

FOR IMMEDIATE RELEASE
APRIL 30, 2024

CHESAPEAKE ENERGY CORPORATION REPORTS FIRST QUARTER 2024 RESULTS

OKLAHOMA CITY, April 30, 2024 – Chesapeake Energy Corporation (NASDAQ:CHK) today reported first quarter 2024 financial and operating results.

- **Net income of \$26 million, or \$0.18 per fully diluted share; adjusted net income⁽¹⁾ of \$80 million, or \$0.56 per share**
- **Net cash provided by operating activities of \$552 million**
- **Adjusted EBITDAX⁽¹⁾ of \$508 million; free cash flow⁽¹⁾ of \$131 million**
- **Delivered \$112 million in adjusted free cash flow⁽¹⁾ yielding combined quarterly base and variable dividend of \$0.715 per common share to be paid in June 2024**
- **Produced approximately 3.20 bcf/d net (100% natural gas); building productive capacity with 46 combined DUCs and deferred TILs at the end of the quarter**
- **Reaffirmed credit facility borrowing base and increased aggregate commitments to \$2.5 billion**

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

Nick Dell'Osso, Chesapeake's President and Chief Executive Officer, said, "Today's results show the strength of our portfolio and strategy, further demonstrating that our company was built to withstand demand cycles. As we build productive capacity, we continue to focus on capital discipline and prudently respond to today's market conditions. We remain excited about our pending combination with Southwestern which we expect will close in the second half of this year. The merger positions us to expand America's energy reach to markets that are increasingly turning to natural gas to meet the growing demand for reliable, affordable, lower carbon energy to domestic and international consumers."

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Shareholder Returns Update

Chesapeake generated \$552 million of operating cash flow and \$112 million of adjusted free cash flow⁽¹⁾ during the first quarter. Chesapeake plans to pay its base and variable dividends on June 5, 2024 to shareholders of record at the close of business on May 16, 2024.

(\$ and shares in millions, except per share amounts)	1Q 2024	
Net cash provided by operating activities (GAAP)	\$	552
Less cash capital expenditures		421
Less cash contributions to investments		19
Adjusted free cash flow (Non-GAAP) ⁽¹⁾		112
Less cash paid for common base dividends		75
50% of adjusted free cash flow available for common variable dividends	\$	18
Common shares outstanding at 4/30/24 ⁽²⁾		131
Variable dividend payable per common share in June 2024	\$	0.14
Base dividend payable per common share in June 2024	\$	0.575
Total dividend payable per common share in June 2024	\$	0.715

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

(2) Basic common shares outstanding as of the declaration date of April 30, 2024. Assumes no exercise of warrants between dividend declaration date and dividend record date.

Including the first quarter base and variable declared dividends, Chesapeake has returned more than \$3.4 billion to shareholders since 2021 through dividends and share buybacks.

Operations Update

Chesapeake's net production in the first quarter was approximately 3.20 bcfe per day (100% natural gas), utilizing an average of nine rigs to drill 28 wells and place 29 wells on production while building an inventory of 24 drilled but uncompleted (DUCs) wells and 22 deferred turn in lines (TILs). Chesapeake is currently operating eight rigs and two completion crews. The company plans to drop an additional rig in the Marcellus around mid-year.

Given continued weak market dynamics, the company is executing its previously disclosed plan to defer completions and new well turn in lines, building short-cycle, capital efficient productive capacity which can be activated when supply and demand imbalances correct. At the end of the first quarter the company had 50 DUCs, approximately twice its normal average at current rig counts, and 22 deferred TILs. For the full-year, the company expects to drill 95 – 115 wells and place 30 – 40 wells on production, which is consistent with previous guidance.

Marketing/LNG Update

In February, Chesapeake announced the signing of long-term LNG Sale and Purchase Agreements (SPAs). Under the SPAs, Chesapeake will purchase approximately 0.5 million tonnes per annum ("mtpa") of LNG from Delfin LNG at a Henry Hub linked price with a targeted contract start date in 2028. Chesapeake will then deliver the LNG to Gunvor on a free-on-board basis with the sales price linked to the Japan Korea Marker ("JKM") for a period of 20 years. These volumes represent 0.5 mtpa of the previously announced up to 2 mtpa HOA with Gunvor. The company continues to pursue additional LNG agreements to deliver on its LNG strategy.

Financial Update

In April 2024, the company's borrowing base was reaffirmed and the aggregate commitments under our Credit Facility were increased by \$500 million to \$2.5 billion in total. Additionally, the sublimit available for the issuance of letters of credit were increased by \$300 million to \$500 million in total.

ESG Update

The company continues to work on direct emission reductions while also investing in adjacent technology and businesses to meet its 2035 Scope 1 and Scope 2 net zero commitment. The company achieved its 2025 interim GHG and methane intensity target last year and successfully recertified all assets under the MiQ and EO100™ standards, maintaining 100% independent responsibly sourced gas certification across its entire portfolio.

Chesapeake's culture of operational excellence and safety resulted in a ~40% year-over-year combined TRIR improvement, to an industry leading 0.14. Additionally, IR Magazine recognized Chesapeake for Best ESG Reporting by a small to mid-cap company, for the quality and depth of its 2022 sustainability report. The company's 2023 sustainability report is expected to be published later this quarter.

Conference Call Information

Chesapeake plans to conduct a conference call to discuss its recent financial and operating results at 9:00 am EDT on Wednesday, May 1, 2024. The telephone number to access the conference call is 1-888-317-6003 or 1-412-317-6061 for international callers. The passcode is 9185107.

Financial Statements, Non-GAAP Financial Measures and 2024 Guidance and Outlook Projections

The company's 2024 first quarter financial and operational results, along with non-GAAP measures that adjust for items typically excluded by certain securities analysts, are available on the company's website. Non-GAAP measures should not be 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. Management's updated guidance for 2024 can be found on the company's website at www.chk.com.

Headquartered in Oklahoma City, Chesapeake Energy Corporation (NASDAQ:CHK) is powered by dedicated and innovative employees who are focused on discovering and responsibly developing our leading positions in top U.S. natural gas plays. With a goal to achieve net zero GHG emissions (Scope 1 and 2) by 2035, Chesapeake is committed to safely answering the call for affordable, reliable, lower carbon energy.

Forward-Looking Statements

This release includes “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933, as amended (the “Securities Act”), and Section 21E of the Securities Exchange Act of 1934. Forward-looking statements include our current expectations or forecasts of future events, including matters relating to the pending merger with Southwestern Energy Company (“Southwestern”), armed conflict and instability in Europe and the Middle East, along with the effects of the current global economic environment, and the impact of each on our business, financial condition, results of operations and cash flows, actions by, or disputes among or between, members of OPEC+ and other foreign oil-exporting countries, market factors, market prices, our ability to meet debt service requirements, our ability to continue to pay cash dividends, the amount and timing of any cash dividends and our ESG initiatives. Forward-looking and other statements in this release regarding our environmental, social and other sustainability plans and goals are not an indication that these statements are necessarily material to investors or required to be disclosed in our filings with the SEC. In addition, historical, current, and forward-looking environmental, social and sustainability-related statements may be based on standards for measuring progress that are still developing, internal controls and processes that continue to evolve, and assumptions that are subject to change in the future. Forward-looking statements often address our expected future business, financial performance and financial condition, and often contain words such as “expect,” “could,” “may,” “anticipate,” “intend,” “plan,” “ability,” “believe,” “seek,” “see,” “will,” “would,” “estimate,” “forecast,” “target,” “guidance,” “outlook,” “opportunity” or “strategy.” The absence of such words or expressions does not necessarily mean the statements are not forward-looking.

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. Particular uncertainties that could cause our actual results to be materially different than those expressed in our forward-looking statements include:

- conservation measures and technological advances could reduce demand for natural gas and oil;
- negative public perceptions of our industry;
- competition in the natural gas and oil exploration and production industry;
- the volatility of natural gas, oil 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;
- risks from regional epidemics or pandemics and related economic turmoil, including supply chain constraints;
- write-downs of our natural gas and oil asset carrying values due to low commodity prices;
- significant capital expenditures are required to replace our reserves and conduct our business;
- our ability to replace reserves and sustain production;
- uncertainties inherent in estimating quantities of natural gas, oil and NGL reserves and projecting future rates of production and the amount and timing of development expenditures;
- drilling and operating risks and resulting liabilities;
- our ability to generate profits or achieve targeted results in drilling and well operations;
- leasehold terms expiring before production can be established;
- risks from our commodity price risk management activities;
- uncertainties, risks and costs associated with natural gas and oil operations;
- our need to secure adequate supplies of water for our drilling operations and to dispose of or recycle the water used;
- pipeline and gathering system capacity constraints and transportation interruptions;
- our plans to participate in the LNG export industry;
- terrorist activities and/or cyber-attacks adversely impacting our operations;
- risks from failure to protect personal information and data and compliance with data privacy and security laws and regulations;
- disruption of our business by natural or human causes beyond our control;
- a deterioration in general economic, business or industry conditions;
- the impact of inflation and commodity price volatility, including as a result of armed conflict and instability in Europe and the Middle East, along with the effects of the current global economic environment, on our business, financial condition, employees, contractors, vendors and the global demand for natural gas and oil and on U.S. and global financial markets;
- our inability to access the capital markets on favorable terms;
- the limitations on our financial flexibility due to our level of indebtedness and restrictive covenants from our indebtedness;
- our actual financial results after emergence from bankruptcy may not be comparable to our historical financial information;
- risks related to acquisitions or dispositions, or potential acquisitions or dispositions, including risks related to the pending merger with Southwestern, such as the occurrence of any event, change or other circumstances that could give rise to the termination of the merger agreement; the possibility that our stockholders may not approve the issuance of our common stock in connection with the proposed transaction; the possibility that the stockholders of Southwestern may not approve the merger agreement; the risk that we or Southwestern may be unable to obtain governmental and regulatory approvals required for the proposed transaction, or required governmental and regulatory approvals may delay the merger or result in the imposition of conditions that could cause the parties to abandon the merger; the risk that the parties may not be able to satisfy the conditions to the proposed transaction in a timely manner or at all; risks related to limitation on our ability to pursue alternatives to the merger; risks related to change in control or other provisions in certain agreements that may be triggered upon completion of the merger; risks related to the merger agreement’s restrictions on business activities prior to the effective time of the merger; risks related to loss of management personnel, other key employees, customers, suppliers, vendors, landlords, joint venture partners and other business partners following the merger; risks related to disruption of management time from ongoing business operations due to the proposed transaction; the risk that any announcements relating to the proposed transaction could have adverse effects on the market price of our common stock or

Southwestern's common stock; the risk of any unexpected costs or expenses resulting from the proposed transaction; the risk of any litigation relating to the proposed transaction; the risk that problems may arise in successfully integrating the businesses of the companies, which may result in the combined company not operating as effectively and efficiently as expected; and the risk that the combined company may be unable to achieve synergies or other anticipated benefits of the proposed transaction or it may take longer than expected to achieve those synergies or benefits;

- our ability to achieve and maintain ESG certifications, goals and commitments;
- legislative, regulatory and 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;
- federal and state tax proposals affecting our industry;
- risks related to an annual limitation on the utilization of our tax attributes, which is expected to be triggered upon completion of the merger, as well as trading in our common stock, additional issuances of common stock, and certain other stock transactions, which could lead to an additional, potentially more restrictive, annual limitation; and
- other factors that are described under Risk Factors in Item 1A of Part I of our Annual Report on Form 10-K.

We caution you not to place undue reliance on the forward-looking statements contained in this release, which speak only as of the filing date, and we undertake no obligation to update this information. We urge you to carefully review and consider the disclosures in this release and our filings with the SEC that attempt to advise interested parties of the risks and factors that may affect our business.

IMPORTANT INFORMATION FOR INVESTORS; ADDITIONAL INFORMATION AND WHERE TO FIND IT

In connection with the merger between Chesapeake and Southwestern, Chesapeake has filed and will file relevant materials with the Securities and Exchange Commission (the "SEC"). On February 29, 2024, Chesapeake filed with the SEC a registration statement on Form S-4 (as amended on April 11, 2024 and as may be further amended from time to time, the "Form S-4") to register the shares of Chesapeake common stock to be issued in connection with the merger. The Form S-4 includes a joint preliminary proxy statement of Chesapeake and Southwestern that also constitutes a preliminary prospectus of Chesapeake (the "joint proxy statement/prospectus"). The information in the Form S-4 is not complete and may be changed. After the Form S-4 is declared effective, a definitive proxy statement/prospectus will be mailed to stockholders of Chesapeake and Southwestern. This communication is not a substitute for the Form S-4, the joint proxy statement/prospectus or any other document that Chesapeake or Southwestern (as applicable) has filed or may file with the SEC in connection with the merger. BEFORE MAKING ANY VOTING DECISION, INVESTORS ARE URGED TO CAREFULLY READ THE FORM S-4, THE JOINT PROXY STATEMENT/PROSPECTUS AND ALL OTHER RELEVANT DOCUMENTS THAT ARE FILED OR WILL BE FILED WITH THE SEC, AS WELL AS ANY AMENDMENTS OR SUPPLEMENTS TO THOSE DOCUMENTS, AS THEY BECOME AVAILABLE BECAUSE THEY CONTAIN OR WILL CONTAIN IMPORTANT INFORMATION ABOUT CHESAPEAKE, SOUTHWESTERN, THE MERGER, THE RISKS RELATED THERETO AND RELATED MATTERS.

Investors may obtain free copies of the Form S-4 and the joint proxy statement/prospectus, as well as other filings containing important information about Chesapeake or Southwestern, without charge at the SEC's Internet website (<http://www.sec.gov>). Copies of the documents filed with the SEC by Chesapeake may be obtained free of charge on Chesapeake's website at <http://investors.chk.com/>. Copies of the documents filed with the SEC by Southwestern may be obtained free of charge on Southwestern's website at <https://ir.swn.com/CorporateProfile/default.aspx>.

Participants in Solicitation

Chesapeake and Southwestern and certain of their respective directors, executive officers and other members of management and employees may be deemed to be participants in the solicitation of proxies in connection with the proposed transaction contemplated by the joint proxy statement/prospectus. Information regarding Chesapeake's directors and executive officers and their ownership of Chesapeake's securities is set forth in Chesapeake's filings with the SEC, including Chesapeake's Annual Report on Form 10-K for the fiscal year ended December 31, 2023, which was filed with the SEC on February 21, 2024, and its Definitive Proxy Statement on Schedule 14A, which was filed with the SEC on April 26, 2024. To the extent such person's ownership of Chesapeake's securities has changed since the filing of Chesapeake's proxy statement, such changes have been or will be reflected on Statements of Change in Ownership on Form 4 filed with the SEC thereafter. Information regarding Southwestern's directors and executive officers and their ownership of Southwestern's securities is set forth in Southwestern's filings with the SEC, including Southwestern's Annual Report on Form 10-K for the fiscal year ended December 31, 2023, which was filed with the SEC on February 22, 2024, and an amendment to its Annual Report on Form 10-K/A, which was filed with the SEC on April 29, 2024. To the extent such person's ownership of Southwestern's securities has changed since the filing of Southwestern's proxy statement, such changes have been or will be reflected on Statements of Change in Ownership on Form 4 filed with the SEC thereafter. Additional information regarding the interests of those persons and other persons who may be deemed participants in the proxy solicitations may be obtained by reading the joint proxy statement/prospectus and other relevant materials that will be filed with the SEC regarding the proposed transaction when such documents become available. You may obtain free copies of these documents as described in the preceding paragraph.

No Offer or Solicitation

This release relates to the proposed transaction between Chesapeake and Southwestern. This release is for informational purposes only and shall not constitute an offer to sell or exchange, or the solicitation of an offer to buy or exchange, any securities or a solicitation of any vote or approval, in any jurisdiction, pursuant to the proposed transaction or otherwise, nor shall there be any sale, issuance, exchange or transfer of the securities referred to in this document in any jurisdiction in contravention of applicable law. No offer of securities shall be made except by means of a prospectus meeting the requirements of Section 10 of the Securities Act.