



**Part II** Organizational Action *(continued)*

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶ [See attachment](#)

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18 Can any resulting loss be recognized? ▶ [See attachment](#)

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19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ [See attachment](#)

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Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

**Sign Here**  
Signature ▶  Date ▶ 1/13/2023

Print your name ▶ Justin R. Shaw Title ▶ Tax Officer

<b>Paid Preparer Use Only</b>	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
	Firm's name ▶	Firm's EIN ▶			
	Firm's address ▶	Phone no.			

**Chesapeake Energy Corporation**  
**Attachment to Form 8937**  
**Date of Organizational Action: November 15, 2022**  
**Adjustment to the Exercise Price for Class B Warrants**

The information contained herein does not constitute tax advice and is not intended or written to be used, and cannot be used, for the purpose of avoiding penalties under the Internal Revenue Code. In addition, this information does not purport to be complete or to describe the consequences that may apply to particular categories of holders of the Class B Warrants.

**Part II**

**Line 14.** Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action.

Pursuant to the Class B Warrant Agreement dated February 9, 2021, certain distributions to the common stockholders of Chesapeake Energy Corporation result in an adjustment to the exercise price of the Class B Warrants. Chesapeake declared common stock dividends payable to shareholders of record on November 15, 2022, and therefore adjusted the exercise price of the warrants on this date.

**Line 15.** Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis.

Chesapeake expects that the adjustment to the exercise price will be treated under Internal Revenue Code Section 305(c) as a taxable dividend distribution in an amount equal to the incremental value attributable to the adjustment. As a result of the treatment of the adjustment as a dividend distribution, a holder's tax basis in their Class B Warrants should increase by the amount of such dividend distribution.

The amount of such dividend distribution and increase to basis is calculated to be the amount per warrant as described in the chart below:

<b>Adjustment Date</b>	<b>Deemed Dividend and Increase to Basis (per warrant)</b>
November 15, 2022	\$ 1.011

**Line 16. Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates.**

Consistent with the Proposed Treasury Regulations Section 1.305-7(c)(4), the calculation of the deemed dividend amount and corresponding change to basis per warrant is the excess of the fair market value of the warrant immediately after the adjustment over the fair market value of the warrant as if no adjustment had occurred. The change in the fair market value solely due to the adjustment is equal to the change in the intrinsic value of the warrant as a result of the adjustment.

**Line 17. List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based.**

Section 305(c)

**Line 18. Can any resulting loss be recognized?**

No loss can be recognized.

**Line 19. Provide any other information necessary to implement the adjustment, such as the reportable tax year.**

The reportable tax year for the warrant holders for reporting the dividend income and increasing their basis is the taxable year that includes the adjustment date.