Chesapeake Energy 2017 Q3 Earnings

NOVEMBER 2, 2017

CHESAPEAKE ENERGY

FORWARD-LOOKING STATEMENTS

This presentation includes "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. Forward-looking statements are statements other than statements of historical fact. They include statements that give our current expectations, guidance or forecasts of future events, production and well connection forecasts, estimates of operating costs, anticipated capital and operational efficiencies, planned development drilling and expected drilling cost reductions, general and administrative expenses, capital expenditures, the timing of anticipated asset sales and proceeds to be received therefrom, projected cash flow and liquidity, our ability to enhance our cash flow and financial flexibility, plans and objectives for future operations, and the assumptions on which such statements are based. Although we believe the expectations and forecasts reflected in the forward-looking statements are reasonable, we can give no assurance they will prove to have been correct. They can be affected by inaccurate or changed assumptions or by known or unknown risks and uncertainties.

Factors that could cause actual results to differ materially from expected results include those described under "Risk Factors" in Item 1A of our annual report on Form 10-K and any updates to those factors set forth in Chesapeake's subsequent quarterly reports on Form 10-Q or current reports on Form 8-K (available at http://www.chk.com/investors/sec-filings). These risk factors include: the volatility of oil, natural gas and NGL prices; the limitations our level of indebtedness may have on our financial flexibility; our inability to access the capital markets on favorable terms; the availability of cash flows from operations and other funds to finance reserve replacement costs or satisfy our debt obligations; our credit rating requiring us to post more collateral under certain commercial arrangements; write-downs of our oil and natural gas asset carrying values due to low commodity prices; our ability to replace reserves and sustain production; uncertainties inherent in estimating quantities of oil, natural gas and NGL reserves and projecting future rates of production and the amount and timing of development expenditures; our ability to generate profits or achieve targeted results in drilling and well operations; leasehold terms expiring before production can be established; commodity derivative activities resulting in lower prices realized on oil, natural gas and NGL sales; the need to secure derivative liabilities and the inability of counterparties to satisfy their obligations; adverse developments or losses from pending or future litigation and regulatory proceedings, including royalty claims; charges incurred in response to market conditions and in connection with our ongoing actions to reduce financial leverage and complexity; drilling and operating risks and resulting liabilities; effects of environmental protection laws and regulation on our business; legislative and regulatory initiatives further regulating hydraulic fracturing; our need to secure adequate supplies of water for our drilling operations and to dispose of or recycle the water used; impacts of potential legislative and regulatory actions addressing climate change; federal and state tax proposals affecting our industry; potential OTC derivatives regulation limiting our ability to hedge against commodity price fluctuations; competition in the oil and gas exploration and production industry; a deterioration in general economic, business or industry conditions; negative public perceptions of our industry; limited control over properties we do not operate; pipeline and gathering system capacity constraints and transportation interruptions; terrorist activities and/or cyber-attacks adversely impacting our operations; potential challenges by SSE's former creditors of our spin-off of in connection with SSE's recently completed bankruptcy under Chapter 11 of the U.S. Bankruptcy Code; an interruption in operations at our headquarters due to a catastrophic event; the continuation of suspended dividend payments on our common stock; the effectiveness of our remediation plan for a material weakness; certain anti-takeover provisions that affect shareholder rights; and our inability to increase or maintain our liquidity through debt repurchases, capital exchanges, asset sales, joint ventures, farmouts or other means.

In addition, disclosures concerning the estimated contribution of derivative contracts to our future results of operations are based upon market information as of a specific date. These market prices are subject to significant volatility. Our production forecasts are also dependent upon many assumptions, including estimates of production decline rates from existing wells and the outcome of future drilling activity. Expected asset sales may not be completed in the time frame anticipated or at all. We caution you not to place undue reliance on our forward-looking statements, which speak only as of the date of this presentation, and we undertake no obligation to update any of the information provided in this presentation, except as required by applicable law. In addition, this presentation contains time-sensitive information that reflects management's best judgment only as of the date of this presentation.

We use certain terms in this presentation such as "Resource Potential," "Net Reserves" and similar terms that the SEC's guidelines strictly prohibit us from including in filings with the SEC. These terms include reserves with substantially less certainty, and no discount or other adjustment is included in the presentation of such reserve numbers. U.S. investors are urged to consider closely the disclosure in our Form 10-K for the year ended December 31, 2016, File No. 1-13726 and in our other filings with the SEC, available from us at 6100 North Western Avenue, Oklahoma City, Oklahoma 73118. These forms can also be obtained from the SEC by calling 1-800-SEC-0330.

3Q'17 FINANCIAL AND OPERATIONAL RESULTS

Adjusted Earnings Per Share (1)

$0.12

Adjusted EBITDA (1)

$468 mm

11% year over year

Total Production Average

542 mboe/d

4% quarter over quarter

Current Oil Production (2)

99 mbo/d

compared to 86 mbo/d average in 3Q 2017

Liquids Mix (3)

27%

of total production

EBITDA Per Boe

31%

year over year

(1) See non-GAAP reconciliation on pages 11 and 12
(2) As of October 30, 2017
(3) Oil and NGLS collectively referred to as "liquids"

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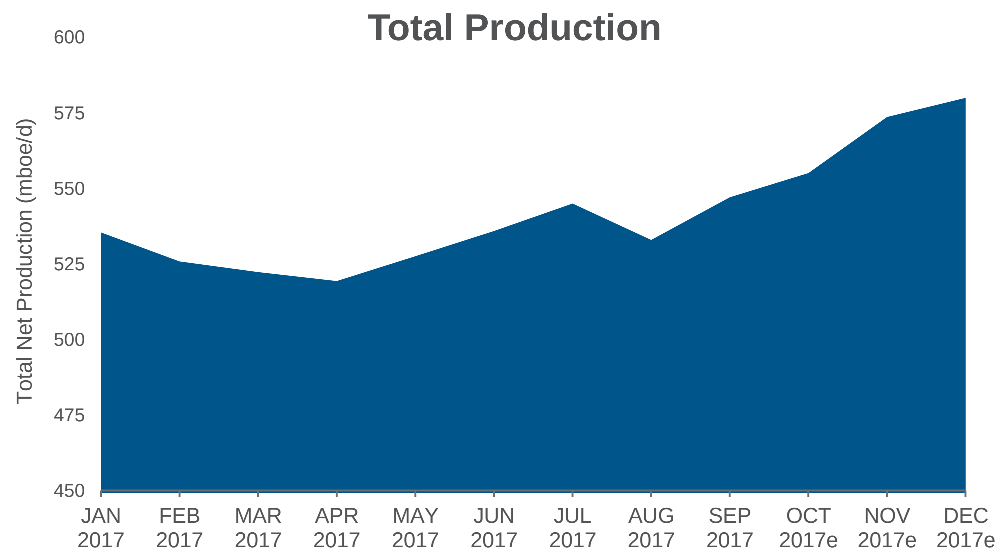
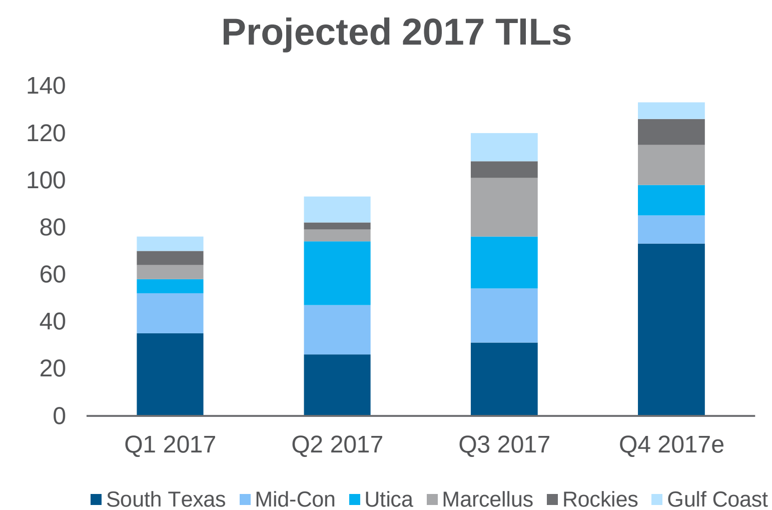
MOMENTUM BUILDING INTO 2018

OPERATIONS SETTING THE STAGE

- **4Q'17 production accelerating due to TILs**
  - ~130 TILs projected for 4Q'17; ~73 in STX
- **Expect to average 100 mbo/d in 4Q'17**





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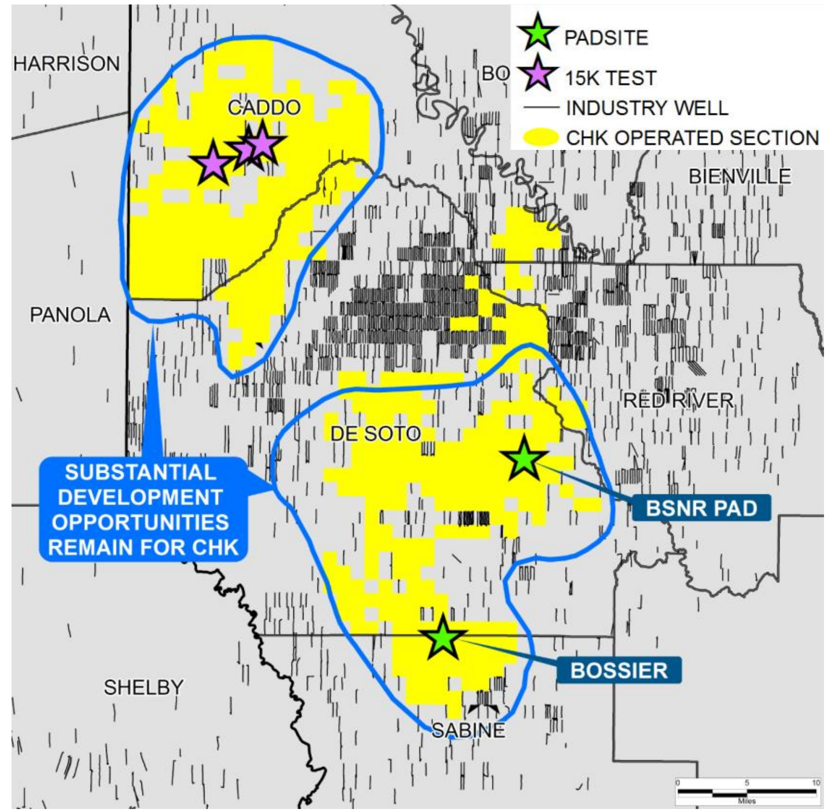
GULF COAST – HAYNESVILLE
DELIVERING EXCEPTIONAL PRODUCTIVITY

One pad, 133 mmcf/d

BSNR 1H – 37 mmcf/d, 9,800' lateral, 9/26/2017 TIL
BSNR 2H – 32 mmcf/d, 9,800' lateral, 9/26/2017 TIL
BSNR 3H – 35 mmcf/d, 9,800' lateral, 9/28/2017 TIL
BSNR 4H – 29 mmcf/d, 9,800' lateral, 9/28/2017 TIL



Pushing the envelope

First CHK Haynesville re-fracs

First 10,000' Bossier enhanced completion

First CHK 15,000' Haynesville laterals

2Q '17

4Q '17

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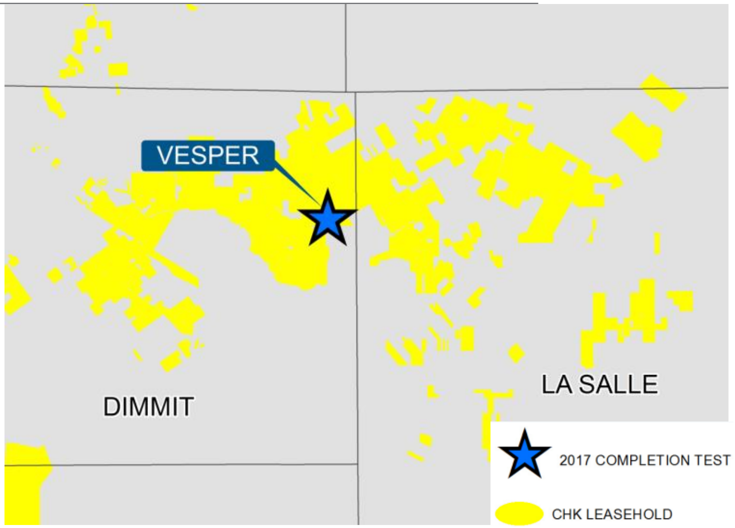
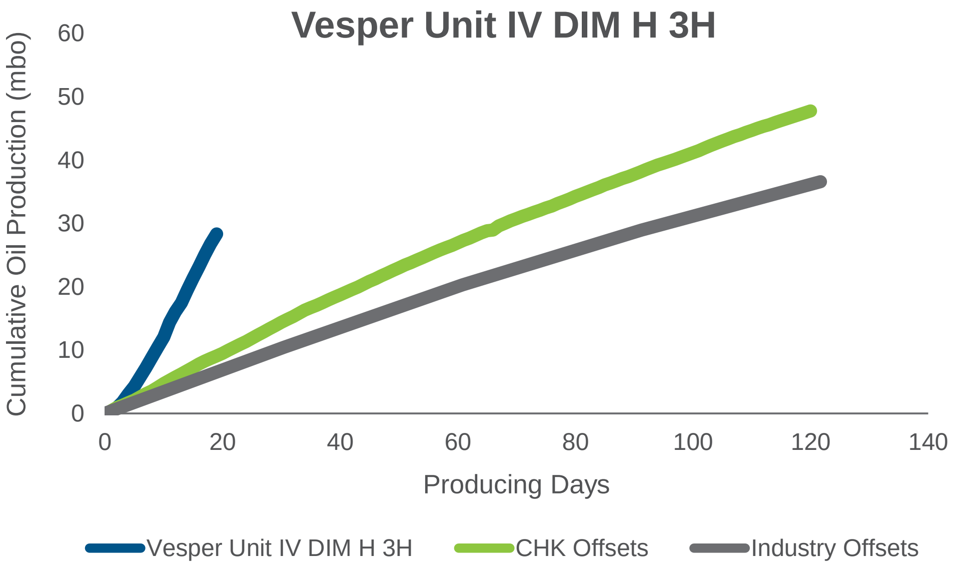
SOUTH TEXAS UPDATE
TESTING NEW COMPLETIONS DESIGNS

Notable performance
Vesper Unit IV DIM H 3H
TIL 10/06/2017 – 16,194' lateral

- Peak rate – 2,350 bo/d, 2,580 boe/d
- Longer laterals are paying off
- Enhanced completions are leading to improved well results





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MARCELLUS SHALE

THE FUTURE OF APPALACHIA DEVELOPMENT – STACKED POTENTIAL

Resource potential

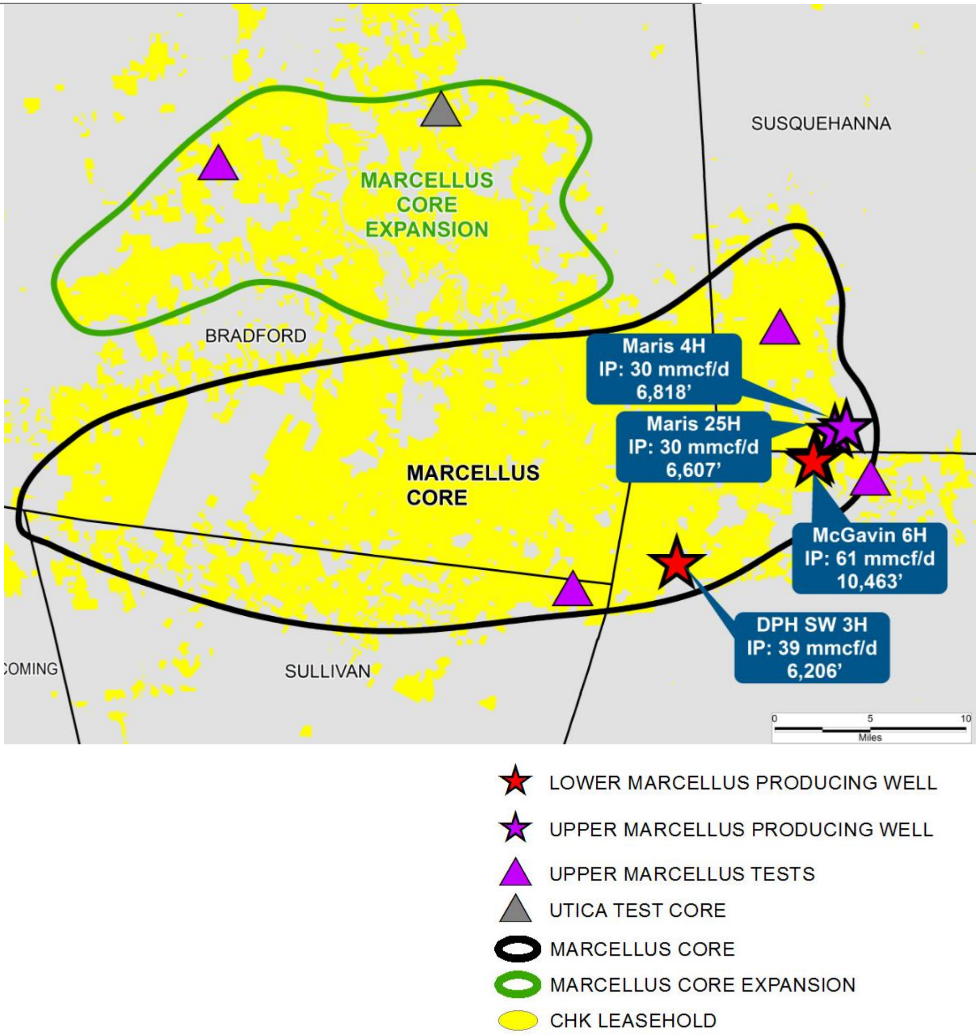
Maris pad – two Upper Marcellus wells
60 mmcf/d combined peak flow rate
TIL 9/01/2017, ~6,700' avg. lateral

Upper Marcellus

Co-development with running room
Optimizing future plans with 10,000' laterals
~750 potential locations[1]

Utica appraisal

Core planned for 2018
~70,000 net perspective acres



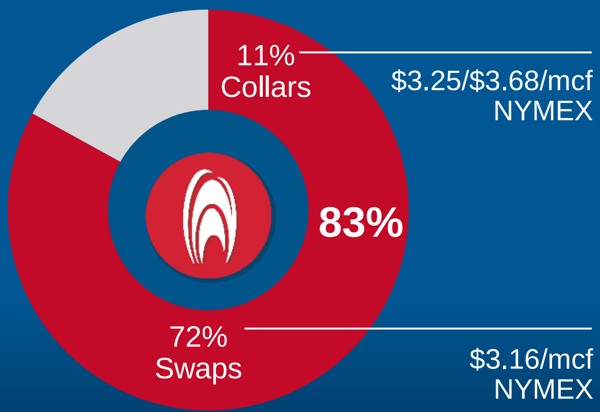
(1) Upper Marcellus development assumes 1,200' spacing

APPENDIX

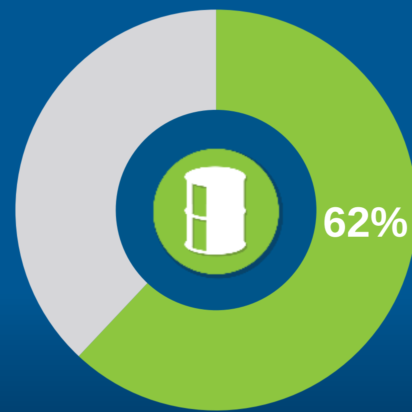
CHESAPEAKE ENERGY

HEDGING POSITION

Natural Gas
Oct–Dec 2017 [(1)]

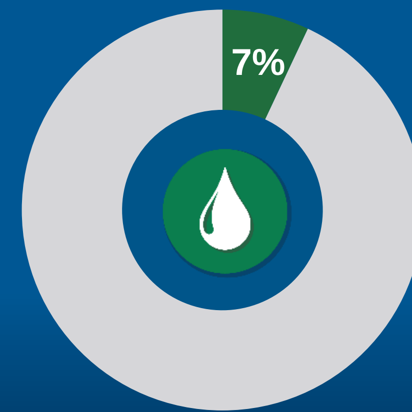


Oil
Oct–Dec 2017 [(1)]



Swaps $50.36/bbl

NGL
Oct–Dec 2017 [(1)]



Propane Swaps $0.76/gal

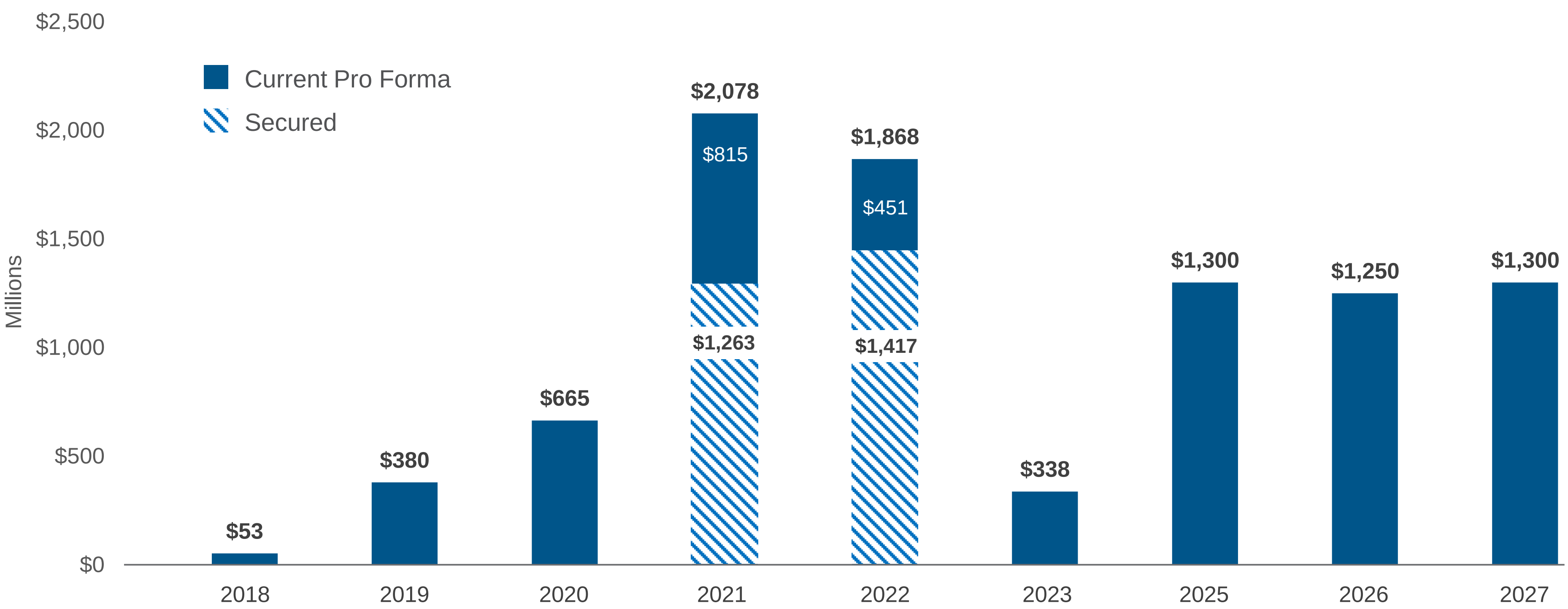
- ***~531 bcf of 2018 gas hedged with swaps at an average price of $3.11***
- ***~47 bcf of 2018 gas hedged with collars at an average price of $3.00/$3.25***
- ***~18.9 mmbbl of 2018 oil hedged with swaps at an average price of $51.74***
- ***~1.8 mmbbl of 2018 oil hedged with three way collars at an average price of $39.15/$47.00/$55.00***

(1) As of 10/30/17, using midpoints of total production from 11/2/2017 Outlook

DEBT MATURITY PROFILE

$9.2 billion (1)

Principal balance @ 10/31/2017



(1) Amounts exclude outstanding balance under revolving credit facility

CHESAPEAKE ENERGY CORPORATION
RECONCILIATION OF ADJUSTED NET INCOME AVAILABLE TO COMMON STOCKHOLDERS
($ in millions except per share data)
(unaudited)

THREE MONTHS ENDED:	September 30, 2017	
	$	$/Diluted Share(b)(c)
Net loss available to common stockholders (GAAP)	$ (41)	$ (0.05)
Adjustments:		
Unrealized losses on commodity derivatives	101	0.12
Provision for legal contingencies	20	0.02
Impairments of fixed assets and other	9	0.01
Net gains on sales of fixed assets	(1)	—
Losses on purchases or exchanges of debt	1	—
Income tax expense (benefit)(a)	—	—
Other	(6)	(0.01)
Adjusted net income available to common stockholders(b) (Non-GAAP)	83	0.09
Preferred stock dividends	23	0.03
Total adjusted net income attributable to Chesapeake(b) (c) (Non-GAAP)	$ 106	$ 0.12

(a) Due to our valuation allowance position, no income tax effect from the adjustments has been included in determining adjusted net income.

(b) Adjusted net income (loss) available to common stockholders and total adjusted net income (loss) attributable to Chesapeake, both in the aggregate and per dilutive share, are not measures of financial performance under accounting principles generally accepted in the United States (GAAP), and should not be considered as an alternative to net income (loss) available to common stockholders or earnings (loss) per share. Adjusted net income (loss) available to common stockholders and adjusted earnings (loss) per share exclude certain items that management believes affect the comparability of operating results. The company believes these adjusted financial measures are a useful adjunct to earnings calculated in accordance with GAAP because:

(i) Management uses adjusted net income (loss) available to common stockholders to evaluate the company's operational trends and performance relative to other oil and natural gas producing companies.

(ii) Adjusted net income (loss) available to common stockholders is more comparable to earnings estimates provided by securities analysts.

(iii) Items excluded generally are one-time items or items whose timing or amount cannot be reasonably estimated. Accordingly, any guidance provided by the company generally excludes information regarding these types of items.

(c) Our presentation of diluted adjusted net income (loss) per share excludes 206 million shares considered antidilutive when calculating diluted earnings per share in accordance with GAAP.

CHESAPEAKE ENERGY CORPORATION
RECONCILIATION OF ADJUSTED EBITDA
($ in millions)
(unaudited)

THREE MONTHS ENDED:	September 30, 2017	September 30, 2016
EBITDA	$ 345	$ (865)
Adjustments:		
Unrealized (gains) losses on commodity derivatives	101	(163)
Unrealized losses on supply contract derivatives	—	280
Provision for legal contingencies	20	8
Impairment of oil and natural gas properties	—	497
Impairments of fixed assets and other	9	751
Net gains on sales of fixed assets	(1)	—
(Gains) losses on purchases or exchanges of debt	1	(87)
Net income attributable to noncontrolling interests	(1)	(1)
Other	(6)	1
Adjusted EBITDA[(a)]	$ 468	$ 421

(a) Adjusted EBITDA excludes certain items that management believes affect the comparability of operating results. The company believes these non-GAAP financial measures are a useful adjunct to EBITDA because:

(i) Management uses adjusted EBITDA to evaluate the company's operational trends and performance relative to other oil and natural gas producing companies.

(ii) Adjusted EBITDA is more comparable to estimates provided by securities analysts.

(iii) Items excluded generally are one-time items or items whose timing or amount cannot be reasonably estimated. Accordingly, any guidance provided by the company generally excludes information regarding these types of items.

Accordingly, adjusted EBITDA should not be considered as a substitute for net income, income from operations or cash flow provided by operating activities prepared in accordance with GAAP.

CORPORATE INFORMATION

HEADQUARTERS

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Vice President – Investor Relations and Communications

DOMENIC J. DELL'OSSO, JR.
Executive Vice President and Chief Financial Officer

Investor Relations department can be reached at ir@chk.com

CHK LISTED NYSE

PUBLICLY TRADED SECURITIES	CUSIP	TICKER
7.25% Senior Notes due 2018	#165167CC9	CHK18A
3mL + 3.25% Senior Notes due 2019	#165167CM7	CHK19
6.625% Senior Notes due 2020	#165167CF2	CHK20A
6.875% Senior Notes due 2020	#165167BU0	CHK20
6.125% Senior Notes due 2021	#165167CG0	CHK21
5.375% Senior Notes due 2021	#165167CK21	CHK21A
8.00% Senior Secured Second Lien Notes due 2022	#165167CQ8 #U16450AT2	N/A N/A
4.875% Senior Notes due 2022	#165167CN5	CHK22
5.75% Senior Notes due 2023	#165167CL9	CHK23
8.00% Senior Notes due 2025	#165167CT2 #165167CX3 #U16450AU99 #U16450AW55	N/A N/A N/A N/A
8.00% Senior Notes due 2027	#165167CV7 #U16450AV7	N/A N/A
5.50% Contingent Convertible Senior Notes due 2026	#165167CR6	N/A
2.25% Contingent Convertible Senior Notes due 2038	#165167CB1	CHK38
4.5% Cumulative Convertible Preferred Stock	#165167842	CHK PrD
5.0% Cumulative Convertible Preferred Stock (Series 2005B)	#165167834/ #165167826	N/A
5.75% Cumulative Convertible Preferred Stock	#U16450204/ #165167776/ #165167768	N/A
5.75% Cumulative Convertible Preferred Stock (Series A)	#U16450113/ #165167784/ #165167750	N/A
Chesapeake Common Stock	#165167107	CHK

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