.93	<u>\$ 115</u>	10.68	<u>\$ 80</u>	9.75	<u>\$ 195</u>	10.28
<b>Haynesville</b>								
Oil, natural gas and NGL sales	\$ 652	26.73	\$ 70	16.09	\$ 53	14.62	\$ 123	15.42
Production expenses	32	1.32	6	1.50	4	1.12	10	1.32
Gathering, processing and transportation expenses	65	2.67	11	2.45	11	2.93	22	2.67
Severance and ad valorem taxes	12	0.54	2	0.56	2	0.54	4	0.55
Gross margin	<u>\$ 543</u>	22.20	<u>\$ 51</u>	11.58	<u>\$ 36</u>	10.03	<u>\$ 87</u>	10.88
<b>Eagle Ford</b>								
Oil, natural gas and NGL sales	\$ 554	68.67	\$ 272	50.07	\$ 193	40.27	\$ 465	45.46
Production expenses	55	6.87	24	4.40	21	4.24	45	4.32
Gathering, processing and transportation expenses	84	10.41	44	8.05	45	9.32	89	8.65
Severance and ad valorem taxes	36	4.49	16	3.00	13	2.69	29	2.86
Gross margin	<u>\$ 379</u>	46.90	<u>\$ 188</u>	34.62	<u>\$ 114</u>	24.02	<u>\$ 302</u>	29.63
<b>Powder River Basin</b>								
Oil, natural gas and NGL sales	\$ 99	63.98	\$ 48	42.57	\$ 33	34.25	\$ 81	38.75
Production expenses	10	5.63	5	4.37	3	3.37	8	3.91
Gathering, processing and transportation expenses	22	13.93	14	12.65	12	12.53	26	12.59
Severance and ad valorem taxes	11	6.52	5	3.92	2	2.88	7	3.44
Gross margin	<u>\$ 56</u>	37.90	<u>\$ 24</u>	21.63	<u>\$ 16</u>	15.47	<u>\$ 40</u>	18.81

**CAPITAL EXPENDITURES ACCRUED (unaudited)**

	Successor		Predecessor	Non-GAAP Combined
	Three Months Ended March 31, 2022	Period from February 10, 2021 through March 31, 2021	Period from January 1, 2021 through February 9, 2021	Three Months Ended March 31, 2021
<i>(\$ in millions)</i>				
Drilling and completion capital expenditures:				
Marcellus	\$ 62	\$ 39	\$ 30	\$ 69
Haynesville	192	11	22	33
Eagle Ford	48	8	9	17
Powder River Basin	24	1	—	1
Total drilling and completion capital expenditures	326	59	61	120
Leasehold and additions to other PP&E	8	1	—	1
Capitalized interest	5	1	1	2
Total capital expenditures	\$ 339	\$ 61	\$ 62	\$ 123

**OIL AND NATURAL GAS HEDGING POSITIONS AS OF APRIL 29, 2022 <sup>(a)</sup>**

**Crude Oil Swaps**

	Volume (MMBbls)		Avg. NYMEX Price of Swaps
Q2 2022 <sup>(b)</sup>	2.8	\$	43.12
Q3 2022	2.7	\$	44.85
Q4 2022	2.6	\$	45.92
Total 2022	8.1	\$	44.59
Total 2023	1.9	\$	47.17

**Crude Oil Collars**

	Volume (MMBbls)	Avg. NYMEX Bought Put Price	Avg. NYMEX Sold Call Price
Total 2023	5.5	67.98	\$ 82.10

**Oil Basis Protection Swaps**

	Volume (MMBbls)		Avg. NYMEX plus/(minus)
Q2 2022 <sup>(b)</sup>	3.6	\$	0.60
Q3 2022	3.6	\$	0.89
Q4 2022	3.5	\$	0.89
Total 2022	10.7	\$	0.79
Total 2023	6.2	\$	0.96

**Natural Gas Swaps**

	Volume (Bcf)		Avg. NYMEX Price of Swaps
Q2 2022 <sup>(b)</sup>	130	\$	2.60
Q3 2022	134	\$	2.63
Q4 2022	117	\$	2.60
Total 2022	381	\$	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
Q2 2022 <sup>(b)</sup>	90	\$	3.33	\$	4.41
Q3 2022	94	\$	3.41	\$	4.56
Q4 2022	120	\$	3.12	\$	4.27
Total 2022	304	\$	3.27	\$	4.40
Total 2023	314	\$	3.14	\$	4.86

**Natural Gas Three-Way Collars**

	Volume (Bcf)		Avg. NYMEX Sold Put Price		Avg. NYMEX Bought Put Price		Avg. NYMEX Sold Call Price
Q2 2022 <sup>(b)</sup>	7	\$	2.41	\$	2.90	\$	3.43
Q3 2022	6	\$	2.41	\$	2.90	\$	3.43
Q4 2022	6	\$	2.41	\$	2.90	\$	3.43
Total 2022	19	\$	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)
Q2 2022 <sup>(b)</sup>	105	\$	(0.39)
Q3 2022	103	\$	(0.44)
Q4 2022	74	\$	(0.14)
Total 2022	282	\$	(0.34)
Total 2023	134	\$	(0.03)
Total 2024	36	\$	(0.12)
Total 2025	5	\$	(0.21)

(a) Includes hedges assumed in Marcellus Acquisition

(b) Includes amounts settled in April and May 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				Predecessor	
	Three Months Ended March 31, 2022		Period from February 10, 2021 through March 31, 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>	\$ (764)	\$ (6.32)	\$ 295	\$ 3.01	\$ 5,383	\$ 550.35
Effect of dilutive securities	—	—	—	(0.26)	—	(15.84)
Diluted income (loss) available to common stockholders (GAAP)	\$ (764)	\$ (6.32)	\$ 295	\$ 2.75	\$ 5,383	\$ 534.51
<b>Adjustments:</b>						
Unrealized (gains) losses on oil and natural gas derivatives	1,538	12.73	(113)	(1.05)	369	36.64
Separation and other termination costs	—	—	—	—	22	2.18
Gains on sales of assets	(279)	(2.31)	(4)	(0.04)	(5)	(0.50)
Other operating expense (income), net	31	0.26	2	0.02	(12)	(1.19)
Reorganization items, net	—	—	—	—	(5,569)	(552.97)
Other	(13)	(0.11)	(21)	(0.20)	—	—
Tax effect of adjustments <sup>(a)</sup>	(77)	(0.64)	—	—	(57)	(5.66)
Effect of dilutive securities	—	(0.52)	—	—	—	—
<b>Adjusted net income attributable to Chesapeake (Non-GAAP)</b>	<b>\$ 436</b>	<b>\$ 3.09</b>	<b>\$ 159</b>	<b>\$ 1.48</b>	<b>\$ 131</b>	<b>\$ 13.01</b>

(a) The 2022 Successor Period includes a tax effect attributed to the 2022 Successor Period reconciling adjustments using an estimated 6% annual effective tax rate. 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)**

	Successor		Predecessor	Non-GAAP Combined
	Three Months Ended March 31, 2022	Period from February 10, 2021 through March 31, 2021	Period from January 1, 2021 through February 9, 2021	Three Months Ended March 31, 2021
<i>(\$ in millions)</i>				
<b>Net income (loss) (GAAP)</b>	\$ (764)	\$ 295	\$ 5,383	\$ 5,678
<b>Adjustments:</b>				
Interest expense	32	12	11	23
Income tax benefit	(46)	—	(57)	(57)
Depreciation, depletion and amortization	409	122	72	194
Exploration	5	1	2	3
Unrealized (gains) losses on oil and natural gas derivatives	1,538	(113)	369	256
Separation and other termination costs	—	—	22	22
Gains on sales of assets	(279)	(4)	(5)	(9)
Other operating expense (income), net	31	2	(12)	(10)
Reorganization items, net	—	—	(5,569)	(5,569)
Other	(13)	(21)	—	(21)
<b>Adjusted EBITDAX (Non-GAAP)</b>	<b>\$ 913</b>	<b>\$ 294</b>	<b>\$ 216</b>	<b>\$ 510</b>

## ADJUSTED FREE CASH FLOW

	Successor		Predecessor	Non-GAAP Combined
	Three Months Ended March 31, 2022	Period from February 10, 2021 through March 31, 2021	Period from January 1, 2021 through February 9, 2021	Three Months Ended March 31, 2021
<i>(\$ in millions)</i>				
<b>Net cash provided by (used in) operating activities (GAAP)</b>	\$ 853	\$ 409	\$ (21)	\$ 388
Cash paid for reorganization items, net	—	18	66	84
Cash paid for acquisition costs	23	—	—	—
Capital expenditures	(344)	(77)	(66)	(143)
<b>Adjusted free cash flow (Non-GAAP)</b>	<u>\$ 532</u>	<u>\$ 350</u>	<u>\$ (21)</u>	<u>\$ 329</u>

## NET DEBT

	Successor
	March 31, 2022
<i>(\$ in millions)</i>	
<b>Total debt (GAAP)</b>	\$ 2,774
Premiums and issuance costs on debt	(103)
<b>Principal amount of debt</b>	2,671
Cash and cash equivalents	(19)
<b>Net debt (Non-GAAP)</b>	<u>\$ 2,652</u>

## CHESAPEAKE ENERGY CORPORATION - MANAGEMENT'S OUTLOOK AS OF MAY 4, 2022

Chesapeake periodically provides guidance on certain factors that affect the company's future financial performance. New information or changes from the company's February 23, 2022 outlook are italicized bold below.

	<b>2022 Projections</b>
Total production:	
Oil - mbbls per day	51 - 56
<b><i>NGL - mbbls per day</i></b>	<b><i>15 - 18</i></b>
Natural gas - mmcf per day	3,600 - 3,680
Total daily rate - mboe per day	670 - 690
Estimated basis to NYMEX prices, based on 4/29/22 strip prices:	
Oil - \$/bbl	\$0.50 - \$0.90
Natural gas - \$/mcf	(\$0.45) - (\$0.55)
NGL - realizations as a % of WTI	40% - 45%
Operating costs per boe of projected production:	
<b><i>Production expense</i></b>	<b><i>\$1.75 - \$2.00</i></b>
<b><i>Gathering, processing and transportation expenses</i></b>	<b><i>\$4.00 - \$4.50</i></b>
<b><i>Oil - \$/bbl</i></b>	<b><i>\$2.80 - \$3.00</i></b>
<b><i>Natural Gas - \$/mcf</i></b>	<b><i>\$0.70 - \$0.80</i></b>
<b><i>Severance and ad valorem taxes</i></b>	<b><i>\$0.95 - \$1.05</i></b>
General and administrative <sup>(a)</sup>	\$0.45 - \$0.65
Depreciation, depletion and amortization expense	\$7.00 - \$8.00
<b><i>Marketing net margin and other (\$ in millions)</i></b>	<b><i>\$25 - \$50</i></b>
Interest expense (\$ in millions)	\$125 - \$135
<b><i>Cash taxes (\$ in millions)</i></b>	<b><i>\$200 - \$250</i></b>
<b><i>Adjusted EBITDAX, based on 4/29/22 strip prices (\$ in millions)<sup>(b)</sup></i></b>	<b><i>\$4,600 - \$4,800</i></b>
Total capital expenditures (\$ in millions)	\$1,500 - \$1,800

(a) Includes ~\$0.07/boe 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.