

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the quarterly period ended June 30, 2025

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the transition period from _____ to _____

Commission File No. 001-13726



EXPAND ENERGY CORPORATION

(Exact name of registrant as specified in its charter)

Oklahoma

(State or other jurisdiction of incorporation or organization)

6100 North Western Avenue, Oklahoma City, Oklahoma

(Address of principal executive offices)

73-1395733

(I.R.S. Employer Identification No.)

73118

(Zip Code)

(405) 848-8000

(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

<u>Title of each class</u>	<u>Trading Symbol</u>	<u>Name of each exchange on which registered</u>
Common Stock, \$0.01 par value per share	EXE	The Nasdaq Stock Market LLC
Class A Warrants to purchase Common Stock	EXEEW	The Nasdaq Stock Market LLC
Class B Warrants to purchase Common Stock	EXEEZ	The Nasdaq Stock Market LLC
Class C Warrants to purchase Common Stock	EXEEL	The Nasdaq Stock Market LLC

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large Accelerated Filer Accelerated Filer Non-accelerated Filer

Smaller Reporting Company 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.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

Indicate by check mark whether the registrant has filed all documents and reports required to be filed by Sections 12, 13 or 15(d) of the Securities Exchange Act of 1934 subsequent to the distribution of securities under a plan confirmed by a court. Yes No

As of July 24, 2025, there were 238,145,675 shares of our \$0.01 par value common stock outstanding.

PART I. FINANCIAL INFORMATION

<u>Item 1.</u>	<u>Condensed Consolidated Financial Statements (Unaudited)</u>	
	<u>Condensed Consolidated Balance Sheets</u>	<u>5</u>
	<u>Condensed Consolidated Statements of Operations</u>	<u>6</u>
	<u>Condensed Consolidated Statements of Cash Flows</u>	<u>7</u>
	<u>Condensed Consolidated Statements of Stockholders' Equity</u>	<u>8</u>
	<u>Notes to Condensed Consolidated Financial Statements (Unaudited)</u>	
	<u>Note 1. Basis of Presentation and Summary of Significant Accounting Policies</u>	<u>9</u>
	<u>Note 2. Natural Gas and Oil Property Transactions</u>	<u>10</u>
	<u>Note 3. Earnings Per Share</u>	<u>13</u>
	<u>Note 4. Debt</u>	<u>14</u>
	<u>Note 5. Contingencies and Commitments</u>	<u>15</u>
	<u>Note 6. Other Current Liabilities</u>	<u>16</u>
	<u>Note 7. Revenue</u>	<u>16</u>
	<u>Note 8. Income Taxes</u>	<u>18</u>
	<u>Note 9. Equity</u>	<u>19</u>
	<u>Note 10. Share-Based Compensation</u>	<u>20</u>
	<u>Note 11. Derivative and Hedging Activities</u>	<u>21</u>
	<u>Note 12. Investments</u>	<u>23</u>
	<u>Note 13. Supplemental Cash Flow Information</u>	<u>24</u>
	<u>Note 14. Segment Information</u>	<u>24</u>
<u>Item 2.</u>	<u>Management's Discussion and Analysis of Financial Condition and Results of Operations</u>	<u>26</u>
	<u>Liquidity and Capital Resources</u>	<u>28</u>
	<u>Results of Operations</u>	<u>31</u>
<u>Item 3.</u>	<u>Quantitative and Qualitative Disclosures About Market Risk</u>	<u>38</u>
<u>Item 4.</u>	<u>Controls and Procedures</u>	<u>39</u>

PART II. OTHER INFORMATION

<u>Item 1.</u>	<u>Legal Proceedings</u>	<u>40</u>
<u>Item 1A.</u>	<u>Risk Factors</u>	<u>40</u>
<u>Item 2.</u>	<u>Unregistered Sales of Equity Securities and Use of Proceeds</u>	<u>41</u>
<u>Item 3.</u>	<u>Defaults Upon Senior Securities</u>	<u>41</u>
<u>Item 4.</u>	<u>Mine Safety Disclosures</u>	<u>41</u>
<u>Item 5.</u>	<u>Other Information</u>	<u>41</u>
<u>Item 6.</u>	<u>Exhibits</u>	<u>42</u>
<u>Signatures</u>		<u>44</u>

Explanatory Note and Definitions

On October 1, 2024, Chesapeake Energy Corporation completed its previously announced merger with Southwestern Energy Company. In connection with the Southwestern Merger (as defined below), Chesapeake Energy Corporation changed its name to Expand Energy Corporation.

Unless the context otherwise indicates, references to “us,” “we,” “our,” “ours,” “Expand Energy,” the “Company” and “Registrant” refer to Expand Energy Corporation and its consolidated subsidiaries. All monetary values, other than per unit and per share amounts, are stated in millions of U.S. dollars unless otherwise specified. The following are other abbreviations and definitions of certain terms used within this Quarterly Report on Form 10-Q:

“ASU” means Accounting Standards Update.

“Bankruptcy Code” means Title 11 of the United States Code, 11 U.S.C. §§ 101–1532, as amended.

“Bankruptcy Court” means the United States Bankruptcy Court for the Southern District of Texas.

“Bbl” or “Bbls” means one stock tank barrel, or 42 U.S. gallons liquid volume, used in reference to oil or other liquid hydrocarbons.

“Bcf” means billion cubic feet.

“Bcfe” means billion cubic feet of natural gas equivalent.

“Chapter 11 Cases” means, when used with reference to a particular Debtor, the case pending for that Debtor under Chapter 11 of the Bankruptcy Code in the Bankruptcy Court, and when used with reference to all the Debtors, the procedurally consolidated Chapter 11 cases pending for the Debtors in the Bankruptcy Court.

“Chesapeake” means Chesapeake Energy Corporation, prior to the Southwestern Merger.

“Class A Warrants” means warrants to purchase 10 percent of the common stock (after giving effect to the Rights Offering, but subject to dilution by the Management Incentive Plan, the Class B Warrants, and the Class C Warrants), at an initial exercise price per share of \$27.63. The Class A Warrants are exercisable from the Effective Date until February 9, 2026.

“Class B Warrants” means warrants to purchase 10 percent of the common stock (after giving effect to the Rights Offering, but subject to dilution by the Management Incentive Plan and the Class C Warrants), at an initial exercise price per share of \$32.13. The Class B Warrants are exercisable from the Effective Date until February 9, 2026.

“Class C Warrants” means warrants to purchase 10 percent of the common stock (after giving effect to the Rights Offering, but subject to dilution by the Management Incentive Plan), at an initial exercise price per share of \$36.18. The Class C Warrants are exercisable from the Effective Date until February 9, 2026.

“Confirmation Order” means the order confirming the Fifth Amended Joint Chapter 11 Plan of Reorganization of Chesapeake Energy Corporation and its Debtor Affiliates, Docket No. 2915, entered by the Bankruptcy Court on January 16, 2021.

“Credit Facility” means the reserve-based credit facility entered into on December 9, 2022.

“Current Period” means the six months ended June 30, 2025.

“Current Quarter” means the three months ended June 30, 2025.

“DD&A” means depreciation, depletion and amortization.

“Debtors” means Chesapeake Energy Corporation prior to the Southwestern Merger, together with all of its direct and indirect subsidiaries that have filed the Chapter 11 Cases.

“Effective Date” means February 9, 2021.

“ESG” means environmental, social and governance.

“FASB” means the Financial Accounting Standards Board.

“G&A” means general and administrative expenses.

“GAAP” means U.S. generally accepted accounting principles.

“General Unsecured Claim” means any Claim against any Debtor that is not otherwise paid in full during the Chapter 11 Cases pursuant to an order of the Bankruptcy Court and is not an Administrative Claim, a Priority Tax Claim, an Other Priority Claim, an Other Secured Claim, a Revolving Credit Facility Claim, a FLLO Term Loan Facility Claim, a Second Lien Notes Claim, an Unsecured Notes Claim, an Intercompany Claim, or a Section 510(b) Claim.

“LNG” means liquefied natural gas.

“LTIP” means the Expand Energy Corporation 2021 Long Term Incentive Plan.

“MBbls” means one thousand barrels of oil or other liquid hydrocarbons.

“MMBbls” means one million barrels of oil or other liquid hydrocarbons.

“Mcf” means thousand cubic feet.

“Mcf” means one thousand cubic feet of natural gas equivalent, with one barrel of oil or NGL converted to an equivalent volume of natural gas using the ratio of one barrel of oil or NGL to six Mcf of natural gas.

“MMcf” means million cubic feet.

“MMcfe” means million cubic feet of natural gas equivalent.

“NGL” means natural gas liquids.

“NYMEX” means New York Mercantile Exchange.

“OPEC+” means the Organization of the Petroleum Exporting Countries Plus.

“Petition Date” means June 28, 2020, the date on which the Debtors commenced the Chapter 11 Cases.

“Plan” means the Fifth Amended Joint Chapter 11 Plan of Reorganization of Chesapeake Energy Corporation and its Debtor Affiliates, attached as Exhibit A to the Confirmation Order.

“Prior Period” means the six months ended June 30, 2024.

“Prior Quarter” means the three months ended June 30, 2024.

“Rights Offering” means the common stock rights offering for the Rights Offering Amount consummated by the Debtors on the Effective Date.

“SEC” means United States Securities and Exchange Commission.

“SOFR” means a rate equal to the secured overnight financing rate as administered by the SOFR Administrator, the Federal Reserve Bank of New York (or a successor administrator of the secured overnight financing rate).

“Southwestern” means Southwestern Energy Company.

“Southwestern Merger” means Chesapeake’s merger with Southwestern, which closed on October 1, 2024.

“Warrants” means, collectively, the Class A Warrants, Class B Warrants and Class C Warrants.

“WTI” means West Texas Intermediate.

“/Bbl” means per barrel.

“/Mcf” means per Mcf.

“/Mcf” means per Mcfe.

PART I. FINANCIAL INFORMATION

ITEM 1. Condensed Consolidated Financial Statements
**EXPAND ENERGY CORPORATION AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS (Unaudited)**

<i>(\$ in millions, except per share data)</i>	June 30, 2025	December 31, 2024
Assets		
Current assets:		
Cash and cash equivalents	\$ 731	\$ 317
Restricted cash	75	78
Accounts receivable, net	1,074	1,226
Derivative assets	46	84
Other current assets	346	292
Total current assets	2,272	1,997
Property and equipment:		
Natural gas and oil properties, successful efforts method		
Proved natural gas and oil properties	24,755	23,093
Unproved properties	5,563	5,897
Other property and equipment	679	654
Total property and equipment	30,997	29,644
Less: accumulated depreciation, depletion and amortization	(6,825)	(5,362)
Total property and equipment, net	24,172	24,282
Long-term derivative assets	13	1
Deferred income tax assets	457	589
Other long-term assets	854	1,025
Total assets	\$ 27,768	\$ 27,894
Liabilities and stockholders' equity		
Current liabilities:		
Accounts payable	\$ 747	\$ 777
Current maturities of long-term debt, net	—	389
Accrued interest	107	100
Derivative liabilities	155	71
Other current liabilities	1,915	1,786
Total current liabilities	2,924	3,123
Long-term debt, net	5,122	5,291
Long-term derivative liabilities	85	68
Asset retirement obligations, net of current portion	513	499
Long-term contract liabilities	1,083	1,227
Other long-term liabilities	104	121
Total liabilities	9,831	10,329
Contingencies and commitments (Note 5)		
Stockholders' equity:		
Common stock, \$0.01 par value, 450,000,000 shares authorized: 237,437,223 and 231,769,886 shares issued	2	2
Additional paid-in capital	13,716	13,687
Retained earnings	4,219	3,876
Total stockholders' equity	17,937	17,565
Total liabilities and stockholders' equity	\$ 27,768	\$ 27,894

The accompanying notes are an integral part of these condensed consolidated financial statements.

EXPAND ENERGY CORPORATION AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
<i>(\$ in millions, except per share data)</i>				
Revenues and other:				
Natural gas, oil and NGL	\$ 2,021	\$ 378	\$ 4,321	\$ 967
Marketing	788	136	1,698	448
Natural gas, oil and NGL derivatives	877	(11)	(137)	161
Gains on sales of assets	4	2	4	10
Total revenues and other	<u>3,690</u>	<u>505</u>	<u>5,886</u>	<u>1,586</u>
Operating expenses:				
Production	151	49	298	108
Gathering, processing and transportation	563	154	1,126	327
Severance and ad valorem taxes	49	18	97	47
Exploration	20	3	27	5
Marketing	791	141	1,710	464
General and administrative	40	47	87	94
Separation and other termination costs	—	23	—	23
Depreciation, depletion and amortization	769	348	1,480	747
Other operating expense, net	38	16	60	33
Total operating expenses	<u>2,421</u>	<u>799</u>	<u>4,885</u>	<u>1,848</u>
Income (loss) from operations	<u>1,269</u>	<u>(294)</u>	<u>1,001</u>	<u>(262)</u>
Other income (expense):				
Interest expense	(60)	(20)	(119)	(39)
Gains (losses) on purchases, exchanges or extinguishments of debt	3	(2)	3	(2)
Other income, net	16	21	24	41
Total other income (expense)	<u>(41)</u>	<u>(1)</u>	<u>(92)</u>	<u>—</u>
Income (loss) before income taxes	<u>1,228</u>	<u>(295)</u>	<u>909</u>	<u>(262)</u>
Income tax expense (benefit)	260	(68)	190	(61)
Net income (loss)	<u>\$ 968</u>	<u>\$ (227)</u>	<u>\$ 719</u>	<u>\$ (201)</u>
Earnings (loss) per common share:				
Basic	\$ 4.07	\$ (1.73)	\$ 3.04	\$ (1.53)
Diluted	\$ 4.02	\$ (1.73)	\$ 2.99	\$ (1.53)
Weighted average common shares outstanding (in thousands):				
Basic	237,973	131,168	236,213	131,030
Diluted	240,560	131,168	240,628	131,030

The accompanying notes are an integral part of these condensed consolidated financial statements.

EXPAND ENERGY CORPORATION AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

(\$ in millions)	Six Months Ended June 30,	
	2025	2024
Cash flows from operating activities:		
Net income (loss)	\$ 719	\$ (201)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Depreciation, depletion and amortization	1,480	747
Deferred income tax expense (benefit)	134	(61)
Derivative (gains) losses, net	137	(161)
Cash receipts (payments) on derivative settlements, net	(29)	488
Share-based compensation	22	19
Gains on sales of assets	(4)	(10)
Contract amortization	(124)	—
(Gains) losses on purchases, exchanges or extinguishments of debt	(3)	2
Other	16	(7)
Changes in assets and liabilities	70	(55)
Net cash provided by operating activities	2,418	761
Cash flows from investing activities:		
Capital expenditures	(1,220)	(723)
Receipts of deferred consideration	116	116
Contributions to investments	(9)	(45)
Proceeds from divestitures of property and equipment	15	12
Net cash used in investing activities	(1,098)	(640)
Cash flows from financing activities:		
Proceeds from Credit Facility	825	—
Payments on Credit Facility	(825)	—
Proceeds from warrant exercise	22	1
Debt issuance and other financing costs	—	(4)
Cash paid to repurchase and retire common stock	(99)	—
Cash paid to purchase debt	(553)	—
Cash paid for common stock dividends	(279)	(176)
Net cash used in financing activities	(909)	(179)
Net increase (decrease) in cash, cash equivalents and restricted cash	411	(58)
Cash, cash equivalents and restricted cash, beginning of period	395	1,153
Cash, cash equivalents and restricted cash, end of period	\$ 806	\$ 1,095
Cash and cash equivalents	\$ 731	\$ 1,019
Restricted cash	75	76
Total cash, cash equivalents and restricted cash	\$ 806	\$ 1,095

The accompanying notes are an integral part of these condensed consolidated financial statements.

EXPAND ENERGY CORPORATION AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
(Unaudited)

<i>(\$ in millions)</i>	Common Stock			Retained Earnings	Total Stockholders' Equity
	Shares	Amount	Additional Paid-in Capital		
Balance as of December 31, 2023	130,789,936	\$ 1	\$ 5,754	\$ 4,974	\$ 10,729
Share-based compensation	168,538	—	4	—	4
Issuance of common stock for warrant exercise	201	—	—	—	—
Net income	—	—	—	26	26
Dividends on common stock	—	—	—	(77)	(77)
Balance as of March 31, 2024	130,958,675	\$ 1	\$ 5,758	\$ 4,923	\$ 10,682
Share-based compensation	264,072	—	9	—	9
Issuance of common stock for warrant exercise	29,360	—	1	—	1
Net loss	—	—	—	(227)	(227)
Dividends on common stock	—	—	—	(95)	(95)
Balance as of June 30, 2024	131,252,107	\$ 1	\$ 5,768	\$ 4,601	\$ 10,370
Balance as of December 31, 2024	231,769,886	\$ 2	\$ 13,687	\$ 3,876	\$ 17,565
Share-based compensation	386,025	—	(8)	—	(8)
Issuance of common stock for warrant exercise	5,320,216	—	21	—	21
Net loss	—	—	—	(249)	(249)
Dividends on common stock	—	—	—	(138)	(138)
Balance as of March 31, 2025	237,476,127	\$ 2	\$ 13,700	\$ 3,489	\$ 17,191
Share-based compensation	100,820	—	15	—	15
Issuance of common stock for warrant exercise	711,937	—	1	—	1
Repurchase and retirement of common stock	(851,661)	—	—	(100)	(100)
Net income	—	—	—	968	968
Dividends on common stock	—	—	—	(138)	(138)
Balance as of June 30, 2025	237,437,223	\$ 2	\$ 13,716	\$ 4,219	\$ 17,937

The accompanying notes are an integral part of these condensed consolidated financial statements.

EXPAND ENERGY CORPORATION AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

1. [Basis of Presentation and Summary of Significant Accounting Policies](#)

Description of Company

Expand Energy Corporation (“Expand Energy,” “we,” “our,” “us” or the “Company”) is the largest natural gas producer in the U.S., based on net daily production, and is focused on responsibly developing an abundant supply of natural gas, oil and NGL to expand energy access for all. We have operations in Louisiana, Pennsylvania, West Virginia and Ohio, with all of our operations located onshore in the United States.

Basis of Presentation

The accompanying unaudited condensed consolidated financial statements of Expand Energy were prepared in accordance with GAAP and the rules and regulations of the SEC. Pursuant to such rules and regulations, certain disclosures have been condensed or omitted.

This Quarterly Report on Form 10-Q (this “Form 10-Q”) relates to our financial position as of June 30, 2025 and December 31, 2024, and our results of operations for the three months ended June 30, 2025 (“Current Quarter”), the six months ended June 30, 2025 (“Current Period”), the three months ended June 30, 2024 (“Prior Quarter”) and the six months ended June 30, 2024 (“Prior Period”). Our [annual report on Form 10-K](#) for the year ended December 31, 2024 (“2024 Form 10-K”) should be read in conjunction with this Form 10-Q. The accompanying unaudited condensed consolidated financial statements reflect all normal recurring adjustments that, in the opinion of management, are necessary for a fair statement of our condensed consolidated financial statements and accompanying notes and include the accounts of our direct and indirect wholly owned subsidiaries and entities in which we have a controlling financial interest. Intercompany accounts and balances have been eliminated. For the time periods covered by this Form 10-Q, we did not have any changes or items impacting other comprehensive income.

Restricted Cash

As of June 30, 2025, we had restricted cash of \$75 million. Our restricted cash represents funds restricted for payment of certain royalties pending the outcome of competing ownership claims for certain minerals, as well as for payment of certain convenience class unsecured claims.

Recently Issued Accounting Standards

In November 2024, the FASB issued ASU 2024-03, *Income Statement – Reporting Comprehensive Income – Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses*. ASU 2024-03 expands disclosures about specific costs and expenses presented on the face of the income statement. This ASU is effective for annual reporting periods beginning after December 15, 2026 and for interim reporting periods within annual reporting periods beginning after December 15, 2027, with early adoption permitted. We are evaluating the impact this ASU will have on our disclosures.

In December 2023, the FASB issued ASU 2023-09, *Income Taxes (Topic 740): Improvements to Income Tax Disclosures*. ASU 2023-09 intends to provide investors with additional information about an entity’s income taxes by requiring disclosure of items such as disaggregation of the effective tax rate reconciliation as well as information regarding income taxes paid. This ASU is effective for annual reporting periods beginning after December 15, 2024, with early adoption permitted for annual financial statements that have not yet been issued or made available for issuance. We are evaluating the impact this ASU will have on our disclosures.

In November 2023, the FASB issued ASU 2023-07, *Segment Reporting (Topic 280): Improvements to Reportable Segments Disclosures*. Under ASU 2023-07, the scope and frequency of segment disclosures is increased to provide investors with additional detail about information utilized by an entity’s chief operating decision maker (“CODM”), including information about significant segment expenses. This ASU became effective beginning with our 2024 Form 10-K and also became effective for interim periods beginning with our quarterly report on Form 10-Q for the first quarter of 2025. See [Note 14](#) for further discussion on our segment reporting.

EXPAND ENERGY CORPORATION AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS - (Continued)
(Unaudited)

2. Natural Gas and Oil Property Transactions

Southwestern Merger

On January 10, 2024, Chesapeake and Southwestern entered into an all-stock agreement and plan of merger (the "Merger Agreement"). Southwestern was an independent energy company engaged in development, exploration and production activities, including related marketing activities, within its operating areas in the Appalachia and Haynesville shale plays. Our Board of Directors and the Board of Directors of Southwestern both approved the Merger Agreement. At separate special meetings each held on June 18, 2024, Chesapeake's stockholders approved the issuance of Chesapeake's common stock to the stockholders of Southwestern in connection with the Southwestern Merger, and Southwestern's stockholders approved the Merger Agreement.

On October 1, 2024, the Southwestern Merger was completed, and we issued approximately 95.7 million shares of our common stock to Southwestern's shareholders in connection with the Merger Agreement. Under the terms of the Merger Agreement, subject to certain exceptions, each share of Southwestern common stock was converted into the right to receive 0.0867 of a share of the Company's common stock. Based on the closing price of our common stock, the total value of the shares of our common stock issued to Southwestern's shareholders was approximately \$7.9 billion. During the Current Quarter and Current Period, we recognized approximately \$25 million and \$52 million, respectively, of costs related to the Southwestern Merger, which primarily consisted of employee expenses. These acquisition-related costs are included within other operating expense, net within our condensed consolidated statements of operations. The Southwestern Merger was structured as a tax-free reorganization for United States federal income tax purposes.

Preliminary Southwestern Merger Purchase Price Allocation

We have accounted for the Southwestern Merger as a business combination, using the acquisition method, with Expand Energy (formerly Chesapeake) treated as the accounting acquirer. The following table represents the preliminary allocation of the total purchase price of Southwestern to the identifiable assets acquired and the liabilities assumed based on the fair values as of the acquisition date. Certain data necessary to complete the purchase price allocation is not yet available, and includes, but is not limited to, final tax returns that provide the underlying tax basis of Southwestern's assets and liabilities and final appraisals of assets acquired and liabilities assumed. We expect to complete the purchase price allocation during the 12-month period following the acquisition date, during which time the value of the assets and liabilities may be revised as appropriate.

EXPAND ENERGY CORPORATION AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS - (Continued)
(Unaudited)

	Preliminary Purchase Price Allocation
Consideration:	
Cash ^(a)	\$ 585
Fair value of Expand Energy common stock issued ^(b)	7,871
Restricted stock unit and performance stock unit replacement awards	17
Total consideration	\$ 8,473
Fair Value of Assets Acquired:	
Cash and cash equivalents and restricted cash	\$ 126
Other current assets	828
Proved natural gas and oil properties	10,002
Unproved properties	4,270
Other property and equipment	128
Other long-term assets	496
Amounts attributable to assets acquired	\$ 15,850
Fair Value of Liabilities Assumed:	
Current liabilities	\$ 1,955
Long-term debt	3,305
Deferred tax liabilities	479
Long-term contract liabilities	1,287
Other long-term liabilities	351
Amounts attributable to liabilities assumed	\$ 7,377
Total identifiable net assets	\$ 8,473

(a) Reflects the repayment of \$585 million outstanding on Southwestern's 2022 revolving credit facility including \$2 million of accrued interest and fees, as the facility was repaid and retired upon close of the Southwestern Merger.

(b) The fair value of our common stock is a Level 1 input, as our stock price is a quoted price in an active market as of the acquisition date.

Natural Gas and Oil Properties

For the Southwestern Merger, we applied the business combination guidance, under which an acquirer should recognize the identifiable assets acquired and the liabilities assumed on the acquisition date at fair value. The fair value estimate of proved and unproved natural gas and oil properties as of the acquisition date was based on estimated natural gas and oil reserves and related future net cash flows discounted using a weighted average cost of capital, including estimates of future production rates and future development costs. We utilized NYMEX strip pricing adjusted for inflation to value the reserves. We then applied various discount rates depending on the classification of reserves and other risk characteristics. Management utilized the assistance of a third-party valuation expert to estimate the value of the natural gas and oil properties acquired. Additionally, the fair value estimate of proved and unproved natural gas and oil properties was corroborated by utilizing a market approach, which considers recent comparable transactions for similar assets.

The inputs used to value natural gas and oil properties require significant judgment and estimates made by management and represent Level 3 inputs.

EXPAND ENERGY CORPORATION AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS - (Continued)
(Unaudited)

As part of the Southwestern Merger, we assumed gathering, processing and transportation contracts, certain of which were deemed to be above or below current market rates. We recognized assets and liabilities for the difference in the contractual and market rates of these contracts, as of the date of the Southwestern Merger. The terms of the contracts extend through 2035.

Pro Forma Financial Information

As the Southwestern Merger closed on October 1, 2024, all activity in 2025 is included in our condensed consolidated statements of operations for the Current Quarter and Current Period. The following unaudited pro forma financial information is based on our historical consolidated financial statements adjusted to reflect as if the Southwestern Merger had occurred on January 1, 2023. The information below reflects pro forma adjustments based on available information and certain assumptions that we believe are reasonable, including the estimated tax impact of the pro forma adjustments.

	Three Months Ended June 30, 2024	Six Months Ended June 30, 2024
Revenues	\$ 1,684	\$ 4,434
Net loss available to common stockholders	\$ (424)	\$ (341)
Loss per common share:		
Basic	\$ (1.87)	\$ (1.51)
Diluted	\$ (1.87)	\$ (1.51)

Eagle Ford Divestitures

During 2023, we divested our Eagle Ford assets through three separate transactions (“the Eagle Ford divestiture transactions”). In each of these transactions, we received a portion of the purchase price upon closing, subject to customary post-closing adjustments, with the remainder of the purchase price recorded as deferred consideration and treated as a non-interest-bearing note to be paid in installments in up to the following four years following the close of the transaction. The deferred consideration is recorded at fair value with an imputed rate of interest as a Level 2 input, and approximately \$110 million and \$114 million of the deferred consideration is reflected within other current assets and approximately \$87 million and \$188 million of the deferred consideration is reflected within other long-term assets on the condensed consolidated balance sheets as of June 30, 2025 and December 31, 2024, respectively. These installment payments are recorded as receipts of deferred consideration in our condensed consolidated statements of cash flows.

During the Current Quarter and Prior Quarter, we amortized approximately \$4 million and \$7 million, respectively, related to the deferred consideration from the Eagle Ford divestiture transactions. During the Current Period and Prior Period, we amortized approximately \$10 million and \$16 million, respectively, related to the deferred consideration from the Eagle Ford divestiture transactions. The deferred consideration amortization is recorded within other income, net, in our condensed consolidated statements of operations.

EXPAND ENERGY CORPORATION AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS - (Continued)
(Unaudited)

3. Earnings Per Share

Basic earnings (loss) per common share is computed by dividing net income (loss) by the weighted average number of shares of common stock outstanding during the period. Diluted earnings (loss) per common share is calculated in the same manner but includes the impact of potentially dilutive securities utilizing the treasury stock method. Potentially dilutive securities consists of issuable shares related to warrants, unvested restricted stock units (“RSUs”), and unvested performance share units (“PSUs”).

The reconciliations between basic and diluted earnings (loss) per share are as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Numerator				
Net income (loss), basic and diluted	\$ 968	\$ (227)	\$ 719	\$ (201)
Denominator (in thousands)				
Weighted average common shares outstanding, basic	237,973	131,168	236,213	131,030
Effect of potentially dilutive securities				
Warrants	2,283	—	3,974	—
Restricted stock units	304	—	364	—
Performance share units	—	—	77	—
Weighted average common shares outstanding, diluted	240,560	131,168	240,628	131,030
Earnings (loss) per common share:				
Basic	\$ 4.07	\$ (1.73)	\$ 3.04	\$ (1.53)
Diluted	\$ 4.02	\$ (1.73)	\$ 2.99	\$ (1.53)

During the Current Quarter and Current Period, the diluted earnings per share calculation excludes the effect of 308,646 reserved shares of common stock and 582,109 reserved Class C Warrants related to the settlement of General Unsecured Claims associated with the Chapter 11 Cases, as all necessary conditions had not been met for such shares to be considered dilutive shares.

During the Prior Quarter and Prior Period, the diluted loss per share calculation excludes the effect of 777,369 reserved shares of common stock and 1,466,502 reserved Class C Warrants related to the settlement of General Unsecured Claims associated with the Chapter 11 Cases, as all necessary conditions had not been met for such shares to be considered dilutive shares. Additionally, the diluted loss per share calculation during the Prior Quarter and Prior Period excludes the antidilutive effect of 10,803,037 and 10,570,473 Warrants, 220,935 and 306,195 RSUs and 120,171 and 146,570 PSUs, respectively.

EXPAND ENERGY CORPORATION AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS - (Continued)
(Unaudited)

4. Debt

Our long-term debt consisted of the following as of June 30, 2025 and December 31, 2024:

	June 30, 2025		December 31, 2024	
	Carrying Amount	Fair Value ^(a)	Carrying Amount	Fair Value ^(a)
Credit Facility	\$ —	\$ —	\$ —	\$ —
4.95% senior notes due 2025	—	—	389	389
5.50% senior notes due 2026	—	—	47	47
5.375% senior notes due 2029	700	700	700	684
5.875% senior notes due 2029	469	471	500	494
6.75% senior notes due 2029	866	878	950	959
5.375% senior notes due 2030	1,200	1,204	1,200	1,174
4.75% senior notes due 2032	1,150	1,118	1,150	1,067
5.70% senior notes due 2035	750	734	750	734
Premiums (discounts) on senior notes, net	(4)	—	4	—
Debt issuance costs	(9)	—	(10)	—
Total debt, net	\$ 5,122	\$ 5,105	\$ 5,680	\$ 5,548
Less current maturities of long-term debt, net	—	—	(389)	(389)
Total long-term debt, net	\$ 5,122	\$ 5,105	\$ 5,291	\$ 5,159

(a) The carrying value of borrowings under our Credit Facility approximates fair value as the interest rates are based on prevailing market rates; therefore, they are a Level 1 fair value measurement. For all other debt, a market approach, based upon quotes from major financial institutions, which are Level 2 inputs, is used to measure the fair value.

Credit Facility. In December 2022, we entered into a senior secured reserve-based credit agreement, as amended pursuant to the Amendment No. 1 and Borrowing Base Agreement, dated April 29, 2024 (the “Initial Credit Agreement Amendment”) and as automatically amended on October 28, 2024 by the Investment Grade Credit Agreement Amendment (as defined below), with the lenders and issuing banks party thereto from time to time (the “Lenders”), and JPMorgan Chase Bank, N.A., as administrative agent and collateral agent (in such capacity, the “Administrative Agent”) (such credit agreement as amended by the Initial Credit Agreement Amendment and the Investment Grade Credit Agreement Amendment, the “Credit Agreement”), providing for a revolving credit facility (such facility as amended pursuant to the Initial Credit Agreement Amendment and the Investment Grade Credit Agreement Amendment, the “Credit Facility”) maturing in December 2027. The Credit Facility provides for aggregate commitments of \$2.5 billion, including a \$500 million sublimit available for the issuance of letters of credit and a \$50 million sublimit available for swingline loans. As of June 30, 2025, we had approximately \$2.5 billion available for borrowings under the Credit Facility.

The Credit Agreement contains restrictive covenants that, subject to exceptions customary to investment grade credit facilities, limit Expand Energy and its subsidiaries’ ability to, among other things: (i) incur priority indebtedness, (ii) enter into mergers; (iii) make or declare dividends; (iv) incur liens; (v) sell all or substantially all of their assets; and (vi) engage in certain transactions with affiliates. The Credit Agreement provides for our compliance with an indebtedness to capitalization ratio, which is the ratio of the Company’s total indebtedness to the sum of total indebtedness plus stockholders’ equity (the “Debt to Capitalization Ratio”), not to exceed 65%. As of June 30, 2025, we were in compliance with the Debt to Capitalization Ratio.

Borrowings under the Credit Agreement may be alternate base rate loans or term SOFR loans, at our election. Interest is payable quarterly for alternate base rate loans and at the end of the applicable interest period for term

EXPAND ENERGY CORPORATION AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS - (Continued)
(Unaudited)

SOFR loans. Term SOFR loans bear interest at term SOFR plus an applicable rate ranging from 125 to 187.5 basis points per annum, depending on the Company's unsecured debt ratings, plus an additional 10 basis points per annum credit spread adjustment. Alternate base rate loans bear interest at a rate per annum equal to the greatest of: (i) the prime rate; (ii) the federal funds effective rate plus 50 basis points; and (iii) the adjusted term SOFR rate for a one-month interest period plus 100 basis points, plus an applicable margin ranging from 25 to 87.5 basis points per annum, depending on the Company's unsecured debt ratings. Expand Energy also pays a commitment fee on unused commitment amounts under the Credit Facility ranging from 15 to 27.5 basis points per annum, depending on the Company's unsecured debt ratings.

The Credit Facility is subject to customary events of default, remedies, and cure rights for investment grade credit facilities of this nature.

The Company had no secured debt as of June 30, 2025.

Senior Notes Repayment

In January 2025, the \$389 million aggregate principal of 4.95% Senior Notes due 2025 (the "2025 Notes") was repaid and terminated with cash on hand and borrowings on the Credit Facility. The borrowings on the Credit Facility were subsequently repaid during the Current Period.

In March 2025, we redeemed the remaining \$47 million aggregate principal of the 5.50% Senior Notes due 2026 (the "2026 Notes") with cash on hand.

During the Current Quarter, we redeemed approximately \$84 million of our 6.750% Senior Notes due 2029 and approximately \$31 million of our 5.875% Senior Notes due 2029 through open market repurchases using cash on hand.

5. Contingencies and Commitments

Contingencies

Business Operations and Litigation and Regulatory Proceedings

We are involved in, and expect to continue to be involved in, various lawsuits and disputes incidental to our business operations, including commercial disputes, personal injury claims, royalty claims, property damage claims and contract actions. We are also party to the consolidated Chapter 11 Cases pending for the Debtors in the Bankruptcy Court.

Our total accrued liability in respect of litigation and regulatory proceedings is determined on a case-by-case basis and represents an estimate of probable losses after considering, among other factors, the progress of each case or proceeding, our experience and the experience of others in similar cases or proceedings, and the opinions and views of legal counsel. Significant judgment is required in making these estimates. While it is not possible at this time to estimate the amount of any additional loss, or range of loss that is reasonably possible, based on the nature of the claims, management believes that current litigation, claims and proceedings, individually or in aggregate and after taking into account insurance, are not likely to have a material adverse impact on our financial position, results of operations or cash flows. Many of these matters are in early stages and are all subject to inherent uncertainties. Therefore, management's view may change in the future. If an unfavorable final outcome were to occur, there exists the possibility of our final liabilities being materially different.

The majority of Chesapeake's pre-petition legal proceedings were settled during the Chapter 11 Cases or will be resolved in connection with the claims reconciliation process before the Bankruptcy Court, together with actions seeking to collect pre-petition indebtedness or to exercise control over the property of Chesapeake's bankruptcy estates. Any allowed claim related to such litigation will be treated in accordance with the Plan. The Plan in the Chapter 11 Cases, which became effective on February 9, 2021, provided for the treatment of claims against Chesapeake's bankruptcy estates, including pre-petition liabilities that had not been satisfied or addressed during the Chapter 11 Cases. Many of these proceedings were in early stages as of the Petition Date, and many of them sought damages and penalties, the amount of which is indeterminate. Any legal proceeding pending against Southwestern and assumed by us in connection with the Southwestern Merger is not subject to discharge or resolution as part of the Chapter 11 Cases.

Environmental Contingencies

The nature of the natural gas and oil business carries with it certain environmental risks for us and our subsidiaries. We have implemented various policies, programs, procedures, training and audits to reduce and mitigate such environmental risks. We conduct periodic reviews, on a company-wide basis, to assess changes in our environmental risk profile. Environmental reserves are established for environmental liabilities for which economic losses are probable and reasonably estimable. We manage our exposure to environmental liabilities in acquisitions by using an evaluation process that seeks to identify pre-existing contamination or compliance concerns and address the potential liability. Depending on the extent of an identified environmental concern, we may, among other things, exclude a property from the transaction, require the seller to remediate the property to our satisfaction in an acquisition or agree to assume liability for the remediation of the property.

Commitments

Gathering, Processing and Transportation Agreements

We have contractual commitments with midstream service companies and pipeline carriers for future gathering, processing and transportation of natural gas, oil and NGL to move certain of our production to market. Working interest owners and royalty interest owners, where appropriate, will be responsible for their proportionate share of these costs. Commitments related to gathering, processing and transportation agreements are not recorded as obligations in the accompanying condensed consolidated balance sheets.

The aggregate undiscounted commitments under our gathering, processing and transportation agreements, excluding any reimbursement from working interest and royalty interest owners, credits for third-party volumes or future costs under cost-of-service agreements, are presented below:

	June 30, 2025
Remainder of 2025	\$ 730
2026	1,412
2027	1,302
2028	1,204
2029	1,028
Thereafter	4,503
Total	\$ 10,179

In addition, we have long-term agreements for certain natural gas gathering and related services within specified acreage dedication areas in exchange for cost-of-service based fees redetermined annually, or tiered fees based on volumes delivered relative to scheduled volumes. Future gathering fees may vary with the applicable agreement.

EXPAND ENERGY CORPORATION AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS - (Continued)
(Unaudited)

Other Commitments

As part of our normal course of business, we enter into various agreements providing, or otherwise arranging for, financial or performance assurances to third parties on behalf of our wholly owned guarantor subsidiaries. These agreements may include future payment obligations or commitments regarding operational performance that effectively guarantee our subsidiaries' future performance.

In connection with acquisitions and divestitures, our purchase and sale agreements generally provide indemnification to the counterparty for liabilities incurred as a result of a breach of a representation or warranty by the indemnifying party and/or other specified matters. These indemnifications generally have a discrete term and are intended to protect the parties against risks that are difficult to predict or cannot be quantified at the time of entering into or consummating a particular transaction. For divestitures of natural gas and oil properties, our purchase and sale agreements may require the return of a portion of the proceeds we receive as a result of uncured title or environmental defects.

While executing our strategic priorities, we have incurred certain cash charges, including contract termination charges, financing extinguishment costs and charges for unused natural gas transportation and gathering capacity.

6. Other Current Liabilities

Other current liabilities as of June 30, 2025 and December 31, 2024 are detailed below:

	June 30, 2025	December 31, 2024
Revenues and royalties due to others	\$ 814	\$ 734
Accrued drilling and production costs	401	296
Contract liabilities	272	284
Accrued compensation and benefits	73	124
Taxes payable	163	142
Operating leases	67	71
Joint interest prepayments received	14	13
Other	111	122
Total other current liabilities	\$ 1,915	\$ 1,786

7. Revenue

The following tables show revenue disaggregated by operating area and product type:

	Three Months Ended June 30, 2025			
	Natural Gas	Oil	NGL	Total
Haynesville	\$ 845	\$ —	\$ —	\$ 845
Northeast Appalachia	643	—	—	643
Southwest Appalachia	271	86	176	533
Natural gas, oil and NGL revenue	<u>\$ 1,759</u>	<u>\$ 86</u>	<u>\$ 176</u>	<u>\$ 2,021</u>
Marketing revenue	<u>\$ 719</u>	<u>\$ 33</u>	<u>\$ 36</u>	<u>\$ 788</u>

EXPAND ENERGY CORPORATION AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS - (Continued)
(Unaudited)

	Three Months Ended June 30, 2024			
	Natural Gas	Oil	NGL	Total
Haynesville	\$ 186	\$ —	\$ —	\$ 186
Northeast Appalachia	192	—	—	192
Natural gas, oil and NGL revenue	<u>\$ 378</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 378</u>
Marketing revenue	<u>\$ 136</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 136</u>

	Six Months Ended June 30, 2025			
	Natural Gas	Oil	NGL	Total
Haynesville	\$ 1,666	\$ —	\$ —	\$ 1,666
Northeast Appalachia	1,543	—	—	1,543
Southwest Appalachia	565	164	383	1,112
Natural gas, oil and NGL revenue	<u>\$ 3,774</u>	<u>\$ 164</u>	<u>\$ 383</u>	<u>\$ 4,321</u>
Marketing revenue	<u>\$ 1,556</u>	<u>\$ 67</u>	<u>\$ 75</u>	<u>\$ 1,698</u>

	Six Months Ended June 30, 2024			
	Natural Gas	Oil	NGL	Total
Haynesville	\$ 458	\$ —	\$ —	\$ 458
Northeast Appalachia	509	—	—	509
Natural gas, oil and NGL revenue	<u>\$ 967</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 967</u>
Marketing revenue	<u>\$ 333</u>	<u>\$ 82</u>	<u>\$ 33</u>	<u>\$ 448</u>

Accounts Receivable

Our accounts receivable are primarily from purchasers of natural gas, oil and NGL and from exploration and production companies that own interests in properties we operate. This industry concentration could affect our overall exposure to credit risk, either positively or negatively, because our purchasers and joint working interest owners may be similarly affected by changes in economic, industry or other conditions. We monitor the creditworthiness of all our counterparties, and we generally require letters of credit or parent guarantees for receivables from parties deemed to have sub-standard credit, unless the credit risk can otherwise be mitigated. We utilize an allowance method in accounting for bad debt based on historical trends in addition to specifically identifying receivables that we believe may be uncollectible.

Accounts receivable as of June 30, 2025 and December 31, 2024 are detailed below:

	June 30, 2025	December 31, 2024
Natural gas, oil and NGL sales	\$ 837	\$ 1,028
Joint interest	220	191
Other	32	18
Allowance for doubtful accounts	(15)	(11)
Total accounts receivable, net	<u>\$ 1,074</u>	<u>\$ 1,226</u>

EXPAND ENERGY CORPORATION AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS - (Continued)
(Unaudited)

8. Income Taxes

The table below presents a comparison of the Current Period and Prior Period's income tax expense (benefit) and actual year-to-date effective tax rates.

	Six Months Ended June 30,			
	2025		2024	
Income (loss) before income taxes	\$ 909		\$ (262)	
Current tax expense	56	6.2 %	—	— %
Deferred tax expense (benefit)	134	14.7 %	(61)	23.3 %
Income tax expense (benefit)	\$ 190	20.9 %	\$ (61)	23.3 %

An estimated annual effective tax rate ("EAETR") is used in recording our interim year-to-date income tax provision. The EAETR is determined based on analysis of year-to-date and projected financial results of our operations. Our EAETR during the Current Period was 21.2%, compared to 22.4% in the Prior Period. The actual year-to-date effective tax rate and EAETR can differ as a result of certain discrete items, which are recorded in the period. Common examples of such items include, but are not limited to, certain equity-based compensation, true-ups resulting from differences between tax returns filed and estimated accruals, and tax effects of enacted laws.

As a result of projecting federal and state income taxes, a portion of our EAETR represents the estimated provision for current taxes. Due to the book income in the Current Period, a current tax expense of \$56 million was recorded. There was no current tax expense recorded in the Prior Period.

As of December 31, 2024, we were in a net deferred tax asset position and anticipate being in a net deferred tax asset position as of December 31, 2025. Based on all available positive and negative evidence, including projections of future taxable income, we believe it is more likely than not that some of our deferred tax assets will not be realized. As such, a partial valuation allowance was recorded against our net deferred tax asset position for federal and state purposes as of June 30, 2025 and December 31, 2024.

On August 16, 2022, the previous Presidential Administration signed into law the Inflation Reduction Act of 2022, which includes provisions for a 15% corporate alternative minimum tax ("CAMT") on book income for companies whose average book income exceeds \$1 billion for any three consecutive years preceding the tax year. Based upon our book income in the past three years, we believe we are subject to the CAMT. The CAMT will result in incremental taxes to the extent that 15% of our adjusted book earnings exceeds our regular federal tax liability. We currently project that we will pay the CAMT in 2025.

Subsequent to June 30, 2025, on July 4, 2025, the current Presidential Administration signed into law the One Big Beautiful Bill Act. This bill restores 100% bonus depreciation for property acquired and placed into service after January 19, 2025, restores the immediate expensing of research expenditures, and provides for parity between the treatment of intangible drilling costs and depreciation for purposes of the CAMT. As this legislation was enacted after June 30, 2025, its effects are not reflected in the Company's provision for income taxes as of that date. The Company is currently evaluating the impact of the new legislation, which is expected to have a significant benefit on its financial position, results of operations and cash flows in future reporting periods.

EXPAND ENERGY CORPORATION AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS - (Continued)
(Unaudited)

9. Equity
Dividends

The table below presents dividends during the Current Period and Prior Period:

	Base	Variable	Rate Per Share	Total
2025:				
First Quarter	\$ 0.575	\$ —	\$ 0.575	\$ 138
Second Quarter	\$ 0.575	\$ —	\$ 0.575	\$ 138
2024:				
First Quarter	\$ 0.575	\$ —	\$ 0.575	\$ 77
Second Quarter	\$ 0.575	\$ 0.14	\$ 0.715	\$ 95

On July 29, 2025, we declared a quarterly dividend payable of \$1.465 per share, which will be paid on September 4, 2025 to stockholders of record at the close of business on August 14, 2025. The dividend consists of a base quarterly dividend in the amount of \$0.575 per share and a variable quarterly dividend in the amount of \$0.89 per share.

Share Repurchases

On October 22, 2024, our Board of Directors authorized repurchases of up to \$1.0 billion, in aggregate, of the Company's common stock and/or warrants under a share repurchase program. During the Current Quarter, we repurchased 0.9 million shares for an aggregate price of \$100 million. The shares of common stock repurchased during the Current Quarter were retired and recorded as a reduction to common stock and retained earnings.

Warrants

	Class A Warrants	Class B Warrants	Class C Warrants ^(a)
Outstanding as of December 31, 2024	1,254,479	3,073,194	4,383,634
Converted into common stock ^(b)	(1,186,019)	(2,823,724)	(1,600,930)
Outstanding as of March 31, 2025	68,460	249,470	2,782,704
Converted into common stock ^(b)	(154)	(136,285)	(645,600)
Outstanding as of June 30, 2025	68,306	113,185	2,137,104

(a) As of June 30, 2025, we had 582,109 of reserved Class C Warrants.

(b) During the Current Period, we issued 6,032,153 shares of common stock as a result of Warrant exercises.

EXPAND ENERGY CORPORATION AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS - (Continued)
(Unaudited)

10. [Share-Based Compensation](#)

Our long-term incentive plan, as amended and adopted by our Board of Directors (the "LTIP"), provides for the grant of RSUs, restricted stock awards, stock options, stock appreciation rights, performance awards and other stock awards to the Company's employees and non-employee directors and has a share reserve equal to 6,800,000 shares of common stock.

Restricted Stock Units. During the Current Period, we granted RSUs to employees and non-employee directors under the LTIP, which will vest over a three-year period and one-year period, respectively. The fair value of RSUs is based on the closing sales price of our common stock on the date of grant, and compensation expense is recognized ratably over the requisite service period. A summary of the changes in unvested RSUs is presented below:

	<u>Unvested Restricted Stock Units</u>		<u>Weighted Average Grant Date Fair Value Per Share</u>
	(in thousands)		
Unvested as of December 31, 2024	957	\$	81.99
Granted	548	\$	103.47
Vested	(446)	\$	78.21
Forfeited	(14)	\$	97.39
Unvested as of June 30, 2025	<u>1,045</u>	\$	94.67

The aggregate intrinsic value of RSUs that vested during the Current Period was approximately \$51 million based on the stock price at the time of vesting.

As of June 30, 2025, there was approximately \$80 million of total unrecognized compensation expense related to unvested RSUs. The expense is expected to be recognized over a weighted average period of approximately 2.3 years.

Performance Share Units. During the Current Period, we granted PSUs to senior management and certain employees under the LTIP, which will generally vest over a three-year period and will be settled in shares. The performance criteria include total shareholder return ("TSR") and relative TSR ("rTSR") and could result in a total payout between 0% - 200% of the target units. The fair value of the PSUs was measured on the grant date using a Monte Carlo simulation, and compensation expense is recognized ratably over the requisite service period because these awards depend on a combination of service and market criteria.

The following table presents the assumptions used in the valuation of the PSUs granted during the Current Period.

Assumption	TSR, rTSR
Risk-free interest rate	4.00 %
Volatility	33.40 %

EXPAND ENERGY CORPORATION AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS - (Continued)
(Unaudited)

A summary of the changes in unvested PSUs is presented below:

	Unvested Performance Share Units	Weighted Average Grant Date Fair Value Per Share
	(in thousands)	
Unvested as of December 31, 2024	376	\$ 94.67
Granted	250	\$ 125.64
Vested	(124)	\$ 109.71
Forfeited	(4)	\$ 125.64
Unvested as of June 30, 2025	<u>498</u>	<u>\$ 106.22</u>

The aggregate intrinsic value of PSUs that vested during the Current Period was approximately \$20 million based on the stock price at the time of vesting.

As of June 30, 2025, there was approximately \$37 million of total unrecognized compensation expense related to unvested PSUs. The expense is expected to be recognized over a weighted average period of approximately 2.44 years.

RSU and PSU Compensation.

We recognized the following compensation costs, net of actual forfeitures, related to RSUs and PSUs for the periods presented:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
General and administrative expenses	\$ 10	\$ 9	\$ 18	\$ 17
Natural gas and oil properties	3	2	4	4
Production expense	1	1	2	2
Separation and other termination costs	—	9	—	9
Marketing expense	1	—	2	—
Other operating expense, net	1	—	3	—
Total RSU and PSU compensation	<u>\$ 16</u>	<u>\$ 21</u>	<u>\$ 29</u>	<u>\$ 32</u>
Related income tax benefit	\$ 4	\$ 7	\$ 8	\$ 9

11. [Derivative and Hedging Activities](#)

We use derivative instruments to reduce our exposure to fluctuations in future commodity prices and to protect our expected operating cash flow against significant market movements or volatility. These commodity contract derivative financial instruments include financial price swaps, collars, call options and basis protection swaps. All of our commodity contract derivative instruments are net settled based on the difference between the fixed-price payment and the floating-price payment, resulting in a net amount due to or from the counterparty. We do not intend to hold or issue derivative financial instruments for speculative trading purposes and have elected not to designate any of our derivative instruments for hedge accounting treatment.

The estimated fair values of our natural gas, oil and NGL derivative instrument assets (liabilities) as of June 30, 2025 and December 31, 2024 are provided below:

EXPAND ENERGY CORPORATION AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS - (Continued)
(Unaudited)

	June 30, 2025		December 31, 2024	
	Notional Volume	Fair Value	Notional Volume	Fair Value
Natural gas (Bcf):				
Fixed-price swaps	296	\$ (37)	369	\$ (28)
Collars	1,437	(176)	1,098	(27)
Three-way collars	81	23	161	60
Call options (purchased)	37	1	73	1
Call options (sold)	147	(19)	219	(16)
Basis protection swaps	320	22	279	(39)
Total natural gas	2,318	(186)	2,199	(49)
Oil (MMBbls):				
Three-way collars	1	\$ 5	2	\$ 4
Total oil	1	5	2	4
NGLs (MMBbls):				
Fixed-price swaps	4	\$ —	7	\$ (9)
Total NGL	4	—	7	(9)
Total estimated fair value		\$ (181)		\$ (54)

The following table presents the fair value and location of each classification of derivative instrument included in the condensed consolidated balance sheets as of June 30, 2025 and December 31, 2024 on a gross basis and after same-counterparty netting:

	Gross Fair Value ^(a)	Amounts Netted in the Condensed Consolidated Balance Sheets	Net Fair Value Presented in the Condensed Consolidated Balance Sheets
As of June 30, 2025			
Commodity Contracts:			
Short-term derivative asset	\$ 138	\$ (92)	\$ 46
Long-term derivative asset	39	(26)	13
Short-term derivative liability	(247)	92	(155)
Long-term derivative liability	(111)	26	(85)
Total derivatives	\$ (181)	\$ —	\$ (181)
As of December 31, 2024			
Commodity Contracts:			
Short-term derivative asset	\$ 191	\$ (107)	\$ 84
Long-term derivative asset	6	(5)	1
Short-term derivative liability	(178)	107	(71)
Long-term derivative liability	(73)	5	(68)
Total derivatives	\$ (54)	\$ —	\$ (54)

(a) These financial assets (liabilities) are measured at fair value on a recurring basis utilizing significant other observable inputs; see further discussion on fair value measurements below.

EXPAND ENERGY CORPORATION AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS - (Continued)
(Unaudited)

Fair Value

The fair value of our commodity derivatives is based on third-party pricing models, which utilize inputs that are either readily available in the public market, such as natural gas, oil and NGL forward curves and discount rates, or can be corroborated from active markets or broker quotes, and, as such, are classified as Level 2. These values are compared to the values given by our counterparties for reasonableness. Derivatives are also subject to the risk that either party to a contract will be unable to meet its obligations. We factor non-performance risk into the valuation of our derivatives using current published credit default swap rates. To date, this has not had a material impact on the values of our derivatives.

Credit Risk Considerations

Our derivative instruments expose us to our counterparties' credit risk. To mitigate this risk, we only enter into commodity contracts derivatives with counterparties that are highly rated or deemed by us to have acceptable credit strength and deemed by management to be competent and competitive market-makers, and we attempt to limit our exposure to non-performance by any single counterparty. As of June 30, 2025, our commodity contracts derivative instruments were spread among 20 counterparties.

Hedging Arrangements

Certain of our hedging arrangements are with counterparties that are also Lenders (or affiliates of Lenders) under our Credit Facility. We do not expect to post cash or letters of credit to secure our obligations under these hedging arrangements while we have our investment grade ratings. The obligations under these contracts must be secured by cash or letters of credit to the extent that any mark-to-market amounts exceed defined thresholds. As of June 30, 2025, we did not have any cash or letters of credit posted as collateral for our commodity derivatives.

12. Investments

Momentum Sustainable Ventures LLC. During the fourth quarter of 2022, the Company entered into an agreement with Momentum Sustainable Ventures LLC to build a new natural gas gathering pipeline and carbon capture project, which will gather and treat natural gas produced in the Haynesville Shale for re-delivery to Gulf Coast markets, including LNG export. The pipeline is expected to have an initial capacity of 1.7 Bcf/d expandable to 2.2 Bcf/d. The carbon capture portion of the project anticipates capturing approximately 1.0 million tons per annum of CO₂ and delivering the CO₂ to ExxonMobil Low Carbon Solutions Onshore Storage, LLC for additional transportation and storage. The natural gas gathering pipeline is projected for a potential in-service date in the fourth quarter of 2025. We have a 35% interest in the joint venture entity. We have accounted for this investment as an equity method investment, and its carrying value, which is reflected within other long-term assets on the condensed consolidated balance sheets, was \$314 million and \$307 million as of June 30, 2025 and December 31, 2024, respectively. As of June 30, 2025, the carrying value of our investment included approximately \$25 million of capitalized interest related to the project.

EXPAND ENERGY CORPORATION AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS - (Continued)
(Unaudited)

13. [Supplemental Cash Flow Information](#)

Supplemental disclosures to the condensed consolidated statements of cash flows are presented below.

	Six Months Ended June 30,	
	2025	2024
Changes in assets and liabilities		
Accounts receivable	\$ 165	\$ 239
Accounts payable	(87)	(129)
Other current assets	(30)	6
Other current liabilities	22	(171)
Total	<u>\$ 70</u>	<u>\$ (55)</u>
Supplemental cash flow information:		
Interest paid, net of capitalized interest	\$ 110	\$ 45
Income taxes paid (refunds received), net	\$ 82	\$ (2)
Supplemental disclosure of significant non-cash investing and financing activities:		
Change in accrued drilling and completion costs	\$ 160	\$ (62)
Operating lease obligations recognized	\$ 26	\$ —

14. [Segment Information](#)

Operating segments are defined as components of an enterprise that engage in activities from which it may earn revenues and incur expenses for which separate operational financial information is available and is regularly evaluated by the CODM, who is our Chief Executive Officer ("CEO"), for the purpose of allocating an enterprise's resources and assessing its operating performance. Our revenues are derived from the production, marketing and sale of natural gas, oil and NGL. Additional information on our revenues, including the disaggregation of our revenues, is found in [Note 7](#). As of June 30, 2025, we considered each of our operating areas as operating segments, however, we have aggregated those operating segments into one reportable segment due to the similar nature of the exploration and production business across Expand Energy and its consolidated subsidiaries and the fact that our marketing activities are ancillary to our operations.

Our CEO uses consolidated net income (loss), for purposes of allocating resources and in assessing Expand Energy's operating performance. Additionally, our CEO is regularly provided information on production expense, gathering, processing and transportation expense, severance and ad valorem taxes and general and administrative expense, which are our significant segment expenses. Other segment items primarily consist of depreciation, depletion and amortization, marketing expense, interest expense and income tax expense (benefit). Our significant segment expenses and other segment items are derived from, and can be found within the condensed consolidated statements of operations.

EXPAND ENERGY CORPORATION AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS - (Continued)
(Unaudited)

The measure of segment assets is total assets as reported on our condensed consolidated balance sheets, and as of June 30, 2025 and as of December 31, 2024 our total assets were \$27,768 million and \$27,894 million, respectively. Additionally, in analyzing company performance, our CEO reviews capital expenditures. During the Current Quarter and Prior Quarter, our capital expenditures were \$727 million and \$293 million, respectively. During the Current Period and Prior Period, our capital expenditures were \$1,389 million and \$647 million, respectively. During the Current Quarter and Current Period we did not make any contributions to equity method investments and during the Prior Quarter and Prior Period, we contributed \$21 million and \$37 million to equity method investments, respectively, which primarily consisted of our investment with Momentum Sustainable Ventures LLC. Additional discussion around our investment with Momentum Sustainable Ventures LLC is in [Note 12](#). Our interest revenue during the Current Quarter and Prior Quarter was \$5 million and \$14 million, respectively. Our interest revenue during the Current Period and Prior Period was \$7 million and \$28 million, respectively.

ITEM 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations

Introduction

This Management’s Discussion and Analysis of Financial Condition and Results of Operations is intended to provide a reader of our financial statements with management’s perspective on our financial condition, liquidity, results of operations and certain other factors that may affect our future results. The following discussion should be read together with the condensed consolidated financial statements included in [Item 1 of Part I](#) of this report and the consolidated financial statements included in Item 8 of our [2024 Form 10-K](#).

On October 1, 2024, we completed the Southwestern Merger, creating a premier energy company that we believe is underpinned by a leading natural gas portfolio adjacent to the highest demand markets, premium inventory, a resilient financial foundation and an investment grade balance sheet. We believe that this new company is uniquely positioned to deliver affordable, lower-carbon energy to meet growing domestic and international demand while creating sustainable value for stakeholders. In conjunction with the closing of the Southwestern Merger, Chesapeake Energy Corporation changed its name to Expand Energy Corporation.

Expand Energy is the largest independent natural gas producer in the U.S., based on net daily production, and is focused on responsibly developing an abundant supply of natural gas, oil and NGL to expand energy access for all. Our operations are located in Louisiana in the Haynesville and Bossier Shales (“Haynesville”), in Pennsylvania in the Marcellus Shale (“Northeast Appalachia”) and in West Virginia and Ohio in the Marcellus and Utica Shales (“Southwest Appalachia”).

Our strategy is to create shareholder value through the responsible development of our significant resource plays while continuing to be a leading provider of natural gas to markets in need. We continue to focus on improving margins through operating efficiencies and financial discipline and improving our ESG performance. To accomplish these goals, we intend to allocate our human resources and capital expenditures to projects we believe offer the highest cash return on capital invested, to deploy leading drilling and completion technology throughout our portfolio, and to take advantage of acquisition and divestiture opportunities to strengthen our portfolio. We also intend to continue to dedicate capital to projects designed to reduce the environmental impact of our production activities.

Additionally, we aim to be conscientious in our efforts and how they will shape our approach to sustainability for the future and have established the following goals:

- Net zero (Scope 1 and 2) greenhouse gas emissions by 2035.
- Maintain 100% responsibly sourced gas (RSG) certification across our portfolio.

[Recent Developments](#)

Southwestern Merger

On October 1, 2024, we completed the Southwestern Merger and issued approximately 95.7 million shares of our common stock to Southwestern's shareholders in connection with the Merger Agreement. Under the terms of the Merger Agreement, subject to certain exceptions, each share of Southwestern common stock was converted into the right to receive 0.0867 of a share of the Company's common stock. Based on the closing price of our common stock, the total value of such shares of our common stock issued to Southwestern's shareholders was approximately \$7.9 billion. See [Note 2](#) of the notes to our condensed consolidated financial statements included in Item 1 of Part I of this report for further discussion.

Investment Grade Rating

On October 1, 2024, we received an investment grade rating from S&P Global Ratings ("S&P"). S&P assigned an issuer-level rating of 'BBB-' on our unsecured debt and raised our issuer credit rating to 'BBB-', with a stable outlook. Additionally, on October 2, 2024, we received an investment grade rating from Fitch Ratings ("Fitch"). Fitch affirmed our revolver credit rating at 'BBB-' and upgraded the rating on our senior notes to 'BBB-', with a stable outlook. As a result of these investment grade ratings and the satisfaction of certain other conditions, certain restrictive covenants on our Credit Facility fell away and became more permissive. Under the Credit Facility, the Company is required to maintain compliance with a total indebtedness to capitalization ratio, which is the ratio of the Company's total indebtedness to the sum of total indebtedness plus stockholders' equity, not to exceed 65%. See [Note 4](#) of the notes to our condensed consolidated financial statements included in Item 1 of Part I of this report for further discussion. Additionally, on April 16, 2025, we received an investment grade rating from Moody's Ratings ("Moody's"). Moody's upgraded the rating on our senior unsecured notes from Ba1 to Baa3, with a stable outlook.

Addition to the S&P 500 Index

In March 2025, following the close of the Southwestern Merger and the receipt of investment grade ratings, our common stock was added to the S&P 500.

Senior Notes Repayment

In January 2025, the \$389 million aggregate principal of the 2025 Notes was repaid and terminated with cash on hand and borrowings on the Credit Facility. Additionally, in March 2025, we redeemed the remaining \$47 million aggregate principal of the 2026 Notes with cash on hand. During the Current Quarter, we redeemed approximately \$84 million of our 6.750% Senior Notes due 2029 and approximately \$31 million of our 5.875% Senior Notes due 2029 through open market repurchases using cash on hand. See [Note 4](#) of the notes to our condensed consolidated financial statements included in Item 1 of Part I of this report for further discussion.

Repurchase Program and Enhanced Returns Framework

In October 2024, our Board of Directors authorized the Company to repurchase up to \$1.0 billion, in aggregate, of the Company's common stock and/or warrants. Additionally, we announced our enhanced capital returns framework which is designed to more effectively return cash to shareholders and reduce net debt. Our enhanced capital returns framework prioritizes the base dividend of \$2.30 per share and an updated \$1.0 billion of annual net debt reduction in 2025. Once both have been funded, it is anticipated that 75% of remaining free cash flow will be distributed as market conditions warrant, between share repurchases and additional dividend payments. During the Current Quarter, we repurchased 0.9 million shares for an aggregate price of \$100 million.

Economic and Market Conditions

Geopolitical risk and policy uncertainty continue to drive volatility in natural gas, oil and NGL prices, while macroeconomic headwinds in key consuming countries could impact global growth prospects, potentially affecting supply and demand for energy commodities. Domestically, the natural gas market balance loosened modestly during the second quarter as resilient production, reduced demand, and mild spring weather offset rapidly increasing demand from LNG, putting downward pressure on near-term pricing. Our future estimated cash flow is partially protected from commodity price volatility due to our current hedge positions that provide a floor price on

over half of our projected gas volumes through the remainder of 2025 with significant upside participation via costless collars. For the foreseeable future, we believe our operational flexibility, cost structure and liquidity position will enable us to successfully navigate continued price volatility.

We continue to monitor factors impacting commodity supply and demand situations, including tariffs on steel, and assess their impact on our business, including business partners and customers. As part of the Southwestern Merger, we assumed Southwestern's oilfield service business that will allow for some vertical integration of our exploration and production operations, which may help to control costs and secure inputs for our operations. For additional discussion regarding risk associated with price volatility and economic uncertainty, see Part I, Item 1A "Risk Factors" in our [2024 Form 10-K](#).

[Liquidity and Capital Resources](#)

Liquidity Overview

Our primary sources of capital resources and liquidity are internally generated cash flows from operations and borrowings under our Credit Facility, and our primary uses of cash are for the development of our natural gas and oil properties, acquisitions of additional natural gas and oil properties, repayments of debt and return of value to stockholders through dividends and equity repurchases. We believe our cash flow from operations, cash on hand and unused borrowing capacity under the Credit Facility, as discussed below, will provide sufficient liquidity during the next 12 months and the foreseeable future. As of June 30, 2025, we had \$3.2 billion of liquidity available, including \$0.7 billion of cash on hand and \$2.5 billion of aggregate unused borrowing capacity available under the Credit Facility. As of June 30, 2025, we had no outstanding borrowings under our Credit Facility.

Further, we may from time to time seek to retire, refinance or amend some or all of our outstanding debt or debt agreements through exchanges, open market purchases, privately negotiated transactions, tender offers or otherwise. Such transactions, if any, and the terms thereof, will depend on prevailing market conditions, our liquidity requirements, contractual restrictions and other factors. The amounts involved in such financing transactions may be material. See [Note 4](#) of the notes to our condensed consolidated financial statements included in Item 1 of Part I of this report for further discussion of our debt obligations, including principal and carrying amounts of our senior notes.

Dividends

On July 29, 2025, we declared a quarterly dividend payable of \$1.465 per share, which will be paid on September 4, 2025 to stockholders of record at the close of business on August 14, 2025. The dividend consists of a base quarterly dividend in the amount of \$0.575 per share and a variable quarterly dividend in the amount of \$0.89 per share.

The declaration and payment of any future dividend, whether fixed or variable, will remain at the full discretion of the Board and will depend on the Company's financial results, cash requirements, future prospects and other relevant factors. The Company's ability to pay dividends to its stockholders is restricted by (i) Oklahoma corporate law, (ii) its Certificate of Incorporation, (iii) the terms and provisions of the Credit Agreement governing the Credit Facility and (iv) the terms and provisions of the indentures governing its 5.875% Senior Notes due 2029, 6.750% Senior Notes due 2029 and 5.70% Senior Notes due 2035 as well as the senior notes assumed from Southwestern, including the 5.375% Senior Notes due 2029, 5.375% Senior Notes due 2030 and 4.750% Senior Notes due 2032.

Derivative and Hedging Activities

Our results of operations and cash flows are impacted by changes in market prices for natural gas, oil and NGL. We enter into various derivative instruments to mitigate a portion of our exposure to commodity price declines, but these transactions may also limit our cash flows in periods of rising commodity prices. Our natural gas, oil and NGL derivative activities, when combined with our sales of natural gas, oil and NGL, allow us to better predict the total revenue we expect to receive. See [Item 3](#), Quantitative and Qualitative Disclosures About Market Risk included in Part I of this report for further discussion on the impact of commodity price risk on our financial position.

Contractual Obligations and Off-Balance Sheet Arrangements

As of June 30, 2025, our material contractual obligations include repayment of senior notes, derivative obligations, asset retirement obligations, lease obligations, undrawn letters of credit and various other commitments we enter into in the ordinary course of business that could result in future cash obligations. In addition, we have contractual commitments with midstream companies and pipeline carriers for future gathering, processing and transportation of natural gas to move certain of our production to market. The estimated gross undiscounted future commitments under these agreements were approximately \$10.2 billion as of June 30, 2025. As discussed above, we believe our existing sources of liquidity will be sufficient to fund our near and long-term contractual obligations. See [Notes 4, 5](#) and [11](#) of the notes to our condensed consolidated financial statements included in Item 1 of Part I of this report for further discussion.

Credit Facility

On December 9, 2022, we entered into the Credit Agreement, as amended by the Initial Credit Agreement Amendment and the Investment Grade Credit Agreement Amendment, maturing in December 2027. The Credit Facility provides for aggregate commitments of \$2.5 billion, with a \$500 million sublimit available for the issuance of letters of credit and a \$50 million sublimit available for swingline loans. Borrowings under the Credit Agreement may be alternate base rate loans or term SOFR loans, at the Company's election. As of June 30, 2025, we had approximately \$2.5 billion available for borrowings under the Credit Facility.

See [Note 4](#) of the notes to our condensed consolidated financial statements included in Item 1 of Part I of this report for further discussion.

Capital Expenditures

For the year ending December 31, 2025, we currently expect to complete and turn in line 250 to 280 gross wells utilizing approximately 11 to 13 rigs and plan to invest between approximately \$2.85 – \$3.0 billion in capital expenditures. We currently plan to fund our 2025 capital program through cash on hand, expected cash flow from our operations and borrowings under our Credit Facility. We may alter or change our plans with respect to our capital program and expected capital expenditures based on developments in our business, our financial position, our industry or any of the markets in which we operate.

Sources and (Uses) of Cash and Cash Equivalents

The following table presents the sources and uses of our cash and cash equivalents for the periods presented:

	Six Months Ended June 30,	
	2025	2024
Cash provided by operating activities	\$ 2,418	\$ 761
Proceeds from divestitures of property and equipment	15	12
Receipts of deferred consideration	116	116
Proceeds from warrant exercise	22	1
Capital expenditures	(1,220)	(723)
Contributions to investments	(9)	(45)
Cash paid to purchase debt	(553)	—
Cash paid to repurchase and retire common stock	(99)	—
Cash paid for common stock dividends	(279)	(176)
Debt issuance and other financing costs	—	(4)
Net increase (decrease) in cash, cash equivalents and restricted cash	<u>\$ 411</u>	<u>\$ (58)</u>

Cash Flow from Operating Activities

Cash provided by operating activities was \$2,418 million and \$761 million during the Current Period and Prior Period, respectively. The increase during the Current Period is primarily due to increased sales volumes, including those related to the Southwestern Merger, as well as higher prices for the natural gas, oil and NGL we sold. Cash flows from operations are largely affected by the same factors that affect our net income (loss), excluding various non-cash items, such as depreciation, depletion and amortization, certain impairments, gains or losses on sales of assets, deferred income taxes and mark-to-market changes in our open derivative instruments. See further discussion below under *Results of Operations*.

Receipts of Deferred Consideration

During both the Current Period and Prior Period, we received \$116 million in deferred consideration associated with our Eagle Ford divestiture transactions. See [Note 2](#) of the notes to our condensed consolidated financial statements included in Item 1 of Part I of this report for further discussion.

Capital Expenditures

Our capital expenditures increased during the Current Period compared to the Prior Period, primarily as a result of increased drilling and completion activity within our operating areas, including those related to the Southwestern Merger. See [Note 2](#) of the notes to our condensed consolidated financial statements included in Item 1 of Part I of this report for further discussion.

Contributions to Investments

During the Current Period, contributions to investments primarily related to capitalized interest on our investment with Momentum Sustainable Ventures LLC. During the Prior Period, contributions to investments primarily consisted of contributions to our investment with Momentum Sustainable Ventures LLC to build a new natural gas gathering pipeline and carbon capture project. See [Note 12](#) of the notes to our condensed consolidated financial statements included in Item 1 of Part I of this report for further discussion.

Cash Paid to Purchase Debt

During the Current Period, the \$389 million aggregate principal of the 2025 Notes was repaid and terminated upon maturity with cash on hand and borrowings under the Credit Facility, of which the Credit Facility borrowings were subsequently repaid. Additionally, we redeemed the remaining \$47 million aggregate principal of the 2026 Notes using cash on hand. During the Current Period, we also redeemed approximately \$84 million of our 6.750% Senior Notes due 2029 and approximately \$31 million of our 5.875% Senior Notes due 2029 through open market repurchases using cash on hand. See [Note 4](#) of the notes to our condensed consolidated financial statements included in Item 1 of Part I of this report for further discussion.

Cash Paid to Repurchase and Retire Common Stock

On October 22, 2024, our Board of Directors authorized repurchases of up to \$1.0 billion, in aggregate, of the Company's common stock and/or warrants under a share repurchase program. During the Current Period, we repurchased 0.9 million shares for an aggregate price of \$100 million, which is inclusive of shares for which cash settlement occurred in early July. The shares of common stock repurchased during the Current Period were retired and recorded as a reduction to common stock and retained earnings. See [Note 9](#) of the notes to our condensed consolidated financial statements included in Item 1 of Part I of this report for further discussion.

Cash Paid for Common Stock Dividends

As part of our dividend program, we paid common stock dividends of \$279 million and \$176 million during the Current Period and Prior Period, respectively. See [Note 9](#) of the notes to our condensed consolidated financial statements included in Item 1 of Part I of this report for further discussion.

Results of Operations

The results of operations discussed below include amounts pertaining to Southwestern after the merger closed on October 1, 2024.

Natural Gas, Oil and NGL Production and Average Sales Prices

	Three Months Ended June 30, 2025							
	Natural Gas		Oil		NGL		Total	
	MMcf per day	\$/Mcf	MBbl per day	\$/Bbl	MBbl per day	\$/Bbl	MMcfe per day	\$/Mcfe
Haynesville	2,978	3.12	—	—	—	—	2,978	3.12
Northeast Appalachia	2,662	2.65	—	—	—	—	2,662	2.65
Southwest Appalachia	956	3.11	18	54.47	83	23.19	1,562	3.75
Total	<u>6,596</u>	2.93	<u>18</u>	54.47	<u>83</u>	23.19	<u>7,202</u>	3.08
Average NYMEX Price		3.44		63.74				
Average Realized Price (including realized derivatives)		2.98		55.89		23.08		3.14
	Three Months Ended June 30, 2024							
	Natural Gas		Oil		NGL		Total	
	MMcf per day	\$/Mcf	MBbl per day	\$/Bbl	MBbl per day	\$/Bbl	MMcfe per day	\$/Mcfe
Haynesville	1,191	1.70	—	—	—	—	1,191	1.70
Northeast Appalachia	1,554	1.35	—	—	—	—	1,554	1.35
Total	<u>2,745</u>	1.51	<u>—</u>	—	<u>—</u>	—	<u>2,745</u>	1.51
Average NYMEX Price		1.89		—				
Average Realized Price (including realized derivatives)		2.51		—		—		2.51
	Six Months Ended June 30, 2025							
	Natural Gas		Oil		NGL		Total	
	MMcf per day	\$/Mcf	MBbl per day	\$/Bbl	MBbl per day	\$/Bbl	MMcfe per day	\$/Mcfe
Haynesville	2,798	3.29	—	—	—	—	2,798	3.29
Northeast Appalachia	2,665	3.20	—	—	—	—	2,665	3.20
Southwest Appalachia	963	3.24	16	58.34	79	26.66	1,533	4.01
Total	<u>6,426</u>	3.24	<u>16</u>	58.34	<u>79</u>	26.66	<u>6,996</u>	3.41
Average NYMEX Price		3.55		67.58				
Average Realized Price (including realized derivatives)		3.24		59.30		26.04		3.40

	Six Months Ended June 30, 2024							
	Natural Gas		Oil		NGL		Total	
	MMcf per day	\$/Mcf	MBbl per day	\$/Bbl	MBbl per day	\$/Bbl	MMcfe per day	\$/Mcfe
Haynesville	1,334	1.88	—	—	—	—	1,334	1.88
Northeast Appalachia	1,637	1.71	—	—	—	—	1,637	1.71
Total	2,971	1.79	—	—	—	—	2,971	1.79
Average NYMEX Price		2.07		—				
Average Realized Price (including realized derivatives)		2.69		—		—		2.69

Natural Gas, Oil and NGL Sales

	Three Months Ended June 30, 2025			
	Natural Gas	Oil	NGL	Total
Haynesville	\$ 845	\$ —	\$ —	\$ 845
Northeast Appalachia	643	—	—	643
Southwest Appalachia	271	86	176	533
Total natural gas, oil and NGL sales	\$ 1,759	\$ 86	\$ 176	\$ 2,021

	Three Months Ended June 30, 2024			
	Natural Gas	Oil	NGL	Total
Haynesville	\$ 186	\$ —	\$ —	\$ 186
Northeast Appalachia	192	—	—	192
Total natural gas, oil and NGL sales	\$ 378	\$ —	\$ —	\$ 378

	Six Months Ended June 30, 2025			
	Natural Gas	Oil	NGL	Total
Haynesville	\$ 1,666	\$ —	\$ —	\$ 1,666
Northeast Appalachia	1,543	—	—	1,543
Southwest Appalachia	565	164	383	1,112
Natural gas, oil and NGL revenue	\$ 3,774	\$ 164	\$ 383	\$ 4,321

	Six Months Ended June 30, 2024			
	Natural Gas	Oil	NGL	Total
Haynesville	\$ 458	\$ —	\$ —	\$ 458
Northeast Appalachia	509	—	—	509
Natural gas, oil and NGL revenue	\$ 967	\$ —	\$ —	\$ 967

Natural gas, oil and NGL sales during the Current Quarter increased \$1,643 million compared to the Prior Quarter. The Southwestern Merger resulted in a \$1,153 million increase during the Current Period due to increased volumes across all of our operating areas. Additionally, higher average prices, which were consistent with the upward trend in index prices for all products, drove a \$402 million increase.

Natural gas, oil and NGL sales during the Current Period increased \$3,354 million compared to the Prior Period. The Southwestern Merger resulted in a \$2,430 million increase during the Current Period due to increased volumes across all of our operating areas. Additionally, higher average prices, which were consistent with the upward trend in index prices for all products, drove a \$837 million increase.

Production Expenses

	Three Months Ended June 30,				Six Months Ended June 30,			
	2025		2024		2025		2024	
		\$/Mcf		\$/Mcf		\$/Mcf		\$/Mcf
Haynesville	\$ 67	0.25	\$ 30	0.28	\$ 137	0.27	\$ 68	0.28
Northeast Appalachia	37	0.15	19	0.14	75	0.15	40	0.14
Southwest Appalachia	47	0.33	—	—	86	0.31	—	—
Total production expenses	<u>\$ 151</u>	0.23	<u>\$ 49</u>	0.20	<u>\$ 298</u>	0.24	<u>\$ 108</u>	0.20

Production expenses during the Current Quarter and Current Period increased \$102 million and \$190 million compared to the Prior Quarter and Prior Period, respectively. The increases were primarily related to the Southwestern Merger and increased volumes across all of our operating areas.

Gathering, Processing and Transportation Expenses

	Three Months Ended June 30,				Six Months Ended June 30,			
	2025		2024		2025		2024	
		\$/Mcf		\$/Mcf		\$/Mcf		\$/Mcf
Haynesville	\$ 180	0.66	\$ 52	0.48	\$ 357	0.70	\$ 116	0.48
Northeast Appalachia	203	0.84	102	0.72	429	0.89	211	0.71
Southwest Appalachia	180	1.27	—	—	340	1.23	—	—
Total GP&T	<u>\$ 563</u>	0.86	<u>\$ 154</u>	0.62	<u>\$ 1,126</u>	0.89	<u>\$ 327</u>	0.60

Gathering, processing and transportation expenses during the Current Quarter and Current Period increased \$409 million and \$799 million compared to the Prior Quarter and Prior Period, respectively. These increases were primarily related to increased volumes and rates across all of our operating areas due to the Southwestern Merger.

Severance and Ad Valorem Taxes

	Three Months Ended June 30,				Six Months Ended June 30,			
	2025		2024		2025		2024	
		\$/Mcf		\$/Mcf		\$/Mcf		\$/Mcf
Haynesville	\$ 17	0.06	\$ 15	0.14	\$ 31	0.06	\$ 40	0.17
Northeast Appalachia	8	0.03	3	0.02	16	0.03	7	0.02
Southwest Appalachia	24	0.17	—	—	50	0.18	—	—
Total severance and ad valorem taxes	<u>\$ 49</u>	0.08	<u>\$ 18</u>	0.07	<u>\$ 97</u>	0.08	<u>\$ 47</u>	0.09

Severance and ad valorem taxes during the Current Quarter increased \$31 million compared to the Prior Quarter. The increase was primarily related to a \$35 million increase due to the Southwestern Merger, which impacted each of our operating areas. The increase due to the Southwestern Merger was partially offset by a decrease in Haynesville statutory severance tax rates, which resulted in a per unit decrease.

Severance and ad valorem taxes during the Current Period increased \$50 million compared to the Prior Period. The increase was primarily related to a \$65 million increase due to the Southwestern Merger, which impacted each of our operating areas. The increase due to the Southwestern Merger was partially offset by a decrease in Haynesville statutory severance tax rates, which resulted in a per unit decrease.

Natural Gas, Oil and NGL Derivatives

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Natural gas derivatives - realized gains (losses)	\$ 34	\$ 251	\$ (3)	\$ 490
Natural gas derivatives - unrealized gains (losses)	825	(262)	(137)	(350)
Total gains (losses) on natural gas derivatives	\$ 859	\$ (11)	\$ (140)	\$ 140
Oil derivatives - realized gains	\$ 2	\$ —	\$ 2	\$ —
Oil derivatives - unrealized gains	1	—	1	—
Total gains on oil derivatives	\$ 3	\$ —	\$ 3	\$ —
NGL derivatives - realized losses	\$ (1)	\$ —	\$ (9)	\$ —
NGL derivatives - unrealized gains	16	—	9	—
Total gains on NGL derivatives	\$ 15	\$ —	\$ —	\$ —
Contingent consideration unrealized gains	\$ —	\$ —	\$ —	\$ 21
Total gains (losses) on natural gas, oil and NGL derivatives	\$ 877	\$ (11)	\$ (137)	\$ 161

See [Note 11](#) of the notes to our condensed consolidated financial statements included in Item 1 of Part I of this report for a discussion of our derivative activity.

General and Administrative Expenses

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Total G&A, net	\$ 40	\$ 47	\$ 87	\$ 94
G&A, net per Mcfe	\$ 0.06	\$ 0.19	\$ 0.07	\$ 0.17

Total general and administrative expenses, net during the Current Quarter and Current Period decreased compared to the Prior Quarter and Prior Period, respectively, as the increase in employee compensation and benefits, as a result of the Southwestern Merger, was offset by a corresponding increase in allocations and reimbursements due to increased drilling and production activity. The per unit decreases in total general and administrative expenses, net during the Current Quarter and Current Period are due to increased production volumes as a result of the Southwestern Merger.

Separation and Other Termination Costs

During the Prior Period, we recognized \$23 million of separation and other termination costs related to one-time termination benefits for certain employees.

Depreciation, Depletion and Amortization

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
DD&A	\$ 769	\$ 348	\$ 1,480	\$ 747
DD&A per Mcfe	\$ 1.17	\$ 1.39	\$ 1.17	\$ 1.38

The absolute increase in depreciation, depletion and amortization for the Current Quarter and Current Period compared to the Prior Quarter and Prior Period is primarily related to the Southwestern Merger. Depreciation, depletion and amortization per Mcfe decreased during the Current Quarter and Current Period compared to the Prior Quarter and Prior Period due to lower depletion rates on wells acquired in the Southwestern Merger.

Other Operating Expense, Net

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Other operating expense, net	\$ 38	\$ 16	\$ 60	\$ 33

During the Current Quarter and Prior Quarter, we recognized approximately \$25 million and \$15 million, respectively, of costs related to the Southwestern Merger, which included employee expenses, legal fees, consulting fees and financial advisory fees.

During the Current Period and Prior Period, we recognized approximately \$52 million and \$26 million, respectively, of costs related to the Southwestern Merger, which included employee expenses, legal fees, consulting fees and financial advisory fees.

Interest Expense

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Interest expense on debt	\$ 74	\$ 32	\$ 151	\$ 64
Amortization of premium, discount, issuance costs and other	2	(3)	2	(5)
Capitalized interest	(16)	(9)	(34)	(20)
Total interest expense	\$ 60	\$ 20	\$ 119	\$ 39

The increase in total interest expense during the Current Quarter and Current Period compared to the Prior Quarter and Prior Period was primarily due to our assumption of Southwestern's Senior Notes as a result of the Southwestern Merger, which resulted in an increase in interest expense on debt. Capitalized interest increased during the Current Quarter and Current Period compared to the Prior Quarter and Prior Period primarily as a result of increased capital activity following the completion of the Southwestern Merger.

See [Note 4](#) of the notes to our condensed consolidated financial statements included in Item 1 of Part I of this report for additional discussion.

Income Taxes

The projected full year current and deferred taxes are allocated to the Current Period based on the proportion of year-to-date pre-tax book income to the projected full year pre-tax book income. As a result, an income tax expense of \$190 million was recorded for the Current Period. Of this amount, \$56 million was related to current taxes and \$134 million was related to deferred taxes. An income tax benefit of \$61 million was recorded for the Prior Period. That amount was entirely related to projections of deferred federal and state income taxes. Our effective income tax rate was 20.9% and 23.3% during the Current Period and the Prior Period, respectively. Our effective tax rate can fluctuate due to the impact of discrete items, state income taxes and permanent differences. See [Note 8](#) of the notes to our condensed consolidated financial statements included in Item 1 of Part I of this report for a discussion of income taxes.

Forward-Looking Statements

This report 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 (the “Exchange Act”). Forward-looking statements include our current expectations or forecasts of future events, including matters relating to 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, and the amount and timing of, cash dividends and/or repurchase common stock or notes, our ability to capture synergies and our ESG initiatives. Forward-looking and other statements in this Form 10-Q 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 “aim,” “predict,” “should,” “expect,” “could,” “may,” “anticipate,” “intend,” “plan,” “ability,” “believe,” “seek,” “see,” “will,” “would,” “estimate,” “forecast,” “target,” “guidance,” “outlook,” “opportunity” or “strategy.”

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:

- reduced demand for natural gas, oil and NGLs;
- 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;
- risks related to our plans to participate in the global LNG value chain;

- 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 decisions made by OPEC+ and 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;
- challenges with employee retention and increasingly competitive labor market;
- risks related to acquisitions or dispositions, or potential acquisitions or dispositions;
- security threats, including cybersecurity threats and disruptions to our business and operations from breaches of our information technology systems, or from breaches of information technology systems of third parties with whom we transact business;
- our ability to achieve and maintain ESG certifications, goals and commitments;
- legislative, regulatory and ESG initiatives, including those addressing the impact of 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 was triggered upon the completion of the Southwestern Merger, as well as trading in our common stock, additional issuance 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 our [2024 Form 10-K](#).

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

All forward-looking statements attributable to us are expressly qualified in their entirety by this cautionary statement.

[Information About Us](#)

Investors should note that we make available, free of charge on our website at expandenergy.com, our annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, and any amendments to those reports as soon as reasonably practicable after we electronically file such material with, or furnish it to, the SEC. We also post announcements, updates, events, investor information and presentations on our website in addition to copies of all recent news releases. We may use the Investors section of our website to communicate with investors. It is possible that the financial and other information posted on the Investors section of our website could be deemed to be material information. Documents and information on our website are not incorporated by reference herein.

The SEC maintains a website at www.sec.gov that contains reports, proxy and information statements, and other information regarding issuers, including Expand Energy, that file electronically with the SEC.

ITEM 3. Quantitative and Qualitative Disclosures About Market Risk

The primary objective of the following information is to provide forward-looking quantitative and qualitative information about our exposure to market risk. The term market risk relates to our risk of loss arising from adverse changes in natural gas, oil and NGL prices and interest rates. These disclosures are not meant to be precise indicators of expected future losses, but rather indicators of reasonably possible losses. The forward-looking information provides indicators of how we view and manage our ongoing market risk exposures.

Commodity Price Risk

Our results of operations and cash flows are impacted by changes in market prices for natural gas, oil and NGL, which have historically been volatile. To mitigate a portion of our exposure to adverse price changes, we enter into various derivative instruments. Our natural gas, oil and NGL derivative activities, when combined with our sales of natural gas, oil and NGL, allow us to predict with greater certainty the revenue we will receive. We believe our derivative instruments continue to be highly effective in achieving our risk management objectives.

We determine the fair value of our derivative instruments utilizing established index prices, volatility curves and discount factors. These estimates are compared to counterparty valuations for reasonableness. Derivative transactions are also subject to the risk that counterparties will be unable to meet their obligations. This non-performance risk is considered in the valuation of our derivative instruments, but to date has not had a material impact on the values of our derivatives. Future risk related to counterparties not being able to meet their obligations has been partially mitigated under our commodity hedging arrangements that require counterparties to post collateral if their obligations to us are in excess of defined thresholds. The values we report in our financial statements are as of a point in time and subsequently change as these estimates are revised to reflect actual results, changes in market conditions and other factors. See [Note 11](#) of the notes to our condensed consolidated financial statements included in Item 1 of Part I of this report for further discussion of the fair value measurements associated with our derivatives.

Our natural gas, oil and NGL revenues during the Current Period, excluding any effect of our derivative instruments, were \$3,774 million, \$164 million and \$383 million, respectively. Based on production, natural gas, oil and NGL revenue for the Current Period would have increased or decreased by approximately \$377 million, \$16 million and \$38 million, respectively, for each 10% increase or decrease in prices. As of June 30, 2025, the fair value of our natural gas derivatives was a net liability of \$186 million. As of June 30, 2025, the fair value of our oil derivatives was a net asset of \$5 million and our NGL derivatives was a net nominal asset. A 10% fluctuation in forward natural gas prices would impact the valuation of gas derivatives by approximately \$500 million. A 10% fluctuation in forward oil prices would impact the valuation of oil derivatives by approximately \$2 million. A 10% fluctuation in forward NGL prices would impact the valuation of NGL derivatives by approximately \$9 million. This fair value change assumes volatility based on prevailing market parameters at June 30, 2025. See [Note 11](#) of the notes to our condensed consolidated financial statements included in Item 1 of Part I of this report for further information on our open derivative positions.

Interest Rate Risk

Our exposure to interest rate changes relates primarily to borrowings under our Credit Facility. Interest is payable on borrowings under the Credit Facility based on floating rates. See [Note 4](#) of the notes to our condensed consolidated financial statements included in Item 1 of Part 1 of this report for additional information. As of June 30, 2025, we did not have any outstanding borrowings under our Credit Facility.

ITEM 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

We maintain disclosure controls and procedures designed to ensure that information required to be disclosed in reports we file or submit under the Exchange Act, is recorded, processed, summarized and reported within the time periods specified in SEC rules and forms, and that such information is accumulated and communicated to management, including our principal executive and principal financial officers, as appropriate, to allow timely decisions regarding required disclosure.

As of the end of the period covered by this report, we carried out an evaluation, under the supervision and with the participation of management, including our Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of our disclosure controls and procedures pursuant to Exchange Act Rule 13a-15(b). Based on that evaluation, our Chief Executive Officer and Chief Financial Officer concluded as of June 30, 2025 that our disclosure controls and procedures were effective.

Changes in Internal Control Over Financial Reporting

There were no changes in our internal control over financial reporting during the period covered by this quarterly report on Form 10-Q that materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION

ITEM 1. Legal Proceedings

Litigation and Regulatory Proceedings

We are involved in various regulatory proceedings, lawsuits and disputes arising in the ordinary course of our business operations, including commercial disputes, personal injury claims, royalty claims, property damage claims and contract actions. We are also party to the consolidated Chapter 11 Cases pending for the Debtors in the Bankruptcy Court. Legal proceedings that were in existence prior to the Petition Date and have not yet been settled as part of the Chapter 11 Cases will be resolved in connection with the claims reconciliation process before the Bankruptcy Court. Any allowed claim related to such prepetition litigation will be treated in accordance with the Plan. Any legal proceeding pending against Southwestern and assumed by us in connection with the Southwestern Merger is not subject to discharge or resolution as part of the Chapter 11 Cases.

See [Note 5](#) of the notes to our condensed consolidated financial statements included in Item 1 of Part I of this report for information regarding our estimation and provision for potential losses related to litigation and regulatory proceedings. Based on management's current assessment, we are of the opinion that no pending or threatened lawsuit or dispute relating to our business operations is likely to have a material adverse effect on our future consolidated financial position, results of operations or cash flows. The final resolution of such matters could exceed amounts accrued, however, and actual results could differ materially from management's estimates.

Environmental Contingencies

The nature of the natural gas and oil business carries with it certain environmental risks for us and our subsidiaries. We have implemented various policies, programs, procedures, training and audits to reduce and mitigate such environmental risks. We conduct periodic reviews, on a company-wide basis, to assess changes in our environmental risk profile. Environmental reserves are established for environmental liabilities for which economic losses are probable and reasonably estimable. We manage our exposure to environmental liabilities in acquisitions by using an evaluation process that seeks to identify pre-existing contamination or compliance concerns and address the potential liability. Depending on the extent of an identified environmental concern, we may, among other things, exclude a property from the transaction, require the seller to remediate the property to our satisfaction in an acquisition or agree to assume liability for the remediation of the property.

ITEM 1A. Risk Factors

Our business has many risks. Factors that could materially adversely affect our business, financial condition, operating results or liquidity and the trading price of our common stock are described under "Risk Factors" in Item 1A of our [2024 Form 10-K](#). This information should be considered carefully, together with other information in this report and other reports and materials we file with the SEC.

ITEM 2. Unregistered Sales of Equity Securities and Use of Proceeds*Repurchases of Equity Securities*

On October 22, 2024, our Board of Directors authorized repurchases of up to \$1.0 billion, in aggregate, of the Company's common stock and/or warrants under a share repurchase program. The repurchase authorization permits repurchases on a discretionary basis subject to market conditions, obtaining required internal approvals, applicable legal requirements, available liquidity, compliance with the Company's debt agreements and other appropriate factors. The following table provides information regarding purchases of our common stock made by us during the Current Quarter.

Period	Total Number of Shares Purchased	Average Price Paid Per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Approximate Dollar Value of Shares that May Yet Be Purchased Under the Plans or Programs (in millions)
April 1 - April 30	—	\$ —	—	\$ 1,000
May 1 - May 31	144,583	\$ 116.17	144,583	\$ 983
June 1 - June 30	707,078	\$ 117.65	707,078	\$ 900
Total	851,661	\$ 117.40	851,661	

ITEM 3. Defaults Upon Senior Securities

None.

ITEM 4. Mine Safety Disclosures

The information concerning mine safety violations and other regulatory matters required by Section 1503(a) of the Dodd-Frank Wall Street Reform and Consumer Protection Act and Item 104 of Regulation S-K (17 CFR 229.104) is included in Exhibit 95.1 to this Form 10-Q.

ITEM 5. Other Information

During the three months ended June 30, 2025, no director or officer of the Company adopted or terminated a "Rule 10b5-1 trading arrangement" or "non-Rule 10b5-1 trading arrangement," as each term is defined in Item 408 of Regulation S-K.

ITEM 6. Exhibits

The exhibits listed below in the Index of Exhibits are filed, furnished or incorporated by reference pursuant to the requirements of Item 601 of Regulation S-K.

INDEX OF EXHIBITS

Exhibit Number	Exhibit Description	Incorporated by Reference				Filed or Furnished Herewith
		Form	SEC File Number	Exhibit	Filing Date	
2.1	Fifth Amended Joint Plan of Reorganization of Chesapeake Energy Corporation and its Debtor Affiliates Pursuant to Chapter 11 of the Bankruptcy Code (Exhibit A of the Confirmation Order).	8-K	001-13726	2.1	1/19/2021	
2.2*	Agreement and Plan of Merger, dated as of January 10, 2024, among Chesapeake Energy Corporation, Hulk Merger Sub, Inc., Hulk LLC Sub, LLC, and Southwestern Energy Company.	8-K	001-13726	2.1	1/11/2024	
3.1	Third Amended and Restated Certificate of Incorporation of Expand Energy Corporation.	8-K	001-13726	3.1	10/1/2024	
3.2	Third Amended and Restated Bylaws of Expand Energy Corporation.	8-K	001-13726	3.2	10/1/2024	
31.1	Domenic J. Dell'Osso, Jr., President and Chief Executive Officer, Certification pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.					X
31.2	Mohit Singh, Executive Vice President and Chief Financial Officer, Certification pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.					X
32.1**	Domenic J. Dell'Osso Jr., President and Chief Executive Officer, Certification pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.					X
32.2**	Mohit Singh, Executive Vice President and Chief Financial Officer, Certification pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.					X
95.1	Mine Safety Disclosure.					X
101 INS	Inline XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.					X
101 SCH	Inline XBRL Taxonomy Extension Schema Document.					X
101 CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document.					X
101 DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document.					X
101 LAB	Inline XBRL Taxonomy Extension Labels Linkbase Document.					X
101 PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document.					X

Exhibit Number	Exhibit Description	Incorporated by Reference			Filed or Furnished Herewith
		Form	SEC File Number	Exhibit	
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101).				X
*	Annexes, schedules and certain exhibits have been omitted pursuant to Item 601(a)(5) of Regulation S-K. The Company hereby undertakes to furnish supplemental copies of any of the omitted annexes, schedules and exhibits upon request by the SEC.				
**	Furnished herewith.				

Signatures

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 thereunto duly authorized.

EXPAND ENERGY CORPORATION

Date: July 29, 2025

By: /s/ DOMENIC J. DELL'OSSO, JR.
Domenic J. Dell'Osso, Jr.
President and Chief Executive Officer

Date: July 29, 2025

By: /s/ MOHIT SINGH
Mohit Singh
Executive Vice President and Chief Financial Officer

CERTIFICATION

I, Domenic J. Dell'Osso, Jr., certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Expand Energy Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

July 29, 2025

By: /s/ DOMENIC J. DELL'OSSO, JR.

Domenic J. Dell'Osso, Jr.

President and Chief Executive Officer

CERTIFICATION

I, Mohit Singh, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Expand Energy Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

July 29, 2025

By: /s/ MOHIT SINGH

Mohit Singh

Executive Vice President and Chief Financial Officer

**CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO SECTION 906
OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of Expand Energy Corporation (the "Company") on Form 10-Q for the quarterly period ended June 30, 2025 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Domenic J. Dell'Osso, Jr., President and Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

July 29, 2025

By: /s/ DOMENIC J. DELL'OSSO, JR.

Domenic J. Dell'Osso, Jr.

President and Chief Executive Officer

**CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO SECTION 906
OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of Expand Energy Corporation (the "Company") on Form 10-Q for the quarterly period ended June 30, 2025 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Mohit Singh, Executive Vice President and Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

July 29, 2025

By: /s/ MOHIT SINGH

Mohit Singh

Executive Vice President and Chief Financial Officer

Mine Safety Disclosures

Section 1503(a) of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Act") and Item 104 of Regulation S-K (17 CFR 229.104) require certain disclosures by companies required to file periodic reports under the Securities Exchange Act of 1934, as amended, that operate mines regulated under the Federal Mine Safety and Health Act of 1977 (as amended by the Mine Improvement and New Emergency Response Act of 2006, the "Mine Act").

Geaux Prop LLC ("Geaux Prop") is a wholly owned indirect subsidiary of Expand Energy Corporation ("Expand Energy"). Between March 15, 2024 and October 31, 2024, Geaux Prop acquired surface and sand rights on approximately 700 acres in Red River Parish, Louisiana to construct and operate an in-field sand mine to support Expand Energy's exploration and development activities. Geaux Prop began operating the mine in January 2025 and is subject to regulation by the federal Mine Safety and Health Administration ("MSHA") under the Mine Act. MSHA inspects mining facilities on a regular basis and issues citations and orders when it believes a violation of the Mine Act has occurred.

The MSHA, upon determination that a violation of the Mine Act has occurred, may issue a citation or an order which generally proposes civil penalties or fines upon the mine operator. Citations and orders may be appealed with the potential of reduced or dismissed penalties.

The table below reflects citations, orders, violations and proposed assessments issued to Geaux Prop by MSHA during the six-month period ended June 30, 2025. Due to timing and other factors, the data may not agree with the mine data retrieval systems maintained by MSHA at www.MSHA.gov.

	Geaux Prop Sand Mine 16- 01618
Section 104 significant and substantial violations	—
Section 104(b) orders	—
Section 104(d) citations and orders	—
Section 110(b)(2) violations	—
Section 107(a) orders	—
Total dollar value of MSHA proposed assessments	\$ 302
Total number of mining related fatalities	—
Received notice of pattern of violations under section 104(e)	No
Received notice of potential to have such pattern under section 104(e)	No
Legal actions pending before the Federal Mine Safety and Health Review Commission as of last day of period	—
Legal actions instituted during period	—
Legal actions resolved during period	—