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): January 17, 2023

CHESAPEAKE ENERGY CORPORATION

(Exact name of Registrant as specified in its Charter)

Oklahoma	**1-13726**	**73-1395733**
(State or other jurisdiction of incorporation)	(Commission File No.)	(IRS Employer Identification No.)

6100 North Western Avenue	**Oklahoma City**	**OK**	**73118**
(Address of principal executive offices)			(Zip Code)

(405) 848-8000
(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 7.01 Regulation FD Disclosure.

On January 18, 2023, Chesapeake Energy Corporation ("Chesapeake") issued a press release announcing its entry into the Purchase Agreement (as defined below). A copy of the press release is attached hereto as Exhibit 99.1 and is incorporated herein by reference. The information contained in this press release is being furnished and shall not be deemed "filed" for purposes of Section 18 of the Securities and Exchange Act of 1934, as amended (the "Exchange Act") or incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act, except as shall be expressly set forth by specific reference in such a filing.

Item 8.01 Other Events.

On January 17, 2023, Chesapeake and its wholly owned subsidiary, Brazos Valley Longhorn, L.L.C., a Delaware limited liability company, entered into a Membership Interest Purchase Agreement (the "Purchase Agreement") with WildFire Energy I LLC ("Purchaser") to sell the Brazos Valley region of its Eagle Ford asset (the "Transaction"). Under the terms of the Purchase Agreement, Chesapeake has agreed to sell approximately 377,000 net acres and approximately 1,350 wells, along with related property, plant and equipment.

Under the terms and conditions of the Purchase Agreement, which has an economic effective date of October 1, 2022, the aggregate consideration to be paid to Chesapeake in the Transaction will consist of $1,425,000,000, comprised of (i) cash in the amount of $1,200,000,000, due at the closing of the Transaction, subject to certain purchase price adjustments and (ii) unless earlier accelerated pursuant to the terms of the Purchase Agreement, cash in the amount of $60,000,000 due on each of March 1, 2024, March 1, 2025 and March 1, 2026 and $45,000,000 due on March 1, 2027. Pursuant to the Purchase Agreement, upon the execution of the Purchase Agreement, Purchaser deposited $142,500,000 into escrow, which will be credited toward the cash consideration payable at the closing of the Transaction.

The Purchase Agreement provides that the closing of the Transaction is subject to the satisfaction or waiver of customary closing conditions, including, among others, (a) the accuracy of the representations and warranties of each party (subject to specified materiality standards and customary qualifications), (b) compliance by each party in all material respects with their respective covenants, (c) the absence of any governmental litigation related to the Transaction and (d) the expiration or termination of all waiting periods imposed under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended (the "HSR Act").

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

Exhibit No.	Document Description
99.1	Chesapeake Energy Corporation press release dated January 18, 2023.
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/ MOHIT SINGH

Mohit Singh

Executive Vice President and Chief Financial Officer

Date: January 18, 2023

Exhibit 99.1

NEWS RELEASE

FOR IMMEDIATE RELEASE
JANUARY 18, 2023

CHESAPEAKE ENERGY CORPORATION ANNOUNCES SALE OF INITIAL EAGLE FORD PACKAGE FOR $1.425 BILLION

OKLAHOMA CITY, January 18, 2023 – Chesapeake Energy Corporation (NASDAQ:CHK) today announced that it has entered into an agreement to sell the Brazos Valley region of its Eagle Ford asset to WildFire Energy I LLC for $1.425 billion.

“Today marks an important step on our path to exiting the Eagle Ford as we focus our capital on the premium, rock, returns and runway of our Marcellus and Haynesville positions,” said Chesapeake President and Chief Executive Officer Nick Dell’Osso. “We remain actively engaged with other parties regarding the rest of our Eagle Ford position.”

Chesapeake has agreed to sell approximately 377,000 net acres and approximately 1,350 wells in the Brazos Valley region of its Eagle Ford asset, along with related property, plant and equipment. Average net daily production from these properties was approximately 27,700 barrels of oil equivalent (boe) (85% liquid) during the third quarter of 2022. As of December 31, 2021, net proved reserves associated with these properties were approximately 96.8 million barrels of oil equivalent (mmboe).

Chesapeake expects the transaction to close in the first quarter of 2023. The company will receive $1.2 billion upon closing, subject to customary adjustments, with the additional $225 million paid in yearly installments of $60 million over the next three years and $45 million in year four. Chesapeake anticipates the proceeds will be used to repay borrowings under its revolving credit facility and be available for its share repurchase program.

RBC Capital Markets, Citi, and Evercore are serving as financial advisors, Haynes and Boone, LLP is serving as legal advisor, and DrivePath Advisors is serving as communications advisor to Chesapeake.

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 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 news release includes “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, including the potential sale of our Eagle Ford asset, 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, environmental, social and governance (“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.

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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: our ability to successfully complete the sale of our Brazos Valley assets and to achieve the expected benefits of the sale for Chesapeake and our shareholders; our ability to complete the sale of the remainder of our Eagle Ford asset; 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 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 and equity repurchases, 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 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 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.