

**Chesapeake Energy
Corporation Announces
Updated Outlook and 1Q 2001
Earnings Release and
Conference Call Date**

PRNewswire
OKLAHOMA CITY

The following was released today by Chesapeake Energy Corporation:

Chesapeake Energy Corporation has scheduled its first quarter 2001 earnings release to be issued after the close of trading on the New York Stock Exchange on Thursday, April 26, 2001.

A conference call is scheduled for Friday morning, April 27, 2001 at 8:00 am CDT to discuss the release. The telephone number to access the conference call is 913.981.4911.

For those unable to participate in the conference call, a replay will be available for audio playback at 11:00 am CDT on April 27, 2001, and will run through midnight Thursday, May 10, 2001. The number to access the conference call replay is 719.457.0820; passcode for the replay is 709290.

The conference call will also be simulcast live on the internet and can be accessed either by going directly to the Chesapeake website at <http://www.chkenergy.com/> and selecting "Shareholder Information", or by going directly to <http://www.vcall.com/>. For those who cannot listen to the live broadcast, a replay will be available shortly after the call and will be available for approximately ninety days thereafter.

The company also has scheduled the internet webcast of its presentation at the Independent Petroleum Association of America conference on Thursday, April 19, 2001 at 3:30 pm EDT. Interested parties may also access that simulcast by visiting our website and selecting "Shareholder Information."

Chesapeake Energy Corporation is among the 10 largest independent natural gas producers in the U.S. Headquartered in Oklahoma City, the company's operations are focused on exploratory and developmental drilling and producing property acquisitions in the Mid-Continent region of the United States. The company's Internet address is <http://www.chkenergy.com/>.

CHESAPEAKE ENERGY CORPORATION
OUTLOOK

April 16, 2001

Quarters Ending March 31 and June 30, 2001; Years Ending December 31, 2001 and 2002.

We have adopted a policy of providing investors with guidance on certain factors that affect our future financial performance. As of April 16, 2001, we are using the following key operating assumptions in our projections for the first two quarters of 2001 and full years 2001 and 2002. Please note that our outlook now incorporates earnings per share estimates. The key operating assumptions for 2001 include the completion of the merger with Gothic Energy Corporation which occurred on January 16, 2001.

| | Qtrr Ending March 31, 2001 | Qtrr Ending June 30, 2001 | Year Ending Dec. 31, 2001 | Year Ending Dec. 31, 2002 |
|---|----------------------------------|---------------------------------|---------------------------------|---------------------------------|
| Estimated Production | | | | |
| Oil - Mbo | 600 - 675 | 700 - 750 | 2,750 - 3,250 | 3,000 - 3,500 |
| Gas - Bcf | 35 - 36 | 34 - 36 | 154 - 160 | 162 - 168 |
| Gas Equivalent - Bcfe | 38.5 - 40 | 38.5 - 41 | 170 - 180 | 183 - 187 |
| Estimated NYMEX Prices | | | | |
| Oil - \$/Bo | \$28.73 | \$25.00 | \$25.43 | \$23.00 |
| Gas - \$/Mcf | \$7.05 | \$5.12 | \$5.61 | \$4.19 |
| Estimated Differentials to NYMEX Prices | | | | |
| Oil - \$/Bo | -\$0.80 | -\$0.80 | -\$0.80 | -\$0.80 |
| Gas - \$/Mcf | -\$0.50 | -\$0.40 | -\$0.40 | -\$0.35 |
| Estimated Hedging Effects (based on expected NYMEX prices above) | | | | |
| Oil - \$/Bo | +\$0.89 | +\$3.24 | +\$2.80 | +\$0.47 |
| Gas - \$/Mcf | -\$0.89 | -\$0.09 | -\$0.18 | +\$0.32 |
| Estimated Realized Prices (includes hedging) | | | | |
| Oil - \$/Bo | \$29.28 | \$27.44 | \$27.38 | \$22.67 |
| Gas - \$/Mcf | \$5.60 | \$4.63 | \$4.97 | \$4.16 |
| Gas Equivalent - \$/Mcfe | \$5.53 | \$4.62 | \$4.92 | \$4.11 |
| Operating Costs per Mcfe | | | | |
| Production expense | \$0.45 - 0.50 | \$0.45 - 0.50 | \$0.45 - 0.50 | \$0.45 - 0.50 |
| Production taxes (6.5% of O&G revenues) | \$0.38 - 0.42 | \$0.28 - 0.32 | \$0.32 - 0.35 | \$0.23 - 0.27 |
| General and admini- strative | \$0.09 - 0.11 | \$0.09 - 0.11 | \$0.10 - 0.11 | \$0.09 - 0.11 |
| DD&A - oil and gas | \$0.90 - 0.93 | \$0.96 - 0.99 | \$1.00 - 1.06 | \$1.08 - 1.12 |
| Depreciation | | | | |

| | | | | |
|-----------------|---------------|------------------|------------------|---------------|
| of other | | | | |
| assets | \$0.05 - 0.06 | \$0.05 - 0.06 | \$0.05 - 0.06 | \$0.05 - 0.06 |
| Interest | | | | |
| expense | \$0.66 - 0.70 | \$0.74 - 0.78 | \$0.58 - 0.62 | \$0.45 - 0.49 |
| Other Income | | | | |
| and expense | | | | |
| per mcfe(B)(C) | | | | |
| Marketing gross | | | | |
| profit | \$0.02 - 0.04 | \$0.02 - 0.04 | \$0.02 - 0.04 | \$0.02 - 0.04 |
| Other | | | | |
| income | \$0.01 - 0.03 | \$0.01 - 0.03 | \$0.01 - 0.05 | \$0.01 - 0.05 |
| Book Tax Rate - | | | | |
| primarily | | | | |
| deferred | 35 - 40% | 35 - 40% | 35 - 40% | 35 - 40% |
| Equivalent | | | | |
| shares | | | | |
| outstanding | | | | |
| Basic | 157,500 m | 162,200 m | 162,500 m | 166,000 m |
| Diluted | 170,800 m | 170,800 m | 171,000 m | 173,000 m |
| Earnings per | | | | |
| share - | | | | |
| fully | | | | |
| diluted | \$0.40 - 0.42 | \$0.27 - 0.29(C) | \$1.43 - 1.48(C) | \$1.10 - 1.15 |

Capital Expenditures:

| | | | | |
|----------|------------|------------|-------------|-------------|
| Drilling | \$75,000 - | \$78,000 - | \$300,000 - | \$315,000 - |
| | \$80,000 m | \$82,000 m | \$325,000 m | \$345,000 m |

Sensitivity to

price change -

for each \$1.00/bbl

| | | | | |
|--------|------------|------------|------------|------------|
| PV 10% | \$15 mm(A) | \$15 mm(A) | \$15 mm(A) | \$15 mm(A) |
|--------|------------|------------|------------|------------|

Cash flow

from

| | | | | |
|------------|-------------|-------------|---------------------|---------------------|
| operations | \$0.7 mm(A) | \$0.7 mm(A) | \$2.5 - \$3.0 mm(A) | \$2.5 - \$3.0 mm(A) |
|------------|-------------|-------------|---------------------|---------------------|

Sensitivity to

price change -

for each \$0.10/mcf

| | | | | |
|--------|---------|---------|---------|---------|
| PV 10% | \$72 mm | \$72 mm | \$72 mm | \$72 mm |
|--------|---------|---------|---------|---------|

Cash flow from

| | | | | |
|------------|----------|----------|----------------|----------------|
| operations | \$4.0 mm | \$4.0 mm | \$15 - \$16 mm | \$15 - \$16 mm |
|------------|----------|----------|----------------|----------------|

(A) Current reserves inclusive of Gothic reserves.

(B) Does not include non-recurring charges of an estimated \$3.4 million (pre-tax) related to the Gothic acquisition in quarter ended 3/31/01.

(C) Does not include an anticipated extraordinary charge of \$44 mm (after-tax) related to early debt extinguishment in quarter ended 6/30/01.

Commodity Hedging Activities

Periodically the Company utilizes hedging strategies to hedge the price of a portion of its future oil and gas production. These strategies include:

- (i) swap arrangements that establish an index-related price above which the Company pays the counterparty and below which the Company is paid by the counterparty,

- (ii) the purchase of index-related puts that provide for a "floor" price below which the counterparty pays the Company the amount by which the price of the commodity is below the contracted floor,
- (iii) the sale of index-related calls that provide for a "ceiling" price above which the Company pays the counterparty the amount by which the price of the commodity is above the contracted ceiling,
- (iv) basis protection swaps, which are arrangements that guarantee the price differential of oil or gas from a specified delivery point or points, and
- (v) collar arrangements that establish an index-related price below which the counterparty pays the Company and a separate index-related price above which the Company pays the counterparty.

Commodity markets are volatile, and as a result, Chesapeake's hedging activity is dynamic. As market conditions warrant, the Company may elect to settle a hedging transaction prior to its scheduled maturity date and, as a result, realize a gain or loss on the transaction.

Results from commodity hedging transactions are reflected in oil and gas sales to the extent related to the Company's oil and gas production. The Company only enters into commodity hedging transactions related to the Company's oil and gas production volumes or CEMI's physical purchase or sale commitments. Gains or losses on crude oil and natural gas hedging transactions are recognized as price adjustments in the months of related production.

The Company has entered into the following "no-cost" natural gas collar transactions:

| | Estimated Monthly Volume (mmbtu) | % of Production | NYMEX-Index Floor Price (per mmbtu) | NYMEX-Index Ceiling Price (per mmbtu) |
|-----------------|--|--------------------|---|---|
| 2001 | | | | |
| April | 1,800,000 | 15% | \$4.00 | \$6.08 |
| May | 1,860,000 | 16% | 4.00 | 6.08 |
| June | 2,400,000 | 19% | 4.25 | 6.26 |
| July | 2,480,000 | 19% | 4.25 | 6.26 |
| August | 2,480,000 | 19% | 4.25 | 6.26 |
| September | 2,400,000 | 18% | 4.25 | 6.26 |
| October | 1,860,000 | 13% | 4.00 | 6.08 |
| November | 1,800,000 | 13% | 4.00 | 6.08 |
| December | 1,860,000 | 13% | 4.00 | 6.08 |
| Totals/Averages | 18,940,000 | 16% | \$4.11 | \$6.16 |
| 2002 | | | | |
| January | 620,000 | 5% | \$4.00 | \$5.75 |
| February | 560,000 | 5% | 4.00 | 5.75 |
| March | 620,000 | 4% | 4.00 | 5.75 |
| April | 1,200,000 | 9% | 4.00 | 5.38 |
| May | 1,240,000 | 9% | 4.00 | 5.38 |
| June | 1,200,000 | 9% | 4.00 | 5.38 |
| July | 1,240,000 | 9% | 4.00 | 5.38 |
| August | 1,240,000 | 9% | 4.00 | 5.38 |
| September | 1,200,000 | 9% | 4.00 | 5.38 |
| October | 1,240,000 | 9% | 4.00 | 5.38 |
| November | 600,000 | 5% | 4.00 | 5.75 |
| December | 620,000 | 4% | 4.00 | 5.75 |

| | | | | |
|-----------------|------------|----|--------|--------|
| Totals/Averages | 11,580,000 | 7% | \$4.00 | \$5.53 |
|-----------------|------------|----|--------|--------|

The Company has entered into the following natural gas swap arrangements:

| Months | Monthly Volume (MMBtu) | Estimated % of Production | NYMEX- Index Strike Price (per MMBtu) |
|------------------------|------------------------------|---------------------------------|--|
| January 2001 | 4,960,000 | 40% | \$6.03 |
| February 2001 | 5,320,000 | 49% | 6.12 |
| March 2001 | 4,650,000 | 36% | 5.11 |
| April 2001 | 5,400,000 | 46% | 4.84 |
| May 2001 (A) | 8,060,000 | 69% | 4.97 |
| June 2001 (A) | 6,600,000 | 53% | 5.04 |
| July 2001 (A) | 6,820,000 | 51% | 5.05 |
| August 2001 (A) | 6,820,000 | 51% | 5.05 |
| September 2001 (A) | 6,600,000 | 50% | 5.02 |
| October 2001 (A) | 4,340,000 | 31% | 5.58 |
| November 2001 (A) | 4,200,000 | 30% | 5.90 |
| December 2001 (A) | 4,340,000 | 30% | 6.01 |
| January 2002 (A) | 4,650,000 | 34% | 5.98 |
| February 2002 (A) | 4,200,000 | 33% | 5.78 |
| March 2002 (A) | 4,650,000 | 33% | 5.43 |
| April 2002 (A) | 5,700,000 | 42% | 4.85 |
| May 2002 (A) | 5,890,000 | 42% | 4.81 |
| June 2002 (A) | 5,700,000 | 42% | 4.80 |
| July 2002 (A) | 5,890,000 | 42% | 4.81 |
| August 2002 (A) | 5,890,000 | 42% | 4.81 |
| September 2002 (A) | 5,700,000 | 42% | 4.81 |
| October 2002 (A) | 5,890,000 | 42% | 4.80 |
| November 2002 (A) | 2,100,000 | 16% | 4.97 |
| December 2002 (A) | 2,170,000 | 15% | 5.06 |
| Totals/Averages | | | |
| (2001 & 2002 combined) | 126,540,000 | 35% | 5.23 |

(A) Cap swap - limits payment by counter party to \$1.00-\$1.50/mmbtu.

The Company has entered into crude oil swap arrangements designed to hedge 5,000 barrels per day at a NYMEX Index strike price of \$29.76 per barrel in January through December 2001, and 10,000 barrels per month at an average price of \$29.12 per barrel.

The information in this release includes certain forward-looking statements that are based on assumptions that in the future may prove not to have been accurate. Those statements, and Chesapeake Energy Corporation's business and prospects, are subject to a number of risks, including production variances from expectations, uncertainties about estimates of reserves, volatility of oil and gas prices, the need to develop and replace reserves, the substantial capital expenditures required to fund operations, environmental risks, drilling and operating risks, risks related to exploratory and developmental drilling, competition, government regulation, and the ability of the company to implement its business strategy. These and other risks are described in the company's documents and reports that are available from the United States Securities and Exchange Commission, including those discussed under Risk Factors in the report

filed on Form 10-K for the year ended December 31, 2000.

SOURCE: Chesapeake Energy Corporation

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Website: <http://www.chkenergy.com/>

Company News On-Call: <http://www.prnewswire.com/comp/138877.html> or fax, 800-758-5804, ext. 138877

<https://investors.chk.com/2001-04-16-Chesapeake-Energy-Corporation-Announces-Updated-Outlook-and-1Q-2001-Earnings-Release-and-Conference-Call-Date>