

Acquisition of Vine Energy Inc.

AUGUST 11, 2021



CHESAPEAKE
ENERGY

Disclaimer

Forward-Looking Statements

This presentation includes forward-looking statements. Forward-looking statements are identified as any statement that does not relate strictly to historical or current facts. Statements using words such as “anticipate,” “believe,” “intend,” “project,” “plan,” “expect,” “continue,” “estimate,” “goal,” “forecast,” “may,” or similar expressions help identify forward-looking statements. Chesapeake Energy Corporation (“CHK”) and Vine Energy Inc. (“VEI”) cannot give any assurance that expectations and projections about future events will prove to be correct. Forward-looking statements are subject to a variety of risks, uncertainties and assumptions. These risks and uncertainties include the risks that the proposed transaction may not be consummated or the benefits contemplated therefrom may not be realized. Additional risks include: the ability to obtain requisite regulatory and stockholder approval and the satisfaction of the other conditions to the consummation of the proposed transaction, the ability of CHK to successfully integrate VEI’s operations and employees and realize anticipated synergies and cost savings, the potential impact of the announcement or consummation of the proposed transaction on relationships, including with employees, suppliers, customers, competitors and credit rating agencies, the ability to achieve revenue growth, and volatility in the price of oil, natural gas, and natural gas liquids. Actual results and outcomes may differ materially from those expressed in such forward-looking statements. These and other risks and uncertainties are discussed in more detail in filings made by CHK and VEI with the Securities and Exchange Commission (the “SEC”), which are available to the public free of charge on the SEC’s website at www.sec.gov. CHK and VEI undertake no obligation to update publicly or to revise any forward-looking statements, whether as a result of new information, future events or otherwise.

Additional Information and Where to Find It

This document relates to a proposed transaction between CHK and VEI. This document does not constitute an offer to sell or exchange, or the solicitation of an offer to buy or exchange, any securities, nor shall there be any sale of securities in any jurisdiction in which such offer, sale or exchange would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction. CHK intends to file a registration statement on Form S-4 that includes a proxy statement/prospectus. The proxy statement/prospectus will be sent to all VEI stockholders. CHK and VEI will also file other documents regarding the proposed transaction with the SEC. Before making any voting decision, investors and security holders of VEI are urged to read the registration statement, the proxy statement/prospectus and all other relevant documents filed or that will be filed with the SEC in connection with the proposed transaction as they become available because they will contain important information about the proposed transaction. Investors and security holders will be able to obtain free copies of the proxy statement/prospectus and all other relevant documents filed or that will be filed with the SEC by CHK and VEI through the website maintained by the SEC at www.sec.gov.

Participants in Solicitation

CHK and VEI and their respective directors and officers may be deemed to be participants in the solicitation of proxies from VEI’s stockholders in connection with the proposed transaction. Information about VEI’s directors and executive officers and their ownership of VEI securities is set forth in VEI’s filings with the SEC. To the extent that holdings of VEI securities have changed since the amounts printed in VEI’s most recent proxy statement, such changes have been or will be reflected on Statements of Change in Ownership on Form 4 filed with the SEC. Additional information regarding the interests of those persons and other persons who may be deemed participants in the proposed transaction may be obtained by reading the proxy statement/prospectus regarding the proposed transaction when it becomes available. You may obtain free copies of this document and other applicable documents as described in the preceding paragraph.

No Offer or Solicitation

This presentation is for informational purposes only and does not constitute an offer to sell or the solicitation of an offer to buy any securities or a solicitation of any vote or approval, in any jurisdiction, pursuant to the proposed merger or otherwise, nor shall there be any sale, issuance, exchange or transfer or 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 of 1933, as amended.

Increasing **FCF**. Enhancing **scale**.
Delivering **RSG to premium markets**. Returning **cash to shareholders**.

CHK acquires VEI at
zero premium

using 8% cash, 92% equity
\$1.20 plus 0.2486 shares of CHK common stock
per VEI share of common stock

**Immediately
accretive to:**

Cash flow/share
FCF/share⁽¹⁾
FCF yield⁽¹⁾
GHG emissions profile

**Adding ~370 premium
Haynesville/Bossier locations**
>50% ROR at \$2.50 gas

Pro forma net debt-to-EBITDAX⁽¹⁾

0.6x in 2022

Preserving balance sheet strength

Consolidates Haynesville

CHK to become the **largest**
producer in the Haynesville

~1.6 net bcf per day (2Q'21)

~\$6B in 5-yr FCF⁽¹⁾⁽²⁾

Increasing base dividend by 27%
and initiating variable return program

100% of PF Haynesville/Bossier production

will be Responsibly Sourced Gas (RSG) certified by YE 2021

(1) A non-GAAP measure as defined in the appendix.

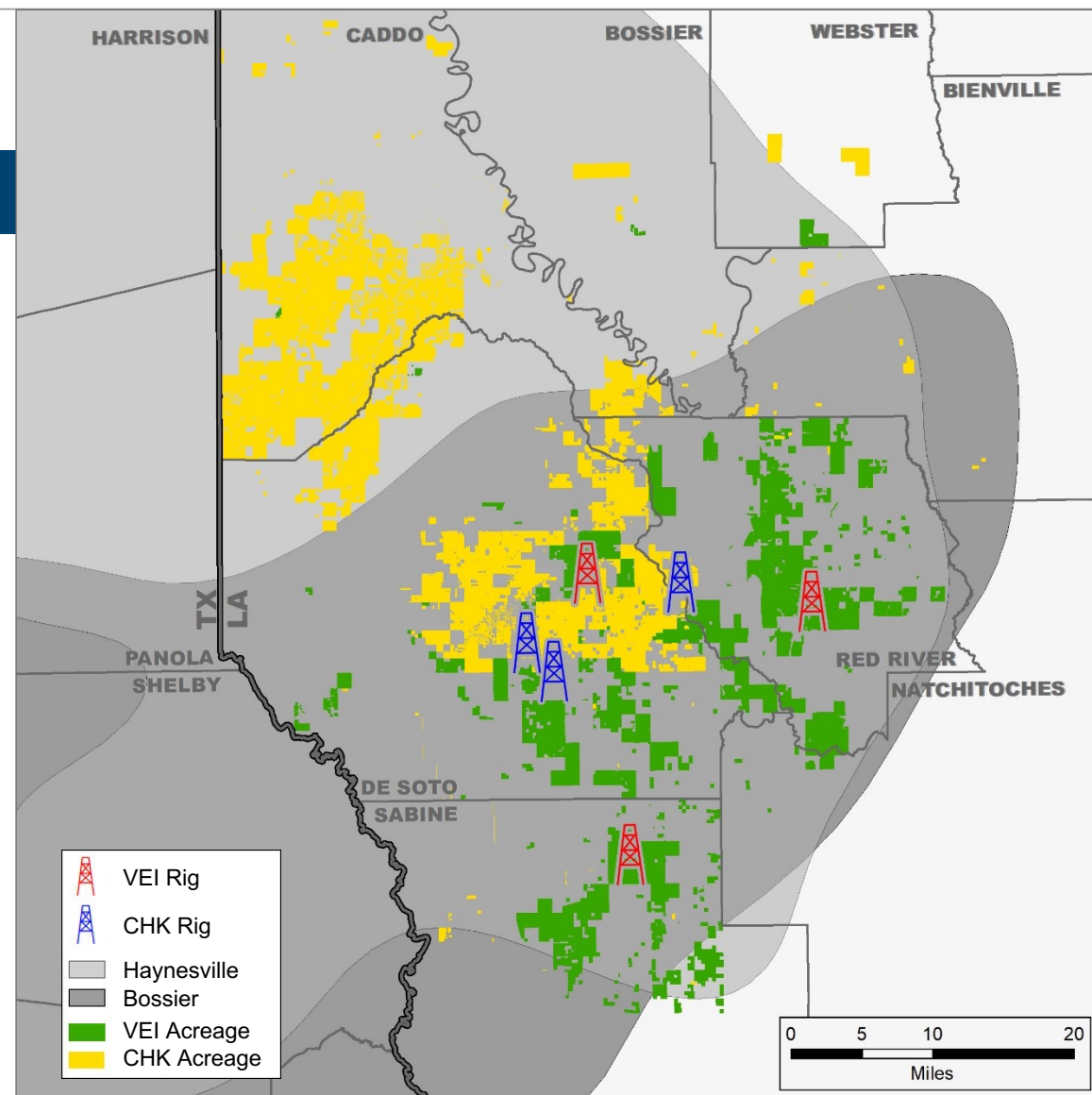
(2) Based on 7/30/21 strip prices and 8/06/21 CHK stock price.

Building the Dominant Gulf Coast Operator

Pro forma company = largest Haynesville producer

Haynesville/Bossier Shale	CHK	CHK PF
Net Acres	225,000	348,000
Held by Production	100%	99%
Average Working Interest	80%	83%
Gross Locations	900	1,500
2Q'21 Net Daily Production (mmcf/d)	531	1,581

- ▶ Adjacent positions providing premium over-pressured stacked gas opportunities in Haynesville and Mid-Bossier shale plays



Enhanced Pro Forma GHG Emissions Profile

Pro forma GHG emissions intensity⁽¹⁾⁽²⁾

5.4 kg CO₂e/boe

2020 CHK: 6.0 kg CO₂e/boe

Pro forma corporate methane intensity⁽¹⁾⁽³⁾

0.11%

2020 CHK: 0.13%

100%

PF Haynesville/Bossier production
will be RSG certified⁽⁴⁾ by YE 2021

(1) Pro forma estimates include 2020 CHK and VEI numbers.

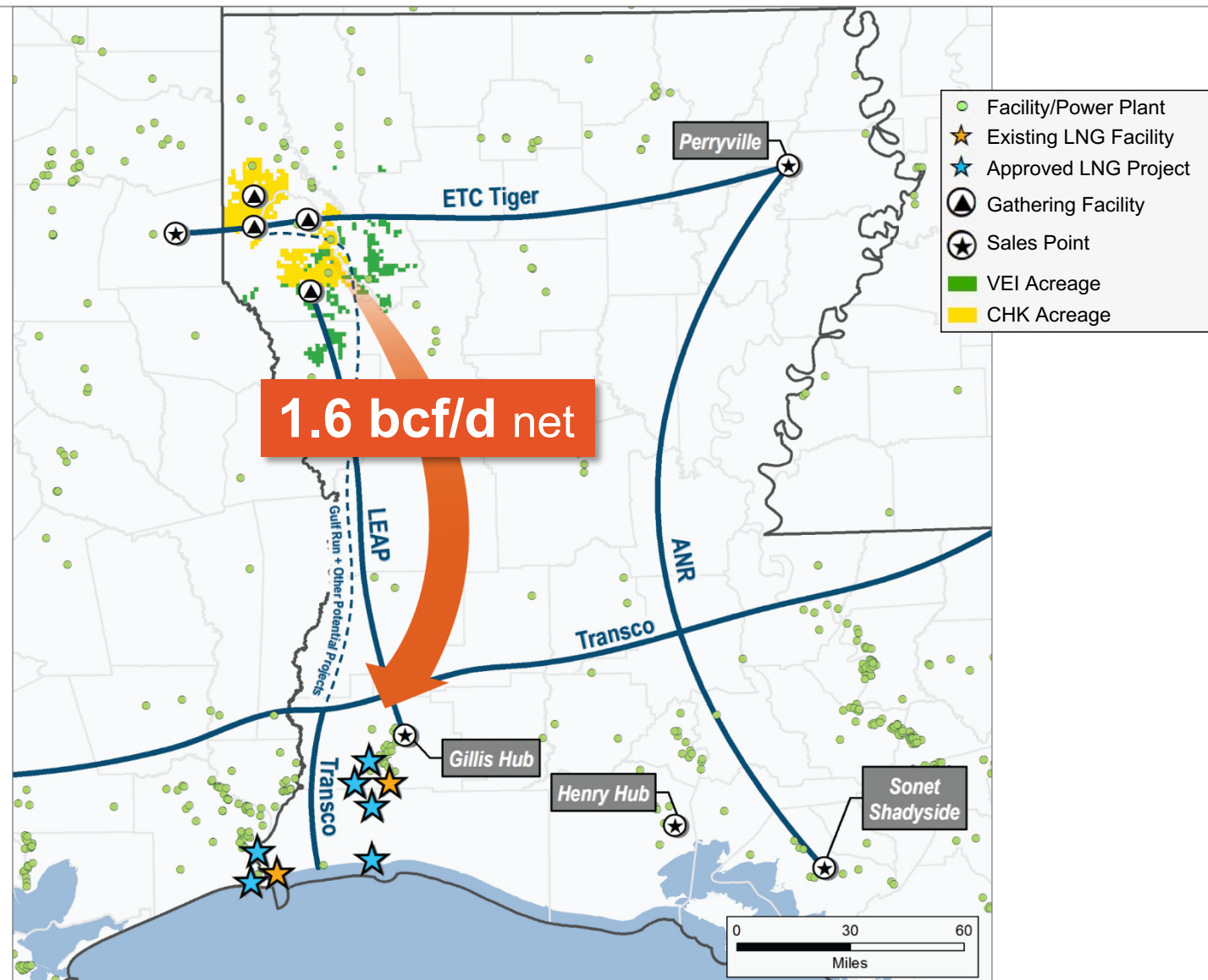
(2) Defined as tCO₂e/gross mboe produced.

(3) Defined as volume methane emissions / volume gross gas produced.

(4) Chesapeake intends to independently certify and continuously monitor its natural gas production across the Haynesville under the standards developed by MiQ and Equitable Origin.

Dominant RSG Supplier to Premium Gulf Coast and Export Markets

- ▶ Combined production of CHK and VEI represents dominant supplier of RSG to the Gulf Coast and LNG export markets
 - No firm transport in VEI's current portfolio
 - Several new projects (new construction and expansion of existing) focused on delivering gas from NW Louisiana to export markets
 - Majority of VEI firm sales expire within three years, allowing CHK to capitalize on competitive downstream pipeline and LNG markets
 - Expect to achieve RSG certification for all CHK and VEI production by YE 2021



Cost Savings Create Significant Shareholder Value

- ▶ Operational efficiencies include savings from reduced G&A and LOE including VEI corporate workforce synergies
- ▶ Capital efficiencies include savings from reduced capex and improved cycle time
- ▶ Expect to recognize additional savings from midstream contract opportunities, leasehold optimization and other operational and capital efficiencies

G&A and LOE Efficiencies

\$20 million

+

Capital Efficiencies

\$30 million

≡

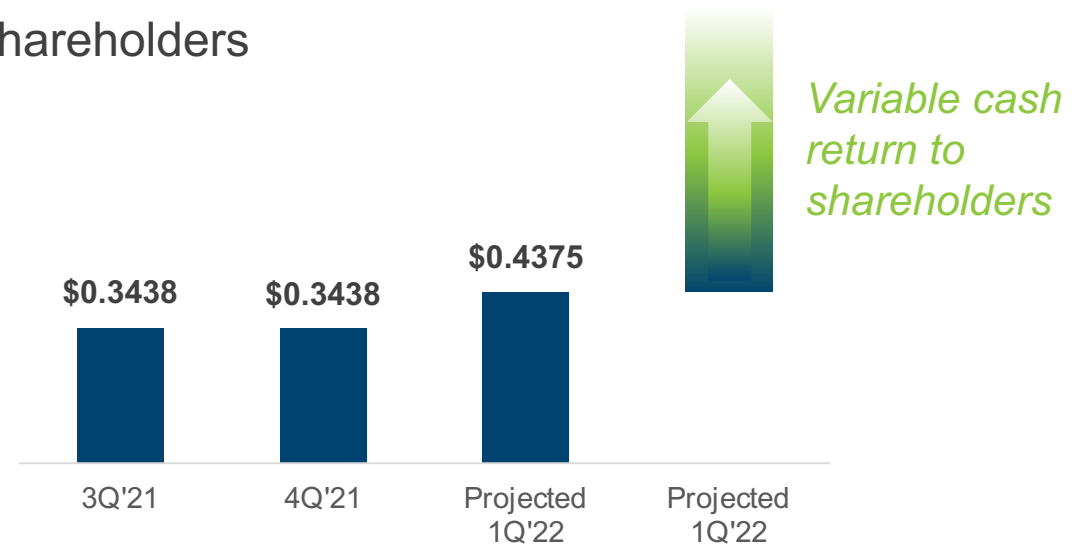
ANNUAL AVERAGE SAVINGS

\$50 million

Accelerating Cash to Shareholders

Larger base dividend and new variable dividend as a result of the significant increase in free cash flow

- ▶ Initiated annual base dividend of \$1.375/share, annualized, in 2Q'21
- ▶ With this transaction, increasing base dividend by 27% to \$1.75/share, annualized (post closing)
 - Immediate delivery of synergies to shareholders
 - Maintain leadership among peers on dividend yields
- ▶ New variable return policy returns additional FCF⁽¹⁾ to shareholders
 - 50% of quarterly FCF⁽¹⁾ to be returned to shareholders through variable dividend
 - To be calculated quarterly and paid in following quarter, payable starting in 1Q'22
 - Potential to push towards double digit dividend yields



(1) A non-GAAP measure as defined in the appendix.

Preliminary Pro Forma 2022 Outlook

Updated 2021E – Preliminary 2022E Outlook⁽¹⁾

	2021E CHK Previous	2021E CHK 8/10/21	2022E CHK	2022E CHK Pro Forma
Oil Production (mmbbl)	23.0 – 25.0	23.5 – 25.5	20 – 22	20 – 22
Gas Production (bcf)	715 – 735	725 – 745	750 – 775	1,095 – 1,125
Total Production (mboe/d)	410 – 420	415 – 435	415 – 435	575 – 595
LOE per boe	\$1.85 – \$2.15	\$1.85 – \$2.15	\$1.85 – \$2.15	\$1.65 – \$1.95
GP&T per boe	\$4.90 – \$5.40	\$4.90 – \$5.40	\$4.70 – \$5.20	\$3.90 – \$4.40
G&A per boe	\$0.85 – \$1.15	\$0.75 – \$0.95	\$0.75 – \$0.95	\$0.55 – \$0.75
Adjusted EBITDAX ⁽²⁾ (\$B)	\$1.55 – \$1.65	\$1.8 – \$1.9	\$1.85 – \$2.05	\$2.55 – \$2.75
Total Capex (\$mm)	\$670 – \$740	\$670 – \$740	\$900 – \$1,200	\$1,300 – \$1,600
Reinvestment Rate	~44%	~38%	~54%	~55%
Enterprise Value (\$B)			\$7.0	\$9.1
Net Debt ⁽²⁾ (\$B) (6/30/21)			\$0.6	\$1.7
Fully Diluted Shares (mm)			116	135

2022 Projected Multiples⁽¹⁾

	2022E CHK	2022E CHK Pro Forma
Operating Cash Flow per Share	~\$16.10	~\$18.50
FCF ⁽²⁾ / Fully Diluted Share	~\$7.10	~\$7.80
FCF Yield ⁽²⁾	13%	14%
Net Debt / EBITDAX ⁽²⁾	0.3x	0.6x

**Immediately
accretive to:**

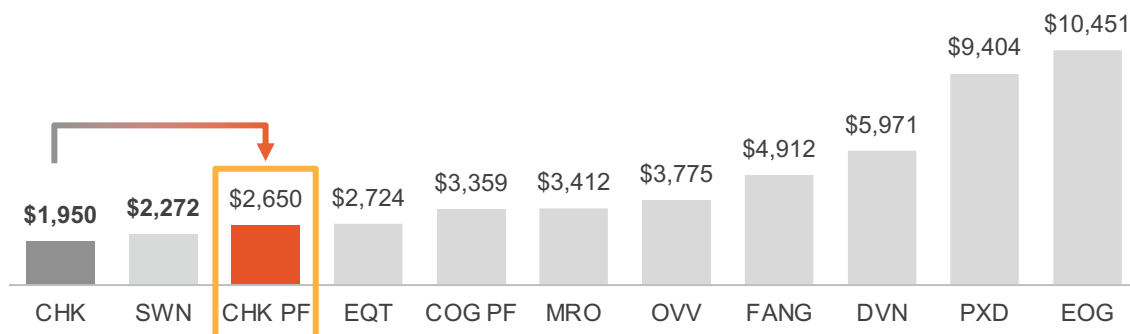
Cash flow/share
FCF/share⁽²⁾
FCF yield⁽²⁾

(1) Based on 7/30/21 strip prices and 8/06/21 CHK stock price.
(2) A non-GAAP measure as defined in the appendix.

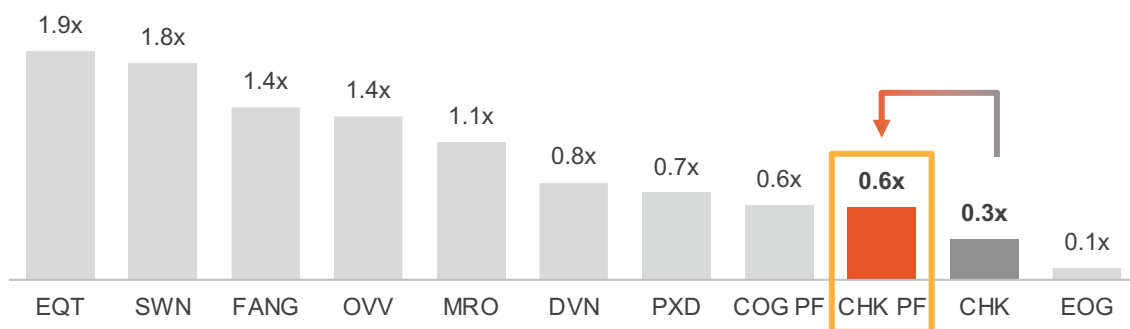
Large-cap Diversified Peer Benchmarking

Increased scale and strong balance sheet

2022E EBITDAX⁽¹⁾ (\$mm)

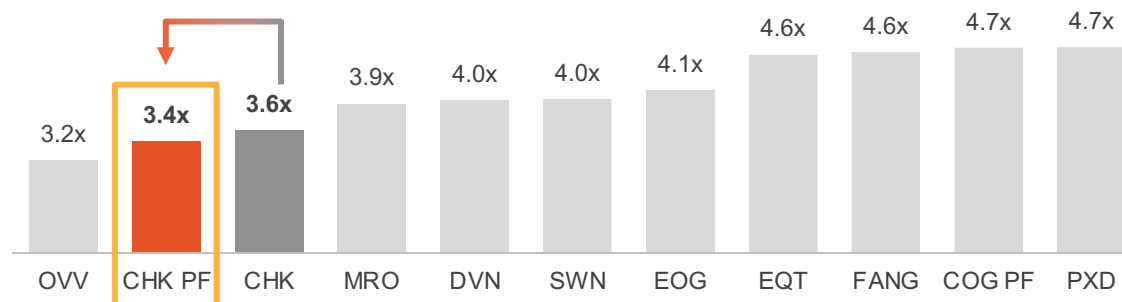


Current net debt / 2022E EBITDAX⁽¹⁾

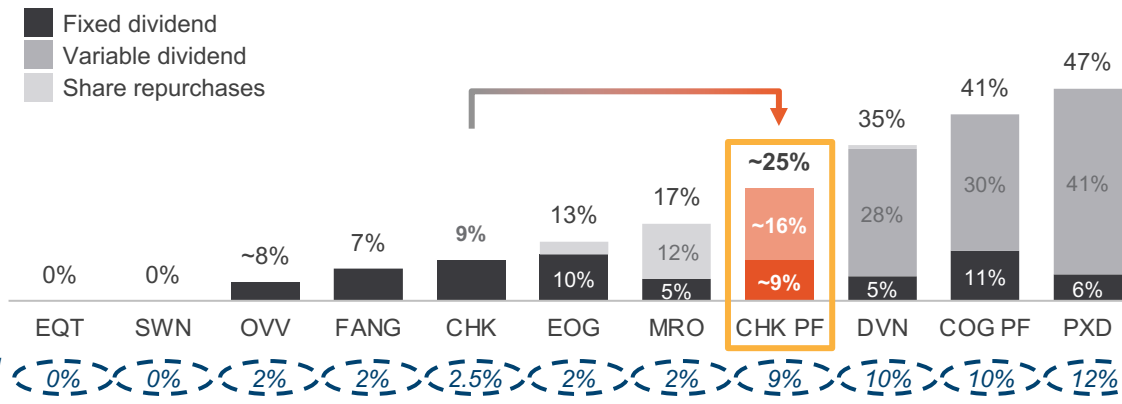


Compelling value proposition

EV / 2022E EBITDAX⁽¹⁾



2022E payout ratio⁽²⁾



Source: FactSet as of 8/6/21, company filings; Note: Peers include: COG, DVN, EOG, FANG, MRO, OVV and PXD.

(1) A non-GAAP measure as defined in the appendix.

(2) Payout ratio calculated as total dividends plus share repurchases divided by operating cash flow; Total dividends are inclusive of both fixed dividend and any variable dividend plans; Free cash flow used to calculate variable dividends is calculated as operating cash flow less capex; Repurchases are consensus estimates.

(3) Total dividend yield is calculated as projected fixed and variable dividends per common share divided by 8/6/21 share price.

Value Drivers

Acquisition of Vine Energy

- ✓ Delivers cash flow accretion
- ✓ Leverages in-basin experience, knowledge and scale
- ✓ Aggregates dominant gas supply position adjacent to export markets
- ✓ Adds premium inventory
- ✓ Improves cost structure
- ✓ Increases dividend structure
- ✓ Protects balance sheet strength
- ✓ **Strengthens ESG performance and pursuit of RSG**

Appendix



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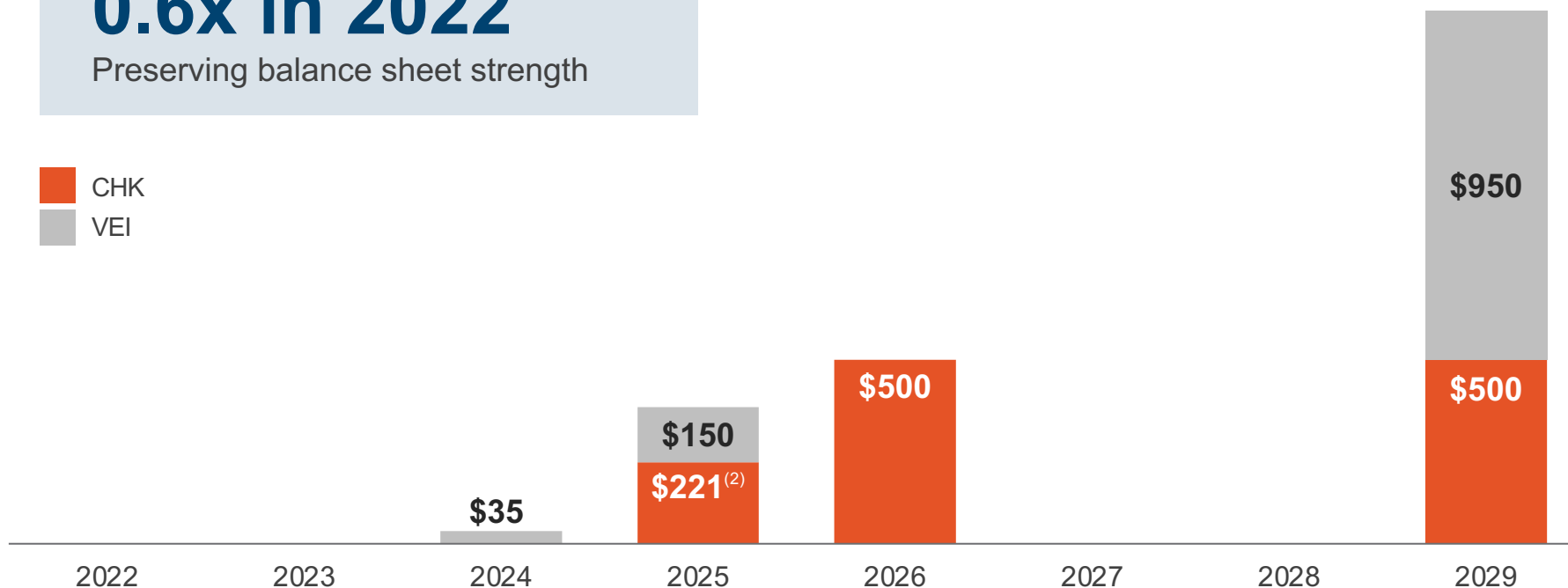
Pro Forma Maturity Profile

Pro forma net debt-to-EBITDAX⁽¹⁾

0.6x in 2022

Preserving balance sheet strength

■ CHK
■ VEI



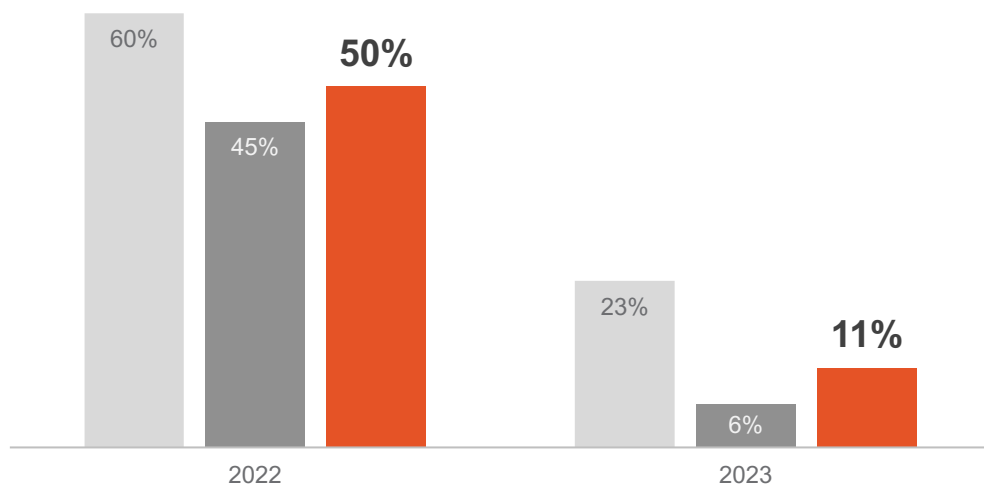
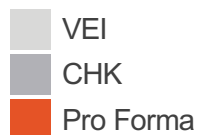
Note: As of 6/30/21

(1) A non-GAAP measure as defined in the appendix.

(2) Represents \$221mm of CA-CIB and Natixis Tranche B.

Hedging Program Reduces Risk, Protects Returns

GAS % HEDGED



AVERAGE HEDGED PRICE FY

2022

2023

VEI \$/mcf	\$ 2.55	\$ 2.65
CHK \$/mcf	\$ 2.52	\$ 2.75
PF \$/mcf	\$ 2.53	\$ 2.68

Note: Hedged volumes and prices reflect positions as of 8/10/21, percentages are fixed price hedges vs. preliminary outlook.

Non-GAAP Financial Measures

This document includes non-GAAP financial measures. Such non-GAAP measures should not be considered as an alternative to, or more meaningful than, GAAP measures. The Company's management believes that these measures provide useful information to external users of the Company's consolidated financial statements, such as industry analysts, lenders and ratings agencies. Due to the forward-looking nature of adjusted EBITDAX, net debt, projected free cash flow, free cash flow yield and free cash flow per share used herein, management cannot reliably predict certain of the necessary components of the most directly comparable forward-looking GAAP measures. Accordingly, the Company is unable to present a quantitative reconciliation of such forward-looking non-GAAP financial measures to their most directly comparable forward-looking GAAP financial measures without unreasonable effort. Amounts excluded from these non-GAAP measures in future periods could be significant.

Adjusted EBITDAX: 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). 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.

Net Debt: Net debt is defined as total GAAP debt excluding premiums, discounts, and deferred issuance costs less cash and cash equivalents. Net debt is presented as a widely understood measure of liquidity, but should not be considered as an alternative to, or more meaningful than, total debt presented in accordance with GAAP.

Free Cash Flow, Free Cash Flow Yield and Free Cash Flow Per Share:

- Free cash flow is defined as net cash provided by operating activities (GAAP), plus cash paid for reorganization items, net, less cash capital expenditures.
- Free cash flow yield is defined as free cash flow divided by market capitalization.
- Free cash flow per share is defined as free cash flow divided by the Company's outstanding shares of common stock.

Free cash flow, free cash flow yield and free cash flow per share are non-GAAP supplemental financial measures used by the Company's management to assess liquidity, including the Company's ability to generate cash flow in excess of its capital requirements and return cash to shareholders. Free cash flow, free cash flow yield and free cash flow per share should not be considered as alternatives to, or more meaningful than, net cash provided by operating activities or any other measure of liquidity presented in accordance with GAAP.